

Registered company number: 01846186 (England and Wales)

Registered charity number: 515595

St Luke's (Cheshire) Hospice

Report of the Trustees and
Consolidated Financial Statements

For The Year Ended

31 March 2022



St Luke's
CHESHIRE HOSPICE

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St Luke's (Cheshire) Hospice

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St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Introduction from Mike Ridley, Chairman

Once again I am delighted to present my Annual Report on behalf of the Trustees of St. Luke's Hospice and to recognise the support we receive in so many different ways which enables us to provide our special and much needed services to our local community.

First of all I must refer to the continuing impact that coronavirus has had on our work during the year. The restrictions have clearly influenced the services we have been able to provide, but I wanted to recognise the people who have been particularly affected. I am sure that every one of us has either personally experienced the virus or knows of someone who has. To those who have suffered (and continue to suffer), to those whose lives have been changed, and particularly to those who have lost loved ones, my heart goes out to you all. I thank all our wonderful staff and volunteers for the way you have enabled our services to continue throughout this year and I wish you all well, as hopefully we begin to see an ending to this awful virus.

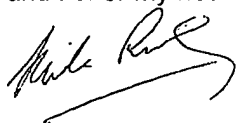
However, I am pleased to report that even through a period of more limited services, we have continued to implement a number of changes. We have managed to maintain an acceptable financial position and we are carefully developing plans and options for the future. Our re-decoration programme has brightened and improved our key patient care areas and also much of our supporting accommodation. We now look forward to real progress as our committees consider where further change is needed, while continuing to ensure that the high quality care for those who need our services remains our top priority.

Once again, I would like to pay tribute to those who provide special support to the Hospice in so many different ways. We were particularly delighted when our President, Lady Alexis Redmond was appointed as Her Majesty's Lord-Lieutenant of Cheshire; we are grateful for her continuing practical support in so many ways. Our Patrons, Rosie Spiegelberg MBE and Lady Rose Cholmondeley, continue to support us, together with our valued group of Vice Presidents. I do hope that as covid becomes less restrictive, we will be able to involve you all much more and use your enthusiasm for our work to "spread the word" and develop ever more support for our services. I also want to express my appreciation to so many organisations and individuals for their contributions, sponsorship and generous giving of time and talents.

The Trustees of the Hospice continue to meet at monthly Board meetings and across our main committees, bringing their varied backgrounds and experience to the business of the hospice and the decisions that have to be made. We are delighted to welcome Dr Katie Gibbs as a new trustee and we look forward to using her particular knowledge as a local GP to assist in our discussions. I noted in my last report that we had appointed two "Associate Trustees" to further support our work. I am delighted to report that Sue Bailey and Sean Houlston have now both been formally appointed as full trustees, Sean having been appointed after the year end. In the summer we sadly had to say goodbye to Guy Rands and Helen Masson-Jones who both made a valued contribution to our work and way forward in the time that they were both with us.

During the year, we have said thank-you and goodbye to Wendy Wilson, our Director of Care who served the Hospice with such compassion and dedication for many years. She will be greatly missed, but I know that her example is being continued by her worthy successor, Kate Estcourt. We also owe a tremendous debt of gratitude to our remaining Management Team, so ably led by Neil Wright with his vision and leadership, Dr Andrea Graham with her care and commitment, Claire Langston with her imagination and dedication and Nabela Chaudhry, continuing to produce such impressive financial performances. A special thank-you to you all.

As I review the last two years, so heavily impacted by covid, I am tremendously proud of what the hospice has managed to continue to achieve. As I write, I see the enthusiasm all around me for evermore high quality services to be planned and delivered in the coming years. I am delighted that, so many will continue to benefit and I offer my heartfelt thanks to you all, who give so much and in so many ways



Mike Ridley, Chairman

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Reference and Administrative Details - for the year ended 31st March 2022

Registered Company Number (England & Wales)	St Luke's Hospice is a company limited by guarantee, number 01846186 (not having a share capital).
Registered Charity Number	<p>The company is a Registered Charity, number 515595 and its Memorandum of Articles of Association govern its functions.</p> <p>Every member of the company undertakes to contribute to the assets if the company is wound up while he/she is a member, or within one year of ceasing to be a member, such amount as may be required not exceeding £1.</p>
Principal and Registered Office	St Luke's (Cheshire) Hospice Grosvenor House Queensway Winsford Cheshire CW7 1BH
Contacting Us	You can contact us by telephone on 01606 551246, by email on enquiries@slhospice.co.uk . If you would like to find out more about our work, please go to our website: http://www.slhospice.co.uk or follow us on Facebook and Twitter.
Auditors	MHA Moore and Smalley Chartered Accountants & Statutory Auditor Richard House 9 Winckley Square Preston PR1 3HP
Senior Statutory Auditor	Christine Wilson
Investment Fund Manager	Rathbones Investment Management Martins Buildings 4 Water Street Liverpool L3 1NW
Bankers	National Westminster Bank Plc P O Box 6 The Bull Ring Northwich Cheshire CW9 5BN
Solicitors	Poole Alcock 238-246 Edleston Road Crewe CW2 7EH

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Members of Board

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

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

Trustees

Mr John Michael Ridley (Chairman)

Mrs Tina Cookson

Dr Katie Gibbs-Blythe

- Appointed 24 November 2021

Mr Anthony J Baxter

Miss Andrea J Holland

Mr Colin Norman

Mr Graham Jones

Mr Guy Rands

- Resigned 15 November 2021

Mrs Helen Masson-Jones

- Resigned 6 August 2021

Mr Lee Greenbury

Mrs Wendy Davies

Mrs Sue Bailey

- Appointed 30 March 2022

Vice Presidents

Mrs D Mather

Mrs D Parsons

Mr R Mills MBE

Mrs J Thomas

Mrs J Corfield

Mrs F Bruce

Mr J Baldwin TD DL

Mr C Winward

Mr W Crafter

Dr V Pritchard

Mr J Lea

Joint Patrons

Mrs W Spiegelberg MBE

Lady Rose Cholmondeley

President

Alexis Redmond MBE

Honorary Treasurer

Colin Norman

Company Secretary

Vacant

Senior Management Team (SMT)

Mr N Wright

Mrs W Wilson

Miss Kate Escourt

Mrs N Chaudhry

Miss C Langston

Dr A Graham

Chief Executive

Director of Care (Retired 25 June 2021)

Director of Care (Appointed 19 July 2021)

Finance Director

Director of Income Generation & Communications

Medical Director

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Governance and Management Arrangements

Governing Arrangements

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

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

Decision Making Arrangements - Role of the Trustee Board & Committees

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

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

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

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

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

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

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Role of Trustees at St Luke's

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

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

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

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

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

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

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

Associate Trustee

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

Public Benefit

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

Management Arrangements at St Luke's

The SMT, with responsibilities for Care/Clinical Services, Medical Services, Income Generation & Communications, Financial, Estates, Human Resources and IT, is led by a Chief Executive Officer (CEO) who has responsibility for the operations of St Luke's, the implementation of regulatory requirements and the strategic and other decisions made by the Trustee Board. Members of the SMT are invited to attend the Trustee Board meetings but do not have voting rights. The pay arrangements for all members of the SMT have been established following an external pay evaluation process and benchmarking against other charities of a similar size (with the exception of the Medical Director – which is in line with medical pay scales).

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Risk Management

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

Impact of Covid 19 – Coronavirus

Covid 19 has had a major impact on the work of the hospice since the beginning of the National Lockdown in March 2020 and has continued to have a major influence in the care that we provided and the fundraising work that we did over the two years ended March 2022.

In line with government guidance, we asked our volunteers to stay at home to minimize the risk of virus transmission and to keep them safe. Staff also worked at home when able to do so which meant that we had fewer people in the hospice reducing the risk of infection. We also introduced 'cohort' working with each 'cohort' having a separate entrance / exit with minimal contact between the cohorts in an effort to limit the impact of any outbreak. Within those different cohorts, different teams worked exclusively on different days. All these measures helped to not only keep staff and volunteers safe but enabled St Luke's to work in a safe manner to provide the best support to our patients.

Like every other organization, it was difficult to provide continuity of service owing to the stop start nature of the government guidelines, restrictions and temporary lockdowns. They all had an impact not only on our care services and the way we delivered them, but also externally on the general economy and our ability to fundraise.

Thankfully, with Government Covid Hospice Support Grants, the continued rollout of the Covid 19 vaccines and booster vaccinations meant that, throughout the year, we could start thinking, not about what we had to stop doing, but more positively about 'living with Covid' and the care we could continue to provide.

Clinical

We made sure that the IPU had enough staff to stay open at all times albeit sometimes on reduced capacity for infection control reasons. We worked closely with the local healthcare community, particularly the hospital, which always had the potential to be overwhelmed should any further outbreaks or different Covid variants occur.

In line with good practice and on the advice of the local infection control department, we reopened our day hospice services on reduced patient numbers to protect against any cross infection and further virus outbreaks. Clinical staff telephoned and video called many vulnerable patients who were shielding at home to make sure they were supported in their care. All our other clinical services, such as complementary therapies, lymphoedema, befriending, social work etc had a phased opening on reduced capacity to balance the risk of limiting the spread of the virus but providing support.

Our family support team adapted their practices right from the outset of the outbreak and by using the support of our forward-thinking IT department continued to support our patients and carers with regular telephone contacts and support. Our homeless nurse continued to work right through the pandemic.

Facilities

Inevitably, the Hospice had to learn how to deal with a number of small Covid outbreaks. Our facilities Department worked tirelessly to ensure that the hospice kept the virus at bay, but where we did have an outbreak, the premises were deep cleaned and back operational as soon as possible.

St Luke's (Cheshire) Hospice

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For the year ended 31 March 2022

In line with Government guidelines, all those staff who could work from home were asked to do so to protect the frontline workers, such as our nurses, doctors, housekeepers, maintenance and catering staff who all continued to work through periods of lockdown making sure that we looked after our very vulnerable patients.

One of the positive consequences of learning how to live with the covid virus, has led the hospice to adopt a more flexible work life balance policy.

Income Generation

Our Events, Community and Corporate teams continued to face challenging times trying to encourage the general public to join mass participation events, who, ironically have all been told to stay indoors over the last two years. The challenge was not specific to St Luke's, but was faced by many charities across the country and may have more longer lasting consequences for charitably funded organisations in the future.

The success of our Trading Company is underpinned by a large group of shop volunteers. The effects of the pandemic resulted in a number of longstanding volunteers choosing to retire from their volunteer positions, which posed some operational issues when the time was right to reopen our shops. However, following a programme of phased opening, all of our shops are now open and trading well. We could always do with more volunteer support to strengthen our operational model

Throughout the year, we also faced a competitive labour market as some sectors were able to offer higher paid covid inspired opportunities in other sectors. Notwithstanding all these challenges, the government released another round of Covid retail grants which certainly helped to lessen the reduction in income from our shops. Thankfully, our shops are now making a good return at pre pandemic levels.

Our communications department became an even more effective and essential form of communication during the pandemic making sure that we stayed engaged with supporters on line via social media. As restrictions lift, and people welcome the opportunity to meet face to face, we are beginning to see general signs of Social Media Fatigue, but nevertheless remains a vital part of our communications strategy.

Over a good number of years, we have actively pursued the policy of signing up new lottery players on Direct Debit. All this past hard work has paid off as an effective 'covid free' way of playing the lottery and supporting the work that we do. As a result, our lottery subsidiary continued to make an excellent contribution towards the work of the hospice

Our lottery staff have continued to work throughout the pandemic to ensure that we had the maximum number of players in our weekly draw. Despite the robust nature of our lottery, we continued to lose some players. Eventually our third party Lottery canvassing company were able to start up face to face canvassing again which has helped to stem the decline in playing members.

Non Clinical Staff

The Finance and HR teams continued to have different challenges. Our HR teams put in a range of measures to make sure that, staff who were working flexibly at home and in work, were supported to deal with the change in working practices. Our Finance team continued to administer and account for a number of welcome government funding schemes. The support provided by the Government has given us the financial stability to support the local healthcare system and deliver the special end of life care that we provide.

The IT Manager continued to build on our Cloud based system solutions. This approach enabled our staff to work safely from home where they were able to do so. Although it has been another challenging year, we will continue to embrace technology and use it positively where and whenever we can to improve the care that we provide.

NHS England Funding

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

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Although further extra funding has been received in this financial year creating a healthy surplus, we are forecasting a downturn in charitable income. However, through careful financial management, we are able to carry forward a modest amount of funds to support and sustain the work and care that we do in the future, hopefully, until our ability to generate income returns to pre-pandemic levels.

The impact of the pandemic has had a short term impact on our ability to raise charitable funds. At this stage, it is not clear whether it will have had a material longer-term structural impact on our ability to fundraise. This is something that we will continue to reflect upon over the coming months and years.

Background Information

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

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

The CCG provided us with a base grant of 13.2% of our total group wide, recurring gross annual income. Total grants including non-recurring and non-CCG grants income equate to 19.9% (2021 – 28.7%). The percentage was higher last year due to the larger amounts of NHSE Covid 19 grants received during 2020/21.

Vision, Mission and Values

Strategy 2022 – 2025

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

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

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

The strategy of the Hospice affirms our Vision, Mission, Values and Strategic aims.

Our Vision

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

Our Mission

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

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Our Hospice Values

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

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

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

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

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

Principal Objects and Activities

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

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

Inpatient Care	Medical Out-Patients
Hospital Based Specialist advice	Telephone support and advice

Two - The Provision of Supportive Care

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

Social Work & Benefits Adviser	Family Support and Counselling Services
Spiritual Care (Chaplaincy)	Community Befriending & Engagement Day Hospice and
Complementary Therapies	Lymphoedema Clinics
Psychosexual Clinics	Homelessness End of Life Care

Trustees Report

For the year ended 31 March 2022

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

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

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

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

The Contribution of our Supporters, Staff and Volunteers

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

This year has been a frustrating stop / start year in dealing with the impact of the pandemic and we are truly grateful for everyone's commitment and belief in the work that we do.

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

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

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

Without the commitment and support we receive from volunteers, we could not provide the services we do. This year, in view of the restrictions placed on the Hospice by the Government's Lockdown measures, we took the decision to ask the majority of our volunteers to stay at home, to, not only protect their health, but also to limit the transmission of the virus. The number of hours our volunteers donated to us is substantially down when compared to previous years, which was only to be expected.

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

We look forward to our volunteers working alongside us as we open up all our hospice services fully. However, we recognise that, in view of the amount of time spent in Lockdown, people may now have different priorities. We therefore have a plan to recruit additional volunteers to add to the services and care that we provide.

St Luke's (Cheshire) Hospice

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For the year ended 31 March 2022

Working with Others and in the Community

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

- Provision of services in the acute hospital
- Work in partnership with CCICP to provide a Lymphoedema service to South Cheshire and Vale Royal Patients.
- Training and education of undergraduate and postgraduate students in a range of health care professions from local university medical and health care schools.
- Developing relationships with Health and Educational organisations including the Vale Royal and South Cheshire GP Alliance.
- End of Life Partnership through mutually supportive mission and goals that will strengthen the impact and outcomes of our work.
- Membership of umbrella organisations such as Hospice UK, Hospice Lotteries Association, Hospice Quality Partnership, Lotteries Board, Charity Retail Association, Fundraising Regulator, National Association of Hospice Fundraisers, Association of palliative medicine and other local and national professional networks.
- Development of community befriending to enable compassionate communities to develop and to address social isolation and loneliness experienced by the ill, frail and elderly in our community
- Widening access through engagement with Homeless people at end of life and our local LGBTQ+ communities.
- Our developing relationship with the Christie who use the Hospice premises to deliver their service to local residents making their treatment more patient centered, easier and convenient saving them time.

Financial Report

Financial Performance and Review

As the immediate impact of the pandemic passed, there was still a strong realisation that the hospice sector, like many others, would now be facing longer term issues of recovery and uncertainty. Consequently, we entered the new financial year with a continued prudent approach to our financial management.

The financial year began with the prospect that our ability to generate income, in particular through our events and shops could be significantly impacted if Covid 19 restrictions were reintroduced, or if post pandemic, our supporters chose not to engage and interact with us in the way they had pre pandemic. It was also unclear at the beginning of the year if the sector would continue to benefit from government support and if so, what level of support would be offered.

However, our reserves provided us with the reassurance that we could continue to navigate our way through this uncertain period by managing our resources efficiently and effectively. This allowed our post pandemic response to focus on returning all services and other activities to normal with funds, prudently set aside to invest in these areas when the need arose. The needs of our patients and the continued delivery of safe, effective and high quality care services remained at the centre of all decision making throughout this period.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Despite the uncertainties and challenges faced this year, the Hospice made a healthy group surplus of £1,374,994 (2021: £1,533,301). It is imperative to highlight that this surplus was generated fundamentally following the receipt of two relatively large legacies, which along with a number of other legacies, generated income of £914,383 (2021: £603,214) and continued support from government grants secured by Hospice UK and funded by NHSE of £321,705 (2021: £782,455). Without these monies and excluding the gain on the revaluation of our investments, the Hospice would have declared an operating deficit. The Group surplus was £1,154,838 (2021: £885,175) as at the 31 March 2022 before taking into account the year end gain on the revaluation of our investments.

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

Expenditure levels continued to be well managed throughout the year with total expenditure being lower than budget. The level of activity and expenditure in the earlier months of the financial year were impacted as we began a phased return to normality, which in turn resulted in cost savings across departments. Savings were also secured as a result of vacancies and to a lesser extent from furlough payments which although at much lower levels than the previous year still benefitted the Hospice at the beginning of the year.

This year's total expenditure is significantly lower than last year due to the depreciation charge returning to normal levels this financial year. Last year a further review was conducted on the fixed asset depreciation policy. Following the review a number of changes were made to the land and buildings depreciation policy to more accurately reflect the life of the assets. The impact of the new categories and changes in rates was that last year's land and buildings depreciation charge increased significantly resulting in a charge of £381,925. The equivalent charge this year is £50,136.

The Hospice made a gain on the revaluation of its investments of £220,156 (2021 £648,126). A further £200,000 was placed with the fund managers during 2022.

Following Board approval we have set aside some of the surplus along with an element of the reserves to make much needed improvements to our In-Care Unit, invest in service development, facilitate Hospice Development and to recognise our ongoing capital commitments as disclosed in the Reserves Policy. The timing of when these monies may well be used will be subject to ongoing review of our financial position before any designated reserves are drawn down and spent.

During the year cash levels were well managed and remained healthy following the receipt, in particular, of two relatively large legacies and additional Covid 19 government grants. However, funds were spent during the year when the need arose to maintain and develop our properties and ensure compliance to Health and Safety regulations. Following the commissioning of a local building company, work commenced on the Middlewich shop in January 2022. This significant investment in the Middlewich outlet will continue until January 2023 with the cashflow and funds being managed and designated accordingly.

St Luke's Trading Limited began to reopen its doors to customers in the shops from the second week of April 2022. The Warehouse and all of the shops apart from Northwich, Crewe and Middlewich were opened in April. The Crewe and Northwich shops reopened in July and August with the Crewe shop initially only opening three to four days a week due to a shortage of staff and volunteers. The Middlewich shop remained closed throughout the period. Ebay remained operational throughout the pandemic. The shops have performed well during this financial year and sales have been buoyant. Turnover in the year was £760,051 (2021: £276,604) which is comparable to 2020 pre pandemic levels (2020: £756,434). It is important to highlight that last year's results would have been very different without the significant government funding the Trading Company received. This year further applications were made for the government's Retail Grants with the company receiving grants of £32,003 (2021: £255,518). Furlough payments of only £2,709 (2021: £149,319) were claimed and received in the earlier months as the shops prepared to reopen from April onwards.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

St Luke's Trading Limited delivered a statutory profit of £1,819 (2021: £24,485) whilst the Hospice received further income from the sale of donated goods at the shops of £306,568 (2021: £85,442) of which £58,335 (2021: £16,944) was claimed in Gift Aid credits from HMRC.

St Luke's Promotions Limited continues to be a significant income stream gifting the Hospice £628,625 (2021: £637,209). The Lottery remains strong, however the team are alive to the challenges it faces due to increased attrition levels and the impact of an ageing supporter base. They continue to develop solutions to mitigate and minimise the impact. This year the canvassers were able to return to almost a full year of canvassing having only been out of operation for the first two weeks in April. In contrast to last year when they were unable to perform their duties during a significant proportion of the year due to the restrictions imposed on them during the pandemic.

Legacy income remains an important income stream for the Hospice and it is gratefully received. This year we have been fortunate enough to benefit from a record level of legacy monies. In addition to a number of other legacies, two relatively large legacies contributed to our legacy income generating income of £914,383 (2021: £603,214). The Income Generation Team are continuing their review of our approach to legacies and major donors.

We continue to receive and are grateful for the statutory funding from the Clinical Commissioning Groups which accounts for 13.2% of our consolidated income. This level of statutory funding is relatively low for the sector and consequently means that 86.8% of our funds are voluntary and must be generated by the Hospice.

Financial Governance & Management

The governance arrangements and operating practices supporting the development of the Financial Regulations Policies and Procedures and Scheme of Delegation, any updates and re- training of staff to ensure they are fully integrated and embedded into day to day operations, remain under continuous quality improvement to ensure they are the best they can be.

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

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

Reserves Policy and Position

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

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

The Board have designated reserves of £1,500,000 from the reserves for the Development of the Hospice, £825,000 for Service Sustainability and Development and a further £395,000 for capital projects. The free reserves as at 31 March 2022 stood at £4,075,311 (2021: £3,589,091), see note 23, which represents approximately 11 months of operating costs.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Investment Policy and Position

St Luke's Investment Policy is to achieve maximum return with minimum risk, whilst protecting the capital base. Funds potentially required for working capital are invested in a more readily accessible low risk portfolio. The Investment Managers Rathbones, report to the Finance Director and Finance Committee quarterly who then present an investment performance report to the Board of Trustees annually.

Our listed investment assets are valued in the Balance Sheet at Market Value of £4,253,240 (2021: £4,001,376). The Charity made gains on investments during the year of £220,156 (2021: £648,126). These monies are invested for the medium to longer term. During the year a further £200,000 was invested with Rathbones.

Financial Risk Management

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

Fundraising Standards Information

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

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

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

The Hospice complies with the Data Protection Act requirements and will protect members' data. St Luke's Promotions Ltd and St Luke's Trading Ltd are subsidiary companies of St Luke's (Cheshire) Hospice Ltd and are all registered under the Data Protection Act 1988.

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

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Review of Achievements and Performance

- Despite the prevalence of Covid, our in-patient unit remained open to care for patients in need of symptom control and end of life care. However, we did have to restrict visitors in line with Government guidelines to arrest the spread of the virus. We did have an occasion when a number of our staff tested positive and as a result, under the guidance of the local CCG infection control unit, had to close the IPU for two weeks to allow the hospice to be deep cleaned. The IPU reopened after the requisite period of closure
- Throughout the year we slowly reopened all our day hospice services. Although the configuration of the building limited the volume of patients, it was great to see all our services back up and running albeit in a reduced capacity
- Approximately two thirds of IPU admissions to St Luke's were admitted from home for specialist care confirming our role in preventing unnecessary hospital admissions. The remaining third of admissions were transferred to us from hospital helping the Hospital to create greater bed capacity to care for other patients
- Of the 314 referrals to our IPU, 84% of those patients had a cancer diagnosis. 16% a non-cancer diagnosis.
- 40% of the patients admitted to our inpatient unit were discharged back home dispelling the myth that the Hospice is only a place where people go to die.
- Our average length of stay was 13 days underlining our strong desire to support patients who want to go back home to be cared for and die in their place of choosing.
- Having to reduce the number of beds for infection control reasons, we achieved an occupancy rate of 62.2%.
- We continued to successfully recruit nursing staff and doctors when other local providers had vacancies that remain unfilled. We also provide placements for trainee GPs, trainee Doctors, nurses, counsellors and healthcare assistants.
- We continue to ask for feedback following each episode of care and overwhelmingly the majority of our patients rated our care as excellent or good. Feedback from patients, relatives, carers and service users emphasised the holistic care, kindness and compassion shown to them
- The Family Support, Chaplaincy and Counselling Team started to meet clients face to face. The team has embraced a new way of working and are now able to offer a blended approach of support either by face to face or via video technology or phone.
- The FSC and SCC teams had 290 referrals for their support. They support patients, families (including children) and carers at difficult times and delivered 2,972 different interventions.
- We continue to embed our Electronic Patient Record (EPR) system, EMIS Web. This system has allowed us to work towards local and national targets for improving palliative and end of life care using an Electronic Palliative and Care Co-ordination Systems (EPaCCS). It allows the documentation and sharing of advance care planning decisions across organisations to prevent crisis and improve care. The majority of patients attending our services now have an advance care plan documenting their wishes.
- Along with East Cheshire Hospice and the Hospice of the Good Shepherd we were successful in winning a grant to explore ways to break down any potential barriers to provide care services more appropriate to the LGBTQ+ community.
- Part way through the year we restarted our much needed befriending service re-engaging with those vulnerable people who feel isolated and in need support.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

- Our work to support people who are homeless at the end of life continued. In addition to direct support, we also helped to support the professionals who cared for homeless people in places like Hostels. The service was highlighted a number of times in interviews and documentaries on national radio and helped to inspire other hospices to adopt a similar approach to homeless people in need of end of life care.
- Our work in collaboration with Mid Cheshire Hospital Trust (MCHFT) Macclesfield District General Hospital (MDGH), Central Cheshire Integrated Care Partnership (CCICP) enabled us to continue to offer a joint Lymphoedema service.
- Care staff continue to improve palliative and end of life care by actively participating at strategic groups such as the Strategic Collaborative Cheshire, Electronic Palliative Care Co-ordination System strategy group, Hospice Learning & Development groups and Cancer Network meetings as well as Regional Hospice UK support groups.
- Our work in collaboration with the Christie continued during the Pandemic where they use the Day Hospice space on a Friday and deliver chemotherapy for up to 15 patients a day. In addition, we provide a space on Wednesday mornings between 8.30am and 2pm where patients can call in and have bloods taken in preparation for their visit on a Friday. This has proved popular with local people who no longer need to spend a long day in Manchester, with another visit for bloods tests, instead they can come here under more relaxed surroundings and nearer to home.
- We had 239 telephone calls via our Specialist palliative Care Telephone Advice Line mainly to support healthcare professionals. These calls give non-hospice staff the confidence to support patients in numerous other care settings helping to keep patients from being admitted inappropriately to Hospital. A third of the helpline calls were to support patients and their loved ones.
- The HR and Finance teams coped extremely well adapting to home working, tackling new, complex innovative government financial support schemes.
- Our Events, Community and Corporate Income Generation Teams all returned back off furlough to start the hard work of planning a range of engaging fundraising events. Although our loyal supporters are very supportive it has certainly been a challenging time for the teams to reignite the general public's enthusiasm after what can only be described as a difficult and challenging two years. The next two years to re-establish the same income generating capacity as before the pandemic will be equally challenging.
- Our Communication Team were in the ideal position to reach into people's homes via social media. Although, in the face of the virus, we were told to keep our distance, our communications department made sure that we stayed close together and kept the general public aware of the continued good work of St Luke's and the reopening of our services.
- Our Trading Company faced a stop start year with shops opening back up followed by more lockdowns. We once again, were grateful to receive financial support by way of government retail grants and the furlough scheme. Following governments guidance, we started to safely open up all our shops. Although there was some initial staff and volunteer issues, it was pleasing that when we opened our doors, our customers returned. The shops are now performing at pre pandemic levels. We chose to undertake the major refurbishment of our Middlewich shop which needed some serious structural underpinning. The extended closure of this shop will undoubtedly affect the Trading Company's contribution to the hospice but we are extremely encouraged that our customers will return.
- Our lottery proved to be a very resilient way of raising money to fund the care that we provide. As most of the playing members pay by direct debit, the lottery was less affected by the Covid restrictions. It is pleasing that our third party canvassers were able to return to canvas new members and our small loyal band of lottery cash collectors were able to continue our cash collection rounds. We are grateful to have committed lottery staff who supported the lottery process throughout the pandemic.

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Plans for the future

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

- **Care for more people** – The 'baby boomer' population, advances in medicine enabling people to live longer and supporting people with diseases other than cancer, mean that there are more patients dying and with greater complexities. We will deliver more quality care services validated through continuous review and improvement programmes.
- **Reach out** – there are more people being cared for in their own homes and in community settings such as care homes. Our ambition is to develop and extend our hospice care for patients outside the hospice walls. We have started by setting up a St Luke's Night care Service and will monitor and review the success of this new service.
- **Be sustainable** – this has even greater prominence following the Covid 19 pandemic and the closing down of most of our fundraising opportunities such as mass participation events, shops and community campaigns. It is important to provide quality services that we can afford to provide. The creation of the new Integrated Care Boards offer the hope of fairer hospice funding support going forward.
- **Make our buildings better** – The recent pandemic has highlighted areas of our buildings that we need to modernise / improve to make our buildings better able to support our future patients. We will be exploring longer term solutions to ensure the enduring longevity of St Luke's for many years to come.

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

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

St Luke's (Cheshire) Hospice

Trustees Report

For the year ended 31 March 2022

Statement of Trustee Responsibilities

The Trustees (who are also the directors of St Luke's (Cheshire) Hospice (a company limited by guarantee) for the purposes of Company Law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charity SORP
- Make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a 'going-concern' basis unless it is inappropriate to presume that the charitable company will continue in business

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

Statement as to disclosure of information to Auditors

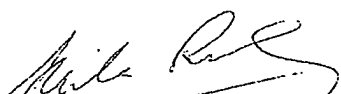
In so far as the Trustees are aware

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

The Trustees, who are also Directors of the Charity for the purposes of the Company Act 2006, present their report with the consolidated financial statements of the Charity for the period ended 31st March 2021. The Trustees adopted the provision of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued in 2019.

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

Report of the Trustees, approved by order of the Board of Trustees, as the Company Directors, on 02/08/2022..... and signed on the board's behalf by:



Mike Ridley, Chairman

St Luke's (Cheshire) Hospice

Independent Auditors' Report

For the year ended 31 March 2022

Opinion

We have audited the financial statements of St Luke's (Cheshire) Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise Group Statement of Financial Activities, Balance Sheets, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

St Luke's (Cheshire) Hospice

Independent Auditors' Report

For the year ended 31 March 2022

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Respective responsibilities of the trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

For the year ended 31 March 2022

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

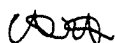
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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.

We identified the following areas as those most likely to have a material impact on the financial statements: employment law, health and safety legislation, Care Quality Commission regulations and compliance with the UK Companies Act.

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

Use of report

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



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

Date: 02/08/2022
.....

St Luke's (Cheshire) Hospice

Consolidated Statement of Financial Activities

(Incorporating a Consolidated Income and Expenditure Account)

As at 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from					
Donations and legacies	2	2,022,431	69,186	2,091,617	1,745,288
Charitable activities	3	694,051	257,972	952,023	874,854
Other trading activities	4	2,118,300	-	2,118,300	1,504,071
Investment income	5	100,352	-	100,352	84,135
Coronavirus Support funding	6	35,450	350,168	385,618	1,461,627
Total income		4,970,584	677,326	5,647,910	5,669,975
Expenditure on					
Raising funds	7	1,471,260	-	1,471,260	1,281,532
Charitable activities	8	2,331,361	690,451	3,021,812	3,503,268
Total expenditure		3,802,621	690,451	4,493,072	4,784,800
Net income/(expenditure) before other gains and losses		1,167,963	(13,125)	1,154,838	885,175
Net (losses)/gains on investments	15	220,156	-	220,156	648,126
Net income /(expenditure)		1,388,119	(13,125)	1,374,994	1,533,301
Transfers between funds	21	-	-	-	-
Net movement in funds		1,388,119	(13,125)	1,374,994	1,533,301
Total funds brought forward		7,625,678	32,625	7,658,303	6,125,002
Total funds carried forward	21	9,013,797	19,500	9,033,297	7,658,303

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

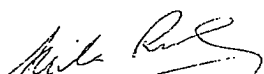
St Luke's (Cheshire) Hospice

Balance Sheets

Year ended 31 March 2022

	Note	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Fixed assets					
Tangible assets	14	2,183,558	2,163,789	2,218,486	2,211,587
Investments	15	4,253,240	4,001,376	4,253,240	4,001,376
Investments in subsidiaries	16	4	4	-	-
		<u>6,436,802</u>	<u>6,165,169</u>	<u>6,471,726</u>	<u>6,212,963</u>
Current assets					
Stock	17	-	-	7,352	7,352
Debtors	18	696,694	1,267,750	660,448	1,256,885
Cash at bank and in hand		<u>2,218,717</u>	<u>1,200,885</u>	<u>2,442,195</u>	<u>1,416,380</u>
		<u>2,915,411</u>	<u>2,468,635</u>	<u>3,109,995</u>	<u>2,680,617</u>
Creditors: amounts falling due within one year	19	<u>(364,168)</u>	<u>(967,124)</u>	<u>(548,424)</u>	<u>(1,161,713)</u>
Provisions for liabilities	20	<u>-</u>	<u>(73,564)</u>	<u>-</u>	<u>(73,564)</u>
Net current assets		<u>2,551,243</u>	<u>1,427,947</u>	<u>2,561,571</u>	<u>1,445,340</u>
Net assets		<u>8,988,045</u>	<u>7,593,116</u>	<u>9,033,297</u>	<u>7,658,303</u>
Charity Funds					
Restricted Funds	21	19,500	32,625	19,500	32,625
Unrestricted Funds					
- General funds	21	6,248,545	5,735,491	6,293,797	5,800,678
- Designated funds	21	<u>2,720,000</u>	<u>1,825,000</u>	<u>2,720,000</u>	<u>1,825,000</u>
Total Unrestricted funds		<u>8,968,545</u>	<u>7,560,491</u>	<u>9,013,797</u>	<u>7,625,678</u>
Total funds		<u>8,988,045</u>	<u>7,593,116</u>	<u>9,033,297</u>	<u>7,658,303</u>

The financial statements were approved by the Board of Trustees on 02/08/2022..... and signed and authorised for issue on its behalf by:



Mr M Ridley - Chairman

St Luke's (Cheshire) Hospice

Consolidated Cash flow Statement

Year ended 31 March 2022

	Notes	Total 2022 £	Total 2021 £
Cash flows from operating activities:			
Net income/(expenditure) for year		1,374,994	1,533,301
Investment income	5	(100,352)	(84,134)
Depreciation and impairment of tangible fixed assets	14	135,144	455,365
Losses/(gains) on investments	15	(220,156)	(648,126)
(Profit)/loss on disposal of tangible fixed assets		(18,282)	-
Decrease in stock		-	342
(Increase)/decrease in debtors		596,437	(741,428)
Increase/(decrease) in creditors		(613,289)	584,132
(Decrease)/increase in provisions		(73,564)	25,438
Net cash provided by (used in) operating activities		1,080,932	1,124,890
Cash flows from investing activities:			
Income from investments	5	100,352	84,134
Payments to acquire tangible fixed assets	14	(142,161)	(42,021)
Receipts from sale of tangible fixed assets		18,400	-
Payments to acquire investments	15	(1,406,702)	(3,420,199)
Receipts from sales of investments	15	1,374,994	2,896,576
Net cash flow from investing activities		(55,117)	(481,510)
Increase/(decrease) in cash and cash equivalents		1,025,815	643,380
Cash and cash equivalents brought forward		1,416,380	773,000
Cash and cash equivalents carried forward		2,442,195	1,416,380
Cash and cash equivalents consist of:			
Cash at bank and in hand		2,442,195	1,416,380
		2,442,195	1,416,380

1 Summary of significant accounting policies

a General information and basis of preparation

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

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

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

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

b Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

c Income recognition

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

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

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

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

1 Summary of significant accounting policies (continued)

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

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

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

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

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

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

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

d Expenditure recognition

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

- Costs of raising funds includes lottery prizes, the salaries of the staff who promote fund-raising, direct expenditure including costs of events and an allocation of internal overheads.
- Expenditure on charitable activities includes expenditure associated with the objects, as described in the report of the Trustees.

1 Summary of significant accounting policies (continued)

- Other expenditure represents those items not falling into the categories above.

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

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

e Support costs allocation

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

f Tangible fixed assets

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

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

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

g Pension contributions

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

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

h Investments

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

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

i Shares in subsidiary undertakings

These are stated at cost. The results of the trading subsidiaries are detailed in note 16 to the accounts.

1 Summary of significant accounting policies (continued)

j Stocks

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

k Leases

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

l Judgements and key sources of estimation uncertainty

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

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

m Provisions

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

n Tax

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

o Going concern

The trustees are required to assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. The ongoing impact of Covid-19 is not considered by the trustees to be likely to create material uncertainties in relation to going concern. The trustees and management have put plans in place to manage the situation and monitor reserves levels. At the date of approving these accounts, the trustees have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

2 Donations and legacies

	2022	2021
	£	£
Donations	1,177,234	1,142,074
Legacies	914,383	603,214
	<u>2,091,617</u>	<u>1,745,288</u>

Income from donations and legacies was £2,091,617 (2021: £1,745,287) of which £69,186 (2021: £23,020) was attributable to restricted and £2,022,431 (2021: £1,722,267) was attributable to unrestricted funds.

3 Income from charitable activities

	2022	2021
	£	£
Medical consultancy fees	47,245	58,676
Grants – NHS CCG	613,571	595,711
Grants – Other	257,972	199,411
Other	33,235	21,056
	<u>952,023</u>	<u>874,854</u>

Income from charitable activities was £952,023 (2021: £874,854) of which £257,972 (2021: £148,719) was attributable to restricted and £694,051 (2021: £726,135) was attributable to unrestricted funds.

4 Income from other trading activities

	2022	2021
	£	£
Fundraising events	424,745	294,486
Shops and lotteries	1,692,335	1,209,450
Other	1,220	135
	<u>2,118,300</u>	<u>1,504,071</u>

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

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

5 Income from investments

	2022	2021
	£	£
Listed UK investments - dividend Income	80,230	61,052
Rents received	19,872	19,193
Short term deposit interest	250	3,890
	<u>100,352</u>	<u>84,135</u>

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

6 Other income

	2022	2021
	£	£
Job Retention Scheme	31,910	343,321
Hospice UK Covid Support	321,705	782,455
Covid Bereavement funding	-	50,000
Covid Business Rates Support	32,003	255,518
Other Covid grants	-	30,333
	<u>385,618</u>	<u>1,461,627</u>

Other income was £385,618 (2021: £1,461,627) of which £350,168 (£1,016,339) was attributable to restricted and £35,450 (2021: £445,288) was attributable to unrestricted funds.

7 Expenditure on raising funds

	2022	2021
	£	£
Shops and lotteries	1,059,945	955,539
Other fundraising costs	411,315	325,993
	<u>1,471,260</u>	<u>1,281,532</u>

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

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

8 Expenditure on charitable activities

	2022	2021
	£	£
Staff costs	2,482,774	2,481,701
Building costs	309,519	754,082
Administration expenses	73,816	81,972
Patient care & medical services	134,158	133,087
Professional fees	21,545	27,426
EOLP	-	25,000
	<u>3,021,812</u>	<u>3,503,268</u>

Expenditure on charitable activities was £3,021,812 (2021: £3,503,268) of which £690,451 (2021: £1,173,149) was attributable to restricted and £2,331,361 (2021: £2,330,119) was attributable to unrestricted funds.

9 Support cost breakdown by activity

Included within total expenditure are support costs as analysed below:

	Basis	Fundraising activities	Charitable activities	Total 2022	Fundraising activities	Charitable activities	Total 2021
		£	£	£	£	£	£
Staff costs	Actual	63,349	511,658	575,007	59,806	483,038	542,844
Building costs	Space	10,517	46,947	57,464	26,811	120,056	146,867
Admin expenses	Actual	24,107	55,640	79,747	16,151	29,557	45,708
Patient care costs	Actual	790	3,560	4,350	666	3,001	3,667
Professional fees	Actual	10,772	10,772	21,544	10,632	10,633	21,265
		<u>109,535</u>	<u>628,577</u>	<u>738,112</u>	<u>114,066</u>	<u>646,285</u>	<u>760,351</u>

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

	Note	2022	2021
		£	£
Governance costs			
Auditor's remuneration	10	14,590	12,500
Senior management		19,423	19,768
Other governance charges		<u>2,043</u>	<u>2,035</u>
Total governance costs		<u>36,056</u>	<u>34,303</u>

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

10 Net income/(expenditure) for the year

	2022	2021
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Depreciation of tangible fixed assets	135,144	455,365
Auditor's remuneration	14,590	12,500
(Profit)/loss on sale of tangible fixed assets	(18,282)	-
Losses/(gains) on investments	(220,156)	(648,126)
Fees payable to the charity's auditor:		
Audit of the charity's annual accounts	6,250	5,750
Audit of the charity's subsidiaries	4,500	4,250
Other services	3,840	2,500
	14,590	12,500

11 Staff costs

	2022	2021
	£	£
Wages and salaries	2,847,149	2,708,200
Social security costs	202,974	198,089
Pension costs	192,986	199,272
	3,243,109	3,105,561

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

The NHS scheme is a defined benefit scheme, the assets of which are held in a separate trustee-administered fund. Under the definitions set out under FRS102, the NHS scheme is a multi-employer pension scheme. The Hospice is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Employer contributions charged against income for the period were £99,000 (2021: £102,712).

The Hospice and its subsidiaries also made contributions to a defined contribution scheme during the period totalling £93,986 (2021: £96,559).

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

12 Staff costs (continued)

The average number of employees analysed by function was:

	2022	2021
	No.	No.
Administrative	12	12
Charitable activities	96	92
Fundraising	13	15
St Luke's Hospice Trading	24	26
St Luke's Hospice Promotions	4	6
	<u>149</u>	<u>151</u>

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

	2022	2021
	No.	No.
£60,000 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
	<u>2</u>	<u>2</u>

12 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration or expenses during the year (2021: £nil). The total amount of employee benefits, including salaries, received by key management personnel was £388,510 (2021: £395,410). The Trustees consider key management personnel to be comprised of the Trustees, Chief Executive Officer, Medical Director, Director of Income Generation, Finance Director and the Director of Care.

	2022	2021
	£	£
Trustees' Indemnity Insurance	<u>1,413</u>	<u>1,131</u>

13 Taxation

No liability to UK corporation tax arose on net expenditure for the year ended 31 March 2022 nor for the year ended 31 March 2022 for the company. A tax liability relating to the prior year of £2,826 (2021: £nil) arose on the subsidiary companies included within the consolidated accounts.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

14 Tangible fixed assets

Company	Freehold land & buildings	Leasehold improvements	Fixtures & fittings	Computer Equipment	Motor vehicles	Totals
	£	£	£	£	£	£
Cost						
At 1 April 2021	2,772,780	760,675	308,904	103,314	21,370	3,967,043
Additions	24,208	-	113,971	1,643	-	139,822
Disposals	-	-	(79,939)	(2,730)	(7,000)	(89,669)
At 31 March 2022	2,796,988	760,675	342,936	102,227	14,370	4,017,196
Depreciation						
At 1 April 2021	1,359,730	110,299	237,264	74,685	21,276	1,803,254
Charge for year	50,136	15,213	38,893	15,599	94	119,935
Eliminated on disposal	-	-	(79,821)	(2,730)	(7,000)	(89,551)
At 31 March 2022	1,409,866	125,512	196,336	87,554	14,370	1,833,638
Net book value						
At 31 March 2022	1,387,122	635,163	146,600	14,673	-	2,183,558
At 31 March 2021	1,413,050	650,376	71,640	28,629	94	2,163,789

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

14 Tangible fixed assets (continued)

Group	Freehold land & buildings	Leasehold improvements	Fixtures & fittings	Computer Equipment	Motor vehicles	Totals
	£	£	£	£	£	£
Cost						
At 1 April 2021	2,772,780	849,292	383,860	165,534	47,141	4,218,607
Additions	24,208	2,339	113,971	1,643	-	142,161
Disposals	-	-	(79,939)	(2,730)	(7,000)	(89,669)
At 31 March 2022	2,796,988	851,631	417,892	164,447	40,141	4,271,099
Depreciation						
At 1 April 2021	1,359,730	192,140	292,992	126,514	35,644	2,007,020
Charge for year	50,136	18,442	44,309	19,882	2,375	135,144
Eliminated on disposal	-	-	(79,821)	(2,730)	(7,000)	(89,551)
At 31 March 2022	1,409,866	210,582	257,480	143,666	31,019	2,052,613
Net book value						
At 31 March 2022	1,387,122	641,049	160,412	20,781	9,122	2,218,486
At 31 March 2021	1,413,050	657,152	90,868	39,020	11,497	2,211,587

15 Fixed asset investments

Company and Group	Unrestricted funds	Total 2022	Total 2021
	£	£	£
<u>UK quoted investments</u>			
At 1 April 2021	4,001,376	4,001,376	2,829,627
Less disposal proceeds	(1,374,994)	(1,374,994)	(2,896,576)
Add acquisitions at cost	1,406,702	1,406,702	3,420,199
Net (losses)/gain on revaluation	220,156	220,156	648,126
At 31 March 2022	4,253,240	4,253,240	4,001,376

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

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

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

16 Investment in subsidiaries

The parent charity owns 100% of the issued share capital of St Luke's Hospice Trading Ltd (Co.No.-03024652) and St Luke's Hospice Promotion Ltd (Co.No.-02862345) at cost of £4 (2021: £4). and comprise the following companies:

Company	St Luke's Trading Limited	St Luke's Promotions Limited	Total 2022	Total 2021
	£	£	£	£
Shops and lottery income	772,463	919,872	1,692,335	1,205,772
Interest & other operating income	34,712	754	35,466	448,966
Total income	807,175	920,626	1,727,801	1,654,738
Total costs before rental costs paid to Hospice	(768,644)	(291,301)	(1,059,945)	(955,539)
Net income for the year	38,531	629,325	667,856	699,199
Rental costs paid to Hospice	(36,805)	(700)	(37,505)	(37,505)
Net income for the year before profits donated	1,726	628,625	630,351	661,694
Profits donated to St Luke's (Cheshire) Hospice	(24,485)	(625,798)	(650,283)	(672,547)
Net Profit/(loss) for the year after donations	(22,759)	2,827	19,932	(10,853)
Share capital & reserves brought forward	24,580	40,608	65,188	76,041
Share capital & reserves carried forward	1,821	43,435	85,120	65,188
Fixed assets	34,928	-	34,928	47,798
Current assets	134,130	176,029	310,159	293,048
Current liabilities	(167,237)	(132,594)	(299,831)	(275,658)
Net assets	1,821	43,435	45,256	65,188

During 2021/22 St Luke's Hospice Trading Limited transacted sales of donated goods in its shops of £248,233 (2021: £68,498) under the Gift Aid Retail Scheme. This enabled the Hospice to claim £58,335 (2021: £16,944) in Gift Aid credits from HMRC. Therefore, the Hospice benefitted from the sale of donated goods at the shops by £306,568 (2021: £85,442).

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

17	Stock				
	Group		2022	2021	
			£	£	
	Goods for resale		7,352	7,352	
18	Debtors				
		Company	Company	Group	Group
		2022	2021	2022	2021
		£	£	£	£
	Amounts owed by group undertakings	111,498	78,832	-	-
	Other debtors	55,967	38,301	55,967	38,301
	VAT	29,494	22,253	39,918	29,552
	Prepayments and accrued Income	480,249	456,457	543,704	515,028
	Trade debtors	19,486	671,907	20,859	674,004
		696,694	1,267,750	660,448	1,256,885
19	Creditors: amounts falling due within one year				
		Company	Company	Group	Group
		2022	2021	2022	2021
		£	£	£	£
	Trade creditors	92,159	61,857	105,569	93,466
	Other creditors	81,058	30,770	81,386	31,317
	Social security and other taxes	51,465	48,277	51,465	48,277
	Accruals and deferred Income	139,486	826,220	310,004	988,653
	Amounts owed to group undertakings	-	-	-	-
		364,168	967,124	548,424	1,161,713
20	Provisions for liabilities				
	Company and Group			Middlewich shop	
				£	
	At 1 April 2021			73,564	
	Added during the year			-	
	Utilised during the year			(73,564)	
	At 31 March 2022			-	

The Middlewich shop has remained closed since March 2020. In January 2022 essential structural work commenced and is due to be completed in January 2023.

At the year end there were capital commitments of £288,036 (2021: 328,718) in respect of the Middlewich Shop and a further £106,966 (2021: £nil) for other capital projects.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

21 Fund reconciliation

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

Notes to the Financial Statements

Year ended 31 March 2022

21 Fund reconciliation (continued)

Company	Balance at 1 April 2020	Income	Expenditure	Transfers	Gains / Losses	Balance at 31 March 2021
	£	£	£	£	£	£
Unrestricted funds	5,213,819	3,537,210	(2,656,112)	(1,007,552)	648,126	5,735,491
Designated funds	800,000	-	-	1,025,000	-	1,825,000
	6,013,819	3,537,210	(2,656,112)	17,448	648,126	7,560,491
Restricted funds						
Medical Supplies	17,448	85,586	(85,586)	(17,448)	-	-
Hospice UK- NHS England	-	782,455	(782,455)	-	-	-
Covid funding	-	183,884	(183,884)	-	-	-
Job Retention Scheme	-	50,000	(36,486)	-	-	13,514
Covid Bereavement funding	-	86,153	(84,738)	-	-	19,111
Other restricted funds	17,696					
	35,144	1,188,078	(1,173,149)	(17,448)	-	32,625
Group	Balance at 1 April 2020	Income	Expenditure	Transfers	Gains / Losses	Balance at 31 March 2021
	£	£	£	£	£	£
Unrestricted funds	5,289,858	4,481,897	(3,611,651)	(1,007,552)	648,126	5,800,678
Designated funds	800,000	-	-	1,025,000	-	1,825,000
	6,089,858	4,481,897	(3,611,651)	17,448	648,126	7,625,678
Restricted funds						
Medical Supplies	17,448	85,586	(85,586)	(17,448)	-	-
Hospice UK- NHS England	-	782,455	(782,455)	-	-	-
Covid funding	-	183,884	(183,884)	-	-	-
Job Retention Scheme	-	50,000	(36,486)	-	-	13,514
Covid Bereavement funding	-	86,153	(84,738)	-	-	19,111
Other restricted funds	17,696					
	35,144	1,188,078	(1,173,149)	(17,448)	-	32,625

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

21 Fund reconciliation (continued)

Medical supplies

The Department of Health via Cheshire Clinical Commissioning Group, centrally fund all Hospice pharmacy and medical supplies.

Hospice UK-NHS England Covid funding

The NHSE awarded funding to allow the Hospice to make available bed capacity and community support to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support.

Job Retention Scheme

Is a temporary government initiative that allows employers to access financial support to cover their staff costs. The government introduced the initiative to enable employers to retain employees during the Covid-19 pandemic.

Covid Bereavement funding

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

Designated funds

As at 31 March 2022 the trustees have designated the following amounts from free reserves:

	Balance at 1 April 2021	Utilised / released	New designations	Balance at 31 March 2022
	£	£	£	£
Hospice Development Fund	1,000,000	-	500,000	1,500,000
Service Sustainability/Development Fund	825,000	-	-	825,000
Capital Projects	-	-	395,000	395,000
	1,825,000	-	895,000	2,720,000

Hospice Development Fund

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

Service Sustainability/Development Fund

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

Capital Projects

During the year the trustees authorised expenditure on a number of capital projects in relation to the Hospice building. Although the work was commissioned from this year's capital budget some of the work and the associated commitment is carried forward into 2022/23. An additional commitment also exists in relation to the Middlewich Shop. The shop is owned by the Hospice and has been in need of large scale investment for a number of years. The work commenced in January 2022 and is scheduled to be completed in January 2023 consequently there is a large commitment recognised in the designated funds to reflect this.

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

22 Analysis of net assets between funds

Company	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Tangible fixed assets	2,183,558	-	2,183,558	2,163,789
Investments	4,253,244	-	4,253,244	4,001,380
Current assets	2,895,911	19,500	2,915,411	2,468,635
Current liabilities	(364,168)	-	(364,168)	(967,124)
Provisions for liabilities	-	-	-	(73,564)
	8,968,545	19,500	8,988,045	7,593,116
Group	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Tangible fixed assets	2,218,486	-	2,218,486	2,211,587
Investments	4,253,240	-	4,253,240	4,001,376
Current assets	3,090,495	19,500	3,109,995	2,680,617
Current liabilities	(548,424)	-	(548,424)	(1,161,713)
Provisions for liabilities	-	-	-	(73,564)
	9,013,797	19,500	9,033,297	7,658,303

23 Free reserves

	Group 2022	Group 2021
	£	£
Total Reserves	9,033,297	7,658,303
Less:		
Unrestricted Tangible Fixed Assets	(2,218,486)	(2,211,587)
Restricted funds	(19,500)	(32,625)
Designated funds	(2,720,000)	(1,825,000)
Free reserves	4,075,311	3,589,091

St Luke's (Cheshire) Hospice

Notes to the Financial Statements

Year ended 31 March 2022

24 Results of the parent company

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

	2022 £	2021 £
Incoming resources	4,607,898	4,725,288
Resources expended	(3,433,125)	(3,829,261)
Net incoming resources before other recognised gains and losses	1,174,773	896,027
Unrealised gains on investments	230,619	236,152
Realised (losses)/gains on investments	(10,463)	411,974
Net movement in funds	1,394,929	1,544,153

25 Operating lease commitments

Total future minimum lease payments are as follows:

	Land & Buildings £	Other £	Total 2022 £	Total 2021 £
Within one year	80,508	14,347	94,855	118,271
Within two to five years	73,062	7,693	80,755	180,336
Over 5 years	-	-	-	-
	153,570	22,040	175,610	298,607

26 Related party transactions

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

27 Post balance sheet events

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

At the year end there were a number of legacies still pending and due to the uncertainty of the amounts, the income will be recognised in the year in which the donations are either received or the amounts can be determined with reasonable certainty. The approximate value of such donations in wills to which the Hospice can put a value is in the region of £275k.