



St Luke's
Hospice Plymouth



Trustees' Report and Financial Statements

for the year ended 31 March 2024

St Luke's Hospice Plymouth (A company limited by guarantee)

Registered number 01505753 | Charity number: 280681

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Trustees

Ms F Allen
 Mrs L J Annear (appointed 23 May 2023)
 Mr S Carter
 Mrs N Duncan
 Mrs J Edge
 Mrs F Field
 Mr N J Green (appointed 21 May 2024)
 Mr C Hackett (resigned 29 February 2024)
 Mr J P Henniker
 Mr J Henniker
 Mrs H Hocking, Treasurer
 Mrs E Richerby (resigned 6 February 2024)
 Mr M Risdon (resigned 31 October 2023)
 Mr D N Thomas, Chair (appointed 6 February 2024)
 Dr M Walker
 Mr W J Warrender (appointed 11 October 2023)

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 1 August 2023).

Bankers

Santander
 Bridle Road
 Bootle
 L30 4GB

Solicitors

Foot Anstey Solicitors
 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 2024 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.

There are currently 13 trustees of the charity. 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 (CQC). In pursuit of its charitable objectives, St Luke's Hospice Plymouth works in partnership with other local hospices and Hospice UK which is the national charity for hospice and end-of-life care.

Chair

Mr David Nicholas Thomas CPFA

Treasurer

Mrs Helen Hocking CPFA

Senior Executives

Chief Executive Officer

Mr George Lillie RGN RMN BSc. MSc (Deputy CEO until 31 July 2023; appointed CEO 1 August 2023)

Mrs Christina Quinn RGN, BA (Hons) PGCert, PG Dip Ed, PG Dip (appointed 1 May 2023, died 11 June 2023)

Mr Stephen Statham FCIPD MA (resigned 30 April 2023)

Deputy CEO & Director of Finance & Resources

Mrs Susan Cannon CPFA

Director of Clinical Services

Mrs Patricia Davis RN1, Registered Health Visitor, MSc Primary Care

Commercial Director

Mr Michael Dukes

Director of People Services

Ms Adrienne Murphy FCIPD, MA Strategic Human Resource Management

Trustees

Ms F Allen (c,g,h)
Mrs L Annear (e,i) (appointed 23 May 2023)
Mr S Carter (d,e)
Mrs N Duncan (g,h)

Mrs J Edge (a,c,f)
Mrs F Field (a,f,g,h)
Mr N J Green (appointed 21 May 2024)
Mr C Hackett (b,i) (resigned 29 February 2024)
Mr J Henniker (a,e,f)
Mr J P Henniker (b,g,h)
Mrs H Hocking (d,e,f,i)
Mrs E Richerby (d) (resigned 6 February 2024)
Mr M Risdon (b,d,f,i) (resigned 31 October 2023)
Mr D N Thomas (b,i) (appointed 6 February 2024)
Dr M Walker (b,c,d)
Mr W Warrender (a) (appointed 11 October 2023)

The Trustees of St Luke's Hospice Plymouth serve on a number of Board committees as follows:

- a. BEESafe Health & Safety Committee
- b. Chairs' Governance Committee
- c. Clinical Review Group
- d. Finance and Audit Committee
- e. Income Generation Group
- f. Organisational Risk and Internal Audit Committee
- g. People and Transformation Committee
- h. Reward and Remuneration Committee

Three Trustees are also Directors of the wholly owned trading subsidiary:

- i. SLH Ventures Limited

In addition, a number of trustees attend operational groups.

Recruitment and Induction of Trustees

Periodically the Governance Committee may decide it appropriate to conduct 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 use 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.

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 SMT.

"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."

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 their details on file 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 SMT.

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 the 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, South West Devon and South 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 aims, 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.

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. St Luke's Hospice Plymouth is a registered charity.



Annual Report

Reflecting on the past year, we have continued to deal with the impact of an economy slow to recover from cost of living increases. Our local health and social care system remains in a state of crisis, particularly in relation to unplanned and emergency care. This is reflected in our local acute trust having to declare several critical incidents during the year. The Devon Integrated Care Board/System (ICB/ICS) remains in the NHS England recovery support programme due its worsening financial position, and it saw the appointment of a new Chief Executive in February 2024. These factors have not only impacted the patients and families we serve but have also had a direct effect on St Luke's staff and volunteers.

Despite these challenges, our clinical services have continued to respond to the demands placed on them with St Luke's supporting an increasing number of people through the year. As part of our commitment to collaborative working, we were active contributors to a number of winter initiatives aimed at reducing the number of end-of-life (EOL) patients being admitted to the Emergency

Department (ED) of our local acute trust. We have continued to build on our partnerships with commissioners, NHS provider organisations and colleagues from hospices within Devon and the wider South West region so we can remain best placed to ensure EOL care remains high on the agenda within a challenged health and social care system.

During the year, our well-established income generating streams have continued to perform well despite the significant downturn in the economy. New initiatives aimed at providing alternative sources of income to help fill our growing funding gap, trading under our b.kinda brand, have been challenging. Our b.kinda clothing mystery box scheme, launched in June 2022, gained a strong following, but was proven to be unviable and ceased trading at the end of March 2024. Our first b.kinda coffee shop was opened in October 2023, and is expected to make a small profit by the end of March 2025. Scrutiny of all income-generating streams will remain in place and corrective actions taken as needed.

"Our clinical services have continued to respond to the demands placed on them with St Luke's supporting an increasing number of people through the year."

"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 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 on our staff and their families of the sustained increase in the cost of living. Our people services team have worked tirelessly to ensure we have responded with ongoing practical tools and support to better equip our staff to cope with these pressures.

During the year we saw 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. Tragically, on 11 June 2023, she was killed in an accident 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 continued 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.

In November 2023 the board of trustees approved the process for the recruitment of the new chair of trustees following the announcement that Charles Hackett was stepping down in February 2024.

The trustees resolved that the new chair should be able to provide an appropriate challenge to SMT over decision making. They acknowledged that while St Luke's is not an NHS trust it is regulated by the CQC and is therefore fully expected to maintain the same high standards.

It was unanimously agreed that the values, behaviours, leadership and expertise of the chair are crucial in delivering this goal. An inclusive and transparent recruitment process, supported by national and local

advertisement campaigns, and social media targeted at harder to reach communities, was launched to attract well-respected candidates with a high level of experience in commerce or the public sector who would be able to represent the people of Plymouth and the surrounding areas.

Following a rigorous selection process, which included stakeholder feedback, I was delighted to be appointed and took up the post of chair on 1 February 2024.

I would like to thank Charles Hackett for his time as chair; his support for St Luke's over the years has been exceptional. We hope he stays in touch and wish him all the very best for the future.

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 has to die alone, in pain or in distress, and we have had another successful 12 months. In the year ending 31 March 2024, the charity was able to see 2,236 new patient referrals, resulting in the delivery of 4,349 individual episodes of care. This compares to 4,218 episodes of care in the previous year - an increase of 9%.

The total cost of our clinical services provision was £7,690,905 for the year, compared to £6,827,783 in

the previous year. This increase of 13% was mainly due to the increase in staffing costs, as well as the complexity of patients seen and issues within the wider system which require significant additional time and resources to navigate.

Here are some highlights from the past year:

In line with our plan to ensure we offer equitable access to our services across our catchment area, the board supported the extension of our existing end-of-life urgent care service to parts of South East Cornwall on a trial basis. This was well received, and we hope that commissioners will fund it beyond its trial period.

Using technology to support our work and to free up staff time is a priority and we have continued to implement new IT solutions. We have a new electronic pharmacy dispensing and monitoring system in our inpatient unit, increasing patient safety and saving money by introducing a fully automated electronic drug stock control system. An e-rostering solution is being rolled out and will be fully operational by the end of summer 2024. It will allow better understanding of staffing levels across our teams so we can maximise the use of our internal resources to address any gaps and reduce the use of agency staff.

"As anticipated, tight household incomes meant a higher level of trade for our charity shops with strong income growth year on year."

Investment in our people across the organisation continues with the Valuing Each Other (VEO) training programme. VEO was developed with the support of the South West Leadership Academy to provide staff with an evidence-based approach to increase understanding of their own individual style in how they interact with others and provide them with a toolkit to deal with conflict in a positive and constructive way. The training has proved very popular with staff and has received good evaluation.

Following an external review around equality, diversity and inclusion (EDI), we have employed an inclusion co-ordinator, on a fixed term basis, to drive forward our agenda to become a truly inclusive employer.

Our major participant fundraising events continue to perform well with all increasing their participation in 2023/24. In the 10th year of Men's Day Out, we saw 2,300 men take to the streets of Plymouth – our highest number to date.

The UK's economic climate remained depressed and this put pressure on our discretionary spending. However, as anticipated, tight household incomes meant a higher level of trade for our charity shops with strong income growth year on year.

Securing fundraising and lottery income has been highly competitive as all charities need increased financial support. It is testament to our hard-

working, innovative teams, and our supporters' trust in St Luke's, that both areas delivered increased levels of surplus this year.

Our retail strategy to concentrate on larger premises and target areas where we are not currently represented continued in 2023 with the first full year of trading in New George Street, Plymouth and new shops in Kingsbridge and North Prospect. New premises in Ivybridge with three times the space will begin trading in May 2024. The successful redevelopment and remodelling of the Transit Way shop delivered a sales increase of over 30% on the previous year and sales at our Launceston shop, relocated from the town centre



to larger premises on an edge of town retail park in 2019, continue to grow annually, and it's now the store with our second largest turnover.

We took the decision not to renew our lease on trial premises at Crownhill Garden Centre. We would certainly consider garden centres as a location in the future as they are a good match for footfall and customer type, but this specific location did not meet the needs of our business.

Increased trading volumes have been supported by continued high levels of donations from our supporters and, although there has been a drop in the overall quality, there is sufficient good stock to support further growth. Additionally, Gift Aid income has increased year on year.

Income from the sale of donated clothing that does not meet the standards for sale in shops and is sold on to recycling agents has grown year on year, however it is anticipated that there will be a significant downward movement on the wholesale price during 2024/25.

Community fundraising was always going to be difficult for charities in 2023/24 as household income was stretched and people more reluctant to push for sponsorship from family and friends. Additional team resource was focused on supporting the effective use of Just Giving pages to help gain the best levels of sponsorship. We were also successful in building our donor relationships with philanthropic supporters and were delighted to see income increase by 40% on the previous year in this area.

Our major events continued to focus on Men's Day Out, Midnight Walk and Tour de Moor, with all increasing their participation on 2022/23. The quality of delivery of these large-scale operations and the high satisfaction levels from the participants post-event is down to the skill and commitment of the fundraising team and the outstanding support from our amazing volunteers.

We are grateful for the financial and in-kind support that we receive from our major events sponsors: Jem Scaffolding Ltd, Michael Spiers and Print Copy Scan helping us to continue our end-of-life care in the local community.



"As costs continue to rise faster than the growth of our core income streams we initiated trials into new ventures to bring in additional income for the future. These ventures carry a higher element of risk than our traditional trading models."

Open Gardens income grew again last year with more venues, high numbers of visitors and a higher average return per venue. The generosity of garden owners who put so much effort into preparing their gardens is greatly appreciated.

Our Sponsor a Nurse campaign generated 189 new supporters, a growth of 151 regular givers, with only 48 deleting in the financial year. However, the Spring In Memory mailing and Light up a Life performed below expectations. We continue to assess all the fundraising opportunities that we deliver and if any do not meet our standard of return on investment they are improved or removed.

The new customer relationship management system (CRM) that was introduced in 2022 is now embedded in the fundraising operation and has improved our ability to deliver effective, targeted campaigns, increase the quality of donor management and speed up our response times.

Lottery surplus has shown good growth through reduced costs rather than an increasing number of players year on year. The total new chances recruited was 1,777 but this is offset by 1,916 chances deleted through fewer numbers being played or play withdrawn completely. Costs have been reduced because we have not been able to recruit the desired quantity or quality of canvassers a problem across the South West.

In addition to the significant financial support the fundraising teams deliver, they are instrumental in delivering many one-off requests at short notice to support patients and their families, including Christmas hampers and a children's playhouse at Turnchapel. This year two seats for patients and family members for every home match of the season at Plymouth Argyle were gifted by PLG Property Consultants.

As costs continue to rise faster than the growth of our core income streams we initiated trials into new ventures to bring in additional income for the future. These ventures carry a higher element of risk than our traditional trading models. b.kinda clothing was launched in June 2022, selling mystery boxes of ladies' clothing supplied from excess donated stock that had not sold through shops. Although 10,000 boxes were sold over the period to March 2024, the costs of delivering the operation and the irregular supply of sizes to meet orders resulted in the decision to cease trading.

In October 2023 the first b.kinda coffee shop opened in Plympton and has been well received by the local population. Business trading will be assessed throughout the next financial year with a view to expanding to further units if successful.

Strategic Report

Financial Review

The financial year 2023/24 ended with a deficit of £274,238, this is a favourable position to the budgeted deficit of £775,466 that was set. Due to the volatility of our income streams, there were many fluctuations during the year with Fundraising seeing a very high level of donations, Bequests being stronger than anticipated with a flurry early in the year of some strong bequest completions, as well as the sale of the Brooklands site and strong capital growth in our investment portfolio. Planned spending from designated reserves has meant that the year ended with a reduction in our overall reserves balance for the first time since 2011.

Funding for the hospice comes from a number of sources but is mainly generated by our internal income generation teams and legacies. Our total income was £13,005,807, with basic NHS funding provided at £3.2m (25%) in the year, the charity itself generated £3.9m (30%) from donations and legacies and £5.2m (40%) through trading activities, and an additional £0.4m (3%) came from investment returns. The remaining 2% is from other activities including specific clinical or education projects.

Of the £7.7m we spent on clinical services, £3.2m (42%) 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 direct costs, was an impressive £1.4m with steady results achieved throughout the year. Legacy income was strong at £2.1m, as were one-off donations. Our fundraising and lottery teams also had a successful year with a combined contribution after costs of more than £1.6m.

Our strategy of opening larger retail shops continues to pay off. In the year we opened new larger premises in North Prospect and a new large Ivybridge shop was being refitted, ready to open in May 2024.

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, contributing £0.5m this year to the charity, however increased efforts are required to maintain and grow player numbers.

The organisation made an overall loss of £274,238 (2023 – surplus of £134,509), which is after including gains on investments of £322,639 (2023 – loss £89,672). The year end position was achieved after charging depreciation of £397,199 (2023 - £356,540) which was funded by designated reserves.

Trading activities have seen an increase on last year's levels of approximately 9%. Overall, income from trading activities increased from £4,820,386 in 2022/23 to £5,246,663 in 2023/24. This level of income has reached pre pandemic levels for the first time, however we have seen a substantial increase in our cost base due to the inflationary pressures during the post pandemic period.

Donations and legacies achieved £3,882,263 in the year compared to the previous year's £3,607,100. This is a strong income source for the hospice but one that is known to be very volatile and requiring careful monitoring. In 2023/24 the hospice recognised total bequests of £2,109,536 (2023 - £1,798,769) in the year, against a budget of £1,550,000. 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 £546,091 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 £4,836,902 to £5,911,779 an increase of 22% in the year. This was due in the main to increases in the National Living Wage and the introduction of additional shops.

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. We set aside a provision to meet existing liabilities in relation to these leases. Continued review of our retail operation results in annual fluctuations to this provision which now stands at £247,212 (2023: £212,625). 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 our facilities team, along with guidance from a firm of quantity surveyors. Further details are shown in Note 19.

Following the deficit of £274,238 in the year, total reserves have reduced to £13,625,857 (2023 - £13,900,095). This level of reserves places the hospice in a good position to tackle the significant underlying deficits we face over the medium term. We expect deficits of £571,000 in 2024/25 and growing deficits over the following years because of the continuing rise 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 five years through the implementation of our Deficit Recovery Plan. A number of actions will address the growing gap between operating costs and income levels through the expansion of our existing successful income generation ventures and by driving further efficiencies. If these positive actions are not successful in enabling us to match our growing costs to our income, then additional actions around clinical service delivery will need to be explored. The hospice's strategic ambition of sustainability may require us to reduce services over the next five years to continue to deliver our excellent standards of care with the financial resources we have.

Designated Reserves

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.

This year we have consolidated our designated reserves across our four new strategic aims of:

- Quality
- Partnerships
- People
- Sustainability

Financial sustainability is one of our key strategic objectives; and we are pleased to report that we have reached the final part of our post-Covid transformation project to ensure we work as efficiently as we can, taking 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 “One Team” approach. Following the sale of our Brooklands site, all staff now work in the newly configured and refurbished office suite at Turnchapel.

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 on year two of our five-year capital plan which will see large items of expenditure, such as replacement of our generator, upgrade to our lifts, and investment in the gardens at Turnchapel. This year we have invested in resurfacing and relining our car park, new patient entertainment consoles, and a new finance system, as well as significant investment to drive our income generation ventures and to improve our premises.

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.

Following movements in the year, our general funds have increased from £3,549,632, to £4,844,005, an increase of £1,294,373.

Our unrestricted funds, which are made up of free and designated reserves, are £13,561,714 this is a reduction of £213,658 from the previous year’s balance of 13,775,732. 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 2024, free and uncommitted reserves represent 10 months of expenditure based on the organisation’s total budgeted running costs for next year. This is in line with the previous year.

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 St Luke’s finances. It has now reduced to a £2.9m minimum risk requirement as we address the perceived risks within the hospice’s finances. We are pleased to note that we are in excess of the minimum requirement.

Overall, we are reassured by the financial performance in the year, and this reflects the determination of both the board and the SMT 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

Our Clinical Activities

The total cost of our clinical services provision was £7,690,905. The following table gives a summary of our clinical activity during the year.

Our clinical activities						
	2024	2023	2022	2021	2020	2019
In Patient Care						
Patients - See Note 1 below	301	271	256	216	246	202
Admissions	287	284	282	216	260	212
Deaths	210	229	214	149	191	150
Discharges	48	47	70	67	70	59
Occupied bed days	3313	3307	3375	3021	3434	3707
% Occupied	75.00%	76.00%	77.05%	69.00%	78.10%	84.63%
Average length of patient stay (days)	12	12	12	10	13.8	17.5
Community Services (Including PFSS, AHP & IC patient support)						
Patients - See Note 1 below	1826	1597	1670	1578	1603	1415
Patient/Carer visits	5073	4396	4913	4377	5434	6254
Patient/carer phone calls (Duty Nurse commenced 02/11/2016)	10167	16482	14833	21646	14714	12740
Professional liaisons	4981	6316	6673	6460	9896	11051
End of Life in the community, including Care package						
Patients - See Note 1 below	758	736	727	658	700	486
Accepted referrals	877	906	853	870	844	611
End of Episode Preferred place achieved						
Patient visits (by professional)	19190	16870	12487	10494	11862	4917
Hospital Services and Medical Outpatients						
Hospital SPC service						
Patients referred - See Note 1 below	1399	1297	1529	1317	1182	1018
Support contacts	5452	4411	4612	4400	3498	4405
Medical Outpatients						
Patients	65	59	36	36	40	52
Attendances	67	64	83	59	86	140
Other Clinical support						
Bereavement Support Contacts (including telephone calls)						
	2284	1634	2495	1904	1131	1558
Education						
No of internal individuals trained in the year	1196	1296	1045	313	2416	2188
No of external parties/individuals trained in the year	450	430	500	593	1866	1910
No of training sessions on National/Regional projects, local forums & conferences etc	n/a	n/a	188	155	265	254

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

Performance of **Our Services**

During the year ended **31 March 2024**, we received 2,236 new patient referrals, the highest volume in five years, resulting in the delivery of 4,349 individual episodes of care. This compares with 3,960 episodes of care in the previous year – **an increase of more than 9%**.

Whilst our local health and social care system in Devon remains challenged, St Luke's clinical services have continued to actively engage with partners to improve end-of-life services for our patients. This is evident from the increase in referrals to our services.

We have continued to work closely with our fellow Devon hospices to enable the implantation of a Devon-wide Out of Hours (OoH) medical 111 service which is now provided by the national Practice Plus Group. We have put new 'anticipatory care' protocols in place to support our most unstable patients to help minimise the need for calls during evenings, weekends and bank holidays, which has been well received by the new provider.

An ongoing challenge remains the number of end-of-life patients admitted to hospital via the Emergency Department (ED) at Derriford Hospital. Our hospital-based team work closely with the University Hospitals Plymouth leadership to support alternative options to ED attendance, as well as participating in rapid discharge planning for patients able to return home. The new role of emergency department end-of-life clinical nurse specialist

along with additional bed capacity created by Livewell at Mount Gould Hospital, demonstrates the collaborative approach that UHP, Livewell and St Luke's have taken to best meet patient need.

End-of-life

St Luke's community-based urgent care service has continued to develop and expand. Devon commissioners have funded a fifth care run for the Western locality area which continues to operate 8am to 10pm, seven days a week. The service also offers a crisis nurse response for patients in their last days or hours of life offering advice on medication adjustments to maintain patient comfort. This service also has an important specialist role in care at the point of death and the immediate care of the deceased which is a real comfort to families.

St Luke's clinical leadership took part of the '100-day NHS England' challenge for Winter 2023 resulting in the charity funding a four-month trial of our urgent care service in South East Cornwall. The trial was so successful that St Luke's has continued to fund the service while Cornwall commissioners draw up a specification to contract and fund the continuation of this valuable service.

Our much loved 'Dr Jeff', who had been St Luke's consultant in palliative medicine for more than 20 years, retired in April 2023. While this left big shoes to fill for our new incoming medical consultant, she has firmly established herself as a collaborative

and knowledgeable leader, working alongside IPU colleagues.

The nursing leadership on IPU also welcomed a new head of department in January 2024, in her first few months in post she has overseen the introduction of an electronic pharmacy system onto the unit, and very shortly will be introducing an electronic rostering system for all clinical staff.

Quality, Patient Experience and Community Development

Patient experience

Ensuring that the voice and experience of patients and families remains central we have used feedback as the foundation for quality improvement. Teams have focused on enhancing discharge planning from our inpatient unit (IPU), optimising patient flow through the distinct parts of St Luke's services and strengthening cross-team communication and relationships to support continuity of care.

The IPU and community teams have implemented the Purpose-T pressure ulcer risk assessment tool in line with system partners and national guidance. In collaboration with the University of Plymouth we participated in and supported recruitment into a research project to understand what the palliative and end-of-life research priorities are from the perspective of patients, carers, and professionals.

Quality

In line with the Patient Safety Incident Response Framework (PSIRF), a plan has been approved outlining the approach St Luke's will take to learning from untoward patient safety events. The plan includes how we will respond to incidents and pro-actively design safety into our systems and processes through adoption of a systems-thinking approach. This is underpinned by training and nurturing a 'no blame' culture, which aligns with the wider organisational piece being led by the organisational development team to embed the principles of a 'Just and Learning culture'. The clinical incident management system on Vantage is now fully embedded and well used by staff as evidenced by the increase in reported incidents, near misses and concerns but the continuation of no- and low-harm outcomes.

To ensure a responsive quality service for patients, families and professionals and increase support to busy clinical colleagues, so optimising their clinical time, the clinical admin team have piloted the reintroduction of weekend cover. The success of the pilot will see a permanent cross-site weekend admin service from June 2024. This service ensures that patients and families will get the same high level of care, irrespective of the day of the week.

Our quality team continues to focus on more efficient production of meaningful clinical business intelligence. Alongside commissioner and operational

reports, information is used to monitor compliance with key patient safety metrics; contribute to workforce planning; strengthen patient safety, and identify potential gaps in service provision. Interactive dashboards have been developed for overarching and team level data. The aspiration for 2024/25 is to make the dashboards close to real time to better support daily operational management.

Freedom to speak up guardian

St Luke's first Freedom to Speak Up Guardian was appointed by a panel of St Luke's peers in April 2023. In her first 12 months she has supported nine colleagues to speak up, be heard and resolve their concerns. Our Freedom to Speak Up Guardian is a member of the Southwest Guardians' and National Hospice Guardians' network.

Community development

Our community development team has continued to build links with a wide range of communities in our catchment area and supported a number of neighbourhoods in setting up more locally-led Compassionate Cafes, including in Tavistock and Gunnislake.

They have supported a roving Dying Matters exhibition across local libraries to encourage all to think and talk about death, dying and bereavement. Working closely with Plymouth City Community Builders the team have promoted "death literacy" at many community events, including collaborative working

with Marie Curie in Estover. Building death literacy is a foundation of the successful Compassionate Schools programme which continues to grow, with increasing uptake and interest from primary schools. Through the programme, links are also being established to enable pupils to engage in creative arts activities on the IPU later in 2024. In order to increase visibility, build trust and connection with all parts of the local community, the team have participated in Plymouth Pride 2023, the Respect International Kite Flying event, the Plymouth Interfaith Community celebration and attended the inaugural meeting of the Veteran Aware network of health and veteran charities across Plymouth.

Risks

The recruitment and retention of key staff remains challenging. We are in the process of mapping the entire journey from vacancy identification to the offer of employment so we can streamline and improve the process for both candidate and recruiting manager. We continue to explore all avenues to widen our pool for recruitment.

We are proactively implementing initiatives to support the health and wellbeing of our staff, and that is positively impacting on retention. We are also undertaking an external review of pay and benefits and we will use its findings to inform our desire to remain an Employer of Choice.

Our predictions for expenditure, fuelled by high pay expectations and cost of living increases, are known to be exceeding our income predictions, hence the budget gaps we are currently dealing with and the forecast deficit of more than £1million 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.

Our shops have performed exceptionally well since the end of the pandemic in a UK economy that has been slow to recover, 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 public support for other charities.

We acknowledge that income generation is getting increasingly challenging, and we are putting measures in place to manage this risk, and will continue to explore diverse income streams.

As an organisation we are becoming more dependent IT systems and it is critical that we maintain them at optimal levels to ensure our infrastructure moves to industry level standards. We are reducing our reliance on in-house servers and moving to cloud-based solutions. Cyber-attacks are on the increase, and it is important we take actions to mitigate that risk. We are engaged in a programme of works that will see us obtain the highest accredited industry level of security known as Cyber Essentials Plus.

"We know we are facing a period of unpredictability and uncertainty in the economy, as well as facing competition in general fundraising activities and public support for other charities."

Working in a challenged health and care system locally, from both a provision and a financial perspective, is impacting our ongoing ability to provide current levels of care. It is imperative that our model of care is able to adapt and change to the needs of the local population and support change in the wider system. Although it would be difficult for organisations to deliver end-of-life care when it is not their speciality, we must remember to stress the added value of our charitable funding. Our reputation is high; we have built up the trust and respect of government, local donors and agencies over a considerable period of time. The challenge will always be to protect our reputation and brand.

Commissioners are increasingly looking for 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 through 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 board's 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 managers 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

"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."

Our 2019-24 strategy underpinned 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 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 simply "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 developing 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, ensuring they are trained and properly recognised in the roles they carry out.



Our Strategic Goals 2019-24

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 2019-24 strategic objectives have helped us consolidate and move towards our mission and vision. These have been 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 identified by the board make up the Senior Management Team (SMT).

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. The board complies with the Remuneration and Reward Policy for our charity which was revised and adopted in 2022/23.

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 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.

- Senior Management Team pay is formally reviewed on an annual basis against set objectives. The trustees are satisfied that there is appropriate, robust, transparent and fair remuneration in place for SMT.
- In 2023/24 the People and Transformation trustees agreed for an external reward specialist company (Connor) to carry out a review of pay processes at St Luke's, providing recommendations for developing our pay setting processes during summer 2024.



Employee **Involvement**

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

The SMT places great emphasis on engagement at all levels, for example wide consultation on development of the organisational strategy for the next three years.

An established communication network across the wider organisation includes Intranet and TV screens, with email and text messages used to deliver key messages. Work is ongoing to continue to provide more information via the Intranet, and focus remains on cost-of-living support, 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 Engagement Update, shared electronically, and printed for those areas with limited access to a PC or email. Our SLT meets regularly to discuss organisational priorities and directly disseminate information to individual teams.

Staff consultation continues via staff surveys, working with staff to agree and build on existing plans following feedback, with organisational updates on progress. Health and wellbeing and engagement feedback portals have been created and are monitored on a regular basis, with feedback from SLT, OMG, and Employee Voice Forum (EVF) reflecting views from within teams and anything that has a wider impact.

The health and wellbeing strategy has been refreshed with champions now meeting regularly to monitor themes and share good practice. QR codes, cards and banners have been created and distributed across the organisation to raise awareness of health and wellbeing champions and the means of contacting them. Work and support continue with the internal Menopause Awareness Group and mental health support through Andy's Man Club.

Recognition is vital to the retention of high quality staff. In addition to the Recognition App on the front page of the Intranet, which continues to be a popular forum for sharing positive feedback for colleagues, a recognition event is planned for 2024. The event is designed to embed St Luke's culture by acknowledging individuals and teams who have lived the organisation's embraced values and behaviours. We continue to send thank you cards to any individual or team recognised via the Intranet or app and these remain popular. More than 60 thank you cards have been sent to colleagues, encouraging managers to share the good practice and appreciation for our peers.

Other engagement activities are continually being developed, including an event during National Apprenticeship Week, shining a light on the hard work and achievements of seven apprentices. Fresh food hampers, with produce provided by our local Plymouth Market were given to 20 individuals, selected at random, to help with the cost of living. A St Luke's Christmas draw with 12 days of 'prizes' was organised. Two gym memberships for a local facility were awarded as part of a wellbeing initiative. Regular yoga sessions are now held for staff and volunteers at Turnchapel, as well as regular webinars on wellbeing and financial support for individuals.

A benefits drop-in session was well attended by staff and volunteers, with extremely positive feedback. Representatives from Royal London shared financial insight and local organisations provided massages for colleagues, among other offers.

An in-house leadership development programme 'Valuing Each Other' has been successfully running since May 2023, with seven cohorts and 49 attendees completing the programme so far. The content continues to evolve, based on feedback and national best practice, and evaluation of the programme remains positive.

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.

Leadership Walkarounds have been well received, giving SMT and trustees the opportunity to hear directly from frontline 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 no incidents that were reportable to the Gambling Commission. 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 no reported incidents, six 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 SMT and SLT at monthly meetings.

We engage two self-employed canvassers and one remote telesales canvasser based in Plymouth, as well as self-employed and voluntary collectors. All third-party fundraisers are signed up to an annual contract and follow 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.

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

Personal data

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

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**

As we enter a new year, we continue to be faced with an economy that is slow to recover and operate in a challenged health and social care system which is under a high level of national scrutiny. Our strength as an organisation is our ability to adapt and change while keeping our focus on the quality of the services we deliver and being that leading voice of end-of-life care for the community we serve.

During the latter part of 2023 we began a process to review our strategic direction for the next three years. This review has involved consultation with a range of stakeholders including patients and their families, staff and volunteers other health and social care providers, and commissioners of our services. Our new strategy will be released in the summer of 2024. Some of the key actions which we will be implementing as part of this strategy are listed below:

- We will review and refine our clinical model to reflect international best practice and enable us to provide earlier support in the last year of life
- We will engage with other health and social care partners to develop a clear strategy for end-of-life care in Plymouth and the surrounding area

- We will establish a 'coordination hub' for end-of-life patients in the last year of life to provide a single point of contact for both patients and clinicians
- We will engage with other hospices to explore further opportunities for working together and potentially sharing medical resources
- We will develop and deliver a programme for promoting and supporting health, inclusion, wellbeing and a 'Just and Learning Culture'
- We will conduct an overarching review and benchmarking of our pay and reward schemes
- We will develop a robust financial plan which secures financial balance over the next four to five years
- We will develop and agree a plan for further improving income from legacies, fundraising and commercial activities
- We will develop a digital strategy which identifies opportunities and priorities for making better use of technology

"We continue to be faced with an economy that is slow to recover and operate in a challenged health and social care system..."

- We will conduct a self-assessment of our environmental footprint and develop an overarching project plan to improve our environmental sustainability

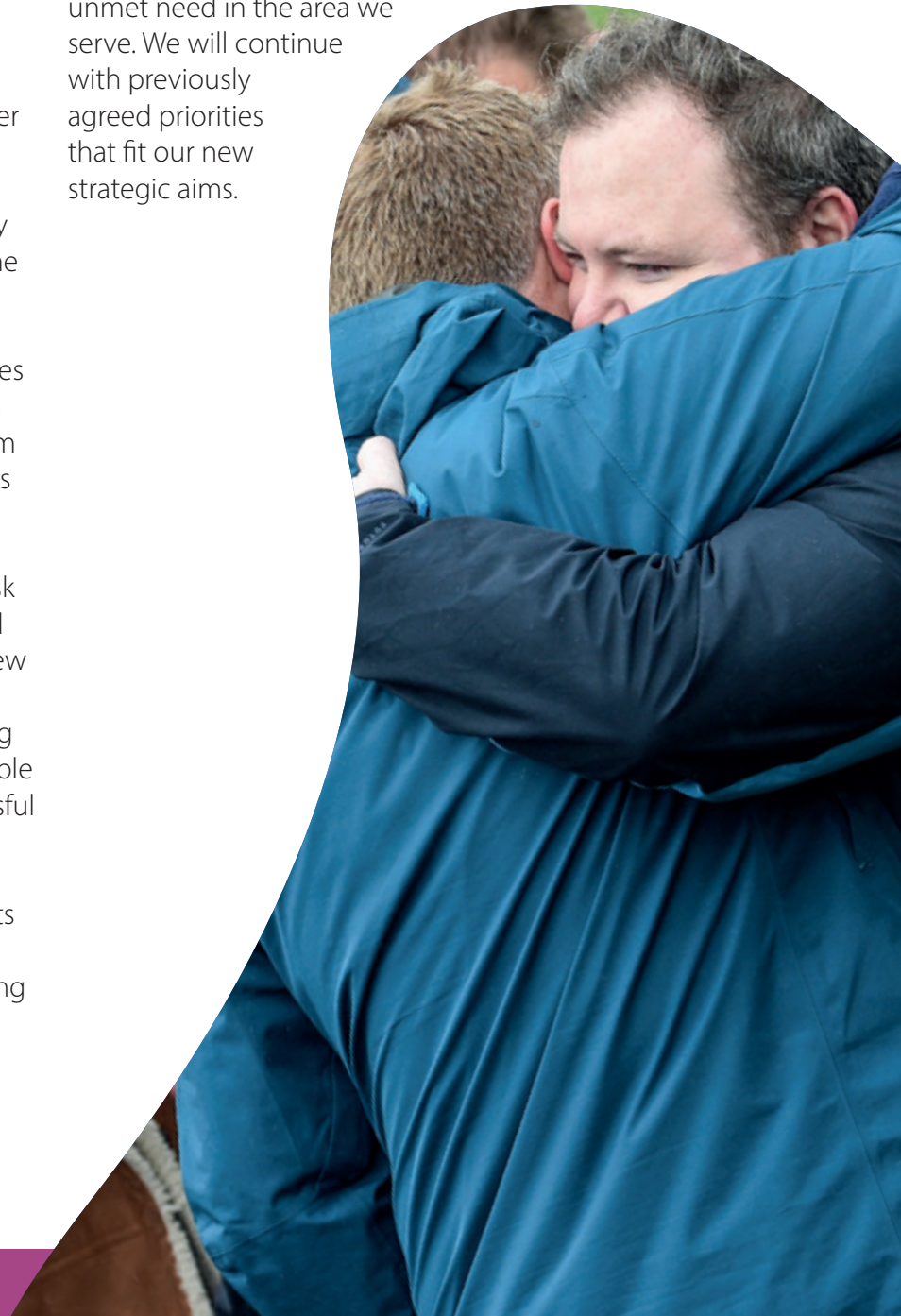
Reserves Policy

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 the trustees determined that the hospice requires a risk reserve of £2.9m for 2024/25, (£3.3m 2023/24). 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 as well as investing in meeting our strategic objectives.

Following a review of our designated spending plans four funds have now been established to meet our new strategic aims, which replace a longer list of individual projects. Our initial pilot of supporting patients in their homes in South East Cornwall was a success so we will expand this pilot to the end of financial year 2024/25, funded through our new "Quality" designated reserve. 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. We will continue with previously agreed priorities that fit our new strategic aims.



Investment / Treasury Management Policy

An investment policy is in place which is reviewed annually by the board. 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 £2,955,144. A gain of £229,960 was recognised in the accounts for 2023/24 in relation to our managed investments (2023 – loss £117,548).

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 2024, we held four residential properties at a value of £1,605,000.



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 adequate for the charity's needs.

We have reported very strong signs of recovery in our retail and fundraising efforts since the pandemic, and we expect these areas to continue to deliver strong income streams. Our transformation programme where all staff, apart from retail, 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. Trustees have assessed a period of 12 months beyond the date of signing of these accounts, and it is for these reasons the trustees consider the group is a going concern.

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 596 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 D N Thomas
(Chair of Board of Trustees)
16 July 2024





Statement of **Trustees'** **responsibilities** for the year ended **31 March 2024**

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 . 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 D N Thomas
Chair of the Board of Trustees
Date: 16 July 2024

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 2024 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 2024 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.

Alison Oliver FCA
(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:

Consolidated Statement of Financial Activities

For the year ended 31 March 2024
(Incorporating Income and Expenditure Account)

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
INCOME FROM:					
Donations and legacies	3	3,772,830	109,433	3,882,263	3,607,100
Charitable activities	4	3,248,845	122,508	3,371,353	3,258,271
Other trading activities	5	5,246,663	-	5,246,663	4,820,386
Investments	6	376,119	-	376,119	203,109
Other income		129,409	-	129,409	-
TOTAL INCOME		12,773,866	231,941	13,005,807	11,888,866
EXPENDITURE ON:					
Raising funds		5,891,318	20,461	5,911,779	4,836,902
Charitable activities	7	7,425,345	265,560	7,690,905	6,827,783
TOTAL EXPENDITURE		13,316,663	286,021	13,602,684	11,664,685
NET (EXPENDITURE)/INCOME BEFORE NET GAINS/(LOSSES) ON INVESTMENTS					
		(542,797)	(54,080)	(596,877)	224,181
Net gains/(losses) on investments		322,639	-	322,639	(89,672)
NET (EXPENDITURE)/INCOME		(220,158)	(54,080)	(274,238)	134,509
Transfers between funds	20	6,500	(6,500)	-	-
NET MOVEMENT IN FUNDS		(213,658)	(60,580)	(274,238)	134,509
RECONCILIATION OF FUNDS:					
Total funds brought forward		13,775,372	124,723	13,900,095	13,765,586
Net movement in funds		(213,658)	(60,580)	(274,238)	134,509
TOTAL FUNDS CARRIED FORWARD		13,561,714	64,143	13,625,857	13,900,095

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.

Consolidated Balance Sheet

as at 31 March 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Intangible assets	12	103,999	141,112
Tangible assets	13	2,122,400	2,558,722
Investments	15	2,955,144	2,664,369
Investment property	14	1,605,000	762,000
		6,786,543	6,126,203
CURRENT ASSETS			
Stocks		50,753	46,440
Debtors	16	1,279,477	1,583,416
Cash at bank and in hand	24	6,788,034	7,135,334
		8,118,264	8,765,190
Creditors: amounts falling due within one year	17	(1,018,330)	(778,673)
NET CURRENT ASSETS		7,099,934	7,986,517
TOTAL ASSETS LESS CURRENT LIABILITIES		13,886,477	14,112,720
Creditors: amounts falling due after more than one year	18	(13,408)	-
Provisions for liabilities	19	(247,212)	(212,625)
TOTAL NET ASSETS		13,625,857	13,900,095
CHARITY FUNDS			
Restricted funds	20	64,143	124,723
Unrestricted funds	20	13,561,714	13,775,372
TOTAL FUNDS		13,625,857	13,900,095

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 D N Thomas
(Chair of Trustees)
Date: 16 July 2024

Mrs H Hocking
(Treasurer)

Company Statement of Financial Position

(For the year ended 31 March 2024)

Company Registration Number 01505753

	Note	2024 £	2023 £
FIXED ASSETS			
Intangible assets	12	103,999	141,112
Tangible assets	13	2,122,400	2,558,722
Investments	15	2,955,146	2,664,371
Investment property	14	1,605,000	762,000
		6,786,545	6,126,205
CURRENT ASSETS			
Stocks		-	50
Debtors	16	1,321,823	1,621,220
Cash at bank and in hand		6,614,073	6,808,695
		7,935,896	8,429,965
Creditors: amounts falling due within one year	17	(994,050)	(755,819)
NET CURRENT ASSETS		6,941,846	7,674,146
TOTAL ASSETS LESS CURRENT LIABILITIES		13,728,391	13,800,351
Creditors: amounts falling due after more than one year	18	(13,408)	-
Provisions for liabilities	19	(247,212)	(212,625)
TOTAL NET ASSETS		13,467,771	13,587,726
CHARITY FUNDS			
Restricted funds	20	64,143	124,723
Unrestricted funds	20	13,403,628	13,463,003
TOTAL FUNDS		13,467,771	13,587,726

The Company's net movement in funds for the year was £(111,175) (2023 - £256,012).

The Trustees acknowledge their responsibilities for complying with the requirements of the 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 D N Thomas
(Chair of Trustees)
Date: 16 July 2024

Mrs H Hocking
(Treasurer)

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

Consolidated Statement of Cash Flows

(For the year ended 31 March 2024)

	Note	2024 £	2023 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	23	(803,922)	118,632
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		298,065	137,755
Proceeds from the sale of tangible fixed assets		563,491	36,912
Purchase of intangible assets		(15,068)	(117,433)
Purchase of tangible fixed assets		(405,902)	(913,046)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		440,586	(855,812)
CASH FLOWS FROM FINANCING ACTIVITIES			
New finance leases		18,145	-
Repayments of finance leases		(2,109)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		16,036	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(347,300)	(737,180)
Cash and cash equivalents at the beginning of the year		7,135,334	7,872,514
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	6,788,034	7,135,334

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

Notes to the Financial Statements for the year ended 31 March 2024

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

After making enquiries, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

We have reported very strong signs of recovery in our retail and fundraising efforts since the pandemic, and we expect these areas to continue to deliver strong income streams.

Our transformation programme where all staff, apart from retail, 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. Trustees have assessed a period of 12 months beyond the date of signing of these accounts, and it is for these reasons the trustees consider the group is a going concern.

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.

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 raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading. 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. The estimated useful lives are as follows:

Computer software 20-33%
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	4 - 67%
Motor vehicles	14 - 33%
Assets under construction	Not depreciated until brought into use

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 Finance leases and hire purchases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.17 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.

1.18 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.

1.19 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 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	1,731,226	41,501	1,772,727
Legacies	2,041,604	67,932	2,109,536
	<u>3,772,830</u>	<u>109,433</u>	<u>3,882,263</u>

	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
	<u>3,565,360</u>	<u>41,740</u>	<u>3,607,100</u>

4. Income from Charitable Activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
NHS Basic Funding	3,090,799	-	3,090,799
End of Life Care Education Projects	-	94,534	94,534
Other Income	158,046	27,974	186,020
TOTAL 2024	<u>3,248,845</u>	<u>122,508</u>	<u>3,371,353</u>

	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
Hospice UK grants	-	(9,573)	(9,573)
TOTAL 2023	<u>3,000,268</u>	<u>258,003</u>	<u>3,258,271</u>

5. Income from other trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Shops/ bkinda	4,483,262	4,483,262
Lottery	763,401	763,401
	<u>5,246,663</u>	<u>5,246,663</u>
	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
	<u>4,820,386</u>	<u>4,820,386</u>

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Income from property	38,337	38,337
Investment income - other investments	78,054	78,054
Interest receivable and similar income	259,728	259,728
	<u>376,119</u>	<u>376,119</u>
	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
	<u>203,109</u>	<u>203,109</u>



7. Analysis of expenditure on Charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
In Patient Care	3,143,648	1,008	3,144,656
Community Services	3,100,036	100,198	3,200,234
Hospital Services and Medical Operations	767,612	230	767,842
Education	414,049	164,124	578,173
	<u>7,425,345</u>	<u>265,560</u>	<u>7,690,905</u>

	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
	<u>6,633,529</u>	<u>194,254</u>	<u>6,827,783</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
In Patient Care	2,717,246	427,410	3,144,656
Community Services	2,686,830	513,404	3,200,234
Hospital Services and Medical Operations	600,952	166,890	767,842
Education	395,493	182,680	578,173
	<u>6,400,521</u>	<u>1,290,384</u>	<u>7,690,905</u>
	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
	<u>5,740,898</u>	<u>1,086,885</u>	<u>6,827,783</u>

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.

	2024 £	2023 £
Cost of raising funds		
Shops	403,661	344,880
Lottery	36,939	49,551
Bkinda clothing and coffee	97,892	53,956
Fundraising and publicity	264,064	337,737
Investment and other	149,402	42,537
	<u>951,958</u>	<u>828,661</u>
Charitable activities		
In patient care	327,869	287,187
Community services	374,693	308,410
Hospital services and medical ops	97,534	80,879
Education	98,232	105,817
	<u>898,328</u>	<u>782,293</u>
Governance costs		
Audit & accountancy	26,795	29,479
Legal and professional	15,042	6,754
Other	421,829	335,062
	<u>463,666</u>	<u>371,295</u>

9. Auditors’ remuneration

The auditors’ remuneration for the group amounts to an auditor fee of £25,760 (2023 - £22,870), and non-audit services of £1,500 (2023 - £1,430).

10. Staff costs

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Wages and salaries	8,310,603	6,981,537	8,060,908	6,872,891
Social security costs	742,306	612,723	722,276	605,332
Contribution to defined contribution pension schemes	774,763	697,644	757,410	690,417
	<u>9,827,672</u>	<u>8,291,904</u>	<u>9,540,594</u>	<u>8,168,640</u>

During the year, redundancy payments were made amounting to £711 (2023: £Nil). 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 2024 No.	Group 2023 No.	Company 2024 No.	Company 2023 No.
Clinical and direct care	128	121	128	121
Direct support	45	39	45	39
Office and administration	50	48	50	48
Fund generating teams	107	92	97	86
	<u>330</u>	<u>300</u>	<u>320</u>	<u>294</u>

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

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	-	3
In the band £70,001 - £80,000	3	-
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 £400,877 (2023: £333,007) for the year. Due to changes in the senior management team, there were 7 personnel who covered 5 posts in the year (2023: 5 personnel covering 5 posts).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

12. Intangible assets - Group and company

COST

At 1 April 2023
Additions
Disposals
Transfers between classes

At 31 March 2024

AMORTISATION

At 1 April 2023
Charge for the year

At 31 March 2024

NET BOOK VALUE

At 31 March 2024

At 31 March 2023

Computer software £	Computer software in development £	Total £
102,827	63,300	166,127
11,293	3,775	15,068
-	(14,375)	(14,375)
49,300	(49,300)	-
<u>163,420</u>	<u>3,400</u>	<u>166,820</u>
25,015	-	25,015
37,806	-	37,806
<u>62,821</u>	<u>-</u>	<u>62,821</u>
100,599	3,400	103,999
77,812	63,300	141,112



13. Tangible fixed assets - Group and company

	Freehold property £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
COST					
At 1 April 2023	7,272,652	1,369,974	41,918	22,467	8,707,011
Additions	77,647	300,436	23,764	4,055	405,902
Disposals	(541,194)	(246,258)	(26,759)	-	(814,211)
Transfers between classes	-	22,467	-	(22,467)	-
At 31 March 2024	6,809,105	1,446,619	38,923	4,055	8,298,702
DEPRECIATION					
At 1 April 2023	5,053,603	1,052,768	41,918	-	6,148,289
Charge for the year	284,217	108,126	4,856	-	397,199
On disposals	(96,169)	(246,258)	(26,759)	-	(369,186)
At 31 March 2024	5,241,651	914,636	20,015	-	6,176,302
NET BOOK VALUE					
At 31 March 2024	1,567,454	531,983	18,908	4,055	2,122,400
At 31 March 2023	2,219,049	317,206	-	22,467	2,558,722

During the year, the Charity made a sale of freehold property with a net book value of £445,025.

14. Investment property - Group and company

VALUATION

	Freehold investment property £
At 1 April 2023	762,000
Additions	750,321
Surplus on revaluation	92,679
At 31 March 2024	<u>1,605,000</u>

The additions to investment property were independently valued in 2024. 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

COST OR VALUATION

	Listed investments £
At 1 April 2023	2,664,369
Additions	819,329
Disposals	(683,305)
Revaluations	154,751
AT 31 MARCH 2024	<u>2,955,144</u>

NET BOOK VALUE

AT 31 MARCH 2024	<u>2,955,144</u>
AT 31 MARCH 2023	<u>2,664,369</u>

COMPANY

COST OR VALUATION

	Investments in subsidiary companies £	Listed investments £	Total £
At 1 April 2023	2	2,664,369	2,664,371
Additions	-	819,329	819,329
Disposals	-	(683,305)	(683,305)
Revaluations	-	154,751	154,751
AT 31 MARCH 2024	<u>2</u>	<u>2,955,144</u>	<u>2,955,146</u>

NET BOOK VALUE

AT 31 MARCH 2024	<u>2</u>	<u>2,955,144</u>	<u>2,955,146</u>
AT 31 MARCH 2023	<u>2</u>	<u>2,664,369</u>	<u>2,664,371</u>

16. Debtors

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
DUE AFTER MORE THAN ONE YEAR				
Amounts owed by group undertakings	-	-	50,000	50,000
DUE WITHIN ONE YEAR				
Trade debtors	194,143	187,957	194,143	187,957
Other debtors	157,058	189,526	156,205	181,280
Prepayments and accrued income	857,129	1,153,550	850,328	1,149,600
Tax recoverable	71,147	52,383	71,147	52,383
	<u>1,279,477</u>	<u>1,583,416</u>	<u>1,321,823</u>	<u>1,621,220</u>

17. Creditors - amounts falling due within one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade creditors	332,387	166,408	267,013	155,767
Amounts owed to group undertakings	-	-	129,603	76,048
Other taxation and social security	154,405	141,373	148,243	137,446
Obligations under finance lease and hire purchase contracts	2,628	-	2,628	-
Other creditors	97,793	86,146	93,197	84,554
Accruals and deferred income	431,117	384,746	353,366	302,004
	<u>1,018,330</u>	<u>778,673</u>	<u>994,050</u>	<u>755,819</u>

19. Creditors - amounts falling due after more than one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Net obligations under finance lease and hire purchase contracts	<u>13,408</u>	<u>-</u>	<u>13,408</u>	<u>-</u>

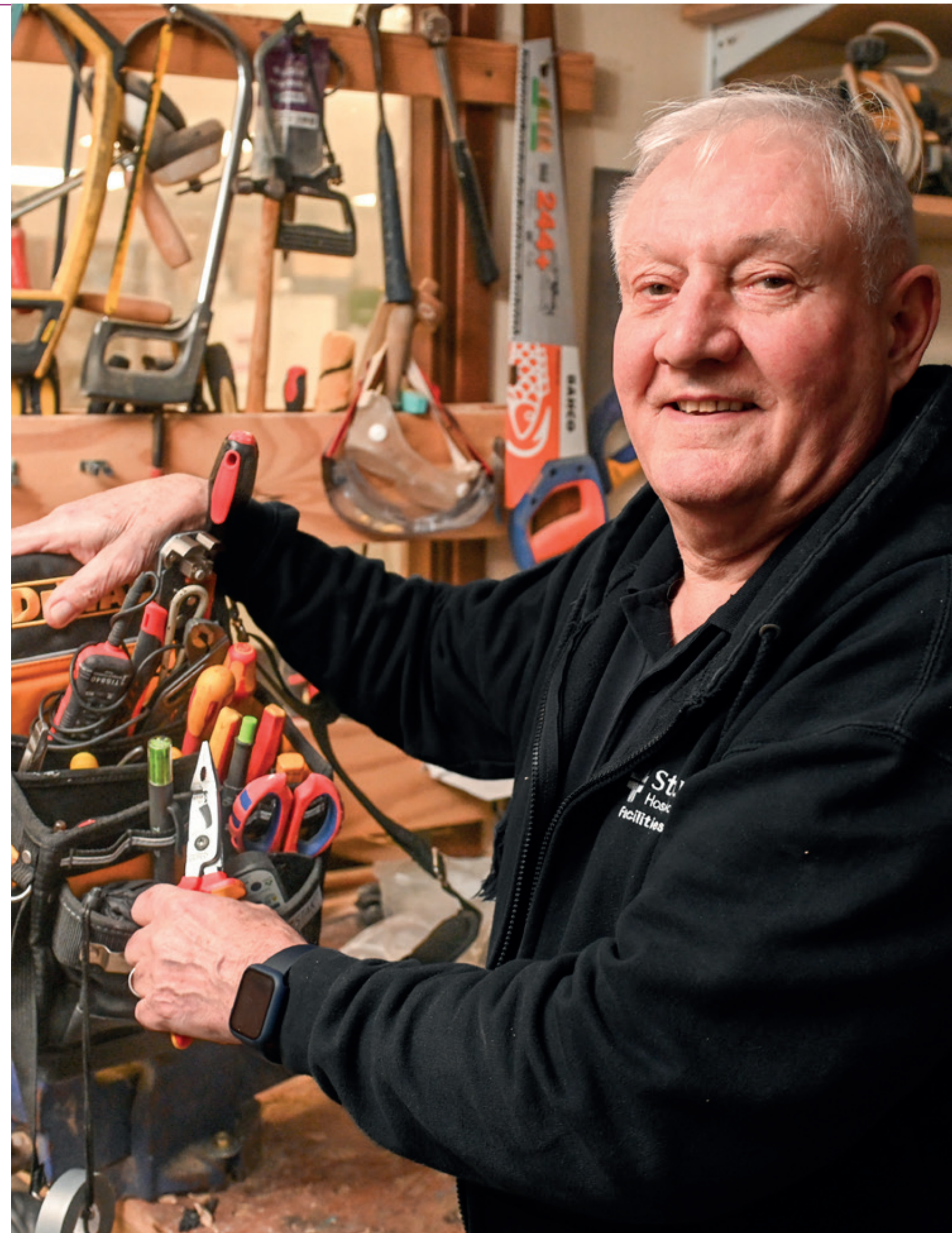
20. Provisions - Group and company

	Dilapidation provision £
At 1 April 2023	212,625
Additions	45,000
Amounts used	(1,365)
Amounts reversed	(9,048)
	<u>247,212</u>

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.

20. Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed Asset Fund	2,619,609	-	(435,004)	41,421	-	2,226,026
Investment Revaluation Reserve	471,955	-	-	(52,911)	322,639	741,683
Legacies Reserve	1,000,000	-	-	-	-	1,000,000
Sustainability Reserve	50,000	-	-	200,000	-	250,000
Quality Reserve	-	-	-	750,000	-	750,000
Partnerships Reserve	-	-	-	600,000	-	600,000
People Reserve	-	-	-	250,000	-	250,000
Revenue Reserve	3,300,000	-	-	(400,000)	-	2,900,000
Other Designated Funds	2,784,176	-	(810,755)	(1,973,421)	-	-
	<u>10,225,740</u>	<u>-</u>	<u>(1,245,759)</u>	<u>(584,911)</u>	<u>322,639</u>	<u>8,717,709</u>
GENERAL FUNDS						
General funds	3,762,257	12,818,866	(12,081,317)	591,411	-	5,091,217
Dilapidation provision	(212,625)	(45,000)	10,413	-	-	(247,212)
	<u>3,549,632</u>	<u>12,773,866</u>	<u>(12,070,904)</u>	<u>591,411</u>	<u>-</u>	<u>4,844,005</u>
TOTAL UNRESTRICTED FUNDS	<u>13,775,372</u>	<u>12,773,866</u>	<u>(13,316,663)</u>	<u>6,500</u>	<u>322,639</u>	<u>13,561,714</u>



20. Statement of funds - current year (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
RESTRICTED FUNDS						
Other Funds	5,428	109,433	(98,733)	(6,500)	-	9,628
Project Funds	119,295	122,508	(187,288)	-	-	54,515
	<u>124,723</u>	<u>231,941</u>	<u>(286,021)</u>	<u>(6,500)</u>	<u>-</u>	<u>64,143</u>
TOTAL OF FUNDS	<u>13,900,095</u>	<u>13,005,807</u>	<u>(13,602,684)</u>	<u>-</u>	<u>322,639</u>	<u>13,625,857</u>

20. Summary of other designated funds (current year)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Income Generation Reserve	234,655	-	(78,603)	(156,052)	-	-
Building Facilities Reserve	114,465	-	(15,144)	(99,321)	-	-
Invest to Save Fund	9,559	-	(2,628)	(6,931)	-	-
Case for Change / Quality Agenda	205,086	-	(5,475)	(199,611)	-	-
Compassionate Communities Development	18,028	-	-	(18,028)	-	-
Data Project	98,200	-	(225)	(97,975)	-	-
Hospital Team Expansion	104,000	-	(39,000)	(65,000)	-	-
Integrated Care Trial	55,183	-	(31,979)	(23,204)	-	-
Organisational Development Initiatives	55,000	-	(18,536)	(36,464)	-	-
Clinical Co-Ordination Reserve	1,000,000	-	(24,702)	(975,928)	-	-
Spiritual / Psychosocial	30,000	-	(4,421)	(25,579)	-	-
IT System Improvements Fund	150,000	-	(31,438)	(118,562)	-	-
Staff Support Scheme	200,000	-	(61,779)	(138,221)	-	-
Pay Reserve	510,000	-	(496,825)	(13,175)	-	-
	<u>2,784,176</u>	<u>-</u>	<u>(589,908)</u>	<u>(1,973,421)</u>	<u>-</u>	<u>-</u>

20. Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Other Designated Funds	8,397,584	-	(589,908)	2,507,736	(89,672)	10,225,740
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)
	<u>5,297,389</u>	<u>11,589,123</u>	<u>(10,849,537)</u>	<u>(2,487,343)</u>	<u>-</u>	<u>3,549,632</u>
TOTAL UNRESTRICTED FUNDS	<u>13,694,973</u>	<u>11,589,123</u>	<u>(11,439,445)</u>	<u>20,393</u>	<u>(89,672)</u>	<u>13,775,372</u>
RESTRICTED FUNDS						
Other Funds	15,299	32,731	(22,209)	(20,393)	-	5,428
Project Funds	55,314	267,012	(203,031)	-	-	119,295
	<u>70,613</u>	<u>299,743</u>	<u>(225,240)</u>	<u>(20,393)</u>	<u>-</u>	<u>124,723</u>
TOTAL OF FUNDS	<u>13,765,586</u>	<u>11,888,866</u>	<u>(11,664,685)</u>	<u>-</u>	<u>(89,672)</u>	<u>13,900,095</u>

20. Summary of other designated funds (prior year)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
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
	<u>8,397,684</u>	<u>-</u>	<u>(589,908)</u>	<u>2,507,736</u>	<u>(89,672)</u>	<u>10,225,740</u>



20. Statement of Funds (continued)

As at 31/3/24 reserves have reduced by £274k in the year. As explained in the financial review, this was due to some planned spending on our designated reserves during the year. We continue to implement plans for spending of reserves to meet our charitable objectives, these are driven by our strategic aims.

Designated Funds

As part of our reserves policy we designate funds for a variety of reasons, these include; to cover risks within our operations, to invest in EOL service improvements and service expansion and also to invest in future income streams.

As part of our new 3 year Strategic Plan objectives, we have this year simplified our approach to designation of reserves by designating funds to meet each of our 4 objectives of Quality, Partnerships, People and Sustainability. Each strategic objective has been allocated a sum of money so that we can support the work needed to implement these objectives. We have therefore transferred the previously designated reserves on specific projects, to form the new designated reserves totalling £1.9m. the prior year comparators will show this movement. Throughout the 3 year Strategic Plan, departments will submit business cases to draw down on these funds, each business case will be assessed against various criteria including how it fits with St Luke’s strategic aims before approval is given.

We have therefore transferred the previously designated reserves on specific projects, to form the new designated reserves totalling £1.9m. The table at the foot of Page 48 shows an analysis of

those designated funds which will no longer be held and whose balances have been reallocated into the new reserves aligned to our 4 objectives.

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 £1.9m 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 Reserve: This reserve was set up to invest in feasibility studies for new sustainable income streams including the b.kinda mystery box enterprise which started trading in June 2022 and our first coffee shop in Plympton.

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.

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.

21. Summary of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Designated funds	10,225,740	-	(1,245,759)	(584,911)	322,639	8,717,709
General funds	3,549,632	12,773,866	(12,070,904)	591,411	-	4,844,005
Restricted funds	124,723	231,941	(286,021)	(6,500)	-	64,143
	<u>13,900,095</u>	<u>13,005,807</u>	<u>(13,602,684)</u>	<u>-</u>	<u>322,639</u>	<u>13,625,857</u>

21. Summary of funds - prior 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
	<u>13,765,586</u>	<u>11,888,866</u>	<u>(11,664,685)</u>	<u>-</u>	<u>(89,672)</u>	<u>13,900,095</u>

22. Analysis of net assets between funds - current year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	2,116,900	5,500	2,122,400
Intangible fixed assets	103,999	-	103,999
Fixed asset investments	2,955,144	-	2,955,144
Investment property	1,605,000	-	1,605,000
Current assets	8,059,621	58,643	8,118,264
Creditors due within one year	(1,018,330)	-	(1,018,330)
Creditors due in more than one year	(13,408)	-	(13,408)
Provisions for liabilities and charges	(247,212)	-	(247,212)
TOTAL	<u>13,561,714</u>	<u>64,143</u>	<u>13,625,857</u>

22. Analysis of net assets between funds - prior 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	<u>13,775,372</u>	<u>124,723</u>	<u>13,900,095</u>

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

	Group 2024 £	Group 2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(274,238)	134,509
ADJUSTMENTS FOR:		
Depreciation charges	397,199	356,540
Amortisation charges	37,806	19,835
(Gains)/losses on investments in shares (net of fees)	(212,721)	134,360
Interest received	(376,119)	(203,109)
Profit on the sale of fixed assets	(104,091)	(15,876)
Decrease/(increase) in stocks	(4,313)	(8,161)
Decrease in debtors	303,939	116,634
Increase/(decrease) in creditors	237,029	(117,725)
Increase/(decrease) in provisions	34,587	33,625
Investment property gifted	(750,321)	(304,124)
Revaluation gains on investment property	(92,679)	(27,876)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	(803,922)	118,632

24. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	6,788,034	7,135,334

25. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	New finance leases £	At 31 March 2024 £
Cash at bank and in hand	7,135,334	(347,300)	-	6,788,034
Finance leases	-	-	(16,036)	(16,036)

26. Contingent asset

At the reporting date, the charity has entitlement to further legacies that do not meet the revenue recognition criteria as although probable, the amounts are unconfirmed.

27. Capital Commitments

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS				
Acquisition of tangible fixed assets	35,923	40,270	35,923	40,270

28. 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 and 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 £774,763 (2023: £697,644) and £88,745 (2023: £83,423) was payable to the schemes at the year end.

29. Operating lease commitments

At 31 March 2024 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Not later than 1 year	490,184	400,245	490,184	400,245
Later than 1 year and not later than 5 years	972,307	539,064	972,307	539,064
Later than 5 years	4,808	-	4,808	-
	<u>1,467,299</u>	<u>939,309</u>	<u>1,467,299</u>	<u>939,309</u>

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

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Operating lease rentals	<u>562,625</u>	<u>490,197</u>	<u>562,625</u>	<u>490,197</u>

30. Related party transactions

Other than transactions and balances within the group, there have been no related party transactions during the year, nor are there any outstanding balances owing between related parties and the Group at 31 March 2024. 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.

31. Controlling party

The Group is controlled by the Board of Trustees.

32. 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	1,122,705	(963,548)	159,157	157,981

