

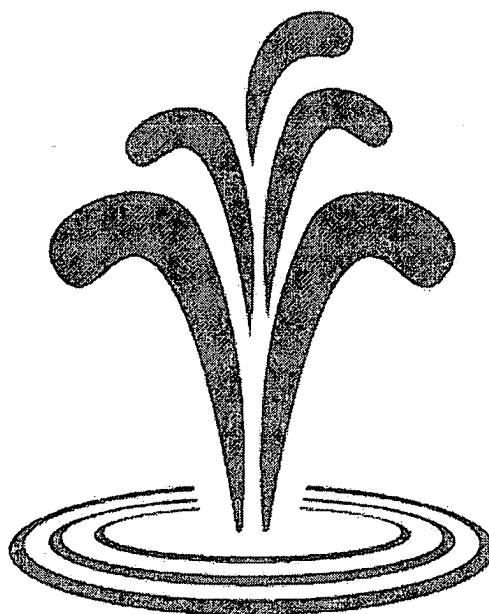
REGISTERED COMPANY NUMBER: 01846186 (England & Wales)

REGISTERED CHARITY NUMBER: 515595

Report of the Trustees and Consolidated Financial Statements

For the year ending 31st March 2019 for

St Luke's (Cheshire) Hospice



St Luke's

CHESHIRE HOSPICE

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St Luke's (Cheshire) Hospice
Report of The Trustees

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St Luke's (Cheshire) Hospice
Report of The Trustees

Introduction from Mike Ridley, Chairman

It gives me great pleasure to be able to introduce my third Annual Report as Chairman of St Luke's Hospice, particularly as we celebrate 30 years of service to our local community.

I cannot help but reflect on the inspiration of those who first conceived the establishment of our Hospice many years ago and the enormous number of committed individuals who have been associated with our work in so many different ways over those thirty years as a consequence of their dedication and commitment, it is very humbling to think of all those people we have been able to help and care for during this period.

I regard it as a great privilege to be able to now lead the Hospice into a new period of service and development. We have continued to build on the success of 2017/18, consolidating a strong, effective and financially stable baseline from which I believe we can look forward confidently to the provision of greater, more far reaching, high quality services in the future.

Everything we do revolves around people and I would like to recognise their many and valued contributions. It is perhaps fitting that my first thanks must go to Dr Kate Smith who retired in July having given dedicated service in every one of the Hospice's thirty years. We owe much to her and all of those who had the vision and enthusiasm to build the Hospice that we see before us today.

It was a great honour to receive recognition for our work through the visit of His Royal Highness the Earl of Wessex in November. He was able to meet staff, volunteers and patients as he toured the Hospice and we are indebted to him for the enthusiasm and compassion he showed for our work during his visit.

In addition to our many regular fund-raising events we were able to hold a great Party Gras anniversary celebration, where special thanks must be given to, Roger Mills who was one of the driving forces behind the event. Also, I particularly valued our Light up a Life service remembering those who are no longer with us, and our Annual Volunteer Celebration which provided a small thank-you to some of the many dedicated individuals who give so freely of their time and effort.

As well as thanking all our supporters and volunteers for their wonderful contribution, I would also like to thank our Trustees for their service in leading the Board forward. We have been delighted to welcome two new Trustees, Guy Rands and Graham Jones and we have said goodbye to John Colclough. John completed six years of dedicated service, providing wise counsel and encouragement, particularly through his visits to our shops and services. We wish him well in his "retirement".

I would also like to thank our Patrons, Rosie Spiegelberg and Lady Rose Cholmondeley, and our Vice Presidents and many sponsors and partners, particularly the CCGs and End of Life Partnership, for their continuing and much valued support.

I finally want to acknowledge the brilliant contributions of our staff. They are all so willing to "go that extra mile" and we owe them an enormous debt of gratitude. We have been fortunate during the year to appoint a new Chief Executive – Neil Wright, who was formerly CEO of Willowbrook Hospice in St Helens; he is settling in well and already working on a new strategic vision for the Hospice. The Senior Management Team continue to provide amazing leadership to their respective functions: they are a very special team. My heartfelt thanks to you all.



Mike Ridley, Chairman

St Luke's (Cheshire) Hospice
Report of The Trustees

Reference and Administrative Details - for the year ended 31st March 2019

Registered Company Number (England & Wales)	St Luke's Hospice is a company limited by guarantee, number 01846186 (not having a share capital).
Registered Charity Number	<p>The company is a Registered Charity, number 515595 and its Memorandum of Articles of Association govern its functions.</p> <p>Every member of the company undertakes to contribute to the assets if the company is wound up while he/she is a member, or within one year of ceasing to be a member, such amount as may be required not exceeding £1.</p>
Principal and Registered Office	<p>St Luke's (Cheshire) Hospice Grosvenor House Queensway Winsford Cheshire CW7 1BH</p>
Contacting Us	<p>You can contact us by telephone on 01606 551246, by email on enquiries@slhospice.co.uk. If you would like to find out more about our work, please go to our website: http://www.slhospice.co.uk or follow us on Facebook, Twitter and YouTube.</p>
Auditors	<p>Styles and Co Accountants JFC Limited Heather House 473 Warrington Road Culcheth Warrington WA3 5QU</p>
Senior Statutory Auditor	Ian Lloyd
Investment Fund Manager	<p>Castlefield Investment Partners LLP 111 Piccadilly Manchester M1 2HY</p>
Bankers	<p>National Westminster Bank Plc P O Box 6 The Bull Ring Northwich Cheshire CW9 5BN</p>
Solicitors	<p>Poole Alcock 238-246 Edleston Road Crewe CW2 7EH</p>

St Luke's (Cheshire) Hospice
Report of The Trustees

Members of Board

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

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

Trustees

Mr J M Ridley
Dr A Hoy
Mr J Colclough
Dr R E Pugh
Mr A J Baxter
Miss A J Holland
Mrs A Redmond MBE
Mr C Norman
Mr Guy Rands
Mr Graham Jones

Appointed

Chairman
Appointed as Vice Chairman September 2018
End of Term March 2019
Re-appointed March 2019

Appointed June 2018
Appointed June 2018

Vice Presidents

Rt Rev Dr P Forster
Mrs D Mather
Mrs D Parsons
Mrs F Bruce

Mrs J Corfield
Dr V Pritchard
Mrs G O'Brien
Mrs A Redmond MBE

Mr W Crafter
Mr J Baldwin TD DL
Mr R Mills MBE
Mr J Lea

Joint Patrons

Mrs W Spiegelberg MBE

Lady Rose Cholmondeley

President - Vacant

Honorary Treasurer - Vacant

Company Secretary - Vacant

Senior Management Team (SMT)

Mr N Wright
Mrs W Wilson
Mrs N Chaudhry
Miss C Langston
Dr A Graham
Mrs V Morrey
Mrs J Jones

Appointed as Chief Executive December 2018
Director of Care/Matron
Finance Director
Director of Income Generation & Communications
Medical Director
Resigned as Interim Chief Executive July 2018
Resigned from Interim Director of Corporate Services September 2018

St Luke's (Cheshire) Hospice
Report of The Trustees

Governance and Management Arrangements

Governing Arrangements

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

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

Decision Making Arrangements - Role of the Trustee Board & Committees

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

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

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

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

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

Each year the Trustees undertake a "skill mix" audit to ensure that each of the Trustees has the experience and abilities to continue to make a valuable, informed contribution to the Boards collective decision making as well as oversight of the work of the Senior Management Team.

St Luke's (Cheshire) Hospice Report of The Trustees

Role of Trustees at St Luke's

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

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

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

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

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

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

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

Public Benefit

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

Management Arrangements at St Luke's

The SMT are responsible for Care/Clinical Services, Medical Services, Income Generation & Communications, Financial, Estates, Human Resources and IT and is led by a Chief Executive Officer (CEO) who has delegated responsibility for the operations of St Luke's, the implementation of regulatory requirements and the strategic and other decisions made by the Trustee Board.

Members of the SMT are invited to attend the Trustee Board but do not have voting rights. The pay arrangements for all members of the SMT have been established following an external pay evaluation process and benchmarking against other charities of a similar size (with the exception of the Medical Director – which is in line with Medical pay scales).

St Luke's (Cheshire) Hospice
Report of The Trustees

Strategic Report of the Hospice

St Luke's (Cheshire) Hospice covers an approximate population of 280,000 and sees people in St Luke's premises (Grosvenor House and Winterley Grange, Sandbach), in hospital settings within the catchment area and in their communities. The 3 CCG's, South Cheshire CCG, Vale Royal CCG and West Cheshire CCG provide a grant contribution towards the many services that we provide. Their financial contribution represents 13.6% of our total group wide, recurring gross annual income. Total grants including non-recurring and non-CCG grants income equate to 13.8%.

Our Mission

To work with our community to provide and enable sustainable and compassionate care and support as people face the challenges of life threatening illness and loss.

Our Vision

To provide and enable compassionate care, expanding our reach to transform the way our community cares for and supports each other through illness and loss.

Our Hospice Values

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

- **Value the individual** - We recognise that people are our greatest asset. We treat those we care for, volunteers and colleagues with respect, dignity and compassion
- **Embrace Change** - We promote a culture where innovation and new ideas are encouraged, whilst valuing our heritage and past
- **One Team** - We work together collaboratively, we share ideas and we support each other to ensure that we achieve our common goals, both within the Hospice and within our wider community
- **Strive for Excellence** - We strive for excellence in everything that we do and we celebrate our successes

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

Our Principal Objects and Activities

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

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

Inpatient Care

Hospital Based Specialist advice

Medical Out-Patients

Telephone support and advice

St Luke's (Cheshire) Hospice
Report of The Trustees

Two - The Provision of Supportive Care

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

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

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

St Luke's has always had a strong focus on education and Cheshire Hospice Education, now, The End of Life Partnership was born out of the vision, work and funding that St Luke's Hospice has committed over many years. We continue to support this work and contribute to the role of leading and supporting communities, professionals and local organisations across Cheshire to improve palliative and end of life experience and care for all.

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

The Contribution of our Supporters, Staff and Volunteers

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

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

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

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

Without the commitment and support we receive from volunteers, we could not provide the services we do. We estimate that the total number of volunteer hours in 2018/19 was 81,365. This amounts to an equivalent contribution of £637,088 based on the minimum wage of £7.83 (as of March 2019) per hour. This is without the further valuable contribution of all the event volunteers and the support groups working across the catchment area to raise funds. Our Support Group members from Crewe, Holmes Chapel, Sandbach, Shavington, Tarporley and Winsford contributed towards Hospice funds through their many successful fundraising events and are important ambassadors for the Hospice in our communities. The Sandbach Support Group retired late last year and we offer our sincere thanks to them for their tireless efforts over many years where they have done so much to support St Luke's and given such a valuable personal and financial contribution.

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

St Luke's (Cheshire) Hospice
Report of The Trustees

Working with Others and in the Community

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

- Provision of services in the acute hospital
- Work in partnership with CCICP to provide a Lymphoedema service to South Cheshire and Vale Royal CCG Patients
- Training and education of undergraduate and postgraduate students in a range of health care professions from local university medical and health care schools.
- Developing relationships with Health and Educational organisations including the Vale Royal and South Cheshire GP Alliance.
- End of Life Partnership through mutually supportive mission and goals that will strengthen the impact and outcomes of our work.
- Membership of the umbrella organisation Hospice UK, Hospice Lotteries Association, HQP, Lotteries Board, Charity Retail Association, Fundraising Regulator, National Association of Hospice Fundraisers, Association of palliative medicine and other local and national professional networks.
- Development of community befriending and engagement with Homeless people at the end of life to widen access and enable compassionate communities to develop and to address social isolation and loneliness experienced by the ill, frail and elderly in our community.
- Overall commissioning of End of Life Services through our local CCG's.

Financial Report

Financial Performance and Review

The Hospice has continued to stabilise and strengthen its financial position in 2018-19 delivering a Group Surplus of £388,234 (2018: £253,178). The continued safe, effective and high quality of our care services was at the centre of all decision making throughout this period of consolidation.

Following Board Approval we intend to set aside designated funds from the surplus to make much needed improvements to our In-Care Unit and to invest in our property infrastructure as disclosed in the Reserves Policy.

A number of income streams have contributed to the healthy surplus this year with Legacy Income, Trading income and Gains on Investment having the greatest impact. The strong performance of these income streams compensated for other less healthy income streams. Expenditure levels were also well managed throughout the year with total expenditure coming in lower than budget, which was partially due to vacancies. During the year a review was conducted on the residual value of all of the Group's fixed assets on a line by line basis. Upon conclusion of the review it was deemed appropriate that fixtures and fittings and computer equipment should be depreciated on a straight line basis. As a result of this change in accounting estimate, an additional one off charge of £160,418 of depreciation was charged during this financial period.

St Luke's (Cheshire) Hospice Report of The Trustees

During the year cash levels were well managed and remained healthy which allowed a further £500,000 to be invested in managed funds. Funds were expended during the year when the need arose to invest in maintaining our properties and provisions were made for further anticipated expenditure.

St Luke's Trading Limited continued to deliver strong results during this financial year. It benefited from the full year impact of the new donation led charity shop in Nantwich and from the closure of its remaining loss making coffee shop, located in Winsford. The improved results have been secured from increased sales levels and the reduction in operational costs following the Organisational Change Programme in 2016/17. St Luke's Trading Limited delivered profits of £115,679 (2018: £89,223) whilst the Hospice received further income from the sale of donated goods at the shops of £329,461 (2018: £180,638).

St Luke's Promotions Limited continues to be a significant income stream gifting the Hospice £603,665 (2018: £681,006) Notwithstanding this, the Lottery has faced challenges due to increased attrition levels, resulting in a decline of members as well the impact of an ageing supporter base as reflected in this year's results. The team have been alive to these risks for a number of years and continue develop solutions to mitigate and minimise the impact.

Legacy income continues to be an important income stream and is gratefully received. In recent years legacy levels had been relatively low, however this financial year we have seen a significant improvement with legacies of £520,182 (2017: £257,438) secured. Further work is being undertaken to review our approach to legacies and major donors.

We continue to receive and are grateful for the statutory funding from the Clinical Commissioning Groups which accounts for 13.6% of our consolidated income. This level of statutory funding is low for the sector and consequently means that 86.4% of our funds are dependent on generous donations from local communities and our own fundraising efforts through our events, campaigns, shops and lottery.

Financial Governance & Management

During 2018/19 the review of the governance arrangements and operating practices continued to support the development of the Financial Regulations Policies and Procedures and Scheme of Delegation, any updates and re-training of staff to ensure they are fully integrated and embedded into day to day operations, is ongoing.

The monthly reporting pack continually evolves, in addition to the traditional monthly accounting information explaining variances between budget and actual results and projected year end results. The board receives an extract from the Risk Register highlighting the current Opportunities and Risks, and a comprehensive 'dashboard' of key performance indicators relating to clinical and quality matters plus HR, governance, financial and health & safety matters.

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

Reserves Policy and Position

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

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

St Luke's (Cheshire) Hospice Report of The Trustees

The Board have designated reserves of £500,000 from the free reserves for the future development and modernisation of the In-Care Unit and a further £302,500 for the acquisition of properties. The free reserves less designated reserves as at 31 March 2019 stood at £2,604,758 (2018: £2,781,099) which represents approximately seven months of operating costs.

Investment Policy and Position

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

Our Listed investment assets are valued in the Balance Sheet at Market Value of £2,636,425 (2018: £2,073,613). The Charity achieved gains on investments during the year of £78,568 (2018: £31,794).

Management of Risk

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

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

Fundraising Standards Information

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

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

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

The Hospice complies with the Data Protection Act 2018 and General Data Protection Regulations requirements and will protect members' data. St Luke's Promotions Ltd and St Luke's Trading Ltd are subsidiary companies of St Luke's (Cheshire) Hospice Ltd and are all registered with the Information Commissioners Office (ICO).

St Luke's Hospice Promotions Ltd is also a member of the Hospice Lotteries Association - Both organisations are committed to using lotteries to fundraise responsibly and work together to encourage responsible gambling and access support if needed. The 'Responsibility in Gambling Trust', 'GamCare' and 'Gamble Aware' provides such support if required. We offer a Self-Exclusion option and a robust process for complaints and feedback. Regular monitoring of new members is completed by telephone following new sign ups to our lottery. The Gambling Act 2005 confirms that

St Luke's (Cheshire) Hospice
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St Luke's Hospice Promotions Limited now has a statutory duty to verify that members are 16 years of age or over, the minimum age allowed for anyone to play in the lottery. It is an offence for anyone under the age of 16 years to participate in a lottery.

Review of Achievements and Performance in 2018/19

Below are some of the highlights and achievements during the year.

- Increased the number of admissions to the unit, maintaining a shorter duration of stay than national averages, preventing unnecessary hospital admissions and taking more admissions out of hours. Increased access to our respite beds has helped us support a greater number of families.
- Dr Andrea Graham has a lead position working with the EOLP in a two year MacMillan funded project to transform care-coordination for people at the end of life in our local community
- 1,084 people were cared for by the hospice with 201 people admitted to the In Patient Unit. Our average length of stay was 12.2 days which is in line with the national average of 13.2 days for a small hospice.
- We achieved an average occupancy rate of 81% compared to the national average of 77.4% and continued to support families and carers with respite, symptom control and end of life care
- We continued to meet minimum staffing levels 99% of the time and to successfully recruit nursing staff and doctors when other local providers have vacancies that remain unfilled. We also provide placements for trainee GPs, trainee Doctors, nurses, counsellors and healthcare assistants.
- We continue to ask for feedback following each episode of care and 88.7% rated our care as excellent, 9.8% good, the remaining 1% rated the service satisfactory with no ratings below this. Feedback from patients, relatives, carers and service users emphasised the holistic care, kindness and compassion shown to them.
- The Family Support and Counselling Team supported 395 people either individually or in groups, they support patients, families (including children) and carers at difficult times. The team now includes Chaplaincy and spiritual care and offers religious and non- religious support from diagnosis to post bereavement including mindfulness, religious services and re-connecting people to their local church community.
- Day Hospice Nurse-Led programmes of care continued to evidence improvement in wellbeing and quality of life via a report using a validated self-assessment tool (My Concerns and Wellbeing MyCaW). We cared for 883 patients and carers with an average Day Hospice attendance rate of 75%; patients visit once a week for 12 weeks with the emphasis on wellbeing. We also offer courses of complementary therapy, hypnotherapy, carers relaxation and timeout, all tailored to support the carer and patient.
- We continue to embed our Electronic Patient Record (EPR) system, EMIS Web. This system has allowed us to work towards local and national targets for improving palliative and end of life care using an Electronic Palliative and Care Co-ordination System (EPaCCS). It allows the documentation and sharing of advance care planning decisions across organisations to prevent crisis and improve care. On average 78% of patients attending our services now have an advance care plan documenting their wishes.
- We appointed an Information Support Manager to ensure we make the most of EMIS and are able to collect and report data to meet SLA and governance targets. As a result we have improved the quality of the data we input to ensure the quality of data we collect. The work is ongoing and we have been able to offer individual training, design bespoke electronic templates and improve the quality of clinical data
- Our community engagement and befriending work continues and we work closely with partner organisations and communities to develop this area of work. We currently have 65 volunteer befrienders, there are 53 people being visited and 8 people waiting to be matched. We are also offering the service to every patient who is discharged home from the In Patient Unit to die

St Luke's (Cheshire) Hospice
Report of The Trustees

- Our work to support people who are homeless at the end of life continues to impact across health and social care and gain recognition. The project lead presented a poster at Hospice UK, took part in a research project with Manchester Metropolitan University and contributed to a resource file from NHS England. Most importantly marginalised individuals have accessed hospice support who would not otherwise have done so.
- Our work in collaboration with Mid Cheshire Hospital Trust (MCHFT) Macclesfield District General Hospital (MDGH), Central Cheshire Integrated Care Partnership (CCICP) and others enables us to offer improved services such as pharmacy and medication, a joint Lymphoedema service
- Care staff continue to improve palliative and end of life care by actively participating at strategic groups such as the Electronic Palliative Care Co-ordination System strategy group, EoLP Strategic Partnership Executive, Hospice Learning & Development groups, Palliative Care in Partnership steering group and Cancer Network meetings.
- We have also worked in collaboration with The Christie who use our Day Hospice space on a Friday and deliver chemotherapy for up to 15 patients a day. In addition we provide a space on Wednesday mornings between 8.30am and 12 midday where patients can call in and have bloods taken in preparation for their visit on a Friday. This has proved popular with local people who no longer need to spend a long day in Manchester, with another visit for bloods tests, instead they can come here under more relaxed surroundings and nearer to home.

Our Plans for 2019/20

The provision of safe, effective and high quality care services continues to be at the centre of all decision making which informs our Strategic and Operational Plans:

- Long term stability and sustainability of care and clinical services
- The delivery of quality care services through continuous review and improvement programmes
- Strengthened governance and management procedures
- The continued provision of a supportive development programme for staff
- To achieve a modest surplus in 2019/20
- Strong communication, engagement and partnership
- Comprehensive review of our estate to ensure that it will support our future activities
- Explore how the Hospice can expand its reach into the community

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

**St Luke's (Cheshire) Hospice
Report of The Trustees**

Statement of Trustee Responsibilities

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charity SORP
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a 'going-concern' basis unless it is inappropriate to presume that the charitable company will continue in business

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

Statement as to disclosure of information to Auditors

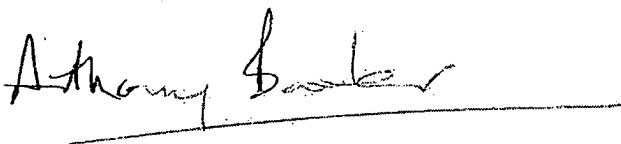
In so far as the Trustees are aware

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

The Trustees, who are also Directors of the Charity for the purposes of the Company Act 2006, present their report with the consolidated financial statements of the Charity for the period ended 31st March 2019. The Trustees adopted the provision of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued in March 2015.

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

Report of the Trustees, approved by order of the Board of Trustees, as the Company Directors, on 31st July 2019 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'Anthony Baxter', is written over a horizontal line.

Tony Baxter, Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ST LUKES'S (CHESHIRE) HOSPICE
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of St Luke's (Cheshire) Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to

continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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

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

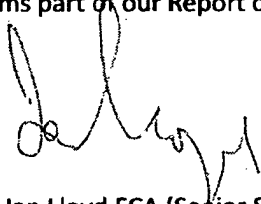
As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for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

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

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

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 Report of the Independent Auditors.



Mr Ian Lloyd FCA (Senior Statutory Auditor)
for and on behalf of Styles and Co JFC Limited
Statutory Auditors
Heather House
473 Warrington Road
Culcheth
Warrington
Cheshire
WA3 5QU

31.7.19

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Consolidated Statement of Financial Activities
(Incorporating a Consolidated Income and Expenditure Account)
For the year ended 31 March 2019

	Note	Unrestricted Funds £	2019 Restricted Funds £	Total £	2018 Total £
Income and endowments from:					
Donations and legacies	2	1,780,964	49,412	1,830,376	1,521,719
Charitable activities	3	636,147	113,500	749,647	835,286
Other trading activities	4	2,443,421	-	2,443,421	2,454,429
Investments	5	68,169	-	68,169	51,481
Total income and endowments		4,928,701	162,912	5,091,613	4,862,915
Expenditure on:					
Raising funds	6	(1,604,694)	-	(1,604,694)	(1,606,536)
Charitable activities	8	(3,042,669)	(134,584)	(3,177,253)	(3,034,995)
Total expenditure		(4,647,363)	(134,584)	(4,781,947)	(4,641,531)
Net gains on investments		78,568	-	78,568	31,794
Net income / (expenditure)		359,906	28,328	388,234	253,178
Transfers between funds		29,263	(29,263)	-	-
Total funds brought forward	19	5,588,590	36,575	5,625,165	5,371,987
Total funds carried forward	19	5,977,759	35,640	6,013,399	5,625,165

All incoming resources and resources expended derive from continuing activities.

All gains and losses recognised in the year are included above.

The Funds comprise Unrestricted and Restricted Funds.

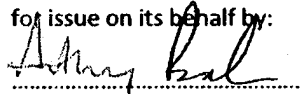
St Luke's (Cheshire) Hospice (Registered number – 01846186)

Balance Sheet

As at 31 March 2019

	Note	Company 2019	Company 2018	Group 2019	Group 2018
		£	£	£	£
Fixed assets					
Tangible assets	13	2,521,308	2,749,249	2,570,501	2,807,491
Investments	14	2,636,425	2,073,613	2,636,425	2,073,613
Investments in subsidiaries	23	4	4	-	-
		<u>5,157,737</u>	<u>4,822,866</u>	<u>5,206,926</u>	<u>4,881,104</u>
Current assets					
Stock	15	-	-	13,274	17,069
Debtors	16	692,316	613,085	549,931	392,588
Cash at bank and in hand		399,791	577,264	720,646	833,811
		<u>1,092,107</u>	<u>1,190,349</u>	<u>1,283,851</u>	<u>1,243,468</u>
Creditors: amounts falling due within one year	17	(237,511)	(330,060)	(427,378)	(499,407)
Provisions for liabilities	18	(50,000)	-	(50,000)	-
Net current assets		<u>804,596</u>	<u>860,289</u>	<u>806,473</u>	<u>744,061</u>
Total net assets		<u>5,962,333</u>	<u>5,683,155</u>	<u>6,013,399</u>	<u>5,625,165</u>
Charity Funds					
Restricted Funds	19	35,640	36,575	35,640	36,575
Unrestricted Funds					
General Funds	19	5,124,193	5,646,580	5,175,259	5,588,590
Designated Funds	19	802,500	-	802,500	-
Total Unrestricted Funds		<u>5,926,693</u>	<u>5,646,580</u>	<u>5,977,759</u>	<u>5,588,590</u>
Total Charity Funds		<u>5,962,333</u>	<u>5,683,155</u>	<u>6,013,399</u>	<u>5,625,165</u>

The financial statements were approved by the Board of Trustees on 31.7.19 and signed and authorised for issue on its behalf by:



Mr T Baxfer - Trustee

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Consolidated Cash Flow Statement
For the year ended 31 March 2019

	Note	2019	2018
		£	£
Cash flow from operating activities	22	377,257	363,567
Net cash flow from operating activities		<u>377,257</u>	<u>363,567</u>
Cash flow from investing activities			
Income from investments	5	68,169	51,481
Payments to acquire tangible fixed assets	13	(75,797)	(61,072)
Receipts from sale of tangible fixed assets		1,450	128,398
Payments to acquire investments	14	(690,664)	(932,906)
Receipts from sales of investments		206,420	534,743
Net cash flow from investing activities		<u>(490,422)</u>	<u>(279,356)</u>
Net increase/ (decrease) in cash and cash equivalents		(113,165)	84,211
Cash and cash equivalents at 31/3/2018		833,811	749,600
Cash and cash equivalents at 31/3/2019		<u>720,646</u>	<u>833,811</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		720,646	833,811
Cash and cash equivalents at 31/3/2019		<u>720,646</u>	<u>833,811</u>

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

1. Summary of significant accounting policies

(a) General information and basis of preparation

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

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

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

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

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

St Luke's (Cheshire) Hospice (Registered number – 01846186)

Notes to the Financial Statements

For the year ended 31 March 2019

(c) Income recognition

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

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

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

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

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

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

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

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

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

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

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

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

(d) Expenditure recognition

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

- Costs of raising funds includes lottery prizes, the salaries of the staff who promote fund-raising, direct expenditure including costs of events and an allocation of internal overheads.
- Expenditure on charitable activities includes expenditure associated with the objects, as described in the report of the Trustees.
- Other expenditure represents those items not falling into the categories above.

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

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

(e) Support costs allocation

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

(f) Tangible fixed assets

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

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

Freehold land and buildings and long leasehold property	2% on cost
Fixtures and fittings	15% on cost
Motor vehicles	20% on reducing balance
Computer equipment	
Items are capitalised when the cost exceeds £500	

The depreciation policy has been updated following a detailed review of the fixed assets register. The conclusion of the review was that both fixtures and fittings and computer equipment should now be depreciated on a straight line basis and not the residual basis to reflect a more accurate value of the assets.

St Luke's (Cheshire) Hospice (Registered number – 01846186)

Notes to the Financial Statements

For the year ended 31 March 2019

(g) Pension contributions

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

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

(h) Investments

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

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

(i) Shares in subsidiary undertakings

These are stated at cost. The results of the trading subsidiaries are detailed in note 7 to the accounts.

(j) Stocks

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

(k) Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

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

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

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

(m) Judgements and key sources of estimation uncertainty

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.

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

(n) Provisions

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

(o) Tax

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

(p) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to continue as a going concern.

2. Income from donations and legacies

Company and Group

	Total 2019	Total 2018
	£	£
Donations	1,310,194	1,264,281
Legacies	520,182	257,438
Total	<u>1,830,376</u>	<u>1,521,719</u>

Income from donations and legacies was £1,830,376 (2018: £1,521,719) of which £49,412 (2018: £32,302) was attributable to restricted and £1,780,964(2018: £1,489,417) was attributable to unrestricted funds.

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

3. Income from charitable activities

Company and Group	Total	Total
	2019	2018
	£	£
Medical Consultancy fees	35,011	64,602
Grants	705,225	726,526
Other	9,411	44,158
Total	749,647	835,286

Income from charitable activities was £749,647 (2018: £835,286) of which £113,500 (2018: £143,272) was attributable to restricted and £636,147 (2018: £692,014) was attributable to unrestricted funds.

4. Income from other trading activities

a) Company	Total	Total
	2019	2018
	£	£
Fundraising Events	612,355	568,891
Other	8,703	9,472
Total	621,058	578,363

Income from other trading activities was £621,058 (2018: £578,363) of which £621,058 (2018: £578,363) was attributable to unrestricted funds.

b) Group	Total	Total
	2019	2018
	£	£
Fundraising Events	612,355	568,891
Shops and Lotteries	1,822,363	1,876,066
Other	8,703	9,472
Total	2,443,421	2,454,429

Income from other trading activities was £2,443,421 (2018: £2,454,429) of which £2,443,421 (2018: £2,454,429) was attributable to unrestricted funds.

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

5. Income from investments

a) Company

		Unrestricted Funds £	Total 2019 £
Listed UK Investments			
Dividend Income		36,149	36,149
Rents received		68,651	68,651
Short Term Deposit Interest		870	870
		<u>105,670</u>	<u>105,670</u>
Gift Aid			
St Luke's Hospice Promotions Limited	7	<u>610,289</u>	<u>610,289</u>
		<u><u>715,959</u></u>	<u><u>715,959</u></u>

b) Group

		Unrestricted Funds £	Total 2019 £
Listed UK Investments			
Dividend Income		36,149	36,149
Rents received		31,150	31,150
Short Term Deposit Interest		870	870
		<u>68,169</u>	<u>68,169</u>

a) Company

	Note	Unrestricted Funds £	Total 2018 £
Listed UK Investments			
Dividend Income		25,535	25,535
Rents received		62,956	62,956
Short Term Deposit Interest		1,146	1,146
		<u>89,637</u>	<u>89,637</u>
Gift Aid			
St Luke's Hospice Promotions Limited	7	<u>681,006</u>	<u>681,006</u>
		<u><u>770,643</u></u>	<u><u>770,643</u></u>

b) Group

		Unrestricted Funds £	Total 2018 £
Listed UK Investments			
Dividend Income		25,535	25,535
Rents received		24,800	24,800
Short Term Deposit Interest		1,146	1,146
		<u>51,481</u>	<u>51,481</u>

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

6. Expenditure on raising funds

a) Company

	Total 2019 £	Total 2018 £
Fundraising Costs	539,177	534,311

b) Group

	Total 2019 £	Total 2018 £
Shops and Lotteries	1,065,517	1,072,225
Fundraising Costs	539,177	534,311
Total	1,604,694	1,606,536

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

7. Results from trading activities of subsidiaries

	St Luke's Trading Limited	St Luke's Promotions Limited	Total 2019	Total 2018
	£	£	£	£
Shops and lottery income	847,538	960,722	1,808,260	1,868,378
Interest/ Other operating income/ Gift Aid	13,901	202	14,103	7,688
Total Income	861,439	960,924	1,822,363	1,876,066
Total Costs before rental costs paid to Hospice	(708,959)	(356,559)	(1,065,518)	(1,072,225)
Net Income for the Year Before Gift Aid	152,480	604,365	756,845	803,841
 Rental costs paid to Hospice	 (36,801)	 (700)	 (37,501)	 (38,156)
Gift Aid paid to St Luke's (Cheshire) Hospice	-	(610,289)	(610,289)	(681,006)
 Net Profit/(loss) for the year after Gift Aid	 115,679	 (6,624)	 109,055	 84,679
 Funds brought forward at 31 March 2018	 (115,584)	 57,601	 (57,983)	 (142,662)
Funds carried forward at 31 March 2019	95	50,977	51,072	(57,983)
 Total Assets	 262,702	 176,655	 439,357	 369,449
 Total Liabilities	 (262,607)	 (125,678)	 (388,285)	 (427,432)

During 2018/19 St Luke's Hospice Trading Limited transacted sales of donated goods in its shops of £264,125 (2018: £144,813) under the Gift Aid Retail Scheme. This enabled the Hospice to claim £65,336 (2018: £35,825) in Gift Aid credits. Therefore, the Hospice benefitted from the sale of donated goods at the shops by £329,461 (2018: £180,638).

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

8. Expenditure on charitable activities

Company and Group

	Unrestricted	Restricted	Total
	£	£	2019 £
Staff costs	2,172,817	45,741	2,218,558
Building costs	524,097	22	524,119
Administration expenses	135,278	1,601	136,879
Patient care & medical services	84,182	87,220	171,402
Professional fees	42,667	-	42,667
Auditor's remuneration	9,400	-	9,400
EOLP	74,228	-	74,228
	3,042,669	134,584	3,177,253

	Unrestricted	Restricted	Total
	£	£	2018 £
Staff costs	2,057,452	81,911	2,139,363
Building costs	373,235	4,128	377,363
Administration expenses	161,065	2,502	163,567
Patient care & medical services	101,360	108,427	209,787
Professional fees	61,880	-	61,880
Auditor's remuneration	8,400	-	8,400
EOLP	72,432	2,203	74,635
	2,835,824	199,171	3,034,995

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For the year ended 31 March 2019

9. Support cost breakdown by activity

		2019			2018		
	Basis	Fundraising	Charitable	Total	Fundraising	Charitable	Total
	£	£	£	£	£	£	£
Staff costs	Actual	57,831	467,091	524,922	59,296	478,922	538,218
Building costs	Space	15,420	68,020	83,440	10,898	46,955	57,853
Admin expenses	Actual	30,709	43,680	74,389	37,961	46,742	84,703
Patient care costs	Actual	546	2,459	3,005	569	2,563	3,132
Professional fees & Governance costs	Actual	26,086	26,086	52,172	21,025	36,360	57,385
		<u>130,592</u>	<u>607,336</u>	<u>737,928</u>	<u>129,749</u>	<u>611,542</u>	<u>741,291</u>

Governance costs

	Total 2019 £	Total 2018 £
Auditor's remuneration	14,200	14,200
Senior management	19,048	17,107
Other governance charges	2,104	2,031
Total governance costs	<u>35,352</u>	<u>33,338</u>

Governance costs are included within professional fees and Governance Costs above.

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Notes to the Financial Statements
For the year ended 31 March 2019

10. Net income / (expenditure) for the year

Net income / (expenditure) is stated after charging / (crediting):

	Total 2019 £	Total 2018 £
Depreciation of tangible fixed assets	301,172	155,343
Auditor's remuneration	14,200	14,200
(Profit)/loss on sale of tangible fixed assets	10,165	10,391
(Gains) on investments	(78,568)	(31,794)

During the year the Hospice conducted a review of the residual value of all its fixed assets on a line by line basis. Upon conclusion of this review, the trustees deemed it appropriate that fixtures and fittings and computer equipment should be depreciated on a straight line basis, as noted in the accounting policies note. As a result of this change in accounting estimate, an additional £160,418 of depreciation was charged to the SOFA in the year ended 31st March 2019.

	2019 £	2018 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	8,400	8,400

Fees payable to the charity's auditor for other services:

Audit of the charity's subsidiaries	5,800	5,800
	14,200	14,200

11. Staff costs and employee benefits

	Company		Group	
	Total	Total	Total	Total
	2019 £	2018 £	2019 £	2018 £
Wages and salaries	2,224,171	2,124,390	2,619,187	2,607,235
Social security costs	173,160	181,235	196,730	215,521
Pension costs	147,967	129,075	166,796	142,559
	2,545,298	2,434,700	2,982,713	2,965,315

The average number of employees analysed by function was:

	Company		Group	
	Total 2019 No.	Total 2018 No.	Total 2019 No.	Total 2018 No.
Administrative	13	13	13	13
Charitable activities	92	101	92	101
Fundraising	14	14	14	14
St Luke's Hospice Trading	-	-	29	32
St Luke's Hospice Promotions	-	-	8	9
	119	128	156	169

St Luke's (Cheshire) Hospice (Registered number – 01846186)
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For the year ended 31 March 2019

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

	2019	2018
£60,001 - £70,000	-	-
£70,001- £80,000	-	1
£80,001- £90,000	-	-
£90,001-£100,000	-	1
£100,001- £110,000	1	-
	<u>1</u>	<u>2</u>

12. Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration or expenses during the year (2018: £nil). The total amount of employee benefits, including salaries, received by key management personnel was £380,994 (2018: £379,920). The Trustees consider key management personnel to be comprised of the Trustees, Chief Executive Officer, Medical Director, Director of Income Generation, Finance Director, Corporate Services Director and the Director of Care.

	Total 2019 £	Total 2018 £
Trustees' Indemnity Insurance	<u>887</u>	<u>856</u>

St Luke's (Cheshire) Hospice(Registered number – 01846186)

Notes to the Financial Statements

For the year ended 31 March 2019

13. Tangible fixed assets

a) Company

	Freehold & leasehold property £	Fixtures & fittings £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1/4/2018	3,394,418	512,513	325,700	28,540	4,261,171
Additions	-	9,070	40,915	-	49,985
Disposals	-	(262,985)	(282,841)	(7,170)	(552,996)
At 31/3/2019	3,394,418	258,598	83,774	21,370	3,758,160
Depreciation					
At 1/4/2018	954,568	300,033	238,964	18,357	1,511,922
Charge for year	67,053	125,654	75,153	1,684	269,544
Eliminated on disposal	-	(262,985)	(276,221)	(5,408)	(544,614)
At 31/3/2019	1,021,621	162,702	37,896	14,633	1,236,852
Net Book Value at 31/3/2019	2,372,797	95,896	45,878	6,737	2,521,308
Net Book Value at 31/3/2018	2,439,850	212,480	86,736	10,183	2,749,249

b) Group

	Freehold & leasehold property £	Fixtures & fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1/4/2018	3,469,511	592,218	355,007	56,667	4,473,403
Additions	11,414	15,190	40,915	8,278	75,797
Disposals	-	(267,980)	(282,841)	(17,804)	(568,625)
At 31/3/2019	3,480,925	339,428	113,081	47,141	3,980,575
Depreciation					
At 1/4/2018	1,022,985	356,220	257,450	29,257	1,665,912
Charge for year	72,909	146,972	75,153	6,138	301,172
Eliminated on disposal	-	(267,980)	(276,221)	(12,809)	(557,010)
At 31/3/2019	1,095,894	235,212	56,382	22,586	1,410,074
Net Book Value at 31/3/2019	2,385,031	104,216	56,699	24,555	2,570,501
Net Book Value at 31/3/2018	2,446,526	235,998	97,557	27,410	2,807,491

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

14. Fixed Asset Investments

	Unrestricted Funds £	Endowment Funds £	Total 2019 £	Total 2018 £
Company and Group UK quoted investments				
At 1/4/2018	2,073,613	-	2,073,613	1,643,656
Less disposals at opening market value	(185,670)	-	(185,670)	(525,327)
Add acquisitions at cost	690,664	-	690,664	932,906
Net (losses)/gain on revaluation	57,818	-	57,818	22,378
At 31/3/2019	<u>2,636,425</u>	<u>-</u>	<u>2,636,425</u>	<u>2,073,613</u>
Historic cost carried forward	<u>2,276,730</u>	<u>-</u>	<u>2,276,730</u>	<u>1,230,718</u>

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

15. Stock

	Group	
	Total 2019 £	Total 2018 £
Goods for resale	13,274	17,069
Total	<u>13,274</u>	<u>17,069</u>

Stocks included in the group balance sheet comprise goods held for resale.

16. Debtors

	Company		Group	
	2019	2018	2019	2018
	£	£	£	£
Amounts owed by group undertakings	198,072	258,059	-	-
Other Debtors	319,689	275,379	319,689	275,379
VAT	23,614	23,605	25,441	29,935
Prepayments and Accrued Income	28,693	41,298	82,723	72,360
Trade Debtors	<u>122,248</u>	<u>14,744</u>	<u>122,078</u>	<u>14,914</u>
	<u>692,316</u>	<u>613,085</u>	<u>549,931</u>	<u>392,588</u>

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

17. Creditors: amounts falling due within one year

	Company		Group	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	64,621	106,285	74,522	118,939
Other creditors	70,345	74,158	105,733	75,496
Social security and other taxes	53,145	50,901	53,145	50,901
Accruals and deferred Income	49,400	98,716	193,978	254,071
	<u>237,511</u>	<u>330,060</u>	<u>427,378</u>	<u>499,407</u>

18. Provisions for liabilities

	Middlewich Shop
At 1/4/2018	-
Added during the year	<u>50,000</u>
At 31/3/2019	<u>50,000</u>

The Middlewich Shop provision relates to imminent repair work which the Hospice is obligated to undertake.

19. Fund reconciliation

a) Company

	Balance at 01/04/2018	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/03/2019
	£	£	£	£	£	£
Unrestricted funds	5,646,580	3,754,128	(3,581,846)	(773,237)	78,568	5,124,193
Designated funds	-	-	-	802,500	-	802,500
	<u>5,646,580</u>	<u>3,754,128</u>	<u>(3,581,846)</u>	<u>29,263</u>	<u>78,568</u>	<u>5,926,693</u>
	Balance at 01/04/2018 As restated	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/03/2019
	£	£	£	£	£	£
Restricted funds	36,575	162,912	(134,584)	(29,263)	-	35,640
	<u>36,575</u>	<u>162,912</u>	<u>(134,584)</u>	<u>(29,263)</u>	<u>-</u>	<u>35,640</u>

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

19. Fund reconciliation (continued)

b) Group	Balance at 01/04/2018	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/03/2019
	£	£	£	£	£	£
Unrestricted funds	5,588,590	4,928,701	(4,647,363)	(773,237)	78,568	5,175,259
Designated funds	-	-	-	802,500	-	802,500
	<u>5,588,590</u>	<u>4,928,701</u>	<u>(4,647,363)</u>	<u>29,263</u>	<u>78,568</u>	<u>5,977,759</u>
	Balance at 01/04/2018	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/03/2019
	£	£	£	£	£	£
Restricted funds	36,575	162,912	(134,584)	(29,263)	-	35,640
	<u>36,575</u>	<u>162,912</u>	<u>(134,584)</u>	<u>(29,263)</u>	<u>-</u>	<u>35,640</u>

Designated funds:

The trustees have designated the following amounts from free reserves:

	£
Future development and modernisation of the Incare Unit	500,000
Property acquisitions	302,500
	<u>802,500</u>

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
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20. Analysis of net assets between funds

a) Company

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Tangible fixed assets	2,521,308	-	2,521,308
Investments	2,636,425	-	2,636,425
Investments in subsidiaries	4	-	4
Current assets	1,056,467	35,640	1,092,107
Current liabilities	(237,511)	-	(237,511)
Provisions for liabilities	(50,000)	-	(50,000)
Total	5,926,693	35,640	5,962,333

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Tangible fixed assets	2,749,249	-	2,749,249
Investments	2,073,613	-	2,073,613
Investments in subsidiaries	4	-	4
Current assets	1,153,774	36,575	1,190,349
Current liabilities	(330,060)	-	(330,060)
Provisions for liabilities	-	-	-
Total	5,646,580	36,575	5,683,155

b) Group

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Tangible fixed assets	2,570,501	-	2,570,501
Investments	2,636,425	-	2,636,425
Current assets	1,248,211	35,640	1,283,851
Current liabilities	(427,378)	-	(427,378)
Provisions for liabilities	(50,000)	-	(50,000)
Total	5,977,759	35,640	6,013,399

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Tangible fixed assets	2,807,491	-	2,807,491
Investments	2,073,613	-	2,073,613
Net current assets	1,206,893	36,575	1,243,468
Provisions for liabilities	-	-	-
Current liabilities	(499,407)	-	(499,407)
Total	5,588,590	36,575	5,625,165

St Luke's (Cheshire) Hospice (Registered number – 01846186)
Notes to the Financial Statements
For the year ended 31 March 2019

21. Share Capital

The company is limited by guarantee and has no share capital. The liability of members is limited to the sum of £1 per member.

22. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	Group 2019	Group 2018
	£	£
Net income/ (expenditure) for year	388,234	253,178
Dividends received	(36,149)	(25,535)
Short term deposit Interest	(870)	(1,146)
Rents received from investment properties	(31,150)	(24,800)
Depreciation and impairment of tangible fixed assets	301,172	155,343
(Gains) on investments	(78,568)	(31,794)
Loss on disposal of tangible fixed assets	10,165	10,391
Decrease in stock	3,795	381
(Increase)/Decrease in debtors	(157,343)	118,544
Increase / (decrease) in creditors	(72,029)	(90,995)
Increase in provisions	50,000	-
Net cash flow from operating activities	377,257	363,567

23. Shares in subsidiary companies

The shares in subsidiary companies are stated at cost of £4 (2017 - £4) and comprise the following companies:

	Class of Share	2019	2018
St Luke's Hospice Trading Limited			
Company number: 03024652			
Number of shares held		2	2
% Shareholding	Ordinary	100%	100%
Net assets/ (liabilities)		£95	(£115,584)
Operation of charity shops			
St Luke's Hospice Promotions Limited			
Company number: 02862345			
Number of shares held		2	2
% Shareholding	Ordinary	100%	100%
Net assets		£50,977	£57,601
Operation of a charity lottery scheme			

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24. Operating lease commitments

Total future minimum lease payments are as follows:

	Land and buildings 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Within one year	65,408	19,042	84,450	90,993
Within two to five years	69,175	55,835	125,010	148,015
Over 5 years	-	-	-	8,271
	<u>134,583</u>	<u>74,877</u>	<u>209,460</u>	<u>247,279</u>

25. Pension costs

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

The NHS scheme is a defined benefit scheme, the assets of which are held in a separate trustee-administered fund. Under the definitions set out under FRS102, the NHS scheme is a multi-employer pension scheme. The Hospice is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Employer contributions charged against income for the period were £96,112 (2018: £94,247).

The Hospice and its subsidiaries also made contributions to a defined contribution scheme during the period totalling £71,312 (2018: £47,511).

St Luke's (Cheshire) Hospice (Registered number – 01846186)
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For the year ended 31 March 2019

26. Financial Instruments

	Company 2019 £	Company 2018 £	Group 2019 £	Group 2018 £
Financial assets at fair value through statement of financial activities				
Investments	2,636,425	2,073,613	2,636,425	2,073,613
Investments in subsidiaries	4	4	-	-
	<u>2,636,429</u>	<u>2,073,617</u>	<u>2,636,425</u>	<u>2,073,613</u>
Financial assets that are debt instruments measured at amortised cost				
Amounts owed by group undertakings	198,072	258,059	-	-
Other debtors	319,689	275,379	319,689	279,379
VAT	23,614	23,605	25,441	29,935
Trade debtors	122,248	14,744	122,078	14,914
Cash at bank and in hand	399,791	577,264	720,646	833,811
	<u>1,063,414</u>	<u>1,149,051</u>	<u>1,187,854</u>	<u>1,158,039</u>
Financial liabilities that are debt instruments measured at amortised cost				
Trade creditors	64,621	106,285	74,522	118,939
Other creditors	70,345	74,158	105,733	75,496
Social security and other taxes	53,145	50,901	53,145	50,901
	<u>188,111</u>	<u>231,344</u>	<u>233,400</u>	<u>245,336</u>

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Notes to the Financial Statements
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27. Related party transactions

St Luke's Hospice Promotions Limited

Related by virtue of being a wholly-owned subsidiary of St Luke's (Cheshire) Hospice.

During the year St Luke's Hospice Promotions Limited gift-aided £610,289 (2018: £681,006) to the Hospice.

During the year the Hospice recharged expenses totalling £132,997 (2018: £139,176) to St Luke's Hospice Promotions Limited.

As at 31 March 2019 an amount of £3,087 (2018: £3,793) was due to the Hospice from St Luke's Hospice Promotions Limited.

St Luke's Hospice Trading Limited

Related by virtue of being a wholly-owned subsidiary of St Luke's (Cheshire) Hospice.

During the year the Hospice recharged expenses totalling £360,170 (2018: £519,376) to St Luke's Hospice Trading Limited.

As at 31 March 2019 an amount of £194,985 (2018: £254,267) was due to the Hospice from St Luke's Hospice Trading Limited.

28. Taxation

No liability to UK corporation tax arose on net expenditure for the year ended 31 March 2019 nor for the year ended 31 March 2018 for the company. A tax liability of £14,758(2018: £23) arose on the subsidiary companies included within the consolidated accounts.

29. Analysis of reserves

	Group	
	2019	2018
	£	£
Total Reserves	6,013,399	5,625,165
Less:		
Unrestricted Tangible Fixed Assets	(2,570,501)	(2,807,491)
Designated funds	(802,500)	
Restricted funds	(35,640)	(36,575)
Free reserves	2,604,758	2,781,099