

Registered company number: 01846186 (England and Wales)

Registered charity number: 515595

St Luke's (Cheshire) Hospice

Report of the Trustees and Consolidated Financial Statements

**For The Year Ended
31 March 2023**



St Luke's
CHESHIRE HOSPICE

St Luke's (Cheshire) Hospice

Contents

	Page
Introduction from our Chairman, Mike Ridley	1
Reference and Administrative Details	2
Trustees Report	
• Members of the Board	3
• Members of the Senior Management Team	3
• Governance and Management Arrangements	4
• Vision, Mission and Values	10
• Principal Objects & Activities, Staff & Volunteers working with and in the community	11
• Working with others and in the Community	12
• Financial Report	13
• Review of Achievements and Performance	16
• Plans for the future	18
• Statement of Trustee Responsibilities	19
• Disclosure of information to the Auditors	19
Independent Auditors Report	20
Consolidated Statement of Financial Activities	23
Balance Sheet	24
Consolidated Statement of Cash Flow	25
Notes and Accounting Policies	26

St Luke's (Cheshire) Hospice

Introduction from Mike Ridley, Chairman

For the year ended 31 March 2023

Once again I am delighted to present my Annual Report for 2022/23 on behalf of the Trustees of St. Luke's Hospice and to recognise the enormous support the Hospice receives in so many different ways which enables us to provide our special and much needed services to our local community. We are indeed well blessed.

As I had hoped last year, the effects of the coronavirus have gradually receded during the current year, enabling us to return to a more comprehensive service for those in our care and particularly for friends and families who visit. I am full of admiration for the way all our staff and volunteers responded to the more restrictive requirements of the epidemic and we continue to remember and give thanks for those who are no longer with us.

During the year I have been really pleased to welcome a range of improvements within the Hospice which have brightened the working environment and improved the quality of services we have been able to provide. Plans are well established to continue these improvements which will have a positive and speedy impact for the Inpatient unit, Day hospice and for our office staff. Discussions are also continuing relating to our longer-term service provision. While the need for our care in the future is unlikely to diminish, we must continually "take stock" and assess what changes may be needed to provide the most up-to-date and efficient infrastructure from which to continue our high quality services.

Once again, I would like to pay tribute to those who provide special support to the Hospice in so many different ways. Our President, Lady Alexis Redmond continues to provide such great encouragement and practical support. Our Patrons, Rosie Spiegelberg MBE and Lady Rose Cholmondeley, continue to help us, together with our valued group of Vice Presidents. During covid we were not able to use their skills and experience as much as we would have liked, but with a return to a more "normal" environment, I look forward to sharing with them our new plans and opportunities for the future. I also want to express my appreciation to so many organisations and individuals for their contributions, sponsorship and generous giving of time and talents: this is so much appreciated.

The Trustees of the Hospice continue to meet at monthly Board meetings and across our main committees, bringing their varied backgrounds and experience to the business of the hospice and the decisions that have to be made. I am hopeful that in the not too distant future we will be able to bring new trustees to the Hospice to expand our oversight and to enable us to work to our full capacity of twelve trustees.

Finally let me re-emphasise my enormous thank-you, not just to every member of staff and every volunteer, but especially to our Management Team, so ably led with vision and enthusiasm by Chief Executive Neil Wright. The wonderful support he receives from Dr Andrea Graham and Kate Estcourt and their medical and nursing teams, the fund-raising and communication skills of Claire Langston, and last but certainly not least, the financial expertise of Nabela Chaudhry, all represent wonderful, caring contributions to the life of our Hospice.

In February I completed six years of service as Chairman of St Luke's. I have always regarded this work as an enormous privilege, and so I was honoured and indeed humbled to be asked to serve for a further three year period. I offer my heartfelt thanks to you all, you who work tirelessly and with so much dedication and I look forward to continuing to share our vital work of caring for those in need.



Mike Ridley, Chairman

St Luke's (Cheshire) Hospice

Reference and Administration Details

For the year ended 31 March 2023

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	St Luke's (Cheshire) Hospice Grosvenor House Queensway Winsford Cheshire CW7 1BH
Contacting Us	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.
Auditors	MHA Moore and Smalley Chartered Accountants & Statutory Auditor Richard House 9 Winckley Square Preston PR1 3HP
Senior Statutory Auditor	Christine Wilson
Investment Fund Manager	Rathbones Investment Management Martins Buildings 4 Water Street Liverpool L3 1NW
Bankers	National Westminster Bank Plc P O Box 6 The Bull Ring Northwich Cheshire CW9 5BN
Solicitors	Poole Alcock 238-246 Edleston Road Crewe CW2 7EH

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

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 (Chairman)

Mrs Tina Cookson

Dr Katie Gibbs-Blythe

Mr Anthony J Baxter

Miss Andrea J Holland

- Resigned 26th October 2022

Mr Colin Norman

Mr Graham Jones

Mr Lee Greenbury

Mrs Wendy Davies

Mrs Sue Bailey

- Resigned 13th February 2023

Mr Sean Houlston

- Appointed 27th April 2022

Mr Graham Aitken

- Appointed 28th June 2023

Dr Samuel Malton

- Appointed 28th June 2023

Mrs Zoe Ahearne

- Appointed 28th June 2023

Vice Presidents

Mrs D Mather

Mrs J Corfield

Mr W Crafter

Mrs D Parsons

Mrs F Bruce

Dr V Pritchard

Mr R Mills MBE

Mr J Baldwin TD DL

Mr J Lea

Mrs J Thomas

Mr C Winward

Joint Patrons

Mrs W Spiegelberg MBE

Lady Rose Cholmondeley

President

Alexis Redmond MBE

Honorary Treasurer

Colin Norman

Company Secretary

Vacant

Senior Management Team (SMT)

Mr Neil Wright

Chief Executive

Miss Kate Estcourt

Director of Care

Mrs Nabela Chaudhry

Finance Director

Miss Claire Langston

Director of Income Generation & Communications

Dr Andrea Graham

Medical Director

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

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 and Communication 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.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

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 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. Members of the SMT are invited to attend the Trustee Board meetings but do not have voting rights.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

The pay arrangements for all members of the SMT were established following an historical 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). Over the last few years we have listened to staff comments and feedback on exit interviews and have developed a fairer, structured approach to pay across the whole hospice. This fairer approach also gives a transparent, structured framework for SMT pay, agreed and overviewed by the Board of Trustees.

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.

Acknowledging that not all risks can be eliminated, the Trustees and SMT, as part of on-going activity and reporting, assess, manage and monitor all the major risks to which the Hospice is exposed, endeavouring to ensure that risks are avoided or mitigated where possible, 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.

Post Covid Era

Although the Pandemic was a tragic event, the hospice took the opportunity to learn from the experience, which has influenced the way we deliver our care, put on our events, open our shops and allow staff more flexible working.

Our staff showed great resilience and adaptability in difficult circumstances, and we have put measures in place to care for their welfare focusing on mental health and introducing several well-being activities.

During the pandemic, the hospice followed government guidance to keep patients, staff and visitors safe. As the Hospice started to emerge from the restrictions of covid and open fully, all of its care services, shops and events, we took a cautious approach and delayed completely lifting all restrictions. Staff and visitors were given the option of wearing masks. However, I am pleased to say that all services have now returned to normal and let's hope with the vaccine, that Covid is now confined to History.

Notwithstanding that, the legacy of covid has changed the way that we work and the way that we think. By way of a few examples, Covid has accelerated the move to a more cashless electronic society and we are changing the way we engage with supporters who previously felt more comfortable making a donation or paying for an event in cash; we have moved the majority of our marketing and engagement on line; we still do not know what the long term effect will be on our very successful mass participation fundraising events.

Unable to meet face to face during the pandemic, we had to adopt a telemedicine approach and have become more adept and productive in supporting patients by phone rather than having to see them in person. We have adopted a more flexible supportive approach to where our staff work allowing a balance between home and hospice where we can.

Thankfully, the Government Covid Hospice Support Grants that we received last year should give us enough financial stability to allow us time to rebalance our income and expenditure.

Clinical

Our IPU is now working normally with 10 beds open. We still face new challenges and on occasions, we have had to close some of our beds owing to clinical and medical staffing pressures. Thankfully we are now fully staffed which should enable us to provide the continuity of services that our patients need. Unlike other hospices, who have vacancies, we often get several good quality candidates to fill the vacant roles that we advertise.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

We have a comprehensive set of clinical data which shows a growing number of patients being referred to us late in their diagnosis. This might be because of being unable or finding it difficult to access NHS care in a timely manner. This has meant that patient referrals have tended to be more complex, leading to more patients needing terminal care and therefore more deaths than discharges. This is one of the driving forces behind our strategy to reach out to support patients in the community before they reach the hospice.

The Day Hospice unit continues to offer a wide range of supportive therapies. In addition to the nurse lead well-being days, we offer complementary therapies, access to occupational health support, creative therapies as well as counselling, social work and benefits advice.

The Day Hospice has recently introduced a dementia carers group, which has been well received and is already starting to meet the unmet demand with a waiting list. Nurses look after the carers loved ones allowing the carer to receive our full attention. This then allows us to give the carer more support leading to greater confidence in their ability to look after their loved ones for longer at home without engaging hospital services.

A few of our Family support team left the hospice to pursue other opportunities. This gave us the opportunity to restructure, refocus and reenergise the team which continues to adapt to new ways of working.

The NHS offers very little support outside the hospice for people in need of bereavement care. We know that we could support more people with appropriate funding, but we must make sure that our team has the resources to meet demand and that our support is appropriate, sustainable and affordable.

We have two dedicated members of staff looking at equality of access to hospice care. Our homeless nurse, who covers the Hospice of the Good Shepherd and East Cheshire Hospice, continued to work right through the pandemic supporting those who look after the homeless as well as some direct palliative care. We also have a member of staff, working across the other two Cheshire hospices, trying to break down perceived barriers for patients who may struggle to access Hospice care. Her work is primarily focused on issues faced by our local LGBTQ+ and we are learning how best to break down barriers with other communities

During the year we have set up two new services. We have introduced the 'St Luke's Night Care Service' supporting patients and their carer in their own home overnight. This is one of the services where we are starting to live out our strategy by reaching into the community, providing care outside the hospice. After a period of time we will reflect and evaluate the impact of the service.

The other new service we have set up is called our 'Weekend Service'. The NHS have a duty to, but are struggling, to provide access to Specialist Palliative Care 7 days a week. The hospice has a 24/7 Specialist Palliative Care Telephone Helpline and this service complements the Community SPC service during the week Monday to Friday and the helpline over the weekend. The Hospice secured funding for a senior Palliative Care Nurse to work Saturday and Sunday to provide a SPC Community service fielding calls and undertaking domiciliary visits. This again is part of our strategy, reaching out of the hospice supporting the Specialist Palliative Care needs of our community. Continuation of Funding for this service is limited and will be reviewed with commissioners alongside our desire to set up a Single point of Referral for Specialist Palliative Care.

Facilities

The hospice is approaching the 35th Anniversary since it opened in 1988 and has added various extensions over time as funding became available. Although the hospice continues to provide a good environment for our clinicians to provide good care, the SMT and Board of Trustees have considered carefully how we can continue to improve and provide good care for the next 35 years.

The Board of Trustees and SMT have concluded that whilst the hospice building is good enough for our needs today it may not fit our needs in the future. The Trustees have asked the SMT to come up with a range of options and sites for a new hospice. Clearly this will involve a large capital commitment which is why the Trustees have approved designating some of our reserves towards a future building project.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

In the meantime, the Trustees are also mindful that we need to continue to make improvements to the existing hospice for those patients we have the privilege to care for today. Over the last year, we have

- Refloored nearly all the patient areas
- Replaced all the old wooden windows with more energy efficient UPVC windows.
- Installed air conditioning on the ward
- Replaced the old IPU bathroom refurbishing into a wet room
- Refurbished reception toilets
- Refurbished the complementary therapy rooms
- Bought outside garden furniture for the comfort of patients and their visitors
- Replaced a moveable wall making the Hartford Suite and adjoining counselling rooms more private.
- Redecorated and updated the chapel
- Refurbished the day hospice bathroom
- Refurbished the staff Bistro

We also have plans to build a new bigger drugs room and with limited communal space on the Inpatient unit, refurbish our existing dining room to make it a more welcoming environment.

The catering and housekeeping teams have had several staff changes as staff have left to take up other opportunities. We are grateful for the professionalism of the management of these departments in continuing to provide our patients with nourishing food and in keeping infections under control

Income Generation

Our Events, Community and Corporate teams continue to face challenging times trying to encourage the public to join mass participation events and other fundraising initiatives. However, the fundraising challenge is not just specific to St Luke's, but is being faced by many charities across the country and may have more longer lasting consequences for charitably funded organisations in the future. Nevertheless, the Income Generation team here at St Luke's has a great reputation and will continue to find new innovative ways to support the work of the hospice.

The success of our Trading Company is underpinned by a large group of shop volunteers. It was difficult to forecast whether we could rekindle the growing income from our retail shops once they had opened. We could always do with more volunteer support to strengthen our operational model. We are still facing a competitive retail labour market and have adjusted payrates to attract and retain good quality staff.

One of the biggest challenges was the closure and rebuilding of our shop in Middlewich. Following architectural and structural investigations, it was found that the property needed substantial repairs to stop any further subsidence. In addition to this work, the decision was taken to completely renew the building so that it met our needs now and far into the future. The building work took much longer than expected affected by labour shortages, supply issues, severe cold weather and further structural problems as the building work revealed further issues. I am pleased to say that the building work is now complete, and we are refitting the inside of the shop and recruiting new staff and volunteers for a new opening summer 2023

Our communications department became an even more effective and essential form of communication during the pandemic making sure that we stayed engaged with supporters online via social media. Although people welcome the return of meeting face to face, we are seeing general signs of Social Media Fatigue, but this nevertheless remains a vital part of our communications strategy. Our communications department work professionally and diligently to find stories to explain the vital work that we do here at the Hospice.

Over a good number of years, we have actively pursued the policy of signing up new lottery players on Direct Debit. All this past hard work has paid off as a way of stabilising this source of sustainable income which helps to fund the care that we provide. As a result, our lottery subsidiary continued to make an excellent contribution towards the work of the hospice. We engage outside lottery canvassers who recruit new members sufficient to replace those who decide to stop playing our lottery.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

Non Clinical Staff

The Finance and HR teams continued to have different challenges. Our HR teams have put in a range of measures to make sure that, staff who work flexibly at home and in work, are supported to deal with the change in working practices. They have also had several very busy recruitment campaigns particularly in a buoyant, fluid labour market.

Our Finance team continued to administer and account for all our income streams and departmental expenditure. Our finance team provide excellent accurate and timely management information which enables the SMT and Trustees to make the right decisions for the hospice. The support from the government has now stopped but the money we did receive will give us the financial stability to support the local healthcare system and deliver the special end of life care that we provide, whilst finding a new balance between our income and expenditure.

The IT Manager has continued to build on our Cloud based system solutions. This approach has enabled our staff to work safely from home where they are able to do so. Although the Pandemic was a challenging year, it has accelerated the acceptance of new ways of working by embracing technology and using it positively where and whenever we can to improve the care that we provide.

Background Information to the changing local Health Economy

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 occasionally reaches out into people's homes.

The health service in our area used to be organized into 4 CCG areas, comprising the former 4 CCG's, South Cheshire CCG, Vale Royal CCG, East Cheshire CCG and West Cheshire CCG, before it merged to become Cheshire CCG. St Luke's predominantly cares for patients who live in the old South Cheshire and Vale Royal areas, perhaps better described as Mid-Cheshire.

The old Cheshire CCG has now been replaced with one statutory body called Cheshire and Merseyside Integrated Care Board, which itself is split up into 9 Places. It is the new 'Place' structures who commission health services in their respective Places. St Luke's hospice now straddles two Places, South Cheshire is based in Cheshire East Place and Vale Royal is based in Cheshire West Place

Cheshire and Merseyside Integrated Care Board

NHS England recognized the important contribution that hospices make to the healthcare economy and as a result we received funding, negotiated on our behalf by Hospice UK. This funding was awarded to hospices all over the country to preserve their capacity to care for dying patients and to support those in need of bereavement care.

Prior to the Pandemic, and the release of the Government Support Funding, the Government recognised the growing financial struggles facing hospices and those issues have not abated now we are living in a post pandemic era. The pandemic obviously affected our ability to raise money charitably and it is too early a stage to know whether this is a longer-term issue.

Cheshire & Merseyside ICB continued to recognise the question of Hospice Financial sustainability and although they are committed to provide equality of access to good end of life care for everybody across Cheshire and Merseyside, they lack the financial ability to put this into practice.

The ICB is undergoing dramatic financial cutbacks in its budget and these cutbacks coupled with the disruption of change is making the commissioning of healthcare a little confused and uncertain, particularly for us here at St Luke's, but we are not alone as all organisations in this area hold a similar opinion

Nevertheless, we are grateful that we continue to be well supported by our local community and for now, we will continue with our strategy to provide excellent end of life care for people of Mid-Cheshire

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

Vision, Mission and Values

Strategy 2022 – 2025

The Strategy covering the three years from 2020 to 2023, compiled by the Senior Management Team in consultation with staff, volunteers and Trustees, informed through one to one discussions with patients and carers, was due to be launched in April 2020 but the arrival of Covid meant that our strategy was put on hold to deal with the immediate operational issues presented by the virus.

Our strategy has been refreshed to cover 2023 -2025 to describe where the hospice is now and sets out a vision and mission to 2025 considering current political and economic factors affecting the national and local healthcare economy. The pandemic, if anything, has reinforced our main strategic aims to reach out, care for more people, be sustainable and make our buildings even better.

The New Integrated Care Boards which came in to being on the 1st July 2022 and the lessons learnt during the Pandemic will undoubtedly shape our future clinical strategy. We will find ways to support existing and new ways of working and become even more collaborative in our practice.

The strategy of the Hospice 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.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

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.

Principal Objects & Activities, supported by Staff & Volunteers, working with and in the community

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	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	Family Support and Counselling Services
Spiritual Care (Chaplaincy)	Community Befriending & Engagement Day Hospice and
Complementary Therapies	Lymphoedema Clinics
Psychosexual Clinics	Homelessness End of Life Care
LGBTQ+ Development Facilitator	

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.

We also train medical and clinical 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.

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.

The Hospice has over 640 regular volunteers in a range of services 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 in our shops.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

We look forward to our volunteers working alongside us because without the commitment and support we receive from volunteers, we could not provide the services we do. We want to acknowledge and sincerely thank our supporters and volunteers for their generous and much needed gifts of time and money in their many varied forms, to the Hospice.

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
- Widening access through engagement with Homeless people at end of life and our local LGBTQ+ communities.
- Our developing relationship with the Christie who use the Hospice premises to deliver their service to local residents making their treatment more patient centred, easier and convenient saving them time.

Cheshire and Merseyside Hospice Collaborative

Following the creation of the Cheshire and Merseyside ICB, each of the 12 adult and Childrens Hospices have formed a 'Hospice Collaborative' to formalise working more collaboratively and closer together sharing experience and best practices.

We are providing a modest contribution towards a Collaborative Project manager who has been set a number of objectives and is helping each of the hospices to chart their way through the ICB changes. The role is also helping to support the creation of a 'Sustainable Funding Model' to present to the Cheshire and Merseyside ICB.

The formation of the Collaborative and the appointment of the project manager is still in the early stages, but it is hoped that by speaking together as a Hospice movement, we are stronger and louder than our individual voices.

Financial Report

Financial Performance and Review

We entered the new financial year with a sense of relief and optimism as the threat of the resurgence of a full-scale pandemic returning both nationally and globally diminished. However, the escalation of the conflict in Ukraine at the start of the year and the continued inflationary cost pressures experienced across the globe introduced their own, unique set of challenges. Consequently, there was a strong realisation that the hospice sector, like many others having carefully and safely navigated itself through the pandemic would now be facing a different set of challenges that could potentially hinder the post pandemic recovery and prolong the return to a more “stable” and familiar environment. With this uncertainty we once again entered the new financial year with a prudent approach to our financial management.

The financial year began with cautious optimism in relation to fundraising. Many of the events and fundraising initiatives were resurrected but without clarity on whether our supporter's appetite to participate would be as buoyant as it had been pre pandemic. The launch and subsequent unprecedented sign up and success of a new event, the Twilight Walk soon confirmed that our supporters were once again fully engaged and willing to interact with us to support their local Hospice. However, there was still some concern about the return of supporters to our shops when setting the budgets for the year which was reflected in the prudent Trading budget.

The Hospice sector had benefited from much needed government support throughout the pandemic, but we entered this financial year knowing that no further support would be available (2022: £321,705). However, our reserves provided us with the reassurance that we could continue to navigate our way through any further uncertainty by maintaining our approach of managing our resources efficiently and effectively. This allowed our post pandemic response to focus on returning all services and other activities to normal with funds, prudently set aside to invest in these areas when the need arose. The needs of our patients and the continued delivery of safe, effective and high-quality care services remained at the centre of all decision making throughout this period.

Despite the uncertainties faced this year, the Hospice made a group surplus of £602,025 (2022: £1,374,994). It is imperative to highlight that once again this surplus was generated fundamentally following the receipt of a small number of relatively large legacies, which along with all the other legacies received in the year, generated income of £1,383,427 (2022: £914,383). Without these monies and excluding the loss on the revaluation of our investments, the Hospice would have declared an operating deficit. The Group surplus was £1,084,010 (2022: £1,154,838) as at the 31 March 2023 before accounting for the year end loss of £302,033 (2022: £220,156 gain) on the revaluation of our investments and £179,952 (2022: £nil) on revaluation of fixed assets.

It is important to reiterate that the impact of the pandemic has not been limited to just the “pandemic years”. It is however difficult to clearly predict and quantify the true impact on all our sources of income for future years. However, it was reassuring to see many of our traditional income streams returning close to pre-Covid levels in the year. Nevertheless, the Executive team and the Board of Trustees recognise that this year's and the previous two year's “exceptional” surpluses, 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.

Despite the inevitable inflationary increases that our suppliers passed onto us throughout the year the expenditure levels continued to be well managed with total expenditure being lower than budget. Approximately 75% of our total expenditure relates to pay and consequently a fair proportion of these savings were secured from vacancies when vacant roles were not immediately filled.

Following an independent valuation of Winterley Grange the property was revalued downwards by £179,952. A further write down of assets incurred a loss on disposal of £35,544, relating to the Middlewich shop, recognising that much of the original infrastructure has been demolished and replaced. These one-off charges increased the expenditure costs in the year by a total of £215,496.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

The Hospice made a loss on the revaluation of its investments of £302,033 (2022: £220,156 gain). Although no additional funds were placed with the fund managers during the year significant amounts of cash reserves were placed with the NatWest Treasury Reserve for periods of between 3 to 12 months. During the year cash levels were well managed and remained healthy following the receipt, of a small number of relatively large legacies. This allowed the Hospice to deposit monies into reserve accounts and obtain better returns on liquid assets without tying them up in longer term investments. At 31 March 2023 £1,700,000 was held in NatWest Treasury Reserve accounts.

Following Board approval increased reserves have been set aside for the Hospice Development Fund increasing the designation to £3m. (2022: £1.5m). The increase has mainly been funded from the redesignation of £1.22m of designated reserves with the remainder of the £280,000 funded from additional reserves monies. The Trustees made the decision to explore whether a different hospice site would help to offer a better care environment in the future. These monies will potentially fund our future longer-term aspirations to move to a new location or to develop the existing site to ensure the longevity of the Hospice.

A further £250,000 (2022: £395,000) has been set aside recognising our ongoing capital commitments required to maintain and develop our properties and other assets and ensure compliance to Health and Safety regulations. The completion of the building work on the Middlewich shop this year explains the lower designation on Capital Projects this year. The timing of when designated reserves monies will be used will be subject to ongoing review of our financial position before any monies are drawn down and spent.

St Luke's Trading Limited began the year with all shops except one open to the public. A notable difference to the previous two years. The footfall and consequently the sales in Trading exceeded our expectations as consumers returned to our shops. Income in the year was £1,002,292 (2022: £807,175). However, Trading like many other retailers faced a variety of staffing challenges, coupled with the lower number of volunteers this at times required some of our shops to close or reduce their hours of trading. Trading was further impacted by the closure of Winsford shop for over 4 months following fire damage. Despite these challenges Trading delivered pleasing results and exceeded its prudent budget. The Middlewich shop remained closed throughout the year.

St Luke's Trading Limited delivered a statutory profit in the year of £40,238 (2022: £1,726) whilst the Hospice received further income from the sale of donated goods at the shops of £382,560 (2022: £306,568) of which £72,795 (2022: £58,335) was claimed in Gift Aid credits from HMRC.

St Luke's Promotions Limited continues to be a significant income stream gifting the Hospice £633,846 (2022: £625,798). The Lottery remains strong, however the team are alive to the challenges it faces due to increased attrition levels and the impact of an ageing supporter base. They continue to develop solutions to mitigate and minimise the impact. Our external lottery canvassers have been fully operational this year and have been instrumental in maintaining and increasing playing membership.

Legacy income remains an important income stream for the Hospice and it is gratefully received. Once again we have been fortunate enough to benefit from a record level of legacy monies. In addition to a number of other legacies, several relatively large legacies contributed to our legacy income generating income of £1,383,427 (2022: £914,383). The Income Generation Team are continuing their review of our approach to legacies and major donors.

We continue to receive and are grateful for the statutory funding from the Integrated Care Board 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 governance arrangements and operating practices supporting 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, remain under continuous quality improvement to ensure they are the best they can be.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

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 also received an extract from the Risk Register highlighting the current Opportunities and Risks.

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 £3,000,000 from the reserves for the Development of the Hospice and a further £250,000 for capital projects. In light of the need to invest in the Hospice's infrastructure the Hospice Development Fund has been increased by £1.5m which has predominately been funded from the redesignation of £1.22m of designated reserves with the remainder of the £280,000 funded from additional reserves monies.. These monies will potentially be used to fund our future longer term aspirations to develop the existing site or to move to a new location. The £250,000 Capital Projects designation recognises the funds needed to facilitate the programme of works identified and planned by the Estates team during 2023/24.

The free reserves as at the 31 March 2023 stood at £4,001,694 (2022: £4,075,311), see note 22, which represents approximately 9.5 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 Managers 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 £4,204,498 (2022: £4,253,240). The Charity made losses on investments during the year of £302,033 (2022: £220,156 gain). 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.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

- 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 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

- Our Inpatient unit remains a centre of excellence caring for patients referred to us from both hospital and community services for both pain relief, symptom control and end of life care.
- Our day hospice services have returned to full capacity. It has been pleasing to see how our staff have identified a problem and created a solution by putting on a dementia carers group. Although Hospices mainly support patients with Cancer, this proves that we can provide end of life services for patients with life limiting illnesses other than cancer.
- Approximately two thirds of IPU admissions to St Luke's were admitted from home for specialist care confirming our role in preventing unnecessary hospital admissions. The remaining third of admissions were transferred to us from hospital helping the Hospital to create greater bed capacity to care for other patients
- Of the 361 referrals to our IPU, 88% of those patients had a cancer diagnosis. 12% a non-cancer diagnosis.
- 33% 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 be cared for and die in their place of choosing.
- We achieved an occupancy rate of 67%.
- We continued 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

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

- The Family Support, Chaplaincy and Counselling Team have embraced a new way of working and are now able to offer a blended approach of support either by face to face or via video technology or phone.
- The FSC and SCC teams had 254 referrals for their support. They support patients, families (including children) and carers at difficult times and delivered 2,021 different interventions.
- 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 life care using an Electronic Palliative and Care Co-ordination Systems (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.
- Along with East Cheshire Hospice and the Hospice of the Good Shepherd we were successful in winning a grant to continue to break down any potential barriers to provide care services more appropriate to the LGBTQ+ community. The hospice was delighted to secure our Navajo Mark
- We continued our much-needed befriending service engaging with vulnerable people who feel isolated and in need support.
- Our work to support people who are homeless at the end of life continues. 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 continue to offer a joint Lymphoedema service.
- 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 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. The Christie have now expanded their services to another day
- We had 227 telephone calls via our Specialist palliative Care Telephone Advice Line mainly to support healthcare professionals. 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. A third of the helpline calls were to support patients and their loved ones.
- The HR team implemented successfully a new HR system called Citrus
- Our Events, Community and Corporate Income Generation Teams put on a full calendar of fundraising events. Although our loyal supporters are very supportive it has certainly been a challenging time for the teams to reignite the general public's enthusiasm after what can only be described as a difficult and challenging two years. The next two years to re-establish the same income generating capacity as before the pandemic will continue to be challenging.
- Our communications department made sure that the hospice is front and centre in the public's minds by keeping the public aware of the continued good work of St Luke's
- We were delighted to have completed the difficult major rebuild of our Middlewich shop which is due to open in summer of 2023.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

- It is pleasing to see that our lottery remains resilient to the up and downs of the economy providing a very stable contribution to the running of the hospice.

Plans for the future

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. We have started by setting up a St Luke's Night care Service and our Weekend Service. We will monitor and review the success of these services on an ongoing basis.
- **Be sustainable** – this has even greater prominence following, not only the impact of Covid 19 but also as the Government struggles to get to grips with a fractured economy, rising interest rates, inflation and high energy costs. It is important to provide quality services that we can afford to provide. The creation of the new Integrated Care Boards offer the hope of fairer hospice funding support going forward.
- **Make our buildings better** – The Trustees have made the decision to explore whether a different hospice site would help to offer a better care environment in the future. We also recognise that we need to modernise / improve our existing buildings to better support our patients today. We will be exploring longer term solutions to ensure the enduring longevity of St Luke's for many years to come.

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.

We remain committed to helping people to live the life they can supported, informed and cared for until they die.

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
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2023

- 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,
- 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 2023. The Trustees adopted the provision of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued in 2019.

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 and signed on the board's behalf by:

Mike Ridley, Chairman

St Luke's (Cheshire) Hospice

Independent Auditors' Report

For the year ended 31 March 2023

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 2023, which comprise Group Statement of Financial Activities, Company Statement of Financial Activities, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023, and of 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

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

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report

For the year ended 31 March 2023

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of the trustees

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

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

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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.

Independent Auditors' Report

For the year ended 31 March 2023

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

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries;
- Review of the systems for recording income, and testing of a sample of income transactions throughout the year to check they have been recorded in the accounts and in the correct period.

Because of the field in which the client operates we identified that employment law, health and safety legislation, CQC regulations and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

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

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

Use of report

This report is made solely to the charitable company's members, as a body, in accordance with the 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.

Christine Wilson (Senior Statutory Auditor)
For and on behalf of
MHA Moore and Smalley
Chartered Accountants & Statutory Auditor
Preston

Date:

St Luke's (Cheshire) Hospice

Consolidated Statement of Financial Activities

(Incorporating a Consolidated Income and Expenditure Account)

As at 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income from					
Donations and legacies	2	2,651,317	-	2,651,317	2,091,617
Charitable activities	3	715,168	229,023	944,191	952,023
Other trading activities	4	2,383,205	-	2,383,205	2,118,300
Investment income	5	150,523	-	150,523	100,352
Coronavirus Support funding	6	-	-	-	385,618
Total income		5,900,213	229,023	6,129,236	5,647,910
Expenditure on					
Raising funds	7	1,655,299	-	1,655,299	1,471,260
Charitable activities	8	3,170,765	219,162	3,389,927	3,021,812
Total expenditure		4,826,064	219,162	5,045,226	4,493,072
Net income/(expenditure) before other gains and losses		1,074,149	9,861	1,084,010	1,154,838
Revaluation of fixed assets	14	(179,952)	-	(179,952)	-
Net (losses)/gains on investments	15	(302,033)	-	(302,033)	220,156
Net income /(expenditure)		592,164	9,861	602,025	1,374,994
Transfers between funds	20	-	-	-	-
Net movement in funds		592,164	9,861	602,025	1,374,994
Total funds brought forward		9,013,797	19,500	9,033,297	7,658,303
Total funds carried forward	20	9,605,961	29,361	9,635,322	9,033,297

All incoming resources and resources expended derive from continuing activities.
All gains and losses recognised in the year are included above.

St Luke's (Cheshire) Hospice

Balance Sheets

Year ended 31 March 2023

	Note	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Fixed assets					
Tangible assets	14	2,354,267	2,218,486	2,337,125	2,183,558
Investments	15	4,204,498	4,253,240	4,204,498	4,253,240
Investments in subsidiaries	16	-	-	4	4
		6,558,765	6,471,726	6,541,627	6,436,802
Current assets					
Stock	17	7,544	7,352	-	-
Debtors	18	809,525	660,448	852,932	696,694
Cash at bank and in hand		2,808,734	2,442,195	2,483,718	2,218,717
		3,625,803	3,109,995	3,336,650	2,915,411
Creditors: amounts due within 1 year	19	(549,246)	(548,424)	(309,777)	(364,168)
Net current assets		3,076,557	2,561,571	3,026,873	2,551,243
Net assets		9,635,322	9,033,297	9,568,500	8,988,045
Charity Funds					
Restricted Funds	20	29,361	19,500	29,361	19,500
Unrestricted Funds					
- General funds	20	6,355,961	6,293,797	6,289,139	6,248,545
- Designated funds	20	3,250,000	2,720,000	3,250,000	2,720,000
Total Unrestricted funds		9,605,961	9,013,797	9,539,139	8,968,545
Total funds		9,635,322	9,033,297	9,568,500	8,988,045

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

Mr M Ridley - Chairman

St Luke's (Cheshire) Hospice

Consolidated Statement of Cash flow Statement

Year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net income/(expenditure) for year		602,025	1,374,994
Investment income	5	(150,523)	(100,352)
Depreciation & impairment of tangible fixed assets	14	140,006	135,144
Revaluation of tangible fixed assets	14	179,952	-
Losses/(gains) on investments	15	302,033	(220,156)
(Profit)/loss on disposal of tangible fixed assets		36,239	(18,282)
Decrease in stock		(192)	-
(Increase)/decrease in debtors		(149,077)	596,437
Increase/(decrease) in creditors		822	(613,289)
(Decrease)/increase in provisions		-	(73,564)
Net cash provided by (used in) operating activities		961,285	1,080,932
Cash flows from investing activities:			
Income from investments	5	150,523	100,352
Payments to acquire tangible fixed assets	14	(491,978)	(142,161)
Receipts from sale of tangible fixed assets		-	18,400
Payments to acquire investments	15	(547,731)	(1,406,702)
Receipts from sales of investments	15	294,440	1,374,994
Net cash flow from investing activities		(594,746)	(55,117)
Increase/(decrease) in cash and cash equivalents		366,539	1,025,815
Cash and cash equivalents brought forward		2,442,195	1,416,380
Cash and cash equivalents carried forward		2,808,734	2,442,195
Cash and cash equivalents consist of:			
Cash at bank and in hand		2,808,734	2,442,195
		2,808,734	2,442,195

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.

St Luke's (Cheshire) Hospice meets the definition of a public benefit entity under FRS102.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The charity has availed itself of Paragraph 4(1) of Schedule 1 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

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 i.e. amount the charity would be willing to pay in the open market. 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.

1 Summary of significant accounting policies (continued)

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.

Notes to the Financial Statements

Year ended 31 March 2023

1 Summary of significant accounting policies (continued)

- 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	

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 16 to the accounts.

1 Summary of significant accounting policies (continued)

j Stock

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

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to its present location and condition.

Stock held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

k Leases

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

l Judgements and key sources of estimation uncertainty

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

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

m 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.

n 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. The Hospice is not VAT registered but is able to recover VAT using the VAT Relief Scheme for charities.

o Going concern

The trustees are required to assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts.. At the date of approving these accounts, the trustees have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

2 Donations and legacies

	2023	2022
	£	£
Donations	1,267,890	1,177,234
Legacies	1,383,427	914,383
	<u>2,651,317</u>	<u>2,091,617</u>

Above income attributable to restricted was £nil (2022: £69,186), balance to unrestricted.

3 Income from charitable activities

	2023	2022
	£	£
Medical consultancy fees	25,007	47,245
Grants – NHS CCG	639,137	613,571
Grants – Other	228,282	257,972
Other	51,765	33,235
	<u>944,191</u>	<u>952,023</u>

Above income attributable to restricted was £229,023 (2022: £257,972), balance to unrestricted.

4 Income from other trading activities

	2023	2022
	£	£
Fundraising events	430,642	424,745
Shops and lotteries	1,929,926	1,692,335
Other	22,637	1,220
	<u>2,383,205</u>	<u>2,118,300</u>

All of the above income was attributable to unrestricted funds in the current and prior year.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

5 Income from investments

	2023	2022
	£	£
Listed UK investments - dividend Income	103,410	80,230
Rents received	22,016	19,872
Short term deposit interest	25,097	250
	<u>150,523</u>	<u>100,352</u>

All of the above income was attributable to unrestricted funds in the current and prior year.

6 Other income

	2023	2022
	£	£
Job Retention Scheme	-	31,910
Hospice UK Covid Support	-	321,705
Covid Business Rates Support	-	32,003
	<u>-</u>	<u>385,618</u>

Above income attributable to restricted was £nil (2022: £350,168), balance to unrestricted.

7 Expenditure on raising funds

	2023	2022
	£	£
Shops and lotteries	1,219,093	1,059,945
Other fundraising costs	436,206	411,315
	<u>1,655,299</u>	<u>1,471,260</u>

All of the above expenditure was attributable to unrestricted funds in the current and prior year.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

8 Expenditure on charitable activities

	2023	2022
	£	£
Staff costs	2,644,772	2,482,774
Building costs	395,306	309,519
Administration expenses	77,166	73,816
Patient care & medical services	241,595	134,158
Professional fees	31,088	21,545
	3,389,927	3,021,812

Above expenditure attributable to restricted was £219,162 (2022: £690,451), balance to unrestricted.

9 Support cost breakdown by activity

Included within total expenditure are support costs as analysed below:

	Basis	Fundraising activities	Charitable activities	Total 2023	Fundraising activities	Charitable activities	Total 2022
		£	£	£	£	£	£
Staff costs	Actual	69,389	560,436	629,825	63,349	511,658	575,007
Building costs	Space	10,495	46,838	57,333	10,517	46,947	57,464
Admin expenses	Actual	26,634	65,533	92,167	24,107	55,640	79,747
Patient care costs	Actual	1,042	4,694	5,736	790	3,560	4,350
Professional fees	Actual	15,544	15,544	31,088	10,772	10,772	21,544
		123,104	693,045	816,149	109,535	628,577	738,112

Included within professional fees and staff costs are governance costs as analysed below:

	Note	2023	2022
		£	£
Governance costs			
Auditor's remuneration	10	21,500	14,590
Senior management		20,597	19,423
Other governance charges		2,071	2,043
		44,168	36,056

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

10 Net income/(expenditure) for the year

	2023	2022
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Depreciation & impairment of tangible fixed assets	140,006	135,144
Revaluation of tangible fixed assets	179,952	-
Auditor's remuneration	21,500	14,590
(Profit)/loss on sale of tangible fixed assets	36,239	(18,282)
Losses/(gains) on investments	302,033	(220,156)
Fees payable to the charity's auditor:		
Audit of the charity's annual accounts	8,500	6,250
Audit of the charity's subsidiaries	7,000	4,500
Other services	6,000	3,840
	21,500	14,590

11 Staff costs

	2023	2022
	£	£
Wages and salaries	3,074,187	2,847,149
Social security costs	240,274	202,974
Pension costs	212,913	192,986
	3,527,374	3,243,109

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 £111,712 (2022: £99,000).

The Hospice and its subsidiaries also made contributions to a defined contribution scheme during the period totalling £101,201 (2022: £93,986).

Notes to the Financial Statements

Year ended 31 March 2023

11 Staff costs (continued)

The average number of employees analysed by function was:

	2023	2022
	No.	No.
Administrative	13	12
Charitable activities	97	96
Fundraising	12	13
St Luke's Hospice Trading	25	24
St Luke's Hospice Promotions	4	4
	<u>151</u>	<u>149</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2023	2022
	No.	No.
£60,000 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
	<u>3</u>	<u>2</u>

12 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration or expenses during the year (2022: £nil). The total amount of employee benefits, including salaries, received by key management personnel was £411,987 (2022: £388,510). 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.

	2023	2022
	£	£
Trustees' Indemnity Insurance	<u>1,625</u>	<u>1,413</u>

13 Taxation

No liability to UK corporation tax arose on net expenditure for the year ended 31 March 2023 nor for the year ended 31 March 2022 for the company. A tax liability of £nil (2022: £2,826) arose on the subsidiary companies included within the consolidated accounts.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

14 Tangible fixed assets

Company	Freehold land & buildings	Leasehold land & buildings	Fixtures & fittings	Computer Equipment	Motor vehicles	Totals
	£	£	£	£	£	£
Cost						
At 1 April 2022	2,796,988	760,675	342,936	102,227	14,370	4,017,196
Revaluation	-	(179,952)	-	-	-	(179,952)
Additions	347,789	-	137,250	-	-	485,039
Disposals	(58,750)	-	(34,622)	-	-	(93,372)
At 31 March 2023	3,086,027	580,723	445,564	102,227	14,370	4,228,911
Depreciation						
At 1 April 2022	1,409,866	125,512	196,336	87,554	14,370	1,833,638
Charge for year	51,973	15,213	37,312	10,783	-	115,281
Eliminated on disposal	(23,206)	-	(33,927)	-	-	(57,133)
At 31 March 2023	1,438,633	140,725	199,721	98,337	14,370	1,891,786
Net book value						
At 31 March 2023	1,647,394	439,998	245,843	3,890	-	2,337,125
At 31 March 2022	1,387,122	635,163	146,600	14,673	-	2,183,558

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

14 Tangible fixed assets (continued)

Group	Freehold land & buildings	Leasehold land & buildings	Fixtures & fittings	Computer Equipment	Motor vehicles	Totals
	£	£	£	£	£	£
Cost						
At 1 April 2022	2,796,988	851,631	417,892	164,447	40,141	4,271,099
Revaluation	-	(179,952)	-	-	-	(179,952)
Additions	347,789	6,939	137,250	-	-	491,978
Disposals	(58,750)	-	(34,622)	-	-	(93,372)
At 31 March 2023	3,086,027	678,618	520,520	164,447	40,141	4,489,753
Depreciation						
At 1 April 2022	1,409,866	210,582	257,480	143,666	31,019	2,052,613
Charge for year	51,973	19,745	42,547	16,619	9,122	140,006
Eliminated on disposal	(23,206)	-	(33,927)	-	-	(57,133)
At 31 March 2023	1,438,633	230,327	266,100	160,285	40,141	2,135,486
Net book value						
At 31 March 2023	1,647,394	448,291	254,420	4,162	-	2,354,267
At 31 March 2022	1,387,122	641,049	160,412	20,781	9,122	2,218,486

15 Fixed asset investments

Company and Group	Unrestricted funds	Total 2023	Total 2022
	£	£	£
<u>UK quoted investments</u>			
At 1 April 2022	4,253,240	4,253,240	4,001,376
Less disposal proceeds	(294,440)	(294,440)	(1,374,994)
Add acquisitions at cost	547,731	547,731	1,406,702
Net (losses)/gain on revaluation	(302,033)	(302,033)	220,156
At 31 March 2023	4,204,498	4,204,498	4,253,240

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.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

16 Investment in subsidiaries

The parent charity owns 100% of the issued share capital of St Luke's Hospice Trading Ltd (Co.No.-03024652) and St Luke's Hospice Promotion Ltd (Co.No.-02862345) at cost of £4 (2022: £4), performance for the year was as follows:

	St Luke's Trading Limited	St Luke's Promotions Limited	Total 2023	Total 2022
	£	£	£	£
Shops and lottery income	1,002,292	927,634	1,929,926	1,692,335
Interest & other operating income	-	757	757	35,466
Total income	1,002,292	928,391	1,930,683	1,727,801
Total costs before rental costs paid to Hospice	(925,248)	(293,845)	(1,219,093)	(1,059,945)
Net income for the year	77,044	634,546	711,590	667,856
Rental costs paid to Hospice	(36,806)	(700)	(37,506)	(37,505)
Net income for the year before profits donated	40,238	633,846	674,084	630,351
Profits donated to St Luke's (Cheshire) Hospice	(18,668)	(633,846)	(652,514)	(650,283)
Net Profit/(loss) for the year after donations	21,570	-	21,570	(19,932)
Share capital & reserves brought forward	1,821	43,435	45,256	65,188
Share capital & reserves carried forward	23,391	43,435	66,826	45,256
Fixed assets	17,142	-	17,142	34,928
Current assets	230,012	200,282	430,294	310,159
Current liabilities	(223,763)	(156,847)	(384,037)	(299,831)
Net assets	23,391	43,435	66,826	45,256

During the year St Luke's Hospice Trading Limited transacted sales of donated goods in its shops of £309,765 (2022: £248,233) under the Gift Aid Retail Scheme. This enabled the Hospice to claim £72,795 (2022: £58,335) in Gift Aid credits from HMRC. Therefore, the Hospice benefitted from the sale of donated goods at the shops by £382,560 (2022: £306,568).

The Trading income includes an insurance payment of £30,130 for the closure of Winsford shop for over 4 months following fire damage and commission received for Gift Aid Sales.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

17	Stock				
	Group			2023	2022
				£	£
	Goods for resale			7,544	7,352
18	Debtors				
		Company	Company	Group	Group
		2023	2022	2023	2022
		£	£	£	£
	Amounts owed by group undertakings	141,141	111,498	-	-
	Other debtors	73,956	55,967	73,956	55,967
	VAT	48,899	29,494	62,881	39,918
	Prepayments and accrued Income	543,964	480,249	555,952	543,704
	Trade debtors	44,972	19,486	52,442	20,859
		852,932	696,694	809,525	660,448
19	Creditors: amounts falling due within one year				
		Company	Company	Group	Group
		2023	2022	2023	2022
		£	£	£	£
	Bank overdraft	-	-	15,423	-
	Trade creditors	126,713	92,159	177,096	105,569
	Other creditors	40,363	81,058	40,453	81,386
	Social security and other taxes	59,744	51,465	59,744	51,465
	Accruals and deferred Income	82,957	139,486	256,530	310,004
		309,777	364,168	549,246	548,424

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

20 Fund reconciliation

Company	Balance at 1 April 2022	Income	Expenditure	Transfers	Gains / Losses	Balance at 31 March 2023
	£	£	£	£	£	£
Unrestricted funds	6,248,545	4,659,550	(3,606,971)	(530,000)	(481,985)	6,289,139
Designated funds	2,720,000	-	-	530,000	-	3,250,000
	8,968,545	4,659,550	(3,606,971)	-	(481,985)	9,539,139
Restricted funds						
Lymphoedema	-	32,623	(32,623)	-	-	-
Medical Supplies	-	90,800	(90,800)	-	-	-
Carers Break services	-	15,965	(15,965)	-	-	-
Hospice UK	-	18,949	(18,949)	-	-	-
EOLP	-	10,010	(10,010)	-	-	-
Other restricted funds	19,500	60,676	(50,815)	-	-	29,361
	19,500	229,023	(219,162)	-	-	29,361
Group						
	£	£	£	£	£	£
Unrestricted funds	6,293,797	5,900,213	(4,826,064)	(530,000)	(481,985)	6,355,961
Designated funds	2,720,000	-	-	530,000	-	3,250,000
	9,013,797	5,900,213	(4,826,064)	-	(481,985)	9,605,961
Restricted funds						
Lymphoedema	-	32,623	(32,623)	-	-	-
Medical Supplies	-	90,800	(90,800)	-	-	-
Carers Break services	-	15,965	(15,965)	-	-	-
Hospice UK	-	18,949	(18,949)	-	-	-
EOLP	-	10,010	(10,010)	-	-	-
Other restricted funds	19,500	60,676	(50,815)	-	-	29,361
	19,500	229,023	(219,162)	-	-	29,361

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

20 Fund reconciliation (continued)

Company	Balance at 1 April 2021	Income	Expenditure	Transfers	Gains / Losses	Balance at 31 March 2022
	£	£	£	£	£	£
Unrestricted funds	5,735,491	3,930,572	(2,742,674)	(895,000)	220,156	6,248,545
Designated funds	1,825,000	-	-	895,000	-	2,720,000
	7,560,491	3,930,572	(2,742,674)	-	220,156	8,968,545
<u>Restricted funds</u>						
Medical Supplies	-	88,155	(88,155)	-	-	-
Hospice UK - NHS England	-	321,705	(321,705)	-	-	-
Covid funding	-	15,965	(15,965)	-	-	-
Carers Break services	-	28,463	(28,463)	-	-	-
Job Retention Scheme	-	-	(13,514)	-	-	-
Covid Bereavement funding	13,514	-	(13,514)	-	-	-
Other restricted funds	19,111	223,038	(222,649)	-	-	19,500
	32,625	677,326	(690,451)	-	-	19,500
<u>Group</u>						
	£	£	£	£	£	£
Unrestricted funds	5,800,678	4,970,584	(3,802,621)	(895,000)	220,156	6,293,797
Designated funds	1,825,000	-	-	895,000	-	2,720,000
	7,625,678	4,970,584	(3,802,621)	-	220,156	9,013,797
<u>Restricted funds</u>						
Medical Supplies	-	88,155	(88,155)	-	-	-
Hospice UK - NHS England	-	321,705	(321,705)	-	-	-
Covid funding	-	15,965	(15,965)	-	-	-
Carers Break services	-	28,463	(28,463)	-	-	-
Job Retention Scheme	-	-	(13,514)	-	-	-
Covid Bereavement funding	13,514	-	(13,514)	-	-	-
Other restricted funds	19,111	223,038	(222,649)	-	-	19,500
	32,625	677,326	(690,451)	-	-	19,500

20 Fund reconciliation (continued)

Medical supplies

The Department of Health via Integrated Care Board, 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 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support in 2021 and 2022. This funding was not continued this financial year.

Job Retention Scheme

Is a temporary government initiative that allows employers to access financial support to cover their staff costs. The government introduced the initiative to enable employers to retain employees during the Covid-19 pandemic in 2021 and 2022. This funding was not continued this financial year.

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. This funding was not continued this financial year.

Designated funds

As at 31 March 2023 the trustees have designated the following amounts from free reserves:

	Balance at 1 April 2022	Utilised / released	New designations	Balance at 31 March 2023
	£	£	£	£
Hospice Development Fund	1,500,000	-	1,500,000	3,000,000
Service Sustainability/Development Fund	825,000	(825,000)	-	-
Capital Projects	395,000	(395,000)	250,000	250,000
	2,720,000	(1,220,000)	1,750,000	3,250,000

Hospice Development Fund

In light of the need to invest in the Hospice's infrastructure the Hospice Development Fund has been increased by £1.5m. The increase has mainly been funded from the redesignation of £1.22m of designated reserves with the remainder of the £280,000 funded from additional reserves monies. These monies will potentially be used to fund our future longer term aspirations to develop the existing site or to move to a new location

Service Sustainability/Development Fund

Service sustainability and development is considered closely each year as part of the short and long term budgeting process. Therefore prior year Service Sustainability/Development Fund designations have been re-designated to the Hospice Development Fund.

Capital Projects

Funds are designated by the Trustees for a approved Capital Projects.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2023

21 Analysis of net assets between funds

Company	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Tangible fixed assets	2,337,125	-	2,337,125	2,183,558
Investments	4,204,502	-	4,204,502	4,253,244
Current assets	3,307,289	29,361	3,336,650	2,915,411
Current liabilities	(309,777)	-	(309,777)	(364,168)
	9,539,139	29,361	9,568,500	8,988,045
Group	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Tangible fixed assets	2,354,267	-	2,354,267	2,218,486
Investments	4,204,498	-	4,204,498	4,253,240
Current assets	3,596,442	29,361	3,625,803	3,109,995
Current liabilities	(549,246)	-	(549,246)	(548,424)
	9,605,961	29,361	9,635,322	9,033,297

22 Free reserves

	Group 2023	Group 2022
	£	£
Total Reserves	9,635,322	9,033,297
Less:		
Unrestricted Tangible Fixed Assets	(2,354,267)	(2,218,486)
Restricted funds	(29,361)	(19,500)
Designated funds	(3,250,000)	(2,720,000)
Free reserves	4,001,694	4,075,311

Please refer to the Finance Report (page 14) and Reserves Policy and Position (Page 15) for further information.

Notes to the Financial Statements

Year ended 31 March 2023

23 Results of the parent company

As permitted by Section 408 of the Companies Act 2006 these accounts do not include a separate SOFA for the parent charity. The results of the parent charity alone (including gift aid receipts from its subsidiaries, as detailed in note 16) are:

	2023 £	2022 £
Incoming resources	4,888,573	4,607,898
Resources expended	(3,826,133)	(3,433,125)
Net incoming resources before other recognised gains and losses	1,062,440	1,174,773
Revaluation of fixed assets	(179,952)	-
Unrealised gains on investments	(265,595)	230,619
Realised (losses)/gains on investments	(36,438)	(10,463)
Net movement in funds	580,455	1,394,929

24 Operating lease commitments

Total future minimum lease payments are as follows:

	Land & Buildings £	Other £	Total 2023 £	Total 2022 £
Within one year	101,148	11,328	112,476	94,855
Within two to five years	160,753	14,938	175,691	80,755
	261,901	26,266	288,167	175,610

25 Related party transactions

There were no related party transactions during the current or prior year.

26 Post balance sheet events

As in previous years, the Hospice has been bequeathed a share in a number of legacies during the year. It is the Hospice policy to recognise the income once the amounts can be accurately quantified. All assets quantified have been included in the accounts.

At the year end any legacies still pending and due to the uncertainty of the amounts, the income will be recognised in the year in which the donations are either received or the amounts can be determined with reasonable certainty. The approximate value of such donations in wills to which the Hospice can put a value is in the region of £70,000 (2022: £275,000).