

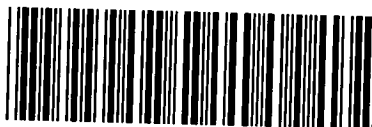
2021 Annual Report

*St Luke's**
HOSPICE



Making Every Moment Matter

THURSDAY



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29/09/2022

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COMPANIES HOUSE

St Luke's Hospice (Harrow & Brent) Ltd.

Charity No. 298555

Registered Company No: 02141770

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More people needed our care than ever



Message from the Chairman, Gillian Schiller and Chief Executive, Annie Webber

2021 was a very busy year for St Luke's. The pandemic brought more people needing end of life care and families needing bereavement support, and we were an important source of help to the local NHS. We expanded our community services to people at home across Harrow and Brent both with and after Covid infection. The Hospice maintained a tight control over Covid infections with no closures of beds.

Staff were able to cover all the services that were needed. We had planned to grow our education services for healthcare staff in the community, in GP practices, and especially in care homes. We did provide education, and had particular success in care homes. In addition we made some online short videos for families and carers looking after their loved ones at home, enabling them to take on some tasks that our own nurses normally perform. People found them easy to follow and used them confidently. To date, the combined videos have had over 10,500 views.

We continued to improve our systems both to help us keep more people at home and to enable people who had a hospital stay to have care and support in their home within only a few hours of hospital discharge. We took on the role of coordinating services for people

who are having care provided by the NHS, the Hospice and social services. This has eased the path for many families, who have told us what a difference this better organisation of care has meant for them. This has also enabled us to keep the bed spaces at Kenton Grange open for people with more complex needs.

We were able to keep some reduced visiting open at Kenton Grange throughout the pandemic, to the benefit of the people we care for. Families have told us how much they valued not being parted from their loved one at this crucial time.

At the start of the year Covid restrictions were firmly in place and curtailed our ability to hold fundraising events. Despite this the fundraising team performed above and beyond expectations. Some events were held online, and the local community were generous in their donations. We were very successful in bidding for funds from grant awarding bodies and from Government Covid support schemes. Our financial position remained solid over the year and has allowed us to plan for further service improvements in 2022.



Handcrafted hearts of hope provided comfort to patients and their families.

Our shops re-opened in spring 2021. Alone among local charity shops they all opened on the very first day they were allowed, and our takings have exceeded our hopes. This continued to be the case throughout 2021 and with Government support and other insurance claims made in respect of interruption to trade, they ended the year in a very healthy financial position. Sadly not all our volunteers returned though and in 2022 we need to invest time and energy into attracting new people to join us. Volunteering in shops is a satisfying means of helping St Luke's and is an enjoyable way to become part of the St Luke's family.

We launched the St Luke's Harrow & Brent Business Network to thank local businesses who had supported us through the pandemic and to help stimulate the local economy under a common goal of supporting St Luke's. We held two fantastic events at Kenton Grange and at Brent Civic Centre bringing together businesses from both boroughs and from a variety of sectors.

One of the highlights of the year was the official opening of the Memory Garden in the first week of July 2021, where we had two engagement events for supporters, and a tour around the garden.

St Luke's was able to re-open some much loved and missed wellbeing services that had ceased for the pandemic. Complementary therapies restarted with better physiotherapy, welfare support and activities.

St Luke's has always tried to learn what we could do better. We took the first steps towards understanding the data on the range of diverse communities we serve across Harrow and Brent to tailor what we do more closely to what and how they want services to be offered.



Gillian Schiller, Chairman

We continued to use an online service, Care Opinion, where people can leave messages telling us where we have helped them and where we could do things differently. To date almost all messages bring us words of gratitude and praise, which are very rewarding to our staff:

"St Luke's came to the rescue when our dear mother's health declined to the extent where we could not leave her overnight in her flat so brought her home to be with us. Within a few hours of telephoning, St Luke's provided a hospital bed and daily carers who looked after mother with great compassion and excellence."

Our 24 hour phone helpline, Pall24, grew and developed and was very well used. It too received high praise from local families:

"It left me feeling cushioned and safe in the knowledge that you are there to help with the care of my husband in the future when I need it."



Annie Webber, Interim CEO

At an inspection by the Care Quality Commission (CQC) in October, St Luke's was praised for many aspects of its provision, rating the two areas of 'Caring' and 'Responsiveness to people's needs' as 'Good' and citing praise from the NHS, the London Ambulance Service, patients and their families. Some specific failings elsewhere meant a downgrading. Those areas were speedily remedied and the Hospice's status was returned to 'Good' within months.

The numbers in this report attest to the passion that every member of staff at St Luke's has for what they do. They make very positive reading, and the comments from individuals add the human, warm sense of the nurture and care that is our hallmark. We have had the strongest support from local people. Their generosity, love and support continues to humble us and we are truly grateful.

The size of our care

Overall we have increased the numbers of people we have supported in the last year. However, due to the pandemic it was necessary to find innovative ways of supporting people just as effectively, but using fewer face to face appointments and visits.

Many patients told us that they did not want face to face visits due to the potential risk of developing Covid and whilst we still undertook

essential face to face visits, we learnt to work in different ways. Telephone assessments increased significantly across community, social work and bereavement services.

We invested time into educating our staff to conduct thorough telephone assessments and to prioritise caseloads accordingly which meant that every call was meaningful. Many patients informed us that they found a telephone approach very supportive.

	2021	2020
Total patients supported	1,996	1,824
Days of Inpatient care	2,831	3,031
Individual people who attended day care as outpatients	241	57
Complementary Therapy and Physiotherapy sessions	1,394	1,602
Patients supported by Hospice at Home	576	508
Telephone calls, assessments and rapid response visits made by our Pall 24 teams	216 visits (seeing 140 patients - 50% of whom required two nurses) 6,928 telephone calls	299 visits 6,585 telephone calls
Patients supported by Community Specialist Palliative Care Team	567	548
Care provided by the Community Specialist Palliative Care Team	1,080 visits 10,037 telephone calls	777 visits 10,383 telephone calls
Social Work sessions	2,852	1,766
Bereavement sessions	177	108

Ethnicity monitoring

Embracing the diversity of the area we serve, we ensure promotion of equal access to hospice services to all ethnicities and continue to look at ways of making our service more representative of the local population.

Ethnicity	St Luke's %	Brent %	Harrow %
White British	24%	18%	30.90%
Indian	16%	18.60%	26.40%
Asian other	5%	9.80%	11.90%
White other	5%	14.40%	8.20%
Black Caribbean	4%	7.60%	2.80%
White Irish	4%	4%	3.10%
Other	3%	5.70%	3%
Black African	1%	7.80%	3.60%
Mixed	1%	5.10%	3.90%
Pakistani	1%	4.60%	3.30%
Black Other	1%	3.40%	1.80%
Chinese	1%	1%	1.10%

We have not included people who preferred not to provide ethnicity information.

Notes: Comparative data from 2011 census



Our care in numbers

In 2021,
our teams:

Cared for

1,996

people (1824 in 2020), an increase of 9.4%



360

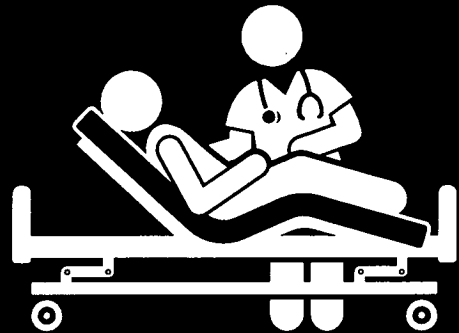
patients and carers received support from our social work and family support team, 26% more than prior to the pandemic



69%

of all patients received interventions within 48 hours of being referred, doubling the pre-pandemic rate (34% in 2019)

We increased the number of people able to access our Pall 24 telephone advice (available to callers 24/7) helping **546** people at home on 31st December



19%

more patients were looked after in the Inpatient Unit than in 2019. It remained open 24/7 365 days in 2021

Brent Community Team cared for more people via the Hospice at Home service:

567

(548 in 2020), an increase of 19%



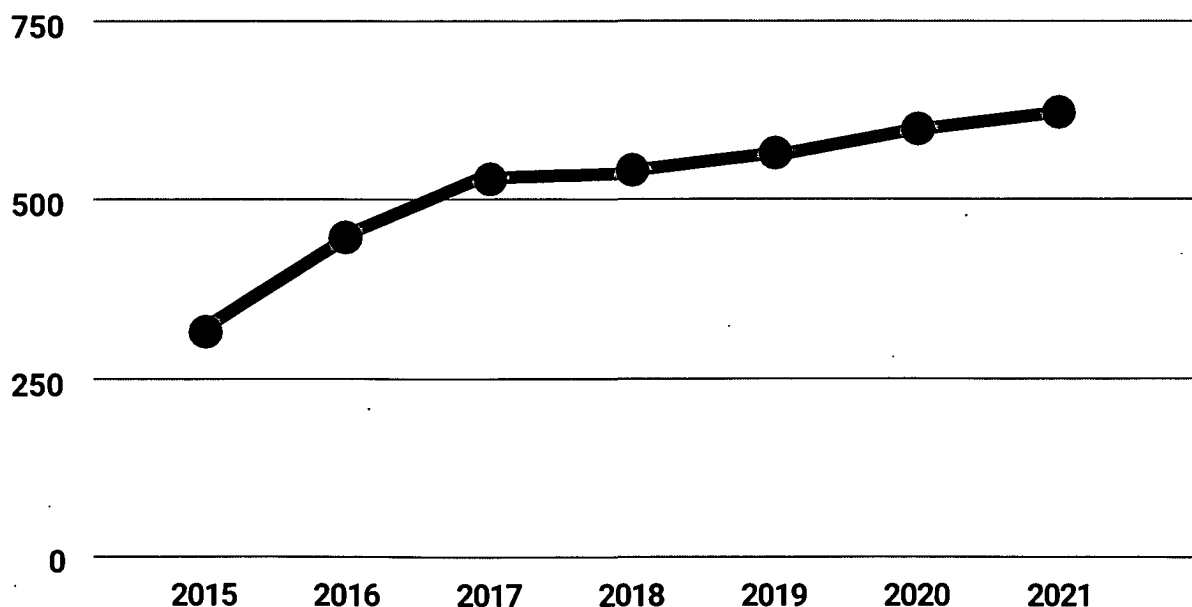
10 people received an emergency nursing visit from St Luke's, 50% of whom required 2 nurses to provide the care

Our impact

In 2021 we significantly improved our responsiveness in the following ways:

- A specialist nurse is first point of contact for all patients referred to community palliative care and professionals calls. This means that we can help most swiftly and as often as possible with just one phone call. We now respond to patients in crisis and sort out the referral paperwork subsequently
- By opening a 7 day initial community assessments service our patients received 64 first assessments, 38 visits, and 256 phone calls at weekends. This has enabled us to smooth out the workload for our staff by undertaking this work over 7 days rather than 5 and so responding in a more timely way
- We can now respond quicker and give better advice because we have purchased software licenses and set up the systems to view the GP electronic patient records
- We want people to receive a more coordinated service so our Hospice at Home team now have monthly meetings with both GP's and district nurses. These meetings and other networks have enabled improvements to happen in partner services by sharing examples of patient experience
- The Pall24 service made 6,928 telephone calls to patients, professionals or others to ensure a response – 7.5% more than pre-pandemic
- 20 dying patients with complex requirements received faster individualised personal care because of funding made available as a result of our advocacy to NHS commissioners
- 59 Patients received assistance with benefits and financial concerns and 32 patients received housing advice and advocacy

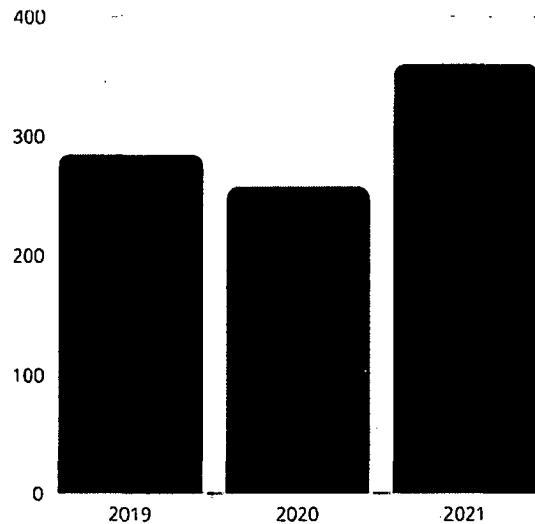
People given 24hr telephone advice each year



- Patients and families in our Inpatient Unit can now see a social work assistant 6 days per week. With the introduction of weekend working, 70% of patients are now allocated to be seen within 1 day of referral. They receive a listening ear, advice and guidance. Additionally inpatients and their families receive assistance with planning for ongoing needs after discharge.
- We had to rebuild our bereavement service through the pandemic. In 2021 we increased the number of bereavement volunteers from 8 to 14 (75%), and adapted to a phone and virtual service enabling 177 bereaved relatives to receive personal support (64% more than in 2020)
- More than double the number of people received immediate and extensive personal care (from 50 in Q1 – 119 in Q4) enabling them to remain in their preferred place of care at the end of life

My experience of the Hospice has been outstanding. My father in law came in four weeks ago as he could not cope at home. From the time he came in he has been treated with compassion, kindness and medical expertise. From the consultant to the cleaners, everyone has been extremely professional and have been there for my father in law, keeping him clean, giving medication and encouraging him to eat. They have also supported us as a family through this traumatic process.

No of Patients & Carers supported by Patient & Family Support Team



Rebuilding the Patient & Family Support Team following the effects of furlough in 2020

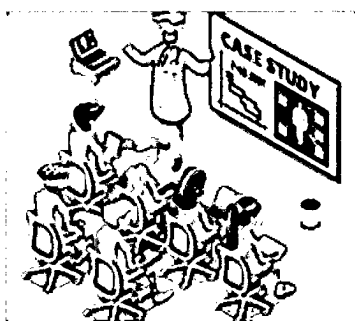
- We attended 45 weekly meetings with other healthcare professionals (district nursing and nurse specialists) to help coordinate people's care

We took on board user feedback to make the following improvement:

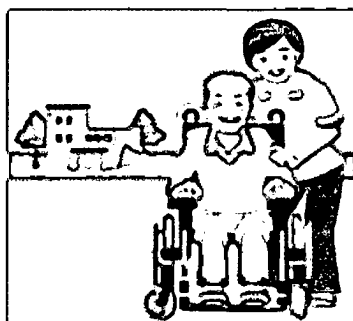
- Patients wanted to repeat information less often so we introduced a new joint assessment with the nurse and the social worker
- Other suggestions will form part of our improvement plan for 2022

Improving Advance Care Planning conversations

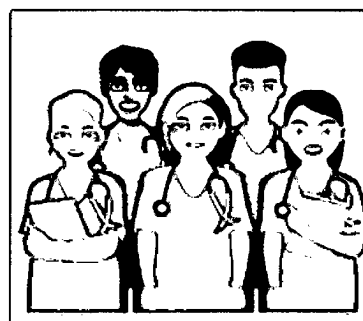
End of Life Planning with Harrow Care Home residents and families



- o 57 care home managers, nurses and care workers trained in compassionate and effective Advance Care Planning conversation skills



- o 6 Harrow Care Homes and the Care Home Support team
- o Potential impact on 437 residents
- o Each Home had 3 virtual sessions at no charge!



- o Everyone who attended recommended the course and gave it a 5 star rating

What we achieved! Feedback

The Shadow Tool really helps me to identify residents approaching end of life care

I am much more confident using the 4W's +1 guide to start a difficult conversation

Make the conversations easier for residents to talk about any issue they might have re end of life care

I don't approach residents with a piece of paper any more, I wait for a good time to sit and just talk to them, slowly we get there and their worries start to come out, what they would like, or not like, everyone is an individual and they all have different needs

I felt more confident to have conversations with families

4 'W's + 1

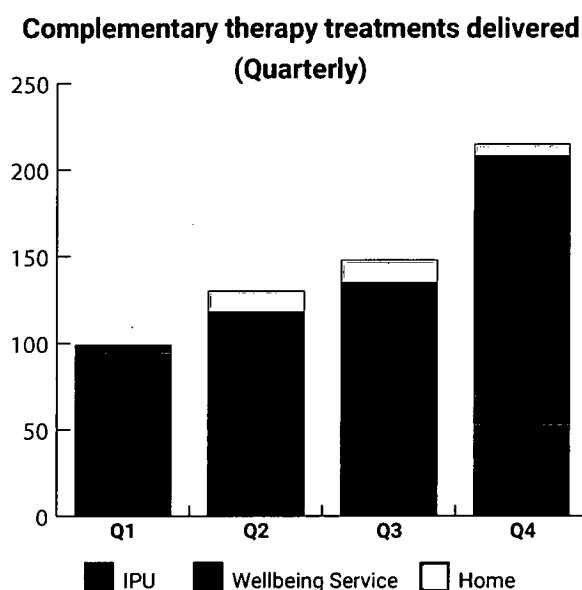
(to start Advance Care Planning conversations)

- **I WISH** I didn't have to...
- **I WORRY**
- **I WONDER** whether...?
- **WHAT** would matter to you...?

1: positive actions (eg comfort) before omissions / withholding (eg CPR)...

Wellbeing - Complementary therapy and physiotherapy services

As lockdown restrictions eased we gradually increased the numbers of patients treated as outpatients



Physios treated 46 patients in the last 3 months of 2021, double the number seen during the previous quarter.

Other Therapies

Patients were able to continue to experience **art therapy** virtually, because staff and volunteers delivered art materials to their houses. One recipient told us:

Words cannot express how grateful we are for the care and comfort you provided Mum and us in her final weeks. We were all so well looked after by you and the team. We want you to know how much Mum valued the kindness, care and respect with which you treated her. Thank you always.

"The online programmes really supported me. I attended Zoom meetings for art therapy. Although I miss the socialising and sharing experiences with people in a similar situation, the online sessions have taken the isolation aspect away, and it is a positive experience, improves the quality of my life, and I feel valued as a human being."

Our first ever patient-led peer activity "Gardening for Hope" was delivered virtually.

Six patients were supported by a volunteer or staff member to capture their own "Moments in Life" - capturing their life story, letters to loved ones or to complete a memory box as a beautiful record of their life.

Social Prescribing Link Worker

Provided advice and support to 347 local people who reported dramatic improvements in feelings of satisfaction / happiness / worthwhile. 44% were assisted with their mental health or social isolation particularly prevalent during the pandemic.

Stella and the Wellbeing team - thanks for supporting all the family with keeping in touch in such difficult and sad times. All the care and compassion showed by all the team made us know that mum had the best care and all our family were supported. A smile, lovely surroundings, compassionate care, tea and a chat makes all the difference. Thank you everyone in the Hospice.

Quality Improvements

- Patients on the ward now receive pain relief 46% faster following the introduction of single nurse administration of controlled drugs. Patient safety has been assured with 25% fewer controlled drug administration incidents.
- Patients on the ward received better assessment, documentation and management of pain following the introduction of new tools.
- Patients at home received better pain control advice following targeted training to 6 palliative helpline nurses' on drug dose calculation skills.
- The most common type of prescription incidents were reduced to zero within two months of presenting our data better and focusing our efforts on the right place.
- Established and held 7 case study forums to promote reflective practice within the Hospice. Feedback from the forums:

"Collaborative working has an effective beneficial outcome for patients and families to enable death at home"
- We will better be able to improve our care and learn from when we don't get it right, following a complete rewrite of the Patient Safety Incident Policy which simplifies incident reporting, and strengthens learning from incidents and reporting.
- Every hospice service is now using patient and carer feedback to make suggestions for improvement.



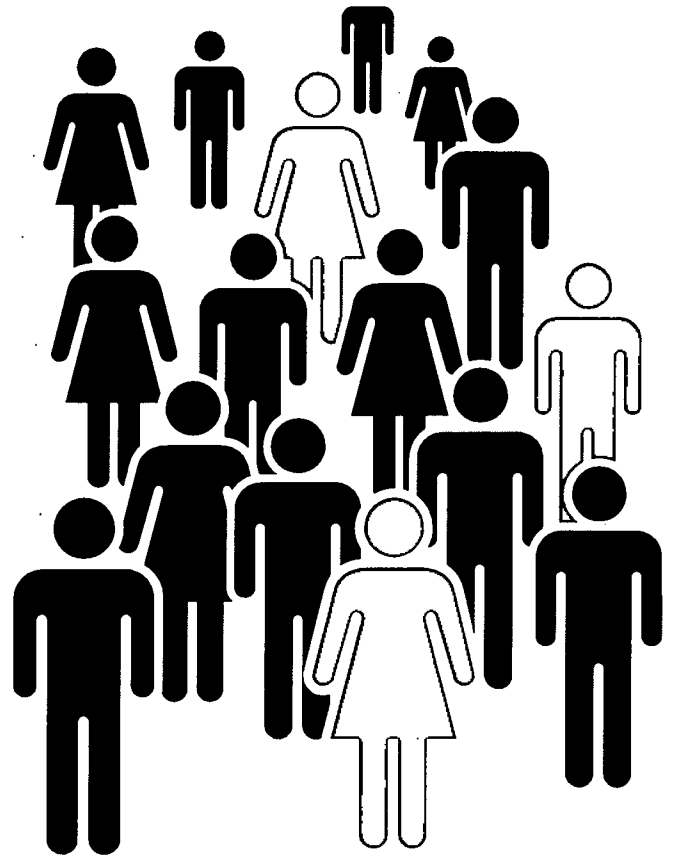
The impact of our volunteers

Currently we have a total of 446 volunteers and their contribution is significant, creating time and cost savings across every department of the Hospice:

The shops volunteers along with the fundraising and stamps teams all help to raise vital funds for the hospice with the stamps team raising a total of £8344.98 for the hospice last year alone.

We have Complementary Therapists, Bereavement Support, IPU volunteers, Drivers and Moments in Life volunteers all helping to make the patients as comfortable as possible with the latter helping to record the life memories of patients to be passed onto their families and friends to be kept as a precious memento.

Our wonderful reception volunteers, the first point of contact for patients and their families, offer a friendly smiling face helping to make a stressful and difficult time easier.

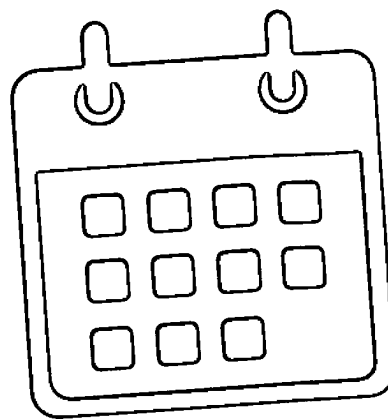


Last but not least our multiple award winning gardeners. Our gardens are stunning and that is down to the skill of our amazing the team, helping to make wonderful and lasting memories for the families and friends of those in the final stages of their lives.

Our volunteers take on many different roles and without their hard work and dedication we would not be able to provide the care and support so vital to our patients and their families and friends.



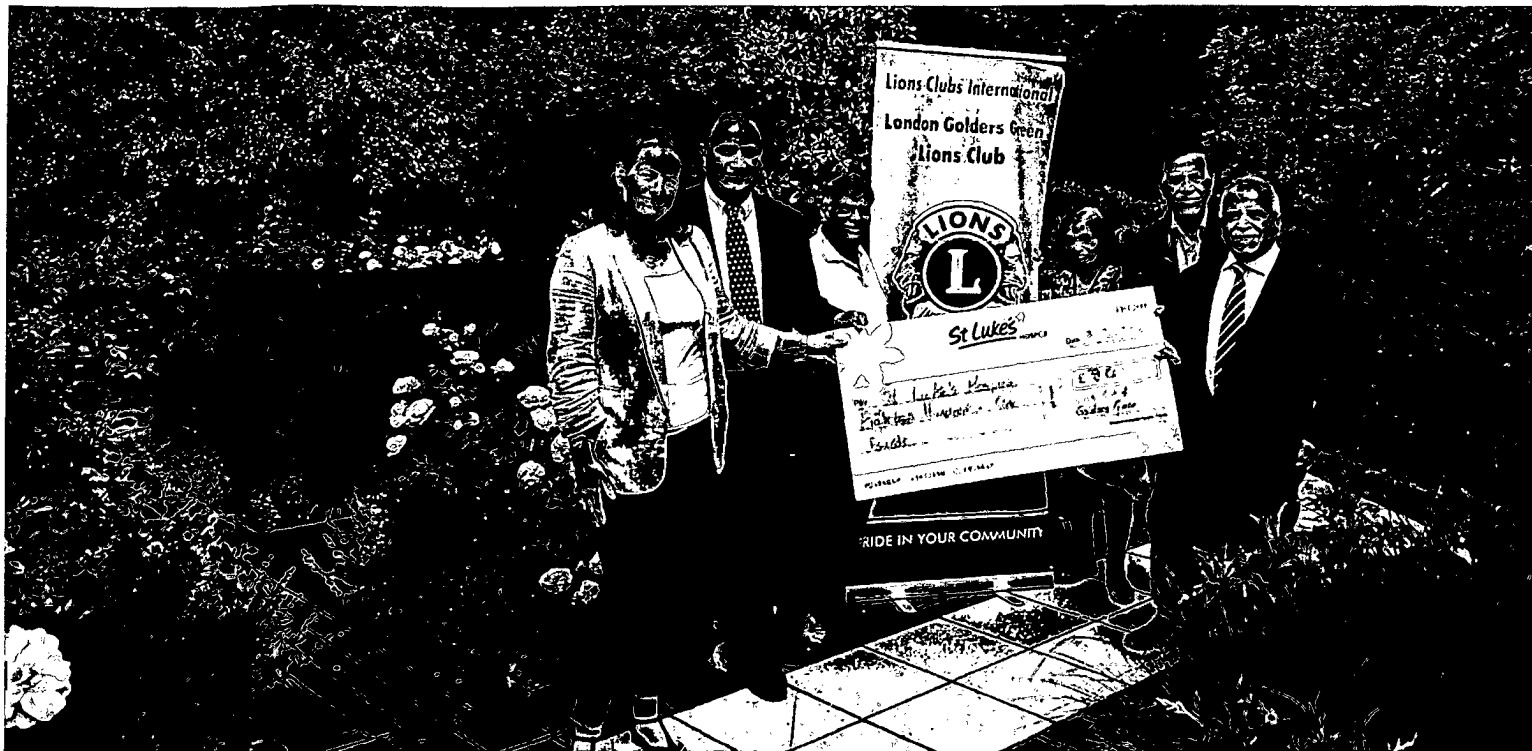
Looking ahead – our plans in 2022



We are working hard this year to:

- Reach more people – we are improving our data capture systems to ensure that we have the services to meet the needs of our local community and to find out where there is unmet need
- Continuously improve quality. We are scrutinising every aspect of our provision to ensure not just compliance but excellence. Actively encouraging feedback from our staff, volunteers and service users, there is renewed focus on training and continuous improvement with change backed and driven by evidence
- Work more in collaboration with community partners where appropriate
- Continue to increase our digital strategy to enable our staff to have more access to NHS IT systems
- Expand and broaden our 7 day a week range of services
- Encourage a culture that makes people joyful at work
- Appoint an independent expert team to undertake a needs analysis for end of life care alongside offering recommendations on gaps where further work is needed and actions to ensure St Luke's is doing all it can to provide appropriate care to all communities living in Harrow & Brent
- Launch our new innovative partnership with Compassion in Dying to provide a personalised care planning service for frail elderly patients in Harrow and Brent, provided by volunteers and supported by a small professional resource
- Review and increase the number of referrals to and the breadth of services offered by our Wellbeing Service
- Attract and recruit more volunteers to revive the numbers to pre-pandemic levels





Our Supporters

Each and every one of our supporters is a vital part of the St Luke's community and we simply would not be here without you. We truly appreciate and value every individual who gives us a donation, those who have left us a gift in their will, people who shop in and donate to the St Luke's shops, individuals and groups who take part in our events, players of the St Luke's lottery, fundraisers doing wonderful things for us, the many community groups, faith groups and schools who fundraise for us, our corporate supporters and funding partners.

The NHS funds 40% of the cost of St Luke's services, which means the care of 6 out of 10 of our patients is funded by our community making donations, taking part in events, supporting our shops and making gifts in wills. Because of your continued support, we can make every moment matter for people as they approach the end of their life in Harrow and Brent.

2021 was another bumpy year for our fundraising, with no events happening in the first five months of the year. The St Luke's Annual Walk took place in June, with our intrepid hikers braving the wilds of Somerset

and Devon on their multi-day walk and raising a truly remarkable amount. In July we were delighted to be able to welcome more than 700 people to our Midnight Walk. Some of our courageous supporters walked on hot coals at the Fire Walk in September, and December saw hundreds of people dressed as Santa dashing through the streets of Pinner and at local schools and colleges!

Many of our corporate supporters joined us for the St Luke's Golf Day in September, which was generously headline sponsored by the Toureen Group and took place at Aldenham Golf & Country Club, and many more fantastic local companies supported us throughout the year.

During "Make a Will Month" in October, we worked with local solicitors and online will writers to offer our supporters the opportunity to write their will for free.

We received more than 1,500 Hearts of Hope offering beautiful messages for our patients from school children across the area. We launched our new look 'We Care' magazine to keep our supporters updated on St Luke's Hospice news. We hope you love it as much as we do – please do let us know any feedback.



In addition to offering our thanks to those who prefer to remain anonymous, we are very grateful to the following charitable Trusts and Foundations, local companies, individuals, groups and associations who all supported our work during 2021:

Albert Hunt Trust
 Aldenham Golf & Country Club
 Asian Foundation for Help
 Betty Messenger Foundation
 Brent Council Voluntary Sector Infrastructure Fund
 City Bridge Trust
 CVC Capital Partners
 David and Ruth Lewis Charitable Trust
 The Dewan Foundation
 D'Oyly Carte Charitable Trust
 Ecclesiastical Insurance
 Everglade Windows
 February Foundation
 Freemasons' Grand Charity
 Go Plant Fleet Services
 Grand Lodge of Mark Master Masons of London

Grand Lodge of Mark Master Masons of Middlesex
 Grant Harrod Lerman Davis LLP
 Harold Benjamin
 Harrow Giving
 ITS Group - UK
 Kerry Association London
 Maa Krupa Foundation
 Mark Phillips
 Mason Le Page Trust
 Masonic Charitable Foundation
 Middlesex Province Relief Fund
 Montway
 Pauline and Harold Berman Trust
 Sai Sruti Charitable Trust
 SKSST - Shree Kutch Satsang Swaminarayan
 Temple - Kenton
 The Sir Jules Thorn Charitable Trust
 Snap Fitness
 St Dominic's Sixth Form College
 St George's Shopping Centre
 The Kingsbury Charity
 The National Lottery Community Fund
 The Wolfson Foundation
 Toureen Group
 Woodgrange Estates

Thank you to every person and organisation who supports St Luke's brilliant team of staff and volunteers to give each patient the very best, compassionate care; making every moment matter. A special mention to those who give in memory of a loved one they have lost, we are so grateful to you. We are fortunate to have so many in our community standing with us to offer the people of Harrow and Brent the very best end of life care.

Complaints

Our fundraising team dealt with six complaints during the year. Two were related to a telephone campaign that was outsourced to an external agency, making requests for regular gifts and lottery plays.

This vital fundraising activity was largely received well, with one supporter seeking assurance that the activity was not fraudulent, and both complainants giving feedback about the telephone manner of the person who called them, which resulted in the campaign team being given additional coaching.

One donation was refunded as a result of the Hospice being unable to fulfil the wishes of the donor in regards to recognition for the gift.

A complaint was received regarding a delay in sending acknowledgement for funds raised at an event by one of our committed community groups and we have reviewed our thank you protocols following events as a result.



Following some feedback on the tone of correspondence related to processing a legacy donation, we contacted the executor of the will immediately to explain the reasons for the legal language used and reassure them of our gratitude for their support, and we reviewed our legacy correspondence templates.

The final complaint was from a supporter who was disappointed that they had not been informed about the new security measures in place which meant they could not easily access the Hospice grounds to remember their loved one in the St Luke's Memory Garden. This led to a letter being sent to relevant supporters to ensure they were aware of how to access the grounds and that they were very welcome to visit the Memory Garden or Tree of Life at any time.

Shops

We received twenty-three complaints about our shops during 2021. The complaints were about customer service, pricing, fly tipping, refund policy, mask wearing and opening hours. There were fourteen complaints about customer service in the shops and these were addressed with further training. Three complaints regarding pricing being too high were addressed by explaining the pricing policy to customers. There were two complaints regarding fly tipping outside the shops and this was reported to the council and two complaints about refund policy in which the policy was explained and refunds given as a gesture of goodwill. All complaints were followed up quickly and efficiently.

Operational Report

The charity is run in accordance with Charity Commission regulations and makes every effort to follow guidelines on best practice – aiming for excellence in everything that we do.

The hospice strives to deliver high quality, evidence based care to service users following national standards of care e.g. National Institute for Health and Care Excellence guidance. We report evidence to demonstrate compliance with standards of care to clinical commissioners. We are regulated by the Care Quality Commission (CQC) and were inspected by them in October 2021. The inspection report recognised that hospice services are caring and responsive to people's needs but found that we needed to improve safety, effectiveness, leadership and governance. We were very sorry and deeply disappointed to receive an overall rating of 'Inadequate'. We have since put in place agreed action plans with CQC to address the issues identified and have developed and implemented a substantive turnaround plan to improve. We were re-inspected in the first quarter of 2022 enabling us to demonstrate our improvements and were pleased to subsequently be upgraded again to 'Good'.

All facilities are managed in line with Health and Safety Executive regulation and guidance. We invest in training and developing our staff, being recognised with the Investors in People Bronze Award, and operating within ACAS guidelines. We are registered with the Fundraising Regulator, follow the Code of Fundraising Practice and adhere to the Trading Standards and Gambling Commission regulations for our income generating activities.

Data Protection and the care of vulnerable people is taken very seriously and we have an Information Governance Working Group which meets regularly and also invites expert advice to ensure we care for personal data in line with Data Protection regulations, establishing the highest standards of working practice amongst our staff. Staff receive mandatory training on data protection, safeguarding and a range of other important topics. St Luke's has successfully completed the NHS Data Security and protection Toolkit which measures our performance against national data security standards.



Strategic Report

Overview

The Hospice recorded a surplus of £1,999k
(2020 – Surplus of £1,993k)

During the year, the charity received the following grants and contributions which enabled the service to be sustained during lockdown periods and provide support to the NHS:

Covid Support from Hospice UK,
on behalf of NHS England
£619k

Government CJRS grants
£535k

Net Profit from Shops
(including Retail Grants)
£935k
(2020 - £384k)

Fundraising, Shops & Lottery

Despite disruptions during the first quarter of the year due to COVID social distancing rules, the income from fundraising during 2021 was higher than income recorded in 2020. Excluding legacies, the Income from Fundraising for 2021 was £1,762k (2020 - £1,648k). In particular, income from Trust funds and Fundraising events were higher, at £470k (2020 - £396K) and £228k (2020- £102K) respectively. Income from legacies for 2021 was £1,197k, 28% higher year-on-year (2020: £937k).

Despite the lockdown during the first quarter of 2021 due to COVID, over-the-counter (OTC) sales at shops during 2021 was £1,863k, 54% higher than the previous year (2020- £1,210k). The settlement of the business interruption insurance claim of £639k also aided the shops company's financial results for the year.

Profits from Lottery Sales for the year were £202k (2020: £169k). There was a renewed growth in membership as a result of successful marketing and the lottery is now well established.

Risk Management

Indicator	Measure	Tolerance limits	Actions to mitigate
Serious untoward clinical or other incident resulting in death or serious harm to patient, supporter, staff or volunteer	Number of incidents	Zero	Comprehensive competency training for staff. Detailed clinical policies and procedures to support clinical practice. Elaborate incident reporting and follow up at "clinical quality matters" forum.
Patient/Family complaint implying serious failings in quality of care	Number of complaints	Zero	Complaints policy and procedures in place. Investigation and remedial action taken where necessary. Learning from complaints discussed at "clinical quality matters" forum.
Accidents and near misses i.e. incidents that have potential to cause serious harm.	Number of incidents	2 similar incidents per quarter	All incidents investigated and remedial action taken as required. Duty of candour implemented as per policy. Learning from complaints discussed at "clinical quality matters" forum. Recurring themes considered for quality improvement projects.
Serious data breach involving personal data	Number of incidents	Zero	Information Governance policies, procedures and monitoring. Information Governance training and investment in enabling technology.
Conflict of interest resulting in trustees, staff or volunteers or related parties benefiting commercially due to their relationship with the hospice.	Number of incidents	Zero	Policies and Procedures. Disclosures and declarations.
Level of reserves	Number of months of expenditure	< 6 months of expenditure in free reserves expected to occur.	Robust Financial sustainability plan. Close monitoring of financial performance.
Significant drop in trading or fundraising income	Gross income	>5% budgeted income	Detailed budgeting and forecasting. Regular and prompt monitoring of performance leading to remedial action.
Drop in statutory income	Contract value	Zero	Building partnership approach with Clinical Commissioning Group (CCG). Evidencing outcome and impact of work. Offering new services based on CCG's priorities.
Financial fraud	Amount lost	Zero	Robust Internal financial controls. Compliance with financial policies and procedures.

As demonstrated within this table, the charity trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems and procedures are established in order to manage those risks.

Indicator	Measure	Tolerance limits	Actions to mitigate
Lack of monitoring by Board and SET of progress against strategic plan	Lack of agreed KPIs against strategic aims	Zero	Regular meetings among Trustees and SET. Detailed discussions around KPIs with a view to taking corrective action if required.
Low staff morale	Staff Survey, complaints from staff	More than 30% of staff say they feel morale is low in a survey. More than 5 complaints/ grievances in a quarter.	Issues of general concern discussed at Employee consultative forum and Volunteers Hub. Established annual individual development review (IDR) process aimed at addressing individual morale issues among other matters.
Lack of robust policy framework to review and implement policies.	Increase in H&S Incidents Policies not compliant	>1 H&S incident where we have not complied with legal requirements. More than 20% of our policies out of date.	Regular review of policies by Governance Committees.
Lack of compliance with regulatory bodies CQC, Gambling Commission, Charity Commission, Fundraising regulator	Complaint from member of public or whistleblowing by staff	Zero	Robust Internal controls. Compliance with policies and procedures. Training and mock inspections.
Loss of resources due to staff sickness.	Increased workload on staff having to cover other posts/ complaints from staff.	10% of workforce out of action.	Sickness figures monitored and reported. Individuals required to have "return to work" interviews and asked to attend occupational health if needed. Cross training of team members to enable cover during staff sickness.
Significant drop in trading or fundraising income	Gross income	>5% budgeted income	Detailed budgeting and forecasting. Regular and prompt monitoring of performance leading to remedial action.
Drop in statutory income	Contract value	Zero	Building partnership approach with Clinical Commissioning Group (CCG). Evidencing outcome and impact of work. Offering new services based on CCG's priorities.

Pension Liability

Before 1 May 2015, the Hospice offered a multi-employer pension scheme providing a defined benefit (career average) pension for members. This scheme was closed to further accrual in July 2016. The scheme was a "last man standing" arrangement which means that the company could be potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme.

The scheme is run by TPT and is in deficit. The last full scheme valuation in September

2019 resulted in the Hospice agreeing to pay approximately £68k each year in deficit contributions. This contribution will increase by 3% each year until 2027. The Scheme actuaries estimated in September 2019 that these deficit recovery payments from employers would be sufficient to return the scheme to a fully funded position. The Board recognises this as a key risk and is monitoring the risk along with the Senior Team. The Board regularly reviews the options available to manage the Risk including a potential buy-out. A Designated Reserve of £300k has been retained towards this potential future buy-out.

Reserves Policy

As at 31 December 2021 the company had the following Designated and General Reserves

Fund	£ 000s	Timeline for use
Designated Fixed Asset Fund	5,071	The designated fixed asset fund represents the net book value of the Hospice's fixed assets. It has been set up to assist in identifying funds which are not free funds
Designated Shops Assets Fund	105	The designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital

Reserves excluding fixed asset funds

General Fund	5,086	General purposes
Risk Management Reserve	1,641	General purposes – against perceived risks to income
Pension Deficit Reserve	300	Held towards a potential future buy-out of the Defined Benefit Pension scheme
Total	7,027	

Fundraising accounts for 16% of the Hospice's gross total income. Income from the Charity Shops Company accounts for 38% of the Hospice's gross income and around 25% of the gross income is earned from contracts with Harrow & Brent Clinical Commissioning Groups. As a result, the Hospice needs to ensure that it has a sufficient reserve of funds available to meet unexpected shortfalls in its funding streams, or sudden increases in costs.

The Board aims to maintain six months of total expenditure as Reserves. That amounts to £4,015k (Total expenditure for 2021 was £8,029k). Reserves (excluding Fixed Asset funds) as at 31st December 2021 were £7,027k. This is approximately 10.5 months' of total expenditure. Within the overall quantum of Reserves to be maintained, recognising the mix of income streams that the Hospice relies on to fund its work and the different risks associated with each income stream, the Board assessed each individual income stream and the potential risks associated with it. Each income stream was given a risk weighting and a potential reserve amount allocated. As a result, the Trustees agreed a target level of £1,650k of Designated Risk Management Reserves. This Risk Management Reserve was at £1,641k as at 31 December 2021. The Reserve was set up so that the Hospice is able to manage any unexpected shortfall in income to protect the needs of the patients served and also to give a reassurance of security for the staff. The surplus generated during the year was added to General Funds. The trustees have Designated Reserves equivalent to the fixed assets of the Hospice and also of the subsidiary Charity Shops Company, which are not covered by that company's working capital. This is to better identify funds that are available to cover specific risks.

The Finance & Performance Committee reviews the level of Reserves and considers any amendments to the policy which may

be necessary and reports its conclusions to the Board. In November 2021 a review of Reserves was carried out and the current policy was approved.

Investment policy

The Board, in 2016, appointed Rathbones PLC as investment managers to manage the investment portfolio. Approximately £1,600k was originally allocated to them to be held by them in underlying investments appropriate to the purpose and anticipated timescale of the designated reserve to which it relates. The value of those investments as at 31 December 2021 was £1,706k. An additional investment was made in December 2021 which increased the investment portfolio to £4,206k as at the end of the year.

Before placing investments on behalf of the charity, the Trustees have asked the fund managers to screen for tobacco and health care companies.

The Senior Executive Team monitors the performance of the investment funds and reports quarterly to the Finance & Performance Committee.

Funding

The Hospice's principal funding sources (as % of gross total income) during 2021 were:

38% Income from Trading Subsidiary (2020: 30%) including Gift Aided sales, Gift Aid recovered through charity and lottery including retail support from HMRC and councils

25% Harrow & Brent Clinical Commissioning Groups (NHS) (2020: 26%)

16% Fundraising through donations and fundraising events (2020: 15%) excluding gift aided sales, gift aid recovered through charity and lottery

12% Legacy Gifts (2020: 10%)

6% COVID Support from NHS England (2020: 14%)

3% Investment and other income (2020: 5%)

All of these funds are employed in providing the specialist palliative care which is the primary purpose of the hospice.

Tangible Fixed Assets

Movements in tangible Fixed Assets are shown in note 10 to the financial statements.

Future Plans

At the date of this report, 2022 is already proving financially challenging for many businesses and charities and especially individuals. The charity's plans for Care are outlined on page 16, and the Trust's Reserves as at 31.12.21 are considered adequate to support those plans. Increases in inflation will also affect costs during 2022, especially with regard to utilities charges. The charity is reviewing all costs and income streams on a regular basis to take into account these external factors.

Going Concern

The trustees have prepared the financial statements on a going concern basis and consider that no disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

Structure, Governance and Management

The Hospice was incorporated as St Luke's Hospice (Harrow & Wembley) Limited under the Memorandum & Articles of Association dated 22 June 1987 as amended on 8 January 1988, 11 November 1993, 15 August 2000, 26 June 2001 and 18 December 2008. In 1993, following local government reform, the Hospice changed its registered name to St Luke's Hospice (Harrow & Brent) Limited to reflect the change of name of part of its catchment area from the London Borough of Wembley to the London Borough of Brent.

The Company has a wholly owned trading subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Ltd, through which it operates a network of charity shops and a lottery. The trading subsidiary exists to maximise income for the hospice and all profits are paid to the Hospice using Gift Aid.

St Luke's is governed by a Council of Management (Board of Trustees). Trustees are appointed for an initial 3-year period and are eligible for re-election for a further 3 years. Thereafter a year must elapse before they are eligible to stand again. Those holding the posts of Chairman, Vice Chairman serve for an initial period of 3 years and are eligible for re-election for a further 3 years – this may be in addition to a term(s) served as a trustee.

Trustees are appointed by the Board following open recruitment with internal and external press advertising. The Board reviews the skills it needs in deciding selection criteria to maintain breadth of skills. During the year 1 new trustee was recruited following an extensive process which included external advertising and open evenings for prospective candidates to find out more about the work of the hospice and the role of the Board.

All Trustees are required to complete a *thorough induction programme* during their first 6 months in post including spending time with different departments in the organisation. In addition they attend meetings of the subcommittees to which they are appointed. During their tenure as a Trustee they are also offered training courses relating to their specific interest group or specialism including updates on operational and administrative matters within the organisation. The induction process is supported and overseen by the Chair and the CEO.

The full Board usually meets quarterly. The Board held an annual strategy away day in September 2021 jointly with the Senior Executive Team as part of the process. The Board delegates consideration of key areas of its work to 2 standing committees: Finance & Performance and Clinical Governance. Each committee usually meets quarterly in advance of the Board meetings. The Board has delegated certain powers to the Chief Executive Officer (CEO) who acts as a conduit between the senior staff and Trustees.

The Board has adopted a governance calendar to ensure that it systematically reviews key management information and data and satisfies itself that the Hospice is properly and correctly run enabling the Board to discharge its governance responsibilities in full.

The Hospice is a member of Hospice UK and works with it and a number of neighbouring hospices where collaboration is the best approach. The Hospice also strives to build good working relationships with the Harrow & Brent Clinical Commissioning Groups, from which it receives part of its funding. St Luke's also maintains links with a variety of professional associations which support the work of the staff.

Senior Executive Remuneration

The charity's approach to pay policy is consistent for our staff and the Executive team. Our policy is designed to enable us to attract, retain and motivate high performing Executive team members.

It also aims to demonstrate to our stakeholders (particularly funders and service users) that our pay levels are set to support delivery of the charity's aims and are an effective use of charitable funds.

The objectives of our pay policy are to:

- reward senior staff appropriately and enable the recruitment of a high calibre Executive Team ensuring our leadership has the skills and experience required to run St Luke's Hospice, an organisation which cared for 1,996 patients in 2021 with an annual turnover of over £9 million, 150 paid staff and 440+ volunteers
- ensure the proper use of the charity's resources in accordance with its aims and within affordable limits based on the financial circumstances of the charity

- be non-discriminatory, just and equitable in the evaluation of jobs and their remuneration by providing a stable framework for the remuneration of the Executive team

- operate within the law

- pay at a competitive level taking account of external market rates, with the aim being to set pay at the median level or above for comparable posts in the voluntary sector subject to the charity's financial position

The charity publishes the salary of its key management personnel (Senior Staff listed on page 2) within this report. The number of staff paid over £60k is also published in accordance with the charity accounting requirements.

Executive pay is reviewed on an annual basis by the Pay and Reward Committee and is subject to approval by the Board of Trustees, which is responsible for ensuring proper application of our pay policy.

**St Luke's Hospice (Harrow & Brent) Ltd.
Report And Consolidated Financial Statements
For The Year Ended 31 December 2021**

Company Registration Number: 02141770

Charity Registration Number: 298555

St Luke's Hospice (Harrow & Brent) Ltd.

Reference and Administrative Information

Registered Name

St Luke's Hospice (Harrow & Brent) Limited

Registered charity Number

298555

Registered Company Number

02141770

Registered office and principal address

Kenton Grange, Kenton Road, Harrow,
Middlesex, HA3 OYG

The list of Trustees:

C Amobi (Appointed 11 November 2021)

C Bennett

L Bennister

N Brier

C Brodie (Resigned 16 August 2021)

R Elkeles (Resigned 28 January 2021)

C Glenn

P Hill

M Lewis (Resigned 22 January 2021)

S Livingston

R Majus

C Melia-Tompkins

N Radia

G Schiller

S Shah (Resigned 9 August 2022)

R Thakrar

G Wynne (Resigned 12 August 2022)

Senior Staff:

Chief Executive Officer

A Malde (Resigned 30 April 2022)

Interim Chief Executive Officer

A Webber (Appointed 28 February 2022)

Medical Director

Dr C Daniels

Director of Patient Services & Registered Manager

U Reeve

Director of Fundraising

H Richardson (Resigned 28 February 2022)

Interim Director of Fundraising

J Pearce (Appointed 1 February 2022)

Director of Finance and Facilities. Head of Retail

P Sundaresan (Resigned 7 June 2022)

Interim Director of Finance & Facilities

S Wilson (Appointed 1 August 2022)

Head of HR & Volunteering

N Villazan (Resigned 30 April 2022)

Interim Head of HR & Volunteering

A Frederick (Appointed 6 June 2022)

Executive Chair St Luke's Hospice Shops Ltd

P Brook (Appointed 20 April 2022)

Principal Bankers -

Barclays Bank PLC, Leicester, LE87 2BB

Auditors -

Haysmacintyre LLP - 10 Queen Street Place,
London EC4R 1AG

Solicitors -

Curry Popeck - 380 Kenton Road, Harrow,
Middlesex HA3 8OP

Investment Managers -

Rathbone Investment Management, 8
Finsbury Circus, London EC2M 7AZ

Statement of Trustees' Responsibilities

The Trustees 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).

Charity 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 charity and group and of the incoming resources and application of resources, including the income and expenditure, of the charity and group for that period. In preparing these financial statements, the trustees are required to:

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

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

- there is no relevant audit information of which the charity and group's auditors are unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Trustees are responsible for maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in their jurisdictions.

In approving this Trustees' Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

By order of the Board



Dr Gillian Schiller, Chairman

signed on 18/8/ 2022

Opinion

We have audited the financial statements of St Luke's Hospice (Harrow & Brent) Limited for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Statement of Consolidated Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's and parent charitable company's net movement in funds, including the 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 charity/group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Message from the Chairman and Chief Executive. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require 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 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 31, 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

St Luke's Hospice (Harrow & Brent) Ltd.

Independent Auditor's Report For The Year Ended 2021

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with regulatory requirements of the Care Quality Commission, Charity Commission, employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such the Companies Act 2006, the Charities Act 2011, payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting trustees' meeting minutes
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Lee Stokes (Senior statutory auditor)
for and on behalf of Haysmacintyre
LLP, Statutory Auditor

10 Queen Street Place,
London,
EC4R 1AG.

signed on 28/9/ 2022

St Luke's Hospice (Harrow & Brent) Ltd.
Consolidated Statement Of Financial Activities
For The Year Ended 31 December 2021

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Total 2020 £'000
Income from:						
<i>Donations and legacies</i>						
• Donations	2	1,377	385	-	1,762	1,648
• Covid grants	2	36	619	-	655	1,492
• Legacies	3	1,197	-	-	1,197	937
		<u>2,610</u>	<u>1,004</u>	<u>-</u>	<u>3,614</u>	<u>4,077</u>
<i>Charitable Activities</i>						
• NHS commissioning		2,485	-	-	2,485	2,533
• Other income		193	-	-	193	163
	5	<u>2,678</u>	<u>-</u>	<u>-</u>	<u>2,678</u>	<u>2,696</u>
<i>Other trading activities</i>						
• Fundraising events	2	228	-	-	228	100
• Gross income from shops and lottery	4	3,321	-	-	3,321	2,631
		<u>3,549</u>	<u>-</u>	<u>-</u>	<u>3,549</u>	<u>2,731</u>
<i>Investments</i>						
		30	-	-	30	86
Total income		<u>8,867</u>	<u>1,004</u>	<u>-</u>	<u>9,871</u>	<u>9,590</u>
Expenditure on:						
<i>Raising funds</i>						
• Fundraising costs		552	-	-	552	529
• Fundraising events costs		239	-	-	239	214
• Shops and lottery expenditure		2,493	-	-	2,493	2,363
• Investment management costs		12	-	-	12	13
		<u>3,296</u>	<u>-</u>	<u>-</u>	<u>3,296</u>	<u>3,119</u>

St Luke's Hospice (Harrow & Brent) Ltd.
Consolidated Statement Of Financial Activities (Continued)
For The Year Ended 31 December 2021

	Notes	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Total 2020 £'000
Charitable activities						
• In patient services		915	664	-	1,579	1,707
• Outpatient services		318	139	-	457	493
• Community services		1,459	70	-	1,529	824
• General clinical support		1,108	60	-	1,168	1,538
		<u>3,800</u>	<u>933</u>	<u>-</u>	<u>4,733</u>	<u>4,562</u>
Total expenditure	7	<u>7,096</u>	<u>933</u>	<u>-</u>	<u>8,029</u>	<u>7,681</u>
Net income before gains on investments		1771	71	-	1,842	1,909
Net gains /(losses) on investments	11	121	-	26	147	(69)
Pension revaluation gain		10	-	-	10	153
Net income	6	<u>1,902</u>	<u>71</u>	<u>26</u>	<u>1,999</u>	<u>1,993</u>
Net income	6	1,902	71	26	1,999	1,993
Transfer between funds		-	-	-	-	-
Net movement in funds		<u>1,902</u>	<u>71</u>	<u>26</u>	<u>1,999</u>	<u>1,993</u>
Reconciliation of funds						
Total funds brought forward		10,301	5	219	10,525	8,534
Total funds carried forward		<u>12,203</u>	<u>76</u>	<u>245</u>	<u>12,524</u>	<u>10,527</u>

All amounts relate to continuing activities. There are no recognised gains or losses for the current or preceding financial year other than as shown above, therefore no Statement of Total Recognised Gains & Losses has been presented. Income and expenditure by fund for the year ended 31 December 2020 is given in note 19 to the accounts.

The notes on pages 39 - 59 form part of these accounts.

St Luke's Hospice (Harrow & Brent) Ltd.
Charity and Group Balance Sheets
At 31 December 2021

		Group		Charity	
	Notes	2021 £'000	2020 £'000	2021 £'000	2020 £'000
FIXED ASSETS					
Tangible assets	10	5,176	5,155	5,081	4,977
Investments	11	4,206	1,571	4,206	1,571
		<u>9,382</u>	<u>6,726</u>	<u>9,287</u>	<u>6,548</u>
CURRENT ASSETS					
Debtors	12	1,737	1,921	1,261	3,233
Cash at bank and in hand		2,274	3,023	1,599	1,674
		<u>4,011</u>	<u>4,944</u>	<u>2,860</u>	<u>4,907</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	(537)	(734)	(410)	(521)
NET CURRENT ASSETS		<u>3,474</u>	<u>4,210</u>	<u>2,450</u>	<u>4,386</u>
Long term liabilities (Pension deficit)	20	(332)	(409)	(332)	(409)
NET ASSETS	14	<u>12,524</u>	<u>10,527</u>	<u>11,405</u>	<u>10,525</u>
Represented by					
Unrestricted funds					
Designated funds		7,117	6,996	7,117	6,996
General fund		5,086	3,307	3,967	3,305
		<u>12,203</u>	<u>10,303</u>	<u>11,084</u>	<u>10,301</u>
Endowment funds		245	219	245	219
Restricted funds		76	5	76	5
	15	<u>12,524</u>	<u>10,527</u>	<u>11,405</u>	<u>10,525</u>

The net result of the charity's own activities for 2021 was a surplus of £879,137 (2020: surplus £1,440,147).

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

Gillian Schiller

G Schiller
Chair of Trustees

signed on 18/8/ 2022

The notes on pages 39 - 59 form part of these accounts

St Luke's Hospice (Harrow & Brent) Ltd.
Statement of Consolidated Cash Flows
For The Year Ended 31 December 2021

	2021		2020	
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
Net cash flow provided by/(used in) operating activities (note A)		1,912		1,093
Cash flows from investing activities:				
Dividends, interest and rents from investments	30		86	
Purchase of property, plant and equipment	(134)		-	
Disposal of investments	119		585	
Acquisition of investments	(140)		(556)	
Change in investment cash	(2,467)		(17)	
Pension creditor revaluation	(69)		(68)	
Net cash used in investing activities		(2,661)		30
Change in cash and cash equivalents in the reporting period		(749)		1,123
Cash and cash equivalents at the beginning of the reporting period		3,023		1,900
Cash and cash equivalents at the end of the reporting period		2,274		3,023
A) Reconciliation of net (expenditure)/income to net cash flow from operating activities		2021		2020
		£'000		£'000
Net expenditure for the reporting period (as per the statement of financial activities)		1,999		1,993
Adjustments for:				
Depreciation charges		113		119
Losses/(gains) on investments		(147)		69
Gain on pension revaluation		(10)		(153)
Dividends, interest and rents from investments		(30)		(86)
Decrease/(increase in debtors		184		(1,071)
Increase/(decrease) in creditors		(197)		222
Loss on disposal of fixed assets		-		-
Net cash flow provided in/(used in) operating activities		1,912		1,093
Analysis of cash and cash equivalents				
Cash at bank and in hand		2,274		3,023
Total cash and cash equivalents		2,274		3,023
ANALYSIS OF NET DEBT				
	Balance at 1.1.21	Cash flows	Other non-cash changes	Balance at 31.12.21
	£'000	£'000	£'000	£'000
Cash and bank	3,023	(749)	-	2,274

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(i) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity 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 note(s).

(ii) Critical accounting judgements and key sources of estimation uncertainty

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

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

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and accruing for legacies which have not yet been received.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

(iii) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(iv) Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives trustees confidence the charity remains a going concern for the foreseeable future.

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

(v) Consolidation

These accounts consolidate the results of the charity and its wholly owned subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Limited, on a line-by-line basis. separate Income and Expenditure Account and Statement of Financial Activities is not presented for the charity alone as permitted by the Companies Act 2006 and Charities SORP.

(vi) Income

Income from donations, legacies and grants are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Donations include related gift aid income.

The Shops Company acts as agent to sell items donated with a gift aid declaration and to pass the resulting cash donations to the Hospice rather than record them as turnover within the Shops Company. The Hospice also receives the gift aid claimed on these donations.

Legacies are included when the Hospice becomes entitled to the funds and the sum receivable can be reliably quantified. Where they rely on the sale of property or investments, and thus do not have a certain valuation, an estimate of their value is disclosed in the notes to the financial statements.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income from NHS contracts from the Harrow & Brent Clinical Commissioning Groups. They have been dealt with on a receivable basis as a contribution to running costs.

There have been no significant gifts in kind or donated goods and services during the year.

The value of services provided by volunteers is not incorporated in these financial statements. Further detail of the substantial contribution by volunteers can be found in the Report of the Trustees.

(vii) Expenditure

Expenditure is recognised when a liability is incurred. It includes VAT where this is not recoverable.

Expenditure on raising funds is the costs incurred in attracting donation income, organising and managing fundraising events, and the costs incurred in trading activities which raise funds.

Charitable activities include the hospice care services offered to inpatients, day care patients, those receiving hospice services in their own homes, and their carers and families. There are also a range of clinical and other services which apply to all these forms of hospice care. These costs include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., property costs by floor areas and other costs on the bases shown in Note 7.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with compliance with constitutional and statutory requirements. These have been allocated to activity costs on the same basis as support costs.

(viii) Tangible fixed assets

All assets acquired costing more than £2,500 are capitalised.

Leasehold properties	assets acquired prior to 2016 - over the term of the lease assets acquired after 2016 – shorter of 5 years or the remaining term of the lease
Fixtures and equipment	20%
Motor vehicles	20%
IT equipment and systems	20%

The freehold property is not depreciated as the amount of depreciation is considered to be immaterial.

Tangible fixed assets are held at cost and (except for the freehold property) depreciated on a straight line basis over their estimated useful lives as follows.

(ix) Investments

Investments are initially recognised at their transaction cost and subsequently valued at fair value at the Balance Sheet date, unless fair 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 shown in the heading 'Net gains/(losses) on investments' in the Statement of Financial Activities.

(x) Funds

General funds are unrestricted funds which 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purposes.

Endowment funds are restricted funds which are to be retained for the benefit of the charity as a capital fund.

The Hospice has a number of restricted income and capital funds. Details of the funds are given in the notes to the financial statements.

(xi) Pensions

The Group currently offers a qualifying defined contribution pension scheme to all staff. In addition the Group is a Direction Employer under the NHS Scheme.

National Health Service Superannuation scheme

This is a statutory superannuation scheme as defined in Section 6.12 (1) Income and Corporation taxes Act 1988, which has no invested funds. Contribution by employers (currently 14.3%) and members are accounted for to the Treasury and benefits are paid from the consolidated fund. This scheme is only open to staff who have been members of the NHS scheme in previous employment under the dispensation rules. The accounting charge represents the employer's contributions for the period.

Defined Contribution Scheme (Pensions Trust)

With effect from 1 May 2015 the group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the group. There is no liability under the scheme other than the payment of those contributions.

(xii) Taxation

No tax is payable due to the charitable status of the parent company. Taxable profits generated by the trading subsidiary are transferred to the parent company under gift aid.

(xiii) Leases

Operating lease rentals are charged to the Statement of Financial Activities over the period of the lease.

(xiv) Legal status

The charitable company is limited by Guarantee and does not have any share capital.

(xv) Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

(xvi) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(xvii) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

(xiii) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

2. DONATIONS – 2021	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Individual donations	267	-	284	323
In memoriam donations	242	-	241	202
Community groups	118	-	118	147
Trust fund donations	85	385	470	396
Corporate donations	75	-	75	125
Major Donors	116	-	116	105
Gift aid	86	-	81	65
Donations & gift aid from sale of goods in our shops	375	-	375	285
	<u>1,364</u>	<u>385</u>	<u>1,762</u>	<u>1,648</u>

Fundraising events in 2021 were adversely impacted by Covid-19 but despite that, they were successful in raising £228,448(2020: £99,783).

DONATIONS -2020	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Individual donations	323	-	323
In memoriam donations	202	-	202
Community groups	147	-	147
Trust fund donations	182	214	396
Corporate donations	125	-	125
Major Donors	105	-	105
Gift aid	65	-	65
Donations & gift aid from sale of goods in our shops	285	-	285
	<u>1,434</u>	<u>214</u>	<u>1648</u>

COVID GRANTS	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Hospice UK grants		619	619
HMRC Job Retention Scheme	36	-	36
	<u>36</u>	<u>619</u>	<u>655</u>

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

3. LEGACIES

In addition to the sum of £1,197,000 from legacies within income (2020: £937,000), the Hospice has also received notifications for legacies where the value is currently uncertain until property or equity sales are completed, or probate granted.

Due to the difficulty with the valuation in light of the uncertainties no estimation has been made for these legacies. In accordance with the Hospice's accounting policy for legacies, these are not included in these accounts on the grounds of uncertainty of measurement.

4. INCOME AND EXPENDITURE FROM SHOPS AND LOTTERY

The charity owns the entire share capital of St Luke's Hospice (Harrow & Brent) Charity Shops Limited, a company registered in England and Wales, which operates charity shops in support of the hospice funding. The subsidiary transfers to the Hospice under gift aid an amount not less than its taxable profits.

A summary of the trading results of the subsidiary is shown below. Audited accounts have been prepared in respect of the trading period for the year ended 31 December 2021.

	Total 2021 £'000	Total 2020 £'000
Turnover	2,498	1,650
Income from lottery	288	319
Government grants	535	662
	<u>3,321</u>	<u>2,631</u>
Cost of sale of purchased goods	3	3
Administration expenses	2,095	1,924
Lottery expenditure and prizes	104	151
	<u>2,202</u>	<u>2,078</u>
Gross direct expenditure of shops and lottery		
Net direct income from shops and lottery	1,119	553
Lease costs relating to shops recorded in Charity	(69)	(55)
Donations of goods under gift aid	300	227
Gift aid reclaimed	75	56
	18	
Lottery Prizes donated by Players	<u>1,443</u>	<u>781</u>
Contribution generated by Charity Shops Ltd	<u>1,443</u>	<u>781</u>

In addition to the gross direct expenditure shown above, additional indirect support costs of £222k (2020: £229k) relating to Hospice support services, are allocated to shops and lottery (see note 7).

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

5. CHARITABLE ACTIVITIES -2021	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
NHS commissioning income				
Service level agreement	2,485	-	2,485	2,533
	<u>2,485</u>	<u>-</u>	<u>2,485</u>	<u>2,533</u>
Other funding	192	-	192	163
	<u>2,678</u>	<u>-</u>	<u>2,678</u>	<u>2,696</u>

NHS commissioning income in 2021 includes funding for the Fast Track Brokerage project.
The project has been extended until March 2022.

CHARITABLE ACTIVITIES -2020	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
NHS commissioning income			
Service level agreement	2,287	246	2,533
	<u>2,287</u>	<u>246</u>	<u>2,533</u>
Other funding	163	-	163
	<u>2,450</u>	<u>246</u>	<u>2,696</u>

6. NET INCOME/(EXPENDITURE)	Total 2021 £'000	Total 2020 £'000
Net income is stated after charging:		
Depreciation	112	119
Auditor's remuneration	13	13
Other fees payable to auditors	3	3
Operating lease rental	517	489
	<u>745</u>	<u>724</u>

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

7. EXPENDITURE – 2021

	Basis of Allocation	Fundraising costs £'000	Fundraising event costs £'000	Shops & Lottery expenses £'000	Investment Management costs £'000	Inpatient services £'000	Out Patient services £'000	Community services £'000	General clinical support £'000	2021 Total £'000
Staff costs	Direct	334	97	1,248	-	1,046	303	945	384	4,357
Drugs and medical	Direct	-	-	-	-	48	-	-	-	48
Catering and housekeeping	Direct	-	-	-	-	-	-	-	97	97
Fundraising and community	Direct	106	63	-	-	-	-	-	-	169
Other direct costs	Direct	-	-	954	12	150	49	463	453	2,081
		<u>440</u>	<u>160</u>	<u>2,202</u>	<u>12</u>	<u>1,244</u>	<u>352</u>	<u>1,408</u>	<u>934</u>	<u>6,752</u>
Support costs										
Management	Staff time	23	23	61	-	11	11	11	11	151
Finance	Staff time	24	24	80	-	30	16	26	43	243
HR	Headcount	14	7	81	-	56	8	19	39	224
Premises	Floor area	12	6	-	-	74	46	11	28	177
Gen overheads	Headcount	39	19	-	-	164	24	54	113	413
				69						69
Shops Lease Rentals*		<u>112</u>	<u>79</u>	<u>291</u>	<u>-</u>	<u>335</u>	<u>105</u>	<u>121</u>	<u>234</u>	<u>1,277</u>
Total expenditure 2021		<u>552</u>	<u>239</u>	<u>2,493</u>	<u>12</u>	<u>1,579</u>	<u>457</u>	<u>1,529</u>	<u>1,168</u>	<u>8,029</u>
Total expenditure 2020		<u>529</u>	<u>214</u>	<u>2,363</u>	<u>13</u>	<u>1,707</u>	<u>493</u>	<u>824</u>	<u>1,538</u>	<u>7,681</u>

The lease rentals borne by the hospice relating to two shops are allocated wholly to Shops and Lottery Expenses.

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

7. EXPENDITURE – 2020

				Shops &	Investment				General	
	Basis of Allocation	Fundraising costs	Fundraising event costs	Lottery expenses	Management costs	Inpatient services	Outpatient services	Community services	clinical support	2020 Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	Direct	313	105	1,020	-	1,022	376	514	774	4,124
Drugs and medical	Direct	-	-	-	-	55	-	-	-	55
Catering and housekeeping	Direct	-	-	-	-	-	-	-	138	138
Fundraising and community	Direct	111	36	-	-	-	-	-	-	147
Other direct costs	Direct	-	-	1,058	13	324	21	199	413	2,028
		<u>424</u>	<u>141</u>	<u>2,078</u>	<u>13</u>	<u>1,401</u>	<u>397</u>	<u>713</u>	<u>1,325</u>	<u>6,492</u>
Support costs										
Management	Staff time	24	24	65	-	12	12	12	12	161
Finance	Staff time	20	20	65	-	25	13	21	35	199
HR	Headcount	17	8	99	-	69	10	23	48	274
Premises	Floor area	12	5	56	-	67	42	11	25	218
Gen overheads	Headcount	32	16	-	-	133	19	44	93	337
		<u>105</u>	<u>73</u>	<u>285</u>	<u>-</u>	<u>306</u>	<u>96</u>	<u>111</u>	<u>213</u>	<u>1,189</u>
Total expenditure 2020		<u>529</u>	<u>214</u>	<u>2,363</u>	<u>13</u>	<u>1,707</u>	<u>493</u>	<u>824</u>	<u>1,538</u>	<u>7,681</u>
Total expenditure 2019		<u>673</u>	<u>267</u>	<u>2,736</u>	<u>12</u>	<u>1,620</u>	<u>295</u>	<u>919</u>	<u>1,642</u>	<u>8,164</u>

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

8. STAFF COSTS AND NUMBERS

	Total 2021 £'000	Total 2020 £'000
Salaries and wages	4,481	4,316
Social security costs	389	372
Pension costs	351	275
Total	5,221	4,963
Average number of employees (full time equivalents)		
Hospice	84	83
Shops	47	43
	131	126

Pension costs include an amount of £19,700 (2020 – £18,737) paid in respect of death in service cover for employees of the company.

There were on average 153 people employed (2020 – 148) full and part time.

During the year, 1 employee was paid gross salary between £60,000 and £70,000 (2020: 2), 1 employee was paid gross salary between £70,000 and £80,000 (2020: 1) and one employee was paid gross salary between £80,000 and £90,000 (2020: nil).

During 2021 the key management personnel was made up of the CEO, Director of Finance and Facilities & Head of Retail, Director of Patient Services & Registered Manager and Head of HR & Volunteering. The total remuneration for them was £389,329.

The employees were supported by 484 unpaid volunteers during the year (2020: 531).

9. TRUSTEES

None of the trustees received any remuneration or benefits in kind from the charitable company (2020: Nil). Expenses on behalf of one of the trustees or reimbursed during the year amounted to £1,468 (2020: £765).

	Total 2020	Total 2021
The following direct reimbursements were made to Trustees:		
Subsistence – 0 Trustee (2021 – 9 Trustees)	£0	£90

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

10. TANGIBLE FIXED ASSETS	Freehold properties	Leasehold properties	Fixtures & equipment	Motor vehicles	Total
Group	£'000	£'000	£'000	£'000	£'000
Cost					
Opening balance	4,932	599	131	11	5,673
Additions	-	-	134	-	134
Disposals	-	-	(8)	-	(8)
Closing balance	4,932	599	257	11	5,799
Depreciation					
Opening balance	-	413	101	4	518
Charge for the year	-	86	25	2	113
Disposals	-	-	(8)	-	(8)
Closing balance -	-	499	118	6	623
Net Book Value					
At 31 December 2021	4,932	100	139	5	5,176
At 31 December 2020	4,932	186	30	7	5,155
Charity					
Opening balance	4,932	33	120	-	5,085
Additions	-	-	133	-	133
Disposals	-	-	(8)	-	(8)
Closing balance	4,932	33	246	-	5,210
Depreciation					
Opening balance	-	16	92	-	108
Charge for the year	-	6	23	-	29
Disposals	-	-	(8)	-	(8)
Closing balance	-	22	107	-	130
Net Book Value					
At 31 December 2021	4,932	10	138	-	5,081
At 31 December 2020	4,932	17	28	-	4,977

Freehold properties otherwise represent the acquisition and conversion costs of Kenton Grange between 1992 and 2002 shown at historic cost and the costs of building the Woodgrange Centre completed in 2015.

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

11. INVESTMENTS

	2021	2020
	£'000	£'000
Market value at 1 January 2021	1,571	1,652
Additions	140	556
Disposals	(119)	(585)
Realised and unrealised gains/ (losses)	147	(69)
Movement in investment cash	2,467	17
Market value at 31 December 2021	<u>4,206</u>	<u>1,571</u>

The underlying investments of the portfolio are fixed income (£524k), equities (£863k), property (£65k), cash (£2,527k), and others (£227k).

12. DEBTORS: amounts falling due with one year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	253	186	241	185
Other debtors	724	769	123	598
Prepayments and accrued income	760	966	539	830
Amounts owed by subsidiary undertaking	-	-	358	1,620
	<u>1,737</u>	<u>1,921</u>	<u>1,261</u>	<u>3,233</u>

13. CREDITORS : amounts falling due with one year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	144	343	112	208
Other creditors	84	105	84	133
Taxation and social security	153	151	133	105
Accruals and deferred income	156	135	81	75
	<u>537</u>	<u>734</u>	<u>410</u>	<u>521</u>

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS
- GROUP - 2021

	Unrestricted funds General £'000	Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2021 £'000
Tangible fixed assets	-	5,176	-	-	5,176
Investments	2,650	1,311	245	-	4,206
Net current assets	2,768	630	-	76	3,474
Long term liabilities	(332)	-	-	-	(332)
Net assets	5,086	7,117	245	76	12,524

ANALYSIS OF NET ASSETS BETWEEN FUNDS
- GROUP - 2020

	Unrestricted funds General £'000	Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2020 £'000
Tangible fixed assets	-	5,155	-	-	5,155
Investments	141	1,211	219	-	1,571
Net current assets	3,575	630	-	5	4,210
Long term liabilities	(409)	-	-	-	(409)
Net assets	3,307	6,996	219	5	10,527

ANALYSIS OF NET ASSETS BETWEEN FUNDS
- CHARITY - 2021

	Unrestricted funds General £'000	Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2021 £'000
Tangible fixed assets	-	5,081	-	-	5,081
Investments	2,650	1,311	245	-	4,206
Net current assets/(liabilities)	1,649	725	-	76	2,450
Long term liabilities	(332)	-	-	-	(332)
Net assets	3,967	7,117	245	76	11,405

ANALYSIS OF NET ASSETS BETWEEN FUNDS
- CHARITY - 2020

	Unrestricted funds General £'000	Designated £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2020 £'000
Tangible fixed assets	-	4,977	-	-	4,977
Investments	141	1,211	219	-	1,571
Net current assets/(liabilities)	3,573	808	-	5	4,386
	(409)	-	-	-	(409)
Net assets	3,305	6,996	219	5	10,525

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

15. FUNDS – 2021	Opening Balance	Income	Expenditure	Investment Gains/Losses	Transfer/ Pension Surplus	Closing Balance
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Inpatient care funds	-	664	(664)	-	-	-
Outpatient care funds	-	139	(139)	-	-	-
Community care funds	-	70	(70)	-	-	-
General Clinical funds	5	50	(55)	-	-	-
Capital funds	-	81	(5)	-	-	76
Total restricted funds	5	1,004	(933)	-	-	76
Endowment funds						
Alice Wisbey Capital Fund	24	-	-	3	-	27
D D McPhail	195	-	-	23	-	218
Total endowment funds	219	-	-	26	-	245
Unrestricted funds						
Designated fixed asset fund	4,983	-	-	-	88	5,071
Designated shops as- sets fund	171	-	(66)	-	-	105
Designated risk management fund	1,542	-	(9)	108	-	1,641
Pension liability reserve	300	-	-	-	-	300
Total designated funds	6,996	-	(75)	108	88	7,117
Unrestricted funds						
General charitable funds	3,305	5,546	(4,820)	13	1,042	5,086
General non-charitable trading funds	-	3,321	(2,201)	-	(1,120)	-
Total general funds	3,305	8,867	(7,021)	13	(78)	5,086
Total unrestricted funds	10,301	8,867	(7,096)	147	10	12,203
Total funds	10,525	9,871	(8,029)	147	10	12,524

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

FUNDS – 2020	Opening Balance	Income	Expenditure	Investment Gains/Losses	Transfer/ Pension Surplus	Closing Balance
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Inpatient funds	6	1,606	(1,612)	-	-	-
Day care funds	-	30	(30)	-	-	-
Homecare funds	-	129	(129)	-	-	-
Clinical funds	-	28	(23)	-	-	5
Capital funds	-	-	-	-	-	-
Total restricted funds	<u>6</u>	<u>1,793</u>	<u>(1,794)</u>	<u>-</u>	<u>-</u>	<u>5</u>
Endowment funds						
Alice Wisbey Capital Fund	23	-	-	1	-	24
D D McPhail	202	-	(2)	(5)	-	195
Total endowment funds	<u>225</u>	<u>-</u>	<u>(2)</u>	<u>(4)</u>	<u>-</u>	<u>219</u>
Unrestricted funds						
Designated fixed asset fund	5,006	-	(23)	-	-	4,983
Designated shops as-sets fund	267	-	(96)	-	-	171
Designated risk management fund	1,615	-	(10)	(63)	-	1,542
Pension liability reserve	300	-	-	-	-	300
Total designated funds	<u>7,188</u>	<u>-</u>	<u>(129)</u>	<u>(63)</u>	<u>-</u>	<u>6,996</u>
Unrestricted funds						
General charitable funds	1,218	5,166	(3,678)	(2)	601	3,305
General non-charitable trading funds	(103)	2,631	(2,078)	-	(448)	2
Total general funds	<u>1,115</u>	<u>7,797</u>	<u>(5,756)</u>	<u>(2)</u>	<u>153</u>	<u>3,307</u>
Total unrestricted funds	<u>8,303</u>	<u>7,797</u>	<u>(5,885)</u>	<u>(65)</u>	<u>153</u>	<u>10,303</u>
Total funds	<u><u>8,534</u></u>	<u><u>9,590</u></u>	<u><u>(7,681)</u></u>	<u><u>(69)</u></u>	<u><u>153</u></u>	<u><u>10,527</u></u>

15. FUNDS (continued)

A Pension Liability Reserve was set up in 2016 to reflect potential increases in the pension liability. When it was provided in full in 2017, the reserve was reduced. The balance in this fund will be used towards the cost of any future buy-out of the liability.

The late Mrs Alice Wisbey made a bequest to the Hospice with the instruction that the income therefrom should be applied for the comfort of the nursing staff. This is split between Income and Capital funds.

The restricted funds represent grants and donations received, from trusts and individuals, where the use of the funds was restricted to a specific purpose by the donor. These funds have included contributions towards the cost of our Inpatient unit, Day care services, Community and Homecare services, to the provision of complementary therapies and a number of other items.

The D D McPhail Charitable Settlement originally gave £150,000 as an endowment fund. No instructions were given about income so this is applied for the general purposes of the charity. The difference between the original fund value and the current fund value arises through revaluation of the underlying investment.

The designated fixed asset fund represents the net book value of the Hospice's fixed assets. It has been set up to assist in identifying funds which are not free funds. Similarly the designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital.

The designated risk management fund represents funds to provide a cushion against unexpected costs or shortfalls of income and thus to support the long-term future of the hospice. The balance in this fund as at 31 December 2021 was £1,641k most of which is managed by Rathbones, our investment manager.

The surplus arising out of the activities during the year resulted in the increase in unrestricted general charitable funds of £1,781k. The surplus for the year was generated mainly on account of COVID support from NHS England, Support from Harrow and Brent Councils, HM Treasury through the Job Retention scheme and Increased NHS Commissioning Income.

The general funds represent the unrestricted funds of the group and are therefore "free reserves".

16. OPERATING LEASE COMMITMENTS

The group has the following total commitments under non-cancellable operating leases:

	2021	Group		Charity
	2020	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts due:				
Within 1 year	482	489	63	63
Within one to two years	394	466	63	63
Within two to five years	770	911	188	188
After five years	304	417	102	165
	<u>1,950</u>	<u>2,283</u>	<u>416</u>	<u>479</u>

17. CAPITAL COMMITMENTS

The group has no capital commitments at the year-end (2020: none).

18. RELATED PARTY TRANSACTIONS

During the year, Trustees, Senior Executive Team members and their close family members donated £2,680 to the Hospice (2020: £8,958). There were no other transactions with related parties during the year (2020: none).

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (2020)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Income from:				
<i>Donations and legacies</i>				
. Donations	1,434	214	-	1,648
. Covid grants	159	1,333	-	1,492
. Legacies	937	-	-	937
	<u>2,530</u>	<u>1,547</u>	<u>-</u>	<u>4,077</u>
<i>Charitable Activities</i>				
. NHS commissioning	2,287	246	-	2,533
. Other income	163	-	-	163
	<u>2,450</u>	<u>246</u>	<u>-</u>	<u>2,696</u>
<i>Other trading activities</i>				
. Fundraising events	100	-	-	100
. Gross income from shops and lottery	2,631	-	-	2,631
	<u>2,731</u>	<u>-</u>	<u>-</u>	<u>2,731</u>
<i>Investments</i>	86	-	-	86
Total income	<u>7,797</u>	<u>1,793</u>	<u>-</u>	<u>9,590</u>

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

19. STATEMENT OF FINANCIAL ACTIVITIES IN THE PREVIOUS YEAR (continued)

	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Expenditure on:				
<i>Raising funds</i>				
- Fundraising costs	529	-	-	529
- Fundraising events costs	214	-	-	214
- Shops and lottery expenditure	2,363	-	-	2,363
- Investment management costs	11	-	2	13
	<u>3,117</u>	<u>-</u>	<u>2</u>	<u>3,119</u>
<i>Charitable activities</i>				
- In patient services	95	1,612	-	1,707
- Day care services	463	30	-	493
- Homecare services	695	129	-	824
- Overall clinical support	1,515	23	-	1,538
	<u>2,768</u>	<u>1,794</u>	<u>-</u>	<u>4,562</u>
Total expenditure	<u>5,885</u>	<u>1,794</u>	<u>2</u>	<u>7,681</u>
Net expenditure before				
gains on investments	1,912	(1)	(2)	1,909
Net (losses)/gains on investments	(65)	-	(4)	(69)
Pension revaluation gain	153	-	-	153
	<u>2,000</u>	<u>(1)</u>	<u>(6)</u>	<u>1,993</u>
Net expenditure	<u>2,000</u>	<u>(1)</u>	<u>(6)</u>	<u>1,993</u>

20. THE CAREER AVERAGE REVALUED EARNING SCHEME (PENSIONS TRUST)

Before 1 May 2015, the group offered a multi-employer pension scheme providing a defined benefit (career average) pension for members.

St Luke's Hospice (Harrow and Brent) participated in the multi-employer scheme which provides benefits to some 36 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following their withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis upon withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2019. This valuation showed assets of £79m, (2016 valuation £60.45m) and liabilities of £93.9m (2016 valuation £85.3m) creating a deficit of £14.9m (2016 – Deficit £24.85m). To eliminate this funding shortfall, the Pension Scheme Trustee asked the participating employers to pay additional contributions to the scheme as follows:

DEFICIT CONTRIBUTIONS FROM ALL PARTICIPATING EMPLOYER

From 1 April 2021 to 30 September 2027	£1,530,000 per annum (payable monthly and increasing by 3.0% each year on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

During 2021 St Luke's Hospice (Harrow and Brent) contributed £68k as their deemed share. Where the scheme is in deficit and where the participating employer has agreed to a deficit funding arrangement, the employer recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION	31 December 2021 (£000s)	31 December 2020 (£000s)
Present value of provision	399	477

St Luke's Hospice (Harrow & Brent) Ltd.
Notes To The Financial Statements (Continued)
For The Year Ended 31 December 2021

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Year ended	
	31 December 2021	
	(£000s)	
Provision at start of period		477
Unwinding of the discount factor (interest expense)		2
Deficit contribution paid		(68)
Re measurements - impact of any change in assumptions		(12)
Re measurements - amendments to the contribution schedule		—
Provision at end of period		<u>399</u>
	2021	2020
	£'000	£'000
Amounts due within one year	67	68
Amounts due after one year	332	409
	<u>399</u>	<u>477</u>

The above reconciliations includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

ASSUMPTIONS	31 December 2021	31 December 2020
	% per annum	% per annum
Rate of discount	<u>1.42</u>	<u>0.42</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

A high-contrast, black and white photograph of three people (two men and one woman) smiling and holding a large white sign that says "THANK YOU!". They are standing outdoors in front of a brick building with windows and some foliage. The image has a grainy, high-contrast aesthetic.

THANK YOU!

St Luke's*
HOSPICE

FR Registered with
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IN PEOPLE

St Luke's Hospice, Kenton Grange, Kenton Road, Harrow, HA3 0YG

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