

**ST LUKE'S HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023**



Sheffield's Hospice

Charity registration number: 254402

Company registration number: 00922448

ST LUKE'S HOSPICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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Welcome

I am pleased to present the 2022-23 Annual Report and Financial Statements for St Luke's.

This report marks my final full year as Chair of St Luke's Hospice. I have been a Trustee for over 10 years and Chair for the last six. It has truly been an honour and privilege to be involved with such an amazing, essential and well-loved charity. I am grateful for having been able to play just a small part in helping St Luke's deliver such important services for the people of Sheffield.

I have been fortunate to have worked with such a talented, committed and passionate CEO and Executive Team while I have been Chair. They have led the organisation with skill and dedication through what have been truly challenging times.

Our people

St Luke's staff and volunteers have once again performed with incredible dedication and selflessness across the year. Workforce challenges have been real and impactful in the post-pandemic period, for all employers. The cost-of-living crisis and inflationary pressures have affected staff and the organisation's ability to develop sustainable plans; and strikes by healthcare staff in partner organisations across last winter created additional pressures to add to the backlog of care (and its consequences) following the pandemic. It has been a difficult time to be a patient, a carer, a family member, or an employee or volunteer in a healthcare organisation. St Luke's has lived this challenge, is still facing it, and continues to rise to it as this report will demonstrate.

Whilst times are not getting easier, St Luke's continues to live up to its commitment to the people of Sheffield as it has for over 50 years. Our charity is enabled and supported by tens of thousands of donors, volunteers, staff and partners, helping to deliver vital services now, whilst also planning for a sustainable future. We know that having a sustainable, passionate and effective St Luke's into the future is vitally important for the health of our city and that our vision - 'Supporting and caring for everyone affected by terminal illness in Sheffield' - is as important today as it was when we opened in 1971.

Our care

St Luke's Community team of nurses, doctors and health and social care professionals have seen the needs and demands of patients receiving care and support at home grow across the year, with many more facing complex issues. During the year, the Community team undertook 6,826 person-to-person assessments with patients and families at home and in care homes, including 1,793 intensive treatment visits often in the most difficult - frequently crisis - circumstances. The team also made 13,283 specialist palliative care contacts with those patients and families to support their care.

During 2022-23, St Luke's opened its Patient and Family Support ('PAFS') service, combining clinical specialist day services for patients - focusing on consultations, therapies and other interventions - delivered at Little Common Lane together with 'social prescribing' activities available at our Ecclesall Road South site. Patients and families referred into this service get the benefit of access to specialist clinicians, plus a wide range of supportive activities and group sessions adding quality and purpose to life. We're delighted that since opening in May 2022, there have been over 6,800 attendances to sessions, making a real difference to lives at such a critical time. As part of the PAFS service, St Luke's supported 508 bereaved relatives with 2,573 sessions of counselling and support in the year, all funded from our charitable income.

Through our 'ECHO' telementoring and support system, St Luke's provided and enabled the delivery of 184 sessions attended by 3,283 practitioner delegates (GPs, care and nursing home staff and health professionals) to support the wider Sheffield healthcare system in the care of the dying, support for the bereaved, and many wider initiatives.

Our progress

During the year, St Luke's has taken significant strides in two major areas – Equality, Diversity and Inclusion and Environmental and Sustainable Practices. We've created strong people-led processes around each, made resources available and set a pathway for the future. More about our commitment to and progress with EDI can be found on pages 19-20 of the Trustees' Report that follows. We've also helped to fund an initiative to help those facing end-of-life issues through Compassionate Sheffield, of which St Luke's is a founding and funding partner (alongside Sheffield's Public Health Directorate and NHS South Yorkshire Integrated Care Board).

We also have commenced a major project to unify and streamline our clinical IT systems – the 'SystmOne' project. We are currently on track to 'go-live' with our new system during 2024.

Our finances

We entered 2022-23 in a strong financial position with a good level of reserves. We have achieved our expected budgetary position on normal operations (a deficit of c. £0.6m), but after accounting for our expenditure from our designated funds (in particular the SystmOne project) and accounting for the market downturn in our investment funds, there is a bottom-line deficit of over £1.2m.

Emerging from the pandemic, St Luke's – like other organisations – has found challenges as the cost-of-living crisis has started to affect us and our workforce. Our key challenge has been to recruit and retain staff in an environment of high vacancies and competition for resources. We've needed to review our pay and reward levels to ensure that we remain competitive, and this together with a 10% increase in National Living Wage levels has been a major additional cost for the charity. Thankfully, with the action we've taken and the good reputation St Luke's has as an employer with a positive culture and care for the wellbeing of staff, we've seen excellent retention and been able to fill most of the vacancies that emerged during the pandemic. But across two years the cumulative impact of these changes has resulted in an addition of around £1m to our recurrent cost base.

Helping to offset this, we've seen an excellent bounce-back in the income generated by our retail chain, which is now in excess of pre-pandemic levels and gives us a good base for future growth. The landscape in general fundraising is more challenging, with income below pre-pandemic levels, particularly in corporate and community fundraising. The legacy pipeline and cashflow remains strong and consistent with levels received in prior years, but accounting regulations mean that this is not reflected in the amount recognised as income this year owing to a timing issue. We remain grateful for all those who support St Luke's, whether by paying £1 for a lottery ticket, £3 for an item of clothing in our shops, or by leaving us £10,000 in their will. Every pound matters.

Our Board

I would like to pay tribute to our Trustee and Chair of the Nominations and Remuneration Committee, Professor Sarah Thomas, who sadly died in May 2023. Sarah was a passionate advocate for St Luke's and other charities and good causes in Sheffield and nationally. She had been on the Board of St Luke's since 2013 and was a committed Trustee who brought a wealth of knowledge and experience and was never afraid to challenge. She was a truly dedicated supporter of palliative and end of life care. Sarah was cared for at St Luke's during her final days and both she and her family drew comfort from the care and support they received from our team.

I would also like to thank three of my fellow trustees who will be standing down from the board in the coming months having reached the end of their terms of office – Sue Inglis, Laurence Gavin and Andrew Snelling. Their contribution to St Luke's has been tremendous and they will be missed.

ST LUKE'S HOSPICE

CHAIR'S REPORT 2022-23

YEAR ENDED 31 MARCH 2023

However, I am delighted to welcome Adrian Belton, Dr Suvira Madan, Nicky James, and Professor Jon Wadsley, who have all joined the St Luke's Board of Trustees during the year. These appointments have strengthened our Board for the future.

Adrian will be taking over the mantle of Chair from me when I step down in December 2023 and I wish him every success in leading the charity at this important point in its history.

Thank you!

Finally, and most importantly, I would like to thank all the supporters, volunteers, staff and everyone involved with St Luke's. It has been a privilege and a pleasure to serve as Trustee and Chair of this irreplaceable charity.

N.A. MacDonald

[N A MacDonald \(Sep 28, 2023 14:14 GMT+1\)](#)

Neil MacDonald
Chair of the Board of Trustees
St Luke's Hospice, Sheffield
Date: 25 September 2023

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2023. 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. These accounts are also prepared to meet the requirements for a directors' and strategic report and financial statements for Companies Act 2006 purposes.

The financial statements have been prepared in accordance with the accounting policies set out in 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

During the coronavirus pandemic our strategy entailed getting back to basics, in particular through:

- Staying safe – for patients and families, employees and volunteers, colleagues and the public; and working for the wellbeing of these groups.
- Maintaining vital services – wherever possible, to keep core services running and 'step up' to deliver new services necessary during the pandemic.
- Ensuring 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.

We are now in the post-pandemic era and have made great progress in re-building our sustainable fundraising and retail income streams to pre-pandemic levels (in fact retail is now exceeding pre-pandemic income), and we are refreshing our model care in our Patient and Family Support (PAFS) 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. A key milestone was the launch of our PAFS service at Ecclesall Road South during 2022.

We are now looking at our new strategy for the period to 2027 as the financial sustainability and operational demands of the post-pandemic environment have become clearer. This new strategy will be launched in late 2023.

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 32% for the 2022/23 year from 31% last year.

Overall, our clinical teams helped 1,726 individual patients (2021/22: 1,758), through 2,591 spells of care (2021/22: 2,552). The small reduction in patient numbers compared to 2021/22 reflects the continued impact of the new community triage process, where inappropriate patients are declined prior to any visit taking place, thus ensuring that specialist palliative care is applied only to those who need it. This is important because, with the 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 reached a level where the ability to accept further cases became pressured. This is despite the investment made by St Luke's (from charitable income) to expand the community and medical teams to offer more support. St Luke's role as a 'provider of last resort' for many crisis cases continues to support the healthcare system in the city.

During the year, St Luke's accepted 1,945 referrals into its services, 70% of the 2,803 total applications made. Those not accepted into service had in some cases died before the initial assessment, others declined St Luke's services and in around 6% of cases, it was determined that St Luke's was not the appropriate care provider for their needs based on triage assessment – sometimes resulting in difficult conversations with fellow healthcare professionals.

It is vital that St Luke's cares for the wellbeing of its staff despite the pressures faced. Complex end of life care is emotionally draining, for the patient and their loved ones but also for the caring team. At St Luke's, we invest heavily in

appropriate support for staff, from clinical supervision and opportunities for reflection to dedicated 'learning days' and extensive wellbeing support. During 2022/23, we've given significant focus to mental health and menopause especially, creating a culture where these issues can be raised and actively supported. We've also taken measures to help address the impact of the rapidly rising energy costs and how they affect the wellbeing and morale of our workforce and offer support on an equitable basis during the year.

St Luke's has also offered special support to patients through the creation of a hardship fund, designed to assist those in financial need exacerbated by the cost-of-living crisis, which offers assistance for living costs and funding for special requirements where cases of real hardship are identified by our healthcare professionals. Even relatively small amounts of funding can be truly life-enhancing and offer relief from constant worries at such a critical stage.

We've engaged with a number of partner organisations in Sheffield to offer use of our facilities and shared events and activities, to offer support to a wider number of groups. These include Age UK Sheffield, Young Lives vs Cancer (bereaved parents evenings) and Sheffield Royal Society for the Blind (staff meetings and training events). We also offer space for Sheffield medical students to undertake communication skills training.

Looking wider, post-pandemic St Luke's has reactivated its support for palliative and end of life care in the developing world and has recently supported the secondment of a nurse to assist Hospice Africa with its programmes in Uganda. We hope to continue this work in the future, giving assistance to those in much less favourable circumstances than we enjoy, but also giving real development opportunities to our healthcare teams at St Luke's.

During the year St Luke's provided the following services:

Community team

- In the year our teams made 6,286 visits to patients at home and in care homes across Sheffield, and 13,283 phone and video calls to them in support of their care
- St Luke's accepted 1,663 referrals to our Community service from GPs and other healthcare professionals
- 26% of visits were to patients who required urgent care from our Intensive Treatment Team
- St Luke's continues to provide about 40 specialist food and drink packages to community patients each month, free of charge

In Patient Centre

- 24 hour care and support by our team of specialist nursing, medical and health professional staff
- Over the last 12 months we cared for 294 patients at our IPC (282 admissions)
- We provided 4,517 nights of care for patients on the IPC
- On average, each patient stayed at the IPC for 16 days with one quarter able to return home after specialist intervention treatment

Patient and Family Support service (PAFS)

- Over 6,800 attendances in the year, with 522 receiving clinical outpatient, clinic or day-patient support at Little Common Lane and 6,295 attendances to our Ecclesall Road South site for 'social prescribing' activities
- During the year, 42 different activities were offered weekly across both sites. Sessions include physio/occupational therapy, different activities that target symptoms, creative options like art club and singing group, social sessions such as indoor curling and laughter yoga, bereavement sessions and more
- Activities are supported by staff plus 38 volunteers offering 135 hours per week of their time, including serving in the on-site café that opened in 2022 at Ecclesall Road South, for patients and families
- 508 relatives were supported with bereavement counselling and supported after the death of a loved one

- The Bereavement team of staff and volunteers delivered 2,573 sessions with clients in the year

Focus on - continuous improvements through research and clinical audit

Research

St Luke's is a research active organisation and has integrated its research and audit activities into its wider governance framework, through its Research Committee and its Audit and Risk Committee. Our research programme is focused on initiatives that will benefit people in the City of Sheffield. The programme is led by Dr Sam Kyeremateng (Medical Director) and Dr Paul Taylor (Head of Research at St Luke's, Senior Clinical Lecturer at the School of Health and Related Research at The University of Sheffield, and Consultant in Palliative Medicine).

St Luke's has moved from a position of research engagement and enthusiasm to having an ambitious strategy, a comprehensive governance process, and an active programme of research participation. Our innovative projects, including the development of Project ECHO as a platform for sharing clinical learning and excellence within a community of practice, have attracted local, regional and national interest and continued to be supported from St Luke's charitable income for the benefit of the wider community.

St Luke's is increasingly demonstrating research-leading presence regionally and nationally. The research lead is part of a Yorkshire-wide partnership, offering mentoring to a doctor developing a research agenda in their own service, and receiving guidance from experienced Professors on joint projects. The research lead is also a founder member of a University-wide research group focused on palliative and end-of-life care.

We continue to support external research, including a multi-centre NIHR-funded study into improving delivery of palliative care by home care workers and the ongoing RESOLVE project. Moving forward, we are developing a flagship research project for Sheffield, for which we are seeking NIHR funding. This project is focused on using routine data to improve the care of palliative patients across the healthcare system.

St Luke's has continued to publish articles in peer-reviewed journals, with two in print and one accepted for publication. Further articles on research at St Luke's are being drafted. In addition, we have presented posters at national conferences; one based on how we have delivered our research strategy and a second on research conducted by a trainee. We also continue to build a research culture in the organisation, with regular research teaching to specialty trainees and a journal club for all staff.

Based on the above successes, St Luke's has dedicated further funds to support the organisation's research agenda and identified space at the Ecclesall Road South site to use as a research office. In the first instance, these funds will be used to develop hospice-based research support roles to increase research capacity, support dedicated projects by hospice staff and host a research conference in Sheffield. Through this and other initiatives, we plan to enhance St Luke's reputation as a research-generating and research leading organisation.

St Luke's risk appetite statement includes a high appetite to undertake investigation into new initiatives that can benefit patient care in Sheffield and which can support the fulfilment of our wider charitable objectives for our beneficiaries.

Clinical audit

Clinical audits and service improvement projects allow St Luke's to monitor the standard of care we deliver to patients and constantly improve its quality. We identify the projects needed under direction from our regulators, in response to local or national incidents, clinician interest and national policy changes.

The audit and service improvement process is managed by the Clinical Audit and Research Group (CARG) - a group which is chaired by the Research Lead and attended by the Director of Care, Medical Director, Pharmacy Lead, Clinical Quality and Risk Lead, Chief Operating Officer, Infection Prevention and Control Nurse and St Luke's Audit Lead (Deputy Medical Director) - to ensure representation and buy-in from the whole clinical and organisational team. Governance for the audit process and learning comes through the Audit & Risk and Healthcare Governance Committees. Examples of local clinical audits that took place during 2022-23 are:

- Blood transfusion use on the IPC
- National audit on ethnicity documentation within palliative care
- Re-audit of delirium screening on the IPC
- Documentation of prescribing errors on the IPC

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, including income generation performance

Our total income for the financial year was £11.5m (2021/22 £13.7m). Within this reduction of £2.2m there were several major variances, as follows:

- Legacy income received was £0.8m, down from £2.7m in the prior year. We budgeted for £1.2m of legacy income in both years, being c. 70% of our average income from gifts in Wills over the previous few years. Legacy income is by its very nature unpredictable and we had an exceptionally high year in 2021/22. We budget for a lower than typical amount of legacy income each year to protect the charity from the inevitable years when this income stream is lower than normal. This policy has proved prudent in the 2022/23 year. Of note is that we received a similar number of bequests to the prior year, however the total quantum of these gifts were lower, such being the unpredictable nature of legacy income.

- Fundraised income (all donations excluding legacies; events income; lottery income) was £2.5m, compared to £2.4m in the prior year. It is a difficult time to fundraise for all hospices, and most charities, for a number of reasons such as the cost of living crisis, inflationary pressures on companies and households, giving fatigue following the pandemic and other socio-economic factors. To record a small increase in our fundraised income was a pleasing result and we are budgeting for a further modest increase in the year ahead.
- Retail income from our chain of charity shops was £3.4m, up by nearly £1.0m from the previous financial year. We had budgeted for a significant increase following two years in which trading was significantly interrupted by intermittent lockdowns and social distancing rules. However, our actual trading performance was even better than expected and is testament to our staff, the many hundreds of shop volunteers, and to the general public in Sheffield who have given phenomenal support in both donating and purchasing many hundreds of thousands of pre-loved items. The Board of Trustees have supported the Executive Team's retail growth plans including a brand new pre-loved eco concept store on the Moor which will be opened in the late Summer of 2023, followed by further exciting new outlets across the city.
- Income from our commissioning body NHS South Yorkshire Integrated Care Board has increased from £3.0m to £3.4m. Most of the increase was from ad-hoc non-repeating funding arrangements for specific projects and initiatives, and there was a modest increase to the core funding agreement. At £3.1m our core contractual funding from the NHS represents just 26% of our total funding for the year.
- The net result of all other income streams was a total of £1.4m, down from £3.2m in the prior year. However, this was expected and budgeted as in 2021/22 we received various one-off tranches of funds, primarily a business interruption insurance claim of £0.5m (due to the closure of the shops during the first lockdown) and £1.3m of pandemic specific funding from both National and Local Government schemes.

We spent more money running the charity than in the previous year:

- Our total expenditure for the year rose to £12.4m, up from £10.1m in the prior year. Of this increase, £1.6m was additional expenditure on our charitable activities (clinical costs and costs associated with education and research) and £0.7m more was spent on raising funds (primarily due to increased costs associated with the shop chain being fully operational).
- Of the £12.4m, 86.6% were direct costs, with 13.4% being support costs. These are very similar percentages to the prior year. Please see Note 3 to the accounts for further information.
- Most of our costs relate to people. Staff costs were £7.8m, up from £6.5m in the prior year. Staff costs comprise nearly two thirds of our total costs, which is to be expected given the nature of our organisation.

The net effect of the shifts in income and costs summarised above is that we have recorded a net deficit in the year of over £0.8m. Note that this includes over £0.3m of designated fund spend (primarily on our clinical systems project).

As per the accounting rules we have recorded the movement in capital value of our investment portfolio. In the 2022/23 financial year this was an unrealised loss of just under £0.3m. This is not a concern as our investment funds are held for the long term and global markets experience peaks and troughs as part of normal macro-economic cycles, but are expected to increase in value over the medium to long term.

We have revalued our property assets, in line with our accounting policy, to reflect their most recent market valuation of 2021. This has resulted in an impairment charge of over £0.1m being applied to the accounts.

The overall impact of these accounting adjustments is that a further £0.4m has been added to the deficit and so our overall net movement in funds is a reduction of over £1.2m.

With continued pressure on NHS finances, we do not anticipate material increases in our statutory funding in the near future. We will continue to be reliant on growth in our retail chain and fundraised income in order to maintain the current level of clinical activity. With inflation at unprecedented levels for recent times and the deepening cost of living crisis, it will be very challenging to continue to grow our self-generated income in the coming years. Having a highly motivated and skilled team of fundraisers and retail staff, supported by an army of volunteers, puts us in a strong position to maximise and grow income. Well established income streams and a successful retail chain, coupled with the generosity of the public in Sheffield, means that where economic conditions allow, we are in the very best place to achieve growth.

Please note that for every £1 spent on fundraising, we generated £2.87 and for every £1 spent on our charity shops, we generated £1.35 in income. These are both strong results that benchmark well against our peers and we are formulating strategies for all our self-generated income streams to continue to be the fundraising and retail leaders in the city of Sheffield.

Ethical fundraising statement

St Luke's fundraising promise to the general public and our existing supporters seeks to ensure that our fundraising, in all its forms, is legal, open, honest and respectful. Ethical fundraising demands more than what is merely required by law. St Luke's strives to go beyond its legal obligations and regulatory requirements to ensure the highest ethical standards in fundraising. Ethical fundraising is not only a vital means of financing St Luke's, but also protects and enhances its reputation within the community. Fundraising will also comply with St Luke's working values, to ensure that fundraising work is dignified, compassionate, inspired, and pioneering.

Fundraising and complaints

- 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 participators 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 participator 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 attend mandatory training sessions which include 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 receive regular training on the Fundraising Code and best practice.
- We have contracts in place with all external marketing companies and commercial participators 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 5 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 and Communications Teams, ensuring that it is not unreasonably intrusive or persistent. All marketing material compliant with data protection legislation 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 is a values led charity that takes a responsible approach to environmental, social and governance (ESG) issues in regard to investments.

We have appointed professional Investment Managers (Investec) to act on behalf of St Luke's, who are expected to consider ESG factors in all investments made with our funds and in particular:

- Not directly invest St Luke's funds in any company that carries out activities that are contrary to the aims and objectives of the charity or that could damage the charity's reputation.
- Not directly invest in any company with which it would be reasonable to hold significant ESG concerns and undertake appropriate due diligence of all companies before investing.
- When investment is undertaken via collective units (unit and investment trusts) it is expected that Investec will engage with the appointed fund managers on matters of corporate governance and that an integrated ESG approach that follows Investec's 'A.P.P.R.O.V.E.D' investment process for pooled funds be applied to all collective units purchased with St Luke's funds.

Through the appointment of independent professional Investment Managers we believe that we have taken all reasonable steps to minimise indirect investment in sectors contrary to the aims and objectives of the charity, that could damage the charity's reputation, or in companies that fall below the high ESG standards within which we aspire our portfolio to be invested. We are mindful that in spite of the good intentions of this policy, it is possible that indirect investment of this nature may be made, however it should never be material in relation to the aggregate of the St Luke's investment portfolio.

St Luke's commitment as a result of the application of this policy is that we will invest an increasing proportion of the portfolio in stocks and funds that have a positive ESG impact.

The objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a Recognised Investment Exchange and unit trusts and OEICs (open ended investment companies) which are authorised under the Financial Services and Markets Act 2000.

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 to 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.
- **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 reserves** policy is to hold appropriate designated reserves 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 2023

Cash at bank at 31 March 2023 was £3.3m and fixed asset investments that could readily be converted to cash were £4.4m. **The total of cash and investments reserves was therefore £7.7m (2022: £8.1m).** This is within the target range of £5.5m to £8.5m.

At 31 March 2023 St Luke's held £13.86m in total reserves (2022: £15.13m). Of this we have identified a total of £1.75m (2022: £1.80m) 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 2023 should remain in free reserves – this amount is estimated to be £1.15m.

Of the total reserves held, **£6.40m were held as free reserves** (2022: £7.58m) being the total of general funds (£12.11m), less total tangible fixed assets (£6.86m), plus the longer-term portion of designated funds (£1.15m). 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 Trustees 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 2023, St Luke's identified a total of £1.75m of its reserves as designated funds, summarised as follows:

- The **Research and Education** fund of **£250,000** 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 strategic initiatives including c. £100k to support initiatives around Equality, Diversity and Inclusion. **£350,000** 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. **£850,000** is designated to this fund.

Taking account of the expected usage of each fund in 2023-24 as noted above, a total of £0.60m of designated funds are expected to be spent in the period to 31 March 2024, with £1.15m projected to be spent during period 2024-26. The £1.15m 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 2022-23 financial statements have been prepared on a going concern basis. Whilst we have recorded a deficit in the financial year our underlying operational performance was consistent with our planned budget deficit. It was our planned strategic spend of elements of our reserves through designated funds, the unrealised capital loss on the

investment portfolio, and the impairment of fixed assets to market value that resulted in the position becoming a reported deficit of £1.2m. We have a strong asset base and are likely to see further planned deficits over the next three years as part of the plan to spend our designated funds and return to the mid-range of our reserves policy. Our operational budgets for the 2023-24 financial year anticipate a deficit due to significant inflationary pressures on wages and other essential costs. 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.

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.

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, South Yorkshire Integrated Care Board ('SYICB'), 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.

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

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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.

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	15 years, 13 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	14 years, 6 years in role	BA (Hons), MInstF	
Jo Lenton	Director of Care and Lead for Healthcare Partnerships	14 years, 4 years in role	Registered Nurse, BA (Hons) Supportive & Palliative Care	Healthcare Governance Committee
Tony Saunders	Director of Finance and Chief Operating Officer	13 years, 8 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	10 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.

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 2022 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". Following this independent review which reported that the Board and Executive work effectively together with a high level of performance, the limited actions identified have been worked on and progressed, with particular progress in EDI and succession planning. St Luke's Chair will stand down at the end of 2023 after serving the maximum term in office as a Trustee, together with a number of other Trustees, but a Chair-designate has been recruited and the Board has breadth and depth to manage the changes effectively.

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.

Section 172(1) statement

The Trustees are aware of their duties and have mechanisms in place to ensure they comply with the matters outlined in section 172(1) of the Companies Act 2006. This includes ensuring that any decisions that may have a long-term influence on the success of the Charity require, at a minimum, a full risk assessment and business case appraisal. Trustees regularly engage with the Executive team and senior staff members through formal Board and Committee meetings at which risk assessments and business cases are considered in respect of all major decisions that could have a long-term influence on the Charity.

The Trustees are aware of their duties to inform all regulatory bodies of any areas of concern. Regular submissions are made South Yorkshire Integrated Care Board, the Care Quality Commission, the Information Commissioners Office, the Gambling Commission and other regulatory bodies. All areas of compliance are reported to the relevant sub-committee of the Board and an annual statement of compliance with all laws and regulations is received by the full Board. Trustees attend any ad hoc meetings required in respect of regulatory compliance and investigation and they consider whether any concerns should be submitted to the Charity Commission under the Reporting of Serious Incidents (RSI) process.

The Board receives feedback from staff and people we support through surveys, monitoring of complaints, compliments, and incidents, attendance at service user forums (where appropriate) and Patient Safety Leadership Walkrounds. Trustees also regularly attend a variety of public events that St Luke's hold throughout each year and interact with staff, volunteers, supporters and general public. They attend shop openings and celebrations, volunteer long-service awards, services of remembrance and other key events.

The Trustees monitor financial performance in detail at the Resource and Finance Committee and in a more summarised format at full Board meetings. Financial controls and the application of ethical terms of business are monitored through the Resource and Finance and the Audit and Risk Committees. Committees and Working Groups of the Board have the opportunity to meet with professional advisors to seek feedback on specific risk areas of the Charity and its responsiveness to regulatory and legal compliance matters.

The Charity has ethical fundraising and investment policies in place and adherence to these is monitored through Committees and Working Groups. We have an Environmental and Sustainable Practices Group which is a working group comprising members of the Board, the Executive Team and key staff which has oversight of our various initiatives that help St Luke's to be an environmentally sustainable organisation.

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.

Equality and Diversity statement

In common with many organisations, St Luke's has been developing its response to an important area of development for our organisation – Equality, Diversity & Inclusion (EDI). This is a key issue where the public has expectations and where failure to act will negatively impact both perceptions of quality as well as the actual quality of services, with negative repercussions on staff recruitment and retention, public support, and reputational harm if not addressed adequately.

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.

Equality and Diversity progress

Action on EDI takes time because it involves changes in the culture – of people and the organisation – and requires the allocation and use of resources, which can be scarce. It is clear that St Luke's, like any organisation offering services to the whole population, needs to do more to understand the diversity of its service user base, to transform the organisation and its culture to become more inclusive of that diversity, and to promote equality – and equity – in what we do and how we do it.

In order to support this, St Luke's has established the EDI Governance Working Group, comprising Trustees and staff members which meets four times a year. The group helps steer organisational policy and practice, to make resources available and to oversee programmes and progress. The group has stated its ambition:

'St Luke's Hospice is here for anyone in Sheffield. We seek to care equally for all we encounter and strive to make our services free from barriers and our attitudes free from prejudice. We aim to treat everyone as a unique individual and to provide the best experience that we can for each person.'

We acknowledge that we all have inbuilt and unconscious prejudices and biases that we often don't even realise, but that these can create barriers, inequities and hurt to those they affect. We're committed to actively eliminating these organisational and personal failings and to take positive action where necessary in asserting that we're open, tolerant, supportive and anti-racist throughout the depth and breadth of everything we do.

We're a product of our diverse city and we respect the fact that everyone we engage with wants to be their own self and has a right to be respected. We acknowledge and celebrate the fact that we're all different – race, ethnicity, religion, gender identity, sexual orientation, age, abilities and disabilities, social and economic background, health, vulnerabilities, and many more – and we seek to remove these as factors that might diminish, deny, withhold, judge or in any way to disadvantage. We recognise our responsibility to support each person through respect for them and their circumstances, and where possible to find ways to achieve equity of access and opportunity, with dignity.

These commitments apply to all our relationships, whether with service users, supporters, volunteers, visitors, staff, and each other. Where we get things wrong we will honestly and openly acknowledge that we need to understand more and do better, and seek to do so. Every day is a learning day for each of us and our organisation will become fairer and better as we learn together.'

In progressing this ambition, St Luke's has also established an EDI staff Working Group which represents the breadth and diversity of our organisation. The group is empowered to propose actions and has access to the resources to enable them (an initial fund of £100,000 has been created to help support proposals). The staff group reports to St Luke's Executive team which also seeks to enable initiatives that are identified.

In 2023, St Luke's commissioned an independent EDI Staff Survey to establish a benchmark for our organisation from which to build. We've now received the assessment report and are delighted to have achieved a 63% response rate. Some of the headlines are that:

- 92.5% of respondents indicated that they have a full or near-full understanding of what equality means in their work at St Luke's
- 57.2% of respondents felt that St Luke's is not particularly diverse as an employer
- 72.3% of respondents agreed or strongly agreed that St Luke's champions and fully role models inclusion and inclusive behaviours
- Many respondents praised the fact that St Luke's has set up its EDI Working Group and that action is being taken to improve equity, diversity and inclusion
- 91.8% of respondents would recommend St Luke's as an inclusive employer

The results are already being worked on by the Executive team and considered by the EDI staff Working Group. One area for action is the recruitment of an Equality Officer for a two year period to help us develop and improve. Other immediate initiatives such as the creation of a multi-faith prayer room are being pursued.

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.

During the year we appointed an experienced Environmental Projects Officer on a two year contract to help us progress our various environmental and sustainability initiatives.

ST LUKE'S HOSPICE

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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.

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 2022-23 year

Peter Hartland
Chief Executive and Company Secretary

Kathryn Burkitt
Director of Income, Media and Marketing

Board of Trustees

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

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

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

Dr Mark Durling
Member of the Healthcare Governance Committee and the Resource and Finance Committee

Shelley Garlington
Member of the Resource and Finance Committee

Steve Ned
Chair of the Nominations and Remuneration Committee (from 26 June 2023) and member of the Healthcare Governance Committee

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

Dr Suvira Madan (appointed 27 June 2022)
Member of the Healthcare Governance Committee, the Audit and Risk Committee, and the Research Committee

Professor Jon Wadsley (appointed 27 June 2022)
Chair of the Research Committee and member of the Healthcare Governance Committee

Nicky James (appointed 12 December 2022)
Member of the Healthcare Governance Committee and the Research Committee

Adrian Belton (appointed 20 March 2023)
Chair Designate

Dr Toni Schwarz (resigned 12 December 2022)
Member of the Healthcare Governance Committee and the Research Committee

Professor Sarah Thomas (deceased 18 May 2023)
Chair of the Nominations and Remuneration Committee and member of the Healthcare Governance Committee

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
Lady Kerslake
Sir Martyn Lewis CBE
Sir Hugh Sykes DL and Lady Sykes
Ruth Wilkes (daughter of our Founder, Professor Eric Wilkes OBE)

ST LUKE'S HOSPICE

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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, which was 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

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' 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.

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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 25 September 2023.



[N A MacDonald \(Sep 28, 2023 14:14 GMT+1\)](#)

Neil MacDonald

Chair of the Board of Trustees



[Andrew Snelling \(Sep 28, 2023 14:40 GMT+1\)](#)

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 2023 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 2023 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.

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;
- 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.

BHP LLP

BHP LLP (Sep 29, 2023 16:50 GMT+1)

Laura Mashedor (Senior Statutory Auditor)

For and on behalf of BHP LLP, Statutory Auditor

2 Rutland Park

Sheffield

S10 2PD

Date: Sep 29, 2023

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income from:									
Legacies and donations		1,976,556	-	51,674	2,028,230	3,959,890	-	66,382	4,026,272
Other trading activities:									
Special events and sundry sales		424,041	-	-	424,041	245,934	-	-	245,934
Charity shops		3,409,877	-	-	3,409,877	2,427,089	-	-	2,427,089
Lottery income		851,774	-	-	851,774	828,451	-	-	828,451
Education and research		388,863	-	-	388,863	334,221	-	-	334,221
Other income		591,912	-	-	591,912	807,809	-	-	807,809
CJRS scheme		-	-	-	-	25,639	-	-	25,639
Investment income	2	127,947	-	-	127,947	49,503	-	-	49,503
Charitable activities									
SYICB Contract		3,427,399	-	-	3,427,399	3,011,189	-	-	3,011,189
Subsidy of medicine & drugs costs		96,040	-	-	96,040	106,569	-	-	106,569
COVID-19 grants									
NHS England contractual funding		-	-	-	-	-	-	1,191,010	1,191,010
Other Covid-19 funding		-	-	-	-	111,005	-	-	111,005
Other funding		-	-	-	-	340,520	-	-	340,520
Other grant		-	-	191,332	191,332	-	-	189,364	189,364
		<u>11,294,409</u>	<u>-</u>	<u>243,006</u>	<u>11,537,415</u>	<u>12,247,819</u>	<u>-</u>	<u>1,446,756</u>	<u>13,694,575</u>
Expenditure on:									
Raising funds									
Legacies and donations	3	406,651	1,753	-	408,404	367,254	-	-	367,254
Special events and sundry sales	3	386,036	1,720	-	387,756	240,448	-	-	240,448
Charity shops	3	2,509,299	1,104	-	2,510,403	2,121,318	-	-	2,121,318
Lottery prizes and expenses	3	356,110	-	-	356,110	280,008	-	-	280,008
Investment management fees	3	24,169	-	-	24,169	16,896	-	-	16,896

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Expenditure on:									
Charitable activities									
Inpatient care	3	4,946,086	159,935	158,379	5,264,400	3,469,364	69,378	938,514	4,477,256
Medicine & drugs costs	3	96,040	-	-	96,040	106,569	-	-	106,569
Early support for terminal illness	3	162,003	1,623	12,000	175,626	141,631	-	-	141,631
Integrated community care services	3	2,515,539	159,935	48,883	2,724,357	1,509,672	46,536	449,594	2,005,802
Education and research	3	438,119	682	-	438,801	336,317	-	-	336,317
Total expenditure		11,840,052	326,752	219,262	12,386,066	8,589,477	115,914	1,388,108	10,093,499
Net income / (expenditure)	6	(545,643)	(326,752)	23,744	(848,651)	3,658,342	(115,914)	58,648	3,601,076
Gains on investments									
Realised		(26,311)	-	-	(26,311)	16,713	-	-	16,713
Unrealised	8	(260,924)	-	-	(260,924)	64,075	-	-	64,075
		(287,235)	-	-	(287,235)	80,788	-	-	80,788
Net income/(expenditure)		(832,878)	(326,752)	23,744	(1,135,886)	3,739,130	(115,914)	58,648	3,681,864
Transfer between funds	15/16	(253,008)	276,752	(23,744)	-	(357,266)	415,914	(58,648)	-
Other recognised losses									
Loss on revaluation of fixed assets	7	(131,471)	-	-	(131,471)	(61,991)	-	-	(61,991)
Net movement in funds		(1,217,357)	(50,000)	-	(1,267,357)	3,319,873	300,000	-	3,619,873
Funds balance at 1 April 2022		13,328,559	1,800,000	-	15,128,559	10,008,686	1,500,000	-	11,508,686
Funds balance at 31 March 2023	15/16	12,111,202	1,750,000	-	13,861,202	13,328,559	1,800,000	-	15,128,559

ST LUKE'S HOSPICE

BALANCE SHEET


AS AT 31 MARCH 2023


	Note	GROUP		CHARITY	
		2023 £	2022 £	2023 £	2022 £
Fixed assets					
Tangible assets	7	6,857,728	6,751,386	6,857,728	6,751,386
Investments	8	4,379,676	4,671,740	4,379,750	4,671,814
		11,237,404	11,423,126	11,237,478	11,423,200
Current assets					
Stock – goods for resale		78,909	67,495	78,909	67,495
Debtors	9	2,590,552	3,501,098	2,668,432	3,571,708
Cash at bank and in hand	10	3,310,842	3,411,519	3,213,139	3,329,016
		5,980,303	6,980,112	5,960,480	6,968,219
Creditors: amounts falling due within one year	11	(3,356,505)	(3,224,292)	(3,356,505)	(3,224,292)
Net current assets		2,623,798	3,755,820	2,603,975	3,743,927
Total assets less current liabilities		13,861,202	15,178,946	13,841,453	15,167,127
Creditors: amounts falling due after more than one year	12	-	(50,387)	-	(50,387)
		13,861,202	15,128,559	13,841,453	15,116,740
Charity Funds					
General funds	19	12,111,202	13,328,559	12,091,453	13,316,740
Designated funds	15	1,750,000	1,800,000	1,750,000	1,800,000
Total unrestricted funds - Including investments revaluation reserve (£101,289 (2022: £158,767))	15	13,861,202	15,128,559	13,841,453	15,116,740

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 deficit of the charity is £1,287,176 (2022: surplus £3,607,984).

The financial statements were approved and authorised for issue by the Board on 25 September 2023.

Signed on behalf of the board of Trustees


N A MacDonald (Sep 28, 2023 14:14 GMT+1)


Andrew Snelling (Sep 28, 2023 14:40 GMT+1)

N MacDonald
Chair of the Board of Trustees

A E Snelling
Honorary Treasurer

The notes on pages 34 to 54 form part of these financial statements.
Company registration number: 00922448

ST LUKE'S HOSPICE

STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2023

	Note	2023		2022	
		£	£	£	£
Cash flows from operating activities:					
Net cash flow provided by operating activities	17		127,432		2,829,278
Cash flows from Investing activities					
Interest received	2	24,682		313	
Dividends received	2	103,265		49,190	
Purchase of tangible fixed assets	7	(361,078)		(202,180)	
Proceeds from sale of fixed assets		193		250	
Purchase of investments	8	(850,799)		(2,777,496)	
Proceeds from sale of investments		216,914		484,385	
Net cash flow from investing activities			(866,823)		(2,445,538)
Increase in cash and cash equivalents in the year			(739,391)		383,740
Cash and cash equivalents as at 1 April 2022	18		4,168,959		3,785,219
Cash and cash equivalents as at 31 March 2023	18		3,429,568		4,168,959

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 2022-23 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 2023-24 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 deficit of the charity is £1,287,381 (2022: surplus £3,607,984). The summary financial performance of the charity alone is disclosed in note 23. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only statement of cash flows in the consolidated financial statements.

(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.

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) South Yorkshire Integrated Care Board

Income represents grants receivable from the South Yorkshire Integrated Care Board (SYICB) covering the Sheffield region in respect of either contractual service level agreements or non-contractual recurrent grant funding.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

iv. Donated stock

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

2. Income from investments

	2023	2022
	£	£
Dividends and interest	103,265	49,190
Bank interest	24,682	313
	<u>127,947</u>	<u>49,503</u>

Income from investments in both years is unrestricted.

3. Analysis of expenditure

	Direct costs	Support costs	Total	Total
	£	£	2023	2022
			£	£
Raising funds				
Legacies and donations	305,242	103,162	408,404	367,254
Special events and sundry sales	317,527	70,229	387,756	240,448
Charity shops	2,429,942	80,461	2,510,403	2,121,318
Lottery prizes and expenses	307,118	48,992	356,110	280,008
Investment management costs	24,169	-	24,169	16,896
	<u>3,383,998</u>	<u>302,844</u>	<u>3,686,842</u>	<u>3,025,924</u>
Charitable activities				
Inpatient care	4,481,799	782,601	5,264,400	4,477,256
Medicine and drugs	96,040	-	96,040	106,569
Early support for terminal illness	148,069	27,557	175,626	141,631
Integrated community care services	2,258,547	465,810	2,724,357	2,005,802
Education and training	357,153	81,648	438,801	336,317
	<u>7,341,608</u>	<u>1,357,616</u>	<u>8,699,224</u>	<u>7,067,575</u>
Total	<u>10,725,606</u>	<u>1,660,460</u>	<u>12,386,066</u>	<u>10,093,499</u>
2022 Total	<u>8,746,984</u>	<u>1,346,515</u>	<u>10,093,499</u>	

Included within support costs are governance costs of £98,937 (2022: £98,099) which are detailed in note 4.

Support costs totalling £1,660,460 (2022: £1,346,515) 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

4. Governance costs

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Strategic management	79,327	-	79,327	81,216
Legal, professional and support costs	19,610	-	19,610	16,883
	<u>98,937</u>	<u>-</u>	<u>98,937</u>	<u>98,099</u>
2022 Total	<u>98,099</u>	<u>-</u>	<u>98,099</u>	

5. Employment costs

	2023 £	2022 £
Staff costs		
Wages and salaries	6,826,042	5,658,503
Social security costs	642,350	503,840
Pension costs	349,613	298,907
	<u>7,818,005</u>	<u>6,461,250</u>

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

	Number of employees	
	2023	2022
£100,000-£110,000	1	1
£90,000-£100,000	0	0
£80,000-£90,000	2	1
£70,000-£80,000	1	1

During the year pension contributions on behalf of these employees amounted to £70,593 (2022: £69,183)

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 £460,902 (2022: £483,304).

Total redundancy payments amounted to £27,128 (2022: £nil) 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

5. Employment costs – continued

	Head count - Average Number of employees	
	2023	2022
Ancillary	37	43
Medical and nursing	65	64
Allied Health Professional	30	27
Professional and technical	28	26
Fundraising	10	7
Administration	15	14
Shops	68	59
	<u>253</u>	<u>240</u>

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 2022-23, is £774,108 (2021-22: £606,584). 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:

	2023	2022
	£	£
Auditor's remuneration:		
Audit	24,440	20,073
Other Services	-	1,628
Hire of other assets – operating leases	287,764	265,348
Loss/(profit) on disposal of fixed assets	785	1,286
Impairment on revaluation of fixed assets	131,741	61,991
Depreciation	<u>122,287</u>	<u>115,286</u>

ST LUKE'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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	547,208	1,300,752	8,082,960
Additions	131,471	-	-	-	118,397	111,210	361,078
Disposals	-	-	-	-	-	(9,238)	(9,238)
Impairment	(131,471)	-	-	-	-	-	(131,471)
At end of year	1,750,000	3,150,000	1,180,000	155,000	665,605	1,402,724	8,303,329
Depreciation							
At beginning of year	-	-	-	-	378,390	953,184	1,331,574
Charge for the year	-	-	-	-	36,862	85,425	122,287
Disposals	-	-	-	-	-	(8,260)	(8,260)
Impairment	-	-	-	-	-	-	-
At end of year	0	0	0	0	415,252	1,030,349	1,445,601
Net book value							
At 31 March 2023	1,750,000	3,150,000	1,180,000	155,000	250,353	372,375	6,857,728
At 31 March 2022	1,750,000	3,150,000	1,180,000	155,000	168,818	347,568	6,751,386

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 2023

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:

	2023		2022	
	Freehold property	Long leasehold property	Freehold property	Long leasehold property
	£	£	£	£
Cost	16,262,910	168,271	16,315,587	168,271
Accumulated impairment (losses)/gains	(7,452,492)	41,074	(7,321,022)	41,074
Accumulated depreciation	(2,730,418)	(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 2022. 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.

8. Fixed asset investments

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Listed Investments:				
Market value at beginning of year	3,914,290	1,540,386	3,914,290	1,540,386
Additions	850,799	2,777,496	850,799	2,777,496
Disposals	(243,225)	(467,667)	(243,225)	(467,667)
Net investment gains / (losses)	(260,924)	64,075	(260,924)	64,075
Market value at end of year	4,260,940	3,914,290	4,260,940	3,914,290
Investment cash	118,726	757,440	118,726	757,440
Market value at end of year	4,379,666	4,671,730	4,379,666	4,671,730
Unlisted investments	10	10	84	84
	4,379,676	4,671,740	4,379,750	4,671,814
Historical cost of listed investments	4,362,173	3,755,427	4,362,173	3,755,427

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	698,445	718,952	698,445	718,952
Income tax recoverable	244,453	99,245	244,453	99,245
Prepayments and accrued income	1,450,788	2,506,156	1,450,788	2,506,156
Other debtors	196,866	176,745	196,866	176,745
Amounts owed by group undertakings		-	77,880	70,610
	<u>2,590,552</u>	<u>3,501,098</u>	<u>2,668,432</u>	<u>3,571,708</u>

10. Cash and Bank

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank	3,306,206	3,406,872	3,208,503	3,324,369
Cash in hand	4,636	4,647	4,636	4,647
	<u>3,310,842</u>	<u>3,411,519</u>	<u>3,213,139</u>	<u>3,329,016</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

11. Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	478,579	496,829	478,579	496,829
Other creditors	202,678	165,250	202,678	165,250
Taxation and social security	169,108	135,071	169,108	135,071
Accruals and deferred income (note 13)	2,506,140	2,427,142	2,506,140	2,427,142
	<u>3,356,505</u>	<u>3,224,292</u>	<u>3,356,505</u>	<u>3,224,292</u>

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

	2023 £	2022 £
Group and Charity		
Other creditors	-	50,387

13. Deferred income

	£
Group and Charity	
Balance at 1 April 2022	1,522,755
Amount released to SOFA	(16,300)
Amounts utilised in the year	(1,117,227)
Amount deferred in the year	574,106
Balance at 31 March 2023	<u>963,334</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:

	2023 Land and buildings £	2023 Plant £	2022 Land and buildings £	2022 Plant £
Within one year	216,451	7,434	174,530	4,507
Two to five years	444,436	13,009	310,819	1,850
Over five years	-	-	-	-
	<u>660,887</u>	<u>20,443</u>	<u>485,349</u>	<u>6,357</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

15. Summary of movement in funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2022	13,328,559	1,800,000	-	15,128,559
Income	11,294,409	-	243,006	11,537,415
Expenditure	(11,840,052)	(326,752)	(219,262)	(12,386,066)
Investment gains	(287,235)	-	-	(287,235)
Transfers	(253,008)	276,752	(23,744)	-
Revaluation on fixed assets	(131,471)	-	-	(131,471)
Fund balance at 31 March 2023	12,111,202	1,750,000	-	13,861,202

	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 losses	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

ST LUKE'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Total 2023 £
Fund balance at 1 April 2022	13,328,559	250,000	250,000	300,000	1,000,000	15,128,559
Income	11,294,409	-	-	-	-	11,294,409
Expenditure	(11,840,052)	-	(23,717)	(8,744)	(294,291)	(12,166,804)
Revaluation on fixed assets	(131,471)	-	-	-	-	(131,471)
Other recognised gains	(287,235)	-	-	-	-	(287,235)
Transfer to unrestricted funds	-	-	-	-	-	-
Transfers to designated funds	(276,752)	-	123,717	8,744	144,291	-
Transfers from restricted funds	23,744	-	-	-	-	23,744
Fund balance at 31 March 2023	12,111,202	250,000	350,000	300,000	850,000	13,861,202

Charity	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Total 2023 £
Fund balance at 1 April 2022	13,316,740	250,000	250,000	300,000	1,000,000	15,116,740
Income	11,479,176	-	-	-	-	11,479,176
Expenditure	(12,020,894)	-	(23,717)	(8,744)	(294,291)	(12,347,646)
Devaluation on fixed assets	(131,471)	-	-	-	-	(131,471)
Investment losses	(287,235)	-	-	-	-	(287,235)
Transfers to unrestricted funds	-	-	-	-	-	-
Transfers to designated funds	(276,752)	-	123,717	8,744	144,291	-
Transfer from restricted funds	-	-	-	-	-	-
Gift aid from subsidiary company	11,889	-	-	-	-	11,889
Fund balance at 31 March 2023	12,091,453	250,000	350,000	300,000	850,000	13,841,453

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund	Research and Education	Strategic	IT Infrastructure	IT and Digital Transformation	Recovery Covid-19	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
Transfers 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	IT Infrastructure	IT and Digital Transformation	Recovery Covid-19	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)
Other recognised gains	80,788	-	-	-	-	-	80,788
Transfers to unrestricted gains	-	-	-	-	-	-	-
Transfers to designated funds	(415,914)	123,599	(150,000)	(200,000)	300,000	342,315	-
Transfers 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

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** fund combines a number of important strategic initiatives including c. £100k to support initiatives around Equality, Diversity and Inclusion.

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.

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 2023

16. Analysis of movement in restricted funds

Group and Charity	NHSE funding £	Support a Nurse £	HEYH Deanery funding £	Other £	Total 2023 £
Fund balance at 1 April 2022	-	-	-	-	-
Income	-	2,680	191,332	48,994	243,006
Expenditure	-	(2,680)	(191,332)	(25,250)	(219,262)
Transfers	-	-	-	(23,744)	(23,744)
Fund balance at 31 March 2023	-	-	-	-	-

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	-	-	-	-	-

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 2022-22.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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 2023 £
Funding for capital assets	23,744
Funding for revenue expenditure	25,250
	<u>48,994</u>

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

	2023 £	2022 £
Net (expenditure)/income for the year before investment gains/(losses)	(848,651)	3,601,076
Return on investments	(127,947)	(49,503)
Depreciation charge	122,287	115,286
Loss on disposal of fixed assets	785	1,286
(Increase)/decrease in stocks	(11,414)	84,645
Decrease/(increase) in debtors	910,546	(1,284,174)
Increase in creditors	81,826	360,662
Net cash flow provided by operating activities	<u>127,432</u>	<u>2,829,278</u>

18. Analysis of cash and cash equivalents

	At beginning of year £	Cashflow £	At end of year £
Cash at bank and in hand	3,411,519	(100,677)	3,310,842
Cash held as investments	757,440	(638,714)	118,726
	<u>4,168,959</u>	<u>(739,391)</u>	<u>3,429,568</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

19. Analysis of assets between funds

2023	Unrestricted funds £	Designated funds £	Total 2023 £
Tangible fixed assets	6,857,728	-	6,857,728
Investments	4,379,676	-	4,379,676
Current assets	4,230,303	1,750,000	5,980,303
Creditors: amounts falling within one year	(3,356,505)	-	(3,356,505)
Creditors: amounts falling due in greater than one year			
	<u>12,111,202</u>	<u>1,750,000</u>	<u>13,861,202</u>
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>

20. Related party transactions

No remuneration has been paid to any Trustee (2022: £nil). Expenses totalling £nil (2022: £811) 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 included within insurance costs.

During the year the charity has incurred room hire costs of £nil (2022: £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 (2022: £nil).

During the year, a gift aid distribution totalling £11,887 (2022: £7,427) was received from St Luke's Options Limited. St Luke's Options Limited is 100% subsidiary of the charity. At the year end £77,880 was owed to the charity and was included in other debtors (2022: £70,610).

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 2019 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 2023, the uplift continued to be funded by the Department of Health and Social Care.

The total employer contribution payable in 2022-2023 was £53,703 (£41,429 for 2021-22). £8,661 was outstanding at the year end (2022: £3,215). In addition, employees who are members of the Scheme paid salary dependent variable contributions in the range 6.1% 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 £268,407 (2022: £231,335). £24,588 was outstanding at the year- end (2022: £38,326).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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 £27,503 (2022: £25,415). £2,310 was outstanding at the year-end (2022: £2,143).

22. St Luke's Options Limited

Profit and loss account**For the year ended 31 March 2023**

	2023	2022
	£	£
Turnover	58,239	60,696
Cost of sales	<u>(6,208)</u>	<u>(14,088)</u>
Gross profit	52,031	46,608
Administrative expenses	<u>(32,212)</u>	<u>(34,721)</u>
Retained profit for the year	<u><u>19,819</u></u>	<u><u>11,887</u></u>

Net assets at the year end were £19,821 (2021: £11,889). 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 2023

	2023	2022
	£	£
Income	11,479,176	13,633,879
Expenditure	<u>(12,347,646)</u>	<u>(10,044,692)</u>
Net Income	(868,470)	3,589,187
Other recognised gains	<u>(287,235)</u>	<u>80,788</u>
Net income	(1,155,705)	3,669,975
Impairment of fixed assets	<u>(131,471)</u>	<u>(61,991)</u>
Net movement in funds	<u><u>(1,287,176)</u></u>	<u><u>3,607,984</u></u>
Total funds brought forward	15,116,740	11,501,329
Gift aid from subsidiary company	11,889	7,427
(Deficit)/ surplus for the financial year	<u>(1,287,176)</u>	<u>3,607,984</u>
Total funds carried forward	<u><u>13,841,453</u></u>	<u><u>15,116,740</u></u>
Represented by:		
Unrestricted funds	13,841,453	15,116,740
Restricted funds	-	-
	<u><u>13,841,453</u></u>	<u><u>15,116,740</u></u>