

REGISTERED COMPANY NUMBER: 01846186 (England & Wales)
REGISTERED CHARITY NUMBER: 515595

Report of the Trustees and Consolidated Financial Statements

For the year ending 31st March 2021 for

St Luke's (Cheshire) Hospice



St Luke's
CHESHIRE HOSPICE

St Luke's (Cheshire) Hospice
Report of The Trustees

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St Luke's (Cheshire) Hospice
Report of The Trustees

Introduction from Mike Ridley, Chairman

It is a great privilege to present my fifth Annual Report on behalf of the Trustees of St. Luke's Hospice and to acknowledge the wonderful support we receive as we continue to provide our special and much needed services to the local community.

I referred in my Report last year to the impact that the "dramatic and devastating" effect the *coronavirus* was having throughout the world and also locally. Sadly, this impact has continued and has had a very significant effect on all aspects of our work. These are reflected elsewhere in this report but I would just like to place on record my sincere thanks to all our staff, helpers and volunteers for the way they have responded to these changing times and enabled the Hospice to maintain many of its essential services.

I am also pleased to report that even through a period of more limited services, we have been able to implement a number of changes, have continued to develop plans for the future, and have managed, with significant external support, to maintain an acceptable financial position. Within the Hospice building, we have undertaken a re-decoration programme which has brightened our key patient care areas, while also refreshing and streamlining our "back office" functions. Looking forward, we have commissioned work to assess the likely future needs for our services and what options there may be to meet these needs. We will be sharing our plans to ensure that the final outcome fully reflects our aspiration to continue to provide the highest quality of end of life care to our local population.

Once again, I would like to pay tribute to those who provide special support to the Hospice in so many different ways. Our Patrons, Rosie Spiegelberg MBE and Lady Rose Cholmondeley, continue to support us and Lady Alexis Redmond MBE continues her special role as our President, in addition to her many other responsibilities. My one disappointment has been our inability to fully involve our Vice-Presidents due to the pandemic. I hope that with the gradual lifting of restrictions we will soon be able to involve them more and to continue their invaluable support into the future. I would also want to express my appreciation to so many organisations and individuals for their contributions, sponsorship and generous giving of time and talents.

During the year, we have said thank-you and goodbye to our trustee and vice-chair, Dr Tony Hoy. He provided wise counsel and support particularly in our patient care areas. Tina Cookson was appointed as our new vice-chair. I am also pleased to report that four of our trustees have agreed to extend their terms of office for a further three year term – Tony Baxter, Graham Jones, Guy Rands and Colin Norman. We were also able to welcome during the year two "Associate" trustees – Sue Bailey and Sean Houlston, whose special areas of knowledge will be helpful in particular areas of our work. I am so grateful to all our trustees for their time and commitment, which contributes so much to the smooth and effective running of the Hospice.

As always, I must end with a most sincere thank-you to our Chief Executive and Management Team. Neil has continued to lead with great wisdom and enthusiasm and I am sure that his vision will help to move the Hospice forward to ever greater services to our local community. Andrea and Wendy have perhaps had the most difficult decisions to make as they have managed the continued provision of our in-care and day-hospice services. Claire has faced the frustrations of more limited fund-raising opportunities with great fortitude and Nabela has provided a strong financial base despite the many uncertainties. Thank-you all, and your teams for your wonderful support.

As I look forward, my overwhelming feeling is one of pride and confidence that the strong base which has been built up by so many over the past years will enable us to continue to provide high quality care and services to those facing such difficult times in their lives. Thank-you.



Mike Ridley, Chairman

St Luke's (Cheshire) Hospice
Report of The Trustees

Reference and Administrative Details - for the year ended 31st March 2021

Registered Company Number (England & Wales)	St Luke's Hospice is a company limited by guarantee, number 01846186 (not having a share capital).
Registered Charity Number	<p>The company is a Registered Charity, number 515595 and its Memorandum of Articles of Association govern its functions.</p> <p>Every member of the company undertakes to contribute to the assets if the company is wound up while he/she is a member, or within one year of ceasing to be a member, such amount as may be required not exceeding £1.</p>
Principal and Registered Office	<p>St Luke's (Cheshire) Hospice Grosvenor House Queensway Winsford Cheshire CW7 1BH</p>
Contacting Us	<p>You can contact us by telephone on 01606 551246, by email on enquiries@slhospice.co.uk. If you would like to find out more about our work, please go to our website: http://www.slhospice.co.uk or follow us on Facebook and Twitter.</p>
Auditors	<p>Styles and Co Accountants JFC Limited Heather House 473 Warrington Road Culcheth Warrington WA3 5QU</p>
Senior Statutory Auditor	Ian Lloyd
Investment Fund Manager	<p>Rathbones Investment Management Martins Buildings 4 Water Street Liverpool L3 1NW</p>
Bankers	<p>National Westminster Bank Plc P O Box 6 The Bull Ring Northwich Cheshire CW9 5BN</p>
Solicitors	<p>Poole Alcock 238-246 Edleston Road Crewe CW2 7EH</p>

St Luke's (Cheshire) Hospice
Report of The Trustees

Members of Board

The Members of Board are Trustees of the Charity and also constitute the Board of Directors.

The Trustees (who are also directors of the charity for the purpose of the Companies Act 2006) who served during the period are set out below. Details of our Ambassadorial roles and Senior Management Team (SMT), to whom the day to day management of the Hospice is delegated, are also presented.

Trustees

Mr John Michael Ridley
Dr Anthony Hoy
Mr Anthony J Baxter
Miss Andrea J Holland
Mr Colin Norman
Mr Guy Rands
Mr Graham Jones
Mr Lee Greenbury
Mrs Tina Cookson
Mrs Wendy Davies
Mrs Helen Masson-Jones

Appointed

Chairman
Retired September 2020

Appointed Vice Chair October 2020

Vice Presidents

Mrs D Mather	Mrs J Corfield	Mr W Crafter
Mrs D Parsons	Dr V Pritchard	Mr J Baldwin TD DL
Mrs F Bruce	Mr R Mills MBE	Mr J Lea
Mrs J Thomas	Mr C Winward	

Joint Patrons

Mrs W Spiegelberg MBE	Lady Rose Cholmondeley
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President – Alexis Redmond MBE

Honorary Treasurer – Colin Norman

Company Secretary - Vacant

Senior Management Team (SMT)

Mr N Wright	Chief Executive
Mrs W Wilson	Director of Care
Mrs N Chaudhry	Finance Director
Miss C Langston	Director of Income Generation & Communications
Dr A Graham	Medical Director

Governance and Management Arrangements

Governing Arrangements

St Luke's (Cheshire) Hospice is a Registered Charity and a Company Limited by Guarantee. The company was established under a Memorandum of Association (MA), which sets out the objects and powers and the essential rules for running the Charity and is governed under its Articles of Association. The Hospice is governed by statute, mainly the Charities Act 2011 and the Companies Act 2006. The services delivered by St Luke's are registered by the Care Quality Commission.

The Charity has two wholly owned subsidiaries. St Luke's Hospice Promotions Limited and St Luke's Hospice Trading Limited. Both companies exist to generate income to support the work of St Luke's (Cheshire) Hospice. All surplus income is gift aided to the parent company for this purpose. Two Trustees from the St Luke's (Cheshire) Hospice Board also sit on the Board of St Luke's Hospice Trading Limited and St Luke's Hospice Promotions Limited.

Decision Making Arrangements - Role of the Trustee Board & Committees

St Luke's (Cheshire) Hospice has a Trustee Board. The Trustees are directors of the Company as well as being Trustees for the purposes of charity law. It is their role to carry out the objects as set out in the MA, to ensure the Hospice is managed as required by the MA and in line with the standards required by charity law, other statute and regulations, guidelines and good practice.

In line with the above roles, the Trustees are responsible for setting strategy, embedding good governance, maintaining oversight and ensuring the probity of policy and decision making for the effective operations of the Hospice and the achievement of agreed goals. All decisions made by the Board must be made in accordance with the MA.

Whilst our Trustee Board retains ultimate responsibility, the work of the Board is delivered through the following Sub Committees as detailed below:

- Patient Care & Clinical Governance Committee
- Finance Committee
- Income Generation Committee
- Human Resources Committee
- Estates Committee
- Strategy & Governance Committee

The Committees have delegated authority from the Trustee Board to oversee areas of particular Hospice activity and operations. Committees are chaired by a Trustee and have a Lead from the SMT (with relevant expertise). Membership of the Committees includes a second Trustee representative, SMT representatives as well as the lead operational managers. The Chairs of the Committees provide a report to the Trustee Board and make available minutes of the Meetings to all Trustees.

Each year the Board undertakes a "skill mix" audit to make sure that each of the Trustees has the experience and professional expertise to continue to make a valuable, informed contribution to the Board's collective decision making as well as oversight of the work of the Senior Management Team.

Role of Trustees at St Luke's

Arrangements for our Trustees are set out in our Articles as follows:

- Trustees are members of the Board – we will have no less than five Trustees and no more than twelve.
- Trustees become members of the organisation.
- Trustees have the power to appoint any person who is able and willing to do so to be a Trustee.
- Trustees are elected to serve for an initial period of three years.

At the expiry of three years, a Trustee may, if they so wish, seek re-election for two further three year terms. After serving three terms of office, a Trustee must stand down. We look to seek the balance of retaining the skills and organisational knowledge of Trustees counterbalanced with a fresh perspective in running the hospice. It is vital that the diversity, skills and experience of our Trustee Board reflects the needs of our Hospice and the local community.

Trustees may be attracted to St Luke's through many different routes – we believe it is important that we recruit new Trustees from the widest pool possible. We have an established process for the recruitment, selection and induction of new Trustees. Our induction process is designed to ensure that Trustees are confident in their appointment and fully understand:-

- Their legal responsibilities, obligations and expected contributions.
- The wider context of the Hospice Movement and the broader landscape in which we operate.
- The governance arrangements at St Luke's and its regulatory environment.
- The support available to them, where to go for further help and information.

New Trustees receive an induction pack which provides a range of information including the history of the Hospice Movement, the nature of our services at St Luke's, our ways of working, key contact points and an overview of our strategic direction, performance and risks.

Trustees are expected to undertake an annual review with the Chairman where continuing development needs to fulfil the Trustee role effectively are discussed and supported.

Associate Trustee

In order to widen support and guidance to the Senior Management Team, the Trustees have created a new role called Associate Trustee. The role of an Associate Trustee is as a co-opted, non-voting member who sits and supports the work of one of the 6 Trustee subcommittees. Using their expertise and experience, they overview and challenge the Senior Management Team in delivering the strategic aims of the Hospice. On occasions, Associate Trustees are invited to attend Full Board meetings not only to learn more about the work across the Hospice but to offer a different perspective.

Public Benefit

The Trustees have followed Charity Commission guidance on public benefit in Section 4 of the Charities Act 2011 and believe that the aims and objectives, as well as the activities described throughout this report, are undertaken to further the charity's purposes for the benefit of the public.

Management Arrangements at St Luke's

The SMT, with responsibilities for Care/Clinical Services, Medical Services, Income Generation & Communications, Financial, Estates, Human Resources and IT, is led by a Chief Executive Officer (CEO) who has responsibility for the operations of St Luke's, the implementation of regulatory requirements and the strategic and other decisions made by the Trustee Board.

St Luke's (Cheshire) Hospice Report of The Trustees

Members of the SMT are invited to attend the Trustee Board meetings but do not have voting rights. The pay arrangements for all members of the SMT have been established following an external pay evaluation process and benchmarking against other charities of a similar size (with the exception of the Medical Director – which is in line with Medical pay scales).

Risk Management

The Trustee Board is responsible for ensuring that the Hospice has clear strategies and systems for assessing and managing risk. This is at both an operational and strategic level. As part of on-going activity and reporting, the Trustees and SMT assess, manage and monitor the major risks that the Hospice is exposed to, endeavoring to ensure that risks are avoided or mitigated to an acceptable level. Extracts of the Risk Register highlighting current Risks are reviewed by the board monthly and a full review undertaken by the Board annually.

Impact of Covid 19 – Coronavirus

By far the biggest risk the Hospice has ever faced has been the impact of the coronavirus on everything that we have done over the last 12 months.

Towards the end of the last financial year, the virus had started to spread rapidly across the UK seriously affecting the health of the population. The temporary Lockdown measures introduced by the British Government on the 23rd March 2020 turned out not to be temporary. They had an impact not only on our care services and the way we delivered them, but also on the general economy and our ability to fundraise.

Clinical

Ahead of the announcement by the British Government of the implementation of Lockdown, we had already started to protect our vulnerable day hospice patients by anticipating the Lockdown and asking our patients to stay safe by remaining at home. We took the decision to close our day hospice services, to not only protect our patients but also to ensure the IPU had enough staff to stay open at full capacity in support of the local hospital, which had the potential to be overrun.

We are fortunate that we have a forward thinking IT department, who had already introduced the hospice to Zoom and Microsoft Teams software packages well before news of the pandemic. This made it easier to adapt to new ways of working such as Zoom and Teams video calls.

Ever resourceful, we adapted quickly our practices and continued to support our patients with regular telephone contacts and support. We introduced St Luke's Care's, taking a hamper to our patient's homes to make the most vulnerable patients feel less isolated. Our clinical staff telephoned and video called many vulnerable patients who were shielding at home to make sure they were supported and engaged in their care. Our Family Support team were able to support their clients via a series of video calls. Our homeless nurse continued to work right through the pandemic.

Facilities

Following the Government's rules to prevent the spread of the virus, all those staff who could work from home were asked to do so to protect the frontline workers, such as our nurses, doctors, housekeepers, maintenance and catering staff who all continued to work through the lockdown looking after our very vulnerable patients.

Whilst the government insisted that staff should work from home, this meant the hospice building was free for our facilities staff to undertake some timely premises repairs

Income Generation

Following the Lockdown rules, we had to close all our retail shops and cancel all our fundraising events, significantly reducing the charitable income that we would have earned to support the care that we provide.

The government provided Retail Grants to support the closure of our shops and along with furloughing staff, these measures have lessened the potentially devastating impact on our retail portfolio. A lot of our income generation staff were unable to go ahead with the various events that we had planned. The majority of our Income Generation staff were placed on furlough to financially protect the hospice.

Even though we could not see our supporters face to face, our Communications department made sure that we continued to engage with supporters via social media, which became an even more effective form of communication during the pandemic.

Over a number of years we have actively transferred and signed up lottery players onto Direct Debit. All this past hard work paid off as a 'covid free' way of playing the lottery and supporting the work that we do. Our lottery staff worked throughout the pandemic to ensure that we had the maximum number of players in our weekly draw.

Non Clinical Staff

It must be recognized that our Finance and HR teams had different challenges not only supporting our staff to stay well but also to deal with the innovative government financial support schemes which were all new to the hospice. Nevertheless, the extra support provided by the Government has meant that the hospice has continued to deliver the special care that we provide.

Our IT department had already installed more Cloud based systems such as Zoom and Microsoft Teams. This approach stood us in good stead enabling our workforce to work safely from home where they were able to do so. Although it has been a challenging year, we will continue to embrace technology and use it positively where it can improve the care that we provide.

NHS England Funding

NHS England recognized the important contribution that hospices make to the healthcare economy. We received extra funding negotiated on our behalf by Hospice UK to preserve our capacity to care for dying patients and to support those in need of bereavement care. Although the extra funding has been received in this financial year, by careful financial management we will have a modest amount of funds to support and sustain the work and care that we do in the future until our ability to generate income returns to pre-pandemic levels.

The impact of the pandemic may have a longer-term structural impact on our ability to fundraise. This is something that we will explore and reflect upon over the coming months.

Background Information

St Luke's (Cheshire) Hospice covers an approximate population of 300,000 and sees people in St Luke's premises (Grosvenor House and Winterley Grange, Sandbach), in hospital settings within the catchment area and in their communities.

Cheshire Clinical Commissioning Group, incorporating the former 4 CCG's, South Cheshire CCG, Vale Royal CCG, East Cheshire CCG and West Cheshire CCG became a legal entity on the 1st April 2020. The CCG provided us with 12.6% of our total group wide, recurring gross annual income. Total grants including non-recurring and non-CCG grants income equate to 28.7% (2020 - 13.6%) the percentage is much higher this year due to the NHSE Covid 19 grants.

Strategy 2020 – 2023

The Strategy covering the three years from 2020 to 2023 was compiled by the Senior Management Team in consultation with staff, volunteers and Trustees and was also informed through one to one discussions with patients and carers.

The strategy describes where the hospice is and sets out a vision and mission to 2023 taking into account current political and economic factors affecting the national and local healthcare economy. The pandemic, if anything, has reinforced the strategic aims to reach out, care for more people, be sustainable and make our buildings even better.

We are still evaluating the impact of the Pandemic on our future clinical strategy as it is certainly changing the way that the NHS delivers its care and we will find a way to complement existing and new ways of working.

The strategy affirms our Vision, Mission, Values and Strategic aims

Our Vision

Our Vision is for all dying people in Cheshire and those close to them to have access to the care and support they need, when and wherever they need it.

Our Mission

Our Mission is to help people in Cheshire to live the life they can, informed and supported at the end of their life

Our Hospice Values

Our Values reflect our fundamental beliefs. They guide the way we behave with patients, carers, volunteers, supporters, suppliers, external stakeholders and each other to achieve results. The values unite us as an organisation and together we are St Luke's.

The values of St Luke's are at the heart of everything we do and underpin our strategies, policies and ways of working. Embedding our values through our recruitment, induction, training and communications also helps to create the appropriate environment to work in partnerships with others. Our values are:

- **CARING** ... we provide quality, dignified holistic palliative care and support
- **INNOVATIVE** ... we promote a culture where innovation and new ideas are encouraged, whilst valuing our heritage and past.
- **COLLABORATIVE** ... we work together collaboratively, share ideas and support each other to ensure that we achieve our common goals, both within the hospice and within our wider community.
- **RESPECTFUL** ... we treat those we care for, volunteers, colleagues and supporters with respect, dignity & compassion. We respect ethnic, cultural and spiritual beliefs and recognize equality of access.
- **RESOURCEFUL** ... we spend money wisely in all that we do to ensure we have equipment and an environment in which to deliver quality, sustainable clinical and non-clinical services
- **KNOWLEDGEABLE** ... we are experienced, knowledgeable and well-trained
- **HONEST** ... we communicate what we do openly and honestly with all our stakeholders and users
- **EXCELLENCE** ... we strive for excellence in everything that we do, we celebrate our successes and learn from our mistakes.

We are committed to creating a culture in which diversity and equality of opportunity is actively promoted and developed. We are committed to challenging all forms of inequality in our role as a service provider and employer.

Our Principal Objects and Activities

The principal object of the Charity is to promote the relief of illness amongst people suffering from a terminal illness. We aim to achieve this in three key ways:

One - The provision of Specialist Palliative Care with the focus of our services on complex symptom control and terminal care in:

Inpatient Care
Hospital Based Specialist advice

Medical Out-Patients
Telephone support and advice

Two - The Provision of Supportive Care

Our experience in supporting patients, their carers' and loved ones tells us that they often have a need for supportive care in many different forms, involving both our trained staff but also from our trained volunteers. The services we provide consist of:

Social Work & Benefits Adviser
Spiritual Care (Chaplaincy)
Day Hospice and Complementary Therapies
Psychosexual Clinics

Family Support and Counselling Services
Community Befriending & Engagement
Lymphoedema Clinics
Homelessness End of Life Care

Three - The Support and Education of other Providers and our Community

St Luke's has always had a strong focus on education. The End of Life Partnership (formerly Cheshire Hospice Education), was born out of the vision, work and funding committed by St Luke's Hospice over many years.

We support the work of the End of Life Partnership and in partnership with others, through the Strategic Collaborative Cheshire we support communities, professionals and local organisations across Cheshire to improve the palliative and end of life experience and care for all.

In addition, we train staff who work in different clinical professions and settings so that they too can take the shared knowledge and skill into their own communities, in hospital, home and other care settings.

The Contribution of our Supporters, Staff and Volunteers

We truly value the commitment, contribution and achievements of all our staff, volunteers and supporters. They are the hallmark of St Luke's and allow us to deliver the best possible services to our patients, carers and their loved ones.

This year has been a testing year in dealing with the effects of the Pandemic and we are truly grateful for everyone's commitment and belief in the work that we do. In order to comply with government guidelines and to minimize the risk of virus transmission, we asked our volunteers to stay at home to keep them safe. Staff also worked at home when able to do so which meant that we had fewer people in the hospice reducing the risk of infection.

As we emerge from the pandemic, we want to ensure that St Luke's is seen as a good place to work and volunteer and our aim is to continue to attract, recruit and retain our large and valued volunteer community with its wide range of skills and experience. We believe engaging, developing and motivating as best we can is key to achieving this.

Staff and volunteers are recruited in line with relevant standards, including the Disclosure and Barring Service. Induction and orientation is provided alongside a range of developmental and learning opportunities.

St Luke's (Cheshire) Hospice Report of The Trustees

The Hospice has over 700 regular volunteers in a range of services and fulfilling a variety of roles. Working alongside our employed staff, volunteers offer their skills, experience and expertise to many departments in the Hospice and the Trading and the Promotions companies; this may be directly with patients, on our reception desks or within our trading outlets.

Without the commitment and support we receive from volunteers, we could not provide the services we do. This year, in view of the restrictions placed on the Hospice by the Governments Lockdown measures, we took the decision to ask the majority of our volunteers to stay at home, not only to protect their health but also to limit the transmission of the virus. The number of hours our volunteers donated to us is substantially down when compared to previous years, which is only to be expected. We estimate that the total number of volunteer hours in 2020/21 was 14,071. This amounts to a contribution of £122,699 based on the minimum wage of £8.72 (as of March 2020) per hour. These figures exclude the further valuable contribution in normal times of all the event volunteers and the support groups working across our catchment area to raise funds. Our Support Group members from Holmes Chapel, Shavington and Tarporley contribute towards Hospice funds through their many successful fundraising events and are important Hospice ambassadors in our communities.

We want to acknowledge and sincerely thank our supporters and volunteers for their generous and much needed gifts, in their many varied forms, to the Hospice.

We look forward to welcoming back all our volunteers but recognise that, in view of the amount of time spent in Lockdown, people may now have different priorities. We therefore have a plan to recruit additional volunteers to add to the service and care that we provide.

Working with Others and in the Community

Working with others in partnership, across the health community is key to ensuring we achieve our own and shared health objectives and outcomes. Examples of this include our relationships and roles as follows:

- Provision of services in the acute hospital
- Work in partnership with CCICP to provide a Lymphoedema service to South Cheshire and Vale Royal Patients.
- Training and education of undergraduate and postgraduate students in a range of health care professions from local university medical and health care schools.
- Developing relationships with Health and Educational organisations including the Vale Royal and South Cheshire GP Alliance.
- End of Life Partnership through mutually supportive mission and goals that will strengthen the impact and outcomes of our work.
- Membership of umbrella organisations such as Hospice UK, Hospice Lotteries Association, Hospice Quality Partnership, Lotteries Board, Charity Retail Association, Fundraising Regulator, National Association of Hospice Fundraisers, Association of palliative medicine and other local and national professional networks.
- Development of community befriending to enable compassionate communities to develop and to address social isolation and loneliness experienced by the ill, frail and elderly in our community.

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- Widening access through engagement with Homeless people at end of life.
- Our developing relationship with the Christie who use the Hospice to deliver their service to residents local to St Luke's making their treatment more patient centered, easier and convenient saving them time.

Financial Report

Financial Performance and Review

There continued to be prudent financial management throughout the year, this approach was essential due to the uncertainties facing the hospice sector as we entered the lockdown and the unprecedented crisis. The financial year began with all of our trading outlets closed for business, a number of key fund raising events and activities being either postponed or cancelled and there being little clarity on whether or not the hospice sector would receive any form of government support.

However, our relatively healthy level of reserves provided us with some reassurance that we could navigate our way through this difficult period if we managed our resources efficiently and effectively. This allowed our pandemic response to move swiftly from being reactive to being proactive, focusing on the needs of the Hospice and its patients with the continued safe, effective and high quality of our care services being at the centre of all decision making throughout this difficult period.

Despite the extraordinary and challenging year the Hospice made a healthy Group Surplus of £1,533,300 (2020: £111,603). It is imperative to highlight that this surplus was fundamentally generated following the receipt of significant government grants secured by Hospice UK and funded by NHSE (£782,455), the sizable Coronavirus Job Retention Scheme claims (£343,321) and the Retail Grants (£255,518). Without these monies The Hospice would be declaring a substantial operating deficit following the sudden loss of income as a result of the closure of its shops, and the reduction in fundraising activities. The Group surplus was £885,174 as at the 31 March 2021 before taking into account the year-end gain on the revaluation of our investments.

The impact of the pandemic will inevitably result in a considerable challenge to all our sources of income over the coming years and not just this year. Consequently, the Executive team and the Board of Trustees recognise that the this year's surplus will be required to carry and support us through the potentially difficult years ahead to ensure we can continue to provide vital services for our patients.

Expenditure levels continued to be well managed throughout the year with total expenditure coming in lower than budget. The pandemic and consequent reduction in activity and some services resulted in cost savings across departments. Savings were also secured as a result of vacancies and furlough.

During the year a further review was conducted on the fixed asset depreciation policy. Following the review a number of changes were made to the land and buildings depreciation policy to more accurately reflect the life of the assets. The impact of the new categories and changes in rates was that this year's land and buildings depreciation charge increased significantly resulting in a charge of £381,925 (2020: £74,051). The motor vehicles depreciation rate and method was changed from 20% reducing balance to 25% straight line depreciation to reflect the asset classes asset life.

The Hospice made a gain on the revaluation of its investments of £648,126 (2020 £393,839 loss) the majority of which reflects the recovery of losses seen in February/March 2020 when financial markets fell sharply as a result of fears surrounding the potential economic impact of Covid 19.

Following Board Approval we continue to set aside the surplus and an element of the reserves to make much needed improvements to our In-Care Unit, invest in service development and to facilitate Hospice Development as disclosed in the Reserves Policy. The timing of when these monies will be spent may well be impacted by the Pandemic. The effect of Covid 19 on the financial position of the Hospice will be given due consideration before designated reserves are drawn

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down.

During the year cash levels were well managed and remained healthy following the receipt of Covid 19 government grants, retail grants and furlough reclaims. However, funds were spent during the year when the need arose to invest to maintain our properties and ensure compliance to Health and Safety regulations. Provisions for essential property repairs were increased following a detailed review of the work required on the Middlewich retail outlet. The pandemic however has inevitably delayed the process and consequently the shop has remained closed.

St Luke's Trading Limited like most retail outlets faced unprecedented challenges in the year. All our retail outlets were forced to close their doors to their customers as we moved into a National Lockdown on the 23 March 2020. Three outlets remained closed throughout the whole of the financial year with the remainder opening for a few months during the year when restrictions were eased. Inevitably Trading Limited's results reflect this but it is important to note that the results would have been very different without the significant government funding the Trading Company received in these twelve months. Throughout this period applications were successfully made for the government's Retail Grants with the company receiving grants of £255,518. Also whilst the shops were closed the majority of the Trading Limited Staff were furloughed which allowed the company to claim £149,319 of furlough payments to contribute to the salary costs.

St Luke's Trading Limited delivered profits of £24,485 (2020: £36,241) whilst the Hospice received further income from the sale of donated goods at the shops of £85,442 (2020: £463,548).

St Luke's Promotions Limited continues to be a significant income stream gifting the Hospice £637,209 (2020: £603,100). However, the Lottery over the last few years has faced challenges due to increased attrition levels, resulting in a decline of members as well the impact of an ageing supporter base. The team have been alive to these risks for a number of years and continue to develop solutions to mitigate and minimise the impact. This year the pandemic added another challenge with canvassers and cash collectors unable to perform their duties during a significant proportion of the year.

Legacy income remains an important income stream for the Hospice and it is gratefully received. We have continued to benefit from a healthy level of legacies this year which generated income of £603,214 (2020: £634,140). A review of our approach to legacies and major donors is being undertaken by the Income Generation team.

We continue to receive and are grateful for the statutory funding from the Clinical Commissioning Groups which accounts for 12.6% of our consolidated income. This level of statutory funding is relatively low for the sector and consequently means that 87.4% of our funds are voluntary and must be generated by the Hospice.

Financial Governance & Management

The continuous review of the governance arrangements and operating practices supports the development of the Financial Regulations Policies and Procedures and Scheme of Delegation, any updates and re-training of staff to ensure they are fully integrated and embedded into day to day operations, is ongoing.

The monthly reporting pack continually evolves, in addition to the traditional monthly accounting information explaining variances between budget and actual results and projected year end results. The board receives an extract from the Risk Register highlighting the current Opportunities and Risks, and received a weekly 'dashboard' of key performance indicators relating to clinical and quality matters plus HR, governance, financial and health & safety matters.

The monthly Income Generation reporting pack includes the Red Amber Green traffic light system enabling reporting, review and monitoring in depth by 'exception'. Full accountability of operational expenditure is being achieved through appropriate controls managed, reviewed and monitored on a monthly basis through budget holders, to the senior managers, to the Board.

Reserves Policy and Position

Trustees are required to consider on an annual basis the level of reserves the charity needs to hold, as an important part of planning and sound financial management.

The reserves position has been carefully considered to identify the level required to manage unforeseen circumstances, and unavoidable adverse variances to budget. The reserves policy, which is in line with Charity Commission guidance and comparative charities, calls for the group free reserves to be no less than three months of operating costs, and no greater than twelve months of operating costs.

The Board have designated reserves of £1,000,000 from the free reserves for the Development of the Hospice and a further £825,000 for Service Sustainability and Development. The free reserves as at 31 March 2021 stood at £3,589,088 (2020: £2,664,925) which represents approximately eight months of operating costs.

Investment Policy and Position

St Luke's Investment Policy is to achieve maximum return with minimum risk, whilst protecting the capital base. Funds potentially required for working capital are invested in a more readily accessible low risk portfolio. The investment portfolios during this financial year were until August 2020 managed by Castlefield Investment Partners LLP. The Hospice performs a regular review of all external advisors, and following a review of Investment Management Advisors, Rathbones Investment Management Ltd took over the investment management of the Hospices funds in September 2020. Rathbones report to the Finance Director and Finance Committee quarterly who then present an investment performance report to the Board of Trustees annually.

Our Listed investment assets are valued in the Balance Sheet at Market Value of £4,001,376 (2020: £2,829,627). The Charity made gains on investments during the year of £648,126 (2020: £393,839 loss). These monies are invested for the medium to longer term.

Financial Risk Management

In line with good practice and recommendations of the Charity Commission, the Hospice holds funds in reserve and is therefore exposed to fluctuations in the stock market, which affect the value of its investment portfolio. This portfolio is monitored by the Finance Committee in terms of the risk profile and the decision to hold or sell the portfolio is under constant review as advised by the Hospice Fund Managers, Rathbones Investment Management Ltd.

Fundraising Standards Information

St Luke's (Cheshire) Hospice and its subsidiary companies St Luke's Hospice Trading Limited and St Luke's Hospice Promotions Limited are committed to responsible fundraising practice and regular monitoring.

As a member of the Fundraising Regulator, we agree to ensure our fundraising is legal, open, honest and respectful. These standards for fundraising are set out in the Code of Fundraising Practice. Please see our website for details.

- We will commit to high standards
- We will be clear, honest and open
- We will be respectful
- We will be fair and reasonable
- We will be accountable and responsible

The Hospice complies with the Data Protection Act requirements and will protect members' data. St Luke's Promotions Ltd and St Luke's Trading Ltd are subsidiary companies of St Luke's (Cheshire) Hospice Ltd and are all registered under

St Luke's (Cheshire) Hospice
Report of The Trustees

the Data Protection Act 1988.

St Luke's Hospice Promotions Ltd is also a member of the Hospice Lotteries Association - Both organisations are committed to using lotteries to fundraise responsibly and work together to encourage responsible gambling and access support if needed. The 'Responsibility in Gambling Trust', 'GamCare' and 'Gamble Aware' provides such support if required. We offer a Self-Exclusion option and a robust process for complaints and feedback. Regular monitoring of new members is completed by telephone following new sign ups to our lottery. The Gambling Act 2005 confirms that St Luke's Hospice Promotions Limited now has a statutory duty to verify that members are 16 years of age or over, the minimum age allowed for anyone to play in the lottery. It is an offence for anyone under the age of 16 years to participate in a lottery.

Review of Achievements and Performance in 2020/21

- We maintained our hospice in patient unit throughout the pandemic despite staffing and operational difficulties,
- In order to protect our vulnerable day hospice patients we changed our practice supporting patients in their homes in different ways.
- Approximately three quarters of IPU admissions to St Luke's were admitted from home confirming our role in preventing unnecessary hospital admissions by providing more specialist care in a more appropriate setting. The remaining quarter of admissions were transferred to us from hospital helping the Hospital to create greater bed capacity allowing them to look after the growing number of Covid patients
- Of the 173 admissions to our IPU, 90% of those patients had a cancer diagnosis. 10% a non-cancer diagnosis.
- 40% of the patients admitted to our inpatient unit were discharged back home dispelling the myth that the Hospice is only a place where people go to die.
- Our average length of stay was 12 days underlining our strong desire to support patients who want to go back home to die in their place of choosing.
- Having to reduce the number of beds for infection control reasons, we achieved an occupancy rate of 55.75%.
- We continued to meet minimum staffing levels 99% of the time and to successfully recruit nursing staff and doctors when other local providers had vacancies that remain unfilled. We also provide placements for trainee GPs, trainee Doctors, nurses, counsellors and healthcare assistants.
- We continue to ask for feedback following each episode of care and overwhelmingly the majority of our patients rated our care as excellent or good. Feedback from patients, relatives, carers and service users emphasised the holistic care, kindness and compassion shown to them
- The Family Support, Chaplaincy and Counselling Team were not able to meet their clients face to face and had to change their practice. They embraced a new way of communicating and supported a large number of people via digital means.
- The FSC and SCC teams had 287 referrals for their support. They support patients, families (including children) and carers at difficult times and delivered 3,290 different interventions.
- Our day hospice staff worked flexibly to make sure that our IPU remained open.
- We continue to embed our Electronic Patient Record (EPR) system, EMIS Web. This system has allowed us to work towards local and national targets for improving palliative and end of care life using an Electronic Palliative and Care Co-ordination System (EPaCCS). It allows the documentation and sharing of advance care planning decisions across organisations to prevent crisis and improve care. The majority of patients attending our services now have an advance care plan documenting their wishes.

St Luke's (Cheshire) Hospice
Report of The Trustees

- In order to avoid the risk of spreading the virus we stopped face to face befriending and switched to contacting people by phone
- Our work to support people who are homeless at the end of life continued. In addition to direct support, we also helped to support the professionals who cared for homeless people in places like Hostels.
- Our work in collaboration with Mid Cheshire Hospital Trust (MCHFT) Macclesfield District General Hospital (MDGH), Central Cheshire Integrated Care Partnership (CCICP) enabled us to offer a reduced joint Lymphoedema service initially by telephone and then opening up when restrictions lifted.
- Care staff continue to improve palliative and end of life care by actively participating at strategic groups such as the Strategic Collaborative Cheshire, Electronic Palliative Care Co-ordination System strategy group, Hospice Learning & Development groups, Palliative Care in Partnership steering group and Cancer Network meetings as well as Regional Hospice UK support groups.
- Our work in collaboration with the Christie continued during the Pandemic where they use the Day Hospice space on a Friday and deliver chemotherapy for up to 15 patients a day. In addition, we provide a space on Wednesday mornings between 8.30am and 2pm where patients can call in and have bloods taken in preparation for their visit on a Friday. This has proved popular with local people who no longer need to spend a long day in Manchester, with another visit for bloods tests, instead they can come here under more relaxed surroundings and nearer to home.
- We had an increased number of 299 telephone calls via our Specialist palliative Care Telephone Advice Line mainly to support healthcare professionals. During lockdown the helpline was used more to support patients who struggled to access timely services. These calls give non-hospice staff the confidence to support patients in numerous other care settings helping to keep patients from being admitted inappropriately to Hospital.
- The HR and Finance teams coped extremely well with new, complex innovative government financial support schemes. The teams also adapted seamlessly to home working and the year end audit was successfully performed remotely.
- Our Events, Community and Corporate Income Generation Teams all had to put on hold all their well thought out fundraising plans. After a number of zoom events, we took the opportunity to furlough IG staff until the situation improved.
- Our Communication Team worked throughout the pandemic to make sure that we maintained contact with our supporters. We reminded them how well they supported us in the past and that it was now our turn to support them.
- For the majority of the year, we had to close all our shops furloughing all our Trading Company staff. It was a welcome relief to have received Government Retail grants, which have been a good help. It has been really pleasing that on those occasions when we were able to open the shops back up, our customers returned with good support through sales and donations.
- Our lottery proved to be a very resilient way of raising money to fund the care that we provide. As most of the playing members pay by direct debit, the lottery was less affected by the Covid restrictions other than being unable to canvas and collect our cash collection rounds. We are grateful to have committed lottery staff who supported the lottery process throughout the pandemic.

Our Plans for 2021/22 and beyond

The provision of safe, effective and high quality care services is at the centre of our Strategic and Operational Plans. In formulating our 3 year strategy we identified 4 main strategic aims and these strategic aims remain apposite to deal with the issues highlighted and experienced by the Coronavirus pandemic.

- **Care for more people** – The 'baby boomer' population, advances in medicine enabling people to live longer and supporting people with diseases other than cancer, mean that there are more patients dying and with greater complexities. We will deliver more quality care services validated through continuous review and improvement programmes.
- **Reach out** – there are more people being cared for in their own homes and in community settings such as care homes. Our ambition is to develop and extend our hospice care for patients outside the hospice walls.
- **Be sustainable** – this has even greater prominence following the Covid 19 pandemic and the closing down of most of our fundraising opportunities such as mass participation events, shops and community campaigns. It is important to provide quality services that we can afford to provide.
- **Make our buildings better** – The recent pandemic has highlighted areas of our buildings that we need to modernise / improve to make our buildings better able to support our future patients.

Our aim is to continue working towards our vision, keeping compassionate care at the centre of all we do. We will continue to work in collaboration with others to influence the provision of end of life care, education and training so that we can improve outcomes for palliative and end of life care patients within our communities.

St Luke's (Cheshire) Hospice
Report of The Trustees

Statement of Trustee Responsibilities

The Trustees (who are also the directors of St Luke's (Cheshire) Hospice (a company limited by guarantee) for the purposes of Company Law) 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).

Company 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 charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charity SORP
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a 'going-concern' basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to Auditors

In so far as the Trustees are aware

- There is no relevant audit information of which the charitable company's auditors are unaware, and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees, who are also Directors of the Charity for the purposes of the Company Act 2006, present their report with the consolidated financial statements of the Charity for the period ended 31st March 2021. The Trustees adopted the provision of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued in March 2015.

As such, this forms the Annual Report of the Trustees for the purposes of S162 of the Charities Act 2011 and S445 (3), S414A-414D (Report of the Trustees) of the Companies Act 2006.

Report of the Trustees, approved by order of the Board of Trustees, as the Company Directors, on 28 July 2021 and signed on the board's behalf by:



**Mike Ridley,
Chairman**

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Consolidated Statement of Financial Activities
(Incorporating a Consolidated Income and Expenditure Account)
For the year ended 31 March 2021

	Note	Unrestricted Funds £	2021 Restricted Funds £	Total £	2020 Total £
Income and endowments from:					
Donations and legacies	2	1,722,267	23,020	1,745,287	2,145,195
Charitable activities	3	726,135	981,174	1,707,309	745,282
Other trading activities	4	1,504,071	-	1,504,071	2,220,211
Investments	5	84,134	-	84,134	91,940
Other	6	445,288	183,884	629,172	-
Total income and endowments		4,481,896	1,188,078	5,669,974	5,202,628
Expenditure on:					
Raising funds	7	(1,122,095)	-	(1,122,095)	(1,535,384)
Charitable activities	9	(2,330,119)	(989,265)	(3,319,384)	(3,161,802)
Other	10	(159,437)	(183,884)	(343,321)	-
Total expenditure		(3,611,651)	(1,173,149)	(4,784,800)	(4,697,186)
Net (losses)/ gains on investments		648,126	-	648,126	(393,839)
Net income / (expenditure)		1,518,371	14,929	1,533,300	111,603
Transfers between funds		17,448	(17,448)	-	-
Total funds brought forward	21	6,089,858	35,144	6,125,002	6,013,399
Total funds carried forward	21	7,625,677	32,625	7,658,302	6,125,002

All incoming resources and resources expended derive from continuing activities.

All gains and losses recognised in the year are included above.

The Funds comprise Unrestricted and Restricted Funds.

St Luke's (Cheshire) Hospice (Registered number – 01846186)

Balance Sheet

As at 31 March 2021

	Note	Company 2021	Company 2020	Group 2021	Group 2020
		£	£	£	£
Fixed assets					
Tangible assets	15	2,163,789	2,561,434	2,211,589	2,624,933
Investments	16	4,001,376	2,829,627	4,001,376	2,829,627
Investments in subsidiaries	25	4	4	-	-
		<u>6,165,169</u>	<u>5,391,065</u>	<u>6,212,965</u>	<u>5,454,560</u>
Current assets					
Stock	17	-	-	7,352	7,694
Debtors	18	1,267,750	670,120	1,256,885	515,457
Cash at bank and in hand		1,200,885	567,883	1,416,380	773,000
		<u>2,468,635</u>	<u>1,238,003</u>	<u>2,680,617</u>	<u>1,296,151</u>
Creditors: amounts falling due within one year	19	(967,124)	(531,979)	(1,161,715)	(577,583)
Provisions for liabilities	20	(73,564)	(48,126)	(73,564)	(48,126)
Net current assets		<u>1,427,947</u>	<u>657,898</u>	<u>1,445,338</u>	<u>670,442</u>
Total net assets		<u><u>7,593,116</u></u>	<u><u>6,048,963</u></u>	<u><u>7,658,303</u></u>	<u><u>6,125,002</u></u>
Charity Funds					
Restricted Funds	21	32,626	35,144	32,626	35,144
Unrestricted Funds					
General Funds	21	5,735,490	5,213,819	5,800,677	5,289,858
Designated Funds	21	1,825,000	800,000	1,825,000	800,000
Total Unrestricted Funds		<u>7,560,490</u>	<u>6,013,819</u>	<u>7,625,677</u>	<u>6,089,858</u>
Total Charity Funds		<u><u>7,593,116</u></u>	<u><u>6,048,963</u></u>	<u><u>7,658,303</u></u>	<u><u>6,125,002</u></u>

The financial statements were approved by the Board of Trustees on 28 July 2021 and signed and authorised for issue on its behalf by:



Mr M Ridley - Chairman

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Consolidated Cash Flow Statement
For the year ended 31 March 2021

	Note	2021	2020
		£	£
Cash flow from operating activities	24	1,124,889	743,467
Net cash flow from operating activities		<u>1,124,889</u>	<u>743,467</u>
Cash flow from investing activities			
Income from investments	5	84,134	91,940
Payments to acquire tangible fixed assets	15	(42,021)	(196,012)
Receipts from sale of tangible fixed assets		-	-
Payments to acquire investments	16	(3,420,199)	(996,274)
Receipts from sales of investments	16	2,896,576	409,233
Net cash flow from investing activities		<u>(481,510)</u>	<u>(691,113)</u>
Net increase/ (decrease) in cash and cash equivalents		643,379	52,354
Cash and cash equivalents at 31/3/2020		773,000	720,646
Cash and cash equivalents at 31/3/2021		<u>1,416,379</u>	<u>773,000</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,416,379	773,000
Cash and cash equivalents at 31/3/2021		<u>1,416,379</u>	<u>773,000</u>

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2021

1. Summary of significant accounting policies

(a) General information and basis of preparation

St Luke's (Cheshire) Hospice is a charitable company registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities is to care and support people with life limiting and terminal illness and the people close to them.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds 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.

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

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

(c) Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Legacies are included in the accounts in accordance with SORP and FRS102. Legacies are recognised in the accounts if probate has been granted and executors have identified that a payment can be made imminently. On occasion legacies will be notified to the charity but it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Premises overheads have been allocated on a floor area basis. The overheads costs of the central function have been apportioned on an estimated basis of usage by each function. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes lottery prizes, the salaries of the staff who promote fund-raising, direct expenditure including costs of events and an allocation of internal overheads.
- Expenditure on charitable activities includes expenditure associated with the objects, as described in the report of the Trustees.
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Hospice. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and buildings and long leasehold property	2%, 10% and 20% on cost
Fixtures and fittings	15% on cost
Motor vehicles	25% on cost
Computer equipment	25% on cost
Items are capitalised when the cost exceeds £1,000	

The depreciation policy has been updated following a further detailed review of the fixed assets register in 2020/21. Following the review a number of changes were made to the land and buildings depreciation policy to more accurately reflect the life of the assets. The impact of the new categories and changes in rates was that this year's land and buildings depreciation charge increased significantly resulting in a charge of £381,925 (2020: £74,051). The motor vehicles depreciation rate and method was changed from 20% reducing balance to 25% straight line to more accurately reflect the life of the assets.

(g) Pension contributions

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the SoFA in the period to which they relate.

Retirement benefits are accruing for various employees of the company through the NHS Pension Scheme. This is a defined benefit scheme, which is externally funded and contracted out of the State Earnings Related Pension Scheme. The regular pension cost is charged to the income and expenditure account and is based on the expected pension costs over the service life of the employees.

(h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(i) Shares in subsidiary undertakings

These are stated at cost. The results of the trading subsidiaries are detailed in note 7 to the accounts.

(j) Stocks

Items donated for resale in the shops are not included within the financial statements until they are sold.

(k) Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(l) Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(m) Judgements and key sources of estimation uncertainty

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

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2021

(n) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(o) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(p) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to continue as a going concern.

2. Income from donations and legacies
Company and Group

	Total 2021	Total 2020
	£	£
Donations	1,142,073	1,511,055
Legacies	603,214	634,140
Total	<u>1,745,287</u>	<u>2,145,195</u>

Income from donations and legacies was £1,745,287 (2020: £2,145,195) of which £23,020 (2020: £32,934) was attributable to restricted and £1,722,267(2020: £2,112,261) was attributable to unrestricted funds.

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2021

3. Income from charitable activities

Company and Group	Total 2021 £	Total 2020 £
Medical Consultancy fees	58,676	25,264
Grants	1,627,567	707,421
Other	21,066	12,597
Total	1,707,309	745,282

Income from charitable activities was £1,707,309 (2020: £745,282) of which £981,174 (2020: £125,367) was attributable to restricted and £726,135 (2020: £619,915) was attributable to unrestricted funds.

The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose. The grant income in 2021 includes £782,455 of NHSE awarded funding.

4. Income from other trading activities

a) Company	Total 2021 £	Total 2020 £
Fundraising Events	294,486	485,154
Other	135	9,753
Total	294,621	494,907

Income from other trading activities was £294,621 (2020: £494,907) of which £294,621 (2020: £494,907) was attributable to unrestricted funds.

b) Group	Total 2021 £	Total 2020 £
Fundraising Events	294,486	485,154
Shops and Lotteries	1,209,450	1,725,304
Other	135	9,753
Total	1,504,071	2,220,211

Income from other trading activities was £1,504,071 (2020: £2,220,211) of which £1,504,071 (2020: £2,220,211) was attributable to unrestricted funds.

St Luke's (Cheshire) Hospice (Registered number – 01846186)
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5. Income from investments

a) Company

	Note	Unrestricted Funds £	Total 2021 £
Listed UK Investments			
Dividend Income		61,052	61,052
Rents received		56,698	56,698
Short Term Deposit Interest		3,890	3,890
		<u>121,640</u>	<u>121,640</u>
Gift Aid			
St Luke's Hospice Promotions Limited	8	636,305	636,305
St Luke's Hospice Trading Limited	8	36,241	36,241
		<u>794,185</u>	<u>794,185</u>

b) Group

	Unrestricted Funds £	Total 2021 £
Listed UK Investments		
Dividend Income	61,052	61,052
Rents received	19,192	19,192
Short Term Deposit Interest	3,890	3,890
	<u>84,134</u>	<u>84,134</u>

a) Company

	Note	Unrestricted Funds £	Total 2020 £
Listed UK Investments			
Dividend Income		59,880	59,880
Rents received		68,118	68,118
Short Term Deposit Interest		1,448	1,448
		<u>129,446</u>	<u>129,446</u>
Gift Aid			
St Luke's Hospice Promotions Limited	8	614,373	614,373
St Luke's Hospice Trading Limited	8	-	-
		<u>743,819</u>	<u>743,819</u>

b) Group

	Unrestricted Funds £	Total 2020 £
Listed UK Investments		
Dividend Income	59,880	59,880
Rents received	30,612	30,612
Short Term Deposit Interest	1,448	1,448
	<u>91,940</u>	<u>91,940</u>

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6. Other income

a) Company

	Total 2021 £	Total 2020 £
Job Retention Scheme	183,884	-

Other income was £183,884 (2020: £nil) of which £183,884 was attributable to restricted and £nil (2020:£nil) was attributable to unrestricted funds.

b) Group

	Total 2021 £	Total 2020 £
Job Retention Scheme	343,321	-
Covid Business Rates Support	255,518	-
Other grants	30,333	-
	629,172	-

Other income was £629,172 (2020:£nil) of which £183,884 was attributable to restricted and £445,288 (2020: £nil) was attributable to unrestricted funds.

7. Expenditure on raising funds

a) Company

	Total 2021 £	Total 2020 £
Fundraising Costs	325,993	486,932

b) Group

	Total 2021 £	Total 2020 £
Shops and Lotteries	796,102	1,048,452
Fundraising Costs	325,993	486,932
Total	1,122,095	1,535,384

St Luke's (Cheshire) Hospice (Registered number – 01846186)
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8. Results from trading activities of subsidiaries

	St Luke's Trading Limited	St Luke's Promotions Limited	Total 2021	Total 2020
	£	£	£	£
Shops and lottery income	276,604	929,240	1,205,844	1,705,739
Interest/ Other operating income/ Gift Aid	438,776	10,118	448,894	19,559
Total Income	715,380	939,358	1,654,738	1,725,298
Total Costs before rental costs paid to Hospice	(654,089)	(301,449)	(955,538)	(1,048,451)
Net Income for the Year	61,291	637,909	699,200	676,847
Rental costs paid to Hospice	(36,806)	(700)	(37,506)	(37,506)
Net Income for the Year Before Gift Aid	24,485	637,209	661,694	639,341
Gift Aid paid to St Luke's (Cheshire) Hospice	(36,241)	(636,306)	(672,547)	(614,373)
Net Profit/(loss) for the year after Gift Aid	(11,756)	903	(10,853)	24,968
Funds brought forward at 31 March 2020	36,336	39,705	76,041	51,072
Funds carried forward at 31 March 2021	24,580	40,608	65,188	76,040
Total Assets	172,015	168,831	340,846	342,903
Total Liabilities	(147,435)	(128,223)	(275,658)	(266,863)

During 2020/21 St Luke's Hospice Trading Limited transacted sales of donated goods in its shops of £68,498 (2020: £371,621) under the Gift Aid Retail Scheme. This enabled the Hospice to claim £16,944 (2020: £91,927) in Gift Aid credits. Therefore, the Hospice benefitted from the sale of donated goods at the shops by £85,442 (2020: £463,548).

St Luke's (Cheshire) Hospice (Registered number – 01846186)
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9. Expenditure on charitable activities

Company and Group

	Unrestricted	Restricted	Total 2021
	£	£	£
Staff costs	1,427,808	870,009	2,297,817
Building costs	731,019	23,063	754,082
Administration expenses	71,366	10,606	81,972
Patient care & medical services	47,500	85,587	133,087
Professional fees	20,426	-	20,426
Auditor's remuneration	7,000	-	7,000
EOLP	25,000	-	25,000
	2,330,119	989,265	3,319,384

	Unrestricted	Restricted	Total 2020
	£	£	£
Staff costs	2,406,550	33,264	2,439,814
Building costs	388,051	-	388,051
Administration expenses	95,788	4,505	100,293
Patient care & medical services	20,188	115,372	135,560
Professional fees	40,499	-	40,499
Auditor's remuneration	7,000	-	7,000
EOLP	50,585	-	50,585
	3,008,661	153,141	3,161,802

10. Other expenditure

a) Company

	Total 2021	Total 2020
Staff costs	183,884	-

£183,884 (2020: £nil) of the above costs were attributable to restricted funds and £nil (£nil) were attributable to unrestricted funds.

b) Group

	Total 2021	Total 2020
Staff costs	343,321	-

£183,884 (2020:£nil) of the above costs were attributable to restricted funds and £159,437 (2020:£nil) were attributable to unrestricted funds.

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11. Support cost breakdown by activity

		2021			2020		
	Basis	Fundraising	Charitable	Total	Fundraising	Charitable	Total
	£	£	£	£	£	£	£
Staff costs	Actual	59,806	483,038	542,844	61,661	498,017	559,678
Building costs	Space	26,811	120,056	146,867	12,597	55,165	67,762
Admin expenses	Actual	16,151	29,557	45,708	22,137	38,534	60,671
Patient care costs	Actual	666	3,001	3,667	640	2,883	3,523
Professional fees	Actual	10,632	10,633	21,265	19,230	19,231	38,461
		<u>114,066</u>	<u>646,285</u>	<u>760,351</u>	<u>116,265</u>	<u>613,830</u>	<u>730,095</u>

Governance costs

		Total 2021	Total 2020
	Note	£	£
Auditor's remuneration	12	12,500	12,500
Senior management		19,768	20,372
Other governance charges		2,035	2,080
Total governance costs		<u>34,303</u>	<u>34,952</u>

Governance costs are included within professional fees and staff costs above.

12. Net income / (expenditure) for the year

Net income / (expenditure) is stated after charging / (crediting):

	Total 2021 £	Total 2020 £
Depreciation of tangible fixed assets	455,365	141,580
Auditor's remuneration	12,500	12,500
(Profit)/loss on sale of tangible fixed assets	-	-
Losses/(Gains) on investments	(648,126)	393,839

	2021 £	2020 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	7,000	7,000

Fees payable to the charity's auditor for other services:

Audit of the charity's subsidiaries	5,500	5,500
	12,500	12,500

13. Staff costs and employee benefits

	Company		Group	
	Total	Total	Total	Total
	2021 £	2020 £	2021 £	2020 £
Wages and salaries	2,221,511	2,289,808	2,708,200	2,796,340
Social security costs	170,317	172,100	198,089	205,173
Pension costs	177,247	169,839	199,272	200,204
	2,569,075	2,631,747	3,105,561	3,201,717

The average number of employees analysed by function was:

	Company		Group	
	Total 2021 No.	Total 2020 No.	Total 2021 No.	Total 2020 No.
Administrative	12	12	12	12
Charitable activities	92	97	92	97
Fundraising	15	15	15	15
St Luke's Hospice Trading	-	-	26	28
St Luke's Hospice Promotions	-	-	6	7
	119	124	151	159

St Luke's (Cheshire) Hospice (Registered number – 01846186)
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The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2021	2020
£60,001 - £70,000	-	-
£70,001- £80,000	1	1
£80,001- £90,000	-	-
£90,001-£100,000	1	-
£100,001- £110,000	-	1
	<u>2</u>	<u>2</u>

14. Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration or expenses during the year (2020: £nil). The total amount of employee benefits, including salaries, received by key management personnel was £395,410 (2020: £407,491). The Trustees consider key management personnel to be comprised of the Trustees, Chief Executive Officer, Medical Director, Director of Income Generation, Finance Director and the Director of Care.

	Total 2021 £	Total 2020 £
Trustees' Indemnity Insurance	<u>1,131</u>	<u>942</u>

15. Tangible fixed assets

	Freehold & leasehold property £	Fixtures & fittings £	Computer equipment £	Motor vehicles £	Total £
a) Company					
Cost or valuation					
At 1/4/2020	3,533,455	275,357	94,840	21,370	3,925,022
Additions	-	33,547	8,474	-	42,021
Disposals	-	-	-	-	-
At 31/3/2021	3,533,455	308,904	103,314	21,370	3,967,043
Depreciation					
At 1/4/2020	1,091,129	199,823	56,656	15,980	1,363,588
Charge for year	378,900	37,441	18,029	5,296	439,666
Eliminated on disposal	-	-	-	-	-
At 31/3/2021	1,470,029	237,264	74,685	21,276	1,803,254
Net Book Value at 31/3/2021	2,063,426	71,640	28,629	94	2,163,789
Net Book Value at 31/3/2020	2,372,797	95,896	45,878	6,737	2,561,434
b) Group					
Cost					
At 1/4/2020	3,622,073	383,226	124,147	47,141	4,176,587
Additions	-	33,547	8,474	-	42,021
Disposals	-	-	-	-	-
At 31/3/2021	3,622,073	416,773	132,621	47,141	4,218,608
Depreciation					
At 1/4/2020	1,169,945	278,608	75,604	27,497	1,551,654
Charge for year	381,925	46,808	18,485	8,147	455,365
Eliminated on disposal	-	-	-	-	-
At 31/3/2021	1,551,870	325,416	94,089	35,644	2,007,019
Net Book Value at 31/3/2021	2,070,203	91,357	38,532	11,497	2,211,589
Net Book Value at 31/3/2020	2,385,031	104,216	56,699	24,555	2,624,933

16. Fixed Asset Investments

	Unrestricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Company and Group UK quoted investments				
At 1/4/2020	2,829,627	-	2,829,627	2,636,425
Less disposals at opening market value	(2,484,602)	-	(2,484,602)	(382,718)
Add acquisitions at cost	3,420,199	-	3,420,199	996,274
Net (losses)/gain on revaluation	236,152	-	236,152	(420,354)
At 31/3/2021	4,001,376	-	4,001,376	2,829,627
Historic cost carried forward	3,773,648	-	3,773,648	2,920,940

The investment management of the Hospice's funds moved from Castlefield Investment Partners LLP to Rathbones Investment Managers Ltd during the year, explaining the relatively significant investment acquisitions and disposals this year.

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

17. Stock

	Group	
	Total 2021 £	Total 2020 £
Goods for resale	7,352	7,694
Total	7,352	7,694

Stocks included in the group balance sheet comprise goods held for resale.

18. Debtors

	Company		Group	
	2021	2020	2021	2020
	£	£	£	£
Amounts owed by group undertakings	78,832	221,249	-	-
Other Debtors	38,301	10,092	38,301	10,092
VAT	22,253	21,082	29,552	26,126
Prepayments and Accrued Income	456,457	307,168	515,028	368,426
Trade Debtors	671,907	110,529	674,004	110,813
	1,267,750	670,120	1,256,885	515,457

St Luke's (Cheshire) Hospice (Registered number – 01846186)
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19. Creditors: amounts falling due within one year

	Company		Group	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	61,857	71,458	93,466	98,563
Other creditors	30,770	33,234	31,317	33,944
Social security and other taxes	48,277	49,385	48,277	49,385
Accruals and deferred Income	826,220	236,167	988,655	395,691
Amounts owed to group undertakings	-	141,735	-	-
	<u>967,124</u>	<u>531,979</u>	<u>1,161,715</u>	<u>577,583</u>

20. Provisions for liabilities

	Middlewich
	Shop
	£
At 1/4/2020	48,126
Added during the year	33,000
Utilised during the year	(7,562)
At 31/3/2021	<u>73,564</u>

The Middlewich Shop has remained closed since 23rd March 2020 and cannot reopen until essential structural repair work has been completed. This work has inevitably been delayed due to the pandemic. The provision has been increased further to reflect the more realistic cost of the repair work required to bring the building into an acceptable state of repair.

21. Fund reconciliation

a) Company

	Balance at 01/04/2020	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/03/2021
	£	£	£	£	£	£
Unrestricted funds	5,213,819	3,537,210	(2,656,113)	(1,007,552)	648,126	5,735,490
Designated funds	800,000	-	-	1,025,000	-	1,825,000
	<u>6,013,819</u>	<u>3,537,210</u>	<u>(2,656,113)</u>	<u>17,448</u>	<u>648,126</u>	<u>7,560,490</u>
	Balance at 01/04/2020	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/03/2021
	£	£	£	£	£	£
Restricted funds						
Medical Supplies	17,448	85,586	(85,586)	(17,448)	-	-
Hospice UK- NHS England Covid funding	-	782,455	(782,455)	-	-	-
Job Retention Scheme	-	183,884	(183,884)	-	-	-
Covid Bereavement funding	-	50,000	(36,486)	-	-	13,514
Other restricted funds	17,696	86,153	(84,737)	-	-	19,112
	<u>35,144</u>	<u>1,188,078</u>	<u>(1,173,148)</u>	<u>(17,448)</u>	<u>-</u>	<u>32,626</u>

St Luke's (Cheshire) Hospice (Registered number – 01846186)
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21. Fund reconciliation (continued)

b) Group	Balance at 01/04/2020	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/03/2021
	£	£	£	£	£	£
Unrestricted funds	5,289,858	4,481,896	(3,611,651)	(1,007,552)	648,126	5,800,677
Designated funds	800,000	-		1,025,000	-	1,825,000
	6,089,858	4,481,896	(3,611,651)	17,448	648,126	7,625,677
	Balance at 01/04/2020	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/03/2021
	£	£	£	£	£	£
Restricted funds						
Medical Supplies	17,448	85,586	(85,586)	(17,448)	-	-
Hospice UK-NHS England Covid funding	-	782,455	(782,455)	-	-	-
Job Retention Scheme	-	183,884	(183,884)	-	-	-
Covid Bereavement funding	-	50,000	(36,486)	-	-	13,514
Other restricted funds	17,696	86,153	(84,737)		-	19,112
	35,144	1,188,078	(1,173,148)	(17,448)	-	32,626

Medical supplies

The Department of Health centrally fund all Hospice Pharmacy and Medical supplies.

Hospice UK-NHS England Covid funding

The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

Job Retention Scheme

Is a temporary government initiative that allows employers to access financial support to pay of their employees' wages. The government introduced the initiative to enable employers to retain employees during the Covid-19 Pandemic.

Covid Bereavement funding

Cheshire Clinical Commissioning Group used British Government Covid Response monies to provide specific, time bound funding for St Luke's Hospice to provide specific bereavement support as a consequence of the effects of the Covid-19 Pandemic.

St Luke's (Cheshire) Hospice (Registered number – 01846186)

Notes to the Financial Statements

For the year ended 31 March 2021

Designated funds:

As at 31 March 2021 the trustees have designated the following amounts from free reserves:

	Balance at 01/04/2020	Utilised/ released	New designations	Balance at 31/03/2021
	£	£	£	£
Hospice Development Fund	500,000	-	500,000	1,000,000
Service Sustainability/Development Fund	300,000	-	525,000	825,000
	800,000	-	1,025,000	1,825,000

Hospice Development Fund

The trustees recognise the need to modernise the hospice and have designated funds for a plan of work to improve what we offer and to meet current healthcare standards.

Service Sustainability/Development Fund

The trustees acknowledge the growing demand for end of life services and have designated funds to look at not only, new ways of working but also to provide sustainable funding for existing services.

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
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22. Analysis of net assets between funds

a) Company

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Tangible fixed assets	2,163,789	-	2,163,789
Investments	4,001,376	-	4,001,376
Investments in subsidiaries	4	-	4
Current assets	2,436,009	32,626	2,468,635
Current liabilities	(967,124)	-	(967,124)
Provisions for liabilities	(73,564)	-	(73,564)
Total	7,560,490	32,626	7,593,116

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Tangible fixed assets	2,561,434	-	2,561,434
Investments	2,829,627	-	2,829,627
Investments in subsidiaries	4	-	4
Current assets	1,202,859	35,144	1,238,003
Current liabilities	(531,979)	-	(531,979)
Provisions for liabilities	(48,126)	-	(48,126)
Total	6,013,819	35,144	6,048,963

b) Group

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Tangible fixed assets	2,211,589	-	2,211,589
Investments	4,001,376	-	4,001,376
Current assets	2,647,991	32,626	2,680,617
Current liabilities	(1,161,715)	-	(1,161,715)
Provisions for liabilities	(73,564)	-	(73,564)
Total	7,625,677	32,626	7,658,303

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Tangible fixed assets	2,624,933	-	2,624,933
Investments	2,829,627	-	2,829,627
Net current assets	1,261,007	35,144	1,296,151
Provisions for liabilities	(577,583)	-	(577,583)
Current liabilities	(48,126)	-	(48,126)
Total	6,089,858	35,144	6,125,002

St Luke's (Cheshire) Hospice (Registered number – 01846186)**Notes to the Financial Statements****For the year ended 31 March 2021****23. Share Capital**

The company is limited by guarantee and has no share capital. The liability of members is limited to the sum of £1 per member.

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

	Group 2021	Group 2020
	£	£
Net income/ (expenditure) for year	1,533,300	111,603
Dividends received	(61,052)	(59,880)
Short term deposit Interest	(3,890)	(1,448)
Rents received from investment properties	(19,192)	(30,612)
Depreciation and impairment of tangible fixed assets	455,365	141,580
Losses/(Gains) on investments	(648,126)	393,839
Loss on disposal of tangible fixed assets	-	-
Decrease in stock	342	5,580
(Increase)/Decrease in debtors	(741,428)	34,474
Increase / (decrease) in creditors	584,132	150,205
(Decrease)/increase in provisions	25,438	(1,874)
Net cash flow from operating activities	1,124,889	743,467

25. Shares in subsidiary companies

The shares in subsidiary companies are stated at cost of £4 (2020 - £4) and comprise the following companies:

	Class of Share	2021	2020
St Luke's Hospice Trading Limited			
Company number: 03024652			
Number of shares held		2	2
% Shareholding	Ordinary	100%	100%
Net assets/ (liabilities)		£24,580	£36,336
Operation of charity shops			
St Luke's Hospice Promotions Limited			
Company number: 02862345			
Number of shares held		2	2
% Shareholding	Ordinary	100%	100%
Net assets		£40,608	£39,705
Operation of a charity lottery scheme			

St Luke's (Cheshire) Hospice (Registered number – 01846186)
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26. Operating lease commitments

Total future minimum lease payments are as follows:

	Land and buildings	Other	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Within one year	99,549	18,722	118,271	120,334
Within two to five years	156,042	24,294	180,336	289,195
Over 5 years	-	-	-	-
	<u>255,591</u>	<u>43,016</u>	<u>298,607</u>	<u>409,529</u>

27. Pension costs

The Hospice belongs to two pension schemes; the NHS pension scheme and a defined contribution scheme.

The NHS scheme is a defined benefit scheme, the assets of which are held in a separate trustee-administered fund. Under the definitions set out under FRS102, the NHS scheme is a multi-employer pension scheme. The Hospice is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Employer contributions charged against income for the period were £102,712 (2020: £101,333).

The Hospice and its subsidiaries also made contributions to a defined contribution scheme during the period totalling £96,559 (2020: £91,858).

St Luke's (Cheshire) Hospice (Registered number – 01846186)
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For the year ended 31 March 2021

28. Financial Instruments

	Company 2021 £	Company 2020 £	Group 2021 £	Group 2020 £
Financial assets at fair value through statement of financial activities				
Investments	4,001,376	2,829,627	4,001,376	2,829,627
Investments in subsidiaries	4	4	-	-
	<u>4,001,380</u>	<u>2,829,631</u>	<u>4,001,376</u>	<u>2,829,627</u>
Financial assets that are debt instruments measured at amortised cost				
Amounts owed by group undertakings	78,832	221,249	-	-
Other debtors	38,301	284,459	38,301	284,459
VAT	22,253	21,082	29,552	26,126
Trade debtors	671,907	110,529	674,004	110,813
Cash at bank and in hand	<u>1,200,885</u>	<u>567,883</u>	<u>1,416,379</u>	<u>773,000</u>
	<u>2,012,178</u>	<u>1,205,202</u>	<u>2,158,236</u>	<u>1,194,398</u>
Financial liabilities that are debt instruments measured at amortised cost				
Trade creditors	61,857	71,458	93,466	98,563
Other creditors	30,770	33,234	31,317	33,944
Social security and other taxes	48,277	49,385	48,277	49,385
Amounts owed to group undertakings	<u>-</u>	<u>141,735</u>	<u>-</u>	<u>-</u>
	<u>140,904</u>	<u>295,812</u>	<u>173,060</u>	<u>181,892</u>

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2021

29. Related party transactions

St Luke's Hospice Promotions Limited

Related by virtue of being a wholly-owned subsidiary of St Luke's (Cheshire) Hospice.

During the year St Luke's Hospice Promotions Limited gift-aided £636,305 (2020: £614,373) to the Hospice.

During the year the Hospice recharged expenses totalling £109,005 (2020: £112,347) to St Luke's Hospice Promotions Limited.

As at 31 March 2021 an amount of £11,710 (2020: £89) was due to the Hospice from St Luke's Hospice Promotions Limited.

St Luke's Hospice Trading Limited

Related by virtue of being a wholly-owned subsidiary of St Luke's (Cheshire) Hospice.

During the year St Luke's Hospice Trading Limited gift-aided £36,241 (2020: £nil) to the Hospice.

During the year the Hospice recharged expenses totalling £341,141 (2020: £243,582) to St Luke's Hospice Trading Limited.

As at 31 March 2021 an amount of £30,881 (2020: £79,425) was due to the Hospice from St Luke's Hospice Trading Limited.

30. Taxation

No liability to UK corporation tax arose on net expenditure for the year ended 31 March 2021 nor for the year ended 31 March 2020 for the company. A tax liability of £nil (2020: £nil) arose on the subsidiary companies included within the consolidated accounts.

31. Analysis of reserves

	Group	
	2021	2020
	£	£
Total Reserves	7,658,303	6,125,002
Less:		
Unrestricted Tangible Fixed Assets	(2,211,589)	(2,624,933)
Designated funds	(1,825,000)	(800,000)
Restricted funds	(32,626)	(35,144)
Free reserves	<u>3,589,088</u>	<u>2,664,925</u>

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ST LUKES'S (CHESHIRE) HOSPICE
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of St Luke's (Cheshire) Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to

continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and 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.

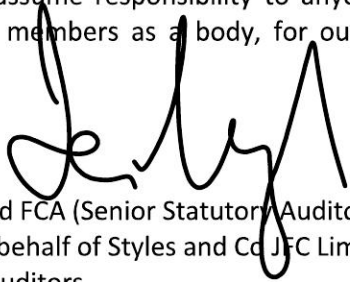
Auditor's responsibilities for the audit of the financial statements

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.

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 Report of the Independent Auditors.

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.



Mr Ian Lloyd FCA (Senior Statutory Auditor)
for and on behalf of Styles and Co JFC Limited
Statutory Auditors
Heather House
473 Warrington Road
Culcheth
Warrington
Cheshire
WA3 5QU

4/8/2021