

**ST LUKE'S HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**



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Company registration number: 00922448

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Welcome

I am delighted to present the 2021-22 Annual Report and Financial Statements for St Luke's.

I have recently entered my tenth year as a Trustee of this essential and pioneering charity and I have been the Chair of the Board for the last five years. During this time I have seen the difference that St Luke's makes to individuals, to families, and to the great City of Sheffield. However, I have never been so proud as over the last two years when St Luke's has continued to be there for people with end of life conditions throughout the pandemic. Our patients and families have needed us more than ever and we have been there for them. The scale and complexity of care provided has not been reduced. This has been an extraordinary achievement by everyone at St Luke's.

Our care

Over the last year we have supported nearly 1,800 patients across the city and their families. That care and support has been there for everyone in Sheffield irrespective of faith, wealth, background or postcode.

This short Chair's Report can't possibly cover all the fantastic work that has been done by our clinical teams over the last year, but please do read the Trustees' Report that follows which summarises some of our key achievements. I would, however, like to shine the spotlight on the incredible work of our Specialist Palliative Care Community team.

In 2021-22 85% of the people we cared for were supported by our teams in their own home or care home. Home is often where people are most comfortable and we support our patients to have flexible choices about where they are looked after, including enabling some to die at home, if that is their preference. This is only possible because of the tireless work of our Community team who made 6,289 in-person home visits and 11,838 phone and video calls to support them in their care. We took the decision to invest a further £200,000 in community nurses during the year, meaning that we now have a team of 24, which is the largest community nursing team that we have ever had. This investment has only been possible through the financial stability gained over the last few years in which we have been able to increase our financial reserves in order to expand our model of care.

The following quote is from the family member of a St Luke's patient, and I think it describes very well the difference that our community team make:

"St Luke's made everything possible for us to care for our mum at home. If there was a problem they found a way round it, nothing was too much trouble. They made mum feel special and she enjoyed their visits. Words cannot say how grateful I am for St Luke's."

Our finances

We made a strong surplus in 2021-22. This is great news as it provides a platform for continued investment in our clinical services and means that we are in a stronger position to weather the significant cost pressures that are facing all charities and healthcare providers in 2022. It has also meant that we have been able to progress some really important strategic projects, outside of our normal operating budgets. As an example, in 2021 we commenced a £750,000 project to unify and invest in our clinical systems to improve efficiency, reduce clinical risk, and further enhance patient care.

We have had another excellent year for legacy income. People who so kindly leave us bequests in their wills play a vital part in funding St Luke's. Our recent average legacy income has been around £1.5m per year, but in 2021-22 we received a fantastic £2.7m, following on from £2.1m in 2020-21. We hold the deepest gratitude to all those who remember St Luke's in their wills.

For every pound that we spend on fundraising in 2021-22, we received £5.75 in fundraised income. This is an exceptional return and it is only right that I congratulate not only our fundraising teams, but also all the volunteers and supporters that made this financial contribution to our care possible.

Some sources of income, such as the funding from the UK Government, via our national charity Hospice UK, specifically to enable the discharge of patients from acute hospital settings during the Omicron wave, will not repeat in the coming year and with significant inflationary pressures on our costs, we are budgeting for a financial deficit in 22/23.

Our Board

I would like to welcome a number of new Trustees to the Board of St Luke's. Dr Mark Durling (a former GP), Shelley Garlington (nursing and business development), Steven Ned (NHS director), and Angus Ridge (civil engineer) all joined during the year. Shortly after the financial year end we also welcomed Dr Survira Madan (Consultant Orthogeriatrician) and Professor Jon Wadsley (Consultant Clinical Oncologist) to the Board of St Luke's.

With these excellent additions to our Board we now have 18 Trustees. This is a larger number than we have had for many years, but it is for good reason; we have a number of long serving Board members standing down over the next year or two – myself included – as our terms of service come to an end. It is really important that we maintain a strong Board of Trustees with a good mix of skills and experience that encompasses both our clinical and business operations and with the new additions that we have made to the Board I am confident that St Luke's will continue to be well governed for many years to come.

I would like to thank all our Trustees for their commitment to St Luke's and for volunteering their time in governing the charity. On behalf of the Trustees, I congratulate St Luke's Executive Team for another successful year in which the charity has continued to grow and mature. I would like to thank Helen Day, who stepped down from her role as Director of People and Culture in late March, for all her hard work at St Luke's over a six year period, which included leading our HR and Volunteering teams through the pandemic. The Board of Trustees join me in wishing Helen all the best for her future endeavours.

Thank you!

Finally, and most importantly, I would like to thank all the supporters, volunteers, staff and everyone involved with St Luke's.

We are celebrating our 50th anniversary in 2022 and, with the continued support of the people of Sheffield, we will be here for another 50 years and beyond.

Neil MacDonald

Chair of the Board of Trustees

St Luke's Hospice, Sheffield

Date: 26 September 2022

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

St Luke's Quality Account

St Luke's produces an annual **Quality Account** which is shared with the Department of Health and Social Care but is publicly available. The Quality Account gives a more clinically-focused review of activities and priorities, including quality improvement initiatives. A copy of this report can be found at:

<https://www.stlukeshospice.org.uk/welcome/quality-account>.

Whilst this Trustee Report gives an overview of activities and achievements, we refer readers to this and other publicly available documents which give a wider and more comprehensive picture of the great work done by the charity, which can be found through St Luke's website www.stlukeshospice.org.

Our vision of care

St Luke's is dedicated to the wellbeing of the terminally ill in Sheffield and their loved ones. No patient or family is ever the same, and our journey with each individual is unique. Above all, we are about life, and enabling our patients and their loved ones to live theirs and die with dignity and respect.

Our vision

Supporting and caring for everyone affected by terminal illness in Sheffield.

Our mission

To deliver the best possible palliative care in Sheffield, whilst developing and driving continual improvements for everyone affected by terminal illness.

Our values

- **Dignified** – In everything we do, we provide and nurture an environment that ensures a dignified, respectful and human experience for everyone in our care.
- **Compassionate** – Compassion is at the heart of St Luke's, expressed by human kindness and a selfless, benevolent concern for the wellbeing of everyone we care for no matter what their circumstances.
- **Inspired** – Inspired by those we care for, we are proud to be part of our community and it is a privilege to support individuals and their families through many challenging and significant moments. We are always mindful of the trust and confidence invested in us by them.
- **Pioneering** – We aspire to be the best and to set new benchmarks for end of life care, inspired by the pioneering spirit of our founders. We are advocates for the terminally ill, we are their voice and their champions, and therefore we will never stop striving to improve what we do.

Our Strategy

St Luke's commenced detailed planning for our response to the Coronavirus pandemic in January 2020, as the likely scale of the problem became apparent. In response to the scale of the crisis, we developed a strategy specific to the issues we faced, focusing on four objectives:

- Stay safe – for patients and families, employees and volunteers, colleagues and the public; and working for the wellbeing of these groups.
- Maintain vital services – wherever possible, to keep core services running and 'step up' to deliver new services necessary during the pandemic.
- Ensure sustainability – by managing our financial and other resources through challenging situations to preserve services and the long-term future for the charity.
- Looking out for our vulnerable colleagues and clients – making sure that we care for those denied our normal services, as well as vulnerable employees and volunteers.

Each of these objectives has presented huge challenges, from the procurement of PPE, to supporting care homes in crisis, and securing critical income to maintain operations – and everything in between. It has, however, been successful in delivering high quality care across the crisis, supporting our teams, and keeping the organisation viable and sustainable.

As we emerge from the pandemic, we are building our sustainable fundraising and retail income streams to pre-pandemic levels, we are refreshing our model care in our Patient and Family Support services at both our Little Common Lane and Ecclesall Road South sites, as we continue to provide outstanding palliative care to some of the most vulnerable people in Sheffield.

St Luke's will be reviewing its strategy during 2022-23 as the financial sustainability and operational demands of the post-pandemic environment become clearer.

Review of services and activity

St Luke's provides palliative and end of life care for patients who have life limiting illnesses. This is not limited to patients who have cancer but includes neurological conditions like motor neurone disease, human immunodeficiency virus (HIV) and end stage heart, kidney and lung conditions. Care of patients with non-cancer illnesses has risen to over 31% for the 2021-22 year from 30% last year.

Overall, our clinical teams helped 1,758 individual patients (2020-21: 1,905), through 2,552 spells of care (2020-21: 2,864). The small reduction in numbers compared to 2020-21 reflects the impact of the new community triage process, where inappropriate referrals are declined prior to any visit taking place, thus ensuring that specialist palliative care is applied only to those who need it. With 51% of referrals to our Community team being labelled as 'urgent,' and with complexity, acuity and dependency of patients continuing to show deterioration compared to previous years, the demand for St Luke's services remains extremely high and at times through the year the pressure on services reaches a level where the ability to accept further cases is in question. The investment by St Luke's Board in more resources for our community services, and the appointment of a new consultant funded by St Luke's charitable income, will both help to manage these pressures better in the future.

St Luke's role as a 'provider of last resort' for many crisis cases continues to support the healthcare system in the city. This has been particularly true through the year, when often other services have seen their staffing levels adversely affected by Covid with a consequent reduction in their ability to support the most challenging cases. Managing such patients and their complex situations continues to put significant demands – including emotional demands – on our teams.

Some service highlights for 2021-22 are as follows:

General	<ul style="list-style-type: none"> Over 31% of our patients have a non-cancer diagnosis 1,758 patients were cared for by clinical teams
Community team	<ul style="list-style-type: none"> In the year our teams made 6,289 visits to patients at home and in care homes across Sheffield, and 11,838 phone and video calls to them in support of their care St Luke's received 2,393 referral requests to our community service from GPs and other healthcare professionals, a 10% increase on the prior year 33% of visits were to patients who required urgent care from our Intensive Treatment Team St Luke's continues to provide specialist nutritional and individually designed food and drink packages to around 15 community patients each week, free of charge
In Patient Centre (IPC)	<ul style="list-style-type: none"> 24 hour care and support by our team of specialist nursing, medical and health professional staff Over the last 12 months, we cared for 316 patients at our IPC (302 admissions) During the year, we provided 4,934 days of care on the IPC On average, each patient stayed at the IPC for 16 days with 32% able to return home after specialist intervention treatment
Bereavement Support team	<ul style="list-style-type: none"> 570 relatives were supported with bereavement counselling and supported after the death of a loved one The Bereavement team of staff and volunteers delivered 2,764 sessions with clients in the year

New Initiatives

Whilst keeping our core services running through the pandemic and its aftermath has been the focus of work across 2021-22, St Luke's has progressed a number of new initiatives and commitments, additional to our regular activities. In most cases, the resources needed for these initiatives have been allocated from our charitable income sources and reserves, with St Luke's trustees keen to offer extended support to our communities to help cope with additional demand upon services as the true impact of the pandemic is revealed.

- Expanding our Community team and creating a new triage service – following a significant increase in demand from GPs for support from St Luke's Community team during the year, St Luke's Board supported a £200k per annum increase to the team's annual staffing budget, to allow an increase in resources, an upskilling to capabilities, and more speciality support. Included within these changes was the creation of a dedicated triage team, tasked with reviewing each new referral to ensure that it is appropriate to St Luke's services, and directing each to the most appropriate resource – improving the experience for the patient and family whilst ensuring that inappropriate referrals are signposted to other services rather than tying up scarce specialist palliative care resources.
- St Luke's Patient and Family Support service – during the pandemic, St Luke's was forced to suspend its traditional day care services provided from the Active Intervention Centre at Little Common Lane, and our range of support and activities for patients and families delivered from our centre on Ecclesall Road South (formerly known as 'Clifford House'). A review of the services undertaken during this period has given rise to a new combined approach, the Patient and Family Support service, or 'PAFS.' The PAFS service will offer a range of care and support for community-based patients and families (including those requiring bereavement

counselling), including access to clinics, therapies, rehabilitative services, wellbeing sessions, group activities, and social interaction – built on 6-week 'sessions.' Referrals will be accepted from GPs and other health services, as well as from St Luke's own practitioners. We expect the PAFS service to make a significant contribution in allowing patients (and their families) to cope with the progression of their illness at home, to prepare for later deterioration, and to benefit from enhanced wellbeing across their end of life journey and for loved ones through bereavement. We expect the PAFS service to build up from March 2022 and plan to support up to 500 patients through 6-week sessions in the first year.

- **Compassionate Sheffield** – St Luke's is one of three 'funding partners,' with NHS Sheffield CCG and Sheffield City Council (through the Public Health Directorate), for the Compassionate Sheffield programme which is being developed to provide a wider framework for community support to enable better experiences around end of life. Compassionate Sheffield will work with individuals, communities, organisations and services to connect those who want help to those who can help. St Luke's is also acting as host to the Compassionate Sheffield team.
- **Environmental working group** – St Luke's has set up a staff-based environmental working group to take forward our vision and strategy in this vital area. Just as we care for people, we also care for our environment, our neighbours and our impact on society. As our journey to be a better organisation continues, we aspire to reduce the negative impact we have on our environment and to improve and grow the positive impact we have on our neighbourhood and society, seeking outcomes that can be measured against appropriate benchmarks and charters. Our aim is to demonstrate that we are a responsible citizen and to enhance sustainability for ourselves and those around us. This is a long-term journey with significant resource implications. We cannot change overnight - but our commitment is clear and we'll work progressively to achieve our goal of a greener, more energy-efficient and sustainable St Luke's in tune with our environment and community.
- **Providing more chaplaincy resources for patients and families** – St Luke's chaplaincy services provide essential support to patients and families of all beliefs and none, addressing spiritual needs and opportunities for reflection and contemplation at a time of extraordinary stress – before, during and after death. The pandemic has raised demand for these services, and the post-pandemic situation has seen more patients and families seeking support as a result of crisis, anxiety and prolonged concerns about death and dying. St Luke's has therefore created an additional chaplaincy post to increase access to these professional services, funded from our charitable income.
- **Introducing a new incident and accident reporting system** – in order to streamline paper and computer-based systems, St Luke's has introduced a unified incident and accident reporting system to cover all aspects of its clinical and non-clinical activities. The 'Vantage Sentinel' system is used in a wide variety of settings and organisations, and through bespoke development has been adapted to St Luke's environment, allowing easy reporting and automated tracking of investigation and outcomes for incidents, accidents and near misses, including escalation of serious incidents. A range of reports allows effective analysis and monitoring for operational and governance purposes.
- **Investing in a new clinical electronic patient record system** – In 2005, St Luke's - together with the Department of Palliative Medicine at Sheffield Teaching Hospitals (STH) - developed a new electronic record system for palliative care patients based around the Infoflex system. Since then, the system has been developed by St Luke's into a comprehensive record and workflow tool. However, with other record systems becoming more common in Sheffield, and with a need to have access to patient records between healthcare providers (particularly GPs), St Luke's is now undertaking a feasibility exercise with a view to migrating to a new electronic patient record ('EPR') which will facilitate a more efficient exchange of information for the benefit of patient

care. St Luke's has committed c.£750k of reserves to this project with a planned implementation date by 2023. We are grateful for the support given by NHS Sheffield CCG towards this programme.

- Recruiting a new consultant – St Luke's engages a dedicated team of specialist palliative care consultants to help deliver excellent care as part of our wider clinical team. Our consultants are employed by STH and St Luke's pays for the time they spend with our charity. As patient numbers at St Luke's have grown, so have the demands on our consultants, and the need for additional resources that can be deployed under our own management has become a critical issue. St Luke's has therefore recruited its first consultant to be employed directly by our charity, helping to increase the support we can offer to patients in the community, and funded through our charitable resources.

Care Quality Commission (CQC) oversight

St Luke's is required to register with the CQC given the nature of the services we offer to patients. Our registration was amended during the year at the request of the CQC and we are now registered under the following regulated activity category: the treatment of disease, disorder or injury.

During the year, St Luke's has not been the subject of inspection or visit by the CQC, although there has been regular monitoring through online and telephone meetings, in particular to introduce new inspectors to our services. St Luke's receives regular advice and updates from the CQC.

St Luke's was last inspected by the CQC in October 2016 when inspectors paid an unannounced visit to assess compliance with the legal requirements and regulations under the Health and Social Care Act 2008. The CQC's report, published in January 2017 gave the following results below:

Overall rating for this trust	Outstanding
Is the service safe?	Good
Is the service effective?	Outstanding
Is the service caring?	Good
Is the service responsive?	Outstanding
Is the service well-led?	Outstanding

The full report can be viewed at: www.cqc.org.uk/location/1-108415043

Financial Overview

After a dramatic first year of the pandemic in 2020-21 when St Luke's finances came under initial severe pressure, the financial year 2021-22 has been much more stable, with less of our income under threat from lockdown closures and most of our regular income streams re-establishing themselves as the year progressed.

It is worth recapping as we move back to 'business as usual' that in normal circumstances, St Luke's receives around 30% of its annual income from NHS Sheffield CCG (now replaced by the South Yorkshire Integrated Care Board or 'SY-ICB'), with the rest – in excess of £7.5m – being raised from predominantly local voluntary means, including our charity retail shops, general fundraising activities, legacies, our hospice lottery, and various other contracts and services.

In 2021-22, these sources were supplemented by three significant additional elements. Firstly, St Luke's received settlement on its business interruption claim in respect of the original retail lockdown in 2020, following a Supreme Court judgement. Secondly, St Luke's received specific and targeted funding from NHS Sheffield CCG to support system-wide winter pressures across the Omicron period, to ensure that St Luke's could maintain its capacity and offer additional bed space at peak times. Thirdly, St Luke's has received special funding from the UK Government, via our

national charity Hospice UK, specifically to enable the discharge of patients from acute hospital settings during the Omicron wave, either to community or hospice-based settings. We are grateful to both NHS Sheffield CCG and the UK Government for their support during this difficult period, ensuring the stability and sustainability of our caring services when there were particular challenges, especially staffing absence across multiple settings.

Cost pressures are clearly mounting and whilst we appreciate the continued linkage of our NHS funding to general wage inflation within the NHS, this only covers around 20% of the general inflationary pressures we currently face. At the time of writing UK inflation is projected to exceed 10%, with particular pressures around the retention and recruitment of staff, in energy and fuel markets, and in the cost of food. These areas account for around 75% of St Luke's costs and as a result we expect our underlying cost base to rise by around £0.5m in the year ahead.

Whilst we emerge from 2021-22 with a strong surplus which builds our reserves to aid in future sustainability, we are forecasting a budgeted deficit of £0.6m in 2022-23 as a result of these inflationary pressures which arise at a time when our income streams are still recovering from the pandemic period. However, we have reserves that can both withstand the recovery period and also fund a number of key initiatives that are mentioned above, including the expansion of the Community team and the investment in clinical IT systems through the introduction of a new electronic patient record (and planning for the introduction of e-prescribing).

We are grateful to SY-ICB for its continuing help in providing core funding and committing to inflationary uplift, as well as for its funding of specific projects in the year. St Luke's receives no centralised funding for capital programmes (and is unable to apply for many such funding opportunities available to hospitals), and so special funding is extremely helpful.

The passing of the Health and Care Act in 2022 established the legal framework for the termination of CCGs and the transfer of responsibilities and obligations to Integrated Care Boards. These changes present uncertainties to the model for hospice funding but we are reassured by the continued support of SY-ICB and we hope and believe that this new body is equally committed to the principles of hospice care as its predecessor, which have been so supportive to local health systems and economies. **It is vital that hospices are not forgotten in this transition.**

Our income overall increased by £0.9m to £13.7m in the year to 31 March 2022. The following summarises the main factors behind this increase in income:

- Legacies and donations – increased by £0.2m. We have recorded a second year of exceptionally high legacy income (£2.7m in 2021-22 and £2.1m in 2020-21). We do not expect these recent high levels of income from gifts in wills to continue and are budgeting for £1.25m for 2022-23 which is closer to our five-year average income position.
- Special events and sundry sales – continued at a similar low level (£0.2m) to the prior year as we could not hold our 'in person' calendar of events due to the pandemic.
- Charity shop sales – increased by £1.8m to £2.4m as the chain was re-opened during the year. We still suffered losses in sales through intermittent restrictions on trade caused by the Government's response to the pandemic and social distancing rules were in place for much of the financial year.
- Coronavirus Job Retention Scheme funding – this income stream reduced by £0.6m from the prior year as the scheme funding came to an end.
- Other income is up £0.6m on 2020-21, the main variance being the Business Interruption Insurance claim for loss of revenue during the pandemic that was received during the year.
- CCG contract – increased by £0.2m, being the final of three years of agreed increases in baseline contract value plus inflation.
- NHS England Contractual Funding – this non-repeating funding of £1.2m, down from £2.7m in the prior year, is St Luke's element of the restricted NHSE funding for the sector.

TRUSTEES' ANNUAL REPORT (Including Directors' Report and Strategic Report)

YEAR ENDED 31 MARCH 2022

- Other Covid-19 Funding – at £0.1m it is around half the level of the prior year and represents a combination of retail rates grants and the reimbursement of PPE and other essential pandemic expenditure by the CCG.
- Other funding – this income line represents income received from NHS Sheffield CCG in respect of 'Winter pressure discharge' funding and is £0.1m higher than 2020-21 at £0.3m.

Expenditure on raising funds increased by £0.6m in the year, as the shop chain re-opened and various fundraising initiatives began to re-start. Given that income to which this expenditure relates increased by over £2m, the increase in expenditure is proportional and well managed.

Our expenditure on charitable activities – front line care – remained relatively steady at £7.1m. Expenditure on direct costs accounted for over 87% (86% in 2020-21) of all costs in the year, with 13% being support costs – please refer to note 3 to the accounts for further information. The increasing costs of regulatory governance for our charity are included in the 'support costs' figure. Employment costs continue to be the most significant cost incurred by St Luke's accounting for two thirds of all our expenditure at £6.5m in the year.

Income generation

Each year, just 30% of our running costs are covered by NHS funding meaning that we rely on the support of our community to help us raise the remaining 70% needed to keep going.

It's thanks to our fundraisers, lottery players, volunteers and shop customers that we can raise **over £7m** each year to continue caring for people across Sheffield. We're here for the people of Sheffield because they're here for us.

Before the pandemic, our award-winning chain of retail shops raised almost £3m. After two years involving temporary closures in line with Government restrictions during 2020 and 2021 we're excited to have had our shops back fully trading towards the end of the financial year to generate much-needed income.

Our retail chain goes beyond our 13 shops across Sheffield. We also have our eBay store making it possible for people to shop and support us online from all over the world, as well as our busy Donation Centre where we sort over a million donated items each year.

Of course, none of this would be possible without the support of those who buy from our shops, those who donate items for us to sell in them, those gift-aid those goods making it possible for us to raise 25% more from their donations and those who volunteer their time and skills.

It's not just in our shops we see this incredible support, it extends beyond into our community. Every year our passionate supporters work tirelessly out in the community to raise vital funds, helping us to continue caring for people.

Everything our supporters give, no matter how big or small, makes all the difference and there are so many ways to support us. Many continue to leave St Luke's a gift in their will or play our weekly lottery. Some people support us by donating each month or by setting up a tribute page in memory of a loved one. Local businesses are inspired to raise money for our patients and their families and help spread the word about the work that we do. Individuals fundraise at school or home, either joining in our events like Festival of Light or Night Strider or by taking on their challenge.

However you support us, thank you for making our work possible.

In 2021-22 every £1 we spent on fundraising generated £5.75 of income and our charity shop chain returned to being highly profitable in spite of the challenges of social distancing and restrictions on opening.

Ethical fundraising - Our policy and practice

- St Luke's is committed to ensuring that all of our fundraising practice is ethical, appropriate and donor-centred. This applies to everyone fundraising for us; staff, volunteers, commercial participants and professional fundraisers representing St Luke's.
- Our Fundraising Team organises fundraising events and activities, co-ordinate the activities of our supporters on our behalf, and in aid of our work. On occasion we may use external marketing companies to promote our Lottery around the city, and have some commercial participant agreements with corporate fundraisers who generate income for our work.
- We are voluntarily registered with the Fundraising Regulator, and ensure that our work is compliant with their Code of Fundraising Practice. We adhere to the relevant regulations from the Information Commissioner's Office, the Advertising Standards Authority, the Gambling Commission and would abide by any final decision of the Independent Betting Adjudication Service.
- We are organisational members of the Institute of Fundraising, Hospice Lotteries Association and The Lotteries Council. All Fundraising Team members attended a mandatory training session in 2019 which included our ethical fundraising policy (which incorporates protecting supporters from unreasonably intrusive, persistent or pressured fundraising), our complaints procedure, and changes to legal and voluntary regulation regarding fundraising. The team also reviewed the Fundraising Code in a training session in 2020.
- We have contracts in place with all external marketing companies and commercial participants that include stringent compliance and monitoring clauses and have ongoing internal procedures in order to monitor compliance with legal requirements and voluntary regulations.
- We have a procedure for managing complaints which is part of our induction for all Fundraising staff. All complaints are fully documented, investigated and shared with the Executive Team for their review and oversight. 'How to make a complaint' is referenced in our fundraising information, our main website, Lottery website and Privacy Policy. There have been 4 complaints about fundraising activity this year, all of which were categorised as low risk and fully managed to a successful outcome and satisfaction of the complainant.
- All current direct marketing is led by the Fundraising and Marketing & Communications Teams, ensuring that it is not unreasonably intrusive or persistent. All marketing material is GDPR compliant and contains clear instructions on how a person can be removed from mailing lists.

Investments

St Luke's delegates powers of investment to professional independent fund managers who manage the charity's investment portfolio within pre-determined parameters of asset class and risk. In the year under review Investec Wealth and Investment, authorised investment advisers, managed the portfolio on a discretionary basis. The overall objectives are to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained.

	<i>Standard Criteria</i>
<i>Objective</i>	<i>'Balanced' return between income and growth</i>
<i>Risk</i>	<i>Medium</i>
<i>Mandate</i>	<i>Discretionary</i>

Both capital and income may be used for the furtherance of the charity's aims.

The capital base is to be maintained in a mixed portfolio of investments. The portfolio asset allocation ranges are set out below:

Asset Class	Ranges	Comparative Indices
	%	
Fixed Interest	10 - 35	7.5% BofA Merrill Lynch Gilt 5-15 Years 7.5% BofA Merrill Lynch £ Corp and Collateralized Index 5% BofA Merrill Lynch Inflation Linked Gilt 1-10
Equities	45 - 75	30% MSCI United Kingdom Equity IMI (Net) 30% MSCI ACWI World Index Ex UK (Net)
Property	0 – 12.5	MSCI UK IMI Liquid Real Estate (Net)
Other Assets	2.5 - 20	IWI Alternatives Composite
Cash	0 - 20	

- i. Bonds. The investment manager will hold a prudent range of fixed interest securities that might include Government Bonds, Corporate Bonds, Collective Funds, Preference Shares or PIBS.
- ii. Income Target. Commensurate with the above asset allocation.
- iii. Restrictions.
 - a. No individual investment, with the exception of government bonds, should exceed 5% of the total value of the funds under management. For Collectives the limit is 10%.
 - b. Direct investments in negotiable instruments known as "derivatives" are not permitted.

Ethical Investment Policy

St Luke's trustees have determined that within a balanced and managed investment portfolio there should be following restrictions:

- Exclude companies that carry out activities contrary to the aims of the charity, and therefore direct investment in the tobacco industry is excluded;

- Refrain from holding particular investments which could damage the charity's reputation, and therefore direct investment in the armaments industry and the gambling industry is excluded as it is felt that holding these investments may be contrary to the wishes of the charity's supporters and / or beneficiaries.

The Trustees are mindful regarding environmental issues and have an ambition to invest an increasing proportion of the portfolio in sustainable and socially responsible stocks over the coming five years.

The Trustees have considered and discussed other potentially contentious investment areas but in having regard to Charity Law and the prescribed best practice outlined by the Charity Commission, do not feel that other stocks would meet the criteria for exclusion at the current time.

In addition to any exclusions noted above, the Trustees expect our investment portfolio managers to have some consideration of ethical, social and corporate governance issues when undertaking the investment of the charity's funds in direct equities. In particular, companies that fail to adhere to internationally recognised standards of corporate governance, labour standards, and companies that consistently fail to meet UN guiding principles for business and human rights should also be excluded from direct investment.

When investment of St Luke's funds is undertaken via collective vehicles (unit and investment trusts) it is expected that our investment portfolio managers will engage with the appointed fund managers on matters of corporate governance. The trustees accept that some indirect investments may be in areas contrary to the principles, aims and objectives of the charity although reasonable steps should be taken by investment portfolio managers to highlight these if they are deemed to be significant in the overall context of the charity's investment portfolio.

Reserves policy

St Luke's adopts a risk based approach to the management of its reserves that seeks to strike an appropriate balance between financial prudence and investment in front line services, our infrastructure and strategic projects. We consider that the most useful measure of reserves is the level of cash held at bank and as investments that can be readily converted to cash. We have reviewed our reserves policy during the financial year and this new policy represents a dynamic risk-based approach that considers the financial stability of St Luke's as well as longer term strategic opportunities and risks the charity faces, the different reasons for holding money, and looks to build a target range based on holding these reserves in aggregate, as follows:

- **Operational reserves** – the minimum level of cash to be held at all times for immediate working capital needs (such as paying the monthly wages). This is currently estimated as a minimum of **£0.5m**
- **Base reserves** – the minimum level of cash to be held at all times, in addition to operational reserves, in order cover statutory or associated liabilities should we need to undertake a major restructure, or should we lose a key income stream, in order to help mitigate the financial risk to the charity. We estimate this to be **£1.5m**, which could be held as cash at bank or as investment funds, or a combination of the two.

The cumulative value of the above elements gives a **platform of c. £2.0m**. We then build on this with potentially more variable elements:

- **Investment reserves** – these reflect the level of funds needed, in excess of those above, to provide the charity with the level of income included as 'investment income' within its financial projections – based on estimated return rates. This may vary but is currently considered to be **£2.5m**. This will be reviewed by the Board of Trustees each year.

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- **Opportunity reserves** – the final element of reserves held to provide medium and longer term resources to take on new opportunities or to deal with known issues and emerging risks. The level will fluctuate based on financial performance and strategic requirements and will be assessed annually by the Board. We anticipate a range of **between £1m and £4m** depending on where we are in the cycle of expenditure into new opportunities. Major capital projects and significant designated fund spend would fall into the category of money spent from these opportunity reserves.
- **Total reserves** – based on the above reserves categories, using a cumulative methodology, the Board considers the need for a target range of total cash and investments reserve of **£5.5m to £8.5m**.

In addition to this range of cash and investment reserves, the Board also holds a policy in regards to designated funds, restricted funds, and free reserves, as follows:

- St Luke's **designated funds** policy is to hold appropriate designated funds for strategic and capital projects as determined on an annual basis; these reserves can be designated, re-designated or released at the discretion of the Board of Trustees.
- St Luke's **restricted reserves** policy is that when necessary and legally required we will hold restricted funds.
- The level of **free reserves** held will be directly related to the level of cash and investment reserves, less the tangible fixed assets held, plus the longer term proportion of designated funds. As the level of cash and investment reserves is within a range, and as the level of designated funds and their spend profile will be different each year, it is appropriate to set a range for free reserves too. Therefore, St Luke's free reserves policy is to have free reserves in the range **£4.5m to £7.5m**.

Reserves at 31 March 2022

Cash at bank at 31 March 2022 is £3.4m and fixed asset investments that could readily be converted to cash are £4.7m. ***The total of cash and investments reserves is therefore £8.1m.*** This is within the target range of £5.5m to £8.5m.

At 31 March 2022 St Luke's held £15.1m in total reserves (2021: £11.5m). Of this we have identified a total of £1.8m (2021: £1.5m) as designated funds. Spend against these activities is anticipated to occur over the next three years and there is no obligation to spend these amounts as designated. The Board has therefore determined that the proportion of designated funds expected to be spent after 31 March 2022 should remain in free reserves – this amount is estimated to be £1.0m.

Of the total reserves held, ***£7.5m were held as free reserves*** (2021: £4.3m) being the total of general funds (£13.3m), less total tangible fixed assets (£6.8m), plus the longer-term portion of designated funds (£1.0m). This is within the target range of £4.5m to £7.5m.

Designated Funds

Each year, St Luke's reviews the need to keep some of its reserves set aside for specific future activities. We call these our designated funds. The need for such funds varies from time to time depending on many factors, including our future plans. The named designated funds are estimated amounts set aside for specific strategic activities and programmes, and are considered by the directors each year to determine their continued adequacy and necessity based on circumstances and current understanding. They are set, amended and released based upon the discretion of the Trustees. At 31 March 2022, St Luke's identified a total of £1.8m of its reserves as designated funds, summarised as follows:

- The **Research and Education** fund has been increased by £100,000 to **£250,000**. This fund is held to support future development of research and education programmes, for the benefit of St Luke's patients and clients, as well as in support of the wider community, and to assist in the creation of necessary infrastructure over the next three to five years.
- The **Environment and Sustainability** fund is held to provide investment to enable St Luke's aspirations to de-carbonise and become a more environmentally sustainable organisation. A number of initiatives are underway with a programme of activity planned over the next three years. **£300,000** has been allocated to this fund.
- The **Strategic** fund combines a number of important initiatives including community outreach, the development of our Patient and Family Services and c. £100k to support initiatives around Equality, Diversity and Inclusion. **£250,000** has been allocated to this fund.
- The IT and Digital Transformation fund is held to unify and streamline our clinical systems, to improve analytics and use of data, to advance the digital readiness and maturity of our non-clinical systems, and to enable essential investment in our IT infrastructure and estate. **£1m** is designated to this fund, a large proportion of which will be spent over the next 18 months on our clinical systems project.

Taking account of the expected usage of each fund in 2022-23 as noted above, a total of £0.8m of designated funds are expected to be spent in the period to 31 March 2023, with £1.0m projected to be spent during period 2023-25. The £1.0m longer term portion is therefore treated as part of free reserves.

St Luke's plan for the use of these designated funds may change at any time at the discretion of the Board based on the needs of the charity.

Going Concern

The 2021-22 financial statements have been prepared on a going concern basis. We have recorded a good surplus in the financial year and we have a strong asset base. Our budgets for the 2022-23 financial year anticipate a deficit due significant inflationary pressures on wages and other essential. Our short, medium and long-term cash flow forecasts all project sufficient liquid balance of funds and we have no reason to believe that there will be any threat to our going concern status for the next 12 months following approval of these financial statements.

Structure, governance and management

Governance at St Luke's is the responsibility of its Trustees who are all volunteers and serve in an unpaid capacity. New members are appointed with a view to ensuring that the Board of Trustees contains an appropriate balance of experience relevant to the requirements of St Luke's.

Trustees meet frequently as a collective Board and through sub-committees tasked with particular areas of governance and oversight. These meetings are attended by relevant members of the Executive and Management Group and, when appropriate, external members who are selected for their particular expertise and appointed through approval by the Board.

First line leadership of St Luke's is provided by the Chief Executive, whose role is charged to ensure that St Luke's is run as a cost-effective charity while providing the best possible care for patients and relatives.

The Chief Executive is supported by the Executive Team. In March 2022 Helen Day left the role of Director of People and Culture to pursue other opportunities. We thank Helen for her dedication and hard work in serving the charity and wish her well in her future endeavours.

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The Executive Team is supported by a clear and accountable organisation structure through the Operational Leadership Team which includes Heads of Department and Senior Managers. The emphasis is on leadership, accountability and empowerment.

St Luke's Executive Team

St Luke's Board of Trustees delegates the safe and effective running of the charity to the Chief Executive and the Executive Team. St Luke's is not only a large charity and significant employer, but also a provider of regulated healthcare services. Its services are regulated by the CQC and the Charity Commission, as well as a number of other bodies such as the Gambling Commission, NHS Sheffield CCG, and many others. This brings particular requirements for its senior staff, including the need to meet particular 'Fit and Proper Persons' criteria as specified in healthcare regulations.

As well as taking lead responsibility for running and managing St Luke's and being accountable to our governing bodies, St Luke's Executive Team members undertake a number of formal roles required by regulators, by company law and by other bodies such as the General Medical Council. These obligations include, amongst others, the key positions of Accountable Officer, Registered Manager, Responsible Officer, Senior Information Risk Owner and Company Secretary.

The Executive Team members are required to hold relevant professional qualifications to ensure that they are competent to undertake these formal offices, as well as to manage and operate St Luke's safely and effectively. The professional bodies of which the Executive Team are members all require their membership to work ethically and for the public benefit – a key part of managing a charity like St Luke's.

At the end of the financial year the following employees served in St Luke's Executive Team:

Name	Role	Length of Service at St Luke's / in role	Qualifications	Governance Support Lead
Peter Hartland	Chief Executive Officer	14 years, 12 years in role	BSc (Hons), ACA – Associate of The Institute of Chartered Accountants in England and Wales	Board of Trustees; Nominations and Remuneration Committee
Kathryn Burkitt	Director of Income, Media and Marketing	13 years, 5 years in role	BA (Hons), MInstF	50 th Planning Committee
Jo Lenton	Director of Care and Lead for Healthcare Partnerships	13 years, 3 years in role	Registered Nurse, BA (Hons) Supportive & Palliative Care	Healthcare Governance Committee
Tony Saunders	Director of Finance and Chief Operating Officer	12 years, 7 years in role	BA (Hons) FCA – Fellow of The Institute of Chartered Accountants in England and Wales	Resource and Finance Committee; Audit and Risk Committee
Sam Kyeremateng (1)	Medical Director and Clinical Lead for Programme Development	9 years' service and in role	MBChB, MRCP, Dip, PallMed	Research Committee

(1) Dr Kyeremateng's role as Medical Director of St Luke's is shared with his ongoing commitments as a Palliative Care Consultant at Sheffield Teaching Hospitals NHS Foundation Trust, his employer.

Remuneration for the Executive Team is determined by the Board of Trustees (and through its Nominations and Remuneration Committee). Levels of remuneration are set to ensure St Luke's attracts excellent people into these critical roles, with reference to market conditions and the specific skills required, and to retain their skills and experience. The Executive Team's performance is monitored by the Board, and their commitment to our cause is expected to be demonstrated not only through this performance but also by their support of activities (such as events and functions) outside of working hours on a voluntary basis. The Executive Team is also expected to represent St Luke's on regional and national bodies in furtherance of St Luke's objectives.

Governance and risk management arrangements

St Luke's has developed an approach to good governance which embraces both clinical and non-clinical risks. St Luke's Risk Management Strategy embraces a number of elements.

The Board of Trustees oversees St Luke's Risk Management Strategy and is involved in the evaluation of its risk environment via the corporate risk register, the assessment of risk appetite, and the approval of the annual risk action plan, working through the Audit and Risk Committee. The Board works in conjunction with the Healthcare Governance Committee, the Resource and Finance Committee and the Executive Team in the delivery of the Risk Management Strategy. During the year there has been continued development of the strategy and the formulation of processes and monitoring systems.

The Board commissioned an independent governance and board effectiveness review during the year with DigiBoard consultants which concluded that "St Luke's is an extremely well-run charity which scores very highly, both in absolute terms and by comparison to benchmarks".

Audit and Risk Committee

The Audit and Risk Committee oversees and scrutinises St Luke's response to the risk environment in which it operates, considers risk appetite, and monitors the status of internal controls (including financial controls placing reliance on the work of its external auditors).

Healthcare Governance Committee

St Luke's clinical governance arrangements are modelled on guidance and good practice within the healthcare sector. Clinical governance is defined as the framework through which St Luke's will ensure continuous improvement in the quality of services to patients. This process is overseen by the Healthcare Governance Committee.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is responsible for specific governance issues delegated to it by the Board, with particular emphasis on:

- Ensuring that St Luke's governance structures are 'fit and proper,' are effective in their roles, and act within delegated authority levels.
- The recommendation of individuals to be considered for appointment as Trustees of the charity or as lay-members of any sub-committee of the Board, and the numbers of such Trustees or lay-members.
- The recommendation of individuals to be considered as Chairs or Deputy Chairs of either the Board or any sub-committees of the Board.
- The recommendation of individuals to be considered for honorary roles.
- Delegated wider duties by the Board, including oversight of remuneration of the Executive team and the appraisal of the trustees and the Chief Executive.

Research Committee

The Research Committee's remit is to oversee, monitor and develop St Luke's growing Research portfolio – helping to develop the organisation's strategy towards research with the ambition of St Luke's becoming a research-leading organisation.

Resource and Finance Committee

The Resource and Finance Committee is responsible for reviewing and overseeing the financial and resource management of St Luke's in the widest sense. The Committee is responsible for overseeing income generation, investment strategy, financial reporting, budgeting and financial planning, employee and volunteering matters and policies, marketing and public relations matters and oversight of St Luke's estate and facilities.

Trustee method of appointment

A skills-based matrix system is used by the Board in which the organisation's need for a balanced mix of skills, both clinical and non-clinical, is regularly reviewed. The Board uses an open process to search for, identify, access and appoint new Trustees, using selection agencies when this is seen to be beneficial and appropriate. All prospective Trustees are invited to undertake a rigorous process of discussion and observation before undertaking a 'fit and proper person' check, and ultimately new Trustees are appointed at a meeting of the full Board of Trustees. A new Trustee undergoes a full programme of induction into all aspects of the organisation and their duties and obligations as a Trustee, in line with Charity Commission guidance and best practice.

Trustee terms of office

Trustees serve in terms of four years but ultimately no Trustee may serve for more than ten consecutive years, plus a short run-on allowance in particular circumstances to allow for proper handover of responsibilities.

Public benefit statement

In planning and delivering its services and activities, the Trustees and Executive of St Luke's have given due regard to the need to ensure that the organisation provides public benefit, following the Charity Commission's guidance on these matters.

St Luke's charitable objectives and our annual declaration of activities and achievements (publicly available from the Charities Commission and Companies House, and through the Impact Report and Quality Account) demonstrate that St Luke's provides vital free-to-access services available to all people in the city of Sheffield.

St Luke's is clearly meeting the requirements of the public benefit test – a charity providing benefits for the public and supported by the public.

Statement of Equality and Diversity

St Luke's is committed to the promotion of diversity and equal opportunities, to eliminating and preventing unlawful discrimination in our work, and to protecting and respecting human rights.

We believe that our services should be accessible for all, regardless of race, age, gender, disability, sexuality, religion, marital status, gender reassignment status or the area of Sheffield in which a person lives. We are also committed to treating staff, volunteers and those applying to work at St Luke's fairly and without discrimination.

We actively seek to promote equality and human rights by ensuring that we meet our legal duties under the Equality Act 2010 and the Human Rights Act 1998, for example by making sure that equality and diversity are at the centre of our policies and procedures, by ensuring that staff and volunteers are able to meet the diverse needs of our service users, and by involving patients in decisions about their healthcare as far as possible.

Statement of Aspirations for Outreach and Inclusion

Across the UK there are challenges in providing equitable access to hospice and specialist palliative and end of life care services. Whilst lack of resources to make services available to all is a key factor, many groups - including certain faith groups, gypsies and travellers, lesbian, gay, bisexual, transgender and queer (or questioning) (LGBTQ+) people, as well as those who are homeless or living in deprivation - often experience disadvantage towards the end of life, and many do not have access to appropriate support services. The reasons for this vary, but in part may be due to a lack of understanding by both healthcare professionals and those in need that hospice and palliative care services could meet their needs, as well as individuals having concerns that they may be unable to be their whole self when accessing services.

St Luke's vision is to support and care for everyone affected by terminal illness in Sheffield, and we are committed to reducing health inequalities and ensuring the services we deliver are culturally sensitive, inclusive and accessible, meeting the needs of our diverse community.

In support of our vision, we aim to promote equality, diversity and inclusion, and to reduce inequalities in the provision of palliative and end of life care within our community, by supporting those who have previously been excluded from society and marginalised from mainstream services, to connect or reconnect with our services.

Fostering a culture that promotes equality, embraces diversity and treats each of our patients, families and carers with dignity and respect as individuals is integral to our values and the delivery of our services. Understanding differences between individuals and groups within our community is essential to enable us to deliver a patient-centred care approach that is flexible in response to our patients' needs. To achieve this, we will seek to empower those who have previously been excluded from society and marginalised from mainstream services, to contribute and share their knowledge, insights and experiences to support the design, delivery and review of our services, policies and practices.

In particular we will seek to improve our strength and depth of engagement, and reduce the barriers to accessing our services with the following groups within our community:

- Those who do not speak English or possess language barriers, including black and ethnic minority groups, refugees, asylum seekers and migrants
- LGBTQ+ individuals who might encounter prejudice and barriers in their day-to-day lives
- People who are binary trans, non-binary people and people who cross dress
- Those who are homeless or do not have a permanent residence
- Those whose accommodation is insecure, including gypsy, Roma and traveller populations
- Those with disabilities, either physical or learning
- Those with dementia or similar conditions
- Those experiencing substance abuse or dependency, including alcohol and drugs
- Those with religious faith and beliefs, and those who have none
- Those living in areas of deprivation where access to healthcare services is particularly difficult
- Adults of all age groups requiring end of life care, including young adults with longer-term conditions who enter the end-of-life phase.

Environmental Impact and Sustainability statement

St Luke's is a charity that is all about caring. Just as we care for people, we also care for our environment, our neighbours and our impact on society.

As our journey to be a better organisation continues, we aspire to reduce the negative impact we have on our environment and to improve and grow the positive impact we have on our neighbourhood and society. We'll do this by developing our philosophy, improving our awareness and understanding, seeking best practice and establishing action plans to make improvements – seeking outcomes that can be measured against appropriate benchmarks and charters. We'll report our progress and celebrate our successes – and work harder on things that are difficult to achieve. By doing these things we'll demonstrate that we are a responsible citizen and we'll enhance sustainability for ourselves and those around us.

St Luke's recognises that this is a long-term journey with significant resource implications, and that we cannot change overnight. But our commitment is clear and we'll work as a team, and with partners, to combine big-ticket actions with small positive steps to progressively achieve our goal of a greener, more energy-efficient, and sustainable St Luke's in tune with our environment and community.

Legal and administration

Status

St Luke's Hospice is a charitable company limited by guarantee, incorporated on 15 November 1967 as St Luke's Nursing Home Limited and registered as a Charity in England and Wales on 24 November 1967. It is independent and has no legal connection with other hospices in the UK. St Luke's first opened its doors on 1 October 1971.

Governing document

St Luke's was established under a memorandum of association and is governed under its articles of association which establish the objects and powers of the organisation.

The company is established for charitable purposes only, having the following objectives:

To relieve sickness and assist in the treatment and care of persons suffering from mental and physical illness of any description and in particular:

- By providing an establishment or establishments for sick persons where they can be given the accommodation, attendance, medical care and treatment and nursing which by reason of their sickness they require.
- By conducting, exploring or encouraging research and the evaluation of improvements in the care of the terminally ill person, that person's carers and relatives and to disseminate the useful results of such research.
- By providing palliative care in the community and by providing support for the carers and relatives of terminally ill people.

ST LUKE'S HOSPICE

TRUSTEES' ANNUAL REPORT (Including Directors' Report and Strategic Report)

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Company number	00922448
Charity number	254402
Registered office	St Luke's Hospice Little Common Lane Off Abbey Lane Sheffield S11 9NE
Founder	Professor Eric Wilkes OBE (1920 – 2009)
President	Lady Neill DL
Vice President	Alex Pettifer MBE

Executive Team serving during the 2021-22 year

Peter Hartland
Chief Executive and Company Secretary

Kathryn Burkitt
Director of Income, Media and Marketing

Jo Lenton
Director of Care and Lead for Healthcare Partnerships

Dr Sam Kyeremateng
Medical Director and Clinical Lead for Programme Development

Tony Saunders
Director of Finance and Chief Operating Officer

Helen Day (resigned 31 March 2022)
Director of People and Culture

Board of Trustees

Neil MacDonald

Chair of the Board of Trustees. Ex-officio member of: the Audit and Risk Committee, the Resource and Finance Committee, the Nominations and Remuneration Committee, the Healthcare Governance Committee, and the Research Committee

Dr Lucy Cormack

Member of the Healthcare Governance Committee and the Audit and Risk Committee

Louise Edwards-Holland

Member of the Resource and Finance Committee and the Nominations and Remuneration Committee

Laurence Gavin

Member of the Resource and Finance Committee

Professor Diana Greenfield

Member of the Healthcare Governance Committee and the Research Committee

Louisa Harrison-Walker

Member of the Resource and Finance Committee

Susan Inglis

Chair of the Healthcare Governance Committee and member of the Nominations and Remuneration Committee and the Audit and Risk Committee

Martin McKervey

Member of the Resource and Finance Committee

Amy Stanbridge

Chair of the Audit and Risk Committee

Dr Toni Schwarz

Member of the Healthcare Governance Committee and the Research Committee

Andrew Snelling

Chair of the Resource and Finance Committee and Honorary Treasurer; member of the Nominations and Remuneration Committee

Professor Sarah Thomas

Chair of the Nominations and Remuneration Committee and member of the Healthcare Governance Committee

Dr Mark Durling (appointed 28 September 2021)

Member of the Healthcare Governance Committee

Shelley Garlington (appointed 28 September 2021)

Member of the Resource and Finance Committee

ST LUKE'S HOSPICE

TRUSTEES' ANNUAL REPORT (Including Directors' Report and Strategic Report)

YEAR ENDED 31 MARCH 2022

Board of Trustees

Steve Ned (appointed 28 September 2021)

Member of the Healthcare Governance Committee

Angus Ridge (appointed 28 September 2021)

Member of the Healthcare Governance Committee and the Audit and Risk Committee

Dr Suvira Madan (appointed 27 June 2022)

Professor Jon Wadsley (appointed 27 June 2022)

The Trustees have given due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

St Luke's patrons and ambassadors

St Luke's is proud to be supported by patrons and ambassadors who champion our charity both locally and nationally. Our patrons and ambassadors give their support voluntarily, and serve for mutually agreed periods of time. We are grateful to them for their time and commitment.

Our senior patrons are:

Hugh Facey OBE & Mrs Frances Facey

Lord Robert and Lady Kerslake

Sir Martyn Lewis CBE

Sir Hugh Sykes DL and Lady Sykes

Harry Gration MBE – *we were very saddened to learn of the passing on our good friend and patron Harry Gration in June 2022. Harry had been a loyal supporter of St Luke's and advocate of end of life care for many years. He regularly volunteered his time to support St Luke's events and we are very thankful for his work for the charity. Our condolences are extended to Harry's family at this difficult time.*

We would also like to recognise the support across the years of Gordon Bridge OBE who sadly died in 2022. As Master Cutler Gordon supported St Luke's as his chosen charity, and he also championed St Luke's in achieving the Queen's Award for Volunteering. We thank Janet and family for their ongoing support to our charity.

The President's Award

President's award recipients:

Professor Barry Hancock OBE, 2018

Michael Pestereff, 2017

The Queen's Award for Voluntary Service

St Luke's Volunteers are proud to be the recipient of The Queen's Award for Voluntary Service, presented for HM The Queen by HM Lord-Lieutenant of South Yorkshire in 2019.

Bankers

Svenska Handelsbanken AB (publ)
Seventh Floor
3 St Paul's Place
129 Norfolk Street
Sheffield S1 2JE

National Westminster Bank Plc
997 Abbeydale Road
Sheffield S7 2QE

Solicitors

Knights plc
Commercial House
14 Commercial Street
Sheffield S1 2AT

Freeths
Fifth Floor
3 St Paul's Place
129 Norfolk Street
Sheffield S1 2JE

TRUSTEES' ANNUAL REPORT (Including Directors' Report and Strategic Report)

YEAR ENDED 31 MARCH 2022

Trustees' Responsibilities statement

The Trustees (who are the statutory Directors of St Luke's for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods of principles in the Charities SORP 2019 (FRS102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Insurance for Trustees and Officers

Insurance for Trustees and Officers against liabilities in relation to the company, as permitted by the Companies Act 2006, is maintained under a policy held by St Luke's.

This report is presented on behalf of the St Luke's Board of Trustees.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors. On behalf of the Board on 26 September 2022.

Neil MacDonald
Chair of the Board of Trustees

Andrew Snelling
Honorary Treasurer

Opinion

We have audited the financial statements of St Luke's Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of financial activities, the group and the parent charitable company balance sheet, the group cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 groups 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 the going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST LUKE'S HOSPICE

YEAR ENDED 31 MARCH 2022

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' 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 the 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent 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 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 responsibilities for the audit of the financial statements

We have been appointed as auditors 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.

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experiences of the charities sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Charities Act 2011, Companies Act 2006, taxation legislation and data protection, employment and health and safety legislation (including CQC documentation);
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence throughout;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1(s) were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST LUKE'S HOSPICE

YEAR ENDED 31 MARCH 2022

-
- reading the minutes of meetings of those charged with governance; and
 - enquiring of management as to actual and potential litigation and claims.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Jane Marshall (Senior Statutory Auditor)
For and on behalf of BHP LLP, Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD
Date:

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income from:									
Legacies and donations		3,959,890	-	66,382	4,026,272	3,828,103	-	30,687	3,858,790
Other trading activities:									
Special events and sundry sales		245,934	-	-	245,934	204,047	-	-	204,047
Charity shops		2,427,089	-	-	2,427,089	633,222	-	-	633,222
Lottery income		828,451	-	-	828,451	806,598	-	-	806,598
Education and research		334,221	-	-	334,221	246,439	-	-	246,439
Other income		807,809	-	-	807,809	190,813	-	-	190,813
CJRS scheme		25,639	-	-	25,639	596,215	-	-	596,215
Investment income	2	49,503	-	-	49,503	27,271	-	-	27,271
Charitable activities									
CCG Contract		3,011,189	-	-	3,011,189	2,773,484	-	-	2,773,484
Subsidy of medicine & drugs costs		106,569	-	-	106,569	82,852	-	-	82,852
COVID-19 grants									
NHS England contractual funding		-	-	1,191,010	1,191,010	-	-	2,708,683	2,708,683
Other Covid-19 funding		111,005	-	-	111,005	231,482	-	-	231,482
Other funding		340,520	-	-	340,520	216,686	-	-	216,686
Other grant		-	-	189,364	189,364	-	-	187,747	187,747
		<u>12,247,819</u>	<u>-</u>	<u>1,446,756</u>	<u>13,694,575</u>	<u>9,837,212</u>	<u>-</u>	<u>2,927,117</u>	<u>12,764,329</u>
Expenditure on:									
Raising funds									
Legacies and donations	3	367,254	-	-	367,254	311,772	-	-	311,772
Special events and sundry sales	3	240,448	-	-	240,448	218,499	-	-	218,499
Charity shops	3	2,121,318	-	-	2,121,318	1,633,949	-	-	1,633,949
Lottery prizes & expenses	3	280,008	-	-	280,008	290,057	-	-	290,057
Investment management fees	3	16,896	-	-	16,896	6,384	-	-	6,384

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Expenditure on:									
Charitable activities									
Inpatient care	3	3,469,364	69,378	938,514	4,477,256	2,427,582	16,012	1,921,718	4,365,312
Medicine & drugs costs	3	106,569	-	-	106,569	82,852	-	-	82,852
Early support for terminal illness	3	141,631	-	-	141,631	156,709	-	-	156,709
Integrated community care services	3	1,509,672	46,536	449,594	2,005,802	1,399,778	7,534	995,399	2,402,711
Education and research	3	336,317	-	-	336,317	306,725	-	-	306,725
Total expenditure		8,589,477	115,914	1,388,108	10,093,499	6,834,307	23,546	2,917,117	9,774,970
Net income / (expenditure)	6	3,658,342	(115,914)	58,648	3,601,076	3,002,905	(23,546)	10,000	2,989,359
Gains on investments									
Realised		16,713	-	-	16,713	60,359	-	-	60,359
Unrealised	8	64,075	-	-	64,075	107,446	-	-	107,446
		80,788	-	-	80,788	167,805	-	-	167,805
Net income/(expenditure)		3,739,130	(115,914)	58,648	3,681,864	3,170,710	(23,546)	10,000	3,157,164
Transfer between funds	15/16	(357,266)	415,914	(58,648)	-	(163,546)	173,546	(10,000)	-
Other recognised losses									
Loss on revaluation of fixed assets	7	(61,991)	-	-	(61,991)	(603,843)	-	-	(603,843)
Net movement in funds		3,319,873	300,000	-	3,619,873	2,403,321	150,000	-	2,553,321
Funds balance at 1 April 2021		10,008,686	1,500,000	-	11,508,686	7,605,365	1,350,000	-	8,955,365
Funds balance at 31 March 2022	15/16	13,328,559	1,800,000	-	15,128,559	10,008,686	1,500,000	-	11,508,686

ST LUKE'S HOSPICE

BALANCE SHEETS

AS AT 31 MARCH 2022

	Note	GROUP		CHARITY	
		2022 £	2021 £	2022 £	2021 £
Fixed assets					
Tangible assets	7	6,751,386	6,728,023	6,751,386	6,728,023
Investments	8	4,671,740	2,590,952	4,671,814	2,591,026
		11,423,126	9,318,975	11,423,200	9,319,049
Current assets					
Stock – goods for resale		67,495	152,140	67,495	152,140
Debtors	9	3,501,098	2,216,924	3,571,708	2,264,127
Cash at bank and in hand	10	3,411,519	2,734,663	3,329,016	2,665,946
		6,980,112	5,103,727	6,968,219	5,082,213
Creditors: amounts falling due within one year	11	(3,224,292)	(2,815,208)	(3,224,292)	(2,801,125)
Net current assets		3,755,820	2,288,519	3,743,927	2,281,088
Total assets less current liabilities		15,178,946	11,607,494	15,167,127	11,600,137
Creditors: amounts falling due after more than one year	12	(50,387)	(98,808)	(50,387)	(98,808)
Net assets	19	15,128,559	11,508,686	15,116,740	11,501,329
Charity Funds					
General funds	15	13,328,559	10,008,686	13,316,740	10,001,329
Designated funds	15	1,800,000	1,500,000	1,800,000	1,500,000
Total unrestricted funds - Including investments revaluation reserve (£158,767 (2021: £124,959))	15	15,128,559	11,508,686	15,116,740	11,501,329
Restricted	16	-	-	-	-
Total Charity funds		15,128,559	11,508,686	15,116,740	11,501,329

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in the financial statements. The surplus of the charity is £3,615,411 (2021: £2,548,542).

The financial statements were approved and authorised for issue by the Board on 26 September 2022.

Signed on behalf of the board of Trustees

N MacDonald
Chair of the Board of Trustees

A E Snelling
Honorary Treasurer

The notes on pages 29 to 53 form part of these financial statements.
Company registration number: 00922448

ST LUKE'S HOSPICE

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

	Note	2022		2021	
		£	£	£	£
Cash flows from operating activities:					
Net cash flow provided by operating activities	17		2,829,278		3,180,933
Cash flows from Investing activities					
Interest received	2	313		1,511	
Dividends received	2	49,190		25,760	
Purchase of tangible fixed assets	7	(202,180)		(199,602)	
Proceeds from sale of fixed assets		250		198,004	
Purchase of investments	8	(2,777,496)		(1,085,529)	
Proceeds from sale of investments		484,385		713,918	
Net cash flow from investing activities			(2,445,538)		(345,938)
Increase in cash and cash equivalents in the year			383,740		2,834,995
Cash and cash equivalents as at 1 April 2021	18		3,785,219		950,224
Cash and cash equivalents as at 31 March 2022	18		4,168,959		3,785,219

1 Summary of significant accounting policies

(a) General information and basis of preparation

St Luke's Hospice is a registered Charity in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £2 per member of the charity. The address of the registered office is given in the charity information of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees' Annual Report.

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 United Kingdom and Republic of Ireland 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 United Kingdom Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

(b) Going concern

The 2021-22 financial statements have been prepared on a going concern basis. We have recorded a good surplus in the financial year and we have a strong asset base. Our budgets for the 2022-23 financial year anticipate a deficit due to significant inflationary pressures on wages and other essential. Our short, medium and long-term cash flow forecasts all project sufficient liquid balance of funds and we have no reason to believe that there will be any threat to our going concern status for the next 12 months following approval of these financial statements.

(c) Basis of consolidation

The consolidated accounts include the accounts of St Luke's and its subsidiary undertakings on a line by line basis.

Under section 399 of the Companies Act 2006 and paragraph 15.12 of the SORP (FRS 102) the company is not required to present its own income and expenditure account.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in the financial statements. The surplus of the charity is £3,607,984 (2021: £2,545,894).

(d) Fund accounting

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

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

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

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

Investment income and gains are allocated to the appropriate fund.

(e) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when St Luke's 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.

(i) Clinical Commissioning Group

Income represents grants receivable from NHS Sheffield Clinical Commissioning Group (CCG) covering the Sheffield region in respect of either contractual service level agreements or non-contractual recurrent grant funding. The CCG has now transitioned to the South Yorkshire Integrated Care Board and in future funding relationships will be with this organisation.

(ii) Lottery income

Lottery income is accounted for when receivable and represents income generated by the weekly St Luke's Hospice Society Lottery and periodic raffles. Lottery income received in advance is carried forward as deferred income.

(iii) Donations

Donations are treated as income when received.

(iv) Gifts in kind

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 Charity shops'. Upon sale, the value of the stock is charged against 'Income from Charity shops' and the proceeds are recognised as 'Income from Charity shops'.

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

(v) Legacies

For legacies, entitlement is the earlier of St Luke's being notified of an impending distribution or the legacy being received. Legacies are treated as income when they are received, or on a receivable basis for all individual legacies which have been notified prior to the accounting reference date and become capable of financial measurement prior to the sign off of the accounts.

(vi) Quoted investment income

Quoted investment income is accounted for on a receivable basis.

(vii) Special events and sundry sales income

Special events and sundry sales income is credited when the event takes place.

(viii) Government grants

Grants received in relation to the government's Coronavirus Job Retention Scheme have been recognised within other operating income. The grant is accounted for on the accruals basis once the related payroll has been submitted.

(ix) Dividends

The charity was gifted shares in a private limited company, the gifted shares have no voting rights, however they do have entitlement to dividends. The shares cannot be valued as they are not held on a listed investment stock exchange and cannot be transferred or exchanged. The dividends are recognised on a receivable basis.

(f) Deferred income

Funds received in one accounting period that are specifically restricted to work to be carried out in subsequent accounting periods are not accounted for as income but are carried forward as deferred income.

(g) Expenditure and basis of allocation of costs

Expenditure is included in the SoFA on an accruals basis, inclusive of any irrecoverable VAT.

Charitable expenditure directly related to the objects of St Luke's and the provision of hospice services is recognised on an accruals basis.

Direct costs are attributed directly to the charity's activities.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Support costs which relate to more than one charitable activity are allocated to those activities based on an assessment criteria of time spent on each activity. Included in support costs are governance costs which represent expenditure incurred in the management of the charity's assets, strategic and organisational administration and compliance with constitutional and statutory requirements.

(h) Operating leases

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

(i) Fixed assets and depreciation

Freehold land and buildings and long leasehold land and buildings are included at fair value, impairment reviews are considered annually. As a consequence, depreciation is not charged on such assets. All other fixed assets categories are included at the historical cost. Significant donated fixed assets are capitalised at their estimated cost.

(i) Fixed assets and depreciation – continued

Expenditure of less than £1,000 is normally not capitalised unless it forms part of a larger project which has either a) an aggregate value in excess of £1,000 or b) has been specifically designated as a capital project by management. In all cases the decision to capitalise expenditure or otherwise will be made on an item by item basis with regard to the nature of the item and the economic benefits derived.

No depreciation is applied to assets in the year of purchase. A full year's charge is applied in the year of disposal. Depreciation is provided by St Luke's on a reducing balance basis (unless otherwise determined) to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Short leasehold improvements	- Straight line over the life of the lease
Motor vehicles	- 20% per annum
Equipment and furniture	- 25% per annum
Computer equipment	- 3 years straight line

The general rates detailed above are subject to override on an item by item basis should - in the opinion of management - the circumstances of the condition or estimated life of the asset change. Material departure from the general rates above will be disclosed in the notes to the accounts.

(j) Stocks

Stocks are stated at the lower of cost and net realisable value. Donated stocks are fair valued as described in (e) (iv) above.

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

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

(l) Financial instruments

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

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Except for those employees for whom St Luke's makes contributions to the NHS superannuation scheme, all other St Luke's employees may, at their discretion, join the St Luke's Group Personal Pension Plan arranged by Scottish Widows to which St Luke's makes an employer contribution which matches the employee's contribution. Employees who are not already part of a pension scheme are enrolled in the Auto-Enrolment Pension Scheme which they may opt out of at their request. These pension funds are assets of the individual and St Luke's has no liability nor interest in the value of each fund. St Luke's contributions are charged to the SoFA as they are incurred.

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

(n) Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than three months (other than cash).

(o) 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 'gains/(losses) on investments' in the SoFA.

Investments in subsidiary undertakings are valued at cost less impairment.

(p) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(q) Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

i. Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

ii. Dilapidations Provision

The provision for dilapidations reflects anticipated future expenditure on the repair of leased premises based on current assessments of the condition and the necessary repairs requirement in the short term. The charity has lease obligations for shop properties.

iii. Support cost allocations

Allocation of support costs is estimated based on resources used as detailed in the expenditure – operational costs noted above.

ST LUKE'S HOSPICE

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

iv. Donated stock

Donated stock is valued based on post year end sales, stock turnover and RAG rates.

2. Income from investments

	2022	2021
	£	£
Dividends and interest	49,190	25,760
Bank interest	313	1,511
	<u>49,503</u>	<u>27,271</u>

Income from investments in both years is unrestricted.

3. Analysis of expenditure

	Direct costs	Support costs	Total	Total
	£	£	2022	2021
	£	£	£	£
Raising funds				
Legacies and donations	275,988	91,266	367,254	311,772
Special events and sundry sales	178,581	61,867	240,448	218,499
Charity shops	2,053,530	67,788	2,121,318	1,633,949
Lottery prizes and expenses	237,436	42,572	280,008	290,057
Investment management costs	16,896	-	16,896	6,384
	<u>2,762,431</u>	<u>263,493</u>	<u>3,025,924</u>	<u>2,460,661</u>
Charitable activities				
Inpatient care	3,842,197	635,059	4,477,256	4,365,312
Medicine and drugs	106,569	-	106,569	82,852
Early support for terminal illness	134,265	7,366	141,631	156,709
Integrated community care services	1,634,528	371,274	2,005,802	2,402,711
Education and training	266,994	69,323	336,317	306,725
	<u>5,984,553</u>	<u>1,083,022</u>	<u>7,067,575</u>	<u>7,314,309</u>
Total	<u>8,746,984</u>	<u>1,346,515</u>	<u>10,093,499</u>	<u>9,774,970</u>
2021 Total	<u>8,390,062</u>	<u>1,384,908</u>	<u>9,774,970</u>	

Included within support costs are governance costs of £98,099 (2021: £100,741) which are detailed in note 4.

Support costs totalling £1,346,515 (2021: £1,384,908) have been allocated across activities, these costs include the support service of Finance, HR, Administration and other facility and central services. Costs have been allocated either on the basis of time spent by the department in supporting the activities, or other usage of the service.

Investment management costs include fees payable to the investment managers, Investec Wealth & Investment Ltd.

ST LUKE'S HOSPICE

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

4. Governance costs

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Strategic management	81,216	-	81,216	84,219
Legal, professional and support costs	16,883	-	16,883	16,522
	<u>98,099</u>	<u>-</u>	<u>98,099</u>	<u>100,741</u>
2021 Total	<u>100,741</u>	<u>-</u>	<u>100,741</u>	

5. Employment costs

	2022 £	2021 £
Staff costs		
Wages and salaries	5,658,503	5,707,213
Social security costs	503,840	484,853
Pension costs	298,907	304,849
	<u>6,461,250</u>	<u>6,496,915</u>

The emoluments of employees who earned over £60,000 during the year were within the following ranges:

	Number of employees	
	2022	2021
£100,000-£110,000	1	0
£90,000-£100,000	0	1
£80,000-£90,000	1	0
£70,000-£80,000	1	2

During the year pension contributions on behalf of these employees amounted to £69,183 (2021: £69,929)

The key management personnel of St Luke's comprise the Chief Executive Officer and the Executive Directors. The total emoluments earned as employees of St Luke's including employer pension contributions and employer NI contributions total £483,304 (2021: £443,890).

Total redundancy payments amounted to £nil (2021 restated: £261,566) and are included in wages and salary costs.

Please refer to page 15 of the Trustees' Report for details on how executive pay is set.

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

5. Employment costs – continued

	Head count - Average Number of employees	
	2022	2021 as restated
Ancillary	43	42
Medical and nursing	64	66
Allied Health Professional	27	31
Professional and technical	26	27
Fundraising	7	10
Administration	14	15
Shops	59	45
	240	236

St Luke's receives a substantial amount of support and expertise from volunteers. The work undertaken by this significant number of volunteers, when expressed as a monetary value for 2021-22, is £606,584 (2020-21: £93,374). This amount is not reflected in the Statement of Financial Activities.

6. Net income / (expenditure) for the year

Net income / (expenditure) is stated after charging:

	2022 £	2021 £
Auditor's remuneration:		
Audit	20,073	14,800
Other Services	1,628	1,200
Hire of other assets – operating leases	265,348	238,538
Loss/(profit) on disposal of fixed assets	1,286	(3,000)
Impairment on revaluation of fixed assets	61,991	603,843
Depreciation	115,286	134,289

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

7. Tangible fixed assets – Group and charity

	Freehold land and buildings			Long leasehold property	Short leasehold property	Equipment, furniture and motor vehicles	Total
	Little Common Lane	Clifford House	Shops	Abbeydale Road shop	Shops		
	£	£	£	£	£	£	£
Cost/valuation							
At beginning of year	1,750,000	3,150,000	1,180,000	155,000	511,649	1,216,066	7,962,715
Additions	13,173	-	38,030	10,788	35,559	104,630	202,180
Disposals	-	-	-	-	-	(19,944)	(19,944)
Transfers	-	-	-	-	-	-	-
Impairment	(13,173)	-	(38,030)	(10,788)	-	-	(61,991)
At end of year	1,750,000	3,150,000	1,180,000	155,000	547,208	1,300,752	8,082,960
Depreciation							
At beginning of year	-	-	-	-	342,388	892,304	1,234,692
Charge for the year	-	-	-	-	36,002	79,284	115,286
Disposals	-	-	-	-	-	(18,404)	(18,404)
Impairment	-	-	-	-	-	-	-
At end of year	-	-	-	-	378,390	953,184	1,331,574
Net book value							
At 31 March 2022	1,750,000	3,150,000	1,180,000	155,000	168,818	347,568	6,751,386
At 31 March 2021	1,750,000	3,150,000	1,180,000	155,000	169,261	323,762	6,728,023

The buildings at Little Common Lane are erected on freehold land donated to the charity prior to the opening of St Luke's in 1971. The land is held at fair value. Other significant donated fixed assets are capitalised at their estimated cost. All the tangible fixed assets are used for the charitable purposes of St Luke's.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

7. Tangible fixed assets – Group and charity (continued)

Tangible fixed assets held at valuation

The historic cost equivalent of land and buildings included at valuation are as follows:

	2022		2021	
	Freehold property	Long leasehold property	Freehold property	Long leasehold property
	£	£	£	£
Cost	16,315,587	168,271	16,264,383	157,483
Accumulated impairment (losses)/gains	(7,321,022)	41,074	(7,269,818)	51,862
Accumulated depreciation	(2,914,565)	(54,345)	(2,914,565)	(54,345)
Net book value	6,080,000	155,000	6,080,000	155,000

Freehold land and buildings were subject to independent, professional valuation as at March 2021. The valuation was undertaken by Lambert Smith Hampton. The valuations have been performed on an open market basis. Management are of the opinion that the value of these assets has not changed since revaluation. Further professional revaluations will be obtained no more than every 5 years.

8. Fixed asset investments

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Listed Investments:				
Market value at beginning of year	1,540,386	1,000,970	1,540,386	1,000,970
Additions	2,777,496	1,085,529	2,777,496	1,085,529
Disposals	(467,667)	(653,559)	(467,667)	(653,559)
Net investment gains / (losses)	64,075	107,446	64,075	107,446
Market value at end of year	3,914,290	1,540,386	3,914,290	1,540,386
Investment cash	757,440	1,050,556	757,440	1,050,556
Market value at end of year	4,671,730	2,590,942	4,671,730	2,590,942
Unlisted investments	10	10	84	84
	4,671,740	2,590,952	4,671,814	2,591,026
Historical cost of listed investments	3,755,427	1,415,427	3,755,427	1,415,427

The historic cost of listed investments of £3,755,427 (2021: £1,415,427) relates to the carrying value of investments of £4,671,740 (2021: £2,590,952) in fixed asset investments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

8. Fixed asset investments (continued)

Included in unlisted investments are companies limited by share capital in which St Luke's interest at the year end is more than 20% as follows:

	Note	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertaking				
St Luke's Options Limited	22	England and Wales	Trades for the benefit of St Luke's Hospice	100% ordinary
St Luke's Promotions Limited		England and Wales	Dormant	100% ordinary
St Luke's Care Limited		England and Wales	Dormant	100% ordinary

9. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	718,952	265,571	718,952	258,671
Income tax recoverable	99,245	172,431	99,245	172,431
Prepayments and accrued income	2,506,156	1,386,608	2,506,156	1,386,608
Other debtors	176,745	392,314	176,745	395,131
Amounts owed by group undertakings	-	-	70,610	51,286
	<u>3,501,098</u>	<u>2,216,924</u>	<u>3,571,708</u>	<u>2,264,127</u>

10. Cash and Bank

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank	3,406,872	2,730,200	3,324,369	2,661,483
Cash in hand	4,647	4,463	4,647	4,463
	<u>3,411,519</u>	<u>2,734,663</u>	<u>3,329,016</u>	<u>2,665,946</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

11. Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	496,829	645,624	496,829	645,624
Other creditors	165,250	145,012	165,250	145,012
Taxation and social security	135,071	109,777	135,071	109,777
Accruals and deferred income (note 13)	2,427,142	1,914,795	2,427,142	1,900,712
Amounts owed to group undertakings		-		
	<u>3,224,292</u>	<u>2,815,208</u>	<u>3,224,292</u>	<u>2,801,125</u>

12. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Group and Charity		
Other creditors	<u>50,387</u>	<u>98,808</u>

13. Deferred income

	£
Group and Charity	
Balance at 1 April 2021	853,228
Amount released to SOFA	(5,258)
Amounts utilised in the year	(704,436)
Amount deferred in the year	<u>1,379,221</u>
Balance at 31 March 2022	<u>1,522,755</u>

Deferred income relates to funding received in advance of the period to which the funding relates and lottery income received in advance of the draw dates to which it relates.

14. Commitments

Total commitment under non-cancellable operating leases are as follows:

	2022	2022	2021	2021
	Land and buildings	Plant	Land and buildings	Plant
	£	£	£	£
Within one year	174,530	4,507	238,166	5,626
Two to five years	310,819	1,850	406,516	1,805
Over five years	-	-	39,834	-
	<u>485,349</u>	<u>6,357</u>	<u>684,516</u>	<u>7,431</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

15. Summary of movement in funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2021	10,008,686	1,500,000	-	11,508,686
Income	12,247,819	-	1,446,756	13,694,575
Expenditure	(8,589,477)	(115,914)	(1,388,108)	(10,093,499)
Investment gains	80,788	-	-	80,788
Transfers	(357,266)	415,914	(58,648)	-
Revaluation on fixed assets	(61,991)	-	-	(61,991)
Fund balance at 31 March 2022	13,328,559	1,800,000	-	15,128,559

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2020	7,605,365	1,350,000	-	8,955,365
Income	9,837,212	-	2,927,117	12,764,329
Expenditure	(6,834,307)	(23,546)	(2,917,117)	(9,774,970)
Investment losses	167,805	-	-	167,805
Transfers	(163,546)	173,546	(10,000)	-
Revaluation on fixed assets	(603,843)	-	-	(603,843)
Fund balance at 31 March 2021	10,008,686	1,500,000	-	11,508,686

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund £	Research and Education £	Strategic Initiative £	IT Infrastructure £	Environment & Sustainability £	IT and Digital Transformation £	Total 2022 £
Fund balance at 1 April 2021	10,008,686	150,000	400,000	200,000	-	750,000	11,508,686
Income	12,247,819	-	-	-	-	-	12,247,819
Expenditure	(8,589,477)	(23,599)	-	-	-	(92,315)	(8,705,391)
Revaluation on fixed assets	(61,991)	-	-	-	-	-	(61,991)
Other recognised gains	80,788	-	-	-	-	-	80,788
Transfer to unrestricted funds	-	-	-	-	-	-	-
Transfers to designated funds	(415,914)	123,599	(150,000)	(200,000)	300,000	342,315	-
Transfers from restricted funds	58,648	-	-	-	-	-	58,648
Fund balance at 31 March 2022	13,328,559	250,000	250,000	-	300,000	1,000,000	15,128,559

Charity	General Fund £	Research and Education £	Strategic Initiative £	IT Infrastructure £	Environment & Sustainability £	IT and Digital Transformation £	Total 2022 £
Fund balance at 1 April 2021	10,001,329	150,000	400,000	200,000	-	750,000	11,501,329
Income	13,633,879	-	-	-	-	-	13,633,879
Expenditure	(9,928,778)	(23,599)	-	-	-	(92,315)	(10,044,692)
Devaluation on fixed assets	(61,991)	-	-	-	-	-	(61,991)
Investment losses	80,788	-	-	-	-	-	80,788
Transfers to unrestricted funds	-	-	-	-	-	-	-
Transfers to designated funds	(415,914)	123,599	(150,000)	(200,000)	300,000	342,315	-
Transfer from restricted funds	-	-	-	-	-	-	-
Gift aid from subsidiary company	7,427	-	-	-	-	-	7,427
Fund balance at 31 March 2022	13,316,740	250,000	250,000	-	300,000	1,000,000	15,116,740

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund	Research and Education	Strategic Development	IT Infrastructure	IT and Digital Transformation	Recovery Covid-19	Total 2021
	£	£	£	£	£	£	£
Fund balance at 1 April 2020	7,605,365	125,000	400,000	200,000	-	625,000	8,955,365
Income	9,837,212	-	-	-	-	-	9,837,212
Expenditure	(6,834,307)	(23,546)	-	-	-	-	(6,857,853)
Revaluation on fixed assets	(603,843)	-	-	-	-	-	(603,843)
Other recognised gains	167,805	-	-	-	-	-	167,805
Transfers to unrestricted funds	625,000	-	-	-	-	(625,000)	-
Transfers to designated funds	(798,546)	48,546	-	-	750,000	-	-
Transfers from restricted funds	10,000	-	-	-	-	-	10,000
Fund balance at 31 March 2021	10,008,686	150,000	400,000	200,000	750,000	-	11,508,686

Charity	General Fund	Research and Education	Strategic Development	IT Infrastructure	IT and Digital Transformation	Recovery Covid-19	Total 2021
	£	£	£	£	£	£	£
Fund balance at 1 April 2020	7,602,787	125,000	400,000	200,000	-	625,000	8,952,787
Income	9,797,894	-	-	-	-	-	9,797,894
Expenditure	(6,802,416)	(23,546)	-	-	-	-	(6,825,962)
Devaluation on fixed assets	(603,843)	-	-	-	-	-	(603,843)
Other recognised gains	167,805	-	-	-	-	-	167,805
Transfers to unrestricted gains	625,000	-	-	-	-	(625,000)	-
Transfers to designated funds	(798,546)	48,546	-	-	750,000	-	-
Transfers from restricted funds	10,000	-	-	-	-	-	10,000
Gift aid from subsidiary company	2,648	-	-	-	-	-	2,648
Fund balance at 31 March 2021	10,001,329	150,000	400,000	200,000	750,000	-	11,501,329

15. Analysis of movement in unrestricted funds (continued)

Amounts from general funds have been transferred to the following designated funds as detailed below:

The named designated funds are estimated amounts set aside for the specific strategic activities and programmes and are considered by the directors each year to determine their continued adequacy and necessity based on circumstances and current understanding.

The **Research and Education** fund is held to support future development of research and education programmes, for the benefit of St Luke's patients and clients, as well as in support of the wider community, and to assist in the creation of necessary infrastructure over the next three to five years.

The **Strategic Initiative** fund combines a number of important initiatives including community outreach, the development of our Patient and Family Services and c.£100k to support initiatives around equity, diversity and Inclusion.

The **Environment and Sustainability** fund is held to provide investment to enable St Luke's aspirations to decarbonise and become a more environmentally sustainable organisation. A number of initiatives are underway with a programme of activity planned over the next three years.

The **IT and Digital Transformation** fund is held to unify and streamline our clinical systems, to improve analytics and use of data, to advance the digital readiness and maturity of our non-clinical systems, and to enable essential investment in our IT infrastructure and estate.

The transfer of funds from restricted to general funds was in respect of the purchase of fixed assets which have now fulfilled their restriction.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

16. Analysis of movement in restricted funds

Group and Charity	NHSE funding £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2022 £
Fund balance at 1 April 2021	-	-	-	-	-
Income	1,191,010	2,484	189,364	63,898	1,446,756
Expenditure	(1,191,010)	(2,484)	(189,364)	(5,250)	(1,388,108)
Transfers	-	-	-	(58,648)	(58,648)
Fund balance at 31 March 2022	-	-	-	-	-

Group and Charity	NHSE funding £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2021 £
Fund balance at 1 April 2020	-	-	-	-	-
Income	2,708,683	8,187	187,747	22,500	2,927,117
Expenditure	(2,708,683)	(8,187)	(187,747)	(12,500)	(2,917,117)
Transfers	-	-	-	(10,000)	(10,000)
Fund balance at 31 March 2021	-	-	-	-	-

NHSE Funding

The NHSE awarded funding to allow St Luke's to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 situation.

Support a Nurse

This represents donations received to support the nursing costs of St Luke's, fully expended in the year.

Health Education Yorkshire and the Humber (HEYH) Deanery funding

The Deanery has provided funding specifically for the purpose of supporting the costs of training-grade doctors working with St Luke's. This funding was spent on the costs of providing St Luke's medical team in 2021-22.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

16. Analysis of movement in restricted funds (continued)

Other

St Luke's has received funding from other bodies (including Charitable Trusts) in the financial year, which is summarised as follows:

	Received in year 2022 £
Funding for capital assets	58,648
Funding for revenue expenditure	5,250
	<u>63,898</u>

17. Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the year	3,601,076	2,989,359
Return on investments	(49,503)	(27,271)
Depreciation charge	115,286	134,289
Loss/(profit) on disposal of fixed assets	1,286	(3,000)
Decrease/(increase) in stocks	84,645	(78,756)
(Increase) in debtors	(1,284,174)	(395,662)
Increase in creditors	360,662	561,974
Net cash flow provided by operating activities	<u>2,829,278</u>	<u>3,180,933</u>

18. Analysis of cash and cash equivalents

	At beginning of year £	Cashflow £	At end of year £
Cash at bank and in hand	2,734,663	676,856	3,411,519
Cash held as investments	1,050,556	(293,116)	757,440
	<u>3,785,219</u>	<u>383,740</u>	<u>4,168,959</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

19. Analysis of assets between funds

2022	Unrestricted funds	Designated funds	Total 2022
	£	£	£
Tangible fixed assets	6,751,386	-	6,751,386
Investments	4,671,740	-	4,671,740
Current assets	5,180,112	1,800,000	6,980,112
Creditors: amounts falling within one year	(3,224,292)	-	(3,224,292)
Creditors: amounts falling due in greater than one year	(50,387)	-	(50,387)
	<u>13,328,559</u>	<u>1,800,000</u>	<u>15,128,559</u>
2021	Unrestricted funds	Designated funds	Total 2021
	£	£	£
Tangible fixed assets	6,728,023	-	6,728,023
Investments	2,590,952	-	2,590,952
Current assets	3,603,727	1,500,000	5,103,727
Creditors: amounts falling within one year	(2,815,208)	-	(2,815,208)
Creditors: amounts falling due in greater than one year	(98,808)	-	(98,808)
	<u>10,008,686</u>	<u>1,500,000</u>	<u>11,508,686</u>

20. Related party transactions

No remuneration has been paid to any Trustee (2021: £nil). Expenses totalling £811 (2021: £nil) were paid to a third party on behalf of two Trustees for legitimate business expenditure incurred during the year to attend a conference, in connection with the running of St Luke's affairs.

Indemnity insurance has been purchased from funds to:

- Protect the Trustees from loss arising from the neglect or defaults of its members or employees; and
- Indemnify Trustees from the consequences of any neglect or default on their part.

The cost incurred during the year was £559 (2021: £588).

During the year the charity has incurred room hire costs of £200 (2021: £1,200) from Sheffield International Venues Limited. A trustee of the charity is also a director of Sheffield International Venues Limited. At the year end, no amounts were outstanding (2021: £nil).

During the year, a gift aid distribution totalling £7,427 (2021: £2,648) was received from St Luke's Options Limited. St Luke's Options Limited is 100% subsidiary of the charity. At the year end £70,612 was owed to the charity and was included in other debtors (2021: £51,286).

21. Pension costs

NHS Pension Scheme

Employees who joined St Luke's prior to 31 March 2013 from the NHS are entitled to remain members of the NHS 1995/2008 superannuation scheme which provides benefits based on final pensionable pay. The NHS 1995/2008 Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence, it is not possible for St Luke's to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

Employers' pension costs contributions are charged to operating expenses as and when they become due. The last valuation on which contributions are based (31 March 2016) was published in February 2020 and noted a notional deficiency of £19.4bn (7% of notional fund value). The employer's contribution rate increased from 14.38% to 21.68% from 1 April 2019. In the year to 31 March 2022, the uplift continued to be funded by the Department of Health and Social Care.

The total employer contribution payable in 2021-2022 was £41,429 (£42,445 for 2020-21). £3,215 was outstanding at the year end (2021: £3,635). In addition, employees who are members of the Scheme paid salary dependent variable contributions in the range 7.1% to 13.5%.

The scheme is subject to an accounting valuation each year at the balance sheet date by the Scheme Actuary. The statement at 31 March 2022 is based on an assessment of the liabilities as at 31 March 2019, with an approximate updating to 31 March 2022 to reflect known changes. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from the Stationery Office.

The details of current rates and contributions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/nhs-pensions.

From 1st April 2013, new employees to St Luke's from the NHS have been invited to join, at their discretion the Group Personal Pension Plan or are enrolled in the Auto-Enrolment Pension Scheme which they may opt out of at their request. Therefore, employees of St Luke's are not part of the NHS 2015 pension scheme which is a Career Average Revalued Earnings (CARE) scheme.

Group Personal Pension Scheme

Excluding those employees for whom St Luke's continue to make contributions to the NHS superannuation scheme, all other St Luke's employees are enrolled into the Group Pension Scheme arranged by Scottish Widows which they may opt out of at their request. St Luke's makes an employer contribution which matches the employees contribution within the parameters of the scheme. These pension funds are assets of the individual and St Luke's has no liability nor interest in the value of each fund. St Luke's contributions are released to the SOFA as they are incurred. Contributions made during the year were £231,335 (2021: £235,402). £38,326 was outstanding at the year- end (2021: £20,962).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

21. Pension costs (continued)

St Luke's allows arrangements for contributions to certain other registered personal pension funds through its pension broker, John James (an independent financial adviser) to best meet the circumstances of its employees. The employer pension contributions made during the year are £25,415 (2021: £27,002). £2,143 was outstanding at the year-end (2021: £2,055).

22. St Luke's Options Limited**Profit and loss account****For the year ended 31 March 2022**

	2022	2021
	£	£
Turnover	60,696	39,317
Cost of sales	(14,088)	(533)
Gross profit	46,608	38,784
Administrative expenses	(34,719)	(31,357)
Retained profit for the year	11,889	7,427

Net assets at the year end were £11,889 (2021: £7,427). The principal activity of St Luke's Options Limited is to trade for the benefit of St Luke's.

23. St Luke's Hospice

The consolidated SOFA includes the results of the wholly owned subsidiary, St Luke's Options Limited.

The summary financial performance of the Charity alone is:

For the year ended 31 March 2022

	2022	2021
	£	£
Income	13,633,879	12,725,012
Expenditure	(10,044,692)	(9,743,080)
Net Income	3,589,187	2,981,932
Other recognised gains	80,788	167,805
Net income	3,669,975	3,149,737
Impairment of fixed assets	(61,991)	(603,843)
Net movement in funds	3,607,984	2,545,894
Total funds brought forward	11,501,329	8,952,787
Gift aid from subsidiary company	7,427	2,648
Surplus for the financial year	3,607,984	2,545,894
Total funds carried forward	15,116,740	11,501,329
Represented by:		
Unrestricted funds	15,116,740	11,501,329
Restricted funds	-	-
	15,116,740	11,501,329