ST LUKE'S HOSPICE (HARROW AND BRENT) LTD

England & Wales · Charity number 298555

Details

Other names	ST LUKE'S KENTON GRANGE HOSPICE
Status	Registered
Legal form	Charitable company
Company number	02141770
Registered	1988-02-15
Register	View on the Charity Commission register

Contact

Address	385 Kenton Road Harrow Middlesex HA3 0YG
Phone	0208 382 8000
Email	info@stlukes-hospice.org
Website	www.stlukes-hospice.org

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Activities

Objects: 3 OBJECTS3.1 THE OBJECTS FOR WHICH THE CHARITY IS ESTABLISHED FOR THE PUBLIC BENEFIT (OBJECTS) ARE:3.2 THE RELIEF OF SICKNESS AND THE PRESERVATION OF HEALTH OF THOSE SUFFERING FROM ANY LIFE LIMITING ILLNESS, PRIMARILY BUT NOT EXCLUSIVELY, WITHIN THE AREAS OF THE LONDON BOROUGHS OF HARROW AND BRENT BY:3.2.1 MAINTAINING A HOSPICE PROVIDING PALLIATIVE AND END OF LIFE CARE IN A RANGE OF SETTINGS;3.2.2 PROMOTING AND PROVIDING SERVICES, SUPPORT AND CARE FOR THEM, THEIR FAMILIES, FRIENDS, AND CARERS TO HELP RELIEVE PHYSICAL, EMOTIONAL, MENTAL, OR SPIRITUAL DISTRESS;3.2.3 PROMOTING AND PROVIDING EDUCATION ABOUT ALL ASPECTS OF PALLIATIVE AND END OF LIFE CARE;3.2.4 CARRYING OUT RESEARCH INTO THE DEVELOPMENT AND IMPROVEMENT OF CARE SERVICES, IN PARTICULAR ALL ASPECTS OF PALLIATIVE AND END OF LIFE CARE; AND 3.2.5 PROMOTING AND PROVIDING OTHER SERVICES AND SUPPORT IN SUCH WAYS AS THE TRUSTEES SHALL FROM TIME TO TIME THINK FIT THROUGH THE PROVISION OF HEALTH AND SOCIAL CARE SERVICES OF ALL TYPES.3.3 IN THESE ARTICLES, CHARITABLE MEANS CHARITABLE IN ACCORDANCE WITH THE LAW OF ENGLAND AND WALES PROVIDED THAT IT WILL NOT INCLUDE ANY PURPOSE WHICH IS NOT CHARITABLE IN ACCORDANCE WITH SECTION 7 OF THE CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005 AND / OR SECTION 2 OF THE CHARITIES ACT (NORTHERN IRELAND) 2008. FOR THE AVOIDANCE OF DOUBT, THE SYSTEM OF LAW GOVERNING THE CONSTITUTION OF THE CHARITY IS THE LAW OF ENGLAND AND WALES.

Activities: Provision of hospice/specialist palliative care services, including in-patient, daycare and outpatient clinics, community services and family support plus education in palliative care

Classification

- **How:** Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** BRENT AND HARROW LBS
- Brent
- Harrow

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Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£9,779,000	£9,897,000	£12,761,000	143
2023-12-31	£9,688,000	£9,683,000	£12,879,000	152
2022-12-31	£9,531,000	£9,023,000	£12,710,000	156
2021-12-31	£9,871,000	£8,029,000	£12,524,000	131
2020-12-31	£9,590,000	£7,681,000	£10,527,000	126

Trustees

Name	Role	Appointed
CHRISTINE GLENN		2017-10-05
Chandni Radia		2023-09-14
Claire Victoria Melia-Tompkins		2018-08-30
Jatin Patel		2023-09-14
Margaret Lustman		2023-03-09
Natalie Butler		2023-09-14
Neel Rajendrakumar Radia		2020-08-13
Paul Hill		2020-08-13
Rajendra Thakrar		2020-08-13
Sara Muir		2026-05-01
Sarah Gigg		2023-09-14
Sarah Livingston		2020-08-13
Stephen Spiro		2023-09-14

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ST LUKE'S HOSPICE (HARROW AND BRENT) LTD

England & Wales - Charity number 298555

Accounts



St Luke's HOSPICE

Annual Report & Consolidated Financial Statements

For the year ended 31 December 2024

Registered Charity Number: 298555
Company Number: 02141770
St. Luke's Hospice (Harrow & Brent) Ltd

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1. INTRODUCTION FROM THE CHAIR OF TRUSTEES



In 2024 we continued to provide valuable and valued palliative and end-of-life services to the Harrow and Brent communities across our core and new services at a time of rising demand in a challenging environment

With over 30 years' experience, St Luke's continues to strive to ensure that our services reflect the community's needs and that our future can be assured in order to serve and support future generations. The positive experience of helping more patients and families with our wider portfolio of services is a true achievement, only possible due to the hard work of our team and the generosity of our volunteers and supporters.

Over the past year it has become even more evident that change is needed in the hospice sector generally and St Luke's is no exception. As a Board, we have approved a new Strategy that focuses on aligning improved quality of care with reinvigorated resources to match the evolving needs of our patients and their families. To do this at a time of ongoing financial pressures requires optionality, intelligence and resilience, all of which we are beginning to weave into the fabric of our organisation.

Furthermore it has become necessary to address long-term investment into our landmark building, Kenton Grange. The need to modernise the space that is so important to our day- and in-patients and their families as well as our teams has become pressing and we recognise that a multi-year programme of development and investment will be required.

Given that transformation of this scale requires time and careful planning, there is a shared understanding that the charity's financial outcomes will be challenging in the short term. Notwithstanding this strategic perspective, the Board is committed to be financially responsible and to restoring the organisation to a position whereby costs are fully covered by more sustainable income streams.

Despite the uncertainty that change and challenge present, our work is important and we are blessed with a strong community of supporters whose generosity is outstanding. I would also like to acknowledge the efforts of all teams, volunteers and trustees whose hard work is so appreciated.

There is much still to be done and we are confident that, with the continued backing of all our valuable supporters and our excellent team, we will find the St Luke's future model for the next 30 years and more.

Meg Lustman

2. ABOUT ST LUKE'S HOSPICE

a) Vision
A world where people experience the best possible last phase of life.

b) Values
Caring – Care of all those who deliver and need our services
Respect – Demonstrate respect and be open minded, inclusive and approachable
Excellence – Create an environment of continually achieving our goals
Inclusivity – Strive to reach all sections of our community in all areas of work
Empowerment – Empower our community to live a better life

c) Strategy 2025-28
During 2024, St Luke's developed a new three year strategy. It reflects the diverse and increasing needs of our community for end-of-life support and care, and the challenging external funding landscape for charitable hospices.

The London boroughs of Harrow and Brent are two of the most ethnically and culturally diverse boroughs in London, with high rates of deprivation. Our populations in these boroughs are also ageing, and across the UK more people are dying or living with life-limiting conditions.

Our strategy focuses on adapting our care services to improve provision and accessibility for our community. We will do this by working with the NHS, other charitable hospices, local government and communities in the London boroughs of Harrow and Brent.

At the heart of our strategy is our response to the financial challenges that the charitable hospice sector is facing where funding has not kept pace with rising costs, increased demand and the changing needs of our population. Our strategy reflects the urgent need to achieve sustainable funding for St Luke's Hospice in both the short- and longer-term.

We have three Strategic Goals, with associated delivery priorities, and activities that form the hospice's operational plan.

1. Quality of care
We will be the best hospice we can possibly be, providing high quality and compassionate hospice care and support to all people and their families who come into St Luke's or require our care at home.

Our delivery priorities:

1. Deliver responsive, personalised, high-quality, and compassionate care and support to more people and their families.
2. Provide early support to individuals with life-limiting illnesses, helping them maintain their quality of life.
3. Improve the provision of high-quality compassionate care using our clinical quality framework.
4. Enhance our compliance with best practices and regulatory standards throughout all aspects of our operations.

To achieve this, we will:

- Implement a new model of service delivery.
- Investigate opportunities for enhancing the use of our hospice ward (inpatient unit) to match the needs of the population and improve the hospice's sustainability.
- Expand and promote our Pall 24 Helpline as a single point of access for patients and families to expert advice, care and support 24 hours a day.
- Introduce a new Living Well programme to provide early support, reflecting the views of people with lived experience and other local stakeholders.
- Expand our respite care and support service for patients and carers through increased engagement with service users, local partners and improved referrals.
- Expand our bereavement support service including:
    - Introduce home visits to ensure equity of access to bereavement support.
    - Introduce a model of bereavement support for children and young people, supported by activities and events for children and young people, working collaboratively with stakeholders/agencies in this field.
- Design an educational programme for clinical staff that is aligned with service needs and their competency framework.
- Deliver an enhanced programme of audit, quality improvement projects and research.

2. Serving our community
We will embed ourselves at the heart of our local community through increased engagement and by working in partnership to provide high quality and compassionate hospice care and support to our community.

Our delivery priorities:

1. Strengthen St Luke's role as a leading voice in palliative care in Harrow and Brent, by providing advice, guidance, and education, in partnership with health, social care, and community organisations.
2. Build our relationships with our local community to establish St Luke's as the charity of choice for palliative care, support, and advice in Harrow and Brent.
3. Expand our engagement with diverse communities to better understand their needs and enhance our care and support services.

To achieve this, we will:

- Engage with local NHS primary care providers to increase knowledge and understanding of St Luke's services and increase referrals, particularly in areas of the boroughs where referrals are currently low.
- Engage with local NHS Trusts/secondary care providers to ensure effective working relationships and understanding of our services, and to increase referrals.
- Establish partnerships with local authority/voluntary sector organisations to improve knowledge of St Luke's services and support for patients and families.
- Develop and sustain meaningful collaboration with local faith leaders and community groups.

- Develop opportunities to provide expert training on palliative care to external partners including local health and social care organisations and voluntary sector.
- Increase public awareness of St Luke's care and services through enhanced communications including digital marketing.

3. Sustainability

We will deliver strong leadership, financial stability, and dependable income sources, supported by a skilled team of employees and volunteers ready to face future challenges.

Our delivery priorities:

1. Create dependable and efficient revenue sources through our fundraising campaigns, retail and other commercial activities.
2. Work with our NHS partners to secure equitable and sustainable funding for our clinical services.
3. Create an organisation culture where people are valued, included, and developed to perform to the best of their abilities to deliver St Luke's strategic goals.
4. Design our estates and infrastructure to be responsive to the current and future needs of St Luke's and our community.

To achieve this, we will:

- Focus our fundraising on activities that maximise income generation and achieve year-on-year growth.
- Implement the recommendations of our retail strategy review to maximise the profit contribution of our retail network.
- Play a leading role in the development and implementation of North West London Integrated Care Board's new Model of Care for community specialist palliative care in Harrow and Brent, making the case for sustainable funding for charitable hospices.
- Develop policies to support Equity, Diversity, Inclusion in the workplace.
- Introduce individual objectives and personal development planning for all staff through a new Appraisal Policy.
- Review our arrangements for pay, reward and recognition.
- Develop and promote wellbeing initiatives for staff and volunteers including Mental Health First-Aiders.
- Determine future opportunities for our estates including Kenton Grange, exploring commercial ventures and partnership possibilities.

Key enablers

To deliver our strategic goals, our strategy is underpinned and enabled by:

1. Sound financial management; robust finances and targets; accurate analysis; and accurate and timely management information.
2. Creative and innovative communications and marketing tailored to our target audiences and aimed at raising the profile of St Luke's as we endeavour to be the best hospice we can possibly be.

d) Main Activities

The Charity's main focus is to provide specialist palliative care to the people of Harrow and Brent facing life-limiting illnesses. Our care includes:

Community based care

We provide specialised care for patients and families with life-limiting conditions within their own homes, including specialist palliative care nursing, crisis response care, and respite care, delivered by our Hospice at Home team and specialist palliative care nurses.

Two-thirds of our care is provided in the comfort of peoples' homes, as we respect that this is where most people would like to be looked after. Our specialist community team of nurses helps people to manage more complex needs whilst our Hospice at Home team provides care that allows people to remain in their own homes by providing practical care and support. Our consultants offer outpatient appointments in the community and also at the hospice's main building, Kenton Grange.

Inpatient Unit

We provide specialist care to patients who can't be cared for in the community, including symptom control, specialist respite care and end of life care delivered by a multi-disciplinary team of nurses, doctors, healthcare assistants, physiotherapists and social workers.

Our 12-bed inpatient unit (IPU) at Kenton Grange cares for people in their final days, providing intensive care to help get symptoms under control or give respite care. Many of those who are cared for in our IPU often return home again.

Patient and Family Support Services

We provide a programme of emotional and practical support to patients and their families living with life-limiting conditions, delivered by our specialist team of palliative care social workers, family support workers, and trained volunteers.

Our services are intended to keep people feeling well, independent and mobile for as long as possible. Our holistic approach to care is intended to support people's wellbeing, including emotional support through services such as social work, spiritual care, exercise groups, advice on welfare benefits, advance care planning support, complementary therapy and physiotherapy services.

In addition to caring for our patients, we also provide bereavement support to family members and carers, through our team of trained, supervised volunteers.

Pall 24

We provide 24-hour expert support to patients, families and professionals over the telephone, delivered by our experienced clinical staff. Our team provides advice, a rapid response in times of crisis and effectively co-ordinates care, from arranging prescriptions, to getting vital equipment delivered – anything people need to avoid going to hospital and to stay comfortably in their homes.

3. SERVICE REVIEW

Our service activity data reports for the financial period 1 April 2024 to 31 March 2025, in line with local statutory reporting requirements.

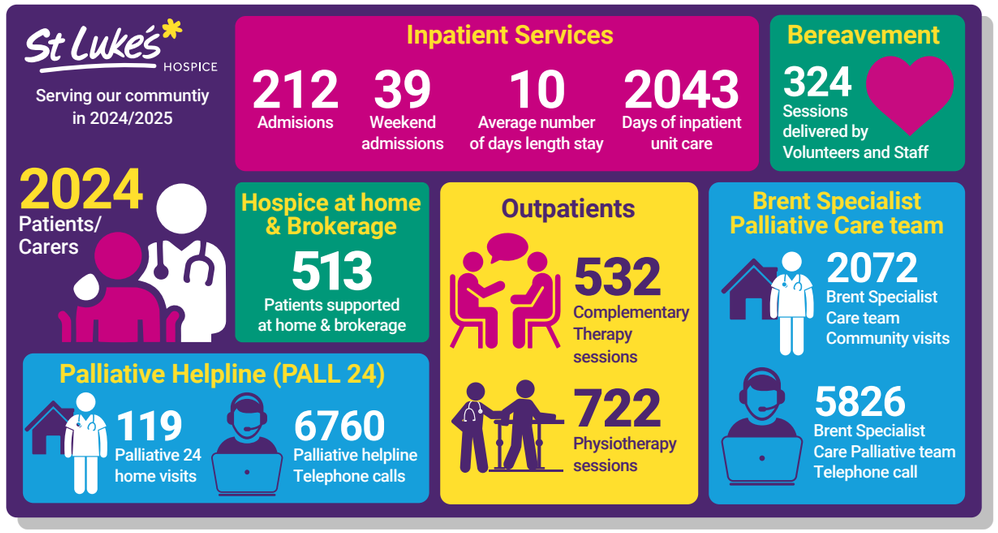
St Luke's Hospice supported 2020 service users (2023: 2069).

Our specialist palliative care community team (Brent) carried out 2072 visits to patients in their homes, which represents an increase of 10% from the previous year (2023: 1884).

Our Inpatient unit saw 212 admissions in 2024, which is consistent with admissions in 2023. The Inpatient unit continues to accept admission 7 days a week which resulted in 39 weekend admissions in 2024.

A particular highlight for 2024 is the increased activity across all areas of patient and family support services to promote and support independence, acknowledging the power and benefits of bringing people together to socialise and learn from each other.

- We implemented additional group activities to reach more people across our service, pre and post bereavement, including walk and talk, chair yoga, sound relaxation and retreat days.
- We provided 2207 social work sessions compared to 2119 in 2023 (an increase of 4%) and this service continues to grow into 2025 reflecting the demand for psycho-social and emotional support.
- We recruited an additional 35 volunteers within the bereavement and complementary therapy services. All volunteers in these services receive ongoing training, supervision and reflective practice.
- We supported a larger group of people affected by complex psychosocial issues, for example. unsettled immigration status, homelessness and mental ill-health.
- Our team received commendation from North West London ICB for our work on Reducing Health Inequalities.



4. STRATEGIC REPORT

a. Achievements and Performance

In the 2023 Annual Report and Statutory Accounts, the following delivery priorities were identified for 2024.

1. **We will deliver a new strategy for 2025-2028**
   - During 2024, St Luke's developed a new strategy focused on three Strategic Goals: Quality of Care, Serving our Community and Sustainability. The strategy started in January 2025 and is supported by a detailed operational plan and KPI's, and quarterly reporting to the Board of trustees.

2. **We will work with the North West London ICB on the development of a new Model of Care**
   - During 2024, we have been a key partner in the North West London ICB's work programme to develop a new Model of Care for community specialist palliative care services. This included St Luke's Hospice involvement in advisory and working groups, consultations, and working in partnership with NHS and charity organisations to plan the implementation of the new Model of Care.
   - Alongside, we have reviewed our own clinical service model, involving service users and clinical teams to consider how we can better meet the needs of our populations of Harrow and Brent. Our new service model will be implemented during 2025.

3. **We will improve the performance and contribution of our retail network**
   - St Luke's Hospice Charity Shops Ltd (a trading company solely owned by St Luke's Hospice) experienced a downturn in profit in 2023 which was forecast to continue into 2024 and 2025. This was a result of lower sales, poorer quality donations, a fall in footfall on the high street, and increased costs due to inflation across our network of 16 shops, all factors experienced across the charity retail sector. Our retail network contributes a third of our total income each year.
   - Urgent actions were implemented from the start of 2024 to improve performance.
     - We commissioned the Charity Retail Consultancy to carry out a retail strategy review.
     - We updated the governance of our trading company to enhance oversight and decision-making.
     - We restructured the leadership of the retail company, introducing new charity retail expertise into the business.
     - We delivered a bespoke retail management development programme.
     - We improved the alignment between retail and hospice central teams including enhanced marketing and communications support.

4. **We will implement new fundraising initiatives including a new lottery partnership and we will join national campaigns that will increase awareness of hospice funding as well as fundraising.**

   - St Luke's Hospice has entered into a new lottery arrangement with Local Hospice Lottery partnership, moving from in-house delivery during 2025.
   - We took part in the Big Give fundraising campaign for the first time, raising £30k.
   - We participated in a Hospice UK National Legacy Campaign with 143 hospices across the UK to raise the importance and awareness of leaving Gifts in Wills.
   - We undertook an external review of our fundraising to plan for growth and efficiencies in the years ahead.
   - We participated in Hospice UK national campaigns to raise awareness of the funding challenges for hospices. In October, we hosted a visit from our local MP, Gareth Thomas, who wrote to the North West London ICB on our behalf about the need for a more equitable funding model for charitable hospices.

5. **We will prioritise the delivery of our strategic ambitions around developing and valuing our People.**

   Good progress has been made in strengthening our people processes and infrastructure.

   - We introduced a new learning and development programme across the hospice, including lunchtime sessions, online training opportunities and a hospice-wide management programme, People Management – the Essentials, which has been attended by all managers. A bespoke programme for retail managers was also implemented, and work started on a nurse competency framework.
   - The clinical education team launched a new approach to supporting reflective practice for clinicians.
   - The People Committee and Remuneration Committee were established, providing governance and strategic thought leadership.
   - The internal People Policy Review Group was established to review and update our people policies, with a target completion date of December 2025.
   - We retained Investors In People (IIP) accreditation and undertook an IIP staff survey.
   - A new focus on individual and personal development planning was introduced, to be expanded during 2025.

6. **We will ensure that St Luke's estate is fit for purpose and fit for the future to deliver the services our local community needs at end of life.**

   - In 2024, we commissioned a Feasibility Study of our hospice building, Kenton Grange, by Newmark (a property consultancy with expertise in health and charity sectors). Newmark provided options for the long-term sustainability of Kenton Grange, identifying a planned maintenance programme for the next 10 years. The recommendations and strategic implications will be considered by the Board of trustees during 2025 and a programme of capital works will follow.

b. The Year Ahead

In 2025, we will deliver a programme of activities that meet our delivery priorities set out in the Strategy 2025-2028 (see section 2.c Strategy 2025-2028). Progress will be reported in the Annual Report and Statutory Accounts for 2025.

In addition, the Board of trustees have approved three key transformation projects that are of highest priority with strategic implications for the future sustainability of the hospice.

1. St Luke's Service Model – shaping the future of our care
   Determining how our services will support the needs of our local population and community.

2. Kenton Grange Redevelopment Project
   Determining how our hospice building will support our service model and meet the needs of our local community.

3. NHS Funding and ICB Model of Care for Community Specialist Palliative Care Services

   Determining how we can achieve equitable and sustainable funding for our clinical services as a charity and co-commissioner of specialist palliative care services in Harrow and Brent.

c. Volunteers

At St Luke's, we are fortunate to have a dedicated community of volunteers who contribute their time and skills across most areas of our charity. From our award-winning gardening team of volunteers to the committed volunteers supporting our retail shops, their efforts are instrumental in helping us fulfil our mission of providing high-quality palliative and end-of-life care for the communities of Harrow and Brent.

Throughout 2024, our hospice volunteer numbers increased from 497 in 2023 to 521 in 2024, reflecting the ongoing dedication and commitment of our volunteers. In December, we were able to celebrate and recognise 41 volunteers who have worked for us for more than five years, with a handful of volunteers celebrating their 20 years of service.

Volunteers are crucial in the delivery of our services for patients and families. Our trained volunteers assist bereaved families in person or by phone through our bereavement programme and in 2024, we were delighted that the team won the prestigious Harrow Heroes Team of the Year award.

We continued to successfully recruit volunteers for key areas, including bereavement support, complementary therapy, reception services, retail, gardening, and office support, further enhancing the compassionate care we provide.

We are truly grateful for the unwavering generosity of our volunteers, whose contributions make a meaningful difference to the lives of our patients and their families.

d. Relationship with Stakeholders

St Luke's Hospice places great value on engagement with our stakeholders, building positive relationships across all areas of our work. In 2024, a Priority for Improvement was the development of a Patient Engagement Strategy, and we have introduced new and engaging ways to seek and receive feedback from our service users and their families.

We strive to build strong relationships with our local community, working with a range of faith groups, schools, businesses and local organisations to raise community awareness of our work and the services we provide. We were delighted to join together with the Trustees of the Shree Swaminarayan Mandir Kingsbury to be part of their Temple's ten-year celebrations and to host their spiritual leader during the summer of 2024. We were also very grateful to our Patron, The Lord Popat, for hosting a magnificent reception on our behalf at the House of Lords for over one hundred of our community and key stakeholders.

We continue to work closely with our NHS and local authority partners, including the local ICB, London North West University Hospitals NHS Foundation Trust and Brent Council Social Services. We are grateful for the interest and engagement from local Trusts and Foundations who fund our work, and voluntary sector partners. Our relationships with our charity hospice partners in the area remain strong, providing opportunities to share knowledge and experience, expertise and resources whenever possible, and working in partnership.

We engage with our staff across the hospice and our retail network through staff surveys, 'Staff Conversation' events with the CEO, and regular communications to keep staff informed and engaged. Many of our staff volunteer to help at fundraising events and we are very grateful for their engagement and support.

5. STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and administrative information set out at the end of the report form part of the formal report.

The purpose of the charity, as set out in its Articles of Association are "The relief of sickness and the preservation of health of those suffering from any life limiting illness, primarily but not exclusively, within the areas of the London Boroughs of Harrow and Brent by:

1. maintaining a Hospice providing palliative and end of life care for them in a range of settings;
2. promoting and providing services, support and care for them, their families, friends, and carers to help relieve physical, emotional, mental, or spiritual distress;
3. promoting and providing education about all aspects of palliative and end of life care;
4. carrying out research into the development and improvement of care services, in particular all aspects of palliative and end of life care; and
5. promoting and providing other services and support in such ways as the trustees shall from time to time think fit through the provision of health and social care services of all types."

a. Public Benefit

The charity exists to provide a palliative care end of life service for the residents of Harrow and Brent. In reviewing the objectives and activities for the year, the trustees have satisfied themselves that all our charitable activities focus on that care and further our charitable purposes for the public benefit. The trustees take into account Charity Commission guidance in this regard. The charity is a local organisation providing professional and compassionate services to the community in Harrow and Brent. It receives the majority of its funding from local individuals and organisations (including local NHS commissioning), therefore beneficiaries are mainly (although not exclusively) from the London boroughs of Harrow and Brent.

b. Corporate Structure

The Articles of Association govern the charity and set out its charitable objectives and powers. In 2023, updated Articles of Association were adopted with Charity Commission consent.

The organisation is a charitable company limited by guarantee, incorporated on 22 June 1987.

St. Luke's Hospice (Harrow & Brent) Ltd. has a wholly owned trading subsidiary, St. Luke's Hospice (Harrow & Brent) Charity Shops Ltd (company number 02454552) through which it operates a network of charity shops and a lottery. The trading subsidiary exists to maximise income for the hospice and all profits are donated to St Luke's Hospice using Gift Aid regulations. In 2024, a governance review was carried out for the trading company and new Articles of Association and Deed of Covenant were approved and adopted by the Board of trustees. In addition, a review of the lottery was undertaken and plans approved to move to an external lottery provider which will be fully implemented in 2025.

c. Governance

St Luke's Hospice is governed by a Board of trustees which meets at least 4 times a year. The Board of trustees is responsible for setting the strategic direction of the hospice. Additional Board business is carried out between formal meetings in line with procedures set out in the Articles of Association, including discussion, decisions and voting by email. In addition to attending Board meetings, every trustee sits on at least one Committee.

The hospice has five sub-committees:

- Finance & Performance Committee (F&P) – overseeing the financial performance of the hospice and the delivery of strategic objectives in line with resources, including income generation, marketing, IT, and estates management.
- Audit and Risk Committee (A&R) – overseeing risk management, governance, and compliance across the hospice.
- Clinical Governance Committee (CGC) – overseeing all areas of governance and compliance in relation to clinical services and patient safety.
- People Committee (PC) – overseeing all areas of people, culture and organisational development.
- Remuneration Committee (RemCo) – overseeing the remuneration of senior management.

The Board delegates day-to-day management of the charity to the Chief Executive Officer and the Executive Team.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 9 to the Accounts.

d. Appointment of Trustees

Trustees, including the Chair of trustees, are appointed by the Board following an open recruitment process including advertising, application and interview. The Board reviews the skills it needs in deciding selection criteria to maintain breadth of expertise. Once appointed a trustee will serve for an initial term of 3 years, with a maximum of 3 terms. In 2024, one trustee resigned from the Board.

e. Trustee Induction and Training

St Luke's Hospice operates a thorough induction programme for all new trustees, including engagement with our services, and meetings with the Chief Executive Officer and members of the Executive Team. Trustees are provided with a comprehensive pack of information for reference including the Charity Governance Code. All trustees are required to complete e-learning modules via the hospice's online training portal and are also offered relevant training courses. Annual appraisal of all trustees is conducted by the Chair and Vice-Chair. In addition, the Chair has an annual appraisal which is led by the Vice-Chair.

f. Principal Risks

St Luke's Hospice has further embedded its approach to risk management during 2024. The Audit and Risk Committee met three times during the year including a meeting with the hospice's auditors to review the audited accounts. A Board Assurance Framework and Corporate Risk Register has been embedded into practice and is supported and informed by an internal clinical governance framework.

Further development has taken place of the Vantage incident, risk and compliance management software during 2024. New modules have been implemented this year including the Care Quality Commission compliance module and the complaints and compliments module.

The Executive Team and the Audit and Risk Committee have agreed the organisation's principal risks which are regularly reviewed. Organisational policies and procedures are in place in relation to the principal risks.

Risk	Management / Mitigations
Clinical Services	Education and training provision Competency programmes Arrangements for clinical and consultant oncall
Financial sustainability	Finance and Performance Committee Regular monitoring of management accounts and financial position Approved budget for financial year Appointed auditors Financial recovery plan for 2025 and beyond
Transformation	Strategic objectives Board and Executive Team away days for strategic planning Internal staff engagement and communications Staff survey
Commissioning	Regular meetings with commissioners Contract in place Provision of monthly activity and quality data
Governance and compliance	Clinical Governance Committee and Board level committees Internal governance groups Risk, incident and complaint management Patient feedback measures and strategy
Employment law, HR and payroll compliance	Renumeration Committee Specialist advisor support Contracts of employment
The environment	Structural surveys Planned maintenance programme Strategic plan for building upgrade

Risk	Management / Mitigations
Infection prevention and control	External expert advisors Risk assessment Audit and monitoring programmes Training and education
Infrastructure	External IT contractor Cyber security
Safeguarding	Safeguarding lead and trustee with responsibility for safeguarding Safeguarding training and compliance monitoring Freedom to Speak Up Guardian
Health and safety	Health and Safety Group and Audit and Risk Committee Health and Safety competent advisors Various risk assessment Business Continuity Plan
Communication and engagement	Communications and marketing team Mailings, social media and engagement events
Workforce capability	People Committee Recruitment, probationary and appraisal processes Competency programmes Mandatory training and external training opportunities Education team
Workforce recruitment	People Committee Diverse recruitment methods
Data governance, security, privacy and quality	Information Governance Group Data Protection Officer, Senior Information Risk Officer, Caldicott Guardian Compliance with the Data Security and Protection Toolkit (DSPT)

g. Our People

There were, on average, 143 full-time and part-time (FT/PT) staff employed in 2024 in the hospice and the hospice's Shops company (2023: FT/PT staff 152).

Staff FT/PT	Year 2024	Year 2023
Shops Company	50	54
Hospice	93	98
Total	143	152

h. Remuneration Policy for Key Management Personnel

The Remuneration Committee consists of the Chair of trustees, Vice Chair of trustees, Chair of Finance & Performance Committee, and is chaired by a fourth trustee. It has delegated responsibility from the Board for pay and remuneration of the Chief Executive Officer and Executive Team. In 2024, an external agency was commissioned to carry out a benchmarking exercise for Executive Team salaries and benefits with reference to hospice, public, charity and private sectors.

i. Diversity, Equity and Inclusion

In 2024, we refreshed our Dignity at Work policies and Flexible Work policies. In 2025, staff will be engaged in setting the EDI agenda as part of the development of a new Equity, Diversity and Inclusion strategy for the hospice.

j. Environmental Impact - Energy and Carbon Reporting

We progressed with a number of initiatives in 2024 to improve our impact on the environment.

- We commissioned a building survey of our Kenton Grange site to understand the general condition and remedial work required to ensure the building remains in a satisfactory operating condition.
- We commissioned a Energy Performance Certificate Survey at the start of 2025 in order to understand the Kenton Grange site's current energy efficiency. Recommendations made by the assessor for potentially improving the energy performance of the building will be reviewed and incorporated into the buildings planned preventative maintenance programme where practically and economically feasible.
- We worked with our waste management provider to ensure that we are prepared for the changes in guidelines for recycling for workplaces and commercial waste collections from March 2025.
- We continued our recycling progamme including plastics, papers, batteries, toner cartridges and the recycling of rag across our retail operation.
- We introduced electric vans for our retail operation.
- We paused other initiatives such as the replacement of windows whilst we investigate the structural repairs required at our Kenton Grange site.

6. FINANCIAL PERFORMANCE

a. Financial Performance

In 2024, the Hospice Group recorded a deficit of £118k (2023: surplus £169k). Compared to last year, this represents an increase of £758k in legacies, a £664k decrease in contract income (out of which £640k relates to Ageing well programme), a £38k rise in investment gains, a £214k increase in costs due to inflation, and a £204k reduction in contributions from our shops.

The Charity's income arises from:

	2024 £000	2023 £000	Increase/ (decrease)
Contract income	3,032	3,696	(18%)
Fundraising	2,330	2,468	(6%)
Legacies	1,754	996	76%
Shops Company, including the lottery	2,324	2,411	(4%)
Interest & dividend	137	117	17%
Total income excluding unrealised investment gains.	9,577	9,688	(1%)

The Group's total income decreased by 1% (£287k) compared to the previous year, prior to accounting for unrealised investment gains and losses. There has been a 76% (£758k) increase in legacy income and a 18% (£664k) reduction in contract income primarily due to the non-renewal of the Ageing Well funding programme (£640k). All other operational income streams saw reductions.

Total group costs increased by 2%, driven by inflation and investment in IT infrastructure including EMIS (£50k). Communication and marketing expenses have been reclassified from fundraising costs to central support costs during the year.

The net profit contribution from the Shops Company saw year on year decline in 2024 as a result of shop closures, a drop in sales, and higher costs related to new vehicle leases, property dilapidation, and the full-year impact of the new Waverley warehouse.

As a result of the operating deficit and delayed cash receipt from legacies, cash reserves declined from £1.7 million to £1.3 million and total reserves declined from £12.8m to £12.7m.

b. Fundraising Approach, Controls and Performance

1. Performance

St Luke's Hospice is dedicated to engaging and collaborating with its local community, whilst also maintaining high standards of fundraising and lottery activity. In a particularly challenging income generating environment for the hospice sector, St Luke's is immensely appreciative of the continued commitment of our local communities of Harrow and Brent to all our work in the past year.

A 29% income growth was achieved in 2024, resulting in a gross contribution from Fundraising of over £3.5m. This was made up of £1.3m from multiple fundraising income streams (Individual Giving, In-Memory, Corporate and Community, Major Donors, Trusts and Foundations and Gift Aid), as well as Legacies, Events and from the Lottery. The lottery contribution and performance are reported within the Shops company performance section below.

Gifts in Wills remain our largest income stream with £1,753k being received from over 40 legacies, and 2024 ended with a very healthy legacy pipeline, the highest in the last five years. We remain incredibly grateful for those people who choose to remember St Luke's Hospice in their Wills.

The Big Give campaign to Support our Nurses, a new initiative for St Luke's, raised just over £27k, with over 139 donations (23 of which were new supporters). In-Memory saw significant growth from MuchLoved tribute pages, with donations increasing from £39k in 2023, to over £84k in 2024. Events income was slightly down on the previous year, and in 2025 we will concentrate on fewer events, and re-brand our flagship event to boost income. The Annual Walk, in its 27th year, exceeded expectations, bringing in over £80k with 70 walkers taking to the Shropshire Hills for a four-day walking challenge.

A fundraising review, undertaken by Compton Fundraising Consultants, was conducted at the end of the year to analyse our activity, database, supporter journeys and performance. As a result, a blueprint and fundraising roadmap has been developed, focusing on growth, efficiencies and sustainability for 2025 and beyond.

In 2024, St Luke's was incredibly grateful to receive tremendous support from local businesses, charitable Trusts and Foundations and grant-giving funds of all sizes. Our huge thanks to all those listed and those who prefer to remain anonymous:

Albert Hunt Trust; Ardwick Trust; Arja Samaj Middlesex Hindu Charity UK; Bell Container Trading; Bloomberg; Brent Health Matters; Caron Keating Foundation; Cecil Rosen Foundation; Charterhouse Accountants; City Bridge Foundation; D S Cohen Charitable Trust; The February Foundation; Hamilton Wallace Trust; Harapan Trust; Hodge Foundation; Hospital Saturday Fund; Jean and Derek King Charitable Trust; The Kingsbury Charity; Lenore Reynell Trust; Mahavir Trust; MAPS Medical Benevolent Charitable Trust; Middlesex Mark Benevolent Fund; M K Charitable Trust; National Lottery Community Fund; RUB White Charitable Trust; Screwfix Foundation; SPAR (UK); The Arts Society Harrow; The Wolfson Foundation; and Toureen Group.

2. Controls

St Luke's Hospice has voluntarily registered with the Fundraising Regulator, is a member of Hospice UK, the Hospice Lottery Association and the Hospice Income Generation Network (HIGN). In 2024, the Lottery remained in-house (pending a move to Local Hospice Lottery in 2025) and is licensed with the Gambling Commission. St Luke's also signed up to the national Hospice UK Legacy Campaign in 2024, joining together with 142 other hospices across the country to promote the importance of leaving gifts in will.

St Luke's is committed to operating within the Fundraising Code of Practice, employing a team of paid colleagues to deliver our fundraising and communications activities. Many of our fundraisers are also members of the Chartered Institute of Fundraising. We have a dedicated supporter care team responsible for data maintenance and record-keeping to comply with Fundraising Regulator requirements. In the period of 1 January to 31 December, we received five fundraising complaints, all of which were minor, and were investigated and resolved to the supporter's satisfaction.

From time to time, St Luke's engages with professional third-party suppliers to help raise funds, particularly where we do not have the expertise in-house, including mailing houses and fundraising agencies, to undertake some direct mailings and telephone appeals. St Luke's also contracts services to Legacy Link, a legacy administration company, to administer legacy donations. The Hospice is also signed up to the Fundraising Preference Service to enable individuals to opt out of fundraising communications from us, and we received one request through this service in the past year.

The Director of Communications and Fundraising is a member of the internal Information Governance Group and a member of the Fundraising team attends the hospice's Health and Safety Group. The team also liaise closely with, and seek guidance from, the Data Protection Officer to ensure data processing is in line with GDPR compliant procedures. All fundraising activities are reported to the Finance and Performance Committee on a quarterly basis by the Director of Communications and Fundraising.

The fundraising team will continue to build on the strategies implemented this year to steward existing donors and acquire new supporters to generate and increase income for St Luke's Hospice in the new financial year.

c. Retail and Lottery Performance

St Luke's Hospice Shops Company Ltd continued to generate profits in support of the Hospice's vital work and services. Over the past two years, we experienced a decline in profitability which persisted into 2024. This was driven by a combination of factors affecting the wider charity retail sector, including lower sales, reduced quality and volume of donations, declining high street footfall, shop closures and rising costs due to inflation across our network. The costs also increased due to new vehicle leasing, cost of dilapidations and full year new warehouse operational cost. The net contribution from all retail activity (including e-commerce) for 2024 was £153,054, down from £357,525 in 2023. Although quality of the donated goods remained low, our shops continued to benefit from strong community support. During the year, one shop closed due to the expiry of its lease. By the end of 2024, the Shops Company operated 16 retail outlets.

To address these challenges and begin a retail turnaround, we implemented several key actions during 2024:

- Commissioned a Retail Strategy Review: The Charity Retail Consultancy was engaged to carry out a comprehensive review of our retail operations.
- Strengthened Governance: We updated the governance structure of the Shops Company to improve oversight and support better decision-making.
- Restructured Leadership: A new leadership structure and skills were introduced, bringing in charity retail expertise to guide the business.
- Developed Management Capabilities: A bespoke retail management development programme was delivered to upskill our team.

During 2024, we received 1 (2023: 6) complaints in relation to our retail network.

St Luke's Hospice currently operates an in-house lottery, which is licensed by the Gambling Commission. St Luke's is a member of the Hospice Lottery Association, and provides regular weekly data and regulatory returns to the Gambling Commission as requested. However, the cost of running the lottery, combined with declining player numbers and cancellations, has led to a decision to outsource this activity to the Local Hospice Lottery for 2025. Lottery income made a £249k contribution to the hospice in 2024 (a decline in income since 2023) with around 3,600 players participating in the weekly game. Player retention is the key focus at the present time for the lottery, and pro-active recruitment for players will follow once the lottery has been outsourced.

d. Reserves Policy

The Board of Trustees Reserves Policy aims to maintain six months of total expenditure as reserves. Adequate reserves also ensures that there are sufficient liquid funds available to meet unexpected shortfalls in its funding streams, timing differences in receipt of those funds, or sudden increases in costs.

The Finance and Performance Committee of the Board of Trustees reviews the Reserves Policy in line with future anticipated financial demands of the Charity. In 2024, reserves of £4,948k (six months total expenditure of £9,897), compared to £4,842k in 2023 (six months total expenditure of £9,683k) will be considered adequate by the Board of Trustees to meet the policy.

Total free reserves excluding Fixed asset reserve and designated funds held at 31st December 2024, as per the table below, were £5,171k. This is just above the required £4,948k of six-month operational cost. Therefore, the Trustees confirm the compliance of the Charity's Reserves Policy.

The Risk Management Reserve of £1,411k was established to help the Hospice address any operational risk that could arise in the future.

Comprehensive details about the Pension Deficit Reserve can be found in Note 20 to the Accounts.

As at 31st December 2024, the Charitable Group held the following General and Designated Reserves:

Fund	£000's		Timeline for Use
	2024	2023	
Designated Fixed Asset Fund - Hospice	5,233	5,294	The designated fixed asset funds represent the net book value of the fixed assets. These funds are identified separately as they are illiquid funds and not available for use.
Designated Fixed Asset Fund - Shops	380	512	
TOTAL Designated Fixed Asset Funds	**5,613**	**5,806**	
FREE RESERVES General Unrestricted Fund	**5,171**	**5,173**	Available for general purposes and core costs
Risk Management Reserve	1,411	1,372	General Purposes – against perceived potential risks to income – see below
Pension Deficit Reserve	300	300	Held towards a potential future buy-out of the Defined Benefits Pension Scheme – see Note 20 of the Financial Statements
TOTAL LIQUID RESERVES	6,882	6,845	Total Reserves available to spend
TOTAL UNRESTRICTED FUNDS	**12,495**	**12,651**	As per Balance Sheet

e. Investment Policy

Messrs Rathbones plc were appointed as Investment Managers to the Charity in 2016 to manage the investment portfolio with an initial allocation of approximately £1.6m. An additional investment of £2.5m was made in December 2021. Before placing investments on behalf of the Charity, the trustees have asked the fund managers to screen for tobacco and health care companies. The fund managers report to the Charity on a quarterly basis.

As at 31st December 2024 the investments were valued at £4,182k (2023 - £4,011K).

Changes in the investments held are detailed in Note 11 of the Accounts.

7. STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Charity Law in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charity and the group 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 in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 charity will continue in business

The trustees are responsible for keeping proper records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charity and group's auditors are unaware
- the trustees have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may vary from legislations in their jurisdictions.

Auditor

On 18 November 2024 the company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP. HaysMac LLP has indicated its willingness to be reappointed as statutory auditor for the next financial year.

The Trustees' Report, which incorporates a Strategic Report, was approved by the trustees and signed on their behalf by

Margaret Lustman

Chair of Trustees

12 June 2025

8. INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE (HARROW & BRENT) LTD

We have audited the financial statements of St. Luke's Hospice (Harrow & Brent) Ltd for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Statement of Consolidated Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the message from the Chair. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 19, 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.

Auditor's responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such the Companies Act 2006, the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting trustees' meeting minutes;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year-end or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

A further description of our responsibilities 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 auditor's report.

Use of our report

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

Lee Stokes (Senior statutory auditor)

for and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place,

London,

EC4R 1AG



9. FINANCIAL STATEMENTS

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment Funds £'000	Total 2024 £'000	Total 2023 £'000
Income from:						
Donations and legacies						
• Donations	2	1,712	382	-	2,094	2,217
• Legacies	3	1,754	-	-	1,754	996
		3,466	382	-	3,848	3,213
Charitable Activities						
• NHS commissioning		3,007	-	-	3,007	3,596
• Other income		25	-	-	25	100
	5	3,032	-	-	3,032	3,696
Other trading activities						
• Fundraising events	2	236	-	-	236	251
• Gross income from shops and lottery	4	2,324	-	-	2,324	2,411
		2,560	-	-	2,560	2,662
Income from Investments		137	-	-	137	117
Total income		**9,195**	**382**	**-**	**9,577**	**9,688**
Expenditure on:						
Raising funds						
• Fundraising costs		1,380	-	-	1,380	1,417
• Fundraising events costs		279	-	-	279	230
• Shops and lottery expenditure		2,567	-	-	2,567	2,390
• Investment management costs		20	-	-	20	19
		4,246	-	-	4,246	4,056
Charitable activities						
• Inpatient services		1,901	197	-	2098	1,867
• Outpatient services		628	43	-	671	593
• Community services		1,660	111	-	1,771	1,855
• General clinical support		1,106	5	-	1,111	1,312
		5,295	356	-	5,651	5,627
Total expenditure	7	**9,541**	**356**	**-**	**9,897**	**9,683**
Net income/(Expenditure) before gains/(losses) on investments		(346)	26	-	320	5
Net gains on investments	11	190	-	12	202	150
Pension revaluation gain		-	-	-	-	14
Net income/(Expenditure)	6	(156)	26	12	(118)	169

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
(Including an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment Funds £'000	Total 2024 £'000	Total 2023 £'000
Net income	6	(156)	26	12	(118)	169
Transfer between funds		-	-	-	-	-
Net movement in funds		(156)	26	12	(118)	169
Reconciliation of funds						
Total funds brought forward		12,651	-	228	12,879	12,710
Total funds carried forward		12,495	26	240	12,761	12,879

All amounts relate to continuing activities. There are no recognised gains or losses for the current or preceding financial year other than as shown above, therefore no Statement of Total Recognised Gains & Losses has been presented. Income and expenditure by fund for the year ended 31 December 2023 is given in note 19 to the accounts.

The net result of the charity's own activities for 2024 was a loss of £271,224 (2023: £187,745).

The notes on pages 33 to 52 form part of these accounts.

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
CHARITY AND GROUP BALANCE SHEETS
AT 31 DECEMBER 2024

	Notes	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
FIXED ASSETS					
Tangible assets	10	5,613	5,806	5,233	5,294
Investments	11	4,182	4,011	4,182	4,011
		9,795	9,817	9,415	9,305
CURRENT ASSETS					
Debtors	12	2,466	2,140	3,052	2,747
Cash at bank and in hand		1,331	1,717	983	1,491
		3,797	3,857	4,035	4,238
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	(734)	(625)	(592)	(494)
NET CURRENT ASSETS		3,063	3,232	3,443	3,744
Long term liabilities					
(Pension deficit)	20	(97)	(170)	(97)	(170)
NET ASSETS	14	12,761	12,879	12,761	12,879
Represented by					
Unrestricted funds					
Designated funds		7,324	7,478	7,324	7,478
General fund		5,171	5,173	5,171	5,173
		12,495	12,651	12,495	12,651
Endowment funds		240	228	240	228
Restricted funds		26	-	26	-
	15	12,761	12,879	12,761	12,879

The financial statements were approved and authorised for issue by the Board of Trustees on 12 June 2025

and signed on their behalf by:

M Lustman

Chair of Trustees

The notes on pages 33-52 form part of these accounts.

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £'000	£'000	2023 £'000	£'000
Cash flows from operating activities:				
Net cash flow provided by/(used in) operating activities (note A)		(423)		(748)
Cash flows from investing activities:				
Dividends, interest and rents from investments	136		117	
Purchase of property, plant and equipment	(57)		(884)	
Disposal of investments	872		374	
Acquisition of investments	(946)		(479)	
Change in investment cash	105		105	
Pension creditor revaluation	(73)		(61)	
Net cash used in investing activities		37		(828)
Change in cash and cash equivalents in the reporting period		(386)		(1,576)
Cash and cash equivalents at the beginning of the reporting period		1,717		3,293
Cash and cash equivalents at the end of the reporting period		1,331		1,717

A) Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2024 £'000	**2023 £'000**
Net income for the reporting period (as per the statement of financial activities)	(118)	**169**
Adjustments for:		
Depreciation charges	250	183
Losses/(gains) on investments	(202)	(150)
Gain on pension revaluation	(-)	(14)
Dividends, interest and rents from investments	(136)	(117)
Decrease/(increase) in debtors	**(326)**	**(765)**
Increase/(decrease) in creditors	109	(61)
Other	-	7
Net cash flow provided in/(used in) operating activities	(423)	(748)

Analysis of cash and cash equivalents

Cash at bank and in hand	1,331	1,717
Total cash and cash equivalents	1,331	1,717

ANALYSIS OF NET DEBT	**Balance at 1.1.24**	**Cash flows**	**Other non-cash changes**	**Balance at 31.12.24**
	£'000	**£'000**	**£'000**	**£'000**
Cash and bank	1,717	(386)	-	1,331

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
CHARITY AND GROUP BALANCE SHEETS AT 31 DEC 2024
NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity 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 note(s).

(ii) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and accruing for legacies which have not yet been received.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

(iii) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs with the exception of investments which are held at fair value. Financial assets held amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(iv) Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives trustees confidence the charity remains a going concern for the foreseeable future.

(v) Consolidation

These accounts consolidate the results of the charity and its wholly owned subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Limited, on a line-by-line basis. A separate Income and Expenditure Account and Statement of Financial Activities is not presented for the charity alone as permitted by the Companies Act 2006 and Charities SORP.

(vi) Income

Income from donations, legacies and grants are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Donations include related gift aid income.

The Shops company acts as agent to sell items donated with a gift aid declaration and to pass the resulting cash donations to the Hospice rather than record them as turnover within the Shops Company. The Hospice also receives the gift aid claimed on these donations.

Legacies are included when the Hospice becomes entitled to the funds and the sum receivable can be reliably quantified. Where they rely on the sale of property or investments, and thus do not have a certain valuation, an estimate of their value is disclosed in the notes to the financial statements.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income from NHS contracts from the Harrow & Brent Clinical Commissioning Groups. They have been dealt with on a receivable basis as a contribution to running costs.

There have been no significant gifts in kind or donated goods and services during the year.

The value of services provided by volunteers is not incorporated in these financial statements. Further detail of the substantial contribution by volunteers can be found in the Report of the Trustees.

(vii) Expenditure

Expenditure is recognised when a liability is incurred. It includes VAT where this is not recoverable.

Expenditure on raising funds is the costs incurred in attracting donation income, organising and managing fundraising events, and the costs incurred in trading activities which raise funds.

Charitable activities include the Hospice care services offered to inpatients, day care patients, those receiving Hospice services in their own homes, and their carers and families. There are also a range of clinical and other services which apply to all these forms of Hospice care. These costs include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., property costs by floor areas and other costs on the bases shown in Note 7.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with compliance with constitutional and statutory requirements. These have been allocated to activity costs on the same basis as support costs.

(viii) Tangible fixed assets

All assets acquired costing more than £2,500 are capitalised.

Leasehold properties	assets acquired prior to 2016 - over the term of the lease
	assets acquired after 2016 – shorter of 5 years or the remaining term of the lease
Fixtures and equipment	20%
Motor vehicles	20%
IT equipment and systems	20%

The freehold property is not depreciated as the amount of depreciation is considered to be immaterial.

Tangible fixed assets are held at cost and (except for the freehold property) depreciated on a straight line basis over their estimated useful lives as follows.

(ix) Investments

Investments are initially recognised at their transaction cost and subsequently valued at fair value at the Balance Sheet date, unless fair 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 shown in the heading 'Net gains/(losses) on investments' in the Statement of Financial Activities.

(x) Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purposes.

Endowment funds are restricted funds which are to be retained for the benefit of the charity as a capital fund.

The Hospice has a number of restricted income and capital funds. Details of the funds are given in the notes to the financial statements.

(xi) Pensions

The Group currently offers a qualifying defined contribution pension scheme to all staff. In addition the Group is a Direction Employer under the NHS Scheme.

National Health Service Superannuation scheme

This is a statutory superannuation scheme as defined in Section 6.12 (1) Income and Corporation taxes Act 1988, which has no invested funds. Contribution by employers (currently 14.3%) and members are accounted for to the Treasury and benefits are paid from the consolidated fund. This scheme is only open to staff who have been members of the NHS scheme in previous employment under the dispensation rules. The accounting charge represents the employer's contributions for the period.

Defined Contribution Scheme (Pensions Trust)

With effect from 1 May 2015 the group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the group. There is no liability under the scheme other than the payment of those contributions.

(xii) Taxation

No tax is payable due to the charitable status of the parent company. Taxable profits generated by the trading subsidiary are transferred to the parent company under gift aid.

(xiii) Leases

Operating lease rentals are charged to the Statement of Financial Activities over the period of the lease.

(xiv) Legal status

The charitable company is limited by Guarantee and does not have any share capital.

(xv) Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

(xvi) Debtors

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

(xvii) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

(xiii) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. DONATIONS – 2024	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Individual donations	215	24	239	251
In memoriam donations	202	3	205	185
Community groups	101	1	102	137
Trust fund donations	34	333	367	523
Corporate donations	115	8	123	101
Major Donors	131	13	144	65
Gift aid	146	-	146	71
Donations & gift aid from sale of goods in our shops	768	-	768	884
	1,712	382	2,094	2,217

Fundraising events in 2024 raised £236,052 (2023: £251,257).

DONATIONS – 2023	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Individual donations	234	17	251
In memoriam donations	181	4	185
Community groups	126	11	137
Trust fund donations	135	388	523
Corporate donations	101	0	101
Major Donors	52	13	65
Gift aid	71	-	71
Donations & gift aid from sale of goods in our shops	884	-	884
	1,784	433	2,217

3. LEGACIES

£1,753,661 has been recognised from legacies for 2024 (2023: £995,627) using the Hospice's accounting policy and principles of (i) Entitlement exists; (ii) receipt is probable; and (iii) the amount is measurable. Where there is any uncertainty regarding any of those principles, or the legacy could be contested, these have not been included in our accounts.

4. INCOME AND EXPENDITURE FROM SHOPS AND LOTTERY

The Charity owns the entire share capital of St Luke's Hospice (Harrow & Brent) Charity Shops Limited, a company registered in England and Wales, which operates charity shops in support of the Hospice funding. The subsidiary transfers to the Hospice under gift aid an amount not less than its taxable profits.

A summary of the trading results of the subsidiary is shown below. Audited accounts have been prepared in respect of the trading period for the year ended 31 December 2024.

INCOME & EXPENDITURE FROM SHOPS & LOTTERY	Total 2024 £'000	Total 2023 £'000
Turnover	2,060	2,158
Income from lottery	249	253
Government grants	15	-
	2,324	2,411
Cost of sale of purchased goods	-	4
Administration expenses	2,081	1,960
Lottery expenditure and prizes	90	90
Gross direct expenditure of shops and lottery	2,171	2,054
Net direct income from shops and lottery	153	357
Lease costs relating to shops owned by Charity	(66)	(66)
Donations of goods under gift aid	659	707
Lottery Prizes donated by Players	10	14
Contribution generated by Charity Shops Ltd	756	1,012

5. CHARITABLE ACTIVITIES - 2024

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
NHS commissioning income	3,007	-	3,007	3,596
	3,007	-	3,007	3,596
Other funding	25	-	25	100
	3,032	-	3,032	3,696

NHS commissioning income in 2023 includes funding to deliver Fast Track Brokerage of Care. The current contract runs to September 2025.

CHARITABLE ACTIVITIES - 2023

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
NHS commissioning income	3,596	-	3,596
Other funding	100	-	100
	3,696	-	3,696

6. NET (EXPENDITURE)/INCOME

	Total 2024 £'000	Total 2023 £'000
Net income is stated after charging:		
Depreciation	250	183
Auditor's remuneration	27	18
Other fees payable to auditors	15	12
Operating lease rental	616	525

7. EXPENDITURE – 2024

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Out Patient services £'000	Community services £'000	General clinical support £'000	2024 Total £'000
Staff costs	Direct	443	65	1,418	-	1,102	315	1,556	339	5,238
Drugs and medical	Direct	-	-	-	-	106	-	-	-	106
Catering and housekeeping	Direct	-	-	-	-	227	-	-	-	227
Fundraising and community	Direct	777	107	-	-	-	-		-	884
Other direct costs	Direct	-	-	753	20	104	80	21	394	1,372
		1,220	172	2,171	20	1,539	395	1,577	733	7,827
Support costs										
Management	Staff time	29	29	77	-	14	14	14	14	191
Quality	Staff time	13	0	60	-	72	48	50	72	315
Finance	Staff time	38	38	111	-	45	24	38	80	374
HR	Headcount	25	12	148	-	102	14	35	74	410
Premises	Floor area	42	22	-	-	272	168	40	102	646
Communication	Headcount	13	6	-	-	54	8	17	36	134
Shops Lease	Amortisation	-	-	-	-	-	-	-	-	-
		160	107	396	-	559	276	194	378	2,070
Total expenditure	**2024**	1,380	279	2,567	20	2,098	671	1,771	1,111	9,897
Total expenditure	**2023**	1,417	230	2,390	19	1,867	593	1,855	1,313	9,683

• The lease rentals relating to two shops are allocated wholly to Shops and Lottery Expenses.

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

7. EXPENDITURE – 2023

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Out Patient services £'000	Community services £'000	General clinical support £'000	2023 Total £'000
Staff costs	Direct	391	60	1,483	-	1,157	330	1,656	402	5,479
Drugs and medical	Direct	-	-	-	-	128	-	-	-	128
Catering and housekeeping	Direct	-	-	-	-	-	-	-	210	210
Fundraising and community	Direct	880	65	-	-	-	-	-	-	945
Other direct costs	Direct	-	-	571	19	132	65	40	386	1,213
		1,271	125	2,054	19	1,417	395	1,696	998	7,975
Support costs										
Management	Staff time	33	33	87	-	16	16	16	16	217
Quality	Staff time	5	0	25	-	30	19	21	30	130
Finance	Staff time	36	36	109	-	43	24	36	77	361
HR	Headcount	19	9	112	-	78	11	26	56	311
Premises	Floor area	29	15	0	-	181	112	27	67	431
Gen overheads	Headcount	24	11	0	-	102	15	33	69	254
Shops Lease	Amortisation	-	-	4	-	-	-	-	-	4
		146	104	336	-	450	198	159	316	1,708
Total expenditure	**2023**	1,417	230	2,390	19	1,867	593	1,855	1,313	9,683
Total expenditure	**2022**	625	245	2,726	23	1,941	545	1,782	1,136	9,023

• The lease rentals relating to two shops are allocated wholly to Shops and Lottery Expenses.

8. STAFF COSTS AND NUMBERS

	Total 2024 £'000	Total 2023 £'000
Salaries and wages	5,052	4,930
Social security costs	486	470
Pension costs	324	330
Total	5,862	5,730
Average number of employees (full time equivalents)		
Hospice	79	82
Shops	43	49
	122	131

There were on average 143 people employed (2023 – 152) full and part time. The employees were supported by 521 unpaid volunteers during the year (2023: 497).

Pension costs include an amount of £31,849 (202 – £32,191) paid in respect of death in service cover for employees of the company.

Ex Gratia payments made during the year were £13,108 (2023 – £14,169).

The total remuneration for Key Management Personnel included in staff costs above is £540,569 (2023: £546,711).

The number of staff with remuneration in excess of £60,000 were as follows:

£	2024	2023
£60,000 - £70,000	1	3
£70,000 - £80,000	2	3
£80,000 - £90,000	3	-
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-

9. TRUSTEES

None of the trustees received any remuneration or benefits in kind from the charitable company (2023: Nil). Trustees did not claim any expenses on behalf of the charity during the year (2023:Nil).

10. TANGIBLE FIXED ASSETS GROUP

	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Group					
Cost					
Opening balance	4,932	1,194	573	11	6,710
Additions	-	3	54	-	57
Disposals	-	(277)	(8)	(11)	(296)
Closing balance	4,932	920	619	-	6,471
Depreciation					
Opening balance	-	682	211	11	904
Charge for the year	-	135	115	-	250
Disposals	-	(277)	(8)	(11)	(296)
Closing balance	-	540	318	-	858
Net Book Value					
At 31 December 2024	4,932	380	301	-	5,613
At 31 December 2023	4,932	512	362	-	5,806

10. TANGIBLE FIXED ASSETS CHARITY

	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Charity					
Cost					
Opening balance	4,932	33	563	-	5,528
Additions	-	-	54	-	54
Disposals	-	(33)	-	-	(33)
Closing balance	4,932	-	617	-	5,549
Depreciation					
Opening balance	-	33	201	-	233
Charge for the year	-		115	-	115
Disposals	-	(33)	-	-	(33)
Closing balance	-	-	316	-	316
Net Book Value					
At 31 December 2024	4,932	-	301	-	5,233
At 31 December 2023	4,932	-	362	-	5,294

Freehold properties otherwise represents the acquisition and conversion costs of Kenton Grange between 1992 and 2002 shown at historic cost and the costs of building the Woodgrange Centre completed in 2015.

11. INVESTMENTS	Total 2024	Total 2023
Market value at 1 January 2024	4,011	3,861
Additions	946	479
Disposals	(872)	(374)
Realised and unrealised gains	202	150
Movement in investment cash	(105)	(105)
Market value at 31 December 2024	4,182	4,011

12. DEBTORS: amounts falling due with one year	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Trade debtors				
Other debtors				
Prepayments and accrued income	179	60	179	60
Amounts owed by subsidiary undertaking	141	134	40	77
	2,146	1,946	1,931	1,731
	-	-	902	879
	2,466	2,140	3,052	2,747

13. CREDITORS: amounts falling due within one year	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Trade creditors	209	170	156	155
Taxation and social security	170	175	139	142
Accruals and deferred income	355	280	297	197
	734	625	592	494

14. ANALYSIS OF NET ASSETS SETS BETWEEN FUNDS - GROUP – 2024	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2024 £'000
Tangible fixed assets	-	5,613	-	-	5,613
Investments	2,531	1,411	240	-	4,182
Net current assets	2,737	300	-	26	3,063
Long term liabilities	(97)	-	-	-	(97)
Net assets	5,171	7,324	240	26	12,761

ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP – 2023	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2024 £'000
Tangible fixed assets	-	5,806	-	-	5,806
Investments	2,411	1,372	228	-	4,011
Net current assets	2,932	300	-	-	3,232
Long term liabilities	(170)	-	-	-	(170)
Net assets	5,173	7,478	228	0	12,879

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CHARITY – 2024	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2024 £'000
Tangible fixed assets	-	5,233	-	-	5,233
Investments	2,531	1,411	240	-	4,182
Net current assets/ (liabilities)	2,737	680	-	26	3,443
Long term liabilities	(97)	-	-	-	(97)
Net assets	5,171	7,324	240	26	12,761

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS - CHARITY – 2023

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2024 £'000
Tangible fixed assets	-	5,294	-	-	5,294
Investments	2,411	1,372	228	-	4,011
Net current assets/ (liabilities)	2,932	812	-	-	3,744
Long term liabilities	(170)	-	-	-	(170)
Net assets	5,173	7,478	228	-	12,879

15. FUNDS – 2024

	Opening Balance £'000	Income £'000	Expenditure £'000	Investment Gains/ Losses £'000	Transfer/ Pension Surplus £'000	Closing Balance £'000
Restricted funds						
Inpatient care funds	-	196	(196)	-	-	-
Outpatient care funds	-	63	(63)	-	-	-
Community care funds	-	112	(92)	-	-	20
General Clinical funds	-	5	(5)	-	-	-
Capital funds	-	6	-	-	-	6
Fundraising Programme	-	-	-	-	-	-
Total restricted funds	-	382	(356)	-	-	26
Endowment funds						
Alice Wisbey Capital Fund	25	-	-	1	-	26
D D McPhail	203	-	-	11	-	214
Total endowment funds	228	-	-	12	-	240
Unrestricted funds						
Designated fixed asset fund	5,294	-	-	-	(61)	5,233
Designated shops assets fund	512	-	-	-	(132)	380
Designated risk management fund	1,372	-	-	39	-	1,411
Pension liability reserve	300	-	-	-	-	300
Total designated funds	7,478	-	-	39	(193)	7,324
Unrestricted funds						
General charitable funds	5,173	6,872	(7,371)	151	346	5,171
General non-charitable trading funds	-	2,324	(2,171)	-	(153)	-
Total general funds	5,173	9,196	(9,542)	151	193	5,171
Total unrestricted funds	12,651	9,196	(9,542)	190	-	12,495
Total funds	12,879	9,578	(9,898)	202	-	12,761

15. FUNDS – 2023

	Opening Balance £'000	Income £'000	Expenditure £'000	Investment Gains/ £'000	Transfer/ £'000	Closing Balance £'000
Restricted funds						
Inpatient care funds	-	146	(146)	-	-	-
Outpatient care funds	-	156	(156)	-	-	-
Community care funds	-	112	(112)	-	-	-
General Clinical funds	-	20	(20)	-	-	-
Capital funds	76	-	-	-	(76)	-
Fundraising Programme	-	-	-	-	-	-
Total restricted funds	76	433	(433)	-	(76)	-
Endowment funds						
Alice Wisbey Capital Fund	24	-	-	1	-	25
D D McPhail	190	-	-	13	-	203
Total endowment funds	214	-	-	14	-	228
Unrestricted funds						
Designated fixed asset fund	5,065	-	-	-	229	5,294
Designated shops assets fund	41	-	-	-	471	512
Designated risk management fund	1,498	-	-	(126)	-	1,372
Pension liability reserve	300	-	-	-	-	300
Total designated funds	6,904	-	-	(126)	700	7,478
Unrestricted funds						
General charitable funds	5,516	6,847	(7,186)	264	(268)	5,173
General non-charitable trading funds	-	2,411	(2,054)	-	(357)	-
Total general funds	5,516	9,258	(9,240)	264	(625)	5,173
Total unrestricted funds	12,420	9,258	(9,240)	138	76	12,651
Total funds	12,710	9,691	(9,673)	151	-	12,879

15. FUNDS (continued)

A Pension Liability Reserve was set up in 2016 to reflect potential increases in the pension liability. When it was provided in full in 2017, the reserve was reduced. The balance in this fund will be used towards the cost of any future buy-out of the liability.

The late Mrs Alice Wisbey made a bequest to the Hospice with the instruction that the income therefrom should be applied for the comfort of the nursing staff. This is split between Income and Capital funds.

The restricted funds represent grants and donations received, from Trusts and individuals, where the use of the funds was restricted to a specific purpose by the donor. These funds have included contributions towards the cost of our Inpatient unit, Day care services, Community and Homecare services, to the provision of complementary therapies and a number of other items.

The D D McPhail Charitable Settlement originally gave £150,000 as an endowment fund. No instructions were given about income so this is applied for the general purposes of the charity. The difference between the original fund value and the current fund value arises through revaluation of the underlying investment.

The designated fixed asset fund represents the net book value of the Hospice's fixed assets. It has been set up to assist in identifying funds which are not free funds. Similarly, the designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital.

The designated risk management fund is intended to cover unexpected costs or income shortfalls, ensuring the long-term sustainability of the Hospice. The balance in this fund as at 31 December 2024 was £1,411k (2023 - £1,371k) most of which is managed by Rathbones, our investment manager.

The deficit arising out of the operating activities during the year resulted in the decrease in unrestricted general charitable funds of £700k (2023 - increase £231k).

The general funds represent the unrestricted funds of the group and are therefore "free reserves".

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

16. OPERATING LEASE COMMITMENTS

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts due:				
Within 1 year	434	501	66	69
Within two to five years	1,191	1,189	158	206
After five years	666	802	10	31
	2,291	2,492	234	306

17. CAPITAL COMMITMENTS

The group has committed to a cost of £60k feasibility study on the premises of Kenton Grange. Based on the feasibility report capital refurbishment is likely to take place in the year 2025. (2023: none).

18. RELATED PARTY TRANSACTIONS

During the year, Trustees, Executive Team members and their close family members donated £325 and purchased £208 worth of Lottery tickets from the Hospice (2023: £1,120). There were no other transactions with related parties during the year (2023: none).

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (2023)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
Income from:				
Donations and legacies				
• Donations	1,784	433	-	2,217
• Legacies	996	-	-	996
	2,780	433	-	3,213
Charitable Activities				
• NHS commissioning	3,596	-	-	3,596
• Other income	100	-	-	100
	3,696	-	-	3,696
Other trading activities				
• Fundraising events	251	-	-	251
• Gross income from shops and lottery	2,411	-	-	2,411
	2,662	-	-	2,662
Investments	117	-	-	117
Total income	**9,255**	**433**	-	**9,688**

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
Expenditure on:				
Raising funds				
- Fundraising costs	1,417	-	-	1,417
• Fundraising events costs	230	-	-	230
• Shops and lottery expenditure	2,390	-	-	2,390
• Investment management costs	19	-	-	19
	4,056	-	-	4,056
Charitable activities				
• Inpatient services	1,721	146	-	1,867
• Day care services	437	156	-	593
• Homecare services	1,743	112	-	1,855
• Overall clinical support	1,293	19	-	1,312
	5,194	433	-	5,627
Total expenditure	**9,250**	**433**	**-**	**9,683**
Net Income before gains on investments	5	-	-	5
Net (losses)/gains on investments	150	-	-	150
Pension revaluation gain	14	-	-	14
Net Income	**169**	**-**	**-**	**169**

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (THE PENSIONS TRUST)

Up until 1st May 2015, the group offered a multi-employer pension scheme providing a defined benefit (career average) pension for members.

The company participated in the scheme, a multi-employer scheme which provides benefits to some 36 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2022. This valuation showed assets of £49.6m, liabilities of £57.1m and a deficit of £7.5m. To eliminate this funding shortfall, the Pension Trustee asked the participating employers to pay additional contributions to fund the scheme deficit of £1.67m. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities and increase by 3% per annum on 1st April each year. It was anticipated that the deficit would be cleared by 31st March 2027.

During 2024, St Luke's contributed £72,229 towards the deficit (2023 - £69,272).

Note that the previous valuation was carried out with an effective date of 30th September 2019. This valuation showed assets of £79m, liabilities of £93.9m and a deficit of £14.9m. To eliminate this funding shortfall, the Pension Trustee asked the participating employers to pay additional contributions to fund the scheme deficit. Annual deficit contributions by participating employers then total £1.53m pa due to the annual 3% increases, and the deficit to be cleared by 30th September 2027.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION	31 December 2024 (£000s)	31 December 2023 (£000s)
Present value of provision	162	226

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (PENSIONS TRUST) (continued) RECONCILIATION OF OPENING AND CLOSING PROVISIONS	2024 £'000	2023 £'000
Provision at start of period	226	310
Unwinding of the discount factor (interest expense)	9	14
Deficit contribution paid	(73)	(69)
Remeasurements - impact of any change in assumptions	-	1
Remeasurements – amendments to the contribution schedule	-	(30)
Provision at end of period	162	226

	2024 £'000	2023 £'000
Amounts due within one year	74	72
Amounts due after one year	97	170
	171	242

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

ASSUMPTIONS	31 December 2024 % per annum	31 December 2023 % per annum
Rate of discount	4.96	4.74

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

10. REFERENCE AND ADMINISTRATIVE INFORMATION

Company Number	02141770
Charity Number	298555
Registered Office	Kenton Grange, Kenton Road, Harrow, Middlesex HA3 0YG
Trustees	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Margaret Lustman (Chair of Trustees) Dr Carole Amobi – resigned 24/1/2024 Natalie Butler Liz Jewitt-Cross (Chair of People Committee) -resigned 13/03/25 Sarah Gigg Christine Glenn (Chair of Remuneration Committee) Paul Hill (Chair of Finance & Performance Committee) Sarah Livingston (Chair of Clinical Governance Committee) Jatin Patel (Chair of Audit & Risk Committee) Chandia Radia Neel Radia Professor Stephen Spiro (Vice Chair) Raj Thakrar Claire Melia-Tompkins
Key management personnel	
Chief Executive Officer	Lindsey Bennister
Medical Director	Dr Charles Daniels – resigned 31/12/24
Director of Clinical Services	Claire Porter – appointed 29/7/2024
Director of Operations	Fran Deane
Director of Finance	Geethanjali Umaasuthan
Director of People & Organisational Development	Lorna Campbell - resigned 19/03/25
Director of Fundraising & Communications	Joanna Pearce
Principal Bankers	Barclays Bank plc, Leicester LE87 2BB
Auditors	HaysMac LLP, 10 Queen Street Place, London EC4R 1AG
Investment Managers	Rathbone Investment Management 8 Finsbury Circus, London EC2M 7AZ
Solicitors	Curry Popeck, Devonshire House, 582 Honeypot Lane, Middlesex, HA7 1JS BDB Pitmans LLP, One Bartholomew Close, London EC1A 7BL
Website	www.stlukes-hospice.org

St. Luke's Hospice (Harrow & Brent) Ltd

St Luke's Hospice, Kenton Grange, 385 Kenton Road, Harrow, HA3 0YG

t: 020 8382 8000 **e: info@stlukes-hospice.org**

stlukeshospice stlukeshospice @StLukesHarrow

Registered Charity Number: 298555 Company Number: 02141770.

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Registered with FUNDRAISING REGULATOR

St. Luke's Hospice (Harrow & Brent) Limited

Annual Report & Consolidated Financial Statements
For the year ended 31 December 2024

Charity Number: 298555

Company Number: 02141770

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1. INTRODUCTION FROM THE CHAIR OF TRUSTEES

In 2024 we continued to provide valuable and valued palliative and end-of-life services to the Harrow and Brent communities across our core and new services at a time of rising demand in a challenging environment

With over 30 years' experience, St Luke's continues to strive to ensure that our services reflect the community's needs and that our future can be assured in order to serve and support future generations. The positive experience of helping more patients and families with our wider portfolio of services is a true achievement, only possible due to the hard work of our team and the generosity of our volunteers and supporters.

Over the past year it has become even more evident that change is needed in the hospice sector generally and St Luke's is no exception. As a Board, we have approved a new Strategy that focuses on aligning improved quality of care with reinvigorated resources to match the evolving needs of our patients and their families. To do this at a time of ongoing financial pressures requires optionality, intelligence and resilience, all of which we are beginning to weave into the fabric of our organisation.

Furthermore it has become necessary to address long-term investment into our landmark building, Kenton Grange. The need to modernise the space that is so important to our day- and in-patients and their families as well as our teams has become pressing and we recognise that a multi-year programme of development and investment will be required.

Given that transformation of this scale requires time and careful planning, there is a shared understanding that the charity's financial outcomes will be challenging in the short term. Notwithstanding this strategic perspective, the Board is committed to be financially responsible and to restoring the organisation to a position whereby costs are fully covered by more sustainable income streams.

Despite the uncertainty that change and challenge present, our work is important and we are blessed with a strong community of supporters whose generosity is outstanding. I would also like to acknowledge the efforts of all teams, volunteers and trustees whose hard work is so appreciated.

There is much still to be done and we are confident that, with the continued backing of all our valuable supporters and our excellent team, we will find the St Luke's future model for the next 30 years and more.

Meg Lustman

2. ABOUT ST LUKE'S HOSPICE

a) Vision

A world where people experience the best possible last phase of life.

b) Values

Caring – Care of all those who deliver and need our services
Respect – Demonstrate respect and be open minded, inclusive and approachable
Excellence – Create an environment of continually achieving our goals
Inclusivity – Strive to reach all sections of our community in all areas of work
Empowerment – Empower our community to live a better life

c) Strategy 2025-28

During 2024, St Luke's developed a new three year strategy. It reflects the diverse and increasing needs of our community for end-of-life support and care, and the challenging external funding landscape for charitable hospices.

The London boroughs of Harrow and Brent are two of the most ethnically and culturally diverse boroughs in London, with high rates of deprivation. Our populations in these boroughs are also ageing, and across the UK more people are dying or living with life-limiting conditions.

Our strategy focuses on adapting our care services to improve provision and accessibility for our community. We will do this by working with the NHS, other charitable hospices, local government and communities in the London boroughs of Harrow and Brent.

At the heart of our strategy is our response to the financial challenges that the charitable hospice sector is facing where funding has not kept pace with rising costs, increased demand and the changing needs of our population. Our strategy reflects the urgent need to achieve sustainable funding for St Luke's Hospice in both the short- and longer-term.

We have three Strategic Goals, with associated delivery priorities, and activities that form the hospice's operational plan.

1. **Quality of care**

   We will be the best hospice we can possibly be, providing high quality and compassionate hospice care and support to all people and their families who come into St Luke's or require our care at home.

   Our delivery priorities:

   1. Deliver responsive, personalised, high-quality, and compassionate care and support to more people and their families.
   2. Provide early support to individuals with life-limiting illnesses, helping them maintain their quality of life.
   3. Improve the provision of high-quality compassionate care using our clinical quality framework.
   4. Enhance our compliance with best practices and regulatory standards throughout all aspects of our operations.

   To achieve this, we will:

   - Implement a new model of service delivery.
   - Investigate opportunities for enhancing the use of our hospice ward (inpatient unit) to match the needs of the population and improve the hospice's sustainability.

- Expand and promote our Pall 24 Helpline as a single point of access for patients and families to expert advice, care and support 24 hours a day.
- Introduce a new Living Well programme to provide early support, reflecting the views of people with lived experience and other local stakeholders.
- Expand our respite care and support service for patients and carers through increased engagement with service users, local partners and improved referrals.
- Expand our bereavement support service including:
    - Introduce home visits to ensure equity of access to bereavement support.
    - Introduce a model of bereavement support for children and young people, supported by activities and events for children and young people, working collaboratively with stakeholders/agencies in this field.
- Design an educational programme for clinical staff that is aligned with service needs and their competency framework.
- Deliver an enhanced programme of audit, quality improvement projects and research.

2. **Serving our community**

We will embed ourselves at the heart of our local community through increased engagement and by working in partnership to provide high quality and compassionate hospice care and support to our community.

Our delivery priorities:

1. Strengthen St Luke's role as a leading voice in palliative care in Harrow and Brent, by providing advice, guidance, and education, in partnership with health, social care, and community organisations.
2. Build our relationships with our local community to establish St Luke's as the charity of choice for palliative care, support, and advice in Harrow and Brent.
3. Expand our engagement with diverse communities to better understand their needs and enhance our care and support services.

To achieve this, we will:

- Engage with local NHS primary care providers to increase knowledge and understanding of St Luke's services and increase referrals, particularly in areas of the boroughs where referrals are currently low.
- Engage with local NHS Trusts/secondary care providers to ensure effective working relationships and understanding of our services, and to increase referrals.
- Establish partnerships with local authority/voluntary sector organisations to improve knowledge of St Luke's services and support for patients and families.
- Develop and sustain meaningful collaboration with local faith leaders and community groups.
- Develop opportunities to provide expert training on palliative care to external partners including local health and social care organisations and voluntary sector.
- Increase public awareness of St Luke's care and services through enhanced communications including digital marketing.

3. **Sustainability**

We will deliver strong leadership, financial stability, and dependable income sources, supported by a skilled team of employees and volunteers ready to face future challenges.

Our delivery priorities:

1. Create dependable and efficient revenue sources through our fundraising campaigns, retail and other commercial activities.

2. Work with our NHS partners to secure equitable and sustainable funding for our clinical services.
3. Create an organisation culture where people are valued, included, and developed to perform to the best of their abilities to deliver St Luke's strategic goals.
4. Design our estates and infrastructure to be responsive to the current and future needs of St Luke's and our community.

To achieve this, we will:

- Focus our fundraising on activities that maximise income generation and achieve year-on-year growth.
- Implement the recommendations of our retail strategy review to maximise the profit contribution of our retail network.
- Play a leading role in the development and implementation of North West London Integrated Care Board's new Model of Care for community specialist palliative care in Harrow and Brent, making the case for sustainable funding for charitable hospices.
- Develop policies to support Equity, Diversity, Inclusion in the workplace.
- Introduce individual objectives and personal development planning for all staff through a new Appraisal Policy.
- Review our arrangements for pay, reward and recognition.
- Develop and promote wellbeing initiatives for staff and volunteers including Mental Health First-Aiders.
- Determine future opportunities for our estates including Kenton Grange, exploring commercial ventures and partnership possibilities.

Key enablers

To deliver our strategic goals, our strategy is underpinned and enabled by:

1. Sound financial management; robust finances and targets; accurate analysis; and accurate and timely management information.
2. Creative and innovative communications and marketing tailored to our target audiences and aimed at raising the profile of St Luke's as we endeavour to be the best hospice we can possibly be.

d) Main Activities

The Charity's main focus is to provide specialist palliative care to the people of Harrow and Brent facing life-limiting illnesses. Our care includes:

Community based care

We provide specialised care for patients and families with life-limiting conditions within their own homes, including specialist palliative care nursing, crisis response care, and respite care, delivered by our Hospice at Home team and specialist palliative care nurses.

Two-thirds of our care is provided in the comfort of peoples' homes, as we respect that this is where most people would like to be looked after. Our specialist community team of nurses helps people to manage more complex needs whilst our Hospice at Home team provides care that allows people to remain in their own homes by providing practical care and support. Our consultants offer outpatient appointments in the community and also at the hospice's main building, Kenton Grange.

Inpatient Unit

We provide specialist care to patients who can't be cared for in the community, including symptom control, specialist respite care and end of life care delivered by a multi-disciplinary team of nurses, doctors, healthcare assistants, physiotherapists and social workers.

Our 12-bed inpatient unit (IPU) at Kenton Grange cares for people in their final days, providing intensive care to help get symptoms under control or give respite care. Many of those who are cared for in our IPU often return home again.

Patient and Family Support Services

We provide a programme of emotional and practical support to patients and their families living with life-limiting conditions, delivered by our specialist team of palliative care social workers, family support workers, and trained volunteers.

Our services are intended to keep people feeling well, independent and mobile for as long as possible. Our holistic approach to care is intended to support people's wellbeing, including emotional support through services such as social work, spiritual care, exercise groups, advice on welfare benefits, advance care planning support, complementary therapy and physiotherapy services.

In addition to caring for our patients, we also provide bereavement support to family members and carers, through our team of trained, supervised volunteers.

Pall 24

We provide 24-hour expert support to patients, families and professionals over the telephone, delivered by our experienced clinical staff. Our team provides advice, a rapid response in times of crisis and effectively co-ordinates care, from arranging prescriptions, to getting vital equipment delivered – anything people need to avoid going to hospital and to stay comfortably in their homes.

3. SERVICE REVIEW

Our service activity data reports for the financial period 1 April 2024 to 31 March 2025, in line with local statutory reporting requirements.

St Luke's Hospice supported **2020** service users (2023: 2069).

Our specialist palliative care community team (Brent) carried out **2072** visits to patients in their homes, which represents an increase of 10% from the previous year (2023: 1884).

Our Inpatient unit saw **212** admissions in 2024, which is consistent with admissions in 2023. The Inpatient unit continues to accept admission 7 days a week which resulted in **39** weekend admissions in 2024.

A particular highlight for 2024 is the increased activity across all areas of patient and family support services to promote and support independence, acknowledging the power and benefits of bringing people together to socialise and learn from each other.

- We implemented additional group activities to reach more people across our service, pre and post bereavement, including walk and talk, chair yoga, sound relaxation and retreat days.
- We provided **2207** social work sessions compared to 2119 in 2023 (an increase of 4%) and this service continues to grow into 2025 reflecting the demand for psycho-social and emotional support.
- We recruited an additional 35 volunteers within the bereavement and complementary therapy services. All volunteers in these services receive ongoing training, supervision and reflective practice.
- We supported a larger group of people affected by complex psychosocial issues, for example. unsettled immigration status, homelessness and mental ill-health.
- Our team received commendation from North West London ICB for our work on Reducing Health Inequalities.

4. STRATEGIC REPORT

a. Achievements and Performance

In the 2023 Annual Report and Statutory Accounts, the following delivery priorities were identified for 2024.

1. **We will deliver a new strategy for 2025-2028**
   - During 2024, St Luke's developed a new strategy focused on three Strategic Goals: Quality of Care, Serving our Community and Sustainability. The strategy started in January 2025 and is supported by a detailed operational plan and KPI's, and quarterly reporting to the Board of trustees.

2. **We will work with the North West London ICB on the development of a new Model of Care**
   - During 2024, we have been a key partner in the North West London ICB's work programme to develop a new Model of Care for community specialist palliative care services. This included St Luke's Hospice involvement in advisory and working groups, consultations, and working in partnership with NHS and charity organisations to plan the implementation of the new Model of Care.
   - Alongside, we have reviewed our own clinical service model, involving service users and clinical teams to consider how we can better meet the needs of our populations of Harrow and Brent. Our new service model will be implemented during 2025.

3. **We will improve the performance and contribution of our retail network**
   - St Luke's Hospice Charity Shops Ltd (a trading company solely owned by St Luke's Hospice) experienced a downturn in profit in 2023 which was forecast to continue into 2024 and 2025. This was a result of lower sales, poorer quality donations, a fall in footfall on the high street, and increased costs due to inflation across our network of 16 shops, all factors experienced across the charity retail sector. Our retail network contributes a third of our total income each year.
   - Urgent actions were implemented from the start of 2024 to improve performance.
     - We commissioned the Charity Retail Consultancy to carry out a retail strategy review.
     - We updated the governance of our trading company to enhance oversight and decision-making.
     - We restructured the leadership of the retail company, introducing new charity retail expertise into the business.
     - We delivered a bespoke retail management development programme.
     - We improved the alignment between retail and hospice central teams including enhanced marketing and communications support.

4. **We will implement new fundraising initiatives including a new lottery partnership and we will join national campaigns that will increase awareness of hospice funding as well as fundraising.**
   - St Luke's Hospice has entered into a new lottery arrangement with Local Hospice Lottery partnership, moving from in-house delivery during 2025.
   - We took part in the Big Give fundraising campaign for the first time, raising £30k.
   - We participated in a Hospice UK National Legacy Campaign with 143 hospices across the UK to raise the importance and awareness of leaving Gifts in Wills.
   - We undertook an external review of our fundraising to plan for growth and efficiencies in the years ahead.
   - We participated in Hospice UK national campaigns to raise awareness of the funding challenges for hospices. In October, we hosted a visit from our local MP, Gareth Thomas,

who wrote to the North West London ICB on our behalf about the need for a more equitable funding model for charitable hospices.

5. **We will prioritise the delivery of our strategic ambitions around developing and valuing our People**.
   Good progress has been made in strengthening our people processes and infrastructure.
   - We introduced a new learning and development programme across the hospice, including lunchtime sessions, online training opportunities and a hospice-wide management programme, *People Management – the Essentials,* which has been attended by all managers. A bespoke programme for retail managers was also implemented, and work started on a nurse competency framework.
   - The clinical education team launched a new approach to supporting reflective practice for clinicians.
   - The People Committee and Remuneration Committee were established, providing governance and strategic thought leadership.
   - The internal People Policy Review Group was established to review and update our people policies, with a target completion date of December 2025.
   - We retained Investors In People (IIP) accreditation and undertook an IIP staff survey.
   - A new focus on individual and personal development planning was introduced, to be expanded during 2025.

6. **We will ensure that St Luke's estate is fit for purpose and fit for the future to deliver the services our local community needs at end of life.**
   - In 2024, we commissioned a Feasibility Study of our hospice building, Kenton Grange, by Newmark (a property consultancy with expertise in health and charity sectors). Newmark provided options for the long-term sustainability of Kenton Grange, identifying a planned maintenance programme for the next 10 years. The recommendations and strategic implications will be considered by the Board of trustees during 2025 and a programme of capital works will follow.

b. The Year Ahead

In 2025, we will deliver a programme of activities that meet our delivery priorities set out in the Strategy 2025-2028 (see section 2.c Strategy 2025-2028). Progress will be reported in the Annual Report and Statutory Accounts for 2025.

In addition, the Board of trustees have approved three key transformation projects that are of highest priority with strategic implications for the future sustainability of the hospice.

1. St Luke's Service Model – shaping the future of our care
   Determining how our services will support the needs of our local population and community.
2. Kenton Grange Redevelopment Project
   Determining how our hospice building will support our service model and meet the needs of our local community.
3. NHS Funding and ICB Model of Care for Community Specialist Palliative Care Services
   Determining how we can achieve equitable and sustainable funding for our clinical services as a charity and co-commissioner of specialist palliative care services in Harrow and Brent.

c. Volunteers

At St Luke's, we are fortunate to have a dedicated community of volunteers who contribute their time and skills across most areas of our charity. From our award-winning gardening team of volunteers to the committed volunteers supporting our retail shops, their efforts are instrumental in helping us fulfil our mission of providing high-quality palliative and end-of-life care for the communities of Harrow and Brent.

Throughout 2024, our hospice volunteer numbers increased from 497 in 2023 to 521 in 2024, reflecting the ongoing dedication and commitment of our volunteers. In December, we were able to celebrate and recognise 41 volunteers who have worked for us for more than five years, with a handful of volunteers celebrating their 20 years of service.

Volunteers are crucial in the delivery of our services for patients and families. Our trained volunteers assist bereaved families in person or by phone through our bereavement programme and in 2024, we were delighted that the team won the prestigious Harrow Heroes Team of the Year award.

We continued to successfully recruit volunteers for key areas, including bereavement support, complementary therapy, reception services, retail, gardening, and office support, further enhancing the compassionate care we provide.

We are truly grateful for the unwavering generosity of our volunteers, whose contributions make a meaningful difference to the lives of our patients and their families.

d. Relationship with Stakeholders

St Luke's Hospice places great value on engagement with our stakeholders, building positive relationships across all areas of our work. In 2024, a Priority for Improvement was the development of a Patient Engagement Strategy, and we have introduced new and engaging ways to seek and receive feedback from our service users and their families.

We strive to build strong relationships with our local community, working with a range of faith groups, schools, businesses and local organisations to raise community awareness of our work and the services we provide. We were delighted to join together with the Trustees of the Shree Swaminarayan Mandir Kingsbury to be part of their Temple's ten-year celebrations and to host their spiritual leader during the summer of 2024. We were also very grateful to our Patron, The Lord Popat, for hosting a magnificent reception on our behalf at the House of Lords for over one hundred of our community and key stakeholders.

We continue to work closely with our NHS and local authority partners, including the local ICB, London North West University Hospitals NHS Foundation Trust and Brent Council Social Services. We are grateful for the interest and engagement from local Trusts and Foundations who fund our work, and voluntary sector partners. Our relationships with our charity hospice partners in the area remain strong, providing opportunities to share knowledge and experience, expertise and resources whenever possible, and working in partnership.

We engage with our staff across the hospice and our retail network through staff surveys, 'Staff Conversation' events with the CEO, and regular communications to keep staff informed and engaged. Many of our staff volunteer to help at fundraising events and we are very grateful for their engagement and support.

5. STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and administrative information set out at the end of the report form part of the formal report.

The purpose of the charity, as set out in its Articles of Association are "The relief of sickness and the preservation of health of those suffering from any life limiting illness, primarily but not exclusively, within the areas of the London Boroughs of Harrow and Brent by:

1. maintaining a Hospice providing palliative and end of life care for them in a range of settings;

2. promoting and providing services, support and care for them, their families, friends, and carers to help relieve physical, emotional, mental, or spiritual distress;
3. promoting and providing education about all aspects of palliative and end of life care;
4. carrying out research into the development and improvement of care services, in particular all aspects of palliative and end of life care; and
5. promoting and providing other services and support in such ways as the trustees shall from time to time think fit through the provision of health and social care services of all types."

a. Public Benefit

The charity exists to provide a palliative care end of life service for the residents of Harrow and Brent. In reviewing the objectives and activities for the year, the trustees have satisfied themselves that all our charitable activities focus on that care and further our charitable purposes for the public benefit. The trustees take into account Charity Commission guidance in this regard. The charity is a local organisation providing professional and compassionate services to the community in Harrow and Brent. It receives the majority of its funding from local individuals and organisations (including local NHS commissioning), therefore beneficiaries are mainly (although not exclusively) from the London boroughs of Harrow and Brent.

b. Corporate Structure

The Articles of Association govern the charity and set out its charitable objectives and powers. In 2023, updated Articles of Association were adopted with Charity Commission consent.

The organisation is a charitable company limited by guarantee, incorporated on 22 June 1987.

St. Luke's Hospice (Harrow & Brent) Ltd. has a wholly owned trading subsidiary, St. Luke's Hospice (Harrow & Brent) Charity Shops Ltd (company number 02454552) through which it operates a network of charity shops and a lottery. The trading subsidiary exists to maximise income for the hospice and all profits are donated to St Luke's Hospice using Gift Aid regulations. In 2024, a governance review was carried out for the trading company and new Articles of Association and Deed of Covenant were approved and adopted by the Board of trustees. In addition, a review of the lottery was undertaken and plans approved to move to an external lottery provider which will be fully implemented in 2025.

c. Governance

St Luke's Hospice is governed by a Board of trustees which meets at least 4 times a year. The Board of trustees is responsible for setting the strategic direction of the hospice. Additional Board business is carried out between formal meetings in line with procedures set out in the Articles of Association, including discussion, decisions and voting by email. In addition to attending Board meetings, every trustee sits on at least one Committee.

The hospice has five sub-committees:

- Finance & Performance Committee (F&P) – overseeing the financial performance of the hospice and the delivery of strategic objectives in line with resources, including income generation, marketing, IT, and estates management.
- Audit and Risk Committee (A&R) – overseeing risk management, governance, and compliance across the hospice.
- Clinical Governance Committee (CGC) – overseeing all areas of governance and compliance in relation to clinical services and patient safety.
- People Committee (PC) – overseeing all areas of people, culture and organisational development.
- Remuneration Committee (RemCo) – overseeing the remuneration of senior management.

The Board delegates day-to-day management of the charity to the Chief Executive Officer and the Executive Team.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 9 to the Accounts.

d. Appointment of Trustees

Trustees, including the Chair of trustees, are appointed by the Board following an open recruitment process including advertising, application and interview. The Board reviews the skills it needs in deciding selection criteria to maintain breadth of expertise. Once appointed a trustee will serve for an initial term of 3 years, with a maximum of 3 terms. In 2024, one trustee resigned from the Board.

e. Trustee Induction and Training

St Luke's Hospice operates a thorough induction programme for all new trustees, including engagement with our services, and meetings with the Chief Executive Officer and members of the Executive Team. Trustees are provided with a comprehensive pack of information for reference including the Charity Governance Code. All trustees are required to complete e-learning modules via the hospice's online training portal and are also offered relevant training courses. Annual appraisal of all trustees is conducted by the Chair and Vice-Chair. In addition, the Chair has an annual appraisal which is led by the Vice-Chair.

f. Principal Risks

St Luke's Hospice has further embedded its approach to risk management during 2024. The Audit and Risk Committee met three times during the year including a meeting with the hospice's auditors to review the audited accounts. A Board Assurance Framework and Corporate Risk Register has been embedded into practice and is supported and informed by an internal clinical governance framework.

Further development has taken place of the Vantage incident, risk and compliance management software during 2024. New modules have been implemented this year including the Care Quality Commission compliance module and the complaints and compliments module.

The Executive Team and the Audit and Risk Committee have agreed the organisation's principal risks which are regularly reviewed. Organisational policies and procedures are in place in relation to the principal risks.

Risk	Management / Mitigations
Clinical Services	Education and training provision Competency programmes Arrangements for clinical and consultant oncall
Financial sustainability	Finance and Performance Committee Regular monitoring of management accounts and financial position Approved budget for financial year Appointed auditors Financial recovery plan for 2025 and beyond
Transformation	Strategic objectives Board and Executive Team away days for strategic planning Internal staff engagement and communications Staff survey
Commissioning	Regular meetings with commissioners Contract in place Provision of monthly activity and quality data

Governance and compliance	Clinical Governance Committee and Board level committees Internal governance groups Risk, incident and complaint management Patient feedback measures and strategy
Employment law, HR and payroll compliance	Renumeration Committee Specialist advisor support Contracts of employment
The environment	Structural surveys Planned maintenance programme Strategic plan for building upgrade
Infection prevention and control	External expert advisors Risk assessment Audit and monitoring programmes Training and education
Infrastructure	External IT contractor Cyber security
Safeguarding	Safeguarding lead and trustee with responsibility for safeguarding Safeguarding training and compliance monitoring Freedom to Speak Up Guardian
Health and safety	Health and Safety Group and Audit and Risk Committee Health and Safety competent advisors Various risk assessment Business Continuity Plan
Communication and engagement	Communications and marketing team Mailings, social media and engagement events
Workforce capability	People Committee Recruitment, probationary and appraisal processes Competency programmes Mandatory training and external training opportunities Education team
Workforce recruitment	People Committee Diverse recruitment methods
Data governance, security, privacy and quality	Information Governance Group Data Protection Officer, Senior Information Risk Officer, Caldicott Guardian Compliance with the Data Security and Protection Toolkit (DSPT)

g. Our People

There were, on average, 143 full-time and part-time (FT/PT) staff employed in 2024 in the hospice and the hospice's Shops company (2023: FT/PT staff 152).

Staff FT/PT	**Year 2024**	**Year 2023**
Shops Company	50	54
Hospice	93	98
Total	143	152

In 2024, a total of 521 (2023: 497) people volunteered at St Luke's Hospice; 411 in retail, and 110 in the hospice.

h. Remuneration Policy for Key Management Personnel

The Remuneration Committee consists of the Chair of trustees, Vice Chair of trustees, Chair of Finance & Performance Committee, and is chaired by a fourth trustee. It has delegated responsibility from the Board for pay and remuneration of the Chief Executive Officer and Executive Team. In 2024, an external agency was commissioned to carry out a benchmarking exercise for Executive Team salaries and benefits with reference to hospice, public, charity and private sectors.

i. Diversity, Equity and Inclusion

In 2024, we refreshed our Dignity at Work policies and Flexible Work policies. In 2025, staff will be engaged in setting the EDI agenda as part of the development of a new Equity, Diversity and Inclusion strategy for the hospice.

j. Environmental Impact - Energy and Carbon Reporting

We progressed with a number of initiatives in 2024 to improve our impact on the environment.

- We commissioned a building survey of our Kenton Grange site to understand the general condition and remedial work required to ensure the building remains in a satisfactory operating condition.
- We commissioned a Energy Performance Certificate Survey at the start of 2025 in order to understand the Kenton Grange site's current energy efficiency. Recommendations made by the assessor for potentially improving the energy performance of the building will be reviewed and incorporated into the buildings planned preventative maintenance programme where practically and economically feasible.
- We worked with our waste management provider to ensure that we are prepared for the changes in guidelines for recycling for workplaces and commercial waste collections from March 2025.
- We continued our recycling progamme including plastics, papers, batteries, toner cartridges and the recycling of rag across our retail operation.
- We introduced electric vans for our retail operation.
- We paused other initiatives such as the replacement of windows whilst we investigate the structural repairs required at our Kenton Grange site.

6. FINANCIAL PERFORMANCE

a. Financial Performance

In 2024, the Hospice Group recorded a deficit of £118k (2023: surplus £169k). Compared to last year, this represents an increase of £758k in legacies, a £664k decrease in contract income (out of which £640k relates to Ageing well programme), a £38k rise in investment gains, a £214k increase in costs due to inflation, and a £204k reduction in contributions from our shops.

The Charity's income arises from:

	2024 £000	**2023 £000**	**Increase/(decrease)**
Contract income	3,032	3,696	(18%)
Fundraising	2,330	2,468	(6%)
Legacies	1,754	996	76%
Shops Company, including the lottery	2,324	2,411	(4%)
Interest & dividend	137	117	17%
Total income excluding unrealised investment gains.	9,577	9,688	(1%)

The Group's total income decreased by 1% (£287k) compared to the previous year, prior to accounting for unrealised investment gains and losses. There has been a 76% (£758k) increase in legacy income and a 18% (£664k) reduction in contract income primarily due to the non-renewal of the Ageing Well funding programme (£640k). All other operational income streams saw reductions.

Total group costs increased by 2%, driven by inflation and investment in IT infrastructure including EMIS (£50k). Communication and marketing expenses have been reclassified from fundraising costs to central support costs during the year.

The net profit contribution from the Shops Company saw year on year decline in 2024 as a result of shop closures, a drop in sales, and higher costs related to new vehicle leases, property dilapidation, and the full-year impact of the new Waverley warehouse.

As a result of the operating deficit and delayed cash receipt from legacies, cash reserves declined from £1.7 million to £1.3 million and total reserves declined from £12.8m to £12.7m.

b. Fundraising Approach, Controls and Performance

1. Performance

St Luke's Hospice is dedicated to engaging and collaborating with its local community, whilst also maintaining high standards of fundraising and lottery activity. In a particularly challenging income generating environment for the hospice sector, St Luke's is immensely appreciative of the continued commitment of our local communities of Harrow and Brent to all our work in the past year.

A 29% income growth was achieved in 2024, resulting in a gross contribution from Fundraising of over £3.5m. This was made up of £1.3m from multiple fundraising income streams (Individual Giving, In-Memory, Corporate and Community, Major Donors, Trusts and Foundations and Gift Aid), as well as Legacies, Events and from the Lottery. The lottery contribution and performance are reported within the Shops company performance section below.

Gifts in Wills remain our largest income stream with £1,753k being received from over 40 legacies, and 2024 ended with a very healthy legacy pipeline, the highest in the last five years. We remain incredibly grateful for those people who choose to remember St Luke's Hospice in their Wills.

The Big Give campaign to Support our Nurses, a new initiative for St Luke's, raised just over £27k, with over 139 donations (23 of which were new supporters). In-Memory saw significant growth from MuchLoved tribute pages, with donations increasing from £39k in 2023, to over £84k in 2024. Events income was slightly down on the previous year, and in 2025 we will concentrate on fewer events, and re-brand our flagship event to boost income. The Annual Walk, in its 27th year, exceeded expectations, bringing in over £80k with 70 walkers taking to the Shropshire Hills for a four-day walking challenge.

A fundraising review, undertaken by Compton Fundraising Consultants, was conducted at the end of the year to analyse our activity, database, supporter journeys and performance. As a result, a blueprint and fundraising roadmap has been developed, focusing on growth, efficiencies and sustainability for 2025 and beyond.

In 2024, St Luke's was incredibly grateful to receive tremendous support from local businesses, charitable Trusts and Foundations and grant-giving funds of all sizes. Our huge thanks to all those listed and those who prefer to remain anonymous:

Albert Hunt Trust; Ardwick Trust; Arja Samaj Middlesex Hindu Charity UK; Bell Container Trading; Bloomberg; Brent Health Matters; Caron Keating Foundation; Cecil Rosen Foundation; Charterhouse Accountants; City Bridge Foundation; D S Cohen Charitable Trust; The February Foundation; Hamilton Wallace Trust; Harapan Trust; Hodge Foundation; Hospital Saturday Fund; Jean and Derek King Charitable Trust; The Kingsbury Charity; Lenore Reynell Trust; Mahavir Trust; MAPS Medical Benevolent Charitable Trust; Middlesex Mark Benevolent Fund; M K Charitable Trust; National Lottery Community Fund; RUB White Charitable Trust; Screwfix Foundation; SPAR (UK); The Arts Society Harrow; The Wolfson Foundation; and Toureen Group.

2. Controls

St Luke's Hospice has voluntarily registered with the Fundraising Regulator, is a member of Hospice UK, the Hospice Lottery Association and the Hospice Income Generation Network (HIGN). In 2024, the Lottery remained in-house (pending a move to Local Hospice Lottery in 2025) and is licensed with the Gambling Commission. St Luke's also signed up to the national Hospice UK Legacy Campaign in 2024, joining together with 142 other hospices across the country to promote the importance of leaving gifts in will.

St Luke's is committed to operating within the Fundraising Code of Practice, employing a team of paid colleagues to deliver our fundraising and communications activities. Many of our fundraisers are also members of the Chartered Institute of Fundraising. We have a dedicated supporter care team responsible for data maintenance and record-keeping to comply with Fundraising Regulator requirements. In the period of 1 January to 31 December, we received five fundraising complaints, all of which were minor, and were investigated and resolved to the supporter's satisfaction.

From time to time, St Luke's engages with professional third-party suppliers to help raise funds, particularly where we do not have the expertise in-house, including mailing houses and fundraising agencies, to undertake some direct mailings and telephone appeals. St Luke's also contracts services to Legacy Link, a legacy administration company, to administer legacy donations. The Hospice is also signed up to the Fundraising Preference Service to enable individuals to opt out of fundraising communications from us, and we received one request through this service in the past year.

The Director of Communications and Fundraising is a member of the internal Information Governance Group and a member of the Fundraising team attends the hospice's Health and Safety Group. The team also liaise closely with, and seek guidance from, the Data Protection Officer to ensure data processing is in line with GDPR compliant procedures. All fundraising activities are reported to the Finance and Performance Committee on a quarterly basis by the Director of Communications and Fundraising.

The fundraising team will continue to build on the strategies implemented this year to steward existing donors and acquire new supporters to generate and increase income for St Luke's Hospice in the new financial year.

c. Retail and Lottery Performance

St Luke's Hospice Shops Company Ltd continued to generate profits in support of the Hospice's vital work and services. Over the past two years, we experienced a decline in profitability which persisted into 2024. This was driven by a combination of factors affecting the wider charity retail sector, including lower sales, reduced quality and volume of donations, declining high street footfall, shop closures and rising costs due to inflation across our network. The costs also increased due to new vehicle leasing, cost of dilapidations and full year new warehouse operational cost. The net contribution from all retail activity (including e-commerce) for 2024 was £153,054, down from £357,525 in 2023. Although quality of the

donated goods remained low, our shops continued to benefit from strong community support. During the year, one shop closed due to the expiry of its lease. By the end of 2024, the Shops Company operated 16 retail outlets.

To address these challenges and begin a retail turnaround, we implemented several key actions during 2024:

- **Commissioned a Retail Strategy Review:** The Charity Retail Consultancy was engaged to carry out a comprehensive review of our retail operations.
- **Strengthened Governance:** We updated the governance structure of the Shops Company to improve oversight and support better decision-making.
- **Restructured Leadership:** A new leadership structure and skills were introduced, bringing in charity retail expertise to guide the business.
- **Developed Management Capabilities:** A bespoke retail management development programme was delivered to upskill our team.

During 2024, we received 1 (2023: 6) complaints in relation to our retail network.

St Luke's Hospice currently operates an in-house lottery, which is licensed by the Gambling Commission. St Luke's is a member of the Hospice Lottery Association, and provides regular weekly data and regulatory returns to the Gambling Commission as requested. However, the cost of running the lottery, combined with declining player numbers and cancellations, has led to a decision to outsource this activity to the Local Hospice Lottery for 2025. Lottery income made a £249k contribution to the hospice in 2024 (a decline in income since 2023) with around 3,600 players participating in the weekly game. Player retention is the key focus at the present time for the lottery, and pro-active recruitment for players will follow once the lottery has been outsourced.

d. Reserves Policy

The Board of Trustees Reserves Policy aims to maintain six months of total expenditure as reserves. Adequate reserves also ensures that there are sufficient liquid funds available to meet unexpected shortfalls in its funding streams, timing differences in receipt of those funds, or sudden increases in costs.

The Finance and Performance Committee of the Board of Trustees reviews the Reserves Policy in line with future anticipated financial demands of the Charity. In 2024, reserves of £4,948k (six months total expenditure of £9,897), compared to £4,842k in 2023 (six months total expenditure of £9,683k) will be considered adequate by the Board of Trustees to meet the policy.

Total free reserves excluding Fixed asset reserve and designated funds held at 31st December 2024, as per the table below, were £5,171k. This is just above the required £4,948k of six-month operational cost. Therefore, the Trustees confirm the compliance of the Charity's Reserves Policy.

The Risk Management Reserve of £1,411k was established to help the Hospice address any operational risk that could arise in the future.

Comprehensive details about the Pension Deficit Reserve can be found in Note 20 to the Accounts.

As at 31st December 2024, the Charitable Group held the following General and Designated Reserves:

Fund	£000's		Timeline for Use
	2024	**2023**	
Designated Fixed Asset Fund - Hospice	5,233	5,294	The designated fixed asset funds represent the net book value of the fixed assets. These funds are identified separately as they are illiquid funds and not available for use.
Designated Fixed Asset Fund - Shops	380	512	
TOTAL Designated Fixed Asset Funds	**5,613**	**5,806**	
FREE RESERVES General Unrestricted Fund	5,171	5,173	Available for general purposes and core costs
Risk Management Reserve	1,411	1,372	General Purposes – against perceived potential risks to income – see below
Pension Deficit Reserve	300	300	Held towards a potential future buy-out of the Defined Benefits Pension Scheme – see Note 20 of the Financial Statements
TOTAL LIQUID RESERVES	**6,882**	**6,845**	Total Reserves available to spend
TOTAL UNRESTRICTED FUNDS	**12,495**	**12,651**	As per Balance Sheet

e. Investment Policy

Messrs Rathbones plc were appointed as Investment Managers to the Charity in 2016 to manage the investment portfolio with an initial allocation of approximately £1.6m. An additional investment of £2.5m was made in December 2021. Before placing investments on behalf of the Charity, the trustees have asked the fund managers to screen for tobacco and health care companies. The fund managers report to the Charity on a quarterly basis.

As at 31st December 2024 the investments were valued at £4,182k (2023 - £4,011K).

Changes in the investments held are detailed in Note 11 of the Accounts.

7. STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Charity Law in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charity and the group 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 in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 charity will continue in business

The trustees are responsible for keeping proper records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charity and group's auditors are unaware
- the trustees have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may vary from legislations in their jurisdictions.

Auditor

On 18 November 2024 the company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP. HaysMac LLP has indicated its willingness to be reappointed as statutory auditor for the next financial year.

The Trustees' Report, which incorporates a Strategic Report, was approved by the trustees and signed on their behalf by

Margaret Lustman
Chair of Trustees

M. Lustman

Date 12th June 2025

8. INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. LUKE'S HOSPICE (HARROW & BRENT) LTD

We have audited the financial statements of St. Luke's Hospice (Harrow & Brent) Ltd for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Statement of Consolidated Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the message from the Chair. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 19, 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.

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

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with regulatory

requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such the Companies Act 2006, the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting trustees' meeting minutes;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year-end or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

A further description of our responsibilities 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 auditor's report.

Use of our report

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

Lee Stokes (Senior statutory auditor)
for and on behalf of HaysMac LLP, Statutory Auditor
10 Queen Street Place,
London,
EC4R 1AG

9. FINANCIAL STATEMENTS

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000	Total 2023 £'000
Income from:						
Donations and legacies						
. Donations	2	1,712	382	-	2,094	2,217
. Legacies	3	1,754	-	-	1,754	996
		3,466	382	-	3,848	3,213
Charitable Activities						
. NHS commissioning		3,007	-	-	3,007	3,596
. Other income		25	-	-	25	100
	5	3,032	-	-	3,032	3,696
Other trading activities						
. Fundraising events	2	236	-	-	236	251
. Gross income from shops and lottery	4	2,324	-	-	2,324	2,411
		2,560	-	-	2,560	2,662
Income from Investments		137	-	-	137	117
Total income		**9,195**	**382**	**-**	**9,577**	**9,688**
Expenditure on:						
Raising funds						
. Fundraising costs		1,380	-	-	1,380	1,417
. Fundraising events costs		279	-	-	279	230
. Shops and lottery expenditure		2,567	-	-	2,567	2,390
. Investment management costs		20	-	-	20	19
		4,246	-	-	4,246	4,056
Charitable activities						
. Inpatient services		1,901	197	-	2098	1,867
. Outpatient services		628	43	-	671	593
. Community services		1,660	111	-	1,771	1,855
. General clinical support		1,106	5	-	1,111	1,312
		5,295	356	-	5,651	5,627
Total expenditure	7	**9,541**	**356**	**-**	**9,897**	**9,683**
Net income/(Expenditure) before gains/(losses) on investments		(346)	26	-	(320)	5
Net gains on investments	11	190	-	12	202	150
Pension revaluation gain		-	-	-	-	14
Net income/(Expenditure)	6	(156)	26	12	(118)	169

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
(Including an Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000	Total 2023 £'000
Net income	6	(156)	26	12	(118)	169
Transfer between funds		-	-	-	-	-
Net movement in funds		(156)	26	12	(118)	169
Reconciliation of funds						
Total funds brought forward		12,651	-	228	12,879	12,710
Total funds carried forward		12,495	26	240	12,761	12,879

All amounts relate to continuing activities. There are no recognised gains or losses for the current or preceding financial year other than as shown above, therefore no Statement of Total Recognised Gains & Losses has been presented. Income and expenditure by fund for the year ended 31 December 2023 is given in note 19 to the accounts.

The net result of the charity's own activities for 2024 was a loss of £271,224 (2023: £187,745).

The notes on pages 27 to 44 form part of these accounts.

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

CHARITY AND GROUP BALANCE SHEETS

AT 31 DECEMBER 2024

	Notes	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
FIXED ASSETS					
Tangible assets	10	5,613	5,806	5,233	5,294
Investments	11	4,182	4,011	4,182	4,011
		9,795	9,817	9,415	9,305
CURRENT ASSETS					
Debtors	12	2,466	2,140	3,052	2,747
Cash at bank and in hand		1,331	1,717	983	1,491
		3,797	3,857	4,035	4,238
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	(734)	(625)	(592)	(494)
NET CURRENT ASSETS		3,063	3,232	3,443	3,744
Long term liabilities (Pension deficit)	20	(97)	(170)	(97)	(170)
NET ASSETS	14	12,761	12,879	12,761	12,879
Represented by					
Unrestricted funds					
Designated funds		7,324	7,478	7,324	7,478
General fund		5,171	5,173	5,171	5,173
		12,495	12,651	12,495	12,651
Endowment funds		240	228	240	228
Restricted funds		26	-	26	-
	15	12,761	12,879	12,761	12,879

The financial statements were approved and authorised for issue by the Board of Trustees on 10th June 2025 and signed on their behalf by:

M Lustman
Chair of Trustees

M. Lustman.

The notes on pages 27 to 44 form part of these accounts.

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
Net cash flow provided by/(used in) operating activities (note A)		(423)		(748)
Cash flows from investing activities:				
Dividends, interest and rents from investments	136		117	
Purchase of property, plant and equipment	(57)		(884)	
Disposal of investments	872		374	
Acquisition of investments	(946)		(479)	
Change in investment cash	105		105	
Pension creditor revaluation	(73)		(61)	
Net cash used in investing activities		37		(828)
Change in cash and cash equivalents in the reporting period		(386)		(1,576)
Cash and cash equivalents at the beginning of the reporting period		1,717		3,293
Cash and cash equivalents at the end of the reporting period		1,331		1,717

A) Reconciliation of net (expenditure)/income to net cash flow from operating activities	**2024 £'000**	**2023 £'000**
Net income for the reporting period (as per the statement of financial activities)	(118)	169
Adjustments for:		
Depreciation charges	250	183
Losses/(gains) on investments	(202)	(150)
Gain on pension revaluation	(-)	(14)
Dividends, interest and rents from investments	(136)	(117)
Decrease/(increase) in debtors	(326)	(765)
Increase/(decrease) in creditors	109	(61)
Other	-	7
Net cash flow provided in/(used in) operating activities	(423)	(748)
Analysis of cash and cash equivalents		
Cash at bank and in hand	1,331	1,717
Total cash and cash equivalents	1,331	1,717

ANALYSIS OF NET DEBT

	Balance at 1.1.24	**Cash flows**	**Other non-cash changes**	**Balance at 31.12.24**
	£'000	**£'000**	**£'000**	**£'000**
Cash and bank	1,717	(386)	-	1,331

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity 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 note(s).

(ii) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and accruing for legacies which have not yet been received.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

(iii) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs with the exception of investments which are held at fair value. Financial assets held amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(iv) Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives trustees confidence the charity remains a going concern for the foreseeable future.

(v) Consolidation

These accounts consolidate the results of the charity and its wholly owned subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Limited, on a line-by-line basis. A separate Income and Expenditure Account and Statement of Financial Activities is not presented for the charity alone as permitted by the Companies Act 2006 and Charities SORP.

(vi) Income

Income from donations, legacies and grants are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Donations include related gift aid income.

The Shops company acts as agent to sell items donated with a gift aid declaration and to pass the resulting cash donations to the Hospice rather than record them as turnover within the Shops Company. The Hospice also receives the gift aid claimed on these donations.

Legacies are included when the Hospice becomes entitled to the funds and the sum receivable can be reliably quantified. Where they rely on the sale of property or investments, and thus do not have a certain valuation, an estimate of their value is disclosed in the notes to the financial statements.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income from NHS contracts from the Harrow & Brent Clinical Commissioning Groups. They have been dealt with on a receivable basis as a contribution to running costs.

There have been no significant gifts in kind or donated goods and services during the year.

The value of services provided by volunteers is not incorporated in these financial statements. Further detail of the substantial contribution by volunteers can be found in the Report of the Trustees.

(vii) Expenditure

Expenditure is recognised when a liability is incurred. It includes VAT where this is not recoverable.

Expenditure on raising funds is the costs incurred in attracting donation income, organising and managing fundraising events, and the costs incurred in trading activities which raise funds.

Charitable activities include the Hospice care services offered to inpatients, day care patients, those receiving Hospice services in their own homes, and their carers and families. There are also a range of clinical and other services which apply to all these forms of Hospice care. These costs include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., property costs by floor areas and other costs on the bases shown in Note 7.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with compliance with constitutional and statutory requirements. These have been allocated to activity costs on the same basis as support costs.

(viii) Tangible fixed assets

All assets acquired costing more than £2,500 are capitalised.

Leasehold properties	assets acquired prior to 2016 - over the term of the lease
	assets acquired after 2016 – shorter of 5 years or the remaining term of the lease
Fixtures and equipment	20%
Motor vehicles	20%
IT equipment and systems	20%

The freehold property is not depreciated as the amount of depreciation is considered to be immaterial.

Tangible fixed assets are held at cost and (except for the freehold property) depreciated on a straight line basis over their estimated useful lives as follows.

(ix) Investments

Investments are initially recognised at their transaction cost and subsequently valued at fair value at the Balance Sheet date, unless fair 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 shown in the heading 'Net gains/(losses) on investments' in the Statement of Financial Activities.

(x) Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purposes.

Endowment funds are restricted funds which are to be retained for the benefit of the charity as a capital fund.

The Hospice has a number of restricted income and capital funds. Details of the funds are given in the notes to the financial statements.

(xi) Pensions

The Group currently offers a qualifying defined contribution pension scheme to all staff. In addition the Group is a Direction Employer under the NHS Scheme.

National Health Service Superannuation scheme

This is a statutory superannuation scheme as defined in Section 6.12 (1) Income and Corporation taxes Act 1988, which has no invested funds. Contribution by employers (currently 14.3%) and members are accounted for to the Treasury and benefits are paid from the consolidated fund. This scheme is only open to staff who have been members of the NHS scheme in previous employment under the dispensation rules. The accounting charge represents the employer's contributions for the period.

Defined Contribution Scheme (Pensions Trust)

With effect from 1 May 2015 the group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the group. There is no liability under the scheme other than the payment of those contributions.

(xii) Taxation

No tax is payable due to the charitable status of the parent company. Taxable profits generated by the trading subsidiary are transferred to the parent company under gift aid.

(xiii) Leases

Operating lease rentals are charged to the Statement of Financial Activities over the period of the lease.

(xiv) Legal status

The charitable company is limited by Guarantee and does not have any share capital.

(xv) Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

(xvi) Debtors

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

(xvii) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

(xiii) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. DONATIONS – 2024	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Individual donations	215	24	239	251
In memoriam donations	202	3	205	185
Community groups	101	1	102	137
Trust fund donations	34	333	367	523
Corporate donations	115	8	123	101
Major Donors	131	13	144	65
Gift aid	146	-	146	71
Donations & gift aid from sale of goods in our shops	768	-	768	884
	1,712	382	2,094	2,217

Fundraising events in 2024 raised £236,052 (2023: £251,257).

DONATIONS - 2023	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Individual donations	234	17	251
In memoriam donations	181	4	185
Community groups	126	11	137
Trust fund donations	135	388	523
Corporate donations	101	0	101
Major Donors	52	13	65
Gift aid	71	-	71
Donations & gift aid from sale of goods in our shops	884	-	884
	1,784	433	2,217

3. LEGACIES

£1,753,661 has been recognised from legacies for 2024 (2023: £995,627) using the Hospice's accounting policy and principles of (i) Entitlement exists; (ii) receipt is probable; and (iii) the amount is measurable. Where there is any uncertainty regarding any of those principles, or the legacy could be contested, these have not been included in our accounts.

4. INCOME AND EXPENDITURE FROM SHOPS AND LOTTERY

The Charity owns the entire share capital of St Luke's Hospice (Harrow & Brent) Charity Shops Limited, a company registered in England and Wales, which operates charity shops in support of the Hospice funding. The subsidiary transfers to the Hospice under gift aid an amount not less than its taxable profits.

A summary of the trading results of the subsidiary is shown below. Audited accounts have been prepared in respect of the trading period for the year ended 31 December 2024.

	Total 2024 £'000	Total 2023 £'000
Turnover	2,060	2,158
Income from lottery	249	253
Government grants	15	-
	2,324	2,411
Cost of sale of purchased goods	-	4
Administration expenses	2,081	1,960
Lottery expenditure and prizes	90	90
Gross direct expenditure of shops and lottery	2,171	2,054
Net direct income from shops and lottery	153	357
Lease costs relating to shops owned by Charity	(66)	(66)
Donations of goods under gift aid	659	707
Lottery Prizes donated by Players	10	14
Contribution generated by Charity Shops Ltd	756	1,012

5. CHARITABLE ACTIVITIES - 2024	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
NHS commissioning income	3,007	-	3,007	3,596
	3,007	-	3,007	3,596
Other funding	25	-	25	100
	3,032	-	3,032	3,696

NHS commissioning income in 2023 includes funding to deliver Fast Track Brokerage of Care. The current contract runs to September 2025.

CHARITABLE ACTIVITIES - 2023	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
NHS commissioning income	3,596	-	3,596
Other funding	100	-	100
	3,696	-	3,696

6. NET (EXPENDITURE)/INCOME	Total 2024 £'000	Total 2023 £'000
Net income is stated after charging:		
Depreciation	250	183
Auditor's remuneration	27	18
Other fees payable to auditors	15	12
Operating lease rental	616	525

7. EXPENDITURE – 2024

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Out Patient services £'000	Community services £'000	General clinical support £'000	2024 Total £'000
Staff costs	Direct	443	65	1,418	-	1,102	315	1,556	339	5,238
Drugs and medical	Direct	-	-	-	-	106	-	-	-	106
Catering and housekeeping	Direct	-	-	-	-	227	-	-	-	227
Fundraising and community	Direct	777	107	-	-	-	-		-	884
Other direct costs	Direct	-	-	753	20	104	80	21	394	1,372
		1,220	172	2,171	20	1,539	395	1,577	733	7,827
Support costs										
Management	Staff time	29	29	77	-	14	14	14	14	191
Quality	Staff time	13	0	60	-	72	48	50	72	315
Finance	Staff time	38	38	111	-	45	24	38	80	374
HR	Headcount	25	12	148	-	102	14	35	74	410
Premises	Floor area	42	22	-	-	272	168	40	102	646
Communication	Headcount	13	6	-	-	54	8	17	36	134
Shops Lease	Amortisation	-	-	-	-	-	-	-	-	-
		160	107	396	-	559	276	194	378	2,070
Total expenditure	**2024**	1,380	279	2,567	20	2,098	671	1,771	1,111	9,897
Total expenditure	**2023**	1,417	230	2,390	19	1,867	593	1,855	1,313	9,683

- The lease rentals relating to two shops are allocated wholly to Shops and Lottery Expenses.

7. EXPENDITURE – 2023

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Out Patient services £'000	Community services £'000	General clinical support £'000	2023 Total £'000
Staff costs	Direct	391	60	1,483	-	1,157	330	1,656	402	5,479
Drugs and medical	Direct	-	-	-	-	128	-	-	-	128
Catering and housekeeping	Direct	-	-	-	-	-	-	-	210	210
Fundraising and community	Direct	880	65	-	-	-	-	-	-	945
Other direct costs	Direct	-	-	571	19	132	65	40	386	1,213
		1,271	125	2,054	19	1,417	395	1,696	998	7,975
Support costs										
Management	Staff time	33	33	87	-	16	16	16	16	217
Quality	Staff time	5	0	25	-	30	19	21	30	130
Finance	Staff time	36	36	109	-	43	24	36	77	361
HR	Headcount	19	9	112	-	78	11	26	56	311
Premises	Floor area	29	15	0	-	181	112	27	67	431
Gen overheads	Headcount	24	11	0	-	102	15	33	69	254
Shops Lease	Amortisation	-	-	4	-	-	-	-	-	4
		146	104	336	-	450	198	159	316	1,708
Total expenditure	**2023**	1,417	230	2,390	19	1,867	593	1,855	1,313	9,683
Total expenditure	**2022**	625	245	2,726	23	1,941	545	1,782	1,136	9,023

- The lease rentals relating to two shops are allocated wholly to Shops and Lottery Expenses.

8. STAFF COSTS AND NUMBERS

	Total 2024 £'000	Total 2023 £'000
Salaries and wages	5,052	4,930
Social security costs	486	470
Pension costs	324	330
Total	5,862	5,730
Average number of employees (full time equivalents)		
Hospice	79	82
Shops	43	49
	122	131

There were on average 143 people employed (2023 – 152) full and part time. The employees were supported by 521 unpaid volunteers during the year (2023: 497).

Pension costs include an amount of £31,849 (202 – £32,191) paid in respect of death in service cover for employees of the company.

Ex Gratia payments made during the year were £13,108 (2023 – £14,169).

The total remuneration for Key Management Personnel included in staff costs above is £540,569 (2023: £546,711). The number of staff with remuneration in excess of £60,000 were as follows:

£	2024	2023
£60,000 - £70,000	1	3
£70,000 - £80,000	2	3
£80,000 - £90,000	3	-
£90,000 - £100,000	-	1
£100,000 - £110,000	1	

9. TRUSTEES

None of the trustees received any remuneration or benefits in kind from the charitable company (2023: Nil). Trustees did not claim any expenses on behalf of the charity during the year (2023:Nil).

10. TANGIBLE FIXED ASSETS

Group	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
Opening balance	4,932	1,194	573	11	6,710
Additions	-	3	54	-	57
Disposals	-	(277)	(8)	(11)	(296)
Closing balance	4,932	920	619	-	6,471
Depreciation					
Opening balance	-	682	211	11	904
Charge for the year	-	135	115	-	250
Disposals	-	(277)	(8)	(11)	(296)
Closing balance	-	540	318	-	858
Net Book Value					
At 31 December 2024	4,932	380	301	-	5,613
At 31 December 2023	4,932	512	362	-	5,806

Charity	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
Opening balance	4,932	33	563	-	5,528
Additions	-	-	54	-	54
Disposals	-	(33)	-	-	(33)
Closing balance	4,932	-	617	-	5,549
Depreciation					
Opening balance	-	33	201	-	233
Charge for the year	-		115	-	115
Disposals	-	(33)	-	-	(33)
Closing balance	-	-	316	-	316
Net Book Value					
At 31 December 2024	4,932	-	301	-	5,233
At 31 December 2023	4,932	-	362	-	5,294

Freehold properties otherwise represents the acquisition and conversion costs of Kenton Grange between 1992 and 2002 shown at historic cost and the costs of building the Woodgrange Centre completed in 2015.

11. INVESTMENTS

	2024 £'000	2023 £'000
Market value at 1 January 2024	4,011	3,861
Additions	946	479
Disposals	(872)	(374)
Realised and unrealised gains	202	150
Movement in investment cash	(105)	(105)
Market value at 31 December 2024	4,182	4,011

12. DEBTORS: amounts falling due with one year

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors				
Other debtors				
Prepayments and accrued income	179	60	179	60
Amounts owed by subsidiary undertaking	141	134	40	77
	2,146	1,946	1,931	1,731
	-	-	902	879
	2,466	2,140	3,052	2,747

13 CREDITORS: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	209	170	156	155
Taxation and social security	170	175	139	142
Accruals and deferred income	355	280	297	197
	734	625	592	494

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

- **GROUP – 2024**

	Unrestricted funds		Endowment	Restricted	Total
	General	Designated	Funds	Funds	2024
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	5,613	-	-	5,613
Investments	2,531	1,411	240	-	4,182
Net current assets	2,737	300	-	26	3,063
Long term liabilities	(97)	-	-	-	(97)
Net assets	5,171	7,324	240	26	12,761

ANALYSIS OF NET ASSETS BETWEEN FUNDS

- **GROUP – 2023**

	Unrestricted funds		Endowment	Restricted	Total
	General	Designated	Funds	Funds	2023
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	5,806	-	-	5,806
Investments	2,411	1,372	228	-	4,011
Net current assets	2,932	300	-	-	3,232
Long term liabilities	(170)	-	-	-	(170)
Net assets	5,173	7,478	228	0	12,879

ANALYSIS OF NET ASSETS BETWEEN FUNDS

- **CHARITY – 2024**

	Unrestricted funds		Endowment	Restricted	Total
	General	Designated	Funds	Funds	2024
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	5,233	-	-	5,233
Investments	2,531	1,411	240	-	4,182
Net current assets/(liabilities)	2,737	680	-	26	3,443
Long term liabilities	(97)	-	-	-	(97)
Net assets	5,171	7,324	240	26	12,761

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

- **CHARITY – 2023**

	Unrestricted funds		Endowment	Restricted	Total
	General	Designated	Funds	Funds	2023
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	5,294	-	-	5,294
Investments	2,411	1,372	228	-	4,011
Net current assets/(liabilities)	2,932	812	-	-	3,744
Long term liabilities	(170)		-	-	(170)
Net assets	5,173	7,478	228	-	12,879

15. FUNDS – 2024

	Opening Balance £'000	Income £'000	Expenditure £'000	Investment Gains/Losses £'000	Transfer/ Pension Surplus £'000	Closing Balance £'000
Restricted funds						
Inpatient care funds	-	196	(196)	-	-	-
Outpatient care funds	-	63	(63)	-	-	-
Community care funds	-	112	(92)	-	-	20
General Clinical funds	-	5	(5)	-	-	-
Capital funds	-	6	-	-	-	6
Fundraising Programme	-	-	-	-	-	-
Total restricted funds	-	382	(356)	-	-	26
Endowment funds						
Alice Wisbey Capital Fund	25	-	-	1	-	26
D D McPhail	203	-	-	11	-	214
Total endowment funds	228	-	-	12	-	240
Unrestricted funds						
Designated fixed asset fund	5,294	-	-	-	(61)	5,233
Designated shops assets fund	512	-		-	(132) -	380
Designated risk management fund	1,372	-	-	39	-	- 1,411
Pension liability reserve	300	-	-	-	-	300
Total designated funds	7,478	-	-	39	(193)	7,324
Unrestricted funds						
General charitable funds	5,173	6,872	(7,371)	151	346	5,171
General non-charitable trading funds	-	2,324	(2,171)	-	(153)	-
Total general funds	5,173	9,196	(9,542)	151	193	5,171
Total unrestricted funds	12,651	9,196	(9,542)	190	-	12,495
Total funds	12,879	9,578	(9,898)	202	-	12,761

15. FUNDS (continued) - 2023

	Opening balance £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Transfers £'000	Closing Balance £'000
Restricted funds						
Inpatient care funds	-	146	(146)	-	-	-
Outpatient care funds	-	156	(156)	-	-	-
Community care funds	-	112	(112)	-	-	-
General Clinical funds	-	20	(20)	-	-	-
Capital funds	76	-	-	-	(76)	-
Fundraising Programme	-	-	-	-	-	-
Total restricted funds	76	433	(433)	-	(76)	-
Endowment funds						
Alice Wisbey Capital Fund	24	-	-	1	-	25
D D McPhail	190	-	-	13	-	203
Total endowment funds	214	-	-	14	-	228
Unrestricted funds						
Designated fixed asset fund	5,065	-	-	-	229	5,294
Designated shops assets fund	41	-		-	471 -	512 -
Designated risk management fund	1,498	-	-	(126)	-	1,372
Pension liability reserve	300	-	-	-	-	300
Total designated funds	6,904	-	-	(126)	700	7,478
Unrestricted funds						
General charitable funds	5,516	6,847	(7,186)	264	(268)	5,173
General non-charitable trading funds	-	2,411	(2,054)	-	(357)	-
Total general funds	5,516	9,258	(9,240)	264	(625)	5,173
Total unrestricted funds	12,420	9,258	(9,240)	138	76	12,651
Total funds	12,710	9,691	(9,673)	151	-	12,879

15. FUNDS (continued)

A Pension Liability Reserve was set up in 2016 to reflect potential increases in the pension liability. When it was provided in full in 2017, the reserve was reduced. The balance in this fund will be used towards the cost of any future buy-out of the liability.

The late Mrs Alice Wisbey made a bequest to the Hospice with the instruction that the income therefrom should be applied for the comfort of the nursing staff. This is split between Income and Capital funds.

The restricted funds represent grants and donations received, from Trusts and individuals, where the use of the funds was restricted to a specific purpose by the donor. These funds have included contributions towards the cost of our Inpatient unit, Day care services, Community and Homecare services, to the provision of complementary therapies and a number of other items.

The D D McPhail Charitable Settlement originally gave £150,000 as an endowment fund. No instructions were given about income so this is applied for the general purposes of the charity. The difference between the original fund value and the current fund value arises through revaluation of the underlying investment.

The designated fixed asset fund represents the net book value of the Hospice's fixed assets. It has been set up to assist in identifying funds which are not free funds. Similarly, the designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital.

The designated risk management fund is intended to cover unexpected costs or income shortfalls, ensuring the long-term sustainability of the Hospice. The balance in this fund as at 31 December 2024 was £1,411k (2023 - £1,371k) most of which is managed by Rathbones, our investment manager.

The deficit arising out of the operating activities during the year resulted in the decrease in unrestricted general charitable funds of £700k (2023 - increase £231k).

The general funds represent the unrestricted funds of the group and are therefore "free reserves".

16. OPERATING LEASE COMMITMENTS

The group has the following total commitments under non-cancellable operating leases:

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts due:				
Within 1 year	434	501	66	69
Within two to five years	1,191	1,189	158	206
After five years	666	802	10	31
	2,291	2,492	234	306

17. CAPITAL COMMITMENTS

The group has committed to a cost of £60k feasibility study on the premises of Kenton Grange. Based on the feasibility report capital refurbishment is likely to take place in the year 2025. (2023: none).

18. RELATED PARTY TRANSACTIONS

During the year, Trustees, Executive Team members and their close family members donated £325 and purchased £208 worth of Lottery tickets from the Hospice (2023: £1,120). There were no other transactions with related parties during the year (2023: none).

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (2023)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
Income from:				
Donations and legacies				
. Donations	1,784	433	-	2,217
. Legacies	996	-	-	996
	2,780	433	-	3,213
Charitable Activities				
. NHS commissioning	3,596	-	-	3,596
. Other income	100	-	-	100
	3,696	-	-	3,696
Other trading activities				
. Fundraising events	251	-	-	251
. Gross income from shops and lottery	2,411	-	-	2,411
	2,662	-	-	2,662
Investments	117	-	-	117
Total income	**9,255**	**433**	**-**	**9,688**

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (continued)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
Expenditure on:				
Raising funds				
- Fundraising costs	1,417	-	-	1,417
. Fundraising events costs	230	-	-	230
. Shops and lottery expenditure	2,390	-	-	2,390
. Investment management costs	19	-	-	19
	4,056	-	-	4,056
Charitable activities				
. Inpatient services	1,721	146	-	1,867
. Day care services	437	156	-	593
. Homecare services	1,743	112	-	1,855
. Overall clinical support	1,293	19	-	1,312
	5,194	433	-	5,627
Total expenditure	**9,250**	**433**	**-**	**9,683**
Net Income before gains on investments	5	-	-	5
Net (losses)/gains on investments	150	-	-	150
Pension revaluation gain	14	-	-	14
Net Income	169	-	-	169

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (THE PENSIONS TRUST)

Up until 1st May 2015, the group offered a multi-employer pension scheme providing a defined benefit (career average) pension for members.

The company participated in the scheme, a multi-employer scheme which provides benefits to some 36 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2022. This valuation showed assets of £49.6m, liabilities of £57.1m and a deficit of £7.5m. To eliminate this funding shortfall, the Pension Trustee asked the participating employers to pay additional contributions to fund the scheme deficit of £1.67m. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities and increase by 3% per annum on 1st April each year. It was anticipated that the deficit would be cleared by 31st March 2027.

During 2024, St Luke's contributed £72,229 towards the deficit (2023 - £69,272).

Note that the previous valuation was carried out with an effective date of 30th September 2019. This valuation showed assets of £79m, liabilities of £93.9m and a deficit of £14.9m. To eliminate this funding shortfall, the Pension Trustee asked the participating employers to pay additional contributions to fund the scheme deficit. Annual deficit contributions by participating employers then total £1.53m pa due to the annual 3% increases, and the deficit to be cleared by 30th September 2027.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION	31 December 2024 (£000s)	31 December 2023 (£000s)
Present value of provision	162	226

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (PENSIONS TRUST) (continued)

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2024 £'000	2023 £'000
Provision at start of period	226	310
Unwinding of the discount factor (interest expense)	9	14
Deficit contribution paid	(73)	(69)
Remeasurements - impact of any change in assumptions	-	1
Remeasurements – amendments to the contribution schedule	-	(30)
Provision at end of period	162	226

	2024 £'000	2023 £'000
Amounts due within one year	74	72
Amounts due after one year	97	170
	171	242

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

ASSUMPTIONS	31 December 2024 % per annum	31 December 2023 % per annum
Rate of discount	4.96	4.74

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

10. REFERENCE AND ADMINISTRATIVE INFORMATION

Company Number	02141770
Charity Number	298555
Registered Office	Kenton Grange, Kenton Road, Harrow, Middlesex HA3 0YG
Trustees	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Margaret Lustman (Chair of Trustees) Dr Carole Amobi – resigned 24/1/2024 Natalie Butler Liz Jewitt-Cross (Chair of People Committee) -resigned 13/03/25 Sarah Gigg Christine Glenn (Chair of Remuneration Committee) Paul Hill (Chair of Finance & Performance Committee) Sarah Livingston (Chair of Clinical Governance Committee) Jatin Patel (Chair of Audit & Risk Committee) Chandia Radia Neel Radia Professor Stephen Spiro (Vice Chair) Raj Thakrar Claire Melia-Tompkins

Key management personnel

Chief Executive Officer	Lindsey Bennister
Medical Director	Dr Charles Daniels – resigned 31/12/24
Director of Clinical Services	Claire Porter – appointed 29/7/2024
Director of Operations	Fran Deane
Director of Finance	Geethanjali Umaasuthan
Director of People & Organisational Development	Lorna Campbell - resigned 19/03/25
Director of Fundraising & Communications	Joanna Pearce

Principal Bankers	Barclays Bank plc, Leicester LE87 2BB
Auditors	HaysMac LLP, 10 Queen Street Place, London EC4R 1AG
Investment Managers	Rathbone Investment Management 8 Finsbury Circus, London EC2M 7AZ
Solicitors	Curry Popeck, Devonshire House, 582 Honeypot Lane, Middlesex HA7 1JS BDB Pitmans LLP, One Bartholomew Close, London EC1A 7BL
Website	www.stlukes-hospice.org

St. Luke’s Hospice (Harrow & Brent) Ltd

Draft Audit Findings Report

For the Year Ended 31 December 2024



HaysMac

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1. Introduction and Executive Summary

This report summarises our key findings in connection with the audit of the financial statements of St. Luke's Hospice (Harrow & Brent) Ltd ("the Charity") and St. Luke's Hospice (Harrow & Brent) Charity Shops Limited for the year ended 31 December 2024. We would like to thank Geetha Umaasuthan, Rosemary Fagnoni and the finance team for their assistance throughout the audit process.

Our audit approach

Our work was planned and performed in order to issue an audit opinion on the financial statements in accordance with International Standards on Auditing (UK) ("ISAs") and the terms of our letter of engagement. Our audit approach is a risk-based approach founded on us gaining a thorough understanding of the entity and its business in order to allow us to identify the risks of material misstatement within the financial statements. To do this, we consider both the risk inherent in the financial statements themselves and the control environment in which the entity operates. We then use this assessment to develop an effective and efficient approach to the audit.

Limitations

Our audit procedures, which have been designed to enable us to express an opinion on the financial statements, have included an examination of the transactions and the controls thereon.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

We have included in this report only those matters that have come to our attention as a result of our normal audit procedures and, consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Status of our work:

At the time of issuing this report our work remains subject to:

- review of going concern forecasts
- Receipts of post year end management accounts
- Finalisation of accounts
- Receipt of signed letter of representation and completion of post-balance sheet events work (to be performed at the point the accounts are approved).

2. Significant audit risks, and other focus areas identified during audit planning

We set out below the significant audit risks identified at the planning stage and the conclusions of our audit work:

SIGNIFICANT AUDIT RISK AREA	HOW WE ADDRESSED THIS	COMMENTARY
Fraud in revenue recognition The risk of intentional improper treatment of income under UK GAAP. Having considered the nature of St Luke's Hospice (Harrow & Brent) Limited income streams, we consider that the risk predominantly relates to improper journals being posted to income.	We have reviewed journals posted to income codes, both during the year and around the year-end, for evidence of inappropriate postings. We have planned and performed specific tests to ensure grant and donations income has been recorded in the correct period and have tested a sample of transactions around the yearend. Our review have also included an assessment of the appropriateness of the recognition of debtors, accrued income and deferred income.	Our work was satisfactorily completed with no significant matters arising.
Presumed risk of management override The risk of misappropriation of assets and the risks of misrepresentation of financial information.	We have considered and reviewed all areas requiring judgements or estimates in order to assess the appropriateness of the judgements and estimates made by management. We have reviewed and tested journal entries made in the year, and in particular those made as part of the year-end financial reporting process. Where necessary we have made further inquiries regarding any seemingly inappropriate or unusual journal or other adjustments. We have incorporated unpredictability in our testing procedures.	The audit work in this area was completed satisfactorily with no material issues arising.

3. Accounting and Audit Matters

3.1 Qualitative aspects of accounting practices and financial reporting

i. Key accounting estimates

Accounting estimates are defined by ISA 540 as monetary amounts for which the measurement, in accordance with the requirements of UK GAAP, is subject to estimation uncertainty. We consider that there are no key accounting estimates affecting St. Luke's Hospice (Harrow & Brent) Ltd's financial statements for the current year.

SIGNIFICANT ACCOUNTING ESTIMATE & DETAIL	COMMENTARY
Depreciation	The Charity holds fixed assets with a net book value of £5.6m at as at year ended 31 December 2024, which the non-property assets are being depreciated over their expected useful lives on a straight-line basis. As a result there has been a depreciation charge calculated of £250k which has been charged to the SOFA with a corresponding entry being made to the Fixed Assets (Accumulated Depreciation) within the Balance Sheet. Although this amount is immaterial to the financial statements, we have reviewed managements' calculations and ensured they are accurate, for disclosure purposes. No issues were noted on the review of these calculations.
Pension liability	Before May 2015, the charity participated in the TPT Retirement Solutions – Career Average revalued Earnings (CARE) pension scheme. It is not possible to calculate the charity's share of the assets and liabilities of the scheme so it has been accounted for as a defined contribution scheme in line with accounting standards. The scheme currently has a deficit, so all employers within the scheme have been asked to pay additional contributions to the scheme. The deficit which stood at £96k at the year-end was calculated assuming a discount rate of 4.96%. The deficit has been correctly calculated in accordance with the assumed discount rate, which appears reasonable based on past experience and is similar to that used by other organisations in a similar position.
Legacies	The Charity receives a large number of legacies and as such the recognition of legacy income is considered to be a key accounting estimate due to the estimates involved in determining the amount at the point of recognition. Under the Charity SORP legacy income should be recognised

	when the following criteria is met: **Entitlement** – this is usually demonstrated through probate being granted. **Receipt is probable** – for example probate has been granted and there are sufficient assets in the estate to pay out the legacy, conditions attached to legacy are within the control of charity. **Measurement** - the amount due can be reliably estimated. The charity recognises legacies according to the SORP. During the course of our audit, we identified legacies with a value of £544k which were not accrued for in the 2024 financial statements because the measurement criteria above was not met as the final accounts from the administrators to enable the quantification of entitlement had not been received at year end. On reviewing the supporting information, it was noted that there was a delay in the administrators communicating these to the charity thus these were unknown as at year end. Since the year end, management has followed-up with the administrators of the pipeline legacies to ascertain whether any new information has been received and therefore the legacies could be reliably estimated for inclusion in the 2024 financial statements. The £544k noted above has therefore been recognized and correct ly accounted for the financial statement.

ii. Key judgements

Management exercises judgement in application of accounting policies while preparing the financial statements. By their nature, judgements are subjective and could be subject to bias, which affects the presentation of the Charity's performance or financial position. We consider the following key accounting judgements affecting the Charity's financial statements for the current year.

SIGNIFICANT ACCOUNTING JUDGEMENT	COMMENTARY
Freehold property	As in prior years, the freehold property included within the Charity's accounts has not been depreciated. This is on the basis that any depreciation would be immaterial to the accounts and the fair value of the property, including the associated land, exceeds the value recognised in the accounts. The property value within the accounts is £4.9m which included its initial costs plus the two extensions in 2013 and 2014. Based on local area property prices, the size of the property and the associated land the Trustees do not consider the value included in the accounts to be in excess of the fair value. An impairment review is performed annually by the trustees to confirm this which also justifies the non-depreciation policy.

3.2 Accounting and audit matters

i. Summary of adjusted and unadjusted misstatements

Adjusted misstatements

We agreed adjustments in relation to the following:

- Accrued legacies £544k (debit accrued legacies in debtors, credit income)
- Reversal of excess gift aid accrued £16k (debit income, credit accrued gift aid income in debtors)
- Reclassification of debtors from creditors £65k (debit debtors, credit creditors) (Shops)

Non adjusted misstatements

- Capitalisation of repairs £5k (debit Buildings, credit repairs and maintenance)
- Reclassification of dilapidation provision cost from repairs and maintenance £9k (debit general expenditure, credit repairs and maintenance)

There are no other non-adjusted mistatements other than clearly trivial items.

ii. Letter of representation

International Standards on Auditing require us to obtain written representations from the trustees and directors when you approve the financial statements. The letter contains only standard matters with no additional items specific to the Charity or the Company.

iii. Going Concern

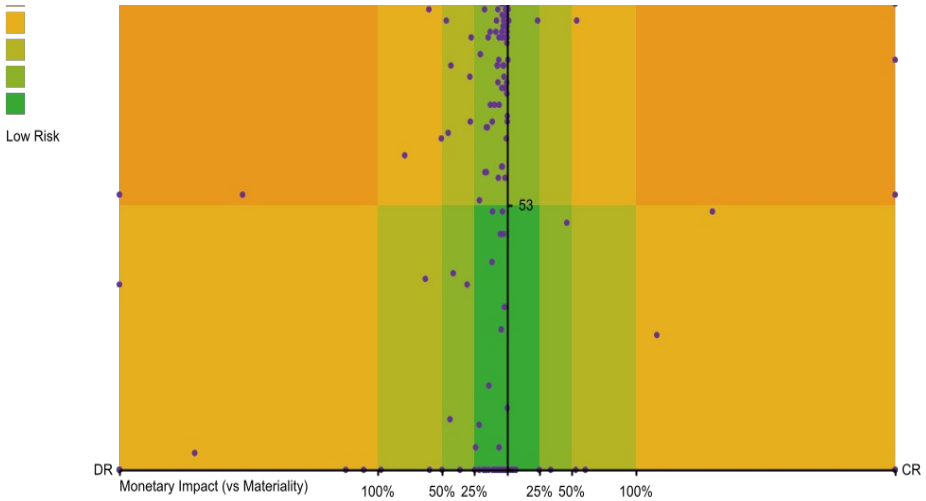
The accounts are prepared on a going concern basis which assumes that the Charity will continue to operate in a similar manner to how it currently operates for the foreseeable future. To continue as a going concern the Charity must have sufficient cash resources to meet the liabilities as they fall due, and we have been provided with your cashflow forecast to support this assertion.

The Charity recorded a deficit in the current year which is a decline form the surplus in the prior year. However, when looking at going concern we have also considered the position in the context of unrestricted funds, timing of cashflows and available levers to the charity. At 31 August 2024, the Charity had total funds of £12.2m of which £5m are unrestricted funds and therefore the trustees' assessment that the financial statements should be prepared on a going concern basis appears reasonable.

iv. Data analytics

In addition to our usual audit tests, we have used our data analytics software to interrogate transactions making up the financial statement for the Charity.

We extracted the full transactional listing from your accounting system. By then reconciling on a line-by-line basis the aggregate impact of the transaction made during the period we were able to confirm the completeness of the population. We then used characteristic based data analytics and a multi-dimension risk scoring logic which analysed every transaction in the population against a set of potential risk identifiers, highlighting the transactions we deemed to pose a heightened risk of fraud, error or misstatement.



The visualisation to the left shows each accounting entry posted during the year on a risk spectrum. Transactions are assigned a score based on the number of identical occurrences of the transaction (vertical axis) and the financial impact that each has on the charity's financial result (horizontal axis). Categories of transaction which occur infrequently and have a significant impact on the charity's financial result show in the top left or top right of the chart.

During the period there were a total of 35,883 transactions within St. Luke's Hospice (Harrow & Brent) Ltd.'s and St. Luke's Hospice (Harrow & Brent) Charity Shops Limited accounting system. When combined, 792 unique general ledger code combinations were found.

A total of 4 combinations were flagged in the highest risk category, being those occurring fewer than 4 times and having a significant impact on reported profit (in red). There were 6 transactions within these combinations.

Upon review of these transactions, we noted that they related to:

- Shop donation
- Payroll
- Accrued income

Transactions of this type are all within the normal course of the charity's activities

TEST: Keywords – review of transactions where the description fields or general ledger accounts contain keywords

Risk: Transactions where the description field contains keywords such as “adjustment”, “correction” and “gifts” may be indicative of risk characteristics such as error, correction, or potential fraud.

Findings: We noted 468 transactions in the period that contained key words. This is 1% of all transactions (2023: 2%). We reviewed these transactions, which were made throughout the year and noted that the majority related to corrections of postings; for example reallocations between ledger codes and timing corrections to move postings to a different period in the year. The volume of transactions is relatively low nevertheless, we recommend that the finance department review correcting entries posted by individuals to identify potential training requirements.

Conclusion: The volume and value of the transactions are very low with no significant issues identified.

Test: Closing Entry – review of transactions posted in the last 14 days of the year
Risk: Closing entries include year-end adjustments that are often significant values and only processed on an annual basis therefore risk of management override. We note that due to high values and frequency of journals posted in the final two weeks there is a greater risk of errors going undetected as well as an increased risk of management override.

Findings: A total of (1,980 of 7,494) transactions were entered in the last 14 days of the reporting period. We have reviewed a sample of journals posted in the year including a selection of year end journals. We have also reviewed the controls in place for posting and reviewing the journals within the finance team.

Conclusion: We have not noted any identified any issues during our work.

4. Detailed control points

During the course of our audit we identify detailed control points that we feel need to be brought to the attention of the Trustees and certain recommendations for improvements and/or corrective action. Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation. The matters and detailed control points that we have identified are graded within the following framework to assist the Trustees in assessing their impact.

RATING	RATING TYPE	CHARACTERISTICS OF RATING TYPE
Significant	These findings are considered to be significant to the management of risk in the business. The finding represents a serious weakness in systems and controls currently in place or a potentially fundamental control that has been omitted from the risk management systems as currently in operation.	• Key control omitted • Key control not designed or operating effectively, for example as indicated by multiple exceptions found during our review work • Evidence of override of controls in place with significant or potentially fraudulent outcomes • Non-compliance with laws and regulations
Important	Important findings that should be reviewed by management, pending corrective action and or updates to systems and controls.	• Errors and exceptions noted during our testing that had corrected retrospectively during the yemnmar by management. • Potential improvement to existing control noted • Possibility for override of controls exists • Our review noted numerous exceptions but not in key controls
Limited	Findings that identify non-compliance with established systems and controls.	• Minor control weakness, for example limited exceptions noted during our review work
Advisory	Items requiring no immediate action but which may be of interest to management or best practice advice.	• Information for department management • Control operating but scope for efficiency and/or effectiveness improvements exist • Control operating but not necessarily in accordance with best practice • Recent or anticipated developments may necessitate new controls.

We wish to bring the following matters to your attention which arise from the current year audit as well as the latest status of outstanding issues arising from previous year audits

Current year:

ISSUE: Capitalisation of repairs and maintenance		CONTROL POINT RATING: Limited
Risk	**Our comments & proposals**	**Management response**
During our testing, we noted that there a few transactions that were expensed to repairs and maintenance which met the criteria to capitalised. There is a risk that expenses will be overstated and assets understated in the financial statements	We recommend that management exercise more oversight over the recording of repairs and maintenance costs to ensure those costs that meet the criteria are capitalised.	One invoice is still in dispute, and we have not capitalized and we are expecting a refund. One invoice relating to £3k garden furniture could have been capitalized. We will train the budget holders and accounting staff to allocate costs correctly.

ISSUE: Record keeping		CONTROL POINT RATING: Advisory
Risk	**Our comments & proposals**	**Management response**
During our testing, we requested receipts for Rayners Lane but we could not obtain these as the shops closed. We understand the paperwork for the shop which was sent to the warehouse could not be obtained.	We suggest that management should ensure that there is sufficient and appropriate records maintained for all transactions in the financial statements.	We have scheduled a financial training session for the 2nd quarter to ensure that both shop management and staff are fully informed about regulations and their responsibilities regarding record keeping.

ISSUE:	Pinner & North harrow shop visits	CONTROL POINT RATING:	Limited
Risk	**Our comments & proposals**	**Management response**	
Two people are not present when the till takings are counted, and the counting records are not signed and dated.	We recommend that two people are present, where possible, to count till takings.	We will implement a recommendation system in the shops, where two staff members/ personal are available for closing the store.	

Prior year:

ISSUE:	Fixed asset register	CONTROL POINT RATING:	Advisory
Risk	**Our comments & proposals**	**Management response**	
During the audit we noted that the charity shops fixed asset register was not reconciling with the TB.	The fixed asset register should be agreed to the TB on a timely basis and agreed to the financial statements before the commencement of the audit.	2024 update: ***Now resolved.***	

ISSUE:	Donorflex reconciliation with sage	CONTROL POINT RATING:	Advisory
Risk	**Our comments & proposals**	**Management response**	
During the audit we noted that Donorflex is not being reconciled with Sage for all voluntary income streams. This may lead to incompleteness of income if there is nothing outside of the accounting system to confirm all income has been recorded.	We recommend that management should consider performing monthly reconciliations between Donorflex and Sage for all voluntary income streams to ensure completeness of income recorded in the financial statements.	2024 update: ***Resolved***	

ISSUE:	Reconciliation	CONTROL POINT RATING:	Important
Risk	**Our comments & proposals**	**Management response**	
As noted above, there were several reconciliations that had not been carried out at the start of the audit - for instance payroll, VAT, and creditors. These delays made our audit less efficient and more time consuming.	These reconciliations should be carried out on a regular basis and any differences followed up and investigated.	2024 update: ***Resolved***	

5. Emerging issues

Charity reporting and governance matters

Collaborative working and mergers: an introduction (CC34)
Following the changes as a result of the implementation of Charities Act 2022, the Charity Commission has produced new guidance on working in collaboration with other charities either as:

- working as two separate organisations on a joint project
- merging two legally separate charities to form one charity

The guidance considered in more detail the definitions of the above, key thoughts, legal considerations, practical implications in terms of when to get the Commission involved and different structures.
The guidance can be found here.

Charity Commission guidance for trustees on investment policies
The Charity Commission has updated its guidance on charities and investments following its call for information and consultation on financial investments. The updated guidance reflects the judgment of the Chancery Division in Butler-Sloss & Ors v The Charity Commission for England and Wales & Anor, and is known as CC14.
As a reminder, the verdict clarifies that where trustees are of the reasonable view that particular investments (or classes of investments) potentially conflict with the charitable purposes, the trustees have the discretion to exclude such investments. They should exercise that discretion by reasonably balancing all relevant factors including the likelihood and seriousness of the potential conflict, and the likelihood and seriousness of any potential financial effect from the exclusion of such investments.
The guidance can be found here.

Updated guidance on decision-making for charity trustees (CC27)
In September 2024 the Charity Commission published updates to its guidance on making trustee decisions. The aim of these updates is to make the guidance more accessible and easier to use, however the backbone of the guidance remains the seven principles developed by the courts when they reviewed decisions made by trustees, which we have set out below.
When making decisions, trustees must:

- act within their powers
- act in good faith
- be sufficiently informed
- take into account all relevant factors
- identify and disregard any irrelevant factors
- manage conflicts of interest
- ensure their decision is within the range of decisions that a reasonable trustee body could make

The revised guidance can be found here.

Updated guidance on "improving your charity's finances" (CC12)

In September 2024 the Charity Commission published updates to its guidance on "improving your charity's finance". These updates are aimed at making the guidance more accessible and provide advice on actions that can protect charities against financial difficulties, as well as understanding what to do if a charity is insolvent, or at risk of insolvency.

The updated guidance, which is separated depending on the legal structure of the charity, can be found here.

Charity Commission guidance for charity meetings

The charity commission guidance on charity meetings was also updated in July 2024 to make it more accessible and easier to use. The guidance covers how meetings should be planned, run and recorded, and sets out the ways in which meetings can be held (face to face, virtual or hybrid). The guidance emphasises that you must check your governing document to ensure that you are acting in accordance with its rules about meetings, to ensure that decisions are not invalidated.

The guidance can be found here.

Charity Commission guidance on appointment of trustees

The Charity Commission updated its guidance on recruitment of trustees in March 2024, surrounding when the Commission can confirm trustee appointments. Where an appointment is defective, or potentially defective, the Commission can confirm the appointment by making an order where the person consents to their appointment. Whilst making the order, the Commission can also validate a past act of the person concerned. This will only be undertaken where the charity is unable to confirm the appointment or validate the past act itself via its governing document, the Trustee Act 1925 or the Companies Act 2006.

Further guidance can be found here.

Charity Commission guidance on Charity Banking

In July 2024 the charity commission published information on charity banking and the support available to charities who are struggling with accessing adequate banking services. This follows on from an open letter which the Commission wrote to the Chief Executives of UK banks, requesting their urgent action on issues that charities are facing with their banks which include:

- Having accounts closed or suspended suddenly for long periods of time
- Facing a reduction in bespoke banking services
- Experiencing poor customer service and administrative delays
- Finding that online banking is not designed to match the way charities operate

The guidance can be found here.

Volunteers

The Social Purposes sector relies heavily on its volunteers. Typically, these are unpaid and may in certain circumstances be paid out of pocket expenses. This is usually limited to food, drink, travel or any equipment they need to buy to undertake their duties. Normally, there are no employment taxes implications for reimbursement of these out of pocket expenses as long as they are reasonable.

If the volunteers are paid expenses that do more than reimburse the costs incurred then HMRC may contend that they are receiving remuneration for their services. In which case, the payments will be taxable as employment income if it can be shown that they either hold an office or employment. If they do not hold an office or employment, the payments may be Miscellaneous Income.
In a recent Employment tribunal case M Groom v Maritime and Coast Guard Agency, the volunteer was judged to be a worker which confers employment rights such as holiday pay, National Minimum/Living wage etc. It is therefore imperative that the correct policies, controls and governance are in place to avoid any possible successful employment status challenge by HMRC.

Financial Reporting

Financial reporting framework

UK GAAP Developments – FRS 102
Following the recent Periodic Review and other amendments to UK and Ireland accounting standards, the Financial Reporting Council (FRC) has issued now revised versions of FRSs 100, 101, 102, 103, 104 and 105. The FRC has also revised the "Overview of the financial reporting framework".
The changes to FRS 102 include the significant revisions made to leasing and revenue recognition which arose from the Periodic Review 2024. Most of these amendments are effective for accounting periods beginning on or after 1 January 2026, although those changes that relate to "supplier finance arrangements" have an earlier effective date of accounting periods beginning on or after 1 January 2025.
These amendments seek to provide greater consistency and more (but not total) alignment to international accounting standards including:

- A new 5 step model for revenue recognition, which is aligned to IFRS 15: Revenue from Contracts with Customers, (with some simplifications);
- On balance sheet lease accounting for lessees, aligned to IFRS 16: Leases, (with certain practical exemptions); and
- Other modifications to fair value measurement, uncertain tax positions, business combinations, and a revised Section 2 aligned with IASB's Conceptual Framework.

The effective date for most amendments is periods beginning on or after 1 January 2026, with early adoption permitted. The new standard sets out the requirements for the restatement of comparative amounts. There are choices available in some areas of change but others are more prescriptive so you will need to take care to ensure that you have complied with each relevant requirement and made the appropriate disclosures.
The transition to the new requirements will take careful planning for many organisations currently following FRS 102. For instance, many organisations will see leases (and debt) hit their balance sheets for the first time. For some this will seem strange and for most will require careful planning to ensure, amongst other things, that all leases are captured, the financial effects are known, effects on reporting requirements e.g covenants are understood.
The new accounting standards are available on the FRC website here. Note that despite the effective dates in the future, the new versions are described as the "current edition" with versions that are still in use described as "superseded editions".
With the changes to FRS 102, there will also be changes to the Charities SORP, which had its last major revision in 2015 along with amendments in 2019. We are expecting its release in 2025, with an effective date from 1 January 2026 in line with the changes in FRS 102. Along with the changes noted above, we are expecting it to also introduce a third tier of charity as well as revisiting the allocation of overhead expenditure.".

Employment Tax

Pension salary exchange
After much speculation, the Government has not made any changes in tax relief on employees' pension contributions. Furthermore, NIC will not be levied on employer pension contributions, so pension salary exchange can be used to mitigate the increase in employers NIC.
If you do not provide your employer pension in conjunction with a pension salary exchange arrangement, then this will be an ideal time to consider

implementing such an arrangement, the benefits of which include:

- Providing pensions in a National Insurance efficient manner.
- Encourage employees to think about their saving for their retirement.
- Increase employee engagement.
- Help employers to maximize their salary budget.

If you already have a pension salary exchange in place, given the Government's recent announcements, now will be an ideal time to see whether it is achieving all your objectives.
The use of a tax and NIC efficient salary can also be used to provide employees with an electric car. The chargeable percentage for electric vehicles will increase by 2% in 2028/29 and 2029/30, rising to 9% in 2029/30. The use of providing an electric vehicle in conjunction with a salary sacrifice will continue to be a viable option for employers who are looking at providing cars to their employees/directors.

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ST LUKE'S HOSPICE (HARROW AND BRENT) LTD

England & Wales - Charity number 298555

Accounts

St Luke's HOSPICE









Annual Report & Consolidated Financial Statements

For the year ended 31 December 2023

Registered Charity Number: 298555
Company Number: 02141770
St. Luke's Hospice (Harrow & Brent) Ltd

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1. Introduction from the Chair of Trustees



2023/2024 has been a period of positive change at St Luke's Hospice as we progress the implementation of our strategic ambitions whilst providing valuable and valued services to the Harrow and Brent communities. Total patient numbers continue to grow across all core services as we strengthen our support and invest in our people and systems

With over 30 years' experience of serving the palliative and end of life needs for Harrow & Brent, St Luke's focus continues to be to ensure that our services reflect the community's needs and that our future is assured due to the quality of our care and our financial sustainability.

In my first year as Chair of the Board of Trustees, the focus has been to work with the CEO to rebuild the leadership and governance teams in line with the requirements driven by the strategic ambitions and the results of the Board evaluation. I am pleased by the quality of new recruits on to the Executive and Trustee Boards and believe that their skills combine well with the considerable talents of the incumbent team members to ensure that we have better structures, remits and ways of working. The ambition to have an empowered Executive Team supported by engaged Trustees and underpinned by strong committees with excellent leadership and clear mandates has started well.

In common with most other hospices in the UK, St Luke's is having to face into the challenge of running a full service for our community at a time that income is under pressure and costs are increasing. In 2023, it is commendable that St Luke's was able to improve its services and help more members of our community whilst maintaining a positive surplus. Income from our Shops Company was severely challenged which was partially offset by excellent outcomes in securing additional commissioning funding as well as strong fundraising and legacies. Expenditure increased as necessary investment in staffing and people services was made to ensure that St Luke's offers a welcoming and safe environment for patients, their families and staff. As we plan for the future, the balance of outstanding service provision at a time of rising costs and challenged income is a tightrope that we are navigating and we work hard to surface additional funding and efficiencies.

Notwithstanding the changes and challenges, I am pleased at how our service to the community continues to be valued and would like to acknowledge the hard work and efforts of all teams, volunteers and trustees throughout the organisation. There is much still to be done; we have started well, together, as a team.

Meg Lustman

2. About St Luke's Hospice

Vision
A world where people experience the best possible last phase of life.

Values

- Caring
- Respect
- Excellence
- Inclusivity
- Empowerment

Strategic ambitions (2023-24)



Main activities
The Charity's main activities and focus are around providing specialist palliative care to the people of Brent and Harrow facing life limiting illnesses.

Community based care
Two-thirds of our care is provided in the comfort of peoples' homes, as we respect that this is where most people would like to be looked after. Our specialist community team of nurses helps people to manage more complex needs whilst our Hospice at Home team provides care that allows people to remain in their own homes by providing practical care and support. Our consultants offer outpatient appointments in the community and also at the Hospice's main building, Kenton Grange.



Inpatient Unit
Our 12-bed Inpatient Unit (IPU) at Kenton Grange cares for people in their final days, providing intensive care to help get symptoms under control or give respite care. Many of those who are cared for in our IPU often return home again.

Patient and Family Support Services
We offer a holistic and person-centred approach to care through our Patient and Family Support Services.

Our services provide a wide range of expert care and support intended to keep people feeling well, independent and mobile for as long as possible. Our holistic approach to care is intended to support people's wellbeing, including emotional support through services such as social work, spiritual care, exercise groups, advice on welfare benefits, advance care planning support, complementary therapy and physiotherapy services.

In addition to caring for our patients, we also provide bereavement support to family members and carers, through our team of trained, supervised volunteers.

Pall 24
Our 24-hour helpline and referral service, Pall 24, is run by a dedicated team of expert nurses who can give advice, provide a rapid response in times of crisis and effectively co-ordinate care, from arranging prescriptions, to getting vital equipment delivered – anything people need to avoid going to hospital and to stay comfortably in their homes.

3. Service review

Our service activity data reports for the financial period 1 April 2023 to 31 March 2024, in line with local statutory reporting requirements.

St Luke's Hospice supported **2069** service users (2022: 2042).

Our specialist palliative care community team (Brent) carried out **1844** visits to patients in their homes, which represents an increase of 18% from the previous year (2022: 1554).

Our Inpatient Unit saw an increase in admissions in 2023 to **237**, which is 26% more than the previous year (2022: 188). We also extended our admissions to 7 days a week which resulted in a 253% increase in admissions at weekends, thereby providing a responsive and accessible service to our patients in Harrow and Brent.

A particular highlight for 2023 is the increased activity across all areas of patient and family support services, with an expanded programme of activities and events at our Wood Grange Centre for patients, family members, carers and bereaved people. In 2023, we provided **320** bereavement sessions compared to 304 in 2022 (an increase of 5%) and this demand continues to grow into 2024. The service is delivered by a team of trained volunteers, supported by professional staff, which has been expanded during 2023 to meet the growing need in our community for bereavement support.

Serving our community in 2023/2024

2069
Service users

Inpatient Services
237 Admissions
46 Weekend admissions
10 average days length of stay
2582 Admissions

Hospice at Home & Brokerage
547 Patients supported

Bereavement support
320 Sessions delivered by volunteers and staff

Palliative Helpline (PALL 24)
249 Home visits
7234 Telephone calls

Brent Specialist Palliative Care Team
6037 Telephone calls
1884 Community visits

Outpatients
543 Complementary Therapy Sessions
581 Physiotherapy sessions

4. Strategic report

Achievements and performance

Under our strategic ambitions, our priorities for 2023, as set out in the Trustees' Annual Report 2022, were:

1. Continuous improvement in Quality systems
2. Strengthening governance structures including Trustee and Executive Team
3. Improving infrastructure including IT and our estate
4. Funding and improved, sustainable income generation
5. Value and develop our people

2023 saw significant progress and improvements across all areas of our work.

1. Continuous improvement in Quality systems

- The CQC inspection in 2022 identified ongoing areas for improvement in relation to the well-led domain. In August 2023, we appointed to a new senior leadership position - Director of Quality & Governance. Supported by a newly-established Quality team, a comprehensive internal governance framework was established and integrated into the Board governance processes.

- We made good progress on the implementation of a new incident management database (Vantage), which supports the management of risk and improves our reporting on trends and themes. As a result, we anticipate an uplift in the reporting of incidents in the next year.

- Our Quality Account 2023/24 reports the data for this period including progress against the Priorities for Improvement.



2. Strengthening governance structures

- New Articles of Association for St. Luke's Hospice (Harrow and Brent) were approved and adopted during 2023.

- Between January and May 2023, the terms of office of four trustees came to an end and there was a resignation from one trustee. Seven new trustees were recruited to the Board, including a new Chair of Trustees and Vice-Chair.

- A Board governance review in early 2023 was commissioned by the Chair of Trustees which informed changes in our governance structures during the year, including the establishment of a new committee structure, chairs of committees, and terms of reference.

- The new Audit and Risk Committee has overseen the development and first stage implementation of a new Board Assurance Framework including a review of our approach to risk management. This is work in progress and will continue into 2024 to fully embed a new approach to risk management.

- Effective working between the Executive Team and Board of Trustee committees has helped us ensure there are robust processes around decision making, delegation of authority, and transparency of reporting.

3. Improving infrastructure including IT and our estate

- In 2022, the Trustees agreed a programme of works to ensure that our estate is fit-for-purpose to deliver high quality care; compliant with regulatory requirements; and supports efficiencies in working practices. In 2023, further investment was made into an IT infrastructure programme that has significantly improved cyber security, IT capability and use of technology across the Hospice.

- In 2023, there was also investment into health and safety works across the Hospice estate, including our network of shops, resulting in full compliance with legislation.

- In 2024, further strategic discussions will take place around the future of our estate and its suitability in meeting the end of life needs of the local population.







4. Funding and improved, sustainable income generation

During 2023, we focused on some key areas of improvement to support income generation.

- We reviewed our lottery to ensure we maximise our income potential leading to a move to a new lottery provider in 2024.

- We undertook work to understand our supporters and their engagement with the Hospice. A supporter insights survey provided rich data that informs and tailors our approach to supporter engagement and income generation programmes.

- A retail strategy review was commissioned from Charity Retail Consultancy, which started in early 2024, to inform a new approach to retail to ensure sustainable income for the Hospice.

5. Value and develop our people

This strategic ambition is a key enabler for the delivery of our plans in 2023 and 2024. Good progress has been made in strengthening our people processes and infrastructure, including:

- a review and update of key people policies
- a review of staff contracts and staff handbooks
- introduction of a new management training programme
- establishing good governance and ways of working with the new People Committee.

The year ahead

- In 2024, St Luke's starts work on a new strategy for the next three years. It will set out our plans for a new model of care, how we will engage with our community, and how we will fund our work to ensure the Hospice is sustainable.





- We will work with the North-West London Integrated Care Board on the implementation of a new model of care for community specialist palliative care services, ensuring our own services and model of care meets the needs of our population in Brent and Harrow.

- Collaboration with our charity hospice partners is of key importance to us and we will explore opportunities for close working and greater efficiencies.

- A key focus in 2024 will be on improving the performance and contribution of our retail network, including a retail strategy review and a review of the governance of our trading company.

- We will implement new fundraising initiatives including a new lottery partnership and we will join national campaigns that will increase awareness of hospice funding as well as fundraising.

- We will prioritise the delivery of our strategic ambitions around developing and valuing our people. An ambitious work programme is in place for 2024 including a review of pay and reward, employee value proposition, and a new performance management process.

- We will ensure that St Luke's estate is fit for purpose and fit for the future to deliver the services our local community needs at end of life.

Relationship with stakeholders

St Luke's Hospice maintains engagement and regular consultation with our services users and local partners. In 2023, we carried out a supporter insights survey to inform our future engagement with stakeholders. In addition, feedback is sought from all our service users who attend activities or receive care from St Luke's Hospice and this is used to inform improvements to our care services.

The four adult charity hospices in North-West London have started to work together collaboratively including developing joint bids for funding, regular CEO / Chair meetings, providing support and collaboration around operations and services, and engagement as a group with the ICB and commissioners. It is hoped that this will become more formalised in 2024.

St Luke's maintains a strong relationship with our commissioners at the North London Integrated Care Board, with whom the Hospice has a formal contract for the delivery of specialist palliative care services in the boroughs of Harrow and Brent. In December 2023, our commissioners attended a special session of our Board of Trustees to discuss the proposed new model of care for community specialist palliative care services in North-West London.

During 2023, we expanded our engagement with local councils, charities and voluntary organisations, with collaborations established in training and education, support to carers, and social work engagement. We also hosted visits to the Hospice from the leader of Brent Council and his team, and local councillors in Kenton.



5. Structure, governance and management

The purpose of the charity, as set out in its Articles of Association (2023) are "The relief of sickness and the preservation of health of those suffering from any life limiting illness, primarily but not exclusively, within the areas of the London Boroughs of Harrow and Brent by:

1. maintaining a Hospice providing palliative and end of life care for them in a range of settings;
2. promoting and providing services, support and care for them, their families, friends, and carers to help relieve physical, emotional, mental, or spiritual distress;
3. promoting and providing education about all aspects of palliative and end of life care;
4. carrying out research into the development and improvement of care services, in particular all aspects of palliative and end of life care; and
5. promoting and providing other services and support in such ways as the Trustees shall from time to time think fit through the provision of health and social care services of all types."

a. Public benefit

The charity exists to provide a palliative care end of life service for the residents of Harrow and Brent. In reviewing the objectives and activities for the year, the Trustees have satisfied themselves that all our charitable activities focus on that care and further our charitable purposes for the public benefit. The Trustees take into account Charity Commission guidance in this regard. The charity is a local organisation providing professional and compassionate services to the community in Harrow and Brent. It receives the majority of its funding from local individuals and organisations (including local NHS commissioning), therefore beneficiaries are mainly (although not exclusively) from the London boroughs of Harrow and Brent.

b. Corporate structure

The Articles of Association govern the charity and set out its charitable objectives and powers. In 2023, updated Articles of Association were adopted following Charity Commission consent.

The organisation is a charitable company limited by guarantee, incorporated on 22 June 1987.

St. Luke's Hospice (Harrow & Brent) Ltd. has a wholly owned trading subsidiary, St. Luke's Hospice (Harrow & Brent) Charity Shops Ltd (company number 02454552) through which it operates a network of charity shops and a lottery. The trading subsidiary exists to maximise income for the Hospice and all profits are donated to St Luke's Hospice using Gift Aid regulations. In 2024, a governance review was commissioned for the trading company, with implementation of its recommendations scheduled for completion in 2024. In addition, a review of the lottery was undertaken and plans approved to move to an external lottery provider.

c. Governance

St. Luke's Hospice is governed by a Board of Trustees which meets at least four times a year. The Board of Trustees is responsible for setting the strategic direction of the Hospice. Additional Board business is carried out between formal meetings in line with procedures set out in the Articles of Association, including discussion, decisions and voting by email. In addition to attending Board meetings, every Trustee sits on a committee.

In 2023, a new governance structure was implemented, following an independent Governance Review:

- Finance & Performance Committee (F&P) – overseeing the financial performance of the Hospice and the delivery of strategic objectives in line with resources, including income generation, marketing, IT, and estates management.
- Audit and Risk Committee (A&R) – overseeing risk management, governance, and compliance across the Hospice.
- Clinical Governance Committee (CGC) – overseeing all areas of governance and compliance in relation to clinical services and patient safety.
- People Committee (PC) – overseeing all areas of people, culture and organisational development.
- Remuneration Committee (RemCo) – overseeing the remuneration of senior management.

The Board delegates day-to-day management of the charity to the Chief Executive Officer and the Executive Team.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 9 to the Accounts.

d. Appointment of Trustees

Trustees, including the Chair of Trustees, are appointed by the Board following an open recruitment process including advertising, application and interview. The Board reviews the skills it needs in deciding selection criteria to maintain breadth of expertise. Once appointed a Trustee will serve for an initial term of 3 years, with a maximum of 3 terms. In 2023, seven new trustees were appointed to the Board.

e. Trustee induction and training

St Luke's Hospice operates a thorough induction programme for all new Trustees, including engagement with our services, and meetings with the Chief Executive Officer and members of the Executive Team. Trustees are provided with a comprehensive pack of information for reference including the Charity Governance Code. All Trustees are required to complete e-learning modules via the Hospice's online training portal and are also offered relevant training courses. Annual appraisal of all Trustees is conducted by the Chair and Vice-Chair. In addition, the Chair has an annual appraisal which is led by the Vice-Chair.

f. Principal risks

The organisation has developed its approach to risk management during 2023. Following a review of the Board Committee Structure the Audit and Risk Committee was established. The Committee provides assurance to the Board that risk management, internal control and governance arrangements are robust, effective and that the charity's responsibilities in relation to financial legislation and other applicable regulations as set out by the Care Quality Commission and the Charity Commission have been met.

The organisation has implemented Vantage incident, risk and compliance management software during 2023, initially launching the incident management module across the organisation, with further module implementation planned for 2024.

The Executive Team and the Audit and Risk Committee have agreed the organisation's principal risks which are regularly reviewed. Organisational policies and procedures are in place in relation to the principal risks.

Risk	Management / Mitigations
Commissioning	Regular meetings with Commissioners Contract in place Provision of monthly activity and quality data
Financial Sustainability	Finance and Performance Committee Regular monitoring of management accounts and financial position Approved budget for financial year Appointed auditors
Health and Safety	Health and Safety Group and Audit and Risk Committee Health and Safety Competent advisors Various risk assessment Business Continuity Plan
The environment	Structural surveys Planned maintenance programme Strategic plan for building upgrade
Infrastructure	IT review and programme of work External IT contractor
Communication and engagement	Communications and Marketing Team Mailings, social media and engagement events
Governance and Compliance	Clinical Governance Committee and Board level committees Internal governance groups Risk, incident and complaint management
Safeguarding	Safeguarding Lead and Trustee with responsibility for safeguarding Safeguarding training and compliance monitoring Freedom to Speak Up Guardian
Data governance, security, privacy and quality	Information Governance Group Data Protection Officer, Senior Information Risk Officer, Caldicott Guardian Compliance with the Data Security and Protection Toolkit (DSPT)
Clinical Services	Education and Training provision of staff Competency programmes
Infection Prevention and Control	External expert advisors Risk assessment Audit and Monitoring programmes Training and education
Workforce recruitment	People and Organisational Development Committee Diverse recruitment methods
Workforce capability	People and Organisational Development Committee Recruitment, probationary and appraisal processes Competency programmes Mandatory training and external training opportunities Education Team
Employment law, HR and payroll compliance	Remuneration Committee Specialist advisor support Contracts of employment





g. Our people

There were on average 152 people employed (2022: 156) in the Hospice and the hospice's Shops Company (full time and part time). Of these, 98 people were employed in the Hospice and 54 people in the Shops Company.

In 2023, 497(2022: 474) people volunteered with the Hospice and Shops Company.

h. Remuneration policy for key management personnel

As part of the Board Governance Review in 2023, it was recommended that a Remuneration Committee be established to review the pay and remuneration of the Executive Team. This new committee met for the first time in early 2024, with membership including the Chair of Trustees and the Chair of the People Committee. During 2023, an external agency was commissioned to carry out an exercise to benchmark executive salaries and benefits with comparable roles in the charity sector. The benchmarks were drawn from national and local charities in organisations of a similar size. The output will inform executive pay policies into the future.

i. Diversity, equity and inclusion

In 2023, the Board approved the establishment of a newly created post, Learning & Development Partner. It is anticipated that 2024 will see the introduction of sessions for all staff and volunteers to raise awareness of the importance of diversity and inclusivity in the workplace. Statutory and mandatory training continues to include modules on DEI.

j. Environmental impact - energy and carbon reporting

Work will be undertaken in 2024 to develop the organisation's environmental policy, identify the organisation's key environmental impacts and ensure that systems are developed for reporting and data collection.

The organisation undertook a number of initiatives in 2023 to improve our impact on the environment, including:

- Installation of new condensing boilers
- Installation of a new Building Management System (BMS) to enable more effective monitoring and management of various aspects of the buildings operation
- Installation of a high efficiency water cylinder
- Commencement of a replacement programme to single phase pumps providing increased efficiency and decreased power usage
- Completion of lighting replacement project to install LED lighting across the Kenton Grange site
- Ongoing recycling progamme including plastics, papers, batteries, toner cartridges and the recycling of rag across our retail operation
- Order placed for electric vans for the retail operation.

6. Financial performance

a. Financial performance

In 2023, the Hospice Group recorded a surplus of £170k (2022: £186k). The Shops Company contributed profit of £357k (2022: £713k).

The Charity's income arises from:

	2023	2022
North-West London Integrated Care Board (ICB) and others	40%	30%
Fundraising	33%	39%
Shops Company	26%	29%
Other Income	1%	2%
	100%	100%

The total income of the Group decreased by 3% (excluding grants relating to the Ageing Well Programme – see below) and prior to unrealised investment gains and losses.

The Hospice's statutory income from North-West London Integrated Care Board and others was temporarily inflated in 2023 due the Charity receiving delayed funding from Central London Community Health Care (CLCH) relating to the Ageing Well funding programme. Outstanding payments were received during 2024. Without this funding (which is not recurring), the percentage funding from ongoing NHS grants in 2023 remains around 30%.

The net profit contribution from the Shops Company was lower in 2023 than 2022 which was largely attributed to investment in health and safety works across the Shops Estate, payment of the London Living Wage to staff, and costs relating to a move to a new Donations Centre and Superstore. The lottery also raised less income in 2023, but we saw an increase in Gift-Aid donations following a targeted effort across the shops.

The total costs of the Group increased by 7% which reflects investment into the Hospice's Quality, Governance and Organisational Development work to meet the key recommendations of the Care Quality Commission's 2021 Report; investment into IT infrastructure; and general inflationary increases in costs.

Cash has reduced to £1.7m from £3.3m due to investment in fixed assets and an increase in the debtors as of 31st December 2023. All debt and accrued income have been realised subsequently.

b. Fundraising approach, controls and performance

St Luke's Hospice is dedicated to engaging and collaborating with its local community, whilst also maintaining high standards of fundraising and lottery activity.

St Luke's is registered with the Fundraising Regulator, is a member of Hospice UK and the Hospice Income Generation Network (HIGN). Our lottery is licensed with the Gambling Commission, and St Luke's operates within the Fundraising Code of Practice, employing a team of paid colleagues to deliver our fundraising and communications activities. The team regularly attend events and training to increase their understanding of fundraising developments within the hospice sector, and we have a dedicated supporter care team for data maintenance and record-keeping to comply with Fundraising Regulator requirements. In the period of 1 January to 31 December, we received thirteen complaints, all of which were investigated and dealt with in line with the Hospice complaints policy.

The Hospice commits to its fundraising policies and practice being legal, open and honest. From time to time we work with established and reputable service providers, including mailing houses and fundraising agencies, to undertake our direct mailings and telephone appeals. The Hospice has also signed up to receiving marketing suppressions under the Fundraising Preference Service, and none were received in the period 1 January to 31 December 2023.

We make every effort to operate GDPR compliant procedures and regularly review and update records for accuracy. All Fundraising activities are reported to the Finance and Performance Committee on a quarterly basis.

Excellent supporter stewardship and experience is a key priority for the Fundraising and Communications team, and during 2023 we actively sought feedback from our donors through a large insights survey. This provided important information regarding communication wishes and highlighted more of a need to demonstrate impact, and the difference that donations make in our marketing. It also gave the opportunity to update supporter contact preferences on our fundraising database.

We are immensely grateful to our generous donors and supporters for their continued commitment to all our work; in 2023, fundraising income generated £2,833k, compared to a prior year figure of £2,847k. This was made up of donations, events, and other fundraising income (corporate, in-memory etc), and also includes a £253k contribution from our lottery, which is reported within the retail contribution figure.

The Hospice was once again supported in many ways by the local communities of Harrow and Brent in 2023, and we were delighted that our flagship event, the Midnight Walk, attracted over 1,000 people and generated over £100k in income (a significant increase on 2022). 35 legacy gifts also contributed income of £996k, compared to £1,058k in 2022.

In 2023 the Hospice was grateful to receive £523k via a combination of unrestricted and restricted grants and donations (2022: £363k). Our huge thanks to all the Charitable Trusts and Foundations listed, and those who prefer to remain anonymous: Albert Hunt Trust; Arja Samaj Middlesex Hindu Charity UK; The Arts Society Harrow; Asian Foundation for Help; Betty Messenger Foundation; Cecil Rosen Charitable Trust; Childwick Trust; City Bridge Foundation; The February Foundation; Hamilton Wallace Trust; Hugh Dinan Charitable Trust; Jaspar Foundation; The Kingsbury Charity; Lenore Reynell Trust; Mahavir Trust; MAPS Medical Benevolent Charitable Trust; Mason Le Page Charitable Trust; Pauline and Harold Berman Trust and the RUB White Charitable Trust.

c. Retail and lottery performance

St Luke's Hospice Shops Company Ltd continued to provide profits generated within the trading company to the Hospice to support its work and services. In August 2023, a new warehouse and superstore opened, whilst we saw the closure of two stores in our retail network as a result of leases ending. By the end of the year, the Shops Company operated 17 shops.

Donations of goods continued to be high and shops remain strongly supported by the local community. Nevertheless, the net contribution of all retail activity (including e-commerce) for 2023 was £357,525 compared to £713,960 in 2022. The decrease in net contribution was the combined effect of increased costs (warehouse and superstore investment; staff pay awards in line with London Living Wage; refurbishment and health and safety works across the shops estate); lower sales generally across the shops network including the loss of two shops; and ongoing challenges with recruitment to key roles within the shops business.

In early 2024, a retail strategy review was commissioned and completed by the Charity Retail Consultancy. The findings are being implemented during 2024 as part of a shops-wide organisational development programme, with the aim of improving the profitability of the shops.

During 2023, we received six complaints in relation to our retail network.

In 2023, our lottery contributed £253k which is reported within the retail contribution figure. Player retention was a key focus and recruitment in player numbers for long-term lottery growth will be the focus for 2024/2025.

d. Reserves policy

The Board of Trustees Reserves Policy aims to maintain six months of total expenditure as reserves.

The Finance and Performance Committee of the Board of Trustees reviews the Reserves Policy in line with future anticipated financial demands of the Charity. In 2023, reserves were £4,842k (six months of £9,683), compared to £4,512k in 2022 (six months of £9,023k) which was considered adequate by the Board of Trustees to meet the policy.

Free reserves held at 31 December 2023, as per the table below, were £5,172k, which indicates a surplus of £330k. The Trustees anticipate that this surplus will reduce in line with the Reserves Policy during 2023 and 2024. Further inflationary increases in Hospice running costs are anticipated in 2024, and in line with other hospices in the charity sector, the Trustees have approved a deficit budget for 2024. Therefore, the Trustees confirm that whilst the reserves at 31 December 2023 were in excess of the Charity's Reserves Policy, they will be used in 2024 to support a deficit budget, ensure high quality clinical services are maintained, and that our estates remain fit for purpose to support the delivery of our services. The reserves position also ensures that there are sufficient reserve of liquid funds available to meet unexpected shortfalls in its funding streams, timing differences in receipt of those funds, or sudden increases in costs.

As at 31 December 2023, the Charitable Group held the following General and Designated Reserves:

Fund	**£000's**		**Timeline for Use**
	2023	**2022**	
Designated Fixed Asset Fund - Hospice	5,294	5,065	The designated fixed asset funds represent the net book value of the fixed assets. These funds are identified separately as they are illiquid funds and not available for use.
Designated Fixed Asset Fund - Shops	512	41	
TOTAL Designated Fixed Asset Funds	**5,806**	**5,106**	
General Unrestricted Fund	5,173	5,487	Available for general purposes and core costs
Risk Management Reserve	1,372	1,498	General Purposes – against perceived potential risks to income – see below
Pension Deficit Reserve	300	300	Held towards a potential future buy-out of the Defined Benefits Pension Scheme – see Note 20 of the Financial Statements
TOTAL FREE RESERVES	**6,845**	**7,285**	
TOTAL UNRESTRICTED FUNDS	**12,651**	**12,391**	As per Balance Sheet

The Risk Management Reserve was set up to enable the Hospice to manage any unexpected shortfall in income. This is required to protect the needs of our patients and also to give a reassurance of security for the staff.

Comprehensive details about the Pension Deficit Reserve can be found in Note 20 to the Accounts.

e. Investment policy

Messrs Rathbones plc were appointed as Investment Managers to the Charity in 2016 to manage the Charity's investment portfolio. Rathbones were initially allocated approximately £1,600k to manage on behalf of the charity. An additional investment of £2.5m was made in December 2021. Before placing investments on behalf of the Charity the Trustees have asked the fund managers to screen for tobacco and health care companies. The fund managers report to the Charity on a quarterly basis.

As at 31 December 2023 the investments were valued at £4,011k (2022 - £3,861K).

Details of changes in the investments held are detailed in Note 11 of the Accounts.

7. Statement of responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Charity law in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charity and the group 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 in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 charity will continue in business

The Trustees are responsible for keeping proper records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charity and group's auditors are unaware
- the Trustees have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Trustees are responsible for maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may vary from legislations in their jurisdictions.

Auditor

Haysmacintyre LLP has indicated its willingness to be reappointed as statutory auditor for the next financial year.

The Trustees' Report, which incorporates a Strategic Report, was approved by the Trustees and signed on their behalf by

Margaret Lustman
Chair of Trustees

Date 2024

8. Independent Auditors' Report to the members of St. Luke's Hospice (Harrow & Brent) Ltd

We have audited the financial statements of St. Luke's Hospice (Harrow & Brent) Ltd for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Statement of Consolidated Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Message from the Chairman and Chief Executive. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 23, 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.

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

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such the Companies Act 2006, the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting trustees' meeting minutes
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year-end or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

A further description of our responsibilities 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 auditor's report.

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

Lee Stokes (Senior statutory auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen Street Place,
London,
EC4R 1AG

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Income from:						
Donations and legacies						
• Donations	2	1,784	433	-	2,217	1,976
- Covid grants	2	-	-	-	-	473
• Legacies	3	996	-	-	996	1,058
		2,780	433	-	3,213	3,507
Charitable Activities						
• NHS commissioning		3,596	-	-	3,596	2,504
• Other income		100	-	-	100	437
	5	3,696	-	-	3,696	2,941
Other trading activities						
• Fundraising events	2	251	-	-	251	224
• Gross income from shops and lottery	4	2,411	-	-	2,411	2,754
		2,662	-	-	2,662	2,978
Income from Investments		117	-	-	117	105
Total income		**9,255**	**433**	-	**9,688**	**9,531**
Expenditure on:						
Raising funds						
- Fundraising costs		1,417	-	-	1,417	625
• Fundraising events costs		230	-	-	230	245
• Shops and lottery expenditure		2,390	-	-	2,390	2,726
• Investment management costs		19	-	-	19	23
		4,056	-	-	4,056	3,619
Charitable activities						
• In patient services		1,721	146	-	1,867	1,941
• Outpatient services		437	156	-	593	545
• Community services		1,743	112	-	1,855	1,782
• General clinical support		1,293	19	-	1,312	1,136
		5,194	433	-	5,627	5,404
Total expenditure	7	**9,250**	**433**	**-**	**9,683**	**9,023**
Net income before gains/(losses) on investments		5	-	-	5	508
Net gains/(losses) on investments	11	150	-	-	150	(347)
Pension revaluation gain		14	-	-	14	25
Net income	6	**169**	**-**	**-**	**169**	**186**

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
(Including an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Net income	6	169	-	-	169	186
Transfer between funds		62	(76)	14	-	-
Net movement in funds		231	(76)	14	169	186
Reconciliation of funds						
Total funds brought forward		12,420	76	214	12,710	12,524
Total funds carried forward		12,651	-	228	12,879	12,710

All amounts relate to continuing activities. There are no recognised gains or losses for the current or preceding financial year other than as shown above, therefore no Statement of Total Recognised Gains & Losses has been presented. Income and expenditure by fund for the year ended 31 December 2022 is given in note 19 to the accounts.

The net result of the charity's own activities for 2022 was a loss of £187,745 (2022: surplus £528,697).

The notes on pages 23 to 54 form part of these accounts.

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
CHARITY AND GROUP BALANCE SHEETS
AT 31 DECEMBER 2023

	Notes	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
FIXED ASSETS					
Tangible assets	10	5,806	5,106	5,294	5,065
Investments	11	4,011	3,861	4,011	3,861
		9,817	8,967	9,305	8,926
CURRENT ASSETS					
Debtors	12	2,140	1,375	2,747	2,316
Cash at bank and in hand		1,717	3,293	1,491	2,262
		3,857	4,668	4,238	4,578
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	(625)	(686)	(494)	(556)
NET CURRENT ASSETS		3,232	3,982	3,744	4,022
Long term liabilities (Pension deficit)	20	(170)	(239)	(170)	(239)
NET ASSETS	14	12,879	12,710	12,879	12,709
Represented by					
Unrestricted funds					
Designated funds		7,478	6,904	7,478	6,863
General fund		5,173	5,516	5,173	5,556
		12,651	12,420	12,651	12,419
Endowment funds		228	214	228	214
Restricted funds		-	76	-	76
	15	12,879	12,710	12,879	12,709

The financial statements were approved and authorised for issue by the Board of Trustees on ……..2024 and signed on their behalf by:

M Lustman
Chair of Trustees

The notes on pages 23 to 54 form part of these accounts

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Cash flows from operating activities:				
Net cash flow provided by/(used in) operating activities (note A)		(748)		931
Cash flows from investing activities:				
Dividends, interest and rents from investments	117		105	
Purchase of property, plant and equipment	(884)		(27)	
Disposal of investments	374		911	
Acquisition of investments	(479)		(3,208)	
Change in investment cash	105		2,379	
Pension creditor revaluation	(61)		(93)	
Net cash used in investing activities		(828)		88
Change in cash and cash equivalents in the reporting period		(1,576)		1,019
Cash and cash equivalents at the beginning of the reporting period		3,293		2,274
Cash and cash equivalents at the end of the reporting period		1,717		3,293

A) Reconciliation of net (expenditure)/income to net cash flow from operating activities	**2023 £'000**	**2022 £'000**
Net income for the reporting period (as per the statement of financial activities)	169	188
Adjustments for:		
Depreciation charges	183	98
Losses/(gains) on investments	(150)	264
Gain on pension revaluation	(14)	(25)
Dividends, interest and rents from investments	(117)	(105)
Decrease/(increase) in debtors	(765)	362
Increase/(decrease) in creditors	(61)	149
Other	7	-
Net cash flow provided in/(used in) operating activities	(748)	931

Analysis of cash and cash equivalents

Cash at bank and in hand	1,717	3,293
Total cash and cash equivalents	1,717	3,293

	Balance at 1.1.23 £'000	Balance at 31.12.23 £'000	Other non-cash changes £'000	Balance at 31.12.23 £'000
Cash and bank	3,293	(1,576)	-	1,717

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity 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 note(s).

(ii) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and accruing for legacies which have not yet been received.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

(iii) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs with the exception of investments which are held at fair value. Financial assets held amortised costs comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(iv) Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives trustees confidence the charity remains a going concern for the foreseeable future.

(v) Consolidation

These accounts consolidate the results of the charity and its wholly owned subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Limited, on a line-by-line basis. A separate Income and Expenditure Account and Statement of Financial Activities is not presented for the charity alone as permitted by the Companies Act 2006 and Charities SORP.

(vi) Income

Income from donations, legacies and grants are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Donations include related gift aid income.

The Shops company acts as agent to sell items donated with a gift aid declaration and to pass the resulting cash donations to the Hospice rather than record them as turnover within the Shops Company. The Hospice also receives the gift aid claimed on these donations.

Legacies are included when the Hospice becomes entitled to the funds and the sum receivable can be reliably quantified. Where they rely on the sale of property or investments, and thus do not have a certain valuation, an estimate of their value is disclosed in the notes to the financial statements.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income from NHS contracts from the Harrow & Brent Clinical Commissioning Groups. They have been dealt with on a receivable basis as a contribution to running costs.

There have been no significant gifts in kind or donated goods and services during the year.

The value of services provided by volunteers is not incorporated in these financial statements. Further detail of the substantial contribution by volunteers can be found in the Report of the Trustees.

(vii) Expenditure

Expenditure is recognised when a liability is incurred. It includes VAT where this is not recoverable.

Expenditure on raising funds is the costs incurred in attracting donation income, organising and managing fundraising events, and the costs incurred in trading activities which raise funds.

Charitable activities include the Hospice care services offered to inpatients, day care patients, those receiving Hospice services in their own homes, and their carers and families. There are also a range of clinical and other services which apply to all these forms of Hospice care. These costs include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., property costs by floor areas and other costs on the bases shown in Note 7.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with compliance with constitutional and statutory requirements. These have been allocated to activity costs on the same basis as support costs.

(viii) Tangible fixed assets

All assets acquired costing more than £2,500 are capitalised.

Leasehold properties	assets acquired prior to 2016 - over the term of the lease assets acquired after 2016 – shorter of 5 years or the remaining term of the lease
Fixtures and equipment	20%
Motor vehicles	20%
IT equipment and systems	20%

The freehold property is not depreciated as the amount of depreciation is considered to be immaterial.

Tangible fixed assets are held at cost and (except for the freehold property) depreciated on a straight line basis over their estimated useful lives as follows.

(ix) Investments

Investments are initially recognised at their transaction cost and subsequently valued at fair value at the Balance Sheet date, unless fair 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 shown in the heading 'Net gains/(losses) on investments' in the Statement of Financial Activities.

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

(x) Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purposes.

Endowment funds are restricted funds which are to be retained for the benefit of the charity as a capital fund.

The Hospice has a number of restricted income and capital funds. Details of the funds are given in the notes to the financial statements.

(xi) Pensions

The Group currently offers a qualifying defined contribution pension scheme to all staff. In addition the Group is a Direction Employer under the NHS Scheme.

National Health Service Superannuation scheme

This is a statutory superannuation scheme as defined in Section 6.12 (1) Income and Corporation taxes Act 1988, which has no invested funds. Contribution by employers (currently 14.3%) and members are accounted for to the Treasury and benefits are paid from the consolidated fund. This scheme is only open to staff who have been members of the NHS scheme in previous employment under the dispensation rules. The accounting charge represents the employer's contributions for the period.

Defined Contribution Scheme (Pensions Trust)

With effect from 1 May 2015 the group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the group. There is no liability under the scheme other than the payment of those contributions.

(xii) Taxation

No tax is payable due to the charitable status of the parent company. Taxable profits generated by the trading subsidiary are transferred to the parent company under gift aid.

(xiii) Leases

Operating lease rentals are charged to the Statement of Financial Activities over the period of the lease.

(xiv) Legal status

The charitable company is limited by Guarantee and does not have any share capital.

(xv) Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

(xvi) Debtors

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

(xvii) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

(xiii) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. DONATIONS – 2023

	Unrestricted funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Individual donations	234	17	251	318
In memoriam donations	181	4	185	177
Community groups	126	11	137	136
Trust fund donations	135	388	523	363
Corporate donations	101	0	101	192
Major Donors	52	13	65	46
Gift aid	71	-	71	60
Donations & gift aid from sale of goods in our shops	884	-	884	684
	1,784	433	2,217	1,976

Fundraising events in 2023, raised £251,257 (2022: £223,762).

DONATIONS – 2022

	Unrestricted funds £'000	Restricted Funds £'000	Total 2022 £'000
Individual donations	279	39	318
In memoriam donations	177	-	177
Community groups	136	-	136
Trust fund donations	152	211	363
Corporate donations	187	5	192
Major Donors	46	-	46
Gift aid	60	-	60
Donations & gift aid from sale of goods in our shops	684	-	684
	1,721	255	1,976

COVID GRANTS

	Unrestricted funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Hospice UK grants	-	-	-	473
Other Grants	-	-	-	45
	-	-	-	518

3. LEGACIES

In addition to the sum of £995,627 from legacies within income (2022: £1,058,256), the Hospice has also received notifications for legacies where the value is currently uncertain until property or equity sales are completed, or probate granted; due to the difficulty with the valuation in light of the uncertainties no estimation has been made for these legacies. In accordance with the Hospice's accounting policy for legacies, these are not included in these accounts on the grounds of uncertainty of measurement.

4. INCOME AND EXPENDITURE FROM SHOPS AND LOTTERY

The Charity owns the entire share capital of St Luke's Hospice (Harrow & Brent) Charity Shops Limited, a company registered in England and Wales, which operates charity shops in support of the Hospice funding. The subsidiary transfers to the Hospice under gift aid an amount not less than its taxable profits.

A summary of the trading results of the subsidiary is shown below. Audited accounts have been prepared in respect of the trading period for the year ended 31 December 2023.

	Total 2023 £'000	Total 2022 £'000
Turnover	2,158	2,436
Income from lottery	253	273
Government grants	-	45
	2,411	2,754
Cost of sale of purchased goods	4	5
Administration expenses	1,960	1,942
Lottery expenditure and prizes	90	93
Gross direct expenditure of shops and lottery	2,054	2,040
Net direct income from shops and lottery	357	714
Lease costs relating to shops owned by Charity	(66)	(70)
Donations of goods under gift aid	707	514
Lottery Prizes donated by Players	14	8
Contribution generated by Charity Shops Ltd	1,012	1,166

5. CHARITABLE ACTIVITIES -2023

	Unrestricted funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
NHS commissioning income				
Service level agreement	3,596	-	3,596	2,504
	3,596	-	3,596	2,504
Other funding	100	-	100	437
	3,696	-	3,696	2,941

NHS commissioning income in 2023 includes funding to deliver Fast Track Brokerage of Care. The current contract runs to March 2025.

Services were also expanded to provide specialist palliative care services at weekends in the Brent area – part of the Ageing Well Project. The above income includes £351,237 relating to the years 2021 and 2022.

CHARITABLE ACTIVITIES -2023

	Unrestricted funds £'000	Restricted Funds £'000	Total 2023 £'000
NHS commissioning income			
Service level agreement	2,504	-	2,504
Other funding	437		437
	2,941	-	2,941

6. NET INCOME

	Total 2023 £'000	Total 2022 £'000
Net income is stated after charging:		
Depreciation	183	98
Auditor's remuneration	18	18
Other fees payable to auditors	12	3
Operating lease rental	525	513

7. EXPENDITURE – 2023

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Out Patient services £'000	Community services £'000	General clinical support £'000	2023 Total £'000
Staff costs	Direct	391	60	1,483	-	1,157	330	1,656	402	5,479
Drugs and medical	Direct	-	-	-	-	128	-	-	-	128
Catering and housekeeping	Direct	-	-	-	-	-	-	-	210	210
Fundraising and community	Direct	880	65	-	-	-	-	-	-945	
Other direct costs	Direct	-	-	571	19	132	65	40	386	1,213
		1,271	125	2,054	19	1,417	395	1,696	998	7,975
Support costs										
Management	Staff time	33	33	87	-	16	16	16	16	217
Quality	Staff time	5	0	25	-	30	19	21	30	130
Finance	Staff time	36	36	109	-	43	24	36	77	361
HR	Headcount	19	9	112	-	78	11	26	56	311
Premises	Floor area	29	15	0	-	181	112	27	67	431
Gen overheads	Headcount	24	11	0	-	102	15	33	69	254
Shops Lease	Amortisation	-	-	4	-	-	-	-	-	4
		146	104	336	-	450	198	159	316	1,708
Total expenditure	2023	1,417	230	2,390	19	1,867	593	1,855	1,313	9,683
Total expenditure	2022	625	245	2,726	23	1,941	545	1,782	1,136	9,023

- The lease rentals relating to two shops owned by Hospice are allocated wholly to Shops and Lottery Expenses.

7. EXPENDITURE – 2022

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Out Patient services £'000	Community services £'000	General clinical support £'000	2022 Total £'000
Staff costs	Direct	360	78	1,324	-	1,241	299	1,586	291	5,179
Drugs and medical	Direct	-	-	-	-	66	-	-	-	66
Catering and housekeeping	Direct	-	-	-	-	-	-	-	170	170
Fundraising and community	Direct	121	60	-	-	-	-	-	-181	
Other direct costs	Direct	-	-	716	23	223	88	40	381	1,471
		481	138	2,040	23	1,530	387	1,626	842	7,067
Support costs										
Management	Staff time	45	45	100	-	38	37	38	38	341
Quality	Staff time	27	26	79	-	32	17	26	57	264
Finance	Headcount	13	7	80	-	56	8	19	40	223
HR	Floor area	18	9	-	-	112	70	17	42	268
Premises	Headcount	41	20	420	-	173	26	56	117	853
Gen overheads	Amortisation	-	-	7	-	-	-	-	-	7
Shops Lease										
		144	107	686	-	411	158	156	294	1,956
Total expenditure	2022	625	245	2,726	23	1,941	545	1,782	1,136	9,023
Total expenditure	2021	552	239	2,493	12	1,579	457	1,529	1,168	8,029

- The lease rentals relating to two shops owned by Hospice are allocated wholly to Shops and Lottery Expenses.

8. STAFF COSTS AND NUMBERS

	Total 2023 £'000	Total 2022 £'000
Salaries and wages	4,930	4,813
Social security costs	470	470
Pension costs	330	498
Total	5,730	5,781
Average number of employees (full time equivalents)		
Hospice	82	83
Shops	49	50
	131	133

There were on average 152 people employed (2022 – 156) full and part time. The employees were supported by 497 unpaid volunteers during the year (2022: 474).

Pension costs include an amount of £32,191 (2022 – £28,325) paid in respect of death in service cover for employees of the company.

Ex Gratia payments made during the year were £14,169 (2022 – £30,000)

The total remuneration for Key Management Personnel included in staff costs above is £546,711 (2022: £481,464).
The number of staff with remuneration in excess of £60,000 were as follows:

£	2023	2022
£60,000 - £70,000	3	1
£70,000 - £80,000	3	1
£80,000 - £90,000	-	-
£90,000 - £100,000	1	-
£100,000 - £110,000	-	1

9. TRUSTEES

None of the trustees received any remuneration or benefits in kind from the charitable company (2022: Nil).
Trustees did not claim any expenses on behalf of the charity during the year. (2022: £734).

10. TANGIBLE FIXED ASSETS

Group	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
Opening balance	4,932	599	284	11	5,826
Additions	-	595	289	-	884
Closing balance	4,932	1,194	573	11	6,710
Depreciation					
Opening balance	-	557	155	9	721
Charge for the year	-	125	56	2	183
Closing balance	-	682	211	11	904
Net Book Value					
At 31 December 2023	4,932	512	362	-	5,806
At 31 December 2022	4,932	42	129	2	5,106

Charity	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
Opening balance	4,932	33	273	-	5,238
Additions	-	-	289	-	289
Closing balance	4,932	33	562	-	5,527
Depreciation					
Opening balance	-	29	144	-	173
Charge for the year	-	4	56	-	60
Closing balance	-	33	200	-	233
Net Book Value					
At 31 December 2023	4,932	-	362	-	5,294
At 31 December 2022	4,932	4	129	-	5,065

Freehold properties otherwise represents the acquisition and conversion costs of Kenton Grange between 1992 and 2002 shown at historic cost and the costs of building the Woodgrange Centre completed in 2015.

11. INVESTMENTS

	Total 2023 £'000	Total 2022 £'000
Market value at 1 January 2023	3,861	4,206
Additions	479	3,208
Disposals	(374)	(827)
Realised and unrealised gains/ (losses)	150	(347)
Movement in investment cash	(105)	(2,379)
Market value at 31 December 2023	4,011	3,861

12. DEBTORS: amounts falling due with one year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	60	97	60	97
Other debtors	134	66	77	33
Prepayments and accrued income	1,946	1,212	1,731	1,031
Amounts owed by subsidiary undertaking	-	-	879	1,155
	2,140	1,375	2,747	2,316

13. CREDITORS: amounts falling due within one year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	170	289	155	265
Taxation and social security	175	203	142	174
Accruals and deferred income	280	194	197	117
	625	686	494	556

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP – 2023

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2023 £'000
Tangible fixed assets	-	5,806	-	-	5,806
Investments	2,411	1,372	228	-	4,011
Net current assets	2,932	300	-	0	3,232
Long term liabilities	(170)	-	-	-	(170)
Net assets	5,173	7,478	228	0	12,879

ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP – 2022

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2022 £'000
Tangible fixed assets	-	5,106	-	-	5,106
Investments	2,469	1,174	218	-	3,861
Net current assets	3,906	-	-	76	3,982
Long term liabilities	(239)	-	-	-	(239)
Net assets	6,136	6,280	218	76	12,710

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CHARITY – 2023

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2023 £'000
Tangible fixed assets	-	5,294	-	-	5,294
Investments	2,411	1,372	228	-	4,011
Net current assets	2,932	812	-	-	3,744
Long term liabilities	(170)		-	-	(170)
Net assets	5,173	7,478	228	-	12,879

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS - CHARITY – 2022 (Continued)

	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2022 £'000
Tangible fixed assets	-	5,065	-	-	5,065
Investments	2,473	1,174	214	-	3,861
Net current assets	3,294	652	-	76	4,022
Long term liabilities	(239)		-	-	(239)
Net assets	5,528	6,891	214	76	12,709

15. FUNDS – 2023

	Opening Balance £'000	Income £'000	Expenditure £'000	Investment Gains/ Losses £'000	Transfer/ Pension Surplus £'000	Closing Balance £'000
Restricted funds						
Inpatient care funds	-	146	(146)	-	-	-
Outpatient care funds	-	156	(156)	-	-	-
Community care funds	-	112	(112)	-	-	-
General Clinical funds	-	20	(20)	-	-	-
Capital funds	76	-	-	-	(76)	-
Fundraising Programme	-	-	-	-	-	-
Total restricted funds	76	433	(433)	-	(76)	-
Endowment funds						
Alice Wisbey Capital Fund	24	-	-	1	-	25
D D McPhail	190	-	-	13	-	203
Total endowment funds	214	-	-	14	-	228
Unrestricted funds						
Designated fixed asset fund	5,065	-	-	-	229	5,294
Designated shops assets fund	41				471	512
Designated risk management fund	1,498	-	-	(126)	-	1,372
Pension liability reserve	300	-	-	-	-	300
Total designated funds	6,904	-	-	(126)	700	7,478
Unrestricted funds						
General charitable funds	5,516	6,847	(7,186)	264	(268)	5,173
General non-charitable trading funds	-	2,411	(2,054)	-	(357)	-
Total general funds	5,516	9,258	(9,240)	264	(625)	5,173
Total unrestricted funds	12,420	9,258	(9,240)	138	76	12,651
Total funds	12,710	9,691	(9,673)	151	-	12,879

15. FUNDS – 2023

	Opening Balance £'000	Income £'000	Expenditure £'000	Investment Gains/ Losses £'000	Transfer/ Pension Surplus £'000	Closing Balance £'000
Restricted funds						
Inpatient care funds	-	64	(64)	-	-	-
Outpatient care funds	-	76	(76)	-	-	-
Community care funds	-	20	(20)	-	-	-
General Clinical funds	-	50	(50)	-	-	-
Capital funds	76	25	25	-	-	76
Fundraising Programme	-	20	20	-	-	-
Total restricted funds	76	255	(255)	-	-	76
Endowment funds						
Alice Wisbey Capital Fund	27	-	-	(3)	-	24
D D McPhail	218	-	(2)	(26)	-	190
Total endowment funds	245	-	(2)	(28)	-	214
Unrestricted funds						
Designated fixed asset fund	5,071	-	-	-	(6)	5,065
Designated shops assets fund	105	-	(64)	-	-	41
Designated risk management fund	1,641	-	(7)	(149)	-	1,485
Pension liability reserve	300	-	-	-	-	300
Total designated funds	7,117	-	(71)	(149)	(6)	6,891
Unrestricted funds						
General charitable funds	5,086	6,522	(5,969)	(167)	56	5,528
General non-charitable trading funds	-	2,754	(2,726)	-	(28)	-
Total general funds	5,086	9,276	(8,695)	(167)	28	5,528
Total unrestricted funds	12,203	9,276	(8,766)	(316)	25	12,419
Total funds	12,524	9,531	(9,023)	(345)	25	12,712

15. FUNDS (continued)

A Pension Liability Reserve was set up in 2016 to reflect potential increases in the pension liability. When it was provided in full in 2017, the reserve was reduced. The balance in this fund will be used towards the cost of any future buy-out of the liability.

The late Mrs Alice Wisbey made a bequest to the Hospice with the instruction that the income therefrom should be applied for the comfort of the nursing staff. This is split between Income and Capital funds.

The restricted funds represent grants and donations received, from Trusts and individuals, where the use of the funds was restricted to a specific purpose by the donor. These funds have included contributions towards the cost of our In-patient unit, Day care services, Community and Homecare services, to the provision of complementary therapies and a number of other items.

The D D McPhail Charitable Settlement originally gave £150,000 as an endowment fund. No instructions were given about income so this is applied for the general purposes of the charity. The difference between the original fund value and the current fund value arises through revaluation of the underlying investment.

The designated fixed asset fund represents the net book value of the Hospice's fixed assets. It has been set up to assist in identifying funds which are not free funds. Similarly, the designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital.

The designated risk management fund is intended to cover unexpected costs or income shortfalls, ensuring the long-term sustainability of the Hospice. The balance in this fund as at 31 December 2023 was £1,371k (2022 - £1,485k) most of which is managed by Rathbones, our investment manager.

The surplus arising out of the activities during the year resulted in the increase in unrestricted general charitable funds of £442k (2021 - £1,781k). The surplus for the year was created by additional COVID support from NHS England, distributed by Hospice UK. Without that support the Charity would have made a loss.

The general funds represent the unrestricted funds of the group and are therefore "free reserves".

16. OPERATING LEASE COMMITMENTS

The group has the following total commitments under non-cancellable operating leases:

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts due:	501	476	69	66
Within 1 year	1,189	1,126	206	264
Within two to five years	802	331	31	104
After five years	2,492	1,933	306	434

17. CAPITAL COMMITMENTS

The group has no capital commitments at the year-end (2022: none).

18. RELATED PARTY TRANSACTIONS

During the year, Trustees, Senior Executive Team members and their close family members donated £1,120 to the Hospice (2022: £2,428). There were no other transactions with related parties during the year (2022: none).

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (2022)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
Income from:				
Donations and legacies				
• Donations	1,721	255	-	1,976
• Covid grants	473	-	-	473
• Legacies	1,058	-	-	1,058
	3,252	255	-	3,507
Charitable Activities				
• NHS commissioning	2,504	-	-	2,504
• Other income	437	-	-	437
	2,941	-	-	2,941
Other trading activities				
• Fundraising events	224	-	-	224
• Gross income from shops and lottery	2,754	-	-	2,754
	2,978	-	-	2,978
Investments	105	-	-	105
Total income	**9,276**	**255**	**-**	**9,531**

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (2022)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
Expenditure on:				
Raising funds				
- Fundraising costs	605	20	-	625
• Fundraising events costs	245	-	-	245
• Shops and lottery expenditure	2,726	-	-	2,726
• Investment management costs	21	-	2	23
	3,597	20	2	3,619
Charitable activities				
• In patient services	1,941		-	1,941
• Day care services	545		-	545
• Homecare services	1,782		-	1,782
• Overall clinical support	901	235	-	1,136
	5,169	235	-	5,404
Total expenditure	**8,766**	**255**	**2**	**9,023**
Net expenditure before gains on investments	510		(2)	508
Net (losses)/gains on investments	(318)	-	(29)	(347)
Pension revaluation gain	25	-	-	25
Net expenditure	217	-	(31)	186

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (THE PENSIONS TRUST)

Up until 1st May 2015, the group offered a multi-employer pension scheme providing a defined benefit (career average) pension for members.

The company participated in the scheme, a multi-employer scheme which provides benefits to some 36 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2022. This valuation showed assets of £49.6m, liabilities of £57.1m and a deficit of £7.5m. To eliminate this funding shortfall, the Pension Trustee asked the participating employers to pay additional contributions to fund the scheme deficit of £1.67m. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities, and increase by 3% per annum on 1st April each year. It was anticipated that the deficit would be cleared by 31st March 2027.

During 2022 St Luke's contributed £69,272 towards the deficit (2021 - £67,254)

Note that the previous valuation was carried out with an effective date of 30th September 2019. This valuation showed assets of £79m, liabilities of £93.9m and a deficit of £14.9m. To eliminate this funding shortfall, the Pension Trustee asked the participating employers to pay additional contributions to fund the scheme deficit. Annual deficit contributions by participating employers then total £1.53m pa due to the annual 3% increases, and the deficit to be cleared by 30th September 2027.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION	31 December 2023 (£000s)	31 December 2022 (£000s)
Present value of provision	226	308

THE CAREER AVERAGE REVALUED EARNING SCHEME (PENSIONS TRUST) (continued)

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2023 £'000	2022 £'000
Provision at start of period	310	399
Unwinding of the discount factor (interest expense)	14	5
Deficit contribution paid	(69)	(67)
Remeasurements - impact of any change in assumptions	1	(29)
Remeasurements – amendments to the contribution schedule	(30)	
Provision at end of period	226	308

	2023 £'000	2022 £'000
Amounts due within one year	72	69
Amounts due after one year	170	239
	242	308

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

ASSUMPTIONS	**31 December 2023**	**31 December 2022**
	% per annum	% per annum
Rate of discount	4.74	5.10

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

10. Reference and administrative information

Company Number	02141770
Charity Number	298555
Registered Office	Kenton Grange, Kenton Road, Harrow, Middlesex HA3 0YG
Trustees	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Margaret Lustman (Chair of Trustees) – appointed 9/3/2023 Dr Carole Amobi (Chair of Clinical Governance Committee) – resigned 24/1/2024 Carolyn Bennett – resigned 1/3/2023 Norma Brier (Vice Chair) - resigned 1/3/2023 Natalie Butler – appointed 14/9/2023 Liz Jewitt-Cross (Chair of People Committee) – appointed 7/12/2023 Sarah Gigg – appointed 14/9/2023 Christine Glenn (Chair of Remuneration Committee) Paul Hill (Interim Chair of Trustees to March 2023; Chair of Finance & Performance Committee) Sarah Livingston (Chair of Clinical Governance Committee from March 2023) Dr Reena Majus – resigned 1/3/2023 Jatin Patel (Chair of Audit & Risk Committee) – appointed 14/9/2023 Chandia Radia – appointed 14/9/2023 Neel Radia Dr Gillian Schiller – resigned 31/3/2023 Professor Stephen Spiro (Vice Chair) – appointed 14/9/2023 Raj Thakrar Claire Melia-Tompkins
Key management personnel	
Chief Executive Officer	Lindsey Bennister
Medical Director	Dr Charles Daniels
Director of Clinical Services	Lorraine Gilbert – resigned 3/12/2023 Claire Porter – appointed 29/7/2024
Director of Quality & Governance	Fran Deane – appointed 1/8/2023
Director of Finance	Sue Wilson – resigned 30/11/2023 Geethanjali Umaasuthan – appointed 23/11/2023
Director of People & Organisational Development	Lorna Campbell – appointed 2/5/2023
Director of Fundraising & Communications	Joanna Pearce
Principal Bankers	Barclays Bank plc, Leicester LE87 2BB
Auditors	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Investment Managers	Rathbone Investment Management 8 Finsbury Circus, London EC2M 7AZ
Solicitors	Curry Popeck, Devonshire House, 582 Honeypot Lane, Middlesex, HA7 1JS BDB Pitmans LLP, One Bartholomew Close, London EC1A 7BL
Website	www.stlukes-hospice.org

St. Luke's Hospice (Harrow & Brent) Ltd

St Luke's Hospice, Kenton Grange, 385 Kenton Road, Harrow, HA3 0YG

t: 020 8382 8000 **e: info@stlukes-hospice.org**

stlukeshospice stlukeshospice @StLukesHarrow

Registered Charity Number: 298555 Company Number: 02141770.

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ST LUKE'S HOSPICE (HARROW AND BRENT) LTD

England & Wales - Charity number 298555

Accounts

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Company registration number: 02141770
Charity registration number: 298555

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

REFERENCE AND ADMINISTRATIVE INFORMATION

Registered Charity Number	298555	
Registered Company Number	02141770	
Registered Office	Kenton Grange, Kenton Road, Harrow, Middlesex HA3 0YG	
		Committee Membership
Trustees	Margaret Lustman (Chair) – appointed 9.3.23	
	Dr Gillian Schiller (Chair up to 31.12.22) – resigned 31.3.23	
	Dr Carole Amobi	Clinical Governance
	Christine Glenn	Finance & Performance
	Paul Hill – (Interim Chair – 20.2.23 to 9.3.23)	Finance & Performance
	Sarah Livingston	Clinical Governance
	Claire Melia-Tompkins	Finance & Performance
	Neel Radia	Finance & Performance
	Raj Thakrar	Clinical Governance
	Snehal Shah – resigned 9.8.22	Finance & Performance
	Geralyn Wynne – resigned 12.8.22	Clinical Governance
	Lindsey Bennister – resigned 13.9.22	Clinical Governance
	Carolyn Bennett – resigned 1.3.23	Finance & Performance
	Norma Brier – (Vice Chair) - resigned 1.3.23	Finance & Performance
	Dr Reena Majus – resigned 1.3.23	Clinical Governance
Chief Executive Officer	Alpana Malde – resigned 30.4.22	
	Annie Webber – appointed interim 28.2.22 resigned 14.10.22	
	Lindsey Bennister – appointed 3.10.22	
Executive Team		
Medical Director	Dr Charles Daniels	
Director of Patient Services	Ursula Reeve – resigned 30.9.22	
	Lorraine Gilbert – appointed 3.10.22	
Director of Quality	Fran Deane – appointed 1.8.23	
Director of Finance & Facilities	Prabhakar Sundaresan – resigned 7.6.22	
	Sue Wilson – appointed 1.8.22	
Director of HR	Lorna Campbell – appointed 2.5.23	
Director of Fundraising	Hannah Richardson – resigned 28.2.22	
	Joanna Pearce – appointed 1.2.22	
Principal Bankers	Barclays Bank plc, Leicester LE87 2BB	
Auditors	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG	
Investment Managers	Rathbone Investment Management 8 Finsbury Circus, London EC2M 7AZ	
Solicitors (Commercial)	Curry Popeck Devonshire House, 582, Honeypot Lane, Stanmore, Middx HA7 1JS	
Solicitors (Governance)	VWV LLP 2nd Floor 3, Brindley Place, Birmingham B1 2JB	

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION FROM THE CHAIR OF TRUSTEES – Meg Lustman

I was delighted to be appointed a Trustee in March 2023 and to take up the role of Chair at St Luke's Hospice. Dr Gillian Schiller's term of office ended earlier in 2023. On behalf of all at St Luke's, our great appreciation is expressed to Dr Schiller for serving 12 years as a trustee and 6 years as Chairman, and also to Norma Brier and Paul Hill for acting as vice and interim chairs until my appointment.

2022 was a year of substantial change for St Luke's as the teams took the requisite actions to regain a Good rating from the CQC. Changes to leadership, strategy and operations were initiated, culminating with the appointment of a permanent CEO in October who is now building a strong leadership structure with a strategic focus on improved quality and delivery. The Board of Trustees also initiated comprehensive governance and health and safety reviews.

St Luke's is now in a good place, revitalised by new leadership and focus. Post Covid, I am confident that our services are more needed than ever. The current Trustee Board is focused on embedding

- integrated leadership and good governance across executive and board decision-making
- improved quality and a new model of care including re-establishing services post-Covid
- improved, sustainable funding and income generation
- improvements to the infrastructure of the organisation including our physical environment

I am grateful for the ongoing dedication and passion demonstrated by all our teams, both staff and volunteers and, on behalf of the Board, offer them our deepest thanks. I am also grateful to all Trustees who served during 2022 to support St Luke's in a challenging time. As well as Dr Gillian Schiller, we acknowledge the hard work of Norma Brier, Geralyn Wynne, Dr Reena Majus, Carolyn Bennett and Snehal Shah as they stepped down as Trustees after many years of dedicated service to the Board

Looking forward, I am determined that the Trustee Board be focused on

- Understanding the needs of and building relevant relationships with key stakeholders to ensure that St Luke's is a valued partner in our communities including ICB, other Hospices and care services within our service area
- Building a strong and interactive Board of Trustees
- Ensuring that our funding is diverse, sustainable and fit for our future needs
- Assisting the Executive Team in order for the Hospice to be assessed as Outstanding in the future

During 2023 we will be appointing several new Trustees to the Board to support the delivery of a quality Hospice. Working together as teams with joint purpose and the appropriate resources, I am confident that St Luke's will be well placed to continue to provide our community with outstanding palliative and end-of-life care.

TRUSTEES' ANNUAL REPORT YEAR ENDED 31 DECEMBER 2022

The Trustees of St. Luke's Hospice (Harrow & Brent) Ltd. (St Luke's Hospice) present their Annual Report for the year ended 31 December 2022 in accordance with the provisions of the Companies Act 2006 and the Charities Act 2011. The audited accounts for that year are also presented and comply with the Companies Act 2006, the Hospice's governing document and the 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).

St. Luke's Hospice Harrow & Brent) Ltd. is a company limited by guarantee (registered company number 02141770) and a registered charity in England and Wales (charity number 298555). The Hospice was incorporated as St Luke's Hospice (Harrow & Wembley) Limited under the Memorandum & Articles of Association dated 22 June 1987. In 1993, following local government reform, the Hospice changed its registered name to St. Luke's Hospice (Harrow & Brent) Ltd. to reflect the change of name of part of its catchment area from the London Borough of Wembley to the London Borough of Brent.

St. Luke's Hospice (Harrow & Brent) Ltd. has a wholly owned trading subsidiary, St. Luke's Hospice (Harrow & Brent) Charity Shops Ltd (company number 02454552) through which it operates a network of charity shops and a lottery. The trading subsidiary exists to maximise income for the Hospice and all profits are donated to St Luke's Hospice using Gift Aid regulations.

Objects, Objectives and Principal Activities

The relief of sickness and the preservation of health of those suffering from any life limiting illness, primarily but not exclusively, within the areas of the London Boroughs of Harrow and Brent by:

1. maintaining a Hospice providing palliative and end of life care for them in a range of settings;
2. promoting and providing services, support and care for them, their families, friends, and carers to help relieve physical, emotional, mental, or spiritual distress;
3. promoting and providing education about all aspects of palliative and end of life care;
4. carrying out research into the development and improvement of care services, in particular all aspects of palliative and end of life care; and
5. promoting and providing other services and support in such ways as the Trustees shall from time to time think fit through the provision of health and social care services of all types.

Structure, Governance and Management

St. Luke's Hospice is governed by a Board of Trustees which meets quarterly. The Board is responsible for setting the long-term strategy and approving annual plans and the budget. The Hospice delegates specific responsibilities to two subcommittees that also meet quarterly and report to the Board. The Board delegates day-to-day management of the charity to the Chief Executive Officer and the Executive Team.

Trustees

During the year of this report, and in the subsequent period, three Trustees resigned from the Board and the term of office of three other trustees came to an end.

In January 2023 the Board appointed a specialist recruitment agency (Daniel Wise) to help support the recruitment of the Chair of Trustees, guided by a Nominations Committee comprising four trustees including the then Vice-Chair and the Chair of the Finance & Performance Committee. The same agency was appointed by the Board to support the recruitment of new Trustees in June 2023.

The search for a new Chair of Trustees resulted in the appointment of Meg Lustman as a Trustee and Chair on 9th March 2023. The recruitment for additional new trustees resulted in the appointment of 5 new Trustees in August 2023.

Trustees, including the Chair of Trustees, are appointed by the Board following an open recruitment process including advertising, application and interview. The Board reviews the skills it needs in deciding selection criteria to maintain breadth of expertise. Once appointed a Trustee will serve for an initial term of 3 years. St Luke's Hospice operates a thorough induction programme for all new Trustees, including engagement with our services, and meetings with the Chief Executive Officer and members of the Executive Team. Trustees are provided with a comprehensive pack of information for reference including the Charity Governance Code. All Trustees are required to complete e-learning modules via the Hospice's online training portal and are also offered relevant training courses. Annual appraisal of all Trustees is conducted by the Chair and Vice-Chair.

No Trustees are remunerated for their services.

Governance

During 2022, the Board of Trustees undertook a review of the Memorandum and Articles of Association, and instructed solicitors, VWV LLP, to produce new Articles. These were adopted in June 2023 following Charity Commission consent.

Towards the end of 2022, the Board of Trustees commissioned an independent Governance Review to consider our governance structure and to benchmark our governance against the Hospice and wider charity sector. The findings of this review will be implemented during 2023, including a new committee structure.

The full Board meets quarterly, including an annual strategy day. The Board delegates consideration of key areas of its work to two subcommittees: Finance & Performance and Clinical Governance. Each committee meets quarterly in advance of the Board meetings. In 2022, two new oversight groups – Health & Safety Oversight Group and the Care Quality Commission Oversight Group – met with membership drawn from both trustees and staff.
St. Luke's Hospice (Harrow & Brent) Charity Shops Ltd held four meetings of their board of directors, whose membership includes the Hospice's Chair of Trustees and Chief Executive Officer.

Conflicts of interest are disclosed at the start of each Board and committee meeting, and the Board operates under the principles set out in the Charity Governance Code, including the public benefit of our activities, plans and strategies.

Public Benefit
The charity exists to provide a palliative care end of life service for the residents of Harrow and Brent. All our charitable activities focus on that care and further our charitable purposes for the public benefit. The Trustees take into account Charity Commission guidance in this regard.
The Charity's main activities and focus to provide this service, via an inpatient unit, day care services and community services delivered in patients' homes across both areas, are detailed within this report.

BOARD COMMITTEES
Finance & Performance
The aim of the committee is to ensure that St Luke's is financially sustainable, has well maintained facilities and a fit for purpose workforce able to deliver its business strategies and plans. It is also responsible for ensuring effective systems are in place for the management, monitoring and mitigation of organisational and operational risk together with strategic oversight of communications. This committee also ensures that the Hospice is able to diversify and increase charitable income to ensure long term sustainability.

Clinical Governance
This committee ensures that St Luke's provides the highest quality of care and increases our focus on safety, effective outcomes and experience of our patients in line with the Care Quality Commission 5 Key lines of enquiry (Caring, Effective, Responsive, Safe and Well Led). It ensures the implementation of a quality improvement and assurance framework, ensuring that quality governance processes and structures are in place.

EXECUTIVE TEAM
During 2022 the Executive Team consisted of the Chief Executive, Medical Director, Director of Patient Services, Director of Finance & Facilities, and the Director of Fundraising. The team was strengthened during 2023 with the addition of a Director of People & Organisational Development, and Director of Quality & Governance. All these Directors make up the Key management personnel within the definition of FRS102. The Chief Executive is accountable to the Trustees for the implementation of the strategic plan, and for the day to day management of the Charitable Group.

In March 2022, an interim Chief Executive was appointed, following the resignation of the previous Chief Executive. The Interim was in post for 8 months, during which time the CQC 'Good' grading was regained. A permanent CEO was appointed in October 2022, (ratified by the Charity Commission in 2023). There were other changes to the Executive team in 2022 in order to strengthen the leadership of the Charity.
In 2022 there were, on average 4.6 members of the Executive Team

Details of Key Management Personnel Remuneration is disclosed in Note 8 of the Financial Statements on page 30.
Salaries are set by the Trustees taking into account the need to remunerate senior staff appropriately in order to recruit a high calibre Executive Team ensuring that the leadership of the charity has the skills and expertise required to run the Hospice. Pay is set annually, taking into account external market rates.

In 2022 the Charity was supported by 474 unpaid volunteers during the year (2021: 484) in roles in our network of charity shops, Hospice reception, in-patient unit, patient and family support services, fundraising, Hospice gardens, and administration.

RISK MANAGEMENT

Principal Risks

The table below sets out the principal risks and uncertainties facing St Luke's Hospice during the period of this report, and the controls in place for managing these risks.

Risk	Management of risk
Governance & compliance Poor governance and compliance which results in legal or regulatory challenges	• Annual review of internal governance policies and procedures. • Monitor new legal and regulatory guidance. • Trustee and staff training. • Effective governance structure for oversight and assurance • Internal controls in place. • Compliance with policies and procedures monitored and reported to Executive Team. • Training in place for all staff and volunteers. • Communications protocols in place to mitigate reputational risk.
Workforce Recruitment and retention of staff and volunteers	• Benchmarking of staff salaries and benefits. • Access to Employee Assistance Programme and Occupational Health. • Establishing new ways to recruit reward and retain staff, including flexible working programmes, where appropriate. • Establishment Genie framework in place for safe nursing staffing levels for each service. • Temporary movement of clinical staff between services to meet safe levels. • Volunteer recruitment and training in place.
Income Reduction in fundraising and statutory income	• Framework in place to evidence impact and outcomes. • Detailed budgeting and forecasting to identify early trends. • Financial monitoring controls in place. • Constant dialogue with commissioning bodies. • Robust reserves policy.
Estates including technology	• Business Continuity plan in place and communicated to stakeholders. • Specialist IT service contractor in place.
Major infection outbreak	• Outbreak protocols as per national guidance and our Infection Prevention and Control Policy. • Expert advisors in place. • Mandatory training for all staff. • Access to PPE and monitoring of stocks held.

PENSION LIABILITY RISK

Up until 1st May 2015 the Hospice offered a multi-employer pension scheme providing a defined benefit (career average) pension for members. This scheme was closed to further accrual in July 2016. The scheme is run by TPT and is in deficit. The scheme is a 'last man standing' arrangement which means that the Charity could be potentially liable for other participating employers' obligations if those employers are unable to meet their share of the overall scheme deficit following withdrawal from the scheme.

A valuation in September 2019 resulted in the Charity agreeing to pay approx. £68k per annum in deficit contributions. That contribution increases by 3% per annum and in 2022 the Charity contributed £67k (2021 - £68k) to fund the deficit. This contribution will continue until 2027. The Scheme actuaries estimated in September 2019 that the deficit recovery payments from all employers would be sufficient to return the Scheme to a fully funded position by 30th September, 2027.

A further actuarial valuation was carried out at 30th September 2022 which disclosed that due to the contributions made by contributing employers following the 2019 review, and current higher Gilt yields used as the benchmarking tool, that the estimated scheme deficit is now reduced to £7.5m. The Pension Trustee is proposing that the same deficit funding rationale, as disclosed above, continues. Annual deficit contributions by participating employers now total £1.67m pa due to the annual 3% increases, and the likelihood is that the deficit will now be cleared 6 months earlier than originally anticipated. Now expected to be 31st March 2027.

The Trustees are cognisant of the ongoing risks and review the option available to further manage that risk by a potential buyout. At 30th September, 2022 the buyout valuation was estimated at £1,019,676.

A designated Reserve of £300k has been created towards the potential future buyout. *See below.*

RESERVES POLICY

The Charity's Income arises from:

	2022	2021
Harrow & Brent Clinical Commissioning Groups and others	30%	26%
Fundraising	39%	39%
Shops Company	29%	34%
Other Income	2%	1%
	100%	100%

In November 2021 the Board reviewed its Reserves Policy and aims to maintain six months of total expenditure as Reserves. That amounts to £4,512k, as total expenditure for 2022 was £9,023k (2021 - £4,015k/£8,029k). The Finance & Performance Committee reviews this policy in line with future anticipated financial demands of the Charity and considers this policy adequate. The free reserves held at 31.12.22, as per the table below, amounted to £7,285k, a surplus of £2,773k. The Trustees are of the opinion that this surplus will reduce during 2023 and 2024 for the following reasons.

The Trustees are conscious of the fact that due to delays caused by the pandemic that numerous projects were put on hold. A comprehensive Health and Safety Review was undertaken in 2022, and remedial works have been carried out across the Estate, including shop premises in 2022 and 2023. In addition, the Hospice building is in need of refurbishment, and in addition a new IT infrastructure needs to be put in place urgently. These latter projects will commence in 2023 completing in 2024. For 2023, in line with many other Hospices in the sector, the Trustees have therefore set a deficit budget in order that the aforementioned projects may be accommodated. Consequently, the Trustees confirm they are of the opinion that although Reserves as at 31.12.22 were in excess of the policy, that they will be used in 2023 to finance these projects.

The Hospice needs to ensure that it has a sufficient reserve of liquid funds available to meet unexpected shortfalls in its funding streams, timing differences in receipt of those funds, or sudden increases in costs.

As at 31st December 2022 the Charitable Group held the following General and Designated Reserves:

Fund	£000's 2022	2021	Timeline for Use
Designated Fixed Asset Fund - Hospice	5,065	5,071	The designated fixed asset funds represent the net book value of the fixed assets. These funds are identified separately as they are illiquid funds and not available for use.
Designated Fixed Asset Fund - Shops	41	105	
TOTAL Designated Fixed Asset Funds	**5,106**	**5,176**	
General Unrestricted Fund	5,516	5,086	Available for general purposes and core costs
Risk Management Reserve	1,498	1,641	General Purposes – against perceived potential risks to income – see below
Pension Deficit Reserve	300	300	Held towards a potential future buy-out of the Defined Benefits Pension Scheme – see Note 20 of the Financial Statements
TOTAL FREE RESERVES	**7,314**	**7,027**	
TOTAL UNRESTRICTED FUNDS	**12,420**	**12,203**	As per Balance Sheet

The Risk Management Reserve was set up to enable the Hospice to manage any unexpected shortfall in income. This is required to protect the needs of our patients and also to give a reassurance of security for the staff.

Comprehensive details about the Pension Deficit Reserve can be found in Note 20 to the accounts, on pages 38 and 39.

INVESTMENT POLICY

Messrs Rathbones plc were appointed as Investment Managers to the Charity in 2016 to manage the Charity's investment portfolio. Rathbones were initially allocated approximately £1,600k to manage on behalf of the charity. An additional investment of £2.5m was made in December 2021. Before placing investments on behalf of the Charity the Trustees have asked the fund managers to screen for tobacco and health care companies. The fund managers report to the Charity on a quarterly basis.

As at 31st December 2022 the investments were valued at £3,861k (2021 - £4,206K).

Details of changes in the investments held are detailed in Note 11 of the Financial Statements on page 31.

STRATEGIC REVIEW

Our Vision
A world where people experience the best possible last phase of their life.

Overview
The Hospice Group recorded a surplus of £188k (2021 - £1,999k)
Of which the Shops Company contributed a surplus of £713,960 (2021 - £1,119k)
Before the input from the shops company the Hospice made a loss of £528,697 (2021 – Profit £880k)

During the year the charity received the following grants and contributions directly related to alleviating the exceptional demands of the Covid pandemic

	2022	2021
Covid Support from Hospice UK	£473k	£619k
Government CJRS (Furlough) Grants	-	£535k

2022 was a pivotal year for St Luke's, starting the process of rebuilding in the aftermath of the pandemic and our CQC inspection in 2021. In April 2022, under the leadership of an interim CEO, with experience of CQC compliance, the Hospice regained its 'Good' grading by CQC following urgent action taken by The Trustees and the St Luke's team.
The CQC's Head of Hospital Inspection stated;

> *"I was pleased to see the levels of improvement at St Luke's Hospice, which is good news for everyone being cared for there. The service listened to CQC's concerns and has worked hard to rectify the issues raised. I congratulate staff and managers at the Hospice for all their hard work to deliver safer care for people."*

A permanent CEO was recruited in October 2022 who has established a new strategic focus for the Hospice, supported by a new Executive Team, strengthening the leadership of the Hospice.

During the last quarter of 2022, work commenced on a new two-year Strategic Plan which was adopted in early 2023. The Strategic Plan is based around three key Ambitions:

1. Build Strong Foundations for the Future
2. Embed Quality
3. Value and Develop our People

ACHIEVEMENTS AND PERFORMANCE

Our achievements and performance for 2022 are set out against the three Ambitions contained in our new Strategic Plan.

Ambition 1 - Build Strong Foundations for the Future

What we did:

- We regained the CQC 'Good' Rating
- We carried out a comprehensive Governance Review, the results of which informs a new governance structure introduced in Spring 2023.
- We worked with the North West London Integrated Care Board to shape a new Model of Care for specialist palliative care provision across the eight boroughs in North West London to be delivered in 2023/24.
- We established a Health & Safety Oversight Group to oversee a programme of essential investment in health and safety.
- We established a new Risk Register for the Hospice with more work continuing into 2023 on a new Risk Management Framework. This work commenced a pathway to achieving full health & safety compliance across our estates and retail network by mid-2023.
- Our fundraising income (including legacies) totalled £3.02m including a successful Spring appeal for new syringe drivers, and Winter appeal for new mattresses for our In-patient unit.
- In November 2022 we hosted an engagement event at the House of Lords for 160 key stakeholders and supporters to celebrate our 35th Hospice anniversary.
- Our retail network of 18 shops raised £713,960 in net contribution for the Hospice.
- We commenced a review of our Lottery with recommendations to be implemented in 2023.
- We started a review of our IT systems, to inform an IT infrastructure investment programme in 2023/24 to modernise our systems, and expand our use of digital technologies.

Ambition 2 – Embed Quality

What we did:

- We saw a 5% increase in the number of patients supported by St Luke's to 2089 (from 1996 in 2021).
- We saw a 4% increase in the number of patients supported by our community specialist palliative care team to 592 (from 567 in 2021).
- We saw a 55% increase in visits by our community specialist palliative care team to 1676 (from 1080 in 2021).
- We successfully piloted, and adopted, a 7 day a week service for admissions to our In-patient Unit and restructured our medical team to provide support and medical care across our community services.
- We introduced innovative cross-team working, utilising existing staff skills to address the challenges in recruitment of qualified and experienced staff across the Hospice sector.
- We expanded our 24 hour palliative care helpline – PALL24 –to include patients and their families in Brent as well as Harrow.
- We developed our clinical education programme by initiating a community of practice and building links with higher education providers.
- We delivered a training programme to over 80 care home and primary care staff in Brent and Harrow.
- We provided palliative care taster days for local paramedics and other healthcare professionals.
- We planned the relaunch of our wellbeing services including our bereavement support service. We appointed a new Head of Patient and Family Support and Therapies and a Bereavement Co-ordinator in January 2023 to lead this work.
- We launched our partnership with Compassion in Dying, providing a personalised care planning service for Harrow and Brent communities.
- We fostered collaborative working with our external stakeholders and need-to-reach groups including presenting at:
    - Brent Last Phase of Life stakeholders meeting
    - Marie Curie '20 for All'
    - Brent Mental Health and Wellbeing Executive Meeting
    - Association of Palliative Medicine Conference

Ambition 3 – Value and Develop our People

What we did:

- We carried out an HR Audit that identified areas of priority in our ambition to value and develop our people.
- We developed a new People Plan, as part of our Strategic Plan, to build on the findings of our HR Audit and shape our HR and Organisational Development activities into the future.
- We recruited a permanent Chief Executive.
- We recruited a new Executive Team, improving leadership across the Hospice.
- We established our first Nurse Associate post in our In-Patient Unit.
- We put in place a new volunteer training matrix to provide tailored support to our volunteers.
- We worked with 474 volunteers providing essential help in our shops, gardens, In-Patient Unit, Wellbeing Services including bereavement support, reception and administration in our teams. Our network of shops was supported by 390 volunteers.
- We met the standard for an Investors in People Silver Award, covering the period March 2022 to March 2024.
- We carried out a review of our recruitment processes and implemented new systems to increase the diversity of our staff.
- We developed a clinical competency framework for our Brent Specialist Community Palliative Care Team that supported the professional development of our nursing staff.
- Members of our staff were recognised nationally for their work:
    - Julie Dobbin, Education & Professional Development Manager, received an award in the Infection Prevention of the Year 2022 category at the British Journal of Nursing Awards.

- Komal Patel (Home Care Manager) received a Queen's Nurse Outstanding Service award.

INCOME
STATUTORY – NHS COMMISSIONING

St Luke's works in close collaboration with the NHS Trust and Commissioning bodies responsible for palliative care within Harrow and Brent.
Within that role St Luke's has been working with the new Integrated Care Board for North West London and commissioners to shape a new model of care for specialist palliative care services. Our staff have provided expertise and input to the Model of Care working group, steering group and a Hospice CEO's group. North West London ICB continues to commission palliative care services from St Luke's Hospice, with 40% of our total care costs funded by the NHS.

FUNDRAISING DONATIONS

2022 was a challenging year for fundraising. The effects of the pandemic still being felt across the charity sector, the war in Ukraine, increases in interest rates driving an increase in the cost of living, and national recruitment challenges all impacted our overall donations.
During 2022 we received donations totalling £1,976k (2021 - £1,749k)– full details of which can be found In Note 2 of the Financial Statements om page 25

Legacies remain our single largest source of fundraised income, and in 2022, a total of 40 people left a legacy gift in their Will to the Hospice which amounted to £1,058k (2021 - £1,197). The charity sector benefitted from a catch up process at the Probate Office, caused by the pandemic. We also saw an increase in the number of 'Much Loved' tribute pages established during 2022.

The support from over 30 charitable trusts and foundations throughout 2022 has been vital to the work we do. We received £338,215 during the year from our valued partners (2021 - £447k).

2022 was a successful year working with corporate partners with £197k (2021 - £75K) donated from 150 local businesses, including a corporate golf day that raised over £75,000.

The strained economic situation translated through to individual giving, and this income stream was affected by a number of cancelled direct debits from regular givers. But, we were pleased to run two successful appeals for new pieces of equipment. Our events calendar was reinstated in full during 2022, with the Family Colour Run in April 2022, an Annual Walk in Northumberland in May 2022, which raised over £80k, and our Midnight Walk in June 2022 which attracted over 700 participants. In addition the Firewalk and Santa Dash proved ever popular. Despite the London Marathon being moved to October in 2022 instead of the normal date of April, our marathon runners exceeded their targets and collectively raised over £16,000.

SHOPS
In 2022, St. Luke's Hospice Charity Shops successfully re-established themselves post pandemic. The year's performance through the 18 shops yielded a gross revenue of £2.9 million. This included sales amounting to £514k, sold as Agent for donors who chose to donate their funds directly to the Hospice. Those sales are reported in the Hospice accounts and not the Shops accounts. In addition, those donations attracted additional Gift Aid payments from HMRC for the Charity of £128k.
Shops sales, excluding donations, and including lottery, created a net contribution of £713k to support the Hospice's vital services. These results signify the dedication of our team, the generosity of our supporters, and the resilience of our community even in challenging times.

The Hospice approved significant and essential investments in health and safety enhancements for the shops network throughout 2022. These improvements, implemented across all our shops, led to the attainment of full compliance with safety regulations by early 2023.

By reselling donated items and therefore repurposing them, the Hospice not only generates funds for its vital services but also contributes significantly to reducing waste and preventing items from ending up in landfills. In 2023 the shops company continued its pathway to net carbon zero with the introduction of electric vehicles.

In August 2023 a new donation centre, complete with a Superstore, was opened in Harrow. The shops company will continue to identify other new retail opportunities across the boroughs of Harrow and Brent.

COMPLAINTS

St Luke's Hospice receives, monitors and investigates complaints across all its services and activities (clinical and non-clinical) including our network of charity shops and our fundraising activities. In 2022, we improved our processes for recording complaints, including a new Complaints Policy.

2022	Total	Clinical	Retail	Fundraising	Facilities
Number of complaints	40	18	11	10	1

Of the 40 complaints, 27 were fully or partially upheld.

PLANS FOR THE FUTURE

In addition to the usual operational activities of the Hospice, our plans for 2023 include a focus on embedding improvements in key areas of St Luke's work including:

- Continuous improvement in Quality systems.
- Strengthening Governance structures including Trustees and Executive Team.
- Improving Infrastructure including IT and our estate.
- Funding and improved, sustainable income generation.

The cost of living crisis remains a challenge and we anticipate that our fundraising expectations will continue to be impacted in 2023. A significant contribution to our annual income comes from our network of 18 charity shops. In 2023, we will expand our retail network including a new warehouse donations centre incorporating a superstore.

Our plan for 2023 and into 2024 sets out key activities under our strategic ambitions:

Ambition 1 – Build Strong Foundations for the Future

We will:

- ensure compliance with good practice and regulation across all our governance and operations.
- build and strengthen the Hospice's infrastructure including our IT systems, operations, buildings, and our network of shops.
- develop and implement strategies to secure funding and support sustainable income generation.
- modernise our people procedures and policies so that they add value to our Services.
- engage with our communities, strengthen partnerships and reach new stakeholders.

Ambition 2 – Embed Quality

We will:

- put patients and families at the heart of our care services, and support easier and equitable access to end of life care services through the redesign of our community services.

- develop patient and family support services that are responsive to need and delivered in a welcoming and comfortable environment.
- ensure compliance and excellence in all our work through the introduction of a quality framework and new governance processes.

Ambition 3 – Value and Develop our People

We will:

- ensure that we attract and retain a diverse range of people to St Luke's.
- create an inclusive environment and engage positively with all our people.
- develop our people, equipping them with the skills and knowledge to perform at the best of their capabilities.
- ensure we recognise and reward our staff in accordance with our Values.
- ensure we have the right organisational structures to deliver our services.

During 2023, we have already appointed to two key leadership roles – Director of People & Organisational Development, and Director of Quality & Governance. Both roles will contribute significantly to the delivery of the strategic plan.

TANGIBLE FIXED ASSETS

Movements in Tangible Fixed Assets are shown in Note 10 to the financial statements.

GOING CONCERN

The Trustees have prepared the Financial Statements on a going concern basis and consider that no disclosures relating to the Charity's ability to continue as a going concern need to be made in the financial statements.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Charity Law in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charity and the group 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 in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 charity will continue in business

The Trustees are responsible for keeping proper records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charity and group's auditors are unaware
- the Trustees have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Trustees are responsible for maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may vary from legislations in their jurisdictions

Auditor
Haysmacintyre LLP has indicated its willingness to be reappointed as statutory auditor for the next financial year

Approved by the Trustees and signed on their behalf by

M. Lustman

Margaret Lustman

Date 14th September 2023

Opinion

We have audited the financial statements of St Luke's Hospice (Harrow & Brent) Limited for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Statement of Consolidated Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Message from the Chair of Trustees. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 14, 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.

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

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such the Companies Act 2006, the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting trustees' meeting minutes
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;

- Identifying and testing journals, in particular journal entries posted at the year-end or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

A further description of our responsibilities 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 auditor's report.

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



Lee Stokes (Senior statutory auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen Street Place,
London,
EC4R 1AG.

30th October 2023

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including an Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Income from:						
Donations and legacies						
. Donations	2	1,721	255	-	1,976	1,762
- Covid grants	2	473	-	-	473	655
. Legacies	3	1,058	-	-	1,058	1,197
		3,252	255	-	3,507	3,614
Charitable Activities						
. NHS commissioning		2,504	-	-	2,504	2,485
. Other income		437	-	-	437	192
	5	2,941	-	-	2,941	2,678
Other trading activities						
. Fundraising events	2	224	-	-	224	228
. Gross income from shops and lottery	4	2,754	-	-	2,754	3,321
		2,978	-	-	2,978	3,549
Income from Investments		105	-	-	105	30
Total income		**9,276**	**255**	**-**	**9,531**	**9,871**
Expenditure on:						
Raising funds						
- Fundraising costs		605	20	-	625	552
. Fundraising events costs		245	-	-	245	239
. Shops and lottery expenditure		2,726	-	-	2,726	2,493
. Investment management costs		21	-	2	23	12
		3,597	20	2	3,619	3,296
Charitable activities						
. In patient services		1,941		-	1,941	1,579
. Outpatient services		545		-	545	457
. Community services		1,782		-	1,782	1,529
. General clinical support		901	235	-	1,136	1,168
		5,169	235	-	5,404	4,733
Total expenditure	7	**8,766**	**255**	**2**	**9,023**	**8,029**
Net income before gains on investments		510		(2)	508	1,842
Net gains/(losses) on investments	11	(318)	-	(29)	(347)	147
Pension revaluation gain		25	-	-	25	10
Net income	6	217	-	(31)	186	1,999

ST. LUKE'S HOSPICE (HARROW & BRENT) LITD.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
(Including an Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Net income	6	217	-	(31)	186	1,999
Transfer between funds		-	-	-	-	-
Net movement in funds		217	-	(31)	186	1,999
Reconciliation of funds						
Total funds brought forward		12,203	76	245	12,524	10,525
Total funds carried forward		12,420	76	214	12,710	12,524

All amounts relate to continuing activities. There are no recognised gains or losses for the current or preceding financial year other than as shown above, therefore no Statement of Total Recognised Gains & Losses has been presented. Income and expenditure by fund for the year ended 31 December 2021 is given in note 19 to the accounts.

The net result of the charity's own activities for 2022 was a loss of £528,697 (2021: surplus £879,137).

The notes on pages 22 to 39 form part of these accounts.

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

CHARITY AND GROUP BALANCE SHEETS

AT 31 DECEMBER 2022

	Notes	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
FIXED ASSETS					
Tangible assets	10	5,106	5,176	5,065	5,081
Investments	11	3,861	4,206	3,861	4,206
		8,967	9,382	8,926	9,287
CURRENT ASSETS					
Debtors	12	1,375	1,737	2,316	1,261
Cash at bank and in hand		3,293	2,274	2,262	1,599
		4,668	4,011	4,578	2,860
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	(686)	(537)	(556)	(410)
NET CURRENT ASSETS		3,982	3,474	4,022	2,450
Long term liabilities (Pension deficit)	20	(239)	(332)	(239)	(332)
NET ASSETS	14	12,710	12,524	12,709	11,405
Represented by					
Unrestricted funds					
Designated funds		6,904	7,117	6,863	7,117
General fund		5,516	5,086	5,556	3,967
		12,420	12,203	12,419	11,084
Endowment funds		214	245	214	245
Restricted funds		76	76	76	76
	15	12,710	12,524	12,709	11,405

The financial statements were approved and authorised for issue by the Board of Trustees on 14th September 2023 and signed on their behalf by:

M. Lustman

M Lustman
Chair of Trustees

The notes on pages 22 to 39 form part of these accounts

ST. LUKE'S HOSPICE (HARROW & BRENT) LTD.

STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
Net cash flow provided by/(used in) operating activities (note A)		1,012		1,912
Cash flows from investing activities:				
Dividends, interest and rents from investments	105		30	
Purchase of property, plant and equipment	(28)		(134)	
Disposal of investments	827		119	
Acquisition of investments	(3,208)		(140)	
Change in investment cash	2,379		(2,467)	
Pension creditor revaluation	(68)		(69)	
Net cash used in investing activities		7		(2,661)
Change in cash and cash equivalents in the reporting period		1,019		(749)
Cash and cash equivalents at the beginning of the reporting period		2,274		3,023
Cash and cash equivalents at the end of the reporting period		3,293		2,274

A) Reconciliation of net (expenditure)/income to net cash flow from operating activities	**2022 £'000**	**2021 £'000**
Net income for the reporting period (as per the statement of financial activities)	186	1,999
Adjustments for:		
Depreciation charges	98	113
Losses/(gains) on investments	347	(147)
Gain on pension revaluation	(25)	(10)
Dividends, interest and rents from investments	(105)	(30)
Decrease/(increase) in debtors	362	184
Increase/(decrease) in creditors	149	(197)
Net cash flow provided in/(used in) operating activities	1,012	1,912
Analysis of cash and cash equivalents		
Cash at bank and in hand	3,293	2,274
Total cash and cash equivalents	3,293	2,274

ANALYSIS OF NET DEBT

	Balance at 1.1.22 £'000	Cash flows £'000	Other non-cash changes £'000	Balance at 31.12.22 £'000
Cash and bank	2,274	1,019	-	3,293

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity 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 note(s).

(ii) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and accruing for legacies which have not yet been received.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

(iii) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(iv) Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives trustees confidence the charity remains a going concern for the foreseeable future.

(v) Consolidation

These accounts consolidate the results of the charity and its wholly owned subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Limited, on a line-by-line basis. A separate Income and Expenditure Account and Statement of Financial Activities is not presented for the charity alone as permitted by the Companies Act 2006 and Charities SORP.

(vi) Income

Income from donations, legacies and grants are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Donations include related gift aid income.

The Shops company acts as agent to sell items donated with a gift aid declaration and to pass the resulting cash donations to the Hospice rather than record them as turnover within the Shops Company. The Hospice also receives the gift aid claimed on these donations.

Legacies are included when the Hospice becomes entitled to the funds and the sum receivable can be reliably quantified. Where they rely on the sale of property or investments, and thus do not have a certain valuation, an estimate of their value is disclosed in the notes to the financial statements.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income from NHS contracts from the Harrow & Brent Clinical Commissioning Groups. They have been dealt with on a receivable basis as a contribution to running costs.

There have been no significant gifts in kind or donated goods and services during the year.

The value of services provided by volunteers is not incorporated in these financial statements. Further detail of the substantial contribution by volunteers can be found in the Report of the Trustees.

(vii) Expenditure

Expenditure is recognised when a liability is incurred. It includes VAT where this is not recoverable.

Expenditure on raising funds is the costs incurred in attracting donation income, organising and managing fundraising events, and the costs incurred in trading activities which raise funds.

Charitable activities include the Hospice care services offered to inpatients, day care patients, those receiving Hospice services in their own homes, and their carers and families. There are also a range of clinical and other services which apply to all these forms of Hospice care. These costs include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., property costs by floor areas and other costs on the bases shown in Note 7.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with compliance with constitutional and statutory requirements. These have been allocated to activity costs on the same basis as support costs.

(viii) Tangible fixed assets

All assets acquired costing more than £2,500 are capitalised.

Leasehold properties	assets acquired prior to 2016 - over the term of the lease assets acquired after 2016 – shorter of 5 years or the remaining term of the lease
Fixtures and equipment	20%
Motor vehicles	20%
IT equipment and systems	20%

The freehold property is not depreciated as the amount of depreciation is considered to be immaterial.

Tangible fixed assets are held at cost and (except for the freehold property) depreciated on a straight line basis over their estimated useful lives as follows.

(ix) Investments

Investments are initially recognised at their transaction cost and subsequently valued at fair value at the Balance Sheet date, unless fair 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 shown in the heading 'Net gains/(losses) on investments' in the Statement of Financial Activities.

(x) **Funds**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purposes.

Endowment funds are restricted funds which are to be retained for the benefit of the charity as a capital fund.

The Hospice has a number of restricted income and capital funds. Details of the funds are given in the notes to the financial statements.

(xi) **Pensions**

The Group currently offers a qualifying defined contribution pension scheme to all staff. In addition the Group is a Direction Employer under the NHS Scheme.

National Health Service Superannuation scheme

This is a statutory superannuation scheme as defined in Section 6.12 (1) Income and Corporation taxes Act 1988, which has no invested funds. Contribution by employers (currently 14.3%) and members are accounted for to the Treasury and benefits are paid from the consolidated fund. This scheme is only open to staff who have been members of the NHS scheme in previous employment under the dispensation rules. The accounting charge represents the employer's contributions for the period.

Defined Contribution Scheme (Pensions Trust)

With effect from 1 May 2015 the group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the group. There is no liability under the scheme other than the payment of those contributions.

(xii) **Taxation**

No tax is payable due to the charitable status of the parent company. Taxable profits generated by the trading subsidiary are transferred to the parent company under gift aid.

(xiii) **Leases**

Operating lease rentals are charged to the Statement of Financial Activities over the period of the lease.

(xiv) **Legal status**

The charitable company is limited by Guarantee and does not have any share capital.

(xv) **Employee benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

(xvi) **Debtors**

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

(xvii) **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments.

(xiii) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. DONATIONS – 2022

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Individual donations	279	39	318	267
In memoriam donations	177	-	177	241
Community groups	136	-	136	118
Trust fund donations	152	211	363	470
Corporate donations	187	5	192	75
Major Donors	46	-	46	116
Gift aid	60	-	60	86
Donations & gift aid from sale of goods in our shops	684	-	684	375
	1,721	255	1,976	1,749

Fundraising events in 2022 were still impacted by Covid-19 but despite that, raised £223,762 (2021: £228,448).

DONATIONS - 2021	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Individual donations	267	-	267
In memoriam donations	242	-	242
Community groups	118	-	118
Trust fund donations	85	385	470
Corporate donations	75	-	75
Major Donors	116	-	116
Gift aid	86	-	86
Donations & gift aid from sale of goods in our shops	375	-	375
	1,364	385	1,749

COVID GRANTS	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Hospice UK grants	473	-	473	619
Other Grants	45	-	45	36
	518	-	518	655

3. LEGACIES

In addition to the sum of £1,058,256 from legacies within income (2021: £1,197,000), the Hospice has also received notifications for legacies where the value is currently uncertain until property or equity sales are completed, or probate granted; due to the difficulty with the valuation in light of the uncertainties no estimation has been made for these legacies. In accordance with the Hospice's accounting policy for legacies, these are not included in these accounts on the grounds of uncertainty of measurement.

4. INCOME AND EXPENDITURE FROM SHOPS AND LOTTERY

The Charity owns the entire share capital of St Luke's Hospice (Harrow & Brent) Charity Shops Limited, a company registered in England and Wales, which operates charity shops in support of the Hospice funding. The subsidiary transfers to the Hospice under gift aid an amount not less than its taxable profits.

A summary of the trading results of the subsidiary is shown below. Audited accounts have been prepared in respect of the trading period for the year ended 31 December 2022.

	Total 2022 £'000	Total 2021 £'000
Turnover	2,436	2,498
Income from lottery	273	288
Government grants	45	535
	2,754	3,321
Cost of sale of purchased goods	5	3
Administration expenses	1,942	2,095
Lottery expenditure and prizes	93	104
Gross direct expenditure of shops and lottery	2,040	2,202
Net direct income from shops and lottery	714	1,119
Lease costs relating to shops owned by Charity	(70)	(69)
Donations of goods under gift aid	514	375
Lottery Prizes donated by Players	8	18
Contribution generated by Charity Shops Ltd	1,166	1,443

5. CHARITABLE ACTIVITIES -2022

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
NHS commissioning income				
Service level agreement	2,504	-	2,504	2,485
	2,504	-	2,504	2,485
Other funding	437	-	437	192
	2,941	-	2,941	2,678

NHS commissioning income in 2022 includes funding for the Fast Track Brokerage project. The project has been extended until March 2024.
Services were also expanded to provide specialist palliative care services at weekends in the Brent area – part of the Ageing Well Project.

CHARITABLE ACTIVITIES -2021

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
NHS commissioning income			
Service level agreement	2,485	-	2,485
Other funding	192	-	192
	2,678	-	2,678

6. NET INCOME/(EXPENDITURE)

	Total 2022 £'000	Total 2021 £'000
Net income is stated after charging:		
Depreciation	98	112
Auditor's remuneration	18	13
Other fees payable to auditors	3	3
Operating lease rental	513	517

7. EXPENDITURE – 2022

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Out Patient services £'000	Community services £'000	General clinical support £'000	2022 Total £'000
Staff costs	Direct	360	78	1,324	-	1,241	299	1,586	291	5,179
Drugs and medical	Direct	-	-	-	-	66	-	-	-	66
Catering and housekeeping	Direct	-	-	-	-	-	-	-	170	170
Fundraising and community	Direct	121	60	-	-	-	-	-	-	181
Other direct costs	Direct	-	-	716	23	223	88	40	381	1,471
		481	138	2,040	23	1,530	387	1,626	842	7,067
Support costs										
Management	Staff time	45	45	100	-	38	37	38	38	341
Finance	Staff time	27	26	79	-	32	17	26	57	264
HR	Headcount	13	7	80	-	56	8	19	40	223
Premises	Floor area	18	9	-	-	112	70	17	42	268
Gen overheads	Headcount	41	20	420	-	173	26	56	117	853
Shops Lease A	Amortisation			7						7
		144	107	686	-	411	158	156	294	1,956
Total expenditure	**2022**	625	245	2,726	23	1,941	545	1,782	1,136	9,023
Total expenditure	**2021**	552	239	2,493	12	1,579	457	1,529	1,168	8,029

- The lease rentals relating to two shops owned by Hospice are allocated wholly to Shops and Lottery Expenses.

7. EXPENDITURE – 2021

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Outpatient services £'000	Community services £'000	General clinical support £'000	2021 Total £'000
Staff costs	Direct	334	97	1,248	-	1,046	303	945	384	4,357
Drugs and medical	Direct	-	-	-	-	48	-	-	-	48
Catering and housekeeping	Direct	-	-	-	-	-	-	-	97	97
Fundraising and community	Direct	106	63	-	-	-	-	-	-	169
Other direct costs	Direct	-	-	954	12	150	49	463	453	2,081
		440	160	2,202	12	1,244	352	1,408	934	6,752
Support costs										
Management	Staff time	23	23	61	-	11	11	11	11	151
Finance	Staff time	24	24	80	-	30	16	26	43	243
HR	Headcount	14	7	81	-	56	8	19	39	224
Premises	Floor area	12	6	-	-	74	46	11	28	177
Gen overheads	Headcount	39	19		-	164	24	54	113	413
Shops Lease Rentals*				69						69
		105	73	285	-	306	96	111	213	1,189
Total expenditure 2021		552	239	2,493	12	1,579	457	1,529	1,168	8,029
Total expenditure 2020		529	214	2,363	13	1,707	493	824	1,538	7,681

- The lease rentals relating to two shops owned by Hospice are allocated wholly to Shops and Lottery Expenses.

8. STAFF COSTS AND NUMBERS

	Total 2022 £'000	Total 2021 £'000
Salaries and wages	4,813	4,481
Social security costs	470	389
Pension costs	498	351
Total	5,781	5,221
Average number of employees (full time equivalents)		
Hospice	83	84
Shops	50	47
	133	131

There were on average 156 people employed (2021 – 153) full and part time. The employees were supported by 474 unpaid volunteers during the year (2021: 484).

Pension costs include an amount of £28,325 (2021 – £19,700) paid in respect of death in service cover for employees of the company.

Ex Gratia payments of £30,000 were made during the year (2021 – nil)

The total remuneration for Key Management Personnel included in staff costs above is £481,464 (2021: £325,360).
The number of staff with remuneration in excess of £60,000 were as follows:

£	2022	2021
£60,000 - £70,000	1	1
£70,000 - £80,000	1	1
£80,000 - £90,000	-	1
£90,000 - £100,000	-	-
£100,000 - £110,000	1	-

9. TRUSTEES

None of the trustees received any remuneration or benefits in kind from the charitable company (2021: Nil).
Expenses on behalf of one of the trustees or reimbursed during the year amounted to £ 734 (2021: £1,468).

10. TANGIBLE FIXED ASSETS

Group	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
Opening balance	4,932	599	257	11	5,799
Additions	-	-	28	-	28
Disposals	-	-	-	-	-
Closing balance	4,932	599	285	11	5,827
Depreciation					
Opening balance	-	499	118	6	623
Charge for the year	-	58	37	3	98
Disposals	-	-	-	-	-
Closing balance	-	557	155	9	721
Net Book Value					
At 31 December 2022	4,932	42	129	2	5,106
At 31 December 2021	4,932	100	139	5	5,176

Charity	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
Opening balance	4,932	33	246	-	5,211
Additions	-	-	27	-	27
Disposals	-	-	-	-	-
Closing balance	4,932	33	273	-	5,238
Depreciation					
Opening balance	-	22	107	-	129
Charge for the year	-	7	37	-	44
Disposals	-	-	-	-	-
Closing balance	-	29	144	-	173
Net Book Value					
At 31 December 2022	4,932	4	129	-	5,065
At 31 December 2021	4,932	11	139	-	5,082

Freehold properties otherwise represents the acquisition and conversion costs of Kenton Grange between 1992 and 2002 shown at historic cost and the costs of building the Woodgrange Centre completed in 2015.

11. INVESTMENTS

	2022 £'000	2021 £'000
Market value at 1 January 2022	4,206	1,571
Additions	3,208	140
Disposals	(827)	(119)
Realised and unrealised gains/ (losses)	(347)	147
Movement in investment cash	(2,379)	2,467
Market value at 31 December 2022	3,861	4,206

The underlying investments of the portfolio are fixed income £806k (2021 - £524k), equities £2,271k (2021 - £863k), property £49k - (2021 - £65k), cash £209k (2021 - £2,527k), and others £525k (2021 - £227k).

12. DEBTORS: amounts falling due with one year

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	97	253	97	241
Other debtors	66	724	33	123
Prepayments and accrued income	1,212	760	1,031	539
Amounts owed by subsidiary undertaking	-	-	1,155	358
	1,375	1,737	2,316	1,261

13 CREDITORS: amounts falling due within one year

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	289	144	265	112
Other creditors	-	84	-	84
Taxation and social security	203	153	174	133
Accruals and deferred income	194	156	117	81
	686	537	556	410

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

- GROUP – 2022

	Unrestricted funds		Endowment Funds	Restricted Funds	Total 2022
	General £'000	Designated £'000	£'000	£'000	£'000
Tangible fixed assets	-	5,106	-	-	5,106
Investments	1,849	1,798	214	-	3,861
Net current assets	3,906	-	-	76	3,982
Long term liabilities	(239)	-	-	-	(239)
Net assets	5,516	6,904	214	76	12,710

ANALYSIS OF NET ASSETS BETWEEN FUNDS

- GROUP – 2021

	Unrestricted funds		Endowment Funds	Restricted Funds	Total 2021
	General £'000	Designated £'000	£'000	£'000	£'000
Tangible fixed assets	-	5,176	-	-	5,176
Investments	2,650	1,311	245	-	4,206
Net current assets	2,768	630	-	76	3,474
Long term liabilities	(332)	-	-	-	(332)
Net assets	5,086	7,117	245	76	12,524

ANALYSIS OF NET ASSETS BETWEEN FUNDS

- CHARITY – 2022

	Unrestricted funds		Endowment Funds	Restricted Funds	Total 2022
	General £'000	Designated £'000	£'000	£'000	£'000
Tangible fixed assets	-	5,065	-	-	5,065
Investments	2,473	1,174	214	-	3,861
Net current assets/(liabilities)	3,322	624	-	76	4,022
Long term liabilities	(239)		-	-	(239)
Net assets	5,556	6,863	214	76	12,709

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

- CHARITY – 2021

	Unrestricted funds		Endowment Funds	Restricted Funds	Total 2021
	General £'000	Designated £'000	£'000	£'000	£'000
Tangible fixed assets	-	5,081	-	-	5,081
Investments	2,650	1,311	245	-	4,206
Net current assets/(liabilities)	1,649	725	-	76	2,450
Long term liabilities	(332)	-	-	-	(332)
Net assets	3,967	7,117	245	76	11,405

15. FUNDS – 2022

	Opening Balance £'000	Income £'000	Expenditure £'000	Investment Gains/Losses £'000	Transfer/ Pension Surplus £'000	Closing Balance £'000
Restricted funds						
Inpatient care funds	-	64	(64)	-	-	-
Outpatient care funds	-	76	(76)	-	-	-
Community care funds	-	20	(20)	-	-	-
General Clinical funds	-	50	(50)	-	-	-
Capital funds	76	25	25	-	-	76
Fundraising Programme	-	20	20	-	-	-
Total restricted funds	76	255	(255)	-	-	76
Endowment funds						
Alice Wisbey Capital Fund	27	-	-	(3)	-	24
D D McPhail	218	-	(2)	(26)	-	190
Total endowment funds	245	-	(2)	(29)	-	214
Unrestricted funds						
Designated fixed asset fund	5,071	-	-	-	(6)	5,065
Designated shops assets fund	105	-	(64)	-	-	41
Designated risk management fund	1,641	-	(7)	(136)	-	1,498
Pension liability reserve	300	-	-	-	-	300
Total designated funds	7,117	-	(71)	(136)	(6)	6,904
Unrestricted funds						
General charitable funds	5,086	6,522	(5,969)	(180)	59	5,517
General non-charitable trading funds	-	2,754	(2,726)	-	(28)	-
Total general funds	5,086	9,276	(8,695)	(180)	31	5,516
Total unrestricted funds	12,203	9,276	(8,766)	(318)	25	12,420
Total funds	12,524	9,531	(9,023)	(345)	25	12,710

15. FUNDS (continued) - 2021

	Opening balance £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Transfers £'000	Closing Balance £'000
Restricted funds						
Inpatient care funds	-	664	(664)	-	-	-
Outpatient care funds	-	139	(139)	-	-	-
Community care funds	-	70	(70)	-	-	-
General Clinical funds	5	50	(55)	-	-	-
Capital funds	-	81	(5)	-	-	76
Total restricted funds	5	1,004	(933)	-	-	76
Endowment funds						
Alice Wisbey Capital Fund	24	-	-	3	-	27
D D McPhail	195	-	-	23	-	218
Total endowment funds	219	-	-	26	-	245
Unrestricted funds						
Designated fixed asset fund	4,983	-	-	-	88	5,071
Designated shops assets fund	171	-	(66)	-	-	105
Designated risk management fund	1,542	-	(9)	108	-	1,641
Pension liability reserve	300	-	-	-	-	300
Total designated funds	6,996	-	(75)	108	88	7,117
Unrestricted funds						
General charitable funds	3,305	5,546	(4,820)	13	1,042	5,086
General non-charitable trading funds	-	3,321	(2,201)	-	(1,120)	-
Total general funds	3,305	8,867	(7,021)	13	(78)	5,086
Total unrestricted funds	10,301	8,867	(7,096)	147	10	12,203
Total funds	10,525	9,871	(8,029)	147	10	12,524

15. FUNDS (continued)

A Pension Liability Reserve was set up in 2016 to reflect potential increases in the pension liability. When it was provided in full in 2017, the reserve was reduced. The balance in this fund will be used towards the cost of any future buy-out of the liability.

The late Mrs Alice Wisbey made a bequest to the Hospice with the instruction that the income therefrom should be applied for the comfort of the nursing staff. This is split between Income and Capital funds.

The restricted funds represent grants and donations received, from Trusts and individuals, where the use of the funds was restricted to a specific purpose by the donor. These funds have included contributions towards the cost of our In-patient unit, Day care services, Community and Homecare services, to the provision of complementary therapies and a number of other items.

The D D McPhail Charitable Settlement originally gave £150,000 as an endowment fund. No instructions were given about income so this is applied for the general purposes of the charity. The difference between the original fund value and the current fund value arises through revaluation of the underlying investment.

The designated fixed asset fund represents the net book value of the Hospice's fixed assets. It has been set up to assist in identifying funds which are not free funds. Similarly, the designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital.

The designated risk management fund represents funds to provide a cushion against unexpected costs or shortfalls in income and thus to support the long-term future of the Hospice. The balance in this fund as at 31 December 2022 was £1,485k (2021 - £1,641k) most of which is managed by Rathbones, our investment manager.

The surplus arising out of the activities during the year resulted in the increase in unrestricted general charitable funds of £442k (2021 - £1,781k). The surplus for the year was created by additional COVID support from NHS England, distributed by Hospice UK. Without that support the Charity would have made a loss.

The general funds represent the unrestricted funds of the group and are therefore "free reserves".

16. OPERATING LEASE COMMITMENTS

The group has the following total commitments under non-cancellable operating leases:

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts due:				
Within 1 year	476	482	66	63
Within two to five years	1,126	1,164	264	251
After five years	331	304	104	102
	1,933	1,950	434	416

17. CAPITAL COMMITMENTS

The group has no capital commitments at the year-end (2021: none).

18. RELATED PARTY TRANSACTIONS

During the year, Trustees, Senior Executive Team members and their close family members donated £2,428 to the Hospice (2021: £2,680). There were no other transactions with related parties during the year (2021: none).

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (2021)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000
Income from:				
Donations and legacies				
. Donations	1,377	3854	-	1,762
. Covid grants	36	619	-	655
. Legacies	1,197	-	-	1,197
	2,610	1,004	-	3,614
Charitable Activities				
. NHS commissioning	2,485	-	-	2,485
. Other income	193	-	-	193
	2,678	-	-	2.678
Other trading activities				
. Fundraising events	228	-	-	228
. Gross income from shops and lottery	3,321	-	-	3,321
	3,549	-	-	3,549
Investments	30	-	-	30
Total income	**8,867**	**1,004**	**-**	**9,871**

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (continued)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000
Expenditure on:				
Raising funds				
- Fundraising costs	552	-	-	552
. Fundraising events costs	239	-	-	239
. Shops and lottery expenditure	2,493	-	-	2,493
. Investment management costs	12	-	-	12
	3,296	-	-	3,296
Charitable activities				
. In patient services	915	664	-	1,579
. Day care services	318	139	-	457
. Homecare services	1,495	70	-	1,529
. Overall clinical support	1,108	60	-	1,168
	3,800	933	-	4,733
Total expenditure	**7,096**	**933**	**-**	**8,029**
Net expenditure before gains on investments	1,771	71	-	1,842
Net (losses)/gains on investments	121	-	26	147
Pension revaluation gain	10	-	-	10
Net income	1,902	71	26	1,999
Reconciliation of funds				
Total funds brought forward	10,301	5	219	10,525
Total funds carried forward	12,203	76	245	12,254

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (THE PENSIONS TRUST)

Up until 1st May 2015, the group offered a multi-employer pension scheme providing a defined benefit (career average) pension for members.

The company participated in the scheme, a multi-employer scheme which provides benefits to some 36 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2019. This valuation showed assets of £79m, liabilities of £93.9m and a deficit of £14.8m. At that time, to eliminate this funding shortfall, the Pension Trustee asked the participating employers to pay additional contributions to fund the scheme deficit. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities, and increase by 3% per annum on 1st April each year. It was anticipated that the deficit would be cleared by 30th September 2027.

During 2022 St Luke's contributed £67,254 towards the deficit (2021 - £68,052)

A further actuarial valuation was carried out at 30th September 2022 which disclosed that due to the contributions made by contributing employers following the 2019 review, and current higher Gilt yields used as the benchmarking tool, that the deficit is now reduced to £7.5m. The Pension Trustee is proposing that the same deficit funding rationale, as disclosed above, continues. Annual deficit contributions by participating employers now total £1.67m pa due to the annual 3% increases, and the likelihood is that the deficit will now be cleared 6 months earlier than originally anticipated. Now expected to be 31st March 2027.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION	31 December 2022 (£000s)	31 December 2021 (£000s)
Present value of provision	308	399

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (PENSIONS TRUST) (continued)

RECONCILIATION OF OPENING AND CLOSING PROVISIONS	2022 £000s	2021 £000s
Provision at start of period	399	477
Unwinding of the discount factor (interest expense)	5	2
Deficit contribution paid	(67)	(68)
Remeasurements - impact of any change in assumptions	(29)	(12)
Provision at end of period	308	399

	2022 £'000	2021 £'000
Amounts due within one year	69	67
Amounts due after one year	239	332
	308	399

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

ASSUMPTIONS	31 December 2022 % per annum	31 December 2021 % per annum
Rate of discount	5.10	1.42

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

ST LUKE'S HOSPICE (HARROW AND BRENT) LTD

England & Wales - Charity number 298555

Accounts

2021 Annual Report

St Luke's HOSPICE

CELEBRATING 35 Years of Care



Making **Every Moment** Matter

St Luke's Hospice (Harrow & Brent) Ltd.
Charity No. 298555
Registered Company No: 02141770

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More people needed our care than ever

2021

Message from the Chairman, Gillian Schiller and Chief Executive, Annie Webber

2021 was a very busy year for St Luke's. The pandemic brought more people needing end of life care and families needing bereavement support, and we were an important source of help to the local NHS. We expanded our community services to people at home across Harrow and Brent both with and after Covid infection. The Hospice maintained a tight control over Covid infections with no closures of beds.

Staff were able to cover all the services that were needed. We had planned to grow our education services for healthcare staff in the community, in GP practices, and especially in care homes. We did provide education, and had particular success in care homes. In addition we made some online short videos for families and carers looking after their loved ones at home, enabling them to take on some tasks that our own nurses normally perform. People found them easy to follow and used them confidently. To date, the combined videos have had over 10,500 views.

We continued to improve our systems both to help us keep more people at home and to enable people who had a hospital stay to have care and support in their home within only a few hours of hospital discharge. We took on the role of coordinating services for people who are having care provided by the NHS, the Hospice and social services. This has eased the path for many families, who have told us what a difference this better organisation of care has meant for them. This has also enabled us to keep the bed spaces at Kenton Grange open for people with more complex needs.

We were able to keep some reduced visiting open at Kenton Grange throughout the pandemic, to the benefit of the people we care for. Families have told us how much they valued not being parted from their loved one at this crucial time.

At the start of the year Covid restrictions were firmly in place and curtailed our ability to hold fundraising events. Despite this the fundraising team performed above and beyond expectations. Some events were held online, and the local community were generous in their donations. We were very successful in bidding for funds from grant awarding bodies and from Government Covid support schemes. Our financial position remained solid over the year and has allowed us to plan for further service improvements in 2022.



Handcrafted hearts of hope provided comfort to patients and their families.

Our shops re-opened in spring 2021. Alone among local charity shops they all opened on the very first day they were allowed, and our takings have exceeded our hopes. This continued to be the case throughout 2021 and with Government support and other insurance claims made in respect of interruption to trade, they ended the year in a very healthy financial position. Sadly not all our volunteers returned though and in 2022 we need to invest time and energy into attracting new people to join us. Volunteering in shops is a satisfying means of helping St Luke's and is an enjoyable way to become part of the St Luke's family.

We launched the St Luke's Harrow & Brent Business Network to thank local businesses who had supported us through the pandemic and to help stimulate the local economy under a common goal of supporting St Luke's. We held two fantastic events at Kenton Grange and at Brent Civic Centre bringing together businesses from both boroughs and from a variety of sectors.

One of the highlights of the year was the official opening of the Memory Garden in the first week of July 2021, where we had two engagement events for supporters, and a tour around the garden.

St Luke's was able to re-open some much loved and missed wellbeing services that had ceased for the pandemic. Complementary therapies restarted with better physiotherapy, welfare support and activities.

St Luke's has always tried to learn what we could do better. We took the first steps towards understanding the data on the range of diverse communities we serve across Harrow and Brent to tailor what we do more closely to what and how they want services to be offered.



Gillian Schiller, Chairman

We continued to use an online service, Care Opinion, where people can leave messages telling us where we have helped them and where we could do things differently. To date almost all messages bring us words of gratitude and praise, which are very rewarding to our staff:

"St Luke's came to the rescue when our dear mother's health declined to the extent where we could not leave her overnight in her flat so brought her home to be with us. Within a few hours of telephoning, St Luke's provided a hospital bed and daily carers who looked after mother with great compassion and excellence."

Our 24 hour phone helpline, Pall24, grew and developed and was very well used. It too received high praise from local families:

"It left me feeling cushioned and safe in the knowledge that you are there to help with the care of my husband in the future when I need it."



Annie Webber, Interim CEO

At an inspection by the Care Quality Commission (CQC) in October, St Luke's was praised for many aspects of its provision, rating the two areas of 'Caring' and 'Responsiveness to people's needs' as 'Good' and citing praise from the NHS, the London Ambulance Service, patients and their families. Some specific failings elsewhere meant a downgrading. Those areas were speedily remedied and the Hospice's status was returned to 'Good' within months.

The numbers in this report attest to the passion that every member of staff at St Luke's has for what they do. They make very positive reading, and the comments from individuals add the human, warm sense of the nurture and care that is our hallmark. We have had the strongest support from local people. Their generosity, love and support continues to humble us and we are truly grateful.

The size of our care

Overall we have increased the numbers of people we have supported in the last year. However, due to the pandemic it was necessary to find innovative ways of supporting people just as effectively, but using fewer face to face appointments and visits.

Many patients told us that they did not want face to face visits due to the potential risk of developing Covid and whilst we still undertook essential face to face visits, we learnt to work in different ways. Telephone assessments increased significantly across community, social work and bereavement services.

We invested time into educating our staff to conduct thorough telephone assessments and to prioritise caseloads accordingly which meant that every call was meaningful. Many patients informed us that they found a telephone approach very supportive.

	2021	2020
Total patients supported	1,996	1,824
Days of Inpatient care	2,831	3,031
Individual people who attended day care as outpatients	241	57
Complementary Therapy and Physiotherapy sessions	1,394	1,602
Patients supported by Hospice at Home	576	508
Telephone calls, assessments and rapid response visits made by our Pall 24 teams	216 visits (seeing 140 patients - 50% of whom required two nurses) 6,928 telephone calls	299 visits 6,585 telephone calls
Patients supported by Community Specialist Palliative Care Team	567	548
Care provided by the Community Specialist Palliative Care Team	1,080 visits 10,037 telephone calls	777 visits 10,383 telephone calls
Social Work sessions	2,852	1,766
Bereavement sessions	177	108

Ethnicity monitoring

Embracing the diversity of the area we serve, we ensure promotion of equal access to hospice services to all ethnicities and continue to look at ways of making our service more representative of the local population.

Ethnicity	St Luke's %	Brent %	Harrow %
White British	24%	18%	30.90%
Indian	16%	18.60%	26.40%
Asian other	5%	9.80%	11.90%
White other	5%	14.40%	8.20%
Black Caribbean	4%	7.60%	2.80%
White Irish	4%	4%	3.10%
Other	3%	5.70%	3%
Black African	1%	7.80%	3.60%
Mixed	1%	5.10%	3.90%
Pakistani	1%	4.60%	3.30%
Black Other	1%	3.40%	1.80%
Chinese	1%	1%	1.10%

We have not included people who preferred not to provide ethnicity information.
Notes: Comparative data from 2011 census



Our care in numbers

In 2021, our teams:

Cared for **1,996** people (1824 in 2020), an increase of 9.4%

360 patients and carers received support from our social work and family support team, 26% more than prior to the pandemic

69% of all patients received interventions within 48 hours of being referred, doubling the pre-pandemic rate (34% in 2019)

We increased the number of people able to access our Pall 24 telephone advice (available to callers 24/7) helping **546** people at home on 31st December

19% more patients were looked after in the Inpatient Unit than in 2019. It remained open 24/7 365 days in 2021

Brent Community Team cared for more people via the Hospice at Home service:

567

(548 in 2020), an increase of 19%

140 people received an emergency nursing visit from St Luke's, 50% of whom required 2 nurses to provide the care

Our impact

In 2021 we significantly improved our responsiveness in the following ways:

- A specialist nurse is first point of contact for all patients referred to community palliative care and professionals calls. This means that we can help most swiftly and as often as possible with just one phone call. We now respond to patients in crisis and sort out the referral paperwork subsequently

- By opening a 7 day initial community assessments service our patients received 64 first assessments, 38 visits, and 256 phone calls at weekends. This has enabled us to smooth out the workload for our staff by undertaking this work over 7 days rather than 5 and so responding in a more timely way

- We can now respond quicker and give better advice because we have purchased software licenses and set up the systems to view the GP electronic patient records

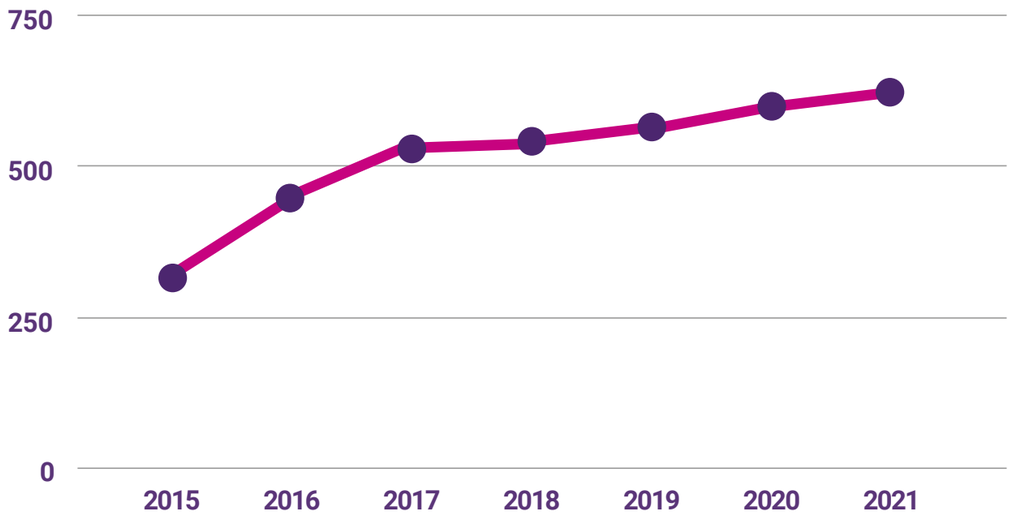
- We want people to receive a more coordinated service so our Hospice at Home team now have monthly meetings with both GP's and district nurses. These meetings and other networks have enabled improvements to happen in partner services by sharing examples of patient experience

- The Pall24 service made 6,928 telephone calls to patients, professionals or others to ensure a response – 7.5% more than pre-pandemic

- 20 dying patients with complex requirements received faster individualised personal care because of funding made available as a result of our advocacy to NHS commissioners

- 59 Patients received assistance with benefits and financial concerns and 32 patients received housing advice and advocacy

People given 24hr telephone advice each year



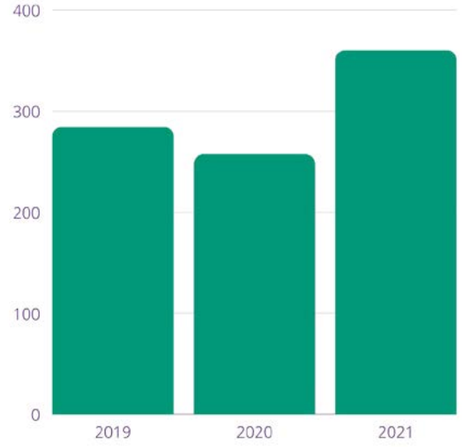
- Patients and families in our Inpatient Unit can now see a social work assistant 6 days per week. With the introduction of weekend working, 70% of patients are now allocated to be seen within 1 day of referral. They receive a listening ear, advice and guidance. Additionally inpatients and their families receive assistance with planning for ongoing needs after discharge.

- We had to rebuild our bereavement service through the pandemic. In 2021 we increased the number of bereavement volunteers from 8 to 14 (75%), and adapted to a phone and virtual service enabling 177 bereaved relatives to receive personal support (64% more than in 2020)

- More than double the number of people received immediate and extensive personal care (from 50 in Q1 – 119 in Q4) enabling them to remain in their preferred place of care at the end of life

> My experience of the Hospice has been outstanding. My father in law came in four weeks ago as he could not cope at home. From the time he came in he has been treated with compassion, kindness and medical expertise. From the consultant to the cleaners, everyone has been extremely professional and have been there for my father in law, keeping him clean, giving medication and encouraging him to eat. They have also supported us as a family through this traumatic process.

No of Patients & Carers supported by Patient & Family Support Team



Rebuilding the Patient & Family Support Team following the effects of furlough in 2020

- We attended 45 weekly meetings with other healthcare professionals (district nursing and nurse specialists) to help coordinate people's care

We took on board user feedback to make the following improvement:

- Patients wanted to repeat information less often so we introduced a new joint assessment with the nurse and the social worker

- Other suggestions will form part of our improvement plan for 2022

Improving Advance Care Planning conversations

End of Life Planning with Harrow Care Home residents and families



- 57 care home managers, nurses and care workers trained in compassionate and effective Advance Care Planning conversation skills



- 6 Harrow Care Homes and the Care Home Support team
- Potential impact on 437 residents
- Each Home had 3 virtual sessions at no charge!



- Everyone who attended recommended the course and gave it a 5 star rating

What we achieved! Feedback

The Shadow Tool really helps me to identify residents approaching end of life care

Make the conversations easier for residents to talk about any issue they might have re end of life care

I felt more confident to have conversations with families

I am much more confident using the 4W's +1 guide to start a difficult conversation

I don't approach residents with a piece of paper any more, I wait for a good time to sit and just talk to them, slowly we get there and their worries start to come out, what they would like, or not like, everyone is an individual and they all have different needs

4 'W's + 1
(to start Advance Care Planning conversations)

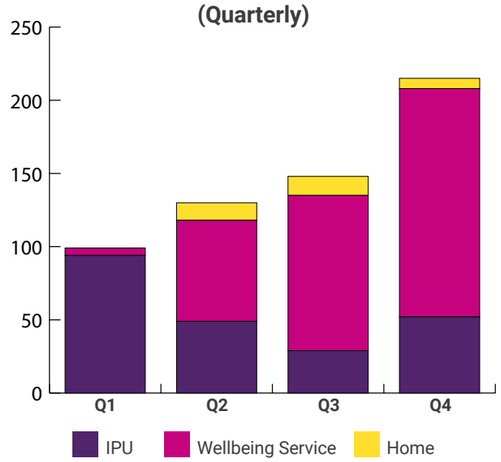
- I **WISH** I didn't have to...
- I **WORRY**
- I **WONDER** whether...?
- **WHAT** would matter to you...?

1: positive actions (eg comfort) before omissions / withholding (eg CPR)...

Wellbeing - Complementary therapy and physiotherapy services

As lockdown restrictions eased we gradually increased the numbers of patients treated as outpatients

Complementary therapy treatments delivered (Quarterly)



Physios treated 46 patients in the last 3 months of 2021, double the number seen during the previous quarter.

Other Therapies

Patients were able to continue to experience **art therapy** virtually, because staff and volunteers delivered art materials to their houses. One recipient told us:

Words cannot express how grateful we are for the care and comfort you provided Mum and us in her final weeks. We were all so well looked after by you and the team. We want you to know how much Mum valued the kindness, care and respect with which you treated her. Thank you always.

"The online programmes really supported me. I attended Zoom meetings for art therapy. Although I miss the socialising and sharing experiences with people in a similar situation, the online sessions have taken the isolation aspect away, and it is a positive experience, improves the quality of my life, and I feel valued as a human being."

Our first ever patient-led peer activity "Gardening for Hope" was delivered virtually.

Six patients were supported by a volunteer or staff member to capture their own "Moments in Life" - capturing their life story, letters to loved ones or to complete a memory box as a beautiful record of their life.

Social Prescribing Link Worker

Provided advice and support to 347 local people who reported dramatic improvements in feelings of satisfaction / happiness / worthwhile. 44% were assisted with their mental health or social isolation particularly prevalent during the pandemic.

Stella and the Wellbeing team - thanks for supporting all the family with keeping in touch in such difficult and sad times. All the care and compassion showed by all the team made us know that mum had the.best care and all our family were supported. A smile, lovely surroundings, compassionate care, tea and a chat makes all the difference. Thank you everyone in the Hospice.

Quality Improvements

- Patients on the ward now receive pain relief 46% faster following the introduction of single nurse administration of controlled drugs. Patient safety has been assured with 25% fewer controlled drug administration incidents.

- Patients on the ward received better assessment, documentation and management of pain following the introduction of new tools.

- Patients at home received better pain control advice following targeted training to 6 palliative helpline nurses' on drug dose calculation skills.

- The most common type of prescription incidents were reduced to zero within two months of presenting our data better and focusing our efforts on the right place.

- Established and held 7 case study forums to promote reflective practice within the Hospice. Feedback from the forums:

  "Collaborative working has an effective beneficial outcome for patients and families to enable death at home"

- We will better be able to improve our care and learn from when we don't get it right, following a complete rewrite of the Patient Safety Incident Policy which simplifies incident reporting, and strengthens learning from incidents and reporting.

- Every hospice service is now using patient and carer feedback to make suggestions for improvement.



The impact of our volunteers

Currently we have a total of 446 volunteers and their contribution is significant, creating time and cost savings across every department of the Hospice:

The shops volunteers along with the fundraising and stamps teams all help to raise vital funds for the hospice with the stamps team raising a total of £8344.98 for the hospice last year alone.

We have Complementary Therapists, Bereavement Support, IPU volunteers, Drivers and Moments in Life volunteers all helping to make the patients as comfortable as possible with the latter helping to record the life memories of patients to be passed onto their families and friends to be kept as a precious memento.

Our wonderful reception volunteers, the first point of contact for patients and their families, offer a friendly smiling face helping to make a stressful and difficult time easier.



Last but not least our multiple award winning gardeners. Our gardens are stunning and that is down to the skill of our amazing the team, helping to make wonderful and lasting memories for the families and friends of those in the final stages of their lives.

Our volunteers take on many different roles and without their hard work and dedication we would not be able to provide the care and support so vital to our patients and their families and friends.



Looking ahead – our plans in 2022

We are working hard this year to:

- Reach more people – we are improving our data capture systems to ensure that we have the services to meet the needs of our local community and to find out where there is unmet need
- Continuously improve quality. We are scrutinising every aspect of our provision to ensure not just compliance but excellence. Actively encouraging feedback from our staff, volunteers and service users, there is renewed focus on training and continuous improvement with change backed and driven by evidence
- Work more in collaboration with community partners where appropriate
- Continue to increase our digital strategy to enable our staff to have more access to NHS IT systems
- Expand and broaden our 7 day a week range of services
- Encourage a culture that makes people joyful at work
- Appoint an independent expert team to undertake a needs analysis for end of life care alongside offering recommendations on gaps where further work is needed and actions to ensure St Luke's is doing all it can to provide appropriate care to all communities living in Harrow & Brent
- Launch our new innovative partnership with Compassion in Dying to provide a personalised care planning service for frail elderly patients in Harrow and Brent, provided by volunteers and supported by a small professional resource
- Review and increase the number of referrals to and the breadth of services offered by our Wellbeing Service
- Attract and recruit more volunteers to revive the numbers to pre-pandemic levels







Our Supporters

Each and every one of our supporters is a vital part of the St Luke's community and we simply would not be here without you. We truly appreciate and value every individual who gives us a donation, those who have left us a gift in their will, people who shop in and donate to the St Luke's shops, individuals and groups who take part in our events, players of the St Luke's lottery, fundraisers doing wonderful things for us, the many community groups, faith groups and schools who fundraise for us, our corporate supporters and funding partners.

The NHS funds 40% of the cost of St Luke's services, which means the care of 6 out of 10 of our patients is funded by our community making donations, taking part in events, supporting our shops and making gifts in wills. Because of your continued support, we can make every moment matter for people as they approach the end of their life in Harrow and Brent.

2021 was another bumpy year for our fundraising, with no events happening in the first five months of the year. The St Luke's Annual Walk took place in June, with our intrepid hikers braving the wilds of Somerset and Devon on their multi-day walk and raising a truly remarkable amount. In July we were delighted to be able to welcome more than 700 people to our Midnight Walk. Some of our courageous supporters walked on hot coals at the Fire Walk in September, and December saw hundreds of people dressed as Santa dashing through the streets of Pinner and at local schools and colleges!

Many of our corporate supporters joined us for the St Luke's Golf Day in September, which was generously headline sponsored by the Toureen Group and took place at Aldenham Golf & Country Club, and many more fantastic local companies supported us throughout the year.

During "Make a Will Month" in October, we worked with local solicitors and online will writers to offer our supporters the opportunity to write their will for free.

We received more than 1,500 Hearts of Hope offering beautiful messages for our patients from school children across the area. We launched our new look 'We Care' magazine to keep our supporters updated on St Luke's Hospice news. We hope you love it as much as we do – please do let us know any feedback.



In addition to offering our thanks to those who prefer to remain anonymous, we are very grateful to the following charitable Trusts and Foundations, local companies, individuals, groups and associations who all supported our work during 2021:

Albert Hunt Trust
Aldenham Golf & Country Club
Asian Foundation for Help
Betty Messenger Foundation
Brent Council Voluntary Sector Infrastructure Fund
City Bridge Trust
CVC Capital Partners
David and Ruth Lewis Charitable Trust
The Dewan Foundation
D'Oyly Carte Charitable Trust
Ecclesiastical Insurance
Everglade Windows
February Foundation
Freemasons' Grand Charity
Go Plant Fleet Services
Grand Lodge of Mark Master Masons of London
Grand Lodge of Mark Master Masons of Middlesex
Grant Harrod Lerman Davis LLP
Harold Benjamin
Harrow Giving
ITS Group - UK
Kerry Association London
Maa Krupa Foundation
Mark Phillips
Mason Le Page Trust
Masonic Charitable Foundation
Middlesex Province Relief Fund
Montway
Pauline and Harold Berman Trust
Sai Sruti Charitable Trust
SKSST - Shree Kutch Satsang Swaminarayan Temple - Kenton
The Sir Jules Thorn Charitable Trust
Snap Fitness
St Dominic's Sixth Form College
St George's Shopping Centre
The Kingsbury Charity
The National Lottery Community Fund
The Wolfson Foundation
Toureen Group
Woodgrange Estates

Thank you to every person and organisation who supports St Luke's brilliant team of staff and volunteers to give each patient the very best, compassionate care; making every moment matter. A special mention to those who give in memory of a loved one they have lost, we are so grateful to you. We are fortunate to have so many in our community standing with us to offer the people of Harrow and Brent the very best end of life care.

Complaints

Our fundraising team dealt with six complaints during the year. Two were related to a telephone campaign that was outsourced to an external agency, making requests for regular gifts and lottery plays.

This vital fundraising activity was largely received well, with one supporter seeking assurance that the activity was not fraudulent, and both complainants giving feedback about the telephone manner of the person who called them, which resulted in the campaign team being given additional coaching.

One donation was refunded as a result of the Hospice being unable to fulfil the wishes of the donor in regards to recognition for the gift.

A complaint was received regarding a delay in sending acknowledgement for funds raised at an event by one of our committed community groups and we have reviewed our thank you protocols following events as a result.



Following some feedback on the tone of correspondence related to processing a legacy donation, we contacted the executor of the will immediately to explain the reasons for the legal language used and reassure them of our gratitude for their support, and we reviewed our legacy correspondence templates.

The final complaint was from a supporter who was disappointed that they had not been informed about the new security measures in place which meant they could not easily access the Hospice grounds to remember their loved one in the St Luke's Memory Garden. This led to a letter being sent to relevant supporters to ensure they were aware of how to access the grounds and that they were very welcome to visit the Memory Garden or Tree of Life at any time.

Shops

We received twenty-three complaints about our shops during 2021. The complaints were about customer service, pricing, fly tipping, refund policy, mask wearing and opening hours. There were fourteen complaints about customer service in the shops and these were addressed with further training. Three complaints regarding pricing being too high were addressed by explaining the pricing policy to customers. There were two complaints regarding fly tipping outside the shops and this was reported to the council and two complaints about refund policy in which the policy was explained and refunds given as a gesture of goodwill. All complaints were followed up quickly and efficiently.

Operational Report

The charity is run in accordance with Charity Commission regulations and makes every effort to follow guidelines on best practice – aiming for excellence in everything that we do.

The hospice strives to deliver high quality, evidence based care to service users following national standards of care e.g. National Institute for Health and Care Excellence guidance. We report evidence to demonstrate compliance with standards of care to clinical commissioners. We are regulated by the Care Quality Commission (CQC) and were inspected by them in October 2021. The inspection report recognised that hospice services are caring and responsive to people's needs but found that we needed to improve safety, effectiveness, leadership and governance. We were very sorry and deeply disappointed to receive an overall rating of 'Inadequate'. We have since put in place agreed action plans with CQC to address the issues identified and have developed and implemented a substantive turnaround plan to improve. We were re-inspected in the first quarter of 2022 enabling us to demonstrate our improvements and were pleased to subsequently be upgraded again to 'Good'.

All facilities are managed in line with Health and Safety Executive regulation and guidance. We invest in training and developing our staff, being recognised with the Investors in People Bronze Award, and operating within ACAS guidelines. We are registered with the Fundraising Regulator, follow the Code of Fundraising Practice and adhere to the Trading Standards and Gambling Commission regulations for our income generating activities.

Data Protection and the care of vulnerable people is taken very seriously and we have an Information Governance Working Group which meets regularly and also invites expert advice to ensure we care for personal data in line with Data Protection regulations, establishing the highest standards of working practice amongst our staff. Staff receive mandatory training on data protection, safeguarding and a range of other important topics. St Luke's has successfully completed the NHS Data Security and protection Toolkit which measures our performance against national data security standards.



Strategic Report

Overview

The Hospice recorded a surplus of £1,999k
(2020 – Surplus of £1,993k)

During the year, the charity received the following grants and contributions which enabled the service to be sustained during lockdown periods and provide support to the NHS:

Covid Support from Hospice UK,
on behalf of NHS England
£619k

Government CJRS grants
£535k

Net Profit from Shops
(including Retail Grants)
£935k
(2020 - £384k)

Fundraising, Shops & Lottery

Despite disruptions during the first quarter of the year due to COVID social distancing rules, the income from fundraising during 2021 was higher than income recorded in 2020. Excluding legacies, the Income from Fundraising for 2021 was £1,762k (2020 - £1,648k). In particular, income from Trust funds and Fundraising events were higher, at £470k (2020 - £ 396K) and £228k (2020- £102K) respectively. Income from legacies for 2021 was £1,197k, 28% higher year-on-year (2020: £937k).

Despite the lockdown during the first quarter of 2021 due to COVID, over-the-counter (OTC) sales at shops during 2021 was £1,863k, 54% higher than the previous year (2020- £1,210k). The settlement of the business interruption insurance claim of £639k also aided the shops company's financial results for the year.

Profits from Lottery Sales for the year were £202k (2020: £169k).There was a renewed growth in membership as a result of successful marketing and the lottery is now well established.

Risk Management

Indicator	Measure	Tolerance limits	Actions to mitigate
Serious untoward clinical or other incident resulting in death or serious harm to patient, supporter, staff or volunteer	Number of incidents	Zero	Comprehensive competency training for staff. Detailed clinical policies and procedures to support clinical practice. Elaborate incident reporting and follow up at “clinical quality matters” forum.
Patient/Family complaint implying serious failings in quality of care	Number of complaints	Zero	Complaints policy and procedures in place. Investigation and remedial action taken where necessary. Learning from complaints discussed at “clinical quality matters” forum.
Accidents and near misses i.e. incidents that have potential to cause serious harm.	Number of incidents	2 similar incidents per quarter	All incidents investigated and remedial action taken as required. Duty of candour implemented as per policy. Learning from complaints discussed at “clinical quality matters” forum. Recurring themes considered for quality improvement projects.
Serious data breach involving personal data	Number of incidents	Zero	Information Governance policies, procedures and monitoring. Information Governance training and investment in enabling technology.
Conflict of interest resulting in trustees, staff or volunteers or related parties benefiting commercially due to their relationship with the hospice.	Number of incidents	Zero	Policies and Procedures. Disclosures and declarations.
Level of reserves	Number of months of expenditure	< 6 months of expenditure in free reserves expected to occur.	Robust Financial sustainability plan. Close monitoring of financial performance.
Significant drop in trading or fundraising income	Gross income	>5% budgeted income	Detailed budgeting and forecasting. Regular and prompt monitoring of performance leading to remedial action.
Drop in statutory income	Contract value	Zero	Building partnership approach with Clinical Commissioning Group (CCG). Evidencing outcome and impact of work. Offering new services based on CCG’s priorities.
Financial fraud	Amount lost	Zero	Robust Internal financial controls. Compliance with financial policies and procedures.

As demonstrated within this table, the charity trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems and procedures are established in order to manage those risks.

Indicator	Measure	Tolerance limits	Actions to mitigate
Lack of monitoring by Board and SET of progress against strategic plan	Lack of agreed KPIs against strategic aims	Zero	Regular meetings among Trustees and SET. Detailed discussions around KPIs with a view to taking corrective action if required.
Low staff morale	Staff Survey, complaints from staff	More than 30% of staff say they feel morale is low in a survey. More than 5 complaints/ grievances in a quarter.	Issues of general concern discussed at Employee consultative forum and Volunteers Hub. Established annual individual development review (IDR) process aimed at addressing individual morale issues among other matters.
Lack of robust policy framework to review and implement policies.	Increase in H&S Incidents Policies not compliant	>1 H&S incident where we have not complied with legal requirements. More than 20% of our policies out of date.	Regular review of policies by Governance Committees.
Lack of compliance with regulatory bodies CQC, Gambling Commission, Charity Commission, Fundraising regulator	Complaint from member of public or whistleblowing by staff	Zero	Robust Internal controls. Compliance with policies and procedures. Training and mock inspections.
Loss of resources due to staff sickness.	Increased workload on staff having to cover other posts/ complaints from staff.	10% of workforce out of action.	Sickness figures monitored and reported. Individuals required to have “return to work” interviews and asked to attend occupational health if needed. Cross training of team members to enable cover during staff sickness.
Significant drop in trading or fundraising income	Gross income	>5% budgeted income	Detailed budgeting and forecasting. Regular and prompt monitoring of performance leading to remedial action.
Drop in statutory income	Contract value	Zero	Building partnership approach with Clinical Commissioning Group (CCG). Evidencing outcome and impact of work. Offering new services based on CCG’s priorities.

Pension Liability

Before 1 May 2015, the Hospice offered a multi-employer pension scheme providing a defined benefit (career average) pension for members. This scheme was closed to further accrual in July 2016. The scheme was a “last man standing” arrangement which means that the company could be potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme.

The scheme is run by TPT and is in deficit. The last full scheme valuation in September 2019 resulted in the Hospice agreeing to pay approximately £68k each year in deficit contributions. This contribution will increase by 3% each year until 2027. The Scheme actuaries estimated in September 2019 that these deficit recovery payments from employers would be sufficient to return the scheme to a fully funded position. The Board recognises this as a key risk and is monitoring the risk along with the Senior Team. The Board regularly reviews the options available to manage the Risk including a potential buy-out. A Designated Reserve of £300k has been retained towards this potential future buy-out.

Reserves Policy

As at 31 December 2021 the company had the following Designated and General Reserves

Fund	£ 000s	Timeline for use
Designated Fixed Asset Fund	5,071	The designated fixed asset fund represents the net book value of the Hospice’s fixed assets. It has been set up to assist in identifying funds which are not free funds
Designated Shops Assets Fund	105	The designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital

Reserves excluding fixed asset funds

General Fund	5,086	General purposes
Risk Management Reserve	1,641	General purposes – against perceived risks to income
Pension Deficit Reserve	300	Held towards a potential future buy-out of the Defined Benefit Pension scheme
Total	7,027	

Fundraising accounts for 16% of the Hospice’s gross total income. Income from the Charity Shops Company accounts for 38% of the Hospice’s gross income and around 25% of the gross income is earned from contracts with Harrow & Brent Clinical Commissioning Groups. As a result, the Hospice needs to ensure that it has a sufficient reserve of funds available to meet unexpected shortfalls in its funding streams, or sudden increases in costs.

The Board aims to maintain six months of total expenditure as Reserves. That amounts to £4,015k (Total expenditure for 2021 was £8,029k). Reserves (excluding Fixed Asset funds) as at 31st December 2021 were £7,027k. This is approximately 10.5 months’ of total expenditure. Within the overall quantum of Reserves to be maintained, recognising the mix of income streams that the Hospice relies on to fund its work and the different risks associated with each income stream, the Board assessed each individual income stream and the potential risks associated with it. Each income stream was given a risk weighting and a potential reserve amount allocated. As a result, the Trustees agreed a target level of £1,650k of Designated Risk Management Reserves. This Risk Management Reserve was at £1,641k as at 31 December 2021. The Reserve was set up so that the Hospice is able to manage any unexpected shortfall in income to protect the needs of the patients served and also to give a reassurance of security for the staff. The surplus generated during the year was added to General Funds. The trustees have Designated Reserves equivalent to the fixed assets of the Hospice and also of the subsidiary Charity Shops Company, which are not covered by that company’s working capital. This is to better identify funds that are available to cover specific risks.

The Finance & Performance Committee reviews the level of Reserves and considers any amendments to the policy which may be necessary and reports its conclusions to the Board. In November 2021 a review of Reserves was carried out and the current policy was approved.

Investment policy

The Board, in 2016, appointed Rathbones PLC as investment managers to manage the investment portfolio. Approximately £1,600k was originally allocated to them to be held by them in underlying investments appropriate to the purpose and anticipated timescale of the designated reserve to which it relates. The value of those investments as at 31 December 2021 was £1,706k. An additional investment was made in December 2021 which increased the investment portfolio to £4,206k as at the end of the year.

Before placing investments on behalf of the charity, the Trustees have asked the fund managers to screen for tobacco and health care companies.

The Senior Executive Team monitors the performance of the investment funds and reports quarterly to the Finance & Performance Committee.

Funding

The Hospice's principal funding sources (as % of gross total income) during 2021 were:

38% Income from Trading Subsidiary (2020: 30%) including Gift Aided sales, Gift Aid recovered through charity and lottery including retail support from HMRC and councils

25% Harrow & Brent Clinical Commissioning Groups (NHS) (2020: 26%)

16% Fundraising through donations and fundraising events (2020: 15%) excluding gift aided sales, gift aid recovered through charity and lottery

12% Legacy Gifts (2020: 10%)

6% COVID Support from NHS England (2020: 14%)

3% Investment and other income (2020: 5%)

All of these funds are employed in providing the specialist palliative care which is the primary purpose of the hospice.

Tangible Fixed Assets

Movements in tangible Fixed Assets are shown in note 10 to the financial statements.

Future Plans

At the date of this report, 2022 is already proving financially challenging for many businesses and charities and especially individuals. The charity's plans for Care are outlined on page 16, and the Trust's Reserves as at 31.12.21 are considered adequate to support those plans. Increases in inflation will also affect costs during 2022, especially with regard to utilities charges. The charity is reviewing all costs and income streams on a regular basis to take into account these external factors.

Going Concern

The trustees have prepared the financial statements on a going concern basis and consider that no disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

Structure, Governance and Management

The Hospice was incorporated as St Luke's Hospice (Harrow & Wembley) Limited under the Memorandum & Articles of Association dated 22 June 1987 as amended on 8 January 1988, 11 November 1993, 15 August 2000, 26 June 2001 and 18 December 2008. In 1993, following local government reform, the Hospice changed its registered name to St Luke's Hospice (Harrow & Brent) Limited to reflect the change of name of part of its catchment area from the London Borough of Wembley to the London Borough of Brent.

The Company has a wholly owned trading subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Ltd, through which it operates a network of charity shops and a lottery. The trading subsidiary exists to maximise income for the hospice and all profits are paid to the Hospice using Gift Aid.

St Luke's is governed by a Council of Management (Board of Trustees). Trustees are appointed for an initial 3-year period and are eligible for re-election for a further 3 years. Thereafter a year must elapse before they are eligible to stand again. Those holding the posts of Chairman, Vice Chairman serve for an initial period of 3 years and are eligible for re-election for a further 3 years – this may be in addition to a term(s) served as a trustee.

Trustees are appointed by the Board following open recruitment with internal and external press advertising. The Board reviews the skills it needs in deciding selection criteria to maintain breadth of skills. During the year 1 new trustee was recruited following an extensive process which included external advertising and open evenings for prospective candidates to find out more about the work of the hospice and the role of the Board.

All Trustees are required to complete a thorough induction programme during their first 6 months in post including spending time with different departments in the organisation. In addition they attend meetings of the subcommittees to which they are appointed. During their tenure as a Trustee they are also offered training courses relating to their specific interest group or specialism including updates on operational and administrative matters within the organisation. The induction process is supported and overseen by the Chair and the CEO.

The full Board usually meets quarterly. The Board held an annual strategy away day in September 2021 jointly with the Senior Executive Team as part of the process. The Board delegates consideration of key areas of its work to 2 standing committees: Finance & Performance and Clinical Governance. Each committee usually meets quarterly in advance of the Board meetings. The Board has delegated certain powers to the Chief Executive Officer (CEO) who acts as a conduit between the senior staff and Trustees.

The Board has adopted a governance calendar to ensure that it systematically reviews key management information and data and satisfies itself that the Hospice is properly and correctly run enabling the Board to discharge its governance responsibilities in full.

The Hospice is a member of Hospice UK and works with it and a number of neighbouring hospices where collaboration is the best approach. The Hospice also strives to build good working relationships with the Harrow & Brent Clinical Commissioning Groups, from which it receives part of its funding. St Luke's also maintains links with a variety of professional associations which support the work of the staff.

Senior Executive Remuneration

The charity's approach to pay policy is consistent for our staff and the Executive team. Our policy is designed to enable us to attract, retain and motivate high performing Executive team members.

It also aims to demonstrate to our stakeholders (particularly funders and service users) that our pay levels are set to support delivery of the charity's aims and are an effective use of charitable funds.

The objectives of our pay policy are to:

- reward senior staff appropriately and enable the recruitment of a high calibre Executive Team ensuring our leadership has the skills and experience required to run St Luke's Hospice, an organisation which cared for 1,996 patients in 2021 with an annual turnover of over £9 million, 150 paid staff and 440+ volunteers
- ensure the proper use of the charity's resources in accordance with its aims and within affordable limits based on the financial circumstances of the charity
- be non-discriminatory, just and equitable in the evaluation of jobs and their remuneration by providing a stable framework for the remuneration of the Executive team
- operate within the law
- pay at a competitive level taking account of external market rates, with the aim being to set pay at the median level or above for comparable posts in the voluntary sector subject to the charity's financial position

The charity publishes the salary of its key management personnel (Senior Staff listed on page 2) within this report. The number of staff paid over £60k is also published in accordance with the charity accounting requirements.

Executive pay is reviewed on an annual basis by the Pay and Reward Committee and is subject to approval by the Board of Trustees, which is responsible for ensuring proper application of our pay policy.

St Luke's Hospice (Harrow & Brent) Ltd.
Report And Consolidated Financial Statements
For The Year Ended 31 December 2021

Company Registration Number: 02141770

Charity Registration Number: 298555

Registered Name
St Luke's Hospice (Harrow & Brent) Limited
Registered charity Number
298555

Registered Company Number
02141770
Registered office and principal address
Kenton Grange, Kenton Road, Harrow, Middlesex, HA3 OYG

The list of Trustees:

C Amobi (Appointed 11 November 2021)
C Bennett
L Bennister
N Brier
C Brodie (Resigned 16 August 2021)
R Elkeles (Resigned 28 January 2021)
C Glenn
P Hill
M Lewis (Resigned 22 January 2021)
S Livingston
R Majus
C Melia-Tompkins
N Radia
G Schiller
S Shah (Resigned 9 August 2022)
R Thakrar
G Wynne (Resigned 12 August 2022)

Senior Staff:

Chief Executive Officer
A Malde (Resigned 30 April 2022)

Interim Chief Executive Officer
A Webber (Appointed 28 February 2022)

Medical Director
Dr C Daniels

Director of Patient Services & Registered Manager
U Reeve

Director of Fundraising
H Richardson (Resigned 28 February 2022)

Interim Director of Fundraising
J Pearce (Appointed 1 February 2022)

Director of Finance and Facilities. Head of Retail
P Sundaresan (Resigned 7 June 2022)

Interim Director of Finance & Facilities
S Wilson (Appointed 1 August 2022)

Head of HR & Volunteering
N Villazan (Resigned 30 April 2022)

Interim Head of HR & Volunteering
A Frederick (Appointed 6 June 2022)

Executive Chair St Luke's Hospice Shops Ltd
P Brook (Appointed 20 April 2022)

Principal Bankers -
Barclays Bank PLC, Leicester, LE87 2BB

Auditors -
Haysmacintyre LLP - 10 Queen Street Place, London EC4R 1AG

Solicitors -
Curry Popeck - 380 Kenton Road, Harrow, Middlesex HA3 8OP

Investment Managers -
Rathbone Investment Management, 8 Finsbury Circus, London EC2M 7AZ

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and group and of the incoming resources and application of resources, including the income and expenditure, of the charity and group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charity and group's auditors are unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Trustees are responsible for maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in their jurisdictions.

In approving this Trustees' Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

By order of the Board

Gillian Schiller

Dr Gillian Schiller, Chairman

signed on 18/8/ 2022

Opinion
We have audited the financial statements of St Luke's Hospice (Harrow & Brent) Limited for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Statement of Consolidated Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

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

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

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

Other information
The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Message from the Chairman and Chief Executive. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the

financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 for the financial statements
As explained more fully in the trustees' responsibilities statement set out on pages 31, 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.

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

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such the Companies Act 2006, the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting trustees' meeting minutes
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

A further description of our responsibilities 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 auditor's report.

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

Lee Stokes (Senior statutory auditor)
for and on behalf of Haysmacintyre
LLP, Statutory Auditor

10 Queen Street Place,
London,
EC4R 1AG.

signed on 28/9/ 2022

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Total 2020 £'000
Income from:						
Donations and legacies						
• Donations	2	1,377	385	-	1,762	1,648
• Covid grants	2	36	619	-	655	1,492
• Legacies	3	1,197	-	-	1,197	937
		2,610	1,004	-	3,614	4,077
Charitable Activities						
• NHS commissioning		2,485	-	-	2,485	2,533
• Other income		193	-	-	193	163
	5	2,678	-	-	2,678	2,696
Other trading activities						
• Fundraising events	2	228	-	-	228	100
• Gross income from shops and lottery	4	3,321	-	-	3,321	2,631
		3,549	-	-	3,549	2,731
Investments		30	-	-	30	86
Total income		**8,867**	**1,004**	**-**	**9,871**	**9,590**
Expenditure on:						
Raising funds						
• Fundraising costs		552	-	-	552	529
• Fundraising events costs		239	-	-	239	214
• Shops and lottery expenditure		2,493	-	-	2,493	2,363
• Investment management costs		12	-	-	12	13
		3,296	-	-	3,296	3,119

St Luke's Hospice (Harrow & Brent) Ltd.
Consolidated Statement Of Financial Activities (Continued)
For The Year Ended 31 December 2021

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Total 2020 £'000
Charitable activities						
• In patient services		915	664	-	1,579	1,707
• Outpatient services		318	139	-	457	493
• Community services		1,459	70	-	1,529	824
• General clinical support		1,108	60	-	1,168	1,538
		3,800	933	-	4,733	4,562
Total expenditure	7	**7,096**	**933**	**-**	**8,029**	**7,681**
Net income before gains on investments		1771	71	-	1,842	1,909
Net gains /(losses) on investments	11	121	-	26	147	(69)
Pension revaluation gain		10	-	-	10	153
Net income	6	1,902	71	26	1,999	1,993
Net income	6	1,902	71	26	1,999	1,993
Transfer between funds		-	-	-	-	-
Net movement in funds		1,902	71	26	1,999	1,993
Reconciliation of funds						
Total funds brought forward		10,301	5	219	10,525	8,534
Total funds carried forward		12,203	76	245	12,524	10,527

All amounts relate to continuing activities. There are no recognised gains or losses for the current or preceding financial year other than as shown above, therefore no Statement of Total Recognised Gains & Losses has been presented. Income and expenditure by fund for the year ended 31 December 2020 is given in note 19 to the accounts.

The notes on pages 39 - 59 form part of these accounts.

St Luke's Hospice (Harrow & Brent) Ltd.
Charity and Group Balance Sheets
At 31 December 2021

	Notes	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
FIXED ASSETS					
Tangible assets	10	5,176	5,155	5,081	4,977
Investments	11	4,206	1,571	4,206	1,571
		9,382	6,726	9,287	6,548
CURRENT ASSETS					
Debtors	12	1,737	1,921	1,261	3,233
Cash at bank and in hand		2,274	3,023	1,599	1,674
		4,011	4,944	2,860	4,907
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	(537)	(734)	(410)	(521)
NET CURRENT ASSETS		3,474	4,210	2,450	4,386
Long term liabilities (Pension deficit)	20	(332)	(409)	(332)	(409)
NET ASSETS	14	12,524	10,527	11,405	10,525
Represented by					
Unrestricted funds					
Designated funds		7,117	6,996	7,117	6,996
General fund		5,086	3,307	3,967	3,305
		12,203	10,303	11,084	10,301
Endowment funds		245	219	245	219
Restricted funds		76	5	76	5
	15	12,524	10,527	11,405	10,525

The net result of the charity's own activities for 2021 was a surplus of £879,137 (2020: surplus £1,440,147).

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

Gillian Schiller

G Schiller
Chair of Trustees

signed on 18/8/ 2022

The notes on pages 39 - 59 form part of these accounts

	2021		2020	
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
Net cash flow provided by/(used in) operating activities (note A)		1,912		1,093
Cash flows from investing activities:				
Dividends, interest and rents from investments	30		86	
Purchase of property, plant and equipment	(134)		-	
Disposal of investments	119		585	
Acquisition of investments	(140)		(556)	
Change in investment cash	(2,467)		(17)	
Pension creditor revaluation	(69)		(68)	
Net cash used in investing activities		(2,661)		30
Change in cash and cash equivalents in the reporting period		(749)		1,123
Cash and cash equivalents at the beginning of the reporting period		3,023		1,900
Cash and cash equivalents at the end of the reporting period		2,274		3,023

A) Reconciliation of net (expenditure)/income to net cash flow from operating activities	**2021**	**2020**
	£'000	£'000
Net expenditure for the reporting period (as per the statement of financial activities)	1,999	1,993
Adjustments for:		
Depreciation charges	113	119
Losses/(gains) on investments	(147)	69
Gain on pension revaluation	(10)	(153)
Dividends, interest and rents from investments	(30)	(86)
Decrease/(increase in debtors	184	(1,071)
Increase/(decrease) in creditors	(197)	222
Loss on disposal of fixed assets	-	-
Net cash flow provided in/(used in) operating activities	1,912	1,093
Analysis of cash and cash equivalents		
Cash at bank and in hand	2,274	3,023
Total cash and cash equivalents	2,274	3,023

ANALYSIS OF NET DEBT

	Balance at 1.1.21	Cash flows	Other non-cash changes	Balance at 31.12.21
	£'000	£'000	£'000	£'000
Cash and bank	3,023	(749)	-	2,274

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity 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 note(s).

(ii) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and accruing for legacies which have not yet been received.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

(iii) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(iv) Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives trustees confidence the charity remains a going concern for the foreseeable future.

(v) Consolidation

These accounts consolidate the results of the charity and its wholly owned subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Limited, on a line-by-line basis. separate Income and Expenditure Account and Statement of Financial Activities is not presented for the charity alone as permitted by the Companies Act 2006 and Charities SORP.

(vi) Income

Income from donations, legacies and grants are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Donations include related gift aid income.

The Shops Company acts as agent to sell items donated with a gift aid declaration and to pass the resulting cash donations to the Hospice rather than record them as turnover within the Shops Company. The Hospice also receives the gift aid claimed on these donations.

Legacies are included when the Hospice becomes entitled to the funds and the sum receivable can be reliably quantified. Where they rely on the sale of property or investments, and thus do not have a certain valuation, an estimate of their value is disclosed in the notes to the financial statements.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income from NHS contracts from the Harrow & Brent Clinical Commissioning Groups. They have been dealt with on a receivable basis as a contribution to running costs.

There have been no significant gifts in kind or donated goods and services during the year.

The value of services provided by volunteers is not incorporated in these financial statements. Further detail of the substantial contribution by volunteers can be found in the Report of the Trustees.

(vii) Expenditure

Expenditure is recognised when a liability is incurred. It includes VAT where this is not recoverable.

Expenditure on raising funds is the costs incurred in attracting donation income, organising and managing fundraising events, and the costs incurred in trading activities which raise funds.

Charitable activities include the hospice care services offered to inpatients, day care patients, those receiving hospice services in their own homes, and their carers and families. There are also a range of clinical and other services which apply to all these forms of hospice care. These costs include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., property costs by floor areas and other costs on the bases shown in Note 7.

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with compliance with constitutional and statutory requirements. These have been allocated to activity costs on the same basis as support costs.

(viii) Tangible fixed assets

All assets acquired costing more than £2,500 are capitalised.

Leasehold properties	assets acquired prior to 2016 - over the term of the lease assets acquired after 2016 – shorter of 5 years or the remaining term of the lease
Fixtures and equipment	20%
Motor vehicles	20%
IT equipment and systems	20%

The freehold property is not depreciated as the amount of depreciation is considered to be immaterial.

Tangible fixed assets are held at cost and (except for the freehold property) depreciated on a straight line basis over their estimated useful lives as follows.

(ix) Investments

Investments are initially recognised at their transaction cost and subsequently valued at fair value at the Balance Sheet date, unless fair 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 shown in the heading 'Net gains/(losses) on investments' in the Statement of Financial Activities.

(x) Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purposes.

Endowment funds are restricted funds which are to be retained for the benefit of the charity as a capital fund.

The Hospice has a number of restricted income and capital funds. Details of the funds are given in the notes to the financial statements.

(xi) Pensions

The Group currently offers a qualifying defined contribution pension scheme to all staff. In addition the Group is a Direction Employer under the NHS Scheme.

National Health Service Superannuation scheme
This is a statutory superannuation scheme as defined in Section 6.12 (1) Income and Corporation taxes Act 1988, which has no invested funds. Contribution by employers (currently 14.3%) and members are accounted for to the Treasury and benefits are paid from the consolidated fund. This scheme is only open to staff who have been members of the NHS scheme in previous employment under the dispensation rules. The accounting charge represents the employer's contributions for the period.

Defined Contribution Scheme (Pensions Trust)
With effect from 1 May 2015 the group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the group. There is no liability under the scheme other than the payment of those contributions.

(xii) Taxation
No tax is payable due to the charitable status of the parent company. Taxable profits generated by the trading subsidiary are transferred to the parent company under gift aid.

(xiii) Leases
Operating lease rentals are charged to the Statement of Financial Activities over the period of the lease.

(xiv) Legal status
The charitable company is limited by Guarantee and does not have any share capital.

(xv) Employee benefits
Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

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

(xvii) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments.

(xiii) Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

2. DONATIONS – 2021

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Individual donations	267	-	284	323
In memoriam donations	242	-	241	202
Community groups	118	-	118	147
Trust fund donations	85	385	470	396
Corporate donations	75	-	75	125
Major Donors	116	-	116	105
Gift aid	86	-	81	65
Donations & gift aid from sale of goods in our shops	375	-	375	285
	1,364	385	1,762	1,648

Fundraising events in 2021 were adversely impacted by Covid-19 but despite that, they were successful in raising £228,448(2020: £99,783).

DONATIONS -2020

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Individual donations	323	-	323
In memoriam donations	202	-	202
Community groups	147	-	147
Trust fund donations	182	214	396
Corporate donations	125	-	125
Major Donors	105	-	105
Gift aid	65	-	65
Donations & gift aid from sale of goods in our shops	285	-	285
	1,434	214	1648

COVID GRANTS

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Hospice UK grants		619	619
HMRC Job Retention Scheme	36	-	36
	36	619	655

3. LEGACIES

In addition to the sum of £1,197,000 from legacies within income (2020: £937,000), the Hospice has also received notifications for legacies where the value is currently uncertain until property or equity sales are completed, or probate granted.

Due to the difficulty with the valuation in light of the uncertainties no estimation has been made for these legacies. In accordance with the Hospice's accounting policy for legacies, these are not included in these accounts on the grounds of uncertainty of measurement.

4. INCOME AND EXPENDITURE FROM SHOPS AND LOTTERY

The charity owns the entire share capital of St Luke's Hospice (Harrow & Brent) Charity Shops Limited, a company registered in England and Wales, which operates charity shops in support of the hospice funding. The subsidiary transfers to the Hospice under gift aid an amount not less than its taxable profits.

A summary of the trading results of the subsidiary is shown below. Audited accounts have been prepared in respect of the trading period for the year ended 31 December 2021.

	Total 2021 £'000	Total 2020 £'000
Turnover	2,498	1,650
Income from lottery	288	319
Government grants	535	662
	3,321	2,631
Cost of sale of purchased goods	3	3
Administration expenses	2,095	1,924
Lottery expenditure and prizes	104	151
Gross direct expenditure of shops and lottery	2,202	2,078
Net direct income from shops and lottery	1,119	553
Lease costs relating to shops recorded in Charity	(69)	(55)
Donations of goods under gift aid	300	227
Gift aid reclaimed	75	56
Lottery Prizes donated by Players	18	
Contribution generated by Charity Shops Ltd	1,443	781

In addition to the gross direct expenditure shown above, additional indirect support costs of £222k (2020: £229k) relating to Hospice support services, are allocated to shops and lottery (see note 7).

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

5. CHARITABLE ACTIVITIES -2021

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
NHS commissioning income				
Service level agreement	2,485	-	2,485	2,533
	2,485	-	2,485	2,533
Other funding	192	-	192	163
	2,678	-	2,678	2,696

NHS commissioning income in 2021 includes funding for the Fast Track Brokerage project. The project has been extended until March 2022.

CHARITABLE ACTIVITIES -2020

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
NHS commissioning income			
Service level agreement	2,287	246	2,533
Other funding	163	-	163
	2,450	246	2,696

6. NET INCOME/(EXPENDITURE)

	Total 2021 £'000	Total 2020 £'000
Net income is stated after charging:		
Depreciation	112	119
Auditor's remuneration	13	13
Other fees payable to auditors	3	3
Operating lease rental	517	489

7. EXPENDITURE – 2021

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Out Patient services £'000	Community services £'000	General clinical support £'000	2021 Total £'000
Staff costs	Direct	334	97	1,248	-	1,046	303	945	384	4,357
Drugs and medical	Direct	-	-	-	-	48	-	-	-	48
Catering and housekeeping	Direct	-	-	-	-	-	-	-	97	97
Fundraising and community	Direct	106	63	-	-	-	-	-	-	169
Other direct costs	Direct	-	-	954	12	150	49	463	453	2,081
		440	160	2,202	12	1,244	352	1,408	934	6,752
Support costs										
Management	Staff time	23	23	61	-	11	11	11	11	151
Finance	Staff time	24	24	80	-	30	16	26	43	243
HR	Headcount	14	7	81	-	56	8	19	39	224
Premises	Floor area	12	6	-	-	74	46	11	28	177
Gen overheads	Headcount	39	19		-	164	24	54	113	413
Shops Lease Rentals*				69						69
		112	79	291	-	335	105	121	234	1,277
Total expenditure 2021		552	239	2,493	12	1,579	457	1,529	1,168	8,029
Total expenditure 2020		529	214	2,363	13	1,707	493	824	1,538	7,681

The lease rentals borne by the hospice relating to two shops are allocated wholly to Shops and Lottery Expenses.

7. EXPENDITURE – 2020

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Outpatient services £'000	Community services £'000	General clinical support £'000	2020 Total £'000
Staff costs	Direct	313	105	1,020	-	1,022	376	514	774	4,124
Drugs and medical	Direct	-	-	-	-	55	-	-	-	55
Catering and housekeeping	Direct	-	-	-	-	-	-	-	138	138
Fundraising and community	Direct	111	36	-	-	-	-	-	-	147
Other direct costs	Direct	-	-	1,058	13	324	21	199	413	2,028
		424	141	2,078	13	1,401	397	713	1,325	6,492
Support costs										
Management	Staff time	24	24	65	-	12	12	12	12	161
Finance	Staff time	20	20	65	-	25	13	21	35	199
HR	Headcount	17	8	99	-	69	10	23	48	274
Premises	Floor area	12	5	56	-	67	42	11	25	218
Gen overheads	Headcount	32	16	-	-	133	19	44	93	337
		105	73	285	-	306	96	111	213	1,189
Total expenditure 2020		529	214	2,363	13	1,707	493	824	1,538	7,681
Total expenditure 2019		673	267	2,736	12	1,620	295	919	1,642	8,164

8. STAFF COSTS AND NUMBERS

	Total 2021 £'000	Total 2020 £'000
Salaries and wages	4,481	4,316
Social security costs	389	372
Pension costs	351	275
Total	5,221	4,963
Average number of employees (full time equivalents)		
Hospice	84	83
Shops	47	43
	131	126

Pension costs include an amount of £19,700 (2020 – £18,737) paid in respect of death in service cover for employees of the company.

There were on average 153 people employed (2020 – 148) full and part time.

During the year, 1 employee was paid gross salary between £60,000 and £70,000 (2020:2), 1 employee was paid gross salary between £70,000 and £80,000 (2020: 1) and one employee was paid gross salary between £80,000 and £90,000 (2020: nil).

During 2021 the key management personnel was made up of the CEO, Director of Finance and Facilities & Head of Retail, Director of Patient Services & Registered Manager and Head of HR & Volunteering. The total remuneration for them was £389,329.

The employees were supported by 484 unpaid volunteers during the year (2020: 531).

9. TRUSTEES

None of the trustees received any remuneration or benefits in kind from the charitable company (2020: Nil). Expenses on behalf of one of the trustees or reimbursed during the year amounted to £1,468 (2020: £765).

The following direct reimbursements were made to Trustees:	Total 2020	Total 2021
Subsistence – 0 Trustee *(2021 – 9 Trustees)*	£0	£90

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

10. TANGIBLE FIXED ASSETS

Group	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
Opening balance	4,932	599	131	11	5,673
Additions	-	-	134	-	134
Disposals	-	-	(8)	-	(8)
Closing balance	4,932	599	257	11	5,799
Depreciation					
Opening balance	-	413	101	4	518
Charge for the year	-	86	25	2	113
Disposals	-	-	(8)	-	(8)
Closing balance -	-	499	118	6	623
Net Book Value					
At 31 December 2021	4,932	100	139	5	5,176
At 31 December 2020	4,932	186	30	7	5,155
Charity					
Opening balance	4,932	33	120	-	5,085
Additions	-	-	133	-	133
Disposals	-	-	(8)	-	(8)
Closing balance	4,932	33	246	-	5,210
Depreciation					
Opening balance		16	92	-	108
Charge for the year	-	6	23	-	29
Disposals	-	-	(8)	-	(8)
Closing balance	-	22	107	-	130
Net Book Value					
At 31 December 2021	4,932	10	138	-	5,081
At 31 December 2020	4,932	17	28	-	4,977

Freehold properties otherwise represent the acquisition and conversion costs of Kenton Grange between 1992 and 2002 shown at historic cost and the costs of building the Woodgrange Centre completed in 2015.

11. INVESTMENTS

	2021	2020
	£'000	£'000
Market value at 1 January 2021	1,571	1,652
Additions	140	556
Disposals	(119)	(585)
Realised and unrealised gains/ (losses)	147	(69)
Movement in investment cash	2,467	17
Market value at 31 December 2021	4,206	1,571

The underlying investments of the portfolio are fixed income (£524k), equities (£863k), property (£65k), cash (£2,527k), and others (£227k).

12. DEBTORS: amounts falling due with one year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	253	186	241	185
Other debtors	724	769	123	598
Prepayments and accrued income	760	966	539	830
Amounts owed by subsidiary undertaking	-	-	358	1,620
	1,737	1,921	1,261	3,233

13. CREDITORS : amounts falling due with one year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	144	343	112	208
Other creditors	84	105	84	133
Taxation and social security	153	151	133	105
Accruals and deferred income	156	135	81	75
	537	734	410	521

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

- GROUP – 2021

	Unrestricted funds		Endowment	Restricted	Total
	General	Designated	Funds	Funds	2021
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	5,176	-	-	5,176
Investments	2,650	1,311	245	-	4,206
Net current assets	2,768	630	-	76	3,474
Long term liabilities	(332)	-	-	-	(332)
Net assets	5,086	7,117	245	76	12,524

ANALYSIS OF NET ASSETS BETWEEN FUNDS

- GROUP – 2020

	Unrestricted funds		Endowment	Restricted	Total
	General	Designated	Funds	Funds	2020
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	5,155	-	-	5,155
Investments	141	1,211	219	-	1,571
Net current assets	3,575	630	-	5	4,210
Long term liabilities	(409)	-	-	-	(409)
Net assets	3,307	6,996	219	5	10,527

ANALYSIS OF NET ASSETS BETWEEN FUNDS

- CHARITY – 2021

	Unrestricted funds		Endowment	Restricted	Total
	General	Designated	Funds	Funds	2021
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	5,081	-	-	5,081
Investments	2,650	1,311	245	-	4,206
Net current assets/(liabilities)	1,649	725	-	76	2,450
Long term liabilities	(332)	-	-	-	(332)
Net assets	3,967	7,117	245	76	11,405

ANALYSIS OF NET ASSETS BETWEEN FUNDS

- CHARITY – 2020

	Unrestricted funds		Endowment	Restricted	Total
	General	Designated	Funds	Funds	2020
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	4,977	-	-	4,977
Investments	141	1211	219	-	1,571
Net current assets/(liabilities)	3,573	808	-	5	4,386
	(409)	-	-	-	(409)
Net assets	3,305	6,996	219	5	10,525

15. FUNDS – 2021

	Opening Balance	Income	Expenditure	Investment Gains/Losses	Transfer/ Pension Surplus	Closing Balance
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Inpatient care funds	-	664	(664)	-	-	-
Outpatient care funds	-	139	(139)	-	-	-
Community care funds	-	70	(70)	-	-	-
General Clinical funds	5	50	(55)	-	-	-
Capital funds	-	81	(5)	-	-	76
Total restricted funds	5	1,004	(933)	-	-	76
Endowment funds						
Alice Wisbey Capital Fund	24	-	-	3	-	27
D D McPhail	195	-	-	23	-	218
Total endowment funds	219	-	-	26	-	245
Unrestricted funds						
Designated fixed asset fund	4,983	-	-	-	88	5,071
Designated shops assets fund	171	-	(66)	-	-	105
Designated risk management fund	1,542	-	(9)	108	-	1,641
Pension liability reserve	300	-	-	-	-	300
Total designated funds	6,996	-	(75)	108	88	7,117
Unrestricted funds						
General charitable funds	3,305	5,546	(4,820)	13	1,042	5,086
General non-charitable trading funds	-	3,321	(2,201)	-	(1,120)	-
Total general funds	3,305	8,867	(7,021)	13	(78)	5,086
Total unrestricted funds	10,301	8,867	(7,096)	147	10	12,203
Total funds	10,525	9,871	(8,029)	147	10	12,524

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

FUNDS – 2020

	Opening Balance	Income	Expenditure	Investment Gains/Losses	Transfer/ Pension Surplus	Closing Balance
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Inpatient funds	6	1,606	(1,612)	-	-	-
Day care funds	-	30	(30)	-	-	-
Homecare funds	-	129	(129)	-	-	-
Clinical funds	-	28	(23)	-	-	5
Capital funds	-	-	-	-	-	-
Total restricted funds	6	1,793	(1,794)	-	-	5
Endowment funds						
Alice Wisbey Capital Fund	23	-	-	1	-	24
D D McPhail	202	-	(2)	(5)	-	195
Total endowment funds	225	-	(2)	(4)	-	219
Unrestricted funds						
Designated fixed asset fund	5,006	-	(23)	-	-	4,983
Designated shops assets fund	267	-	(96)	-	-	171
Designated risk management fund	1,615	-	(10)	(63)	-	1,542
Pension liability reserve	300	-	-	-	-	300
Total designated funds	7,188	-	(129)	(63)	-	6,996
Unrestricted funds						
General charitable funds	1,218	5,166	(3,678)	(2)	601	3,305
General non-charitable trading funds	(103)	2,631	(2,078)	-	(448)-	2
Total general funds	1,115	7,797	(5,756)	(2)	153	3,307
Total unrestricted funds	8,303	7,797	(5,885)	(65)	153	10,303
Total funds	8,534	9,590	(7,681)	(69)	153	10,527

15. FUNDS (continued)

A Pension Liability Reserve was set up in 2016 to reflect potential increases in the pension liability. When it was provided in full in 2017, the reserve was reduced. The balance in this fund will be used towards the cost of any future buy-out of the liability.

The late Mrs Alice Wisbey made a bequest to the Hospice with the instruction that the income therefrom should be applied for the comfort of the nursing staff. This is split between Income and Capital funds.

The restricted funds represent grants and donations received, from trusts and individuals, where the use of the funds was restricted to a specific purpose by the donor. These funds have included contributions towards the cost of our Inpatient unit, Day care services, Community and Homecare services, to the provision of complementary therapies and a number of other items.

The D D McPhail Charitable Settlement originally gave £150,000 as an endowment fund. No instructions were given about income so this is applied for the general purposes of the charity. The difference between the original fund value and the current fund value arises through revaluation of the underlying investment.

The designated fixed asset fund represents the net book value of the Hospice's fixed assets. It has been set up to assist in identifying funds which are not free funds. Similarly the designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital.

The designated risk management fund represents funds to provide a cushion against unexpected costs or shortfalls of income and thus to support the long-term future of the hospice. The balance in this fund as at 31 December 2021 was £1,641k most of which is managed by Rathbones, our investment manager.

The surplus arising out of the activities during the year resulted in the increase in unrestricted general charitable funds of £1,781k. The surplus for the year was generated mainly on account of COVID support from NHS England, Support from Harrow and Brent Councils, HM Treasury through the Job Retention scheme and Increased NHS Commissioning Income.

The general funds represent the unrestricted funds of the group and are therefore "free reserves".

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

16. OPERATING LEASE COMMITMENTS

The group has the following total commitments under non-cancellable operating leases:

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts due:				
Within 1 year	482	489	63	63
Within one to two years	394	466	63	63
Within two to five years	770	911	188	188
After five years	304	417	102	165
	1,950	2,283	416	479

17. CAPITAL COMMITMENTS

The group has no capital commitments at the year-end (2020: none).

18. RELATED PARTY TRANSACTIONS

During the year, Trustees, Senior Executive Team members and their close family members donated £2,680 to the Hospice (2020: £8,958). There were no other transactions with related parties during the year (2020: none).

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (2020)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Income from:				
Donations and legacies				
. Donations	1,434	214	-	1,648
. Covid grants	159	1,333	-	1,492
. Legacies	937	-	-	937
	2,530	1,547	-	4,077
Charitable Activities				
. NHS commissioning	2,287	246	-	2,533
. Other income	163	-	-	163
	2,450	246	-	2,696
Other trading activities				
. Fundraising events	100	-	-	100
. Gross income from shops and lottery	2,631	-	-	2,631
	2,731	-	-	2,731
Investments	86	-	-	86
Total income	**7,797**	**1,793**	**-**	**9,590**

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (continued)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Expenditure on:				
Raising funds				
- Fundraising costs	529	-	-	529
. Fundraising events costs	214	-	-	214
. Shops and lottery expenditure	2,363	-	-	2,363
. Investment management costs	11	-	2	13
	3,117	-	2	3,119
Charitable activities				
. In patient services	95	1,612	-	1,707
. Day care services	463	30	-	493
. Homecare services	695	129	-	824
. Overall clinical support	1,515	23	-	1,538
	2,768	1,794	-	4,562
Total expenditure	**5,885**	**1,794**	**2**	**7,681**
Net expenditure before gains on investments	1,912	(1)	(2)	1,909
Net (losses)/gains on investments	(65)	-	(4)	(69)
Pension revaluation gain	153	-	-	153
Net expenditure	2,000	(1)	(6)	1,993

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (PENSIONS TRUST)

Before 1 May 2015, the group offered a multi-employer pension scheme providing a defined benefit (career average) pension for members.

St Luke's Hospice (Harrow and Brent) participated in the multi-employer scheme which provides benefits to some 36 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following their withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis upon withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2019. This valuation showed assets of £79m, (2016 valuation £60.45m) and liabilities of £93.9m (2016 valuation £85.3m) creating a deficit of £14.9m (2016 – Deficit £24.85m). To eliminate this funding shortfall, the Pension Scheme Trustee asked the participating employers to pay additional contributions to the scheme as follows:

DEFICIT CONTRIBUTIONS FROM ALL PARTICIPATING EMPLOYER

From 1 April 2021 to 30 September 2027	£1,530,000 per annum (payable monthly and increasing by 3.0% each year on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

During 2021 St Luke's Hospice (Harrow and Brent) contributed £68k as their deemed share.
Where the scheme is in deficit and where the participating employer has agreed to a deficit funding arrangement, the employer recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION	**31 December 2021 (£000s)**	**31 December 2020 (£000s)**
Present value of provision	399	477

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

RECONCILIATION OF OPENING AND CLOSING PROVISIONS	**Year ended** 31 December 2021 (£000s)
Provision at start of period	477
Unwinding of the discount factor (interest expense)	2
Deficit contribution paid	(68)
Re measurements - impact of any change in assumptions	(12)
Re measurements - amendments to the contribution schedule	
Provision at end of period	399

	2021 £'000	**2020** £'000
Amounts due within one year	67	68
Amounts due after one year	332	409
	399	477

The above reconciliations includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

ASSUMPTIONS	**31 December 2021** % per annum	**31 December 2020** % per annum
Rate of discount	1.42	0.42

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.



St Luke's HOSPICE

Registered with FUNDRAISING REGULATOR

INVESTORS IN PEOPLE

St Luke's Hospice, Kenton Grange, Kenton Road, Harrow, HA3 0YG

020 8382 8000 **info@stlukes-hospice.org**

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Registered Charity Number: 298555

www.stlukes-hospice.org

ST LUKE'S HOSPICE (HARROW AND BRENT) LTD

England & Wales - Charity number 298555

Accounts



2020 Annual Report 2020

A YEAR OF RESILIENCE

St Luke's HOSPICE

Making Every Moment Matter

St Luke's Hospice (Harrow and Brent) Limited
Charity No. 298555
Registered Company No: 02141770

Reference and Administrative Information

Registered Name	**St Luke's Hospice (Harrow & Brent) Limited**	
Registered charity Number	298555	
Registered Company Number	02141770	
Registered office and principal address	Kenton Grange, Kenton Road Harrow, Middlesex HA3 OYG	
Trustees	Dr G Schiller – Chairman C Bennett L Bennister N Brier C Brodie R Elkeles Resigned 28 January 2021 C Glenn P Hill – Appointed 13 August 2020 M Lewis - Resigned 22 January 2021 S Livingston – Appointed 13 August 2020 R Majus C Melia-Tompkins N Radia – Appointed 13 August 2020 S Shah R Thakrar – Appointed 13 August 2020 G Wynne	
Senior Staff	A Malde	Chief Executive Officer
	Dr C Daniels	Medical Director
	C Gell – Resigned 24 July 2020	People Director
	G Jones – Resigned 15 July 2020	Head of Retail
	U Reeve	Director of Patient Services & Registered Manager
	H Richardson – Appointed 1 June 2020	Director of Fundraising
	P Sundaresan	Director of Finance and Facilities. Head of Retail
	N Villazan – Appointed 1 September 2020	Head of HR & Volunteering
	R Wagstaff – Resigned 19 February 2020	Director of Fundraising & Communications
Principal Bankers	Allied Irish Bank (GB) 33-35 Wembley Hill Road, Wembley, Middlesex HA9 8AS	
Auditors	Haysmacintyre LLP - 10 Queen Street Place, London EC4R 1AG	
Solicitors	Curry Popeck - 380 Kenton Road, Harrow, Middlesex HA3 8OP	
Investment Managers	Rathbone Investment Management, 8 Finsbury Circus, London EC2M 7AZ	

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Message from the Chairman, Gillian Schiller and Chief Executive, Alpana Malde

Welcome to St Luke's Annual Report 2020. We would like to thank all our donors and supporters, our staff and volunteers who have helped us successfully navigate a year of crisis.

2020 – A year like no other

As reported in our Annual Report 2019, we took steps in 2018/2019 to address a significant financial deficit that threatened our future survival. As we entered 2020, we had reduced the deficit to a manageable level and were entering a period where we were able to consolidate and start making plans for the future.

In the first quarter of 2020, it was apparent that we were in the middle of a crisis the likes of which none of us had experienced. St Luke's was in the eye of this storm as North West London was the epicentre of the first wave of the pandemic. When the Prime Minister announced that we were going to lockdown, we had to rethink our working practices to continue to safely look after people in our community who needed our care and support more than ever.

We quickly found our feet and embraced new technology and ways of working, which enabled us to reach people in the community who needed us, while supporting the local NHS by enabling more people to be cared for at home by our services.

In the hospice building, we admitted as many patients as we could to relieve pressure on hospitals by admitting patients 7 days a week and till 11 pm every day.

We developed a number of educational resources such as videos for carers, Zoom sessions that staff in other settings could access. These allowed better care for people at a time when the NHS was completely overwhelmed, with its resources overrun by those who urgently needed care and treatment.

As you will see on the following page, we looked after more people than ever before both in beds in the hospice building, in the community and in people's homes. We are extremely proud that we were able to support our colleagues in the NHS by reducing pressure on services that were at breaking point.

We are also very proud of the fact that we enabled families to safely see their loved ones who were being looked after in the Hospice so that they could spend time with them and say farewell at the end of their life.

Financially, we braced ourselves for significant impact. We had to cancel all fundraising events, our shops were closed, and as we could not carry out any face to face activities our other fundraising activities were severely curtailed. Sadly, we furloughed a number of staff. However, the whole Hospice team came together as one with everyone doing what it took to get things done. Thank you to all staff and volunteers who stepped up superbly over this last year. We could not have done it without you.

Sadly, due to the pandemic a number of our volunteers have been unable to return to their roles. This has impacted all areas of the Hospice and in particular, our shops. We wish to appeal to all of you to come forward and volunteer with us. Volunteering at St Luke's is fun and gives you the opportunity to feel more connected to people in your community. A number of volunteers in our shops go on to become employees as their skills develop. Come along and try it out. Contact volunteering@stlukes-hospice.org for more details.

The local community were absolutely fantastic and supported us in many ways. When we asked for PPE, we were inundated with it. The morale of staff was boosted by the donations of delicious food that arrived each day. When we put out a crisis appeal we had a phenomenal response. It is this outpouring of love and support that has sustained us and kept us wanting to do as much as we could. Thank you one and all, we are humbled by your affection for the Hospice.

Finally, we need to recognise that the Government supported the Hospice sector during this last year, with the Chancellor making £200 million available across the country to hospices, to enable us to support the NHS. We have therefore recorded a financial surplus of £2m for 2020 which will stand us in good stead as we emerge stronger and more resilient as an organisation. We are now setting out our strategic plans for the next 3 years. We will continue to do all we can to be here, doing ever more for our local community so that local people have the best possible last phase of life.



Gillian Schiller

Chairman



Alpana Malde

Chief Executive

The size of our care

During 2020, many of our services were redesigned to ensure patients and carers were provided with safe and effective care during the COVID-19 Pandemic. Whilst we increased the numbers of people we supported, the way we delivered the care radically changed. We were forced to close the outpatient and day services in the Woodgrange Centre; we provided as much of this as we could virtually and visited patient's homes only when this was essential to their care.

	2020	2019
Total patients supported	1,824	1,677
Days of inpatient care	3,031	2,831
Individual people who attended day care and outpatients	57	193
Complementary Therapy and Physiotherapy sessions	1,602	2,496
Patients supported by Hospice at Home	508	384
Telephone calls, assessments and rapid response visits made by our Pall 24 teams	299 visits 6,585 telephone calls	558 visits 6,409 telephone calls
Patients supported by Community Specialist Palliative Care Team	548	478
Care provided by the Community Specialist Palliative Care Team	777 visits 10,383 telephone calls	1,423 visits 5,062 telephone calls
Social Work sessions	1,766	1,980
Bereavement Sessions	108	279

Ethnicity monitoring to embrace the diversity of the area we serve and ensuring promotion of equal access to hospice services.

	St Luke's	%	Brent %	Harrow %
Indian	300	16%	18.6%	26.4%
Asian other	95	5%	9.8%	11.9%
Pakistani	10	0.5%	4.6%	3.3%
Chinese	11	0.6%	1%	1.1%
Black Caribbean	90	5%	7.6%	2.8%
Black African	25	1%	7.8%	3.6%
Black other	15	0.8%	3.4%	1.8%
White British	467	26%	18%	30.9%
White Irish	76	4%	4%	3.1%
Other White	99	5%	14.4%	8.2%
Mixed	19	1%	5.1%	3.9%
Other	55	3%	5.7%	3%

We have not included people who preferred not to provide ethnicity information.

Notes: Comparative data from 2011 census



What we said/what we did
Mission Strand – “Reach more people”

During 2020 we:

Cared for 1,824 people compared to 1,677 in 2019, an increase of 8.8%.

Reduced pressure on hospitals during the second COVID-19 surge by increasing admissions from hospital to the hospice by

250%

Recruited a new Wellbeing Manager post to develop and establish new upstream models of care in the hospice building and out in the community. Despite COVID-19, we have implemented new virtual services including art, music, physiotherapy and emotional and social support.

Cared for more people at home, our Hospice at Home service cared for 508 people (2019-384), an increase of

32.2%

The Brent Community Specialist Palliative Care Team cared for 548 people an increase of

14.6%

PRODUCED A RANGE OF VIDEOS TO ASSIST THE CONFIDENCE OF CARERS TO SUPPORT OUR PATIENTS DURING COVID-19 RESTRICTIONS.

991 WEBSITE VIEWS
621 YOUTUBE VIEWS

ADMITTED 9.2% MORE PEOPLE TO OUR BEDS THAN IN 2019, THROUGH EMBEDDING WEEKEND ADMISSIONS AS ROUTINE PRACTICE AND EXTENDING ADMITTING HOURS DURING WEEK DAYS.

Extended the hours of support provided by the Brent Community Palliative Care Team to 7 days a week from 8am till 6pm. This team previously worked 5 days a week from 9am till 5pm.

Appointed our first Social Prescribing Link Worker in partnership with other local charitable organisations and Harrow Primary Care Networks. This post works across the hospice and out in the community signposting and referring people to appropriate services, reducing social isolation and loneliness, keeping people living as well as possible. The service has exceeded expectations, with our link worker supporting 295 patients and carers between April and December 2020, (target 200) with issues relating to mental health and other concerns.

In 2021, we plan to:

- To work on improving the ability of the inpatient unit to meet demand for beds.
- We will continue to develop more initiatives to enhance people’s wellbeing and improve their quality of life.
- Support people with palliative care needs who are experiencing isolation so that they are able to access practical help and emotional support.
- In order that people in Care Homes experience better end of life care we will seek to work with local partners to develop a “hospice-light” service so that we are able to reach more people in these settings by supporting staff to achieve better outcomes for people they care for.
- We aim to review and increase access to our bereavement service by 50%, and also to make the service more timely so that support is in place within 8 weeks of bereavement.



What we said/what we did
Mission Strand – “Constantly improve what we do”

During 2020 we:



· TRIPLED THE NUMBER OF PEOPLE WAITING LESS THAN 2 WORKING DAYS FOR AN INITIAL ASSESSMENT (25% TO 79%) BY OUR COMMUNITY SERVICE.

Successfully prevented any outbreak of COVID-19 in our inpatient unit by introducing high level of infection control systems, adequate PPE provision and testing of staff, patients and visitors.



EXTENDED OUR MEDICAL CONSULTANT ON-CALL SERVICE TO COVER OUR INPATIENT AND COMMUNITY SERVICES 24/7, TO ACHIEVE BETTER OUTCOMES FOR PATIENTS IN DISTRESS.



DEVELOPED THE ROLE OF A HOSPICE CARE NAVIGATOR, AND IMPLEMENTED NEW PROCEDURES WHICH ENABLED 60% OF ALL REFERRALS TO BE ADMITTED TO A BED WITHIN 1 DAY AND A FURTHER 22% WITHIN 3 DAYS OF REFERRAL. WE ALSO MORE THAN HALVED THE NUMBER OF PEOPLE WAITING MORE THAN 4 DAYS FROM 33 TO 14.

Developed and established a Clinical Quality Manager post to lead our improvement work across the organisation.

Developed and gave out new COVID-19 carer kits in the community.

Facilitated final farewell visits for family members on the inpatient unit during the COVID-19 pandemic.



We enabled 7 in 10 patients to die in their preferred place of care.

Won the coveted Markel 3rd Sector development project National Award for collaborative work between our 24 hour palliative helpline and London Ambulance Service during COVID-19 and were a finalist for End of Life Care.

In 2021, we plan to:

- To improve the way we work with others to improve the impact of our services on patient outcomes and experiences
- We will continue to evidence the impact of new initiatives such as the 7/7 Community Service and consultant on call service.
- Work on an improvement plan to support the complex psychosocial needs of people we look after.
- To support people to be more involved and in control of decisions about their care.
- We will review practical issues such as transportation to and from the Hospice building for patients to improve access to our services.
- We will review processes in our inpatient unit so that we are making our service as safe and responsive as it can be.
- We will work to increase feedback from our patients and their families so that we continue to develop and improve services.



What we said/what we did
Mission Strand – “Extend our impact through collaboration, innovation & education”

During 2020 we:



Were recognised by the Medical Deanery for our educational capability and asked to train 3 Registrars in Palliative Medicine for the first time since the hospice was established.

Published an educational paper in an expert peer reviewed journal.

Had to cease onsite training placements for associate nurse, apprentice health care assistant, medical students and postgraduate training due to COVID-19.

We developed the first ever hospice funded PhD Fellowship. Based in the Department of Primary and Palliative Care at Cambridge University she will research “the factors which contribute to the quality of medical care in care homes” and help our work in this area in future.

Delivered Zoom training events to nearly

500

people including GPs, care home staff, primary care colleagues, pharmacists and residents and relatives of a national care home charity.

Trained all nurses in the inpatient unit, community services and 37 nurses in local care homes to verify expected death. This enabled speedier funeral arrangements and reduced the pressure on GPs during the pandemic.

Piloted 2 different models of Care home Workforce Skills Development for NHS Brent and NHS Harrow.

In 2021, we plan to:

- To use changes in the structure and delivery of Community Services in Harrow as an opportunity to improve patient experience by further local integration with partners.
- To extend the reach of our current education programme both in terms of topics and geographical areas covered.
- We will increase utilisation of volunteers in all our clinical services by developing roles to support better service delivery in all areas. Initially the aim is to have 20 new volunteers working in a variety of roles.
- Evidence the impact of the education delivered and work towards a funded education programme to improve skills in end of life care in all settings.



What we said/what we did
Mission Strand – "Be an accountable and sustainable organisation"

During 2020 we:

Introduced the pay scales for the NHS terms and conditions of service (Agenda for Change) in our clinical teams.

Increased our net income from voluntary fundraising year-on-year by

£167k

A 33% increase; during an uncertain year with COVID-19, our amazing supporters stood by us.

Strengthened our relationship with NHS commissioners to become an end of life care provider of choice.

REWARDED AND RECOGNISED STAFF WHO WERE NOMINATED AS HOSPICE HEROES DURING THE COVID-19 PANDEMIC.

Introduced home working so that we were able to carry on functioning smoothly, while keeping our people safe.

IMPLEMENTED THE FINDINGS OF A RETAIL REVIEW THAT CONCLUDED TOWARDS THE END OF 2019 TO INCREASE NET PROFITS FROM THE RETAIL OPERATION BY 40% OVER THE NEXT 2 YEARS. IN 2020, SHOPS DELIVERED AN INCREASE OF 10% IN NET PROFIT YEAR ON YEAR DESPITE THE PANDEMIC.

In 2021, we plan to:

- We will continue to work with commissioners and local partners to identify new income streams and strengthen existing ones to further build our financial resilience.
- In 2021, we will continue to build on the relationships we have worked hard to develop with supporters, both long-term and new, and we will seek new partners and supporters to join us to further our work.
- Continue to improve the performance of our shops and improve internal collaboration between our income generation teams to maximise benefit for the hospice.
- We will continue to develop our workforce and improve our ability to recruit and retain the best talent to support the strategic aims of the hospice.



Our supporters

We are so grateful to every one of our supporters, who enable us to continue to provide end of life care to our patients and offer support for their families – making every moment matter. Everyone who makes a contribution, through making donations to and buying from our shops, making a cash donation, setting up a regular gift, taking part in an event, supporting through their business, playing our lottery, or making a gift in their will, is helping St Luke's to give the people we care for the best possible quality of life, each and every day. We could not do what we do without each and every one of you. Thank you.

2020 was a difficult year for everyone, and our amazing supporters were with us every step of the way; from responding so generously to our Crisis Appeal in the spring when times were so uncertain, to shopping with us when our shops were able to be open, to joining us online for the virtual events we held. We are thankful to have such a remarkable community standing alongside us.

We have a number of partners who make specific areas of our work possible, who give St Luke's Hospice significant support that enables our team to reach more people.

We are extremely grateful to the following Charitable Trusts and Foundations who have provided substantial support to us in 2020:

Albert Hunt Trust
Ambaben C Nathwani Trust
Betty Messenger Foundation
Childwick Trust
City Bridge Trust
The Dewan Foundation
February Foundation
Harrow Giving
Jean and Derek King Trust
The Kingsbury Charity
The Laing Family Trust
The Masonic Charitable Foundation
Maximus Foundation
Middlesex Province Relief Fund
The National Lottery Community Fund
Pink Ribbon Foundation
Rank Foundation
Shree Kutch Satsang Swaminarayan Temple
Sir Jules Thorn Trust

We also wish to acknowledge the incredibly generous support of key supporters who prefer to remain anonymous.



Operational report

The charity is run in accordance with Charity Commission regulations and makes every effort to follow guidelines on best practice - aiming for excellence in everything that we do.

National standards of care are followed, such as the National Institute of Clinical Excellence guidelines, and we strive to uphold and establish best practice. Compliance and performance are reported to both Clinical Commissioners and the Care Quality Commission (CQC). The CQC undertake inspections at regular intervals, our current rating overall is good with no major cause for concern.

All facilities are managed in line with Health and Safety Executive regulation and guidance. We invest in training and developing our staff, being recognised with the Investors in People Bronze Award, and operating within ACAS guidelines. We are registered with the Fundraising Regulator, follow the Code of Fundraising Practice and adhere to Trading Standards and Gambling Commission regulations for our income generating activities.

Data Protection and the care of vulnerable people is taken very seriously and we have an Information Governance Working Group which meets regularly and also invites expert advice to ensure we care for personal data in line with Data Protection regulations, establishing the highest standards of working practice amongst our staff. Staff receive mandatory training on data protection, safeguarding and a range of other important topics. St Luke's has successfully completed the NHS Data Security and Protection Toolkit which measures our performance against national data security standards.



Complaints

Complaints are taken very seriously and followed up immediately. We strive to learn from complaints and implement changes where practical.

Clinical complaints were very low, with one complaint made during the year. The complaint covered multiple issues including, dietary needs, communication and access to televisions. We responded to the complaint with a 'You said, we did' approach and made improvements in a number of areas including, standardisation in the use of dietary thickener, improved discharge communication and the provision of new televisions and other entertainment options.

During 2020 there was one complaint from a supporter about their lottery direct debit, where an administration error led to the direct debit not being cancelled as requested, which was resolved quickly upon notification, and a refund was offered. We also had one complaint regarding our lottery canvassers being noisy in a residential street; we informed the company we partner with who provides this service and the team in question was given additional training.

We received thirteen complaints about our shops during 2020. The complaints were predominantly based around customer service regarding donations, fly tipping occurring outside our shops, pricing in the shops and about the responsiveness of the bookings line. The complaints were followed up and dealt with in an efficient and timely manner.

Conclusion

We are proud that we have continued to be here for people who needed us during a very difficult year. As we look ahead we want to reach people earlier in their last phase of life and improve end of life care in all settings so that people in Brent and Harrow have the best possible care at the end of life. We are well placed to weather the aftermath of COVID-19 and will continue to serve the people of Harrow and Brent to the best of our ability.



Financial review

Overview

The hospice recorded a surplus of £1,993k (2019 – deficit of £181k) for the year. The surplus was generated mainly on account of the following: (a) COVID support from NHS England (received via Hospice UK) of £1,333k (b) Support from HM Treasury through the Job Retention scheme of £404k (c) Increased NHS Commissioning Income of £2,533k (2019: £2,119k). Excluding lottery income and the effects of Gift aid transfer between Shops and Hospice, the net profit from shops for the year was £613k (2019: £559k).

Fundraising, Shops & Lottery

Fundraising events were severely disrupted during the year due to COVID social distancing rules. The disruptions resulted in a 70% drop in income from Events for 2020 compared to 2019. However, the income from Trust funds and individual donations were 50% and 28% higher respectively on a year-on-year basis. Income from legacies continued to remain strong at £937k (2019: £1,071k).

The retail lockdown during 2020 due to COVID had a significant negative impact on Over-the-counter (OTC) sales at shops during 2020. OTC sales at shops were lower by 48% on a year-on-year basis. The lockdown also adversely affected online sales, recycling income and gift aid income. The support from HM Treasury via the Job Retention scheme, the Retail grants received from the (Harrow and Brent) Councils and the receipt of the business interruption insurance aided the shops Company's financial results for the year.

The investment made in 2019 on recruitment of lottery players resulted in a healthy growth in lottery income in 2020. Lottery income was higher by 16% year-on-year at 319k (2019: 274k).

Risk management

Indicator	Measure	Tolerance limits	Actions to mitigate
Serious untoward clinical or other incident resulting in death or serious harm to patient, supporter, staff or volunteer	No of incidents	Zero	Comprehensive competency training for staff. Detailed clinical policies and procedures to support clinical practice. Elaborate incident reporting and follow up at “clinical quality matters” forum.
Patient/Family complaint implying serious failings in quality of care	No of complaints	Zero	Complaints policy and procedures in place. Investigation and remedial action taken where necessary. Learning from complaints discussed at “clinical quality matters” forum.
Accidents and Near misses i.e. incidents that have potential to cause serious harm	No of incidents	2 similar incidents per quarter	All incidents investigated and remedial action taken as required. Duty of Candour implemented as per policy. Learning from complaints discussed at “clinical quality matters” forum. Recurring themes considered for quality improvement projects.
Serious data breach involving personal data	No of incidents	Zero	Information Governance policies, procedures and monitoring. Information Governance training and investment in enabling technology.
Conflict of interest resulting in trustees, staff or Volunteers or related parties benefiting commercially due to their relationship with the hospice	No of incidents	Zero	Policies and Procedures. Disclosures and declarations.
Level of reserves	No of months of clinical expenditure	< 6 months of operating expenditure in free reserves expected to occur.	Robust Financial sustainability plan. Close monitoring of financial performance.
Significant drop in trading or fundraising income	Gross income	>5% budgeted income	Detailed budgeting and forecasting Income. Regular and prompt monitoring of performance leading to remedial action.

Indicator	Measure	Tolerance limits	Actions to mitigate
Drop in statutory income	Contract Value	Zero	Building partnership approach with Clinical Commissioning Group (CCG). Evidencing outcome and impact of work. Offering new services based on CCG’s priorities.
Financial fraud	Amount lost	Zero	Robust Internal financial controls. Compliance with financial policies and procedures.
Lack of monitoring by Board and SET of progress against strategic plan	Lack of agreed KPIs against strategic aims	Zero	Regular meetings among Trustees and SET. Detailed discussions around KPIs with a view to taking corrective action if required.
Low staff morale	Staff Survey, complaints from staff	More than 30% of staff say they feel morale is low in a survey. More than 5 complaints/ grievances in a quarter.	Issues of general concern discussed at staff consultative group and Volunteers Hub. Established annual individual development review (IDR) process aimed at addressing individual morale issues among other matters.
Lack of robust policy framework to review and implement policies	Increase in H&S Incidents Policies not compliant	>1 H&S incident where we have not complied with legal requirements. More than 20% of our policies out of date.	Regular review of Policies by Governance Committees.
Lack of compliance with regulatory bodies CQC, Gambling Commission, Charity Commission	Complaint from member of public or whistleblowing by staff	Zero	Robust Internal controls. Compliance with policies and procedures. Training and mock inspections.
Loss of resources due to staff sickness	Increased workload on staff having to cover other posts/ complaints from staff	10% of workforce out of action.	Sickness figures monitored and reported. Individuals required to have “return to work” interviews and asked to attend occupational health if needed. Optimal staffing levels determined using the “Establishment Genie” methodology .

Pension liability

Before 1 May 2015, the hospice offered a multi-employer pension scheme providing a defined benefit (career average) pension for members. This scheme was closed to further accrual in July 2016. The scheme was a “last man standing” arrangement which means that the company could be potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme.

The scheme is run by TPT and is in deficit. The last full scheme valuation in September 2019 resulted in the Hospice agreeing to pay approximately £68k each year in deficit contributions. This contribution will increase by 3% each year until 2027. The Scheme actuaries estimated in September 2019 that these deficit recovery payments from employers would be sufficient to return the scheme to a fully funded position. We were informed in 2016 that the cost to “buy out” the Hospice liability would be £4,900k. A Designated Reserve of £300k has been retained towards this potential future buy-out. The Board recognises this as a key risk and is monitoring the risk along with the Senior Team.

Reserves policy

As at 31 December 2020 the company had the following Designated and General Reserves:

	£ 000s	Timeline for use
Designated Fixed Asset Fund	4,983	The designated fixed asset fund represents the net book value of the Hospice’s fixed assets. It has been set up to assist in identifying funds which are not free funds.
Designated Shops Assets Fund	171	The designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital.

Reserves excluding fixed asset funds

General Fund	3,307	General purposes
Risk Management Reserve	1,542	General purposes – against perceived risks to income
Pension Deficit Reserve	300	Held towards a potential future buy-out of the Defined Benefit Pension scheme
Total	**5,149**	

Fundraising accounts for 15% of the Hospice’s gross total income. Income from the Charity Shops Company accounts for 30% of the Hospice’s gross income and around 26% of the gross income is earned from contracts with Harrow & Brent Clinical Commissioning Groups. As a result, the Hospice needs to ensure that it has a sufficient reserve of funds available to meet unexpected shortfalls in its funding streams, or sudden increases in costs.

The Board aims to maintain six months of operating expenditure as Reserves. That amounts to £2,512k (Operating expenditure for 2020 was £5,025k). Reserves (excluding Fixed Asset funds) as at 31st December 2020 were £5,149k. This is approximately 12 months’ of operating expenditure. Within the overall quantum of Reserves to be maintained, recognising the mix of income streams that the Hospice relies on to fund its work and the different risks associated with each income stream, the Board assessed each individual income stream and the potential risks associated with it. Each income stream was given a risk weighting and a potential reserve amount allocated. As a result, the Trustees agreed a target level of £1,650k of Designated Risk Management Reserves. This Risk Management Reserve was at £1,542k as at 31 December 2020. The Reserve was set up so that the Hospice is able to manage any unexpected shortfall in income to protect the needs of the patients served and also to give a reassurance of security for the staff. The surplus generated during the year was added to General Funds. The trustees have Designated Reserves equivalent to the fixed assets of the hospice and also of the subsidiary Charity Shops Company, which are not covered by that company’s working capital. This is to better identify funds that are available to cover specific risks.

The Finance & General Purposes Committee reviews the level of Reserves annually and considers any amendments to the policy which may be necessary and reports its conclusions to the Board. The current policy was approved by the Board in August 2021.

Investment policy

The Board, in 2016, appointed Rathbones PLC as investment managers to manage the investment portfolio. Approximately £1,600k was originally allocated to them to be held by them in underlying investments appropriate to the purpose and anticipated timescale of the designated reserve to which it relates. The value of those investments as at 31 December 2020 was £1,571k.

The Senior Executive Team monitors the performance of the investment funds and reports quarterly to the Finance & General Purposes Committee.

Funding

The Hospice's principal funding sources (as % of gross total income) during 2020 were:

- 15% Fundraising through donations and fundraising events (2019: 18%) excluding gift aided sales, gift aid recovered through charity and lottery
- 10% Legacy Gifts (2019: 14%)
- 30% Income from Trading Subsidiary (2019: 40%) including Gift Aided sales, Gift Aid recovered through charity and lottery including retail support from HMRC and councils
- 26 % Harrow & Brent Clinical Commissioning Groups (NHS) (2019: 27%)
- 14 % COVID Support from NHS England (2019: 0%)
- 5% Investment and other income (2019: 1%)

All of these funds are employed in providing the specialist palliative care which is the primary purpose of the Hospice.

Tangible fixed assets

Movements in tangible fixed assets are shown in note 10 to the financial statements.

Going Concern

The trustees have prepared the financial statements on a going concern basis and consider that no disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

Structure, Governance and Management

The Hospice was incorporated as St Luke's Hospice (Harrow & Wembley) Limited under the Memorandum & Articles of Association dated 22 June 1987 as amended on 8 January 1988, 11 November 1993, 15 August 2000, 26 June 2001 and 18 December 2008. In 1993, following local government reform, the Hospice changed its registered name to St Luke's Hospice (Harrow & Brent) Limited to reflect the change of name of part of its catchment area from the London Borough of Wembley to the London Borough of Brent.

The Company has a wholly owned trading subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Ltd, through which it operates a network of charity shops and a Lottery. The trading subsidiary exists to maximise income for the hospice and all profits are paid to the hospice using Gift Aid.

St Luke's is governed by a Council of Management (Board of Trustees). Trustees are appointed for an initial 3-year period and are eligible for re-election for a further 3 years. Thereafter a year must elapse before they are eligible to stand again. Those holding the posts of Chairman, Vice Chairman serve for an initial period of 3 years and are eligible for re-election for a further 3 years – this may be in addition to a term(s) served as a Trustee.

Trustees are appointed by the Board following open recruitment with internal and external press advertising. The Board reviews the skills it needs in deciding selection criteria to maintain breadth of skills. During the year 4 new trustees were recruited following an extensive process which included external advertising and open evenings for prospective candidates to find out more about the work of the hospice and the role of the Board.

All trustees are required to complete a thorough induction programme during their first 6 months in post including spending time with different departments in the organisation and attending different committee meetings. The induction process is supported and overseen by the Chair and the CEO.

The full Board usually meets quarterly. The Board held an annual strategy away day in October 2020 jointly with the Senior Executive Team as part of the process. The Board delegates consideration of key areas of its work to 3 standing committees: Finance & General Purposes, Clinical Governance and Income generation. Each Trustee sits on at least one of these committees, each of which usually meets quarterly in advance of the Board meetings. The Board has delegated certain powers to the Chief Executive Officer (CEO) who acts as a conduit between the senior staff and Trustees.

The Board has adopted a governance calendar to ensure that it systematically reviews key management information and data and satisfies itself that the Hospice is properly and correctly run enabling the Board to discharge its governance responsibilities in full.

The Hospice is a member of Hospice UK and works with it and a number of neighbouring hospices where collaboration is the best approach. The Hospice also strives to build good working relationships with the Harrow & Brent Clinical Commissioning Groups, from which it receives part of its funding. St Luke's also maintains links with a variety of professional associations which support the work of the staff.

Senior Executive Remuneration

The charity's approach to pay policy is consistent for our staff and the Executive team. Our policy is designed to enable us to attract, retain and motivate high performing Executive team members.

It also aims to demonstrate to our stakeholders (particularly funders and service users) that our pay levels are set to support delivery of the charity's aims and are an effective use of charitable funds.

The objectives of our pay policy are to:

- reward senior staff appropriately and enable the recruitment of a high calibre Executive Team ensuring our leadership has the skills and experience required to run St Luke's Hospice, an organisation caring for 1,800 patients every year with an annual income of over £7m, 140 paid staff and over 500 volunteers.
- ensure the proper use of the charity's resources in accordance with its aims and within affordable limits based on the financial circumstances of the charity
- be non-discriminatory, just and equitable in the evaluation of jobs and their remuneration by providing a stable framework for the remuneration of the Executive team
- operate within the law
- pay at a competitive level taking account of external market rates, with the aim being to set pay at the median level or above for comparable posts in the voluntary sector subject to the charity's financial position.

The charity publishes the salary of its key management personnel (Senior Staff listed on page 2) within its annual report. The number of staff paid over £60k is also published in accordance with the charity accounting requirements.

Executive pay is reviewed on an annual basis by the Pay and Reward Committee and is subject to approval by the Board of Trustees, which is responsible for ensuring proper application of our pay policy.

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and group and of the incoming resources and application of resources, including the income and expenditure, of the charity and group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charity and group's auditors are unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Trustees are responsible for maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in their jurisdictions.

In approving this Trustees' Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

By order of the Board

Gillian Schiller

Dr Gillian Schiller, Chairman

Date: 3/9/2021

Independent Auditor's Report to the Members of St Luke's Hospice (Harrow & Brent) Limited

Opinion

We have audited the financial statements of St Luke's Hospice (Harrow & Brent) Limited for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Statement of Consolidated Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Message from the Chairman and Chief Executive. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 17, 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.

Auditor's responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the

Independent Auditor's Report to the Members of
St Luke's Hospice (Harrow & Brent) Limited (continued)

financial statements such the Companies Act 2006, the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manInpatient Unitlation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting trustees' meeting minutes
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Matters on which we are required to report by exception

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 auditor's report.

Use of our report

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



Lee Stokes (Senior statutory auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place, London, EC4R 1AG.

Consolidated Statement Of Financial Activities

(Including an Income and Expenditure Account) for the year ended 31 December 2020
St Luke's Hospice (Harrow & Brent) Limited

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Total 2019 £'000
Income from:						
Donations and legacies						
. Donations	2	1,434	214	-	1,648	1,784
. Covid grants	2	159	1,333	-	1,492	-
. Legacies	3	937	-	-	937	1,071
		2,530	1,547	-	4,077	2,855
Charitable Activities						
. NHS commissioning		2,287	246	-	2,533	2,119
. Other income		163	-	-	163	43
	5	2,450	246	-	2,696	2,162
Other trading activities						
. Fundraising events	2	100	-	-	100	338
. Gross income from shops and lottery	4	2,631	-	-	2,631	2,412
		2,731	-	-	2,731	2,750
Investments		86	-	-	86	48
Total income		**7,797**	**1,793**	**-**	**9,590**	**7,815**
Expenditure on:						
Raising funds						
- Fundraising costs		529	-	-	529	673
. Fundraising events costs		214	-	-	214	267
. Shops and lottery expenditure		2,363	-	-	2,363	2,736
. Investment management costs		11	-	2	13	12
		3,117	-	2	3,119	3,688
Charitable activities						
. Inpatient services		95	1,612	-	1,707	1,620
. Day care services		463	30	-	493	295
. Homecare services		695	129	-	824	919
. Overall clinical support		1,515	23	-	1,538	1,642
		2,768	1,794	-	4,562	4,476
Total expenditure	**7**	**5,885**	**1,794**	**2**	**7,681**	**8,164**
Net expenditure before gains/ (losses) on investments		1,912	(1)	(2)	1,909	(349)
Net gains/(losses) on investments	11	(65)	-	(4)	(69)	168
Pension revaluation gain		153	-	-	153	-
Net expenditure	6	2,000	(1)	(6)	1,993	(181)
Transfer between funds		-	-	-	-	-
Net movement in funds		2,000	(1)	(6)	1,993	(181)
Reconciliation of funds						
Total funds brought forward		8,303	6	225	8,534	8,715
Total funds carried forward		10,303	5	219	10,527	8,534

All amounts relate to continuing activities. There are no recognised gains or losses for the current or preceding financial year other than as shown above, therefore no Statement of Total Recognised Gains & Losses has been presented. Income and expenditure by fund for the year ended 31 December 2020 is given in note 19 to the accounts.

The notes on pages 38 to 58 form part of these accounts.

Charity and Group Balance Sheets

at 31 December 2020 Company Number 02141770
St Luke's Hospice (Harrow & Brent) Limited

	Notes	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
FIXED ASSETS					
Tangible assets	10	5,155	5,274	4,977	5,006
Investments	11	1,571	1,652	1,571	1,652
		6,726	6,926	6,548	6,658
CURRENT ASSETS					
Debtors	12	1,921	850	3,233	2,077
Cash at bank and in hand		3,023	1,900	1,674	914
		4,944	2,750	4,907	2,991
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	(734)	(512)	(521)	(383)
NET CURRENT ASSETS		4,210	2,238	4,386	2,608
Long term liabilities (Pension deficit)	20	(409)	(630)	(409)	(630)
NET ASSETS	14	10,527	8,534	10,525	8,636
Represented by					
Unrestricted funds					
Designated funds		6,996	7,188	6,996	7,188
General fund		3,307	1,115	3,305	1,217
		10,303	8,303	10,301	8,405
Endowment funds		219	225	219	225
Restricted funds		5	6	5	6
	15	10,527	8,534	10,525	8,636

The net result of the charity's own activities for 2020 was a surplus of £1,440,147 (2019: deficit £149,000).

The financial statements were approved and authorised for issue by the Board of Trustees on 3/9/2021 and signed on their behalf by:

Gillian Schiller

G Schiller
Chair of Trustees

The notes on pages 38 to 58 form part of these accounts

Statement of Consolidated Cash Flows

St Luke's Hospice (Harrow & Brent) Limited
For the Year Ended 31 December 2020

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Cash flows from operating activities:				
Net cash flow provided by/(used in) operating activities (note A)		1,093		198
Cash flows from investing activities:				
Dividends, interest and rents from investments	86		48	
Purchase of property, plant and equipment	-		(11)	
Disposal of investments	585		152	
Acquisition of investments	(556)		(150)	
Change in investment cash	(17)		11	
Proceeds from disposal of fixed assets	-		6	
Pension creditor revaluation	(68)		-	
Net cash used in investing activities		30		56
Change in cash and cash equivalents in the reporting period		1,123		254
Cash and cash equivalents at the beginning of the reporting period		1,900		1,646
Cash and cash equivalents at the end of the reporting period		**3,023**		**1,900**

A) Reconciliation of net (expenditure)/income to net cash flow from operating activities	2020 £'000	2019 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	1,993	(181)
Adjustments for:		
Depreciation charges	119	143
Losses/(gains) on investments	69	(168)
Gain on pension revaluation	(153)	-
Dividends, interest and rents from investments	(86)	(48)
Decrease/(increase) in debtors	(1,071)	374
Increase/(decrease) in creditors	222	58
Loss on disposal of fixed assets	-	20
Net cash flow provided in/(used in) operating activities	1,093	198

Analysis of cash and cash equivalents		
Cash at bank and in hand	3,023	1,900
Total cash and cash equivalents	3,023	1,900

ANALYSIS OF NET DEBT	Balance at 1.1.20 £'000	Cash flows £'000	Other non-cash changes £'000	Balance at 31.12.20 £'000
Total cash and cash equivalents	1,900	1,123	-	3,023

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity 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 note(s).

(ii) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and accruing for legacies which have not yet been received.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

(iii) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(iv) Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives trustees confidence the charity remains a going concern for the foreseeable future.

(v) Consolidation

These accounts consolidate the results of the charity and its wholly owned subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Limited, on a line-by-line basis. A separate Income and Expenditure Account and Statement of Financial Activities is not presented for the charity alone as permitted by the Companies Act 2006 and Charities SORP.

(vi) Income

Income from donations, legacies and grants are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Donations include related gift aid income.

The Shops company acts as agent to sell items donated with a gift aid declaration and to pass the resulting cash donations to the Hospice rather than record them as turnover within the Shops Company. The Hospice also receives the gift aid claimed on these donations.

Legacies are included when the Hospice becomes entitled to the funds and the sum receivable can be reliably quantified. Where they rely on the sale of property or investments, and thus do not have a certain valuation, an estimate of their value is disclosed in the notes to the financial statements.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income from NHS contracts from the Harrow & Brent Clinical Commissioning Groups. They have been dealt with on a receivable basis as a contribution to running costs.

There have been no significant gifts in kind or donated goods and services during the year.

The value of services provided by volunteers is not incorporated in these financial

statements. Further detail of the substantial contribution by volunteers can be found in the Report of the Trustees.

(vii) Expenditure

Expenditure is recognised when a liability is incurred. It includes VAT where this is not recoverable.

Expenditure on raising funds is the costs incurred in attracting donation income, organising and managing fundraising events, and the costs incurred in trading activities which raise funds.

Charitable activities include the hospice care services offered to inpatients, day care patients, those receiving hospice services in their own homes, and their carers and families. There are also a range of clinical and other services which apply to all these forms of hospice care. These costs include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., property costs by floor areas and other costs on the bases shown in Note 7.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with compliance with constitutional and statutory requirements. These have been allocated to activity costs on the same basis as support costs.

(viii) Tangible fixed assets

All assets acquired costing more than £2,500 are capitalised.

Leasehold properties	assets acquired prior to 2016 - over the term of the lease assets acquired after 2016 – shorter of 5 years or the remaining term of the lease
Fixtures and equipment	20%
Motor vehicles	20%
IT equipment and systems	20%

The freehold property is not depreciated as the amount of depreciation is considered to be immaterial.

Tangible fixed assets are held at cost and (except for the freehold property) depreciated on a straight line basis over their estimated useful lives as follows.

Notes to the Financial Statements (continued)
For the Year Ended 31 December 2020
St Luke's Hospice (Harrow & Brent) Limited

(ix) Investments

Investments are initially recognised at their transaction cost and subsequently valued at fair value at the Balance Sheet date, unless fair 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 shown in the heading 'Net gains/(losses) on investments' in the Statement of Financial Activities.

(x) Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purposes.

Endowment funds are restricted funds which are to be retained for the benefit of the charity as a capital fund.

The Hospice has a number of restricted income and capital funds. Details of the funds are given in the notes to the financial statements.

(xi) Pensions

The Group currently offers a qualifying defined contribution pension scheme to all staff. In addition the Group is a Direction Employer under the NHS Scheme.

National Health Service Superannuation scheme

This is a statutory superannuation scheme as defined in Section 6.12 (1) Income and Corporation taxes Act 1988, which has no invested funds. Contribution by employers (currently 20.68%) and members are accounted for to the Treasury and benefits are paid from the consolidated fund. This scheme is only open to staff who have been members of the NHS scheme in previous employment under the dispensation rules. The accounting charge represents the employer's contributions for the period.

Defined Contribution Scheme (Pensions Trust)

With effect from 1 May 2015 the group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions

payable under the scheme by the group. There is no liability under the scheme other than the payment of those contributions.

(xii) Taxation

No tax is payable due to the charitable status of the parent company. Taxable profits generated by the trading subsidiary are transferred to the parent company under gift aid.

(xiii) Leases

Operating lease rentals are charged to the Statement of Financial Activities over the period of the lease.

(xiv) Legal status

The charitable company is limited by Guarantee and does not have any share capital.

(xv) Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

(xvi) Debtors

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

(xvii) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

(xviii) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the Financial Statements (continued)
For the Year Ended 31 December 2020
St Luke's Hospice (Harrow & Brent) Limited

2. DONATIONS - 2020

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Individual donations	323	-	323	241
In memoriam donations	202	-	202	189
Community groups	147	-	147	160
Trust fund donations	182	214	396	262
Corporate donations	125	-	125	74
Major Donors	105	-	105	57
Gift aid	65	-	65	72
Donations & gift aid from sale of goods in shops	285	-	285	729
	1,434	214	1,648	1,784

Fundraising events in 2020 were adversely impacted by Covid-19 but despite that, they were successful in raising £99,783 (2019: £337,902).

DONATIONS - 2019	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Individual donations	241	-	241
In memoriam donations	189	-	189
Community groups	160	-	160
Trust fund donations	112	150	262
Corporate donations	74	-	74
Major Donors	57	-	57
Gift aid	72	-	72
Donations & gift aid from sale of goods in shops	729	-	729
	1,634	150	1,784

COVID GRANTS	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Hospice UK grants	-	1,333	1,333
HMRC Job Retention Scheme	159	-	159
	159	1,333	1,492

3. LEGACIES

In addition to the sum of £937,000 from legacies within income (2019: £1,071,000), the Hospice has also received notifications for legacies where the value is currently uncertain until property or equity sales are completed, or probate granted; due to the difficulty with the valuation in light of the uncertainties no estimation has been made for these legacies. In accordance with the Hospice's accounting policy for legacies, these are not included in these accounts on the grounds of uncertainty of measurement.

4. INCOME AND EXPENDITURE FROM SHOPS AND LOTTERY

The charity owns the entire share capital of St Luke's Hospice (Harrow & Brent) Charity Shops Limited, a company registered in England and Wales, which operates charity shops in support of the hospice funding. The subsidiary transfers to the Hospice under gift aid an amount not less than its taxable profits.

A summary of the trading results of the subsidiary is shown below. Audited accounts have been prepared in respect of the trading period for the year ended 31 December 2020.

	Total 2020 £'000	Total 2019 £'000
Turnover	1,650	2,138
Income from lottery	319	274
Government grants	662	-
	2,631	2,412
Cost of sale of purchased goods	3	7
Administration expenses	1,924	2,237
Lottery expenditure and prizes	151	200
Gross direct expenditure of shops and lottery	2,078	2,444
Net direct income from shops and lottery	553	(32)
Lease costs relating to shops recorded in Charity	(55)	(64)
Donations of goods under gift aid	227	584
Gift aid reclaimed	56	145
Contribution generated by Charity Shops Ltd	781	633

In addition to the gross direct expenditure shown above, additional indirect support costs of £229k (2019: £292k) relating to Hospice support services, are allocated to shops and lottery (see note 7).

Notes to the Financial Statements (continued)
For the Year Ended 31 December 2020
St Luke's Hospice (Harrow & Brent) Limited

5. CHARITABLE ACTIVITIES - 2020

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
NHS commissioning income Service level agreement	2,287	246	2,533	2,119
	2,287	246	2,533	2,119
Other funding	163	-	163	43
	2,450	246	2,696	2,162

NHS commissioning income in 2020 includes funding for the pilot Fast Track Brokerage project. The project has been extended until March 2022.

CHARITABLE ACTIVITIES -2019	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
NHS commissioning income Service level agreement	1,873	246	2,119
Other funding	43	-	43
	1,916	246	2,162

6. NET EXPENDITURE

	Total 2020 £'000	Total 2019 £'000
Net income is stated after charging:		
Depreciation	119	143
Auditor's remuneration	13	10
Other fees payable to auditors	3	5
Operating lease rental	489	555

7. EXPENDITURE - 2020

	Basis of Allocation	Fundraising Costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Day care services £'000	Homecare services £'000	General clinical support £'000	2020 Total £'000
Staff costs	Direct	313	105	1,020	-	1,022	376	514	774	4,124
Drugs and medical	Direct	-	-	-	-	55	-	-	-	55
Catering and housekeeping	Direct	-	-	-	-	-	-	-	138	138
Fundraising and community	Direct	111	36	-	-	-	-	-	-	147
Other direct costs	Direct	-	-	1,058	13	324	21	199	413	2,028
		424	141	2,078	13	1,401	397	713	1,325	6,492
Support costs										
Management	Staff time	24	24	65	-	12	12	12	12	161
Finance	Staff time	20	20	65	-	25	13	21	35	199
HR	Headcount	17	8	99	-	69	10	23	48	274
Premises*	Floor area	12	5	56	-	67	42	11	25	218
General overheads	Headcount	32	16	-	-	133	19	44	93	337
		105	73	285	-	306	96	111	213	1,189
Total expenditure 2020		529	214	2,363	13	1,707	493	824	1,538	7,681
Total expenditure 2019		673	267	2,736	12	1,620	295	919	1,642	8,164

* The lease rentals borne by the hospice relating to two shops are allocated wholly to Shops and Lottery Expenses.

7. EXPENDITURE - 2019

	Basis of Allocation	Fundraising Costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Day care services £'000	Homecare services £'000	General clinical support £'000	2019 Total £'000
Staff costs	Direct	347	145	1,181	-	1,086	136	585	921	4,401
Drugs and medical	Direct	-	-	-	-	56	-	1	-	57
Catering and housekeeping	Direct	-	-	-	-	-	-	-	142	142
Fundraising and community	Direct	224	50	-	-	-	-	-	-	274
Other direct costs	Direct	-	-	1,263	12	177	49	228	377	2,106
		571	195	2,444	12	1,319	185	814	1,440	6,980
Support costs										
Management	Staff time	23	23	62	-	12	12	12	11	155
Finance	Staff time	22	22	72	-	27	14	23	38	218
HR	Headcount	16	8	93	-	65	9	22	45	258
Premises*	Floor area	16	7	65	-	96	60	15	36	295
General overheads	Headcount	25	12	-	-	101	15	34	71	258
		102	72	292	-	301	110	106	201	1,184
Total expenditure 2019		673	267	2,736	12	1,620	295	919	1,642	8,164
Total expenditure 2018		537	388	2,504	12	1,638	423	999	1,721	8,222

* The lease rentals borne by the hospice relating to two shops are allocated wholly to Shops and Lottery Expenses

8. STAFF COSTS AND NUMBERS

	Total 2020 £'000	Total 2019 £'000
Salaries and wages	4,316	4,435
Social security costs	372	383
Pension costs	275	301
Total	4,963	5,119
Average number of employees (full time equivalents)		
Hospice	83	86
Shops	43	53
	126	139

Pension costs include an amount of £18,737 (2019 – £21,825) paid in respect of death in service cover for employees of the company.

There were on average 148 people employed (2019 – 164) full and part time.

During the year, 2 employees were paid gross salary between £60,000 and £70,000 (2019:2), 1 employee was paid gross salary between £70,000 and £80,000 (2019: nil) and no employee was paid gross salary between £80,000 and £90,000 (2019: 1).

The total remuneration for key management personnel included in staff costs above is £372,805 (2019: £382,952).

The employees were supported by 531 unpaid volunteers during the year (2019: 875).

9. TRUSTEES

None of the trustees received any remuneration or benefits in kind from the charitable company (2019: Nil). Expenses on behalf of one of the trustees or reimbursed during the year amounted to £765 (2019: £663).

10. TANGIBLE FIXED ASSETS

	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Group					
Cost					
Opening balance	4,932	599	131	11	5,673
Additions	-	-	-	-	-
Closing balance	4,932	599	131	11	5,673
Depreciation					
Opening balance	-	321	76	2	399
Charge for the year	-	92	25	2	119
Closing balance	-	413	101	4	518
Net Book Value					
At 31 December 2020	4,932	186	30	7	5,155
At 31 December 2019	4,932	278	56	8	5,274

	Freehold properties £'000	Leasehold properties £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Charity					
Cost					
Opening balance	4,932	33	120	-	5,085
Additions	-	-	-	-	-
Closing balance	4,932	33	120	-	5,085
Depreciation					
Opening balance	-	10	69	-	79
Charge for the year	-	6	23	-	29
Closing balance	-	16	92	-	108
Net Book Value					
At 31 December 2020	4,932	17	28	-	4,977
At 31 December 2019	4,932	23	51	-	5,006

Freehold properties otherwise represents the acquisition and conversion costs of Kenton Grange between 1992 and 2002 shown at historic cost and the costs of building the Woodgrange Centre completed in 2015.

11. INVESTMENTS

	Total 2020 £'000	Total 2019 £'000
Market value at 1 January 2020	1,652	1,497
Additions	556	150
Disposals	(585)	(152)
Realised and unrealised gains/ (losses)	(69)	168
Movement in investment cash	17	(11)
Market value at 31 December 2020	1,571	1,652

The underlying investments of the portfolio are fixed income (£524k), equities (£723k), property (£61k), cash (£63k), and others (£200k).

12. DEBTORS: amounts falling due within one year

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	186	158	185	149
Other debtors	769	126	598	91
Prepayments and accrued income	966	566	830	407
Amounts owed by subsidiary undertaking	-	-	1,620	1,430
	1,921	850	3,233	2,077

13. CREDITORS: amounts falling due within one year

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	343	184	208	150
Other creditors	105	82	133	75
Taxation and social security	151	133	105	117
Accruals and deferred income	135	113	75	41
	734	512	521	383

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP – 2020	Unrestricted funds		Endowment Funds	Restricted Funds	Total 2020
	General £'000	Designated £'000	£'000	£'000	£'000
Tangible fixed assets	-	5,155	-	-	5,155
Investments	141	1,211	219	-	1,571
Net current assets	3,575	630	-	5	4,210
Long term liabilities	(409)	-	-	-	(409)
Net assets	3,307	6,996	219	5	10,527

ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP – 2019	Unrestricted funds		Endowment Funds	Restricted Funds	Total 2019
	General £'000	Designated £'000	£'000	£'000	£'000
Tangible fixed assets	-	5,274	-	-	5,274
Investments	143	1,284	225	-	1,652
Net current assets	1,602	630	-	6	2,238
Long term liabilities	(630)	-	-	-	(630)
Net assets	1,115	7,188	225	6	8,534

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CHARITY – 2020	Unrestricted funds		Endowment Funds	Restricted Funds	Total 2020
	General £'000	Designated £'000	£'000	£'000	£'000
Tangible fixed assets	-	4,977	-	-	4,977
Investments	141	1,211	219	-	1,571
Net current assets	3,573	808	-	5	4,386
Long term liabilities	(409)	-	-	-	(409)
Net assets	3,305	6,996	219	5	10,525

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CHARITY – 2019	Unrestricted funds		Endowment Funds	Restricted Funds	Total 2019
	General £'000	Designated £'000	£'000	£'000	£'000
Tangible fixed assets	-	5,006	-	-	5,006
Investments	143	1,284	225	-	1,652
Net current assets	1,704	898	-	6	2,608
Long term liabilities	(630)	-	-	-	(630)
Net assets	1,217	7,188	225	6	8,636

15. FUNDS - 2020

	Opening balance £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Transfers £'000	Closing Balance £'000
Restricted funds						
Inpatient funds	6	1,606	(1,612)	-	-	-
Day care funds	-	30	(30)	-	-	-
Homecare funds	-	129	(129)	-	-	-
Clinical funds	-	28	(23)	-	-	5
Capital funds	-	-	-	-	-	-
Total restricted funds	6	1,793	(1,794)	-	-	5
Endowment funds						
Alice Wisbey Capital Fund	23	-	-	1	-	24
D D McPhail	202	-	(2)	(5)	-	195
Total endowment funds	225	-	(2)	(4)	-	219
Unrestricted funds						
Designated fixed asset fund	5,006	-	(23)	-	-	4,983
Designated shops assets fund	267	-	(96)	-	-	171
Designated risk management fund	1,615	-	(10)	(63)	-	1,542
Pension liability reserve	300	-	-	-	-	300
Total designated funds	7,188	-	(129)	(63)	-	6,996
Unrestricted funds						
General charitable funds	1,218	5,166	(3,678)	(2)	601	3,305
General non-charitable trading funds	(103)	2,631	(2,078)	-	(448)	2
Total general funds	1,115	7,797	(5,756)	(2)	153	3,307
Total unrestricted funds	8,303	7,797	(5,885)	(65)	153	10,303
Total funds	8,534	9,590	(7,681)	(69)	153	10,527

Notes to the Financial Statements (continued)
For the Year Ended 31 December 2020
St Luke's Hospice (Harrow & Brent) Limited

15. FUNDS - 2019

	Opening balance £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Transfers £'000	Closing Balance £'000
Restricted funds						
Inpatient funds	-	290	(284)	-	-	6
Day care funds	11	18	(29)	-	-	-
Homecare funds	-	5	(5)	-	-	-
Clinical funds	-	83	(83)	-	-	-
Capital funds	6	-	(6)	-	-	-
Total restricted funds	17	396	(407)	-	-	6
Endowment funds						
Alice Wisbey Capital Fund	20	-	-	3	-	23
D D McPhail	180	1	(2)	23	-	202
Total endowment funds	200	1	(2)	26	-	225
Unrestricted funds						
Designated fixed asset fund	5,019	-	(55)	-	42	5,006
Designated shops assets fund	413	-	(98)	-	(48)	267
Designated risk management fund	1,496	-	(9)	128	-	1,615
Pension liability reserve	300	-	-	-	-	300
Total designated funds	7,228	-	(162)	128	(6)	7,188
Unrestricted funds						
General charitable funds	1,514	5,007	(5,150)	14	(167)	1,218
General non-charitable trading funds	(244)	2,411	(2,443)	-	173	(103)
Total general funds	1,270	7,418	(7,593)	14	6	1,115
Total unrestricted funds	8,498	7,418	(7,755)	142	-	8,303
Total funds	8,715	7,815	(8,164)	168	-	8,534

15. FUNDS (continued)

A Pension Liability Reserve was set up in 2016 to reflect potential increases in the pension liability. When it was provided in full in 2017, the reserve was reduced. The balance in this fund will be used towards the cost of any future buy-out of the liability.

The late Mrs Alice Wisbey made a bequest to the Hospice with the instruction that the income therefrom should be applied for the comfort of the nursing staff. This is split between Income and Capital funds.

The restricted funds represent grants and donations received, from Trusts and individuals, where the use of the funds was restricted to a specific purpose by the donor. These funds have included contributions towards the cost of our In-patient unit, Day care services, Community and Homecare services, to the provision of complementary therapies and a number of other items.

The D D McPhail Charitable Settlement originally gave £150,000 as an endowment fund. No instructions were given about income so this is applied for the general purposes of the charity. The difference between the original fund value and the current fund value arises through revaluation of the underlying investment.

The designated fixed asset fund represents the net book value of the Hospice's fixed assets. It has been set up to assist in identifying funds which are not free funds. Similarly the designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital.

The designated risk management fund represents funds to provide a cushion against unexpected costs or shortfalls of income and thus to support the long-term future of the hospice. The balance in this fund as at 31 December 2020 was £1,542k most of which is managed by Rathbones, our investment manager.

The surplus arising out of the activities during the year of £1,993k resulted in the increase in unrestricted general charitable funds. The surplus for the year was generated mainly on account of COVID support from NHS England, Support from HM Treasury through the Job Retention scheme and Increased NHS Commissioning Income.

The general funds represent the unrestricted funds of the group and are therefore "free reserves".

Notes to the Financial Statements (continued)
For the Year Ended 31 December 2020
St Luke's Hospice (Harrow & Brent) Limited

16. OPERATING LEASE COMMITMENTS

The group has the following total commitments under non-cancellable operating leases:

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due:				
Within 1 year	489	510	63	60
Within one to two years	466	501	63	62
Within two to five years	911	1,206	188	188
After five years	417	657	165	237
	2,283	2,874	479	547

17. CAPITAL COMMITMENTS

The group has no capital commitments at the year-end (2019: none).

18. RELATED PARTY TRANSACTIONS

During the year, Trustees, Senior Executive Team members and their close family members donated £8,958 to the Hospice (2019: £3,481). There were no other transactions with related parties during the year (2019: none).

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (2019)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000
Income from:				
Donations and legacies				
. Donations	1,634	150	-	1,784
. Legacies	1,071	-	-	1,071
	2,705	150	-	2,855
Charitable Activities				
. NHS commissioning	1,873	246	-	2,119
. Other income	43	-	-	43
	1,916	246		2,162
Other trading activities				
. Fundraising events	338	-	-	338
. Gross income from shops and lottery	2,412	-	-	2,412
	2,750	-	-	2,750
Investments	47	-	1	48
Total income	**7,418**	**396**	**1**	**7,815**

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (continued)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000
Expenditure on:				
Raising funds				
- Fundraising costs	673	-	-	673
. Fundraising events costs	267	-	-	267
. Shops and lottery expenditure	2,736	-	-	2,736
. Investment management costs	10	-	2	12
	3,686	-	2	3,688
Charitable Activities				
.Inpatient services	1,337	283	-	1,620
. Day care services	266	29	-	295
. Homecare services	914	5	-	919
. Overall clinical support	1,552	90	-	1,642
	4,069	407	-	4,476
Total expenditure	**7,755**	**407**	**1**	**8,164**
Net expenditure before gains on investments	(337)	(11)	(1)	(349)
Net gains on investments	142	-	26	168
Net expenditure	(195)	(11)	25	(181)

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (PENSIONS TRUST)

Before 1 May 2015, the group offered a multi-employer pension scheme providing a defined benefit (career average) pension for members.

The company participated in the scheme, a multi-employer scheme which provides benefits to some 36 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions

Notes to the Financial Statements (continued)
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Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2016. This actuarial valuation showed assets of £60.45m, liabilities of £85.3m and a deficit of £24.6m.

A full actuarial valuation for the scheme was carried out at 30 September 2019. This valuation showed assets of £79m, liabilities of £93.9m and a deficit of £14.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2021 to 30 September 2027:	£1,530,000 per annum (payable monthly and increasing by 3.0% each year on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION	31 December 2020 (£000s)	31 December 2019 (£000s)
Present value of provision	477	704

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (PENSIONS TRUST) (continued)

RECONCILIATION OF OPENING AND CLOSING PROVISIONS	Year ended 31 December 2020 (£000s)
Provision at start of period	704
Unwinding of the discount factor (interest expense)	9
Deficit contribution paid	(74)
Re measurements - impact of any change in assumptions	14
Re measurements - amendments to the contribution schedule	(176)
Provision at end of period	477

RECONCILIATION OF OPENING AND CLOSING PROVISIONS	2020 £'000	2019 £'000
Amounts due within one year	68	74
Amounts due after one year	409	630
	477	704

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

ASSUMPTIONS	31 December 2020 % per annum	31 December 2019 % per annum
Rate of discount	0.42	1.31

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.



St Luke's HOSPICE

Registered with FUNDRAISING REGULATOR

Inspected and rated Good CareQuality Commission

INVESTORS IN PEOPLE

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