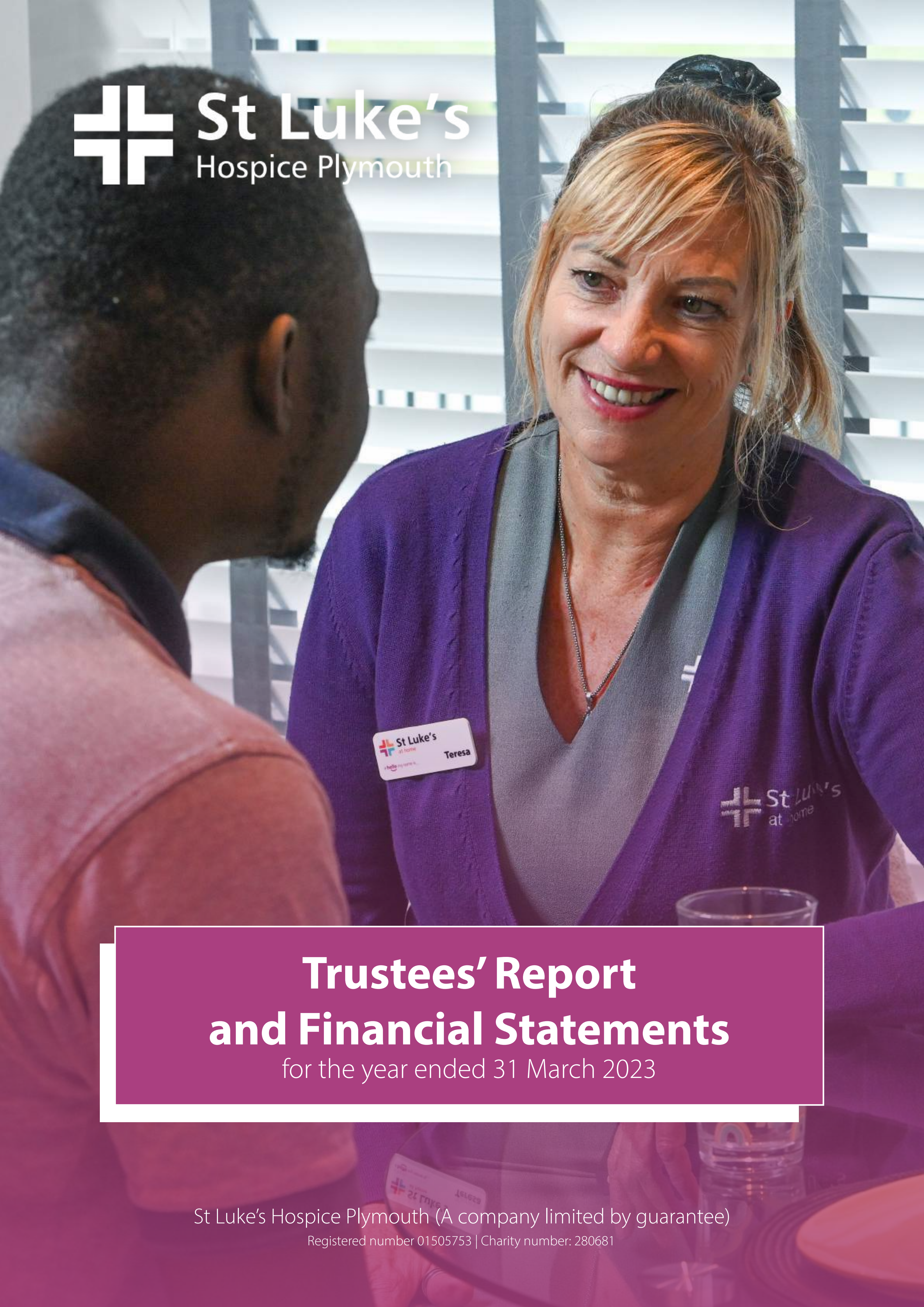
St Luke's
Hospice Plymouth



Trustees' Report and Financial Statements

for the year ended 31 March 2023

St Luke's Hospice Plymouth (A company limited by guarantee)
Registered number 01505753 | Charity number: 280681

Company registered number
01505753

Charity registered number
280681

Registered office
St Lukes Hospice, Stamford Road
Turnchapel
Plymouth
Devon
PL9 9XA

Company secretary
Susan Cannon

Chief executive officer
Stephen Statham (resigned 30 April 2023)
Christina Quinn (appointed 1 May 2023, deceased 11 June 2023)
George Lillie (appointed 12 June 2023)

Bankers
Santander
Bridle Road
Bootle
L30 4GB

Solicitors
Foot Anstey Solicitors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Auditors
Bishop Fleming
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Structure, Governance and Management of the Charity

The Board presents its Trustees' Annual Report, Directors' Report and the audited consolidated financial statements for the year ended 31 March 2023 as required by company law.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 1 January 2019.

St Luke's Hospice Plymouth is a company limited by guarantee and not having a share capital. It was incorporated on 29 May 1980. It is a charity registered in England and Wales. The maximum liability of each member on the winding up of the company is £1.

16 trustees served during the year, including those who served for only part of the year. Individuals must sign a consent form on becoming a member. Every member will further the objects so far as practicable and observe any standing orders, rules and regulations issued in the Articles of Association of the Charity. The trustees are appointed as members of the Charity. Full responsibility for the running of the Charity is vested in the trustees, who by reason of the incorporation of the Charity are also Directors of the Company.

The Board of Trustees is the Governing Body. The Board meets to agree business plans and annual operating plans and to monitor performance against them. It sets the ethos, aims, policies and limits of authority. It appoints and provides support and direction to its senior executives (the Senior Management Team or SMT) and has a formally agreed governance policy that is reviewed annually. The services delivered by St Luke's are registered with the Care Quality Commission. In pursuit of its charitable objectives, St outh works in partnership with other local hospices and Hospice UK which is the national charity for hospice and end of life care.

Recruitment and Induction of Trustees

Periodically the Governance Committee may decide it appropriate to carry out a skills audit of the current trustees before we carry out any formal recruitment process. The objective of a skills audit is to analyse the existing trustees' skills, knowledge, and experience to identify gaps within the board.

The organisation will use this information in several ways:

- To pool the talents of the trustees to deal with specific issues or when forming committees or project groups to ensure we utilise trustees' qualities and attributes effectively.
- To identify gaps in knowledge and skills in order to consider any training or development interventions.
- To target the recruitment of further trustees to the board based on the skills or knowledge gaps.
- To monitor the inclusivity and diversity of the board and, if appropriate, target recruitment to the wider community.

The Chair's Governance Committee will look at a broad range of selection methods, such as general advertising, linking into volunteering websites, or targeted recruitment for specific skills such as Treasurer etc, or under-represented groups.

In all cases an information pack is sent out with a covering letter from the Chair and may include the Articles of Association, the latest financial statements, the guide to being a trustee, a trustee role profile and background information on St Luke's.

"The Chair's Governance Committee will look at a broad range of selection methods, such as general advertising, linking into volunteering websites, or targeted recruitment for specific skills such as Treasurer etc, or under-represented groups."

At this stage we would also gain confirmation that the applicant is not legally barred from being a charity trustee. Interested parties will be able to visit the hospice and to meet the Senior Management Team.

The pack will also include an application form. Suitable applicants will be invited for an interview with at least two trustees from the Chair's Governance Committee. Other trustees may stand in if there are conflicts of interest or trustees are unavailable.

Following the interview, the Chair will either:

• invite them to attend the next trustee meeting, and possibly come early to meet other trustees.

• thank them for their interest and offer them alternative volunteering opportunities, or request permission to hold them in a pool pending an appropriate vacancy.

Details of the potential trustee will be circulated to the Board of Trustees in advance of the Board of Trustees meeting and any trustees wishing to meet them may do so at or before the Board of Trustees meeting.

Any feedback or concerns will be notified to the Chair.

The Chair will normally make the invitation to membership of the Board of Trustees after confirmation that the potential trustee is still interested and approval by the Board of Trustees following attendance. References will be obtained by the Chief Executive's office and a formal DBS (Disclosure and Barring Service) check will be carried out. Once appointed, a member is a trustee under the Charities Act and a director under the Companies Act.

All new trustees will be provided with an induction programme appropriate for their role and interests, and will be assigned a "buddy", from the existing trustee board and also a member of the Senior Management Team.

All trustees are required to complete St Luke's mandatory online training modules within three months of joining the organisation.

Objectives and Activities of the Charity

St Luke's Hospice Plymouth is a registered charity, a company limited by guarantee, and is registered with the Care Quality Commission.

It is governed by a Board of Trustees comprising up to 14 trustees/directors who normally meet six times a year and who also participate in several sub committees and operational management groups. Day to day management is vested in a Chief Executive, who reports directly to the Chair of Trustees.

The principal object of the charity, as defined in the Articles of Association, is to relieve sickness amongst people suffering from terminal illness, in the City of Plymouth and surrounding districts. St Luke's core service is the provision of specialist palliative care for the population of Plymouth, Southwest Devon and East Cornwall - a population in excess of 450,000. We work in partnership with others, delivering the education and support required to ensure the provision of excellent end of life care.

The Charities Act 2011, Section 4 requires charities to have due regard to public benefit. The trustees have reviewed the objects, goals, services and objectives of the charity in the light of this requirement and can confirm that St Luke's Hospice Plymouth serves for the public benefit. This Trustees' Report continues to evidence how the charity strives to meet need.evidence how the charity strives to meet need.

Our Vision

"A community where no person has to die alone, in pain or in distress." Our vision is a far–reaching aim towards which everyone involved in end of life care should strive. St Luke's vision provides an underlying service of purpose for staff, volunteers and stakeholders.

Our Mission

"We work within our community in partnership with others to achieve dignity, comfort and choice for people affected by a life-limiting illness, by delivering and influencing exceptional care." Our mission sets out what St Luke's role will be in helping to enable our vision to be realised. This mission gives greater prominence to not just the direct delivery of end of life care, but also exerting even more influence upon others involved in end-of-life care by bringing our experience and expertise to the work of health and social care professionals.

"Our vision is a far–reaching aim towards which everyone involved in end of life care should strive."

St Luke's vision is:
"A community where no person has to die alone, in pain or in distress."

Our Values

Professionalism, Respect, Compassion, Integrity.

At St Luke's we are proud of, and passionate about our history and the care we provide. This has been achieved by the hard work, dedication and commitment of all the staff and volunteers who have made St Luke's what it is today. Our values are at the core of all our services. They inspire us and drive us, to ensure we provide the best possible care to as many local people as we can reach, living and dying with a terminal illness.

Annual Report

When reflecting on the past year, it is impossible to separate what has been happening for us as an organisation from what has been happening in the UK and the wider world.

Events that we have felt the impact of include:

- Russia's invasion of Ukraine
- Three UK prime ministers in three months
- The highest level of inflation in the UK in 41 years
- Unprecedented industrial action across the health sector and other public sector organisations
- Large-scale restructuring of NHS commissioning arrangements with the formation of Integrated Care Systems/Boards (ICS/ICB).

Such significant changes have not only impacted those patients and families we serve but have had a direct impact on the staff and volunteers that work within St Luke's.

Despite the uncertainty of the past year and the new challenges it has brought, our resilience as an organisation has shone through. Our clinical teams have continued to adapt and respond to the many challenges within a health and social care system that is still in a recovery stage post-Covid dealing with increasing demands on it and managing with fewer resources to meet those needs.

We have continued to build upon our partnerships working with our colleagues from the NHS and hospices within Devon and the wider Southwest region. We have ensured that end of life care remains on the agenda for commissioners by supporting the system-wide end of life commissioning review and becoming a key stakeholder in the Local Care Partnership (LCP) board which will become one of the key mechanisms for shaping health and social care services going forward.

We have seen our clinical services go from strength to strength, which would not be possible without the work of our income generating and support teams.

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"It was vital not only to ensure that St Luke's carries on providing excellent care for patients and their loved ones, but also to move forward strategically."

Our facilities and IT teams have been critical in enabling our transformation plans to co-locate clinical and other teams within one main site. It was achieved within a tight deadline and on budget.

During the last year, our income generating teams have continued to perform well despite the challenges of a significant downturn in the economy. We have seen our retail team not only exceed their budget but return their largest contribution to the charity ever of £1.527m.

Our biggest asset as an organisation is our people. This year we have had to pay particular attention to this as we have seen the real-life impact of the sustained increase in the cost of living on our staff and their families. Our people services team have worked tirelessly to ensure we have responded - not only with shortterm financial initiatives but with ongoing practical tools and support to better equip staff to deal with these pressures.

During the year we have seen the retirement of long-standing Chief Executive Steve Statham who left us at the beginning of May 2023. Following a robust recruitment process involving the services of the national recruitment agency Berwick Partners, Christina Quinn was appointed and took up post in early May 2023.

Sadly, she was killed in a tragic accident on 11 June 2023 while on holiday abroad. The customary procedure at that point would have been to make a short-term acting or interim appointment while immediately embarking on the rigorous and lengthy process of recruiting a permanent CEO. This not only felt inappropriate following the sudden loss of Christina, but there were also other important considerations.

It was vital not only to ensure that St Luke's carries on providing excellent care for patients and their loved ones, but also to move forward strategically, particularly in our mission to identify the terminally ill people and families our services don't reach at present.

With that continuity and progression in mind, George Lillie, our Deputy Chief Executive and Director of Clinical Services, was invited to step into the position of CEO for an extended period until at least April 2025 and he accepted the challenge. The Board and Senior Management Team expressed their confidence in George as the right person to steer St Luke's sensitively, effectively and proactively through the next two financial years.

As a charity we remain committed to providing our patients with quality end of life care, delivered with professionalism and compassion, so that we are part of a community where no one dies alone, in pain or in distress. To that extent we have had another successful year.

In the year ended 31 March 2023, the charity was able to see 2,097 new patient referrals which resulted in the delivery of 3,960 individual episodes of care, this compares to 4,218 episodes of care in the previous year: a decrease of 6%.

Although the number of new referrals and episodes of care were marginally down compared to last year, the figures also show that, particularly in the community, patient visits and telephone contacts were significantly increased (20%). This reflects an ongoing notable change in the way primary care and community care is operating post-pandemic.

What we are experiencing is that end of life (EOL) patients are being reviewed less often by General Practitioners (GP) than they have been historically. This is due to GP vacancies and their increased workload in other areas. We have also had to deal with the impact of both vacancies and inexperienced staff in our local District Nursing (DN) service.

Both these factors have resulted in our clinical teams having to take on more generalist roles and spend significantly more time in navigating the system on behalf of patients and families.

These challenges are further compounded by the general decline in social service provision and lack of domiciliary care provision both in rural and inner-city areas.

The total cost of our clinical services provision was £6,827,783 for the year, compared to £6,240,708 in the previous year, an increase of 9%, in the main due to the increase in costs, particularly staffing costs, as well as the complexity of patients seen and the wider system issues which requires significant additional time and resource to navigate.

Some of the highlights of the past year are summarised below:

One of our major risks during the year was concern around our ability to recruit key personnel. With the retirement of our senior medical consultant Jeff Stephenson and other medical staffing vacancies, we were concerned we would be unable to support our hospital-based and inpatient services. However, due to a highly successful recruitment campaign, we were able to fill all our vacancies. We have also been successful in recruiting to our new post of Director of People Services.

We have continued, as part of clinical workforce redesign, to introduce new roles and develop existing staff into these roles. Our nurse consultant roles have gone from strength to strength, and we have seen our

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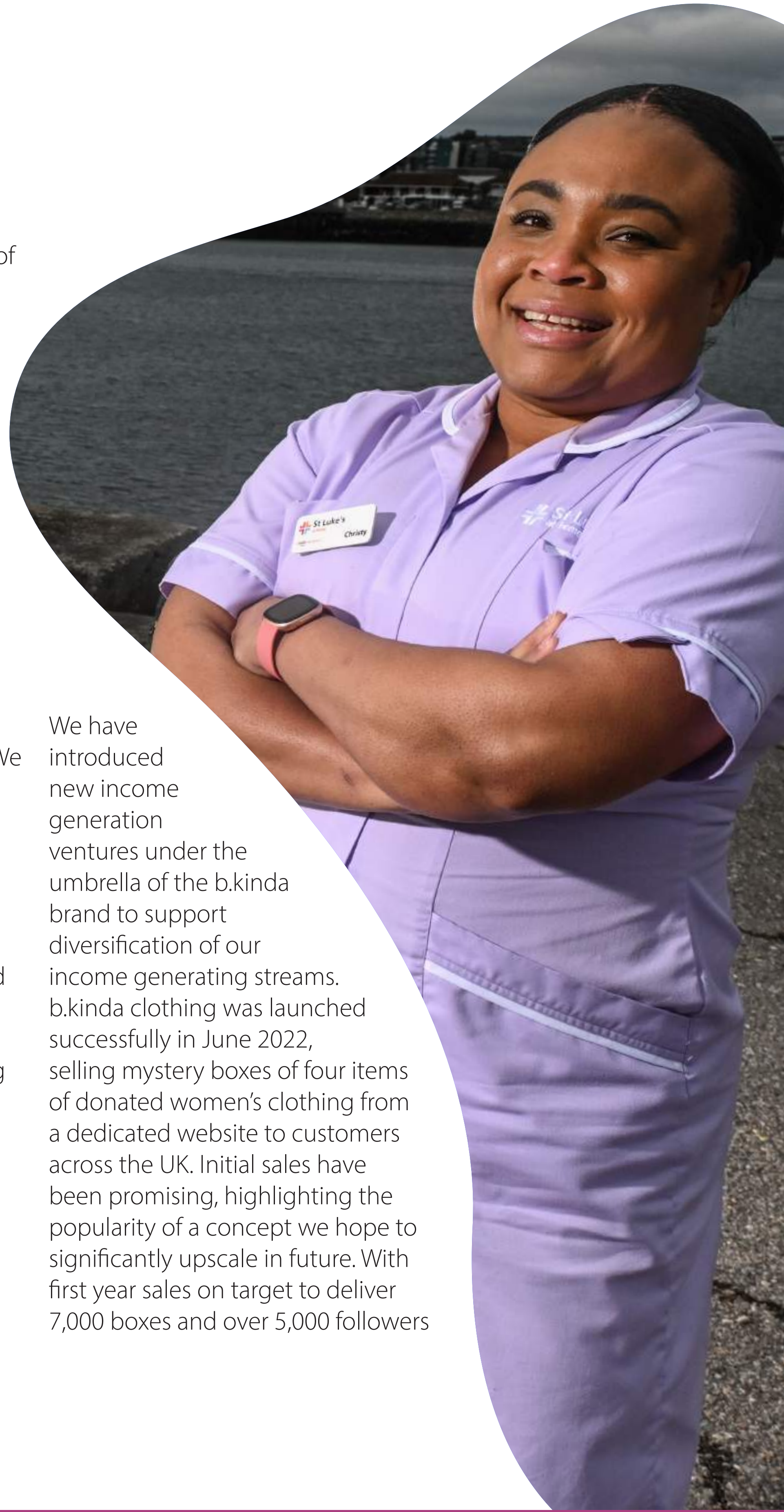
community nurse consultant become part of the on-call medical rota for our inpatient unit. We have seen several of our staff complete their associate nurse training and others become non-medical prescribers, adding to the skill set and robustness of our workforce going forward.

As part of our ongoing transformation programme to use technology to support our work and free staff time, we have implemented several new IT systems during the year. One of our key projects this year was the installation of a new finance system. Iplicit was implemented successfully at the end of March, enhancing the robustness of our procurement processes and providing budget managers with more accessible reporting and drill down capabilities. We have also introduced several modules from our new business and risk management system, Vantage. These have included incident and accident reporting modules. We also replaced our fundraising database with a more robust and sophisticated system called ThankQ. All these systems have come with increased functionality including improved reporting functions allowing better use of data to review and improve on current performance.

We have introduced new income generation ventures under the umbrella of the b.kinda brand to support diversification of our income generating streams. b.kinda clothing was launched successfully in June 2022, selling mystery boxes of four items of donated women's clothing from a dedicated website to customers across the UK. Initial sales have been promising, highlighting the popularity of a concept we hope to significantly upscale in future. With first year sales on target to deliver 7,000 boxes and over 5,000 followers



on Instagram, it is an encouraging start for this venture within the growing circular fashion economy. In addition, our first b.kinda coffee shop is due to open at Plympton in autumn 2023.

The year has seen a change in customer behaviour following the pandemic. Thankfully, retail customers have returned to the high streets and mass participation events have returned to our fundraising activities. Our retail teams have moved back to the trading hours that were well established prior to Covid, and the lottery and fundraising teams have a greater presence at Turnchapel in the new office accommodation, while continuing flexible working from home.

Sales across all our shops have been significantly ahead of our expectations, driven by the demand for valuebased goods as pressures mount on household incomes. Increases have been achieved through higher volumes rather than increased prices and the teams in shops and transportation are to be congratulated for managing this with fewer volunteers and no central warehouse facility.

Gift Aid contribution performed above donated sales income, achieved by ensuring eligible supporters signed up to the scheme in our shops. Additionally, income improved from recycling as the price per kilo recovered from the previous year's low point.

Our strategy to focus on larger shop premises to allow a full range of goods continues to change our retail portfolio and deliver improved levels of income and surplus. The leases for Ebrington Street and Milehouse were not renewed at end of term but new larger premises in New George Street opened successfully in June which has not impacted on sales at nearby shops in the city centre. We are delighted that a new lease was agreed on more appropriate premises securing a return to Kingsbridge in 2023, and negotiations are advancing to acquire premises in North Prospect. Additional premises are being sourced but properties meeting our needs are in short supply within our catchment area.

While the increased cost of living has a positive impact on charity shop sales, the reverse is true for fundraising donations. The team have had to ensure that the message to supporters captures their imagination and that the benefits of their support in helping our clinical delivery is clear. Against this background it is testament to our team that they have delivered so consistently well, both in their supporter care and income raised. Supporters are finding it harder to raise sponsorship through direct asks to friends and family, so there has been a greater focus on encouraging Just Giving pages to be set up, with the team advising on the best way to use these effectively.

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The 40th anniversary of St Luke's provided good opportunity to celebrate community and raise additional funds through events like the successful Ball at the Citadel.

It has been good to see the return of our mass participation events this year as they raise significant amounts and offer great visibility across the catchment area for St Luke's. Due to restrictions on social mixing in previous years, the postponed 2020 Men's Day Out event finally went ahead at the start of the year, with the 2023 event at the end of the year. The number of participants continues to grow, along with supporter satisfaction, and the fact that it offers a unique opportunity for men to feel comfortable talking about bereavement. Men's Day Out, Midnight Walk and Tour de Moor are successful, well-supported events that are the mainstay of our fundraising calendar, achievable only with a dedicated army of volunteers and the outstanding support of our local corporate sponsors.

The donations we receive come from an increasingly diverse range of activities - face to face and online, physical and digital - and it is important that we develop systems that give the best levels of supporter care and management information across all these areas, while ensuring high levels of data security It is with this in mind that a new Customer Relationship Management system (CRM) was successfully implemented in 2022 and the benefits of better data will be developed as the system is embedded into our ways of working.

Lottery sales continue to deliver a significant contribution to support the hospice with good year on year growth following the inevitable downturn the previous year due to the pandemic. New player recruitment has been successful now that sales teams are able to get to public locations. However, the number of existing players reducing their number of chances or stopping their direct debits has been higher than planned and reflects the pressure on household income. The net effect is that, while still increasing, the growth in player numbers has been less accelerated than hoped for.

The difficulties of the current economic climate are unlikely to see significant change over the next year so our focus on developing and delivering new income streams will continue.

Strategic Report

Financial Review

The financial year 2022/23 was our first since the pandemic where we received no external Covid-related financial support. We are pleased to report that the year ended with unexpectedly strong results – mainly from our retail department and from bequests. These successes meant we turned our budgeted deficit of £691,000 into a surplus of £135,000 for the year.

Funding for the hospice comes from a number of sources but is mainly generated by our internal income generation teams and legacies. Our basic NHS funding provided £2.8m (24%) in the year, the charity itself generated £3.6m (30%) from donations and legacies and £4.8m (40%) through trading activities, and an additional £0.2m (2%) came from investment returns. The remaining £0.4m (4%) was received towards specific clinical services and education projects provided.

Of the £6.8m that we spent in the year on clinical services, £3.3m (48%) was funded through the NHS, and the remainder was generated through the generosity of the public, for which we are immensely grateful.

Retail's contribution to the charity after costs, was an impressive £1.5m with steady results achieved throughout the year. Legacy income was strong at £1.8m and was received mostly towards the second half of the year. Our Fundraising and Lottery teams also had a successful year with a combined contribution after costs of just over £1.5m; coming in just over budget.

Shops have performed exceptionally well since the end of the pandemic, which is in line with other charity's experiences, however the medium - to long-term impact on the high street and fundraising events remain unknown, so we continue to be cautious in our future years' budget assumptions.

Our strategy of opening larger retails shops appears to be paying off. In the year we opened new larger premises in New George Street in June 2022 and a new lease was agreed allowing us to return to Kingsbridge in 2023, with North Prospect premises also currently under negotiation.

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Our flagship events - Midnight Walk, Tour de Moor and Men's Day Out - were all very well attended and enjoyed. Despite the events being successful there appears to be a common theme resulting from the current cost of living pressures, with participants reluctant to ask for sponsorship in the way we have seen in previous years.

Lottery has remained steady over the last few years, contributing £400,000 this year to the charity, however we are finding that increased efforts are required to maintain and grow player numbers.

The organisation made an overall surplus of £134,509 (2022 – surplus of £1,858,883), which is after including losses on investments of £89,672 (2021 – gain £148,259). This surplus was achieved after charging depreciation of £356,540 (2022 - £381,605) which was funded by designated reserves.

Income generation (excluding sale of assets) has seen an increase on last year's levels of approximately 27%. Overall, income from trading activities increased from £4,229,060 in 2021/22 to £4,820,386 in 2022/23.

Although seeing a much-welcomed increase of £591,000, we have still not returned to pre pandemic levels where in 2019/20, which was in the main a Covid-free year, we generated £5,014,884 from our income generation efforts.

Donations and legacies achieved £3,607,100 in the year compared to the previous year's £2,973,043. This is a strong income source for the hospice but one that has previously been known to be very volatile and hence requires careful monitoring. In 2022/23 the hospice recognised total bequests of £1,798,769 (2022 - £1,529,575) in the year, against a budget of £1,400,000.

For pecuniary legacies, the recognition point is normally when notification of the grant of probate is received, and residuary legacies are normally recognised when draft estate accounts are available or other suitable information which allows the legacy to be measured with reasonable accuracy.

Legacy income of just £870,141 has been recognised as income in the accounts which will be received after the year end.

The cost of raising funds, excluding investment costs, rose from £4,009,776 to £4,836,902, an increase of 21% in the year. This was due to a full year of shops being open and full reintroduction of our fundraising events.

Many of the charity's shops are leased and the related contracts require certain levels of repairs and decoration to be undertaken prior to the premises being returned at the end of the lease. During 2019/20 it was identified that the level of provision set aside for existing liabilities in relation to these leases was inadequate and, after review, an additional sum was added into the charity's provision balances at the year end. Continued review of our retail operation results in annual fluctuations to this provision which now stands at £212,625 (2022: £179,000).

The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by the premises team of the Group, along with guidance from a firm of quantity surveyors. Further details are shown in Note 18.

Due to the overall surplus in the year, total reserves have increased to £13,900,095 (2022 - £13,765,468). The surplus in the year has been driven by the exceptional performance of our shops as well as higher than anticipated legacy income accounted for in the year. This level of reserves places the hospice in a strong position to tackle the significant underlying deficits we face over the medium term. We expect deficits of £775,000 in 2023/24 and more than £1m per year in the following two years because of the continuing rises in employment costs, particularly as we strive to recruit and retain the necessary staff resources to deliver our services to the high standards we are renowned for.

We aim to bring these anticipated deficits back to a break-even position over the next three years through the implementation of our Financial Sustainability Plan - a number of actions to address the growing gap between operating costs and income levels. The gap will be addressed partly through our new income generation ventures which we are currently investing in using designated reserves, as well as income growth through stretching our retail and fundraising operations and by driving further efficiencies through our continuing transformation programme.

We continue to designate funds for service-based and invest-to-save projects which will be used to broaden our reach to a wider population and to invest in the continuous improvement of our services. In line with our strategy, we will invest in technology to continually improve the care we provide.

Financial sustainability is one of our key strategic objectives; and we are pleased to report that we are reaching the final parts of our post-Covid transformation project to ensure we work as efficiently as we can and to take advantage of some of the agile working principles that were forced on us as part of our response to the pandemic. The most impactful of these is the reduction of our real estate from three major premises to just the one at Turnchapel. We now have all non-shop-based staff working successfully from this site, embracing the "OneTeam" approach, which is so important to us. Following the office refurbishment of Turnchapel all staff returned to the newly configured office suite in quarter 3 of 2022/23.

We continue to designate reserves to smooth the impact of our annual bequest income, which can be difficult to predict with any certainty. We hold a building reserve fund to help ease the ongoing liabilities that come with owning some of our operational assets. We are embarking on our five-year capital plan which will see a number of large items of expenditure, such as replacement of our generator, upgrade to our lifts, and investment in the parking and gardens at Turnchapel.

We also earmark reserves for our income generation ventures, creating sustainable sources of income in a rapidly changing climate. This year that includes the launch of our b.kinda brand clothing venture and first coffee shop. Funding for the feasibility and set up costs of these new ventures has been through the use of designated reserves.

We hold a designated fund to initiate the expansion of our hospital team in order to expand our reach and to educate staff at University Hospital Plymouth (UHP) in end of life care. We have also set aside funds for an Integrated Care Trial to improve the discharge of patients across the wider system through the recruitment of an additional Band 7 nurse for a two-year period, as well as designating funding to replace some of our IT systems, to enable continued improvement in our processes and information.

New designations this year include:

- A new Clinical Co-ordination Reserve which we will use over the next few years to work with local commissioners around the benefits of extending our current model of co-ordination to incorporate the last year of life, rather than just the last three months of life, as it currently sits. This will be subject to a proof-of-concept exercise where we aim to help prevent patients at the end of their life going into hospital in the first place and, for those who end up being admitted to hospital, being able to facilitate a rapid discharge.
- A post-pandemic rethink of our approach to spiritual/psychological care for patients on the IPU and how we engage with the wider spiritual community to embed their ongoing support.
- A sustainability reserve. Environmental sustainability is a key objective for the hospice over the next few years. We have set some funds aside to make improvements required in a timely manner to support our environmental plans.
- A workforce planning reserve. As our three-year work plans get developed over the next 12 months we will need to adopt an invest-to-save approach for some training positions to enable us have staff available to fill positions as our workforce planning models become reality.
- A reserve to support organisational development initiatives will fund the launch of a recognition programme as well as maintain the focus on staff health and wellbeing with a number of initiatives designed to be inclusive and accessible to all staff.
- A staff support scheme fund. Since the pandemic, the hospice has introduced several changes to how we operate, including the Transformation Programme as well as many system changes. As a result, teams and many individuals are feeling stretched. The set-aside funds will enable additional shortterm staff resource or contractors, whichever is most appropriate to each team.

Following movements on designated funds, our general funds have reduced from £5,297,389, to £3,549,632, a reduction of £1,747,757, due to additional designations and spending in the year.

Our unrestricted funds, which are made up of free and designated reserves, are £13,775,732 at year end, an increase of £80,399 in 2022/23. This includes the investment revaluation reserve; although investments are held on a long-term basis, the portfolio is considered to be readily convertible and as such is included when calculating free reserves. Designated reserves, if uncommitted, can be undesignated should circumstances change and hence can be deemed as usable. As at 31 March 2023, free and uncommitted reserves represent 10 months of expenditure based on the organisation's total budgeted running costs for next year. This has reduced from the previous year's 11 months, due to the significant increase in the running costs of the hospice.

The charity's reserve policy reflects a risk-based approach. Pre-Covid, free reserves of at least £2.6m were required. This increased temporarily to £4.5m because of the initial and severe uncertainties the pandemic had on the hospice's finances. It has now reduced to a £3.3m minimum risk requirement as we address the perceived risks within the hospice's finances. The Board is pleased to note that we are in excess of the minimum requirement.

The Board is extremely pleased with the financial performance in the year, and this reflects the determination of both the Board and the senior executives to ensure that the organisation remains financially sustainable in the long term. It must be acknowledged that the hard work and dedication of all our staff and volunteers has been the overriding reason for the successes of the past year.

Performance of **Our Services**

In the year ended 31 March 2023, the charity was able to see 2,097 new patient referrals which resulted in the delivery of 3,960 individual episodes of care. This compares with 4,218 episodes of care in the previous year - a decrease of 6%.

Although the number of new referrals and episodes of care were marginally down compared to last year, the figures also show that, particularly in the community, patient visits and telephone contacts were significantly increased (20%). This reflects an ongoing notable change in the way primary care and community care is operating post pandemic. What we are experiencing is that end of life (EOL) patients are being reviewed less often by General Practitioners (GP) than they have been historically. This is due to GP vacancies and their increased workload in other areas. We have also had to deal with the impact of both vacancies and inexperienced staff in our local District Nursing (DN) service. Both these factors have resulted in our clinical teams having to take on more generalist roles and spend significantly more time in navigating the system on behalf of patients and families. These challenges are further compounded by the general decline in social service provision and lack of domiciliary care provision both in rural and inner-city areas.

Although our local health and social care system remains challenged. St Luke's has continued to play its part in trying to improve end of life services. We have actively engaged with the newly formed Integrated Care System (ICS) to help plan for the future. This has culminated in an EOL system review that has made some formal commitments to improve EOL care provision for people in our local area and across the rest of Devon. We will act as one of the system leaders in bringing these commitments to fruition over the next few years. During this year we have been working closely with our fellow Devon hospices to assist in the transition of our Devon-wide Out of Hours (OoH) medical provision from a local provider (Devon Doctors) to a national organisation (Practice Plus Group). We have as part of this process reviewed the way we review our most unstable patient in hours to help minimise calls to the OoH provider during weekends and evenings, and this has been well received by the new provider.

An ongoing challenge in the local health and social care system is the number of EOL patients who end up being admitted to hospital via the Emergency Department (ED). To tackle this our hospital-based team has been working closely with the leadership team of the hospital to help resolve this. They have managed to secure funding to pilot an Advanced Clinical Practitioner (ACP) to review patients in the Emergency Department to help prevent patients being admitted unnecessarily to hospital. To support this work, we have run several cross-organisational workshops with system partners to see what can be done collectively to minimise inappropriate admission to hospital. Some of the actions that came out of these workshops will form part of our future strategic planning.

With our newly appointed Associate Director of Quality and Patient Experience this year, we have been methodically reviewing the way we deal with quality and capture information. As part of this plan of work we have embedded the principles of a 'Just Culture' in the way we tackle incidents and complaints. To assist us in this process we have reviewed our approach to the way we conduct learning events and carry out reviews of incidents. We are among the first hospices to adopt and implement the new evidence-based patient safety incident reporting framework (PSIRF) that is being introduced within the NHS. As part of this process, we have implemented a new electronic incident reporting tool module. We have spent time reviewing our clinical dashboard to be better able to review changes to our services over time and question whether we are reaching those hard-to-reach patients and families within the population we serve as a hospice. We have also signed up to be a stakeholder in the One Devon Data Initiative to help drive the use of health population management in the planning of care services for the future.

Our community engagement team has continued to build links with the community groups in our catchment area and has been at the forefront of promoting death cafes and working with schools to enable communities to be better able to deal with death and dying.

Our clinical activities				
In Patient Care	2023	2022	2021	2020
Patients (referral open see note 1 below)	271	256	216	246
Admissions	284	282	216	260
Deaths	229	214	149	191
Discharges	47	70	67	70
Occupied bed days	3307	3375	3021	3434
% Occupied	76.00%	77.05%	69.00%	78.10%
Average length of patient stay (days)	12	12	10	13.8
Community Services (Including Social Care & AHP patient support)	2023	2022	2021	2020
Patients (referral open)	1597	1670	1578	1603
Patient/Carer visits	5012	4913	4377	5434
Patient/carer phone calls (Duty Nurse commenced 02/11/2016)	16856	14833	21646	14714
Professional liaisons	6412	6673	6460	9896
EoL in the community, including Care package	2023	2022	2021	2020
Patients - See Note 1 below	736	727	658	700
Accepted referrals	906	853	870	844
Patient visits (by professional)	16870	12487	10494	11862
Hospital Services and Medical Outpatients	2023	2022	2021	2020
Hospital SPC service				
Patients referred	1297	1529	1317	1182
Support contacts	4411	4612	4400	3498
Medical Outpatients				
Patients	59	36	36	40
Attendances	64	83	59	86
Other Clinical support	2023	2022	2021	2020
Bereavement Support Contacts (including telephone calls)	1545	2495	1904	1131
Lymphoedema				
Patients (active)				553
Palliative care appointments (attended)				133
Palliative care appointments (Hours)				103
NHS contracted appointments (attended)				1750
Education	2023	2022	2021	2020
No of internal individuals trained in the year	1296	1045	313	2416
No of external parties/individuals trained in the year	430	500	593	1866
No of training sessions on National/Regional projects, local forums & conferences etc	n/a	188	155	265

Note 1 - In rare cases there may be a slight chance of double counting

Risks

The recruitment and retention of key staff is becoming more challenging. We know there is a shortage of clinical staff and the current labour market favours those seeking employment. We are, therefore, seeing fewer applicants for jobs we advertise. However, our recruitment has started to focus on the positive experience of working for St Luke's and we have seen some successful campaigns recently, including those for recruiting doctors and consultants.

We also continue to proactively implement various initiatives to support the health and wellbeing of our staff, which is positively impacting on retention. With the recruitment of clinical staff becoming more challenging, we are working on a number of key measures to mitigate this risk. These include return to practice placements for clinical staff, apprenticeships, work experience and a more flexible approach to hours and days of work.

Our expenditure growth predictions, fuelled by high pay expectations and growing inflation, are known to be exceeding our income predictions, hence the budget gaps that we are currently dealing with and the forecast deficit of more than £1m that we expect to face in 12 months' time. We are addressing these through our financial sustainability plan which will consider options for additional income generation opportunities, as well as action plans to reduce costs across the whole organisation, starting with our non-clinical areas.

Retail shops have performed exceptionally well since the end of the pandemic, which is in line with other charity's experiences, however the medium- to long-term impact on the high street and fundraising events remain unknown, so we continue to be cautious in our future years' budget assumptions. We know we are facing a period of unpredictability and uncertainty in the economy, as well as facing competition in general fundraising activities and support from the public for other charities at a time of crisis.

We acknowledge that income generation is getting more and more challenging, and we are putting in a series of measures to manage this risk/ challenge. Having progressed well with the b.kinda brand this year, we will continue to look at diversifying our income streams.

With the changes happening within the NHS, there is a growing likelihood that we will see additional competition for NHS contracts from private, public, and other volunteer organisations. Although it would be difficult for organisations to deliver end of life care if it is not their speciality, we must constantly stress the added value of our charitable funding. Our reputation is high; trust and respect have been built up over a considerable period of time with government, local donors and agencies. The challenge will always be about protecting our reputation and brand.

"We acknowledge that income generation is getting more and more challenging, and we are putting in a series of measures to manage this risk/challenge."

Commissioners are increasingly looking at efficiencies and value for money in the services we deliver. It is essential we maintain appropriate management information to demonstrate the scope of our reach, and further develop patient outcome measures to show the difference we are making to patients as a result of our intervention.

In Devon we have an ageing population. Projections suggest the number of residents aged 65 to 84 years will grow by 17% by 2025. The number of adults aged over 85 years is expected to grow by as much as 29%.

Meeting these increased needs without a significant increase in funding will be challenging. We know we will be unable to cope with this demand unless we consider appropriate partnerships and collaboration with existing providers. This brings many challenges around having appropriate agreements, while protecting our own brand and image, and our ability to generate income.

The Organisational Risk and Audit Committee reviews risk and internal controls, approves the risk-based internal audit plan and receives regular internal audit reports, progress reports and corporate risk updates.

Senior management review key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities. Board sub committees and management groups help identify, evaluate, and manage risks relating to clinical services, fundraising, investments, business continuity, health and safety, remuneration, major infrastructure, IT projects and operational needs.

Our **Strategic Aims**

We embrace our responsibility to meet the specialist palliative care needs of our patients and their families through excellent, personalised patient-centred care.

We have developed significant partnerships with the NHS, social care, the voluntary sector and other healthcare providers in order to deliver a seamless service for our patients. We are aware of the challenges that lie ahead with the significant demographic changes within our local population, along with developments within the health and social care sector, including the following:

· a growing elderly population with complex care needs

· increased levels of unmet need for end of life care

· number of adults aged over 85 years expected to grow by as much as 29% by 2025

· the gap between people's preferred place of death and their actual place of death

· the rise in dementia-related deaths

· significant constraints on the level of state resources for health and social care in the future

· shortage of skilled staff and many clinical staff due to retire in the next 10 to 15 years

· lack of coordinated care and difficulties in the sharing of information

· increased regulation and scrutiny, eg the new CQC inspection regime

Our 2019-24 strategy underpins our desire to meet the increased demand and overcome the challenges we face across the communities we serve, and place patients, their families, and communities at the heart of our care.

"We are proud to be embedded within our local communities and recognise that we will be unable to deliver our ambitions alone, so we must work in partnership with others to further our vision."

We will continue to become more patient and person-centred, knowing that for patients and families to live and, eventually, die well, they need to be resilient and have a strong sense of coping. This means putting our patients and families at the centre of decisions, recognising the importance of 'what matters to someone' and not just 'what's the matter with someone'.

We are proud to be embedded within our local communities and recognise that we will be unable to deliver our ambitions alone, so we must work in partnership with others to further our vision. We will do this by sharing best practice, educating other healthcare professionals, and joining with other organisations to deliver more comprehensive and integrated services for the benefit of all our patients and their families.

Right across St Luke's, we are fortunate to have staff and volunteers who are committed, passionate, professional and focused on giving an excellent service to all our users. We know we need to continue the development of our workforce to achieve the flexibility and responsiveness required to meet the changing needs and preferences of those we care for and support. We will also continue to make the most of our dedicated volunteers across all areas of our charity, ensuring they are trained and properly recognised in the roles they carry out.

We realise our plans can only be achieved by raising sufficient funds each year to continue our journey. It is clearly essential that we remain financially viable, and we will therefore increase our efforts to maximise our income generation activities as well as exploring opportunities for innovative and diverse sustainable income streams.

We know that with everyone contributing to our shared vision and mission, we will be united in our determination to work in partnership with others to achieve dignity, comfort and choice for people affected by a life-limiting illness.

Our **Strategic Goals**

In our strategic planning, the challenge has been to find the right balance between continually developing our services and finding ways to respond to the increasing demand in a climate of severe funding pressures.

Our strategic objectives help us consolidate and move towards our mission and vision. These are directed by three broad, but far-reaching strategic priorities:

Care for you and those who care for you

We will provide excellent, safe personalised end of life care that puts patients and families at the centre of decisions.

We will work in collaboration and develop partnerships to extend our influence and improve understanding and support for everyone in our community affected by a life limiting illness.

We will use digital technology to support the delivery of care and advice to patients, and the health and social care professionals looking after them.

We will ensure equity of service so that patients and families can access our services equally regardless of condition, background, gender or religion.

To be an employer of choice

We will recruit and develop our clinical workforce to ensure they have the right skills, experience and attributes required for delivering care in a rapidly changing healthcare environment.

We will continually invest in the development and engagement of our staff and volunteers in order to deliver an excellent service to all our users.

We will continue to develop a values based culture that leads to full and positive employee engagement, enabling St Luke's to provide an excellent service to all users.

"We will provide excellent, safe personalised end of life care that puts patients and families at the centre of decisions."

To develop the financial and operational resilience of the organisation

We will continue to be financially viable by maintaining growth in existing income generation activities and investing in innovative and sustainable sources of new income.

We will continue to drive cost efficiency and ensure best use of our financial resources.

Key Management Personnel

The key management personnel that the Board has identified consist of the Senior Management team.

The Board of Trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for St Luke's Hospice Plymouth is to ensure our approach offers fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives. In 2022/23 the Board of Trustees reviewed and adopted a revised Remuneration and Reward Policy for the charity.

In deciding Senior Management team remuneration, as a Board of Trustees we have considered:

- The purposes, aims and values of the charity and its beneficiary needs
- How this remuneration impacts on the overall pay policy for all employees and for the Senior Management team in particular
- The types of skills, experiences and competencies that St Luke's needs from its Senior Management team, the specific scope of these roles and the link to pay
- The charity's current strategic plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit and the nature of these roles
- The charity's ability to pay and that any pay increase is in the context of St Luke's charitable purposes
- The Board's assessment of the charity's performance and the Senior Management team's performance against expectations, in both short and long term
- Appropriate available information on pay policies and practices in other organisations that can inform the decision on whether a level of pay is fair and reasonable. This has been achieved through using independent salary surveys, such as Croners, as well as carrying out local and national pay comparisons with other private, public and charitable organisations including other hospices.
- In 2022/23 we undertook our usual benchmarking exercise to compare our salaries against the NHS for clinical staff and also the wider commercial, public and private sector for our non clinical staff. As a result of these reviews pay for some of our clinical and non clinical staff was updated. A review is now undertaken each year and salaries adjusted where necessary.

In addition to the points listed previously and in accordance with the Statement of Recommended Practice (SORP), St Luke's Hospice Plymouth, within our audited and published annual report and accounts, discloses the number of employees whose remuneration exceeds 60,000.

With a Senior Management team pay scale established and with the performance of the Senior Management team formally reviewed on an annual basis against set objectives, the Trustees of St Luke's Hospice Plymouth are satisfied that there is appropriate, robust, transparent and fair remuneration in place for its Senior Management team.

Employee **Involvement**

There is a successful cascade of information through the organisation from SMT (Senior Management Team), SLT (Senior Leadership Team) and OMG (Organisational Management Group) to teams, including financial and other performance information.

An established communication network across the wider organisation includes Intranet and TV screens, with email and text messages used to deliver key messages. Development work has commenced on the Intranet to provide more information, particularly around cost-of-living issues, health and wellbeing, benefits, and general engagement. A summary of all information referred to, plus any events, recognitions, new starters and leavers, is provided in a People Experience Update, shared electronically, and printed for those areas with limited access to a PC.

Staff consultation is undertaken via staff surveys, with results and comments used to address issues arising, as well as health and wellbeing surveys, feedback from SLT, OMG, Health and Wellbeing Steering Group and Employee Voice Forum (EVF) reflecting views from within teams and anything that has a wider impact.

There is also the opportunity for staff to interact through the Recognition App on the front page of the Intranet.

Individuals or teams can acknowledge valuable input or support provided for each other, whether through an everyday activity or a specific event, citing the impact and aligning them to our values. Cards sent to the individual or team recognised have been well received. This has generated enthusiasm and real appreciation across the organisation, with the use of the app increasing three-fold over 12 months. This information can be reported on and reviewed.

The Engagement Intranet page also enables individuals to share their experiences and ideas through an open forum. This is newly created, and momentum is building.

Employee Voice Forum continues to provide useful feedback, along with the Health and Wellbeing Steering Group. Following an Equality, Diversity and Inclusion audit we will be considering the implementation of employee resource groups. A Volunteer Forum is established, and work is underway to resurrect this in the most beneficial way, post Covid.

Other engagement activities have been and are continually being developed, including:

· Welcome card for managers to give to new starters

· Welcome packs for new starters, including branded bag, drink bottle, biscuits and tea/coffee. Feedback will be sought on whether these are well received and should continue

· Picnic blankets for team members' use to encourage regular breaks outside in good weather

· Various events on the hospice grounds and elsewhere to recognise everyone's efforts

Valuing Each Other: Leadership Development Programme, our brand-new personal development programme for our charity's leaders, line managers, aspiring leaders and anyone else with an interest in personal development, has been created in collaboration with South West Leadership Academy and launched in May, with two face-to-face days, followed by action learning for two weeks, followed by a third in-person day.

This was created to recognise that our people are our most valuable asset, and in response to feedback from our staff about investing in personal development. The aim of Valuing Each Other is to strengthen the trust among peers, empower colleagues and support managers to have heartfelt conversations, as well as create spaces to listen and reflect on how their teams are feeling and performing.

Feedback has been really positive, with every participant saying they learned something new and valuable that they are keen to bring to their work at St Luke's as well as incorporate into their relationships in general.

Leadership Walkarounds have been introduced, giving SMT and Trustees the opportunity to hear directly from front line staff.

Fundraising Practices

St Luke's Hospice Plymouth is registered with the Fundraising Regulator and adheres fully with the Code of Fundraising Practice. We are registered with the Gambling Commission for the delivery of our lottery and raffle and have a remote and non-remote operating licence. There have been two incidents that were reportable to the Gambling Commission, these have now been resolved.

We encourage all supporters or beneficiaries to contact us with any comment or complaint, in the first instance to the St Luke's team member responsible for the area of concern and then through our comments and complaints procedures, as published on our website. In the last year there have been two reported incidents, seven complaints and no concerns raised in regard to fundraising and lottery.

We monitor incidents, complaints and concerns through a central database, managed by the Head of Quality & Compliance. The Commercial Director and Head of Fundraising are automatically notified of all occurrences and data is reported to the Senior Management and Senior Leadership Teams at monthly meetings.

During the year we used Engage & Connect Ltd based in Shropshire, two self-employed canvassers and remote telesales canvassers based in Plymouth, as well as self-employed and voluntary collectors. All thirdparty fundraisers are signed up to an annual contract and rigid fundraising standards. Failure to comply with any contractual or regulatory standards are investigated in line with the Lottery Policy and the hospice's own procedures. All fundraisers have returned to weekly monitoring and monthly visits now that lottery canvassing has recommenced.

We believe in the highest possible standards for our fundraising, considering supporters' preferences in all of our activity, ensuring that all of our activity is compliant with regulatory standards and in line with the intent of those standards.

"We believe in the highest possible standards for our fundraising, considering supporters' preferences in all of our activity."

Personal Data

St Luke's has responded to the introduction of GDPR and refreshed all supporter consents and privacy statements to ensure compliance. The new regulation came into force in May 2018.

St Luke's does not sell any personal data of any kind to any third parties, nor do we share supporter or beneficiary data for marketing purposes. We do share information with organisations working on our behalf to deliver services that supporters and beneficiaries have requested and always inform the supporter or beneficiary of what we are doing.

Protecting Vulnerable People and Others

St Luke's has robust practices that ensure we do not undertake any intrusive fundraising activity. We may from time to time undertake a telephone campaign or mailing. All campaigns are undertaken using telephone and mailing preference services and we ensure that within one year no person will receive what could be considered an intrusive or excessive number of contacts.

Existing supporters receive communications and contacts from St Luke's based upon their personal preferences shared with us or where relevant under legitimate interest.

Plans for **future periods**

We are entering into a period of great uncertainty with an unsettled economy and having to operate within an ever-increasing challenged health and social care system.

We must continue to be able to adapt to the changing world to ensure we are sustainable for the future, while maintaining quality of care at the heart of what we do. To assist us in that goal, some of the actions we will be undertaking are listed below:

- We will develop and deliver a clear plan to respond to the Care Quality Commission (CQC) new regulatory regime, ensuring we are in the best place possible for any external inspections
- We will continue to engage with the Devon ICS to contribute to the development of a system-wide End of Life Care Strategy post commissioning review and ensure that our potential role in achieving this is well understood
- We will strengthen our patient safety culture through a consistent approach to system thinking, quality improvement and governance
- Following our independent review of Equalities, Diversity and Inclusion (EDI) we will develop and implement a plan to address recommendations from the review
- We will continue to develop and deliver a comprehensive programme of activities to promote and support staff health and wellbeing
- We will fully implement our organisational approach to workforce planning to enable us to develop an overarching costed plan for the next five years that sets out the key challenges and priorities for the organisation
- We will build on our use of internal business intelligence to enhance reporting to support effective oversight and decision making across the organisation and will implement a revision of our balance scorecard to ensure visibility and assurance to the Board
- We will develop our environmental policy with a plan, including timeframes, to become environmentally sustainable
- We will continue our focus on maximising our existing income generation streams and ensuring our new incomes ventures, under the umbrella of our b.kinda brand, are being reviewed against agreed milestones to maximise their opportunity for becoming a sustainable source of income for us into the future.

"We are entering into a period of great uncertainty with an unsettled economy..."

Reserves Policy

The Board adopts a risk-based approach. As a mature organisation with a variety of established, albeit volatile, income streams and predictable and well-planned expenditure, the trustees consider it most appropriate for the hospice to operate a reserves policy centred on an analysis of the potential risks to the amounts of those income streams and of the potential risks of over expenditure. The risks to the hospice's key income and expenditure lines are therefore estimated in order to quantify the reserves that are required, giving the total risk reserve requirement.

From this risk-based exercise, and in light of the new income risks arising from the two new fledgling b.kinda ventures of clothing mystery boxes and the new coffee shop which have challenging income targets within the 2023/24 budget, the trustees determined that the hospice requires a risk reserve of £3.3m for 2023/24, (£3.1m 2022/23). Our usual level of risk reserves pre Covid was £2.6m.

Any level of reserves in excess of the risk reserve requirement will be designated to ensure sustainability and develop new and improved services in line with the needs and preferences of patients living with, and dying from, advanced incurable illness. Following unexpectedly successful financial years, reserves spending has stepped up and has included investing in our Turnchapel site to ensure it meets the new agile working needs of our workforce.

Reserves have provided funding for our Transformation Programme in which we have revised some of our team structures and successfully delivered our ambition to relocate all staff to our one Turnchapel site, through the reconfiguration of the building. This has been assisted by the continuation of staff working on an agile basis, which proved successful during the pandemic.

We continue our plans to spend our reserves in the next few years in various areas, including our two-year pilot expansion of our Hospital Team service to increase its reach and to improve the education of staff working at the acute trust in end of life care, as well as an integrated care trial to improve the discharge of patients from the hospice to ongoing care. We are also investing our reserves in work to better understand our data, both internal and external. The results will help inform our strategic plans to address any unmet need in the area we serve.

Further designated spending plans include the set aside of £1m to enhance clinical co-ordination. We have had some discussions with commissioners around funding and extending our current model of co-ordination to incorporate the last year of life rather than just the last three months of life as it currently sits, subject to a proof of concept. With such a model we would be able to help prevent EOL patients going into hospital in the first place and for those who end up being admitted, being able to facilitate rapid discharge.

Invesment / Treasury Management Policy

An investment policy is in place which is reviewed annually by the Board of Trustees. St Luke's keeps reserves in excess of working capital requirements in line with its reserves policy and, in line with the hospice's investment policy, these funds are invested. The trustees have appointed Brewin Dolphin as their agent to manage a diverse portfolio of suitable investments, taking into consideration the risk appetite of the charity as well as ethical requirements including the non-investment in tobacco related products as well as social and ethical considerations.

The trustees have selected an investment objective of a balance between income and capital growth. Global investment markets have seen a sustained period of economic volatility and we work closely with Brewin Dolphin to manage these risks as well as taking up opportunities for income and capital growth. Due to successful financial years during the pandemic, we invested a further £500,000 in 2021/22 with Brewin Dolphin and are encouraged to report that the value of investments at the year-end was £2,664,369. A loss of £117,548 was recognised in the accounts for 2022/23 in relation to our managed investments (2022 – gain £58,259).

As part of our wider Treasury Management Policy, we have over the last two years invested in residential property as part of our legacy income opportunities. Where we have been in the fortunate position of being the full beneficiaries of some estates and property, instead of realising the cash value of the properties, we have decided to retain them and rent out as residential lets. In the past two years where interest rates have been low, this has proved beneficial, as rental income was far greater than interest rates. However, with interest rates now higher, we are taking each property on a case-by-case basis. As at 31 March 2023, we held two residential properties at a value of £762,000 with another two properties currently going through probate prior to being transferred to the charity.

Going Concern

We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs.

Following the Covid pandemic and the uncertainty that exists across the economy, we have reported very strong signs of recovery in our retail and fundraising efforts, and we expect these areas to continue to recover over the medium term. Our Transformation Programme where all staff, apart from shops staff, are located at the Turnchapel site instead of the previous three sites, has successfully reduced our overheads. Although staffing costs are growing significantly and putting pressure on our cost base and hence our ability to operate within our income levels, there are sufficient reserves to act as a contingency fund.

We are predicting three years of deficits, growing from the 2023/24 £775,000 budgeted deficit to more than £1m in the following two years. However, a Financial Sustainability Plan has been created which aims to bring the hospice into a break-even position by 2025.

It is for these reasons the trustees consider the going concern basis to be appropriate. Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that, so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and the trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office.

Conclusion

Finally, the Board would like to take this opportunity to thank all the Trustees, the Senior Management team and staff, and the 595 volunteers, all of whom are dedicated to the charity, and who work so hard and contribute to its success. The Trustees' Report, incorporating the Strategic Report, was approved by the Board, and signed on its behalf by

Mr C Hackett
(Chair of Board of Trustees)
Date: 18 October 2023

Statement of **Trustees' responsibilities** for the year ended **31 March 2023**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on its behalf by:

Mr C Hackett
Chair of the Board of Trustees
Date: 18 October 2023

Independent **Auditors' report** to the members of St Luke's Hospice Plymouth

Opinion

We have audited the financial statements of St. Luke's Hospice Plymouth (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the 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 Annual Report other than the financial statements and our Auditors' 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.

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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of 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 the 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the group; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- We have identified any matters having obtained and reviewed the Group's documentation of their policies and procedures relating to:
    - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non compliance;
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Group. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty. These included the Health & Social Care Act, data protection regulations, health and safety regulations, employment legislation and gambling legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants and legacies, with a particular focus around year end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP

Pamela Tuckett FCA DChA
(Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP

Chartered Accountants
Statutory Auditors

Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date:
23/10/2023

Consolidated Statement of Financial Activities

For the year ended 31 March 2023
(Incorporating Income and Expenditure Account)

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:					
Donations and legacies	3	**3,565,360**	**41,740**	**3,607,100**	2,973,043
Charitable activities	4	**3,000,268**	**258,003**	**3,258,271**	3,710,782
Other trading activities	5	**4,820,386**	**-**	**4,820,386**	4,229,060
Investments	6	**203,109**	**-**	**203,109**	107,128
Other income		**-**	**-**	**-**	941,095
TOTAL INCOME		**11,589,123**	**299,743**	**11,888,866**	11,961,108
EXPENDITURE ON:					
Raising funds		**4,805,916**	**30,986**	**4,836,902**	4,009,776
Charitable activities	7	**6,633,529**	**194,254**	**6,827,783**	6,240,708
TOTAL EXPENDITURE		**11,439,445**	**225,240**	**11,664,685**	10,250,484
NET INCOME BEFORE NET (LOSSES)/GAINS ON INVESTMENTS		**149,678**	**74,503**	**224,181**	1,710,624
Net (losses)/gains on investments		**(89,672)**	**-**	**(89,672)**	148,259
NET INCOME		**60,006**	**74,503**	**134,509**	1,858,883
Transfers between funds	19	**20,393**	**(20,393)**	**-**	-
NET MOVEMENT IN FUNDS		**80,399**	**54,110**	**134,509**	1,858,883
RECONCILIATION OF FUNDS:					
Total funds brought forward		**13,694,973**	**70,613**	**13,765,586**	11,906,703
Net movement in funds		**80,399**	**54,110**	**134,509**	1,858,883
TOTAL FUNDS CARRIED FORWARD		**13,775,372**	**124,723**	**13,900,095**	13,765,586

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 50 onwards form part of these financial statements.

Company Registration Number 01505753

Consolidated Balance Sheet

as at 31 March 2023

	Note		2023 £		2022 £
FIXED ASSETS					
Intangible assets	12		**141,112**		43,514
Tangible assets	13		**2,558,722**		2,023,252
Investments	15		**2,664,369**		2,733,375
Investment property	14		**762,000**		430,000
			6,126,203		5,230,141
CURRENT ASSETS					
Stocks		**46,440**		38,279	
Debtors	16	**1,583,416**		1,700,050	
Cash at bank and in hand	23	**7,135,334**		7,872,514	
		8,765,190		9,610,843	
Creditors: amounts falling due within one year	17	**(778,673)**		(896,398)	
NET CURRENT ASSETS			**7,986,517**		8,714,445
TOTAL ASSETS LESS CURRENT LIABILITIES			**14,112,720**		13,944,586
Provisions for liabilities	18		**(212,625)**		(179,000)
TOTAL NET ASSETS			**13,900,095**		13,765,586
CHARITY FUNDS					
Restricted funds	19		**124,723**		70,613
Unrestricted funds	19		**13,775,372**		13,694,973
TOTAL FUNDS			**13,900,095**		13,765,586

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of financial statements.

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

Mr C Hackett
(Chair of Trustees)
Date: 18 October 2023

Mr M Risdon
(Treasurer)

Company Registration Number 01505753

Company Statement of Financial Position

(For the year ended 31 March 2023)

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Intangible assets	12		**141,112**		43,514
Tangible assets	13		**2,558,722**		2,023,252
Investments	15		**2,664,371**		2,733,377
Investment property	14		**762,000**		430,000
			6,126,205		5,230,143
CURRENT ASSETS					
Stocks		**50**		180	
Debtors	16	**1,621,220**		1,746,621	
Cash at bank and in hand	23	**6,808,695**		7,652,230	
		8,429,965		9,399,031	
Creditors: amounts falling due within one year	17	**(755,819)**		(1,118,460)	
NET CURRENT ASSETS			**7,674,146**		8,280,571
TOTAL ASSETS LESS CURRENT LIABILITIES			**13,800,351**		13,510,714
Provisions for liabilities	18		**(212,625)**		(179,000)
TOTAL NET ASSETS			**13,587,726**		13,331,714
CHARITY FUNDS					
Restricted funds	19		**124,723**		70,613
Unrestricted funds	19		**13,463,003**		13,261,101
TOTAL FUNDS			**13,587,726**		13,331,714

The Company's net movement in funds for the year was £256,012 (2022 - £1,867,936).

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of financial statements.

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

Mr C Hackett
(Chair of Trustees)
Date: 18 October 2023

Mr M Risdon
(Treasurer)

The notes on pages 50 onwards form part of these financial statements.

Consolidated Statement of Cash Flows

(For the year ended 31 March 2023)

	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash provided by operating activities	**118,632**	1,781,431
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	**137,755**	107,128
Proceeds from the sale of tangible fixed assets	**36,912**	723,406
Purchase of intangible assets	**(117,433)**	(48,694)
Purchase of tangible fixed assets	**(913,046)**	(167,916)
Proceeds from sale of investments	-	513,110
Purchase of investments	-	(852,014)
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	**(855,812)**	**275,020**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	-	(306,750)
Loan interest paid	-	(9,075)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	-	**(315,825)**
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	**(737,180)**	**1,740,626**
Cash and cash equivalents at the beginning of the year	**7,872,514**	6,131,888
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**7,135,334**	7,872,514

The notes on pages 50 onwards form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2023

Note 1 Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St Luke's Hospice Plymouth meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Statement of Financial Position consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

1 .2 Going concern

We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs.

Following the Covid pandemic and the uncertainty that exists across the economy, we have reported very strong signs of recovery in our retail and fundraising efforts, and we expect these areas to continue to recover over the medium term. Our Transformation Programme where all staff, apart from shops staff, are located at the Turnchapel site instead of the previous three sites, has successfully reduced our overheads. Although staffing costs are growing significantly and putting pressure on our cost base and hence our ability to operate within our income levels, there are sufficient reserves to act as a contingency fund.

Further information regarding the hospice's future financial strategies and forecasts are contained in the trustees report.

1.3 Income

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable.

Evidence of entitlement to a legacy exists when the group has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Intangible fixed assets and depreciation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Computer software *33%*
Computer software under construction: *Not amortised until brought into use*

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	*4 - 7%*
Equipment and furniture	*10 - 33%*
Motor vehicles	*14 - 33%*
Assets under construction	*Not depreciated*

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.14 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

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

1.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

1.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group is a member of a multi-employer plan. Where it is not possible for the Group to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

1.18 Fund accounting

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

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.

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

Investment income, gains and losses are allocated to the appropriate fund.

Note 2

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provisions are made for shop dilapidation and costs required. This is a critical estimate and subject to management estimates and judgements of the future costs.

Management exercise judgement in the recognition of income from legacies.

Judgement is applied to establish entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable.

3. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	1,766,591	41,740	**1,808,331**
Legacies	1,798,769	-	**1,798,769**
	3,565,360	41,740	**3,607,100**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	1,411,050	32,418	1,443,468
Legacies	1,519,575	10,000	1,529,575
	2,930,625	42,418	2,973,043

4. Income from Charitable Activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
NHS Basic Funding	2,824,665	-	**2,824,665**
End of Life Care Education Projects	-	89,249	**89,249**
Other Income	175,603	178,327	**353,930**
COVID Relief grants	-	-	**-**
Hospice UK grants	-	(9,573)	**(9,573)**
TOTAL 2023	3,000,268	258,003	**3,258,271**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
NHS Basic Funding	2,718,554	-	2,718,554
End of Life Care Education Projects	-	87,157	87,157
Other Income	285,999	101,736	387,735
COVID Relief Grants	112,005	4,606	116,611
Hospice UK grants	-	400,725	400,725
TOTAL 2022	3,116,558	594,224	3,710,782

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Shops/ bkinda	4,059,612	**4,059,612**
Sale of assets	15,876	**15,876**
Lottery	744,898	**744,898**
	4,820,386	**4,820,386**

	Unrestricted funds 2022 £	Total funds 2022 £
Shops	3,103,969	3,103,969
Sale of assets	448,866	448,866
Lottery	676,225	676,225
	4,229,060	4,229,060

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Income from property	30,407	**30,407**
Investment income - other investments	65,354	**65,354**
Interest receivable and similar income	107,348	**107,348**
	203,109	**203,109**

	Unrestricted funds 2022 £	Total funds 2022 £
Income from property	56,085	56,085
Investment income - other investments	45,389	45,389
Interest receivable and similar income	5,654	5,654
	107,128	107,128

7. Analysis of expenditure on Charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
In Patient Care	3,282,059	1,978	**3,284,037**
Community Services	2,474,947	28,292	**2,503,239**
Hospital Services and Medical Operations	560,691	(460)	**560,231**
Education	315,832	164,444	**480,276**
	6,633,529	194,254	**6,827,783**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
In Patient Care	2,755,140	202,241	2,957,381
Community Services	2,092,832	155,544	2,248,376
Hospital Services and Medical Operations	499,310	35,326	534,636
Education	320,072	180,243	500,315
	5,667,354	573,354	6,240,708

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
In Patient Care	2,920,103	363,934	**3,284,037**
Community Services	2,086,560	416,679	**2,503,239**
Hospital Services and Medical Operations	425,217	135,014	**560,231**
Education	309,018	171,258	**480,276**
	5,740,898	1,086,885	**6,827,783**

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
In Patient Care	2,641,645	315,736	2,957,381
Community Services	1,884,722	363,654	2,248,376
Hospital Services and Medical Operations	411,722	122,914	534,636
Education	351,585	148,730	500,315
	5,289,674	951,034	6,240,708

8. Analysis of expenditure by activities (continued)

ANALYSIS OF SUPPORT COSTS

Support costs are allocated on the following basis: costs are allocated directly where possible for all management, finance, IT and HR spend, and the remaining are apportioned on the basis of time spent across each of the charitable and income generation services, whilst HR support costs are apportioned on the basis of the number of personnel in each area of charitable and income generation activity.

	2023 £	2022 £
Cost of raising funds		
Shops	**344,880**	254,260
Lottery	**49,551**	36,906
bkinda	**53,956**	-
Fundraising and publicity	**337,737**	207,373
Investment and other	**42,537**	40,629
	828,661	539,168
Charitable activities		
In patient care	**287,187**	254,744
Community services	**308,410**	276,225
Hospital services and medical ops	**80,879**	79,199
Education	**105,817**	96,377
	782,293	706,545
Governance costs		
Audit & accountancy	**29,479**	25,920
Legal and professional	**6,754**	13,504
Other	**335,062**	266,078
	371,295	305,502

9. Auditors' remuneration

The auditors' remuneration for the group amounts to an auditor fee of £17,150 (2022 - £15,690), and non-audit services of £7,150 (2022 - £9,960).

10. Staff costs

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	**6,981,537**	6,243,137	**6,872,891**	6,180,316
Social security costs	**612,723**	518,943	**605,332**	515,319
Contribution to defined contribution pension schemes	**697,644**	580,074	**690,417**	575,958
	8,291,904	7,342,154	**8,168,640**	7,271,593

During the year, termination payments (i.e. redundancies) amounting to £Nil (2022: £40,377) were paid in the year. The amounts are included in wages and salaries in the table above.

The average number of persons employed by the Group and Company during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Clinical and direct care	**121**	118	**121**	118
Direct support	**39**	37	**39**	37
Office and administration	**48**	47	**48**	46
Fund generating teams	**92**	82	**86**	78
	300	284	**294**	279

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group As restated 2022 No.
In the band £60,001 - £70,000	**3**	1
In the band £70,001 - £80,000	**-**	1
In the band £100,001 - £110,000	**-**	1
In the band £110,001 - £120,000	**1**	-

Total remuneration (including employers national insurance and pension contributions) paid to key management personnel of the Group, comprising of the Senior Management Team, amounted to £333,007 (2022: £272,974) for the year. The Senior Management Team was made up of 5 personnel (2022: 4 personnel) in the year.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

12. Intangible assets - Group and company

	Computer software £	Computer software in development £	Total £
COST			
At 1 April 2022	**15,541**	**33,153**	**48,694**
Additions	**31,699**	**85,734**	**117,433**
Transfers between classes	**55,587**	**(55,587)**	**-**
At 31 March 2023	**102,827**	**63,300**	**166,127**
AMORTISATION			
At 1 April 2022	**5,180**	**-**	**5,180**
Charge for the year	**19,835**	**-**	**19,835**
At 31 March 2023	**25,015**	**-**	**25,015**
NET BOOK VALUE			
At 31 March 2023	**77,812**	**63,300**	**141,112**
At 31 March 2022	10,361	33,153	43,514

13. Tangible fixed assets - Group and company

	Freehold property £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
COST					
At 1 April 2022	6,636,156	1,438,123	45,091	37,304	8,156,674
Additions	38,265	159,785	-	714,996	913,046
Disposals	(60,000)	(299,536)	(3,173)	-	(362,709)
Transfers between classes	658,231	71,602	-	(729,833)	-
At 31 March 2023	7,272,652	1,369,974	41,918	22,467	8,707,011
DEPRECIATION					
At 1 April 2022	4,828,300	1,260,437	44,685	-	6,133,422
Charge for the year	264,903	91,231	406	-	356,540
On disposals	(39,600)	(298,900)	(3,173)	-	(341,673)
At 31 March 2023	5,053,603	1,052,768	41,918	-	6,148,289
NET BOOK VALUE					
At 31 March 2023	2,219,049	317,206	-	22,467	2,558,722
At 31 March 2022	1,807,856	177,686	406	37,304	2,023,252

14. Investment property - Group and company

	Freehold investment property £
VALUATION	
At 1 April 2022	**430,000**
Additions	**304,124**
Surplus on revaluation	**27,876**
At 31 March 2023	**762,000**

The investment property was independently valued in 2023. The Trustees have revalued the investment property in the year based on their knowledge and experience of the current market conditions.

15. Fixed assets investments

GROUP	Listed investments £
COST OR VALUATION	
At 1 April 2022	**2,733,375**
Additions	**700,182**
Disposals	**(498,431)**
Revaluations	**(270,757)**
AT 31 MARCH 2023	**2,664,369**
NET BOOK VALUE	
AT 31 MARCH 2023	**2,664,369**
AT 31 MARCH 2022	2,733,375

COMPANY	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 April 2022	**2**	**2,733,375**	**2,733,377**
Additions	-	**700,182**	**700,182**
Disposals	-	**(498,431)**	**(498,431)**
Revaluations	-	**(270,757)**	**(270,757)**
AT 31 MARCH 2023	**2**	**2,664,369**	**2,664,371**
NET BOOK VALUE			
AT 31 MARCH 2023	**2**	**2,664,369**	**2,664,371**
AT 31 MARCH 2022	2	2,733,375	2,733,377

16. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
DUE AFTER MORE THAN ONE YEAR				
Amounts owed by group undertakings	-	-	**50,000**	50,000
DUE WITHIN ONE YEAR				
Trade debtors	**187,957**	279,425	**187,957**	279,425
Other debtors	**189,526**	109,213	**181,280**	109,213
Prepayments and accrued income	**1,153,550**	1,262,368	**1,149,600**	1,258,939
Tax recoverable	**52,383**	49,044	**52,383**	49,044
	1,583,416	1,700,050	**1,621,220**	1,746,621

17. Creditors - amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	**166,408**	248,649	**155,767**	243,422
Amounts owed to group undertakings	-	-	**76,048**	339,913
Other taxation and social security	**141,373**	145,024	**137,446**	131,305
Other creditors	**86,146**	70,274	**84,554**	69,885
Accruals and deferred income	**384,746**	432,451	**302,004**	333,935
	778,673	896,398	**755,819**	1,118,460

18. Provisions - Group and company

	Dilapidation provision £
At 1 April 2022	**179,000**
Additions	**39,250**
Amounts reversed	**(5,625)**
	212,625

Provisions are made for the repairs, maintenance and rectification of shop premises held by the Group. The timing of the payments required are linked to the individual shop leases. The amounts have been estimated based on the known works that would be required if premises were returned in present condition, and values have been calculated by the premises team of the Group, along with guidance from a firm of quantity surveyors.

19. Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	1,986,769	-	(376,734)	1,009,574	-	2,619,609
Investment Revaluation Reserve	636,228	-	-	(74,601)	(89,672)	471,955
Income Generation Reserve	351,025	-	(81,470)	(34,900)	-	234,655
Building Facilities Reserve	133,057	-	(4,610)	(13,982)	-	114,465
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Invest to save Fund	696,505	-	(33,591)	(653,355)	-	9,559
Revenue Reserve	3,100,000	-	-	200,000	-	3,300,000
Case for Change / Quality agenda	150,000	-	(44,914)	100,000	-	205,086
Compassionate Communities Development	50,000	-	(31,972)	-	-	18,028
Data project	100,000	-	(1,800)	-	-	98,200
LMS Replacement	20,000	-	-	(20,000)	-	-
Hospital Team Expansion	104,000	-	-	-	-	104,000
Integrated Care Trial	70,000	-	(14,817)	-	-	55,183
Organisational Development Initiatives	-	-	-	55,000	-	55,000
Clinical Co-ordination Reserve	-	-	-	1,000,000	-	1,000,000
Spiritual / Psychosocial	-	-	-	30,000	-	30,000
IT System Improvements Fund	-	-	-	150,000	-	150,000
Staff support scheme	-	-	-	200,000	-	200,000
Sustainability Reserve	-	-	-	50,000	-	50,000
Pay reserve	-	-	-	510,000	-	510,000
	8,397,584	-	(589,908)	2,507,736	(89,672)	10,225,740

19. Statement of funds - current year (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
GENERAL FUNDS						
General funds	5,476,389	11,628,373	(10,855,162)	(2,487,343)	-	3,762,257
Dilapidation provision	(179,000)	(39,250)	5,625	-	-	(212,625)
	5,297,389	11,589,123	(10,849,537)	(2,487,343)	-	3,549,632
TOTAL UNRESTRICTED FUNDS	13,694,973	11,589,123	(11,439,445)	20,393	(89,672)	13,775,372
RESTRICTED FUNDS						
Other Funds	15,299	32,731	(22,209)	(20,393)	-	5,428
Project Funds	55,314	267,012	(203,031)	-	-	119,295
	70,613	299,743	(225,240)	(20,393)	-	124,723
TOTAL OF FUNDS	13,765,586	11,888,866	(11,664,685)	-	(89,672)	13,900,095

19. Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,448,069	-	(386,784)	(74,516)	-	1,986,769
Income Generation Reserve	200,000	-	(48,975)	-	-	151,025
Building Facilities Reserve	133,057	-	-	-	-	133,057
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Projects / Invest to save Fund	764,074	-	(42,524)	(25,045)	-	696,505
Revenue Reserve	3,700,000	-	-	(600,000)	-	3,100,000
Case for Change / Quality agenda	150,000	-	-	-	-	150,000
Compassionate Communities Development	50,000	-	-	-	-	50,000
Data project	100,000	-	-	-	-	100,000
Income Generation Start Up Funds	-	-	-	200,000	-	200,000
LMS Replacement	-	-	-	20,000	-	20,000
Hospital Team Expansion	-	-	-	104,000	-	104,000
Integrated Care Trial	-	-	-	70,000	-	70,000
Investment Revaluation Reserve	611,170	-	-	(123,201)	148,259	636,228
	9,156,370	-	(478,283)	(428,762)	148,259	8,397,584

19. Statement of funds - prior year (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
GENERAL FUNDS						
General funds	2,919,439	11,324,466	(9,184,708)	417,192	-	5,476,389
Dilapidation provision	(220,125)	-	-	41,125	-	(179,000)
	2,699,314	11,324,466	(9,184,708)	458,317	-	5,297,389
TOTAL UNRESTRICTED FUNDS	11,855,684	11,324,466	(9,662,991)	29,555	148,259	13,694,973
RESTRICTED FUNDS						
Other Funds	29,191	443,250	(430,300)	(26,842)	-	15,299
Project Funds	21,828	193,392	(157,193)	(2,713)	-	55,314
	51,019	636,642	(587,493)	(29,555)	-	70,613
TOTAL OF FUNDS	11,906,703	11,961,108	(10,250,484)	-	148,259	13,765,586

19. Statement of Funds (continued)

The positive financial result for the year ending 31/3/23 has resulted in reserves increasing by £135k in the year. As explained in the financial review, this was due to the strong results from retail and legacy income which offset the charity's rising operating costs. We are mindful of the requirement to spend excess reserves to meet our charitable objectives and so spending plans have been formulated, which will be driven by our strategic aims.

Designated Funds

The Revenue Reserve represents the minimum free reserves required by the Hospice, taking into account the potential risks to income streams and of the potential risks to expenditure over a two-year period. Reserves in excess of the minimum level of expenditure may be designated to develop new and improved services in line with the needs and preferences of patients living with and dying from advanced incurable illness. Within the period the trustees have designated a further £2.1m to fund projects in line with the strategic aims of the organisation. Designated funds are held for the following purposes:

The Fixed Asset Fund is held at a level equivalent to the net book value of the depreciable fixed assets owned by the Hospice in order to fund future depreciation costs. The movement in the year therefore mirrors the movement in the fixed assets for the period, which covers additions, disposals and the related depreciation transactions.

The Income Generation Ventures Reserve: This reserve was set up in 2017/18 to invest in feasibility studies for new sustainable income streams. The Income Generation Committee has made significant progress in this area with the launch of the b.kinda mystery box enterprise which started trading in June 2022 and our first coffee shop is undergoing fit out in Plympton, with an anticipated opening date sometime in the Autumn of 2023.

The Building Facilities Reserve: Previously, all repairs were absorbed within the annual revenue budgets of the organisation. It is considered prudent to set aside funds for cyclical and emergency repairs to buildings and facilities. Large items such as annual painting programmes and large maintenance programmes will be funded from this reserve.

The Legacies Reserve: The Legacy Smoothing Reserve was set up to designate funds to mitigate the specific risk around this income stream. The reason the Hospice has removed the risk around legacy income from its Annual Risk Reserve Requirement to a specific Legacy Smoothing Reserve is because if legacies were to be reduced or stop altogether then the organisation could not take any management action to remedy this in the short to medium term. A significant drop in legacy income would present a unique set of circumstances to the Hospice in that, if retail or fundraising income were to dip, the organisation would be able to take management action to address this i.e. close or open shops, sell different goods or organise different events. However, if legacy income were to reduce the Charity could not influence this in the short to medium term – instead, it would have to reduce its expenditure very quickly. The Legacy Smoothing Reserve is therefore to fund potential legacy income shortfalls and give time to reduce expenditure in a planned way.

Projects/Invest to Save Fund: This reserve has been used to fund the Transformation programme of the hospice following the pandemic. Costs of the reconfiguration of the Turnchapel site to bring all our teams working on one site were funded through this reserve as well as transformation costs across our teams.

Case for change/Quality agenda: We are undertaking a review to understand the patient journey/experience of dying and to use the outcomes of this to shape our clinical services and strategy.

Compassionate Communities Development: St Luke's has been at the forefront of this initiative to date and will match funding going forward.

Data project: We will undertake a review to initially understand what data we hold and what is available externally, then to create an action plan to ensure the best use of data to inform our strategic plans.

Hospital team expansion: we have started an initiative within our hospital service through increasing the reach of the hospital team and to improve the education of UHP staff working in end-of-life care. This is being achieved through an additional Band 7 nurse for a 2 year initiative with the aim that the hospital will fund the post after 2 years.

Integrated care trial: We are funding a trial to improve discharge of patients from SLH to ongoing care. This will be modelled to see if it could benefit wider system at which point it would be funded from the system.

Investment Revaluation Reserve: This reserve represents unrealised gains on investments.

Clinical Co-ordination Reserve: This is a new reserve set up this year to start work with system partners to extend our current model of care to incorporate the last year of life rather than the last 3 months of life. An initial model will be worked up alongside our partners with a view that if proven that this new model would be incorporated and funded on an ongoing basis through the ICS.

Staff support Reserve: To provide one off additional staff resource to help teams deal with the significant changes to working practice as well as work pressures that we are currently experiencing.

Sustainability Reserve: Environmental ustainability is a key objective; we have set funds aside for additional resource to start planning the improvements needed.

Organisational Development Initiatives: To support the continued development of a just and learning culture and promoting a person centred workplace.

Restricted Funds

Restricted Funds Project Funds: Some NHS and other income is for specific projects and programmes. These funds are treated as restricted and the balance on these funds is held as Project Funds.

Other Funds: Other restricted funds are held at the value of any donations for restricted purposed that remain unspent at the year end.

20. Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	**8,397,584**	**-**	**(589,908)**	**2,507,736**	**(89,672)**	**10,225,740**
General funds	**5,297,389**	**11,589,123**	**(10,849,537)**	**(2,487,343)**	**-**	**3,549,632**
Restricted funds	**70,613**	**299,743**	**(225,240)**	**(20,393)**	**-**	**124,723**
	13,765,586	**11,888,866**	**(11,664,685)**	**-**	**(89,672)**	**13,900,095**

20. Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	9,156,370	-	(478,283)	(428,762)	148,259	8,397,584
General funds	2,699,314	11,324,466	(9,184,708)	458,317	-	5,297,389
Restricted funds	51,019	636,642	(587,493)	(29,555)	-	70,613
	11,906,703	11,961,108	(10,250,484)	-	148,259	13,765,586

21. Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	2,558,722	-	**2,558,722**
Intangible fixed assets	141,112	-	**141,112**
Fixed asset investments	2,664,369	-	**2,664,369**
Investment property	762,000	-	**762,000**
Current assets	8,640,467	124,723	**8,765,190**
Creditors due within one year	(778,673)	-	**(778,673)**
Provisions for liabilities and charges	(212,625)	-	**(212,625)**
TOTAL	13,775,372	124,723	**13,900,095**

21. Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,023,252	-	2,023,252
Intangible fixed assets	43,514	-	43,514
Fixed asset investments	2,733,375	-	2,733,375
Investment property	430,000	-	430,000
Current assets	9,540,230	70,613	9,610,843
Creditors due within one year	(896,398)	-	(896,398)
Provisions for liabilities and charges	(179,000)	-	(179,000)
TOTAL	13,694,973	70,613	13,765,586

22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	**134,509**	1,858,883
ADJUSTMENTS FOR:		
Depreciation charges	**356,540**	381,605
Amortisation charges	**19,835**	5,180
(Gains)/losses on investments in shares (net of fees)	**134,360**	(249,254)
Interest received	**(203,109)**	(107,128)
Profit on the sale of fixed assets	**(15,876)**	(432,281)
Decrease/(increase) in stocks	**(8,161)**	2,126
Decrease in debtors	**116,634**	476,187
Decrease in creditors	**(117,725)**	(31,837)
Increase/(decrease) in provisions	**33,625**	(41,125)
Interest paid	**-**	9,075
Investment property gifted	**(304,124)**	-
Revaluation gains on investment property	**(27,876)**	(90,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**118,632**	1,781,431

23. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	**7,135,334**	7,872,514

24. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	**7,872,514**	**(737,180)**	**7,135,334**

25. Capital Commitments

	Group 2023 £	Group As restated 2022 £	Company 2023 £	Company As restated 2022 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS				
Acquisition of tangible fixed assets	**40,270**	470,350	**40,270**	470,350

26. Pension commitments

Group Personal Pension Scheme

The Group operates a defined contribution pension scheme, which is operated by Royal London. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The Federated Flexiplan No.1

The Group also is part of The Federated Flexiplan No.1 ("the Plan"). The Plan is a defined benefit pension scheme. It is a "last man standing scheme" which means that all participating employers are jointly and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Group does not have sufficient information available (in particular to identify its share of the underlying assets ad liabilities of the Plan) to use defined benefit accounting.

As a result the amount recognised in the statement of financial activities represents the Group's contributions payable to the the Plan in respect of the current accounting period.

Members of the Plan are entitled to benefits on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan under their Pensionable Salary at the date of leaving. The Plan is closed to new members and to future accrual of benefits.

The total cost payable to both these schemes for the year was £697,644 (2022: £580,074) and £83,423 (2022: £68,018) was payable to the schemes at the year end.

27. Operating lease commitments

At 31 March 2023 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Not later than 1 year	**400,245**	360,103	**400,245**	360,103
Later than 1 year and not later than 5 years	**539,064**	312,341	**539,064**	312,341
	939,309	672,444	**939,309**	672,444

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Operating lease rentals	**490,197**	382,271	**490,197**	382,271

28. Related party transactions

The Group has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Group at 31 March 2023.

The Group has taken advantage of the exemption available to not disclose transactions and balances with members of the same 100% group in accordance with Section 33.1A of FRS102.

29. Controlling party

The Group is controlled by the Board of Trustees.

30. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	**Company number**	**Registered office or principal place of business**	**Principal activity**
SLH Ventures Limited	01786925	Stamford Road, Turnchapel, Plymouth, PL9 9XA	Fundraising in support of the parent charity

Holding	**Included in consolidation**
100%	Yes

The financial results of the subsidiary for the year were:

Name	**Income £**	**Expenditure £**	**Profit/(Loss) / Surplus/ (Deficit) for the year £**	**Net assets £**
SLH Ventures Limited	**963,300**	**(650,744)**	**312,556**	**312,371**

St Luke's
Hospice Plymouth