

**ST LUKE'S HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025**



Sheffield's Hospice

Charity registration number: 254402

Company registration number: 00922448

ST LUKE'S HOSPICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

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It is with a deep sense of responsibility and reflection that I present this year's Chair's Report for St Luke's Hospice.

This has been a year of profound change and challenge for our hospice, our sector, and the society we serve. We find ourselves navigating shifting social attitudes, increasing financial pressures, and changes within our leadership and governance. Yet, amidst this change, the hospice has remained steadfast in its mission: to provide compassionate, holistic care to those approaching the end of life, and to support families through one of life's most difficult journeys.

Responding to a Changing Legal Landscape

One of the most significant developments this year has been the national conversation around assisted dying. With legislation now closer than ever to becoming a legal reality, hospices across the UK — including ours — are engaging deeply with the ethical, clinical, and emotional implications. This is not a debate with easy answers, and views among our patients, families, staff, volunteers, and wider community are diverse.

As a hospice, we remain committed to open dialogue, compassionate care, and respecting the dignity and autonomy of those we serve. We have begun a careful process of listening and preparation, supported by clinical ethics consultations, staff forums, and engagement with national hospice networks. Our focus continues to be on providing excellent palliative care, whatever the legislative environment.

Financial Performance

This year we have ended the financial year with a large deficit. Like many in the sector, we have faced rising operational costs, ongoing pressures on NHS funding, and a challenging fundraising and retail climate. While our reserves have allowed us to continue delivering services without compromising quality, we know this is not sustainable in the long term.

In response, the Board and Executive Team have initiated a thorough review of our financial strategy, including renewed focus on income diversification, cost efficiencies, and closer collaboration with partners. These decisions are not always easy, but they are essential to ensure our long-term resilience.

A new five-year contract has been agreed with the South Yorkshire Integrated Care Board (SYICB) which gives certainty of statutory funding for the medium term. However, we remain largely funded by our supporters whose tireless fundraising, donating, shopping, and volunteering contributes over 70% of our income, well over £10m each year. This is a fantastic achievement and we are humbled each year by the level of support that we receive from the community in Sheffield that enables us to continue to provide outstanding end of life care to nearly 1,800 people each year.

Launching Our New Strategy

In the midst of uncertainty, we also saw opportunity and this year marked the formal launch of our new five-year strategy. Developed through extensive consultation with our staff, volunteers, patients, families, and partners, the strategy sets out a clear and ambitious vision for the future of our hospice.

It focuses on six core pillars of Improving our Care, Sustaining Growth, Reaching Further, Valuing our People, Championing our Cause, and Embracing New Thinking.

Alongside the new strategy we have refreshed our vision, our purpose, and our values.

Our strategy is not just a document, it is a commitment. A commitment to evolve with compassion, to lead with courage, and to stay true to our founding values while meeting the realities of today and tomorrow.

Leadership Transitions

In July, we were pleased to appoint our new Chief Executive, Jo Lenton, who brings fresh vision, deep compassion, and a wealth of leadership experience in healthcare. Jo's appointment marks a new chapter for St Luke's, and already we are seeing renewed energy and direction as we adapt to the challenges ahead. Jo has been a qualified nurse for over 30 years and has worked in palliative care for over 20 years, joining St Luke's as a community nurse in 2008 and rising through the ranks to become Chief Nurse in recent years.

Shortly after the year to which this report relates we said a fond farewell to two trustees, Diana Greenfield and Kate Platts, who stepped down from the Board. Their wisdom, commitment, and integrity have been invaluable, and we offer them our heartfelt thanks. Recruitment for new trustees is underway, with a focus on broadening the skills and perspectives on our Board in particular in regard to financial and commercial expertise.

Celebrating our 'Outstanding' CQC Rating

One of the proudest moments of the year came when we received a renewal of our Outstanding rating from the Care Quality Commission (CQC) following an inspection under the new Single Assessment Framework. The inspectors rated St Luke's as 'outstanding' in the domains of 'effective', 'responsive', and 'well-led' and good in the domains of 'safe' and 'caring'.

This recognition reflects not only the exceptional standard of care we provide but the unwavering dedication of every member of our team: clinical staff, support teams, volunteers, and leaders.

This rating affirms what we and our community have long known: that St Luke's is not only a place of care, but a place of hope, humanity, and excellence. It is a tribute to all who make our hospice what it is, and a standard we are committed to upholding every day.

Gratitude and Looking Ahead

None of our work would be possible without the extraordinary dedication of our staff, volunteers, supporters, and community. In a year marked by uncertainty, your commitment has never wavered. Whether providing care at the bedside, raising vital funds, or supporting behind the scenes, you have upheld the values that make this hospice a place of comfort, dignity, and hope.

As we look ahead to the coming year, we do so with realism but also with resolve. The hospice movement has always been shaped by change, and by our response to it. With compassion as our compass and community as our strength, I am confident we will continue to be a source of support and care for all who need us.

Thank you for walking this journey with us.

Adrian Belton
Chair of the Board of Trustees
St Luke's Hospice, Sheffield
Date:

ST LUKE'S HOSPICE

TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2025

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

St Luke's Quality Account

St Luke's produces an annual **Quality Account** which is shared with the Department of Health and Social Care but is publicly available. The Quality Account gives a more clinically-focused review of activities and priorities, including quality improvement initiatives. A copy of this report can be found at:

<https://www.stlukeshospice.org.uk/welcome/quality-account>.

Whilst this Trustees' Report gives an overview of activities and achievements, we refer readers to this and other publicly available documents which give a wider and more comprehensive picture of the great work done by the charity, which can be found through St Luke's website www.stlukeshospice.org.

Our new vision statement

A world where patients and families facing terminal illness don't feel alone, and receive the care and support they need to make the most of precious time, and experience a good death.

Our new purpose

Our purpose is to give patients and their families the high-quality care they need, treating each person as a unique individual. We promise to listen to their wishes and choices, tailoring our care and support so they can make the most of every day. We work with others to champion improvements in end-of-life care, in Sheffield and beyond.

Our new values

- **Caring**
With patients, relatives, volunteers, supporters, partners and staff.
- **Pioneering**
Looking for new ways to help us move closer to our vision.
- **Respectful**
Being considerate to others, always, helping us to stay inclusive and offer dignity to our patients.

Our new strategy 2025-2029

St Luke's has now begun delivering our Strategy 2025-2029, building on the progress of our last strategic review in 2017. While the Pandemic temporarily shifted our focus to service continuity, team safety, and survival, we successfully concluded that strategy in 2023, ensuring we were in a strong position to move forward. With demand growing due to an ageing population, increasing complexity in care, and ongoing financial pressures, we knew we needed a strategy that not only protects our core existing services but also finds ways to expand them where possible. Since summer

2023, we have worked closely with our wider management team, Board, and key stakeholders to shape a strategy that meets the challenges ahead. The response to our new strategy has been overwhelmingly positive. Feedback from

partners such as South Yorkshire Integrated Care Board (SYICB), Healthwatch Sheffield, Public Health, and Sheffield Teaching Hospitals has confirmed that our direction aligns well with broader healthcare priorities, including the SYICB end-of-life care strategy. The clear message from our patients, families, and service users was that every service we provide is vital. That's why we have committed to continuing to deliver our full range of high-quality care, while also seeking to grow and develop these services in key areas.

Our strategic themes

- **Improving our care**
Improving out-of-hours support to home-based patients/families
Flexible, accessible caring models
Expanding Patient and Family Support service
- **Reaching further**
Encourage new ideas and solutions in all areas
Grow our research activity on palliative and end of life care
Support local, national and international programmes to extend EOLC knowledge/best practice to disadvantaged and under-served communities
- **Sustaining growth**
Grow retail, fundraised and other self-generated net income to support services
Seek uplifts in statutory funding
Manage costs, budgets and reserves to maintain sustainable financial position
- **Valuing our people**
Attract, engage and retain the best people for St Luke's
Enhance belonging and wellbeing for all in the workplace
Create an empowered, positive and progressive workplace culture
- **Championing our cause**
Being a celebrated and well-supported Sheffield charity
Extending understanding of St Luke's work, its impact and challenges
Be recognised as an inclusive organisation, available to all
- **Embracing new thinking**
Use tech, AI and data analytics to support initiatives and increase efficiency
Embed environmentally responsible solutions throughout St Luke's
Use our spaces to enhance healing, wellbeing, access and efficiency

Review of services

St Luke's, Sheffield's Hospice, proudly provide palliative and end of life care to nearly 1,800 people across Sheffield each year, whilst also supporting their families and carers too.

We're here for people aged 18 and over from across the Sheffield region, at all stages of life from the point of diagnosis with a terminal illness, be that end stage neurological, heart, kidney or lung conditions, cancer, HIV, and dementia.

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We also partner with, and educate/ develop other organisations, both within Sheffield and beyond, to share our support and knowledge with others, for better end of life care for all. Our care and support can begin from the point of diagnosis with a terminal illness. Whether supporting patients in their own homes where they often feel most comfortable, providing 24-hour palliative care on our In Patient Centre, or supporting someone with tailored therapies; we care for people, not just a condition.

We provide holistic, individualised care and support to each person and their families or carers.

Specialist Palliative Care Community team

88% of our patients are supported in their own home or care home by our Community team, who operate 7 days a week, 365 days a year.

Our team works with District Nurses, GPs, Allied Health Professionals (AHP's) and community-based organisations to deliver wrap around care to support patients throughout their illness, improve their quality of life, provide relief from symptoms, and support to help avoid hospital admissions.

We empower our patients to have choice about where they are looked after, the care that they access and require and guide with decision making around their preferred place of death.

Specialist Palliative Care In Patient Centre

Our In Patient Centre (IPC) provides round the clock holistic care, from a multidisciplinary team of experienced specialist doctors, nurses, and AHPs to manage patient symptoms and reduce pain. Our IPC can accommodate up to 20 patients in 14 single rooms and two three-bedded rooms.

Recent developments on the IPC have turned two single rooms in to a Family Suite; a dedicated space which provides a comfortable and supportive environment to help patients and their loved ones at a most difficult time. The design of the suite would permit its use as two single rooms again, should capacity be required.

Patient & Family Support (PAFS)

Our Patient & Family Support Service offers social prescribing, practical, wellbeing, and spiritual support for patients and their families or carers from the point of diagnosis and beyond, including bereavement support. This service operates from our Little Common Lane building, with activities not regulated by the CQC taking place at our Ecclesall Road South site. Social prescribing activities for patients, families and carers provide an essential part of our service that focuses on the non-medical interventions that add quality and purpose to those accessing our care.

Review of activity

In total, our clinical teams have helped and supported 1,752 individual patients (2023-24: 1,762), which involved 2,474 spells of care (2023-24: 2,834). These figures reflect the continued and consistent support that we provide to our patients and their families across all of our clinical services. The complexity, acuity and dependency of our patients continues to show an upward trajectory over the last year and the continued demand for our services remains high.

St Luke's care is not limited to patients who have cancer, but includes patients with neurological, respiratory and cardiovascular conditions like motor neurone disease, end stage COPD and end stage heart failure. During the past year, care of patients with a non-cancer diagnosis has remained at 33%.

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Over the past year, St Luke's has accepted 1,277 referrals into our services – it is important to note that some of our patients are referred on more than one occasion in the year. Those not accepted into our service may decline St Luke's services, may have died before their initial assessment or we may not be the most appropriate place of care for that patient and therefore decline the referral during the triage assessment. The triage process continues to play an important role in allowing us to better manage referrals in a timely manner for all aspects of our clinical services and to provide an important sign posting role to those patients and family members who may not be suitable for our services.

It is vital that St Luke's cares for the wellbeing of its staff despite the pressures faced. Complex end of life care is emotionally draining, for the patient and their loved ones but also for the caring team. At St Luke's, we invest heavily in appropriate support for staff, from clinical supervision and opportunities for reflection to dedicated 'learning days' and extensive wellbeing support. During 2024-25, we've continued to focus on a number of important areas such as mental health, menopause and men's health, creating a culture where these issues can be raised and actively supported. We've introduced staff pulse surveys to help identify areas where we're doing well and those where we can do more.

Throughout the course of 2024/2025, we have continued to engage with a number of partner organisations in Sheffield to offer the use of our facilities and to share activities and events that offer different kinds of support to our patients and their families. These included Age UK Sheffield, MNDA, Sheffield Carers Centre, The Manor Library, The Proactive Care Team, Bluebell Wood Children's Hospice, as well as local universities, colleges, schools and healthcare services, offering work experience and shared learning across multiple different care teams.

The introduction of SystmOne as an electronic patient record in September 2024 has helped to streamline the clinical documentation processes across the clinical teams at St Luke's and allows for a more joined-up integrated approach to our patient care.

During the year St Luke's provided the following services:

Community team

- In the past year, our teams made 6,002 visits to patients at home and in care homes across Sheffield, and 15,559 phone and video calls to them in support of their care
- St Luke's accepted 1,466 referrals to our Community service from GPs and other healthcare professionals
- In the year, St Luke's have also provided 436 specialist food packages including tailored food and drinks parcels which include both hot and cold meal options, and laundry packs to our community patients, all free of charge
- We have also provided 1,103 specialist medical nursing and allied health professional symptom control and acupuncture clinics, art therapy sessions and specialist groups such as the fatigue anxiety and breathlessness groups as part of our outpatient clinic offer to our patients

In Patient Centre

- The team of specialist nurses, medical and allied health professionals continue to provide 24 hour care on our In Patient Centre
- Over the last 12 months, we cared for 285 patients on our IPC
- We provided 4,898 nights of care for patients on the IPC
- On average, each patient stayed on the IPC for 17 days with 19% able to return home after specialist intervention treatment

Project ECHO

- St Luke's is a UK Superhub for the Project ECHO system, which facilitates telementoring and collaborative learning for communities of care, covering a wide portfolio of disciplines
- In the year, St Luke's delivered 342 ECHO sessions with a collective attendance of 6,764 for healthcare professionals and practitioners

Patient and Family Support service (PAFS)

- There have been over 8,440 attendances in the past year to our Patient and Family Support service, with 1,103 sessions of clinical outpatient, clinic or day-patient support at Little Common Lane and 7,337 attendances to our Ecclesall Road South site for 'social prescribing' activities for our patients and their families
- A wide variety of activities continue to be offered which include wellbeing sessions, cookery classes, art club, chair pilates and chair yoga, bereavement and counselling, indoor curling and bowls, Gup Shup sessions, knit and knatter groups, gardening clubs and men's talking groups - to name just a few
- Our social prescribing activities are supported by staff plus 49 volunteers offering 172 hours of their time to us each week, including serving in our onsite Coach House Café at our Ecclesall Road South site
- 669 relatives were supported with bereavement and counselling therapy groups and 1:1 counselling sessions after the death of a loved one

Special focus: Moving forward, palliative counselling, workforce, family suite and transition patients

One of the top priorities from our new strategy was strengthening support for patients receiving care at home, particularly out of hours, when families can often feel alone and unsupported. We also expanded our provision to hard-to-reach and underserved communities in Sheffield, ensuring that more people can access the compassionate, expert care they need, wherever they are. We did this by taking some of our services out into communities with the aim of increasing access to such things as social prescribing activities, e.g. crafts, exercise groups. Social prescribing is another area where we are working to make a bigger impact, connecting people to the wider support they need beyond medical care.

Pre-bereavement Counselling

For the past 12 months, the Counselling and Bereavement service have been delivering a Palliative Counselling offer to relatives, carers and family members, as well as a counselling service to our patients.

There is evidence to suggest that early support with the grief process achieves better outcomes post-bereavement. This service is delivered by a small team of Counsellors and 17 Counselling Volunteers, Monday- Friday and in the past year, we have supported 193 clients with palliative and counselling support. In 2025- 2026, we will be looking to expand our service further to offer children and young people aged 5-17 counselling provision.

Workforce

Over the course of 2024-2025, workforce welfare and learning and development have remained high priorities. This can be demonstrated in how we have supported a number of staff across all the different disciplines grow with their learning and development. Some of the courses that our staff have been supported to complete have included The Institute of Leadership & Management (ILM) to our leaders across the organisation, top-up courses for some of our Nurse Associates supporting them to become Nurses, and we have supported six members of staff through their Trainee Advanced Clinical Practitioner Courses, on the In Patient Centre, in our Community team and in our Allied Health Professional teams.

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We also have a number of Community Nurses carrying out their APACS courses (Advanced Physical Assessment and Consultation Skills) to offer a wider set of assessment skills to our patients. We have supported one of our Healthcare Assistants on our IPC start the Assistant Practitioner Course, and we have a member of our Allied Health Professional team who has completed their Social Prescribing Link Worker Course.

Family Suite

We opened our Family Suite in November 2024; a dedicated space which provides a comfortable and supportive environment to help patients and their loved ones at a most difficult time. This suite offers the patient a room with a ceiling track hoist to support with care needs and has a partitioning door that opens through to the relative's side of the room which has TV sitting area, double bed, an en-suite bathroom and a kitchenette leading down to the main rooms.

The room has so far been used to support 12 patients and their families which have included some of our transition patients, some of our patients with young and larger families, as well as patients whose carers want to continue being involved in their care, and to support our enablement patients.

Transition Patients

During 2024, a feasibility study around the support of transition patients from children to adult services was completed by the Transitional Care Pathway Lead for South Yorkshire. This has highlighted areas where we can improve in our support and care of transition patients and their families across South Yorkshire and Sheffield. Our Nurse Consultant has supported eight transition patients over the age of 18, and their families, over the past year with symptom control on our IPC, and some for end-of-life care. Over the next year, our Nurse Consultant will continue to support a number of transition patients and their families across Sheffield and will work closely in conjunction with Sheffield Children's Hospital and other services working with transition patients.

We have also set up regular transition events for patients and their families once a quarter in conjunction with Bluebell Wood Children's Hospice at our Ecclesall Road South site. These provide an opportunity for patients and their families to come along and have an introduction to our adult hospice services, meet some of our team across our multiple disciplines and take part in some activities.

Care Quality Commission (CQC) oversight

St Luke's is required to register with the CQC given the nature of the services we offer to patients. Our registration is under the following regulated activity category: the treatment of disease, disorder or injury.

In April 2024, St Luke's was asked to provide data to the CQC under its new Single Assessment Framework. This was followed up in early May 2024 with a formal visit by the CQC, where they led an unannounced inspection of four out of the five Key Lines of Enquiry (KLOEs).

The CQC's report, published in November 2024, gave the following results below:

Overall rating	Outstanding
Is the service safe?	Good
Is the service effective?	Outstanding
Is the service caring?	Good
Is the service responsive?	Outstanding
Is the service well-led?	Outstanding

The full report can be viewed at: www.cqc.org.uk/location/1-101634123

Principal Risks and Risk Appetite

Risk appetite is the level of risk St Luke's is willing to take to achieve the charity's strategic objectives. The Board looks at the appetite for risk across a number of areas including reputational, financial, regulatory, innovation, people, and governance. The Board acknowledges that St Luke's must engage with risks on a daily basis in order to carry out its charitable activities and raise funds; given the nature of the organisation we take a considered approach to the engagement of these risks.

Reputational Risks: St Luke's tolerance for risk taking is limited to those events where there is little chance of any significant repercussion for the charity which might harm the high regard within which it is held by the public, service users, and healthcare partners. Mitigation strategies are in place for any undue interest in any charitable, human resource or income generation activities.

Regulatory Risks: St Luke's operates within a highly regulated environment. We must have regard to all legal and regulatory requirements in order to minimise the risk of financial, operational and reputational damage that could threaten the charity's vital work. We have well developed systems of control that are regularly reviewed in order to ensure compliance and to minimise the incidence and scale of any unintentional breaches.

Financial Risks: St Luke's has a mature and well developed understanding of its financial situation and risks and ensures that it is appropriately skilled at both Executive and Trustee level. The maximum tolerable risk level is considered to be 'open' as resources are allocated to capitalise on opportunities, value and benefits are considered (not just cheapest price) and the possibility of financial losses are minimised through sound financial risk management. The reserves policy is regularly reviewed and underpins the charity's strategic and operational plans.

Innovation Risks: Innovation is supported and pursued where it is consistent with charitable objects and / or an improvement in efficiency and effectiveness. New technologies are seen as an aid to and potentially an enabler of operational delivery. There is a plan to grow our research breadth and profile. Quality and outcomes are continually monitored and new practices welcomed where there is a reasonable expectation of improvement in service delivery.

People Risks: St Luke's is a people organisation – our assets are our people and our services aim to improve the quality of life of our patients and their families. We take the wellbeing of our staff and volunteers very seriously. We aim to both attract and retain top talent across all areas of the charity. We take a cautious approach to risks relating to people: we model our approach on best practice and legislation and endeavour to provide the best possible working environment for all staff and volunteers. We provide this with the expectation that our people conduct themselves in line with our values.

Governance Risks: It is imperative that as a charity that is primarily financed by donations and public money that we take all reasonable steps to ensure that we are well governed. While accepting that risk can never be completely eradicated, we aim to minimise the risks associated with the governance of our resources, whilst being agile to ensure optimum income generation and operational delivery. Throughout our systems and controls, our business continuity plans, our use of data and all our clinical and non-clinical operations we operate in a manner consistent with a minimal tolerance of risk and within robust governance frameworks.

Financial Overview, including income generation performance

Our total income for the financial year was £14.5m (2023-24 £13.2m). The following comprised the main variances:

- Legacy income received was £2.8m, up from £1.4m in the prior year. There had been long probate delays which resulted in over £1.3m of notified legacy income not being included in the 2023-24 financial statements as it did not meet the recognition criteria of the Charities SORP without probate. During 2024-25 the probate backlog was reduced significantly and so the high income in the current year is a result of delays from the year before and a faster turnaround from HMCTS in recent months. Our five-year legacy income averages at £2.0m per year and so it is not anticipated that the very high legacy income in the current year will be replicated in the next financial year.
- Fundraised income (excluding legacies) was £2.5m, compared to £2.4m in the prior year. It is a difficult time to fundraise for all hospices, and most charities, for a number of reasons such as the cost of living crisis, inflationary pressures on companies and households, giving fatigue following the pandemic and other socio-economic factors. To record a modest income in our fundraised income was a good result and we are budgeting for a further small increase in the year ahead.
- Retail income from our chain of charity shops was £4.2m, up by £0.3m from the previous financial year. For the second year running this represents the highest sales that St Luke's has ever achieved from the retail chain. There was growth in sales across the chain and we opened our new shop on the Kilner Way retail park near Wadsley Bridge during the year. However, the costs of running the chain increased by £0.6m due to set up costs associated with the new shop as well as large increases in staff and other costs. It is a very challenging time for retail with margins falling year on year, but we still achieved a profit across the estate and we expect both sales and profit to increase in the coming year.
- Core contractual income from our commissioning body NHS South Yorkshire Integrated Care Board (ICB) increased from £3.2m to £3.3m. In the prior year we received a £500k grant from the ICB as a contribution to the work we do with complex needs patients. Unfortunately this grant did not repeat in the current year despite our work with this group increasing in the year. At £3.3m our core contractual funding from the NHS represents just 23% of our total funding, 21% of our total expenditure, and contributes just 33% towards expenditure on IPC and community services. The funding model for hospices nationwide is not fit for purpose and many are experiencing considerable financial challenges as a result. However, it really puts into perspective St Luke's situation in that we have managed to maintain activity levels despite having core funding considerably less than the average hospice by a scale of at least £1m per annum. There is some positive news in that we negotiated a new 5 year contract with the ICB that takes effect from 1 April 2025 and contains incremental uplifts in our core funding. This is welcome but does not solve the financial challenges we face.

We spent more money running the charity than in the previous year:

- Our total expenditure for the year increased to £15.6m, up from £13.9m in the prior year. Over £1m of this increase was additional expenditure on our charitable activities (clinical costs and costs associated with education and research) and £0.7m more was spent on raising funds (primarily due to increased costs associated with the shop chain due to the new shop on Kilner Way and rising wages, but also due to investment in lottery canvassing to protect this income stream in the longer term).
- Of the £15.6m, 87.1% were direct costs, with 12.9% being support costs. These are similar percentages to prior years.

- Most of our costs relate to people. Staff costs were £10.6m, up from £9.5m in the prior year. Staff costs comprise 68% of our total costs, which is to be expected given the nature of our organisation. There were significant inflationary pressure on wages in the year and St Luke's must pay competitive rates to attract and retain high performing people.
- We spent £0.4m from our designated funds. These are funds that the Board has earmarked for specific strategic projects such as investment in research and education, the lottery, IT and digital, and our environmental programme.

The net effect of the shifts in income and costs summarised above is that we have recorded a net deficit in the year on normal operations of over £1.0m (2023-24 £0.5m). The represents the third consecutive year of significant deficit and is not a sustainable position. We have detailed plans in place to reduce the deficit and return to surplus over the next two years. These are based on growing income but also cutting the cost base.

As per the accounting rules we have recorded the movement in capital value of our investment portfolio. In the 2024-25 financial year this was an unrealised gain of £0.1m.

Please note that for every £1 spent on fundraising, we generated £4.07 (2023-24 £3.25) and for every £1 spent on our charity shops, we generated £1.18 in income (2023-24 £1.31).

Ethical fundraising statement

St Luke's fundraising promise to the general public and our existing supporters seeks to ensure that our fundraising, in all its forms, is legal, open, honest and respectful. Ethical fundraising demands more than what is merely required by law. St Luke's strives to go beyond its legal obligations and regulatory requirements to ensure the highest ethical standards in fundraising. Ethical fundraising is not only a vital means of financing St Luke's, but also protects and enhances its reputation within the community. Fundraising will also comply with St Luke's working values, to ensure that fundraising work is caring, pioneering and respectful.

Fundraising and complaints

- St Luke's is committed to ensuring that all of our fundraising practice is ethical, appropriate and donor-centred. This applies to everyone fundraising for us; staff, volunteers, commercial participators and professional fundraisers representing St Luke's.
- Our Fundraising Team organises fundraising events and activities, co-ordinate the activities of our supporters on our behalf, and in aid of our work. On occasion we may use external marketing companies to support the promotion of our Lottery and other income generating campaigns around the city, and have some commercial participator agreements with corporate fundraisers who generate income for our work.
- We are voluntarily registered with the Fundraising Regulator, and ensure that our work is compliant with their Code of Fundraising Practice. We adhere to the relevant regulations from the Information Commissioner's Office, the Advertising Standards Authority, the Gambling Commission and would abide by any final decision of the Independent Betting Adjudication Service.
- We are organisational members of the Institute of Fundraising, Hospice Lotteries Association and The Lotteries Council. All Fundraising Team members attend mandatory training sessions which include our ethical fundraising policy (which incorporates protecting supporters from unreasonably intrusive, persistent or pressured fundraising), our complaints procedure, and changes to legal and voluntary regulation regarding fundraising. The team receive regular/annual training on the Fundraising Code and best practice.

- We have contracts in place with all external marketing companies and commercial participators that include stringent compliance and monitoring clauses and have ongoing internal procedures in order to monitor compliance with legal requirements and voluntary regulations.
- We have a procedure for managing complaints which is part of our induction for all Fundraising staff. All complaints are fully documented, investigated and shared with the Executive Team for their review and oversight. 'How to make a complaint' is referenced in our fundraising information, our main website, Lottery website and Privacy Policy. There have been 11 complaints about fundraising activity this year, all of which were categorised as low risk and fully managed to a successful outcome and satisfaction of the complainant.
- All current direct marketing is led by the Fundraising and Marketing and Communications Teams, ensuring that it is not unreasonably intrusive or persistent. All marketing material compliant with data protection legislation and contains clear instructions on how a person can be removed from mailing lists.
- Looking ahead to the coming year, St Luke's is committed to following our ethical fundraising practices and alignment with the Fundraising Code of Practice, particularly in our collaboration with external canvassing companies for increasing our lottery acquisition campaigns. Our due diligence includes ongoing monitoring and evaluation to ensure adherence to our high ethical standards and to ensure their values align with our own when interacting with the public across the city. By responsibly leveraging the expertise of these canvassing companies, we aim to expand our reach and increase lottery participation, thereby generating essential income for our work.

Investments

St Luke's delegates powers of investment to professional independent fund managers who manage the charity's investment portfolio within pre-determined parameters of asset class and risk. In the year under review Rathbones, authorised investment advisers, managed the portfolio on a discretionary basis. The overall objectives are to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained.

	<i>Standard Criteria</i>
<i>Objective</i>	<i>'Balanced' return between income and growth</i>
<i>Risk</i>	<i>Medium (Risk Level 4)</i>
<i>Mandate</i>	<i>Discretionary</i>

Both capital and income may be used for the furtherance of the charity's aims.

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The capital base is to be maintained in a mixed portfolio of investments. The portfolio asset allocation ranges are set out below:

Asset Class	Ranges %	Comparative Indices
Fixed Interest	10 - 35	7.5% BofA Merrill Lynch Gilt 5-15 Years 7.5% BofA Merrill Lynch £ Corp and Collateralized Index 5% BofA Merrill Lynch Inflation Linked Gilt 1-10
Equities	45 - 75	30% MSCI United Kingdom Equity IMI (Net) 30% MSCI ACWI World Index Ex UK (Net)
Property	0 – 12.5	5% MSCI UK IMI Liquid Real Estate (Net)
Other Assets	2.5 - 20	10% IWI Alternatives Composite
Cash	0 - 20	5% Bank of England base rate -0.5%

- i) Bonds. The investment manager will hold a prudent range of fixed interest securities that might include Government Bonds, Corporate Bonds, Collective Funds, Preference Shares or PIBS.
- ii) Income Target. Commensurate with the above asset allocation.
- iii) Restrictions.
 - a. No direct individual investment, with the exception of government bonds, should exceed 5% of the total value of the funds under management. For Collectives the limit is 10%.
 - b. Direct investments in negotiable instruments known as “derivatives” are not permitted.

The objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a Recognised Investment Exchange and unit trusts and OEICs (open ended investment companies) which are authorised under the Financial Services and Markets Act 2000.

Ethical Investment Policy

St Luke's is a value led charity that takes a responsible approach to environmental, social and governance (ESG) issues in regard to investments.

We have appointed professional Investment Managers (Rathbones) to act on behalf of St Luke's, who are expected to consider ESG factors in all investments made with our funds and in particular:

- Not directly invest St Luke's funds in any company that carries out activities that are contrary to the aims and objectives of the charity or that could damage the charity's reputation.
- Not directly invest in any company with which it would be reasonable to hold significant ESG concerns and undertake appropriate due diligence of all companies before investing.

- When investment is undertaken via collective units (unit and investment trusts) it is expected that Rathbones will engage with the appointed fund managers on matters of corporate governance and that an integrated ESG approach that follows Rathbones investment process for pooled funds be applied to all collective units purchased with St Luke's funds.

Through the appointment of independent professional Investment Managers, we believe that we have taken all reasonable steps to minimise indirect investment in sectors contrary to the aims and objectives of the charity, that could damage the charity's reputation, or in companies that fall below the high ESG standards within which we aspire our portfolio to be invested. We are mindful that in spite of the good intentions of this policy, it is possible that indirect investment of this nature may be made, however it should never be material in relation to the aggregate of the St Luke's investment portfolio.

St Luke's commitment as a result of the application of this policy is that we will invest an increasing proportion of the portfolio in stocks and funds that have a positive ESG impact.

Reserves policy

St Luke's adopts a risk-based approach to the management of its free reserves that seeks to strike an appropriate balance between financial prudence and investment in front line services, our infrastructure and strategic projects. We have reviewed our reserves policy during the financial year and this new policy represents a dynamic risk-based approach that considers the financial stability of St Luke's as well as longer term strategic opportunities and risks the charity faces, the different reasons for holding reserves, and looks to build a target range based on holding these reserves in aggregate, as follows:

- **Operational reserves** – the minimum level of free reserves to be held at all times for immediate working capital needs (such as paying the monthly wages). This is currently estimated as a minimum of **£1.25m**
- **Base reserves** – the minimum level of free reserves to be held at all times, in addition to operational reserves, in order to cover statutory or associated liabilities should we need to undertake a major restructure, or should we lose a key income stream, in order to help mitigate the financial risk to the charity. We estimate this to be **£1.75m**.

The cumulative value of the above elements gives a **platform of c. £3m**. We then build on this with the potentially more variable element:

- **Opportunity reserves** – the final element of reserves held to provide resources to take on new opportunities or to deal with known issues and emerging risks. The level will fluctuate based on financial performance and strategic requirements and will be assessed annually by the Board. We anticipate a range of **between £0.5m and £4m** depending on where we are in the cycle of expenditure into new opportunities. Major capital projects and significant designated fund spend would fall into the category of money spent from these opportunity reserves.
- **Total reserves** – based on the above reserves categories, using a cumulative methodology, the Board considers the need for a target range of free reserves of **£3.5m to £7m**. It is recognised that, relative to the annual expenditure of the charity, the free reserves policy may appear to be quite low, particularly towards the bottom end of the range. However, St Luke's own considerable property assets, not all of which are required for regulated clinical activity or income generation. If required a further **£4.5m of property assets** could be sold without affecting the core clinical activity or disrupting income generation activities.

In addition to this range of free reserves, the Board also holds a policy in regards to designated funds and restricted funds, as follows:

- St Luke's **designated reserves** policy is to hold appropriate designated reserves for strategic and capital projects as determined on an annual basis; these reserves can be designated, re-designated or released at the discretion of the Board of Trustees.
- St Luke's **restricted reserves** policy is that when necessary and legally required we will hold restricted funds.

Designated Funds

Each year, St Luke's reviews the need to keep some of its reserves set aside for specific future activities. We call these our designated funds. The need for such funds varies from time to time depending on many factors, including our future plans. The named designated funds are estimated amounts set aside for specific strategic activities and programmes, and are considered by the Trustees each year to determine their continued adequacy and necessity based on circumstances and current understanding. They are set, amended and released based upon the discretion of the Trustees. At 31 March 2025, St Luke's identified a total of £11.0m of its reserves as designated funds (£10.3m in the fixed asset fund and £0.7m in the other funds), summarised as follows:

- Research and Education – our research and education activity is expanding and £175k is required for our planned activity in 2025-26. From the following year (2026-27) research and education costs will be moved to part of our core operating budget, thus eliminating the need for a designated fund.
- Environment and Sustainability – we have achieved a considerable number of our goals over the last couple of years using the designated fund and these costs are largely included within our core budget. However, we will keep a fund of £50k for one off projects, such as charging points and LED lighting upgrades.
- Strategic – with the launch of our new strategy we will hold some earmarked funds to take forward particular strategic themes. As the year progresses the Executive team will determine what these funds will be spent on, but we feel it is important to hold a level of designated funds so as to not constrain strategic initiatives. £150k is held in this fund.
- IT and Digital – with the successful build and implementation of electronic patient record system SystemOne, and the progression of several other IT projects in recent years, we do not need to hold such a large designated fund as in prior years. However, we would like to keep a reasonable level of designated fund to ensure that we do not lag behind in our digital development. £100k is held in this fund.
- Lottery Development – £200k is held in this fund to pay for canvassing activity throughout 2025-26. The plan is to incorporate lottery development within the normal fundraising budgets beyond this year.
- The Fixed Asset fund exists as fixed assets do not form part of our general or free reserves. We own considerable property assets that are required in order to carry out our charitable activities. This fund totals the net fixed asset values in the financial statements each year. As at 31 March 2025 this value was £10.3m.

Taking account of the expected usage of each fund in 2025-26 as noted above, a total of £0.4m of designated funds are expected to be spent in the period to 31 March 2026, with remaining £0.3 expected to be spent in the period 2026-27. The £0.3m will therefore be classified as part of the free reserves of the charity as it could be undesignated in future years. However, the fixed asset fund of £10.3m is not part of free reserves as these assets cannot be readily converted to cash and are required for the long term operation of the charity.

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St Luke's plan for the use of these designated funds may change at any time at the discretion of the Board based on the needs of the Charity.

Reserves at 31 March 2025

At 31 March 2025 St Luke's held £14.9m in total reserves (2024: £15.9m). Of this we have identified a total of £11.0m (2024: £11.8m) as designated funds. Of the £11.0m, £10.3m is held in the fixed asset designated fund.

Of the other designated funds of £0.7m, the spend against these activities is anticipated to occur after the forthcoming financial year and there is no obligation to spend these amounts as designated. The Board has therefore determined that the proportion of designated funds expected to be spent after 31 March 2026 (i.e. after more than one year) should remain in free reserves – this amount is estimated to be £0.3m.

Of the total reserves held, **£4.0m were held as free reserves** (2024: £5.1m) being the total of general funds (£3.7m), plus the longer-term portion of designated funds (£0.3m). This is within the target range of £3.5m to £7.0m.

Going Concern

The 2024-25 financial statements have been prepared on a going concern basis. Whilst we have recorded net expenditure in the financial year our underlying operational performance was better than budgeted and the net expenditure included planned strategic spend of elements of our reserves through designated funds. We have a strong asset base and are likely to see a further planned deficit in the next financial year before returning to break even and then surplus. Our short, medium and long-term cash flow forecasts all project sufficient liquid balance of funds and we have no reason to believe that there will be any threat to our going concern status.

Structure, governance and management

Governance at St Luke's is the responsibility of its Trustees who are all volunteers and serve in an unpaid capacity. New members are appointed with a view to ensuring that the Board of Trustees contains an appropriate balance of experience relevant to the requirements of St Luke's.

Trustees meet frequently as a collective Board and through sub-committees tasked with particular areas of governance and oversight. These meetings are attended by the Executive Directors, senior managers, and, when appropriate, external members who are selected for their particular expertise and appointed through approval by the Board.

First line leadership of St Luke's is provided by the Chief Executive, whose role is charged to ensure that St Luke's is run as a cost-effective charity while providing the best possible care for patients and relatives.

The Chief Executive is supported by the Executive Directors.

The Executive Directors are supported by a clear and accountable organisation structure through the Operational Leadership Team which includes Heads of Department and Senior Managers.

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St Luke's Executive Directors

St Luke's Board of Trustees delegates the safe and effective running of the Charity to the Chief Executive and the Executive Directors. St Luke's is not only a large charity and significant employer, but also a provider of regulated healthcare services. Its services are regulated by the CQC and the Charity Commission, as well as a number of other bodies such as the Gambling Commission, South Yorkshire Integrated Care Board ('SYICB'), and many others. This brings particular requirements for its senior staff, including the need to meet particular 'Fit and Proper Persons' criteria as specified in healthcare regulations.

As well as taking lead responsibility for running and managing St Luke's and being accountable to our governing bodies, St Luke's Executive Directors undertake a number of formal roles required by regulators, by company law and by other bodies such as the General Medical Council. These obligations include, amongst others, the key positions of Accountable Officer, Registered Manager, Responsible Officer, Senior Information Risk Owner and Company Secretary.

The Executive Directors are required to hold relevant professional qualifications to ensure that they are competent to undertake these formal offices, as well as to manage and operate St Luke's safely and effectively. The professional bodies of which the Executive Directors are members all require their membership to work ethically and for the public benefit – a key part of managing a charity like St Luke's.

Remuneration for the Executive Directors is determined by the Board of Trustees (and through its Nominations and Remuneration Committee). Levels of remuneration are set to ensure St Luke's attracts excellent people into these critical roles, with reference to market conditions and the specific skills required, and to retain their skills and experience. The Executive Directors' performance is monitored by the Board, and their commitment to our cause is expected to be demonstrated not only through this performance but also by their support of activities (such as events and functions) outside of working hours on a voluntary basis. The Executive Directors are also expected to represent St Luke's on regional and national bodies in furtherance of St Luke's objectives.

The following employees served as St Luke's Executive Directors during the year:

Name	Role	Length of Service at St Luke's	Qualifications	Governance Support Lead
Current Directors				
Jo Lenton	Chief Executive and Chief Nurse (from July 2024) Chief Nurse and Director of Care (prior to July 2024)	16 years	Registered Nurse BA (Hons) Supportive & Palliative Care	Board of Trustees
Tony Saunders	Director of Finance and Chief Operating Officer	15 years	BA (Hons) FCA – Fellow of The Institute of Chartered Accountants in England and Wales	Audit and Risk Committee; Resource and Finance Committee
Sam Kyeremateng (1)	Medical Director and Clinical Lead for Programme Development	12 years	MBChB MRCP Dip, PallMed	Research Committee

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Katie Weller	Director of People and Wellbeing (from April 2024)	3 years	BA (Hons) MCIPD	Nominations and Remuneration Committee
Former Directors				
Peter Hartland – resigned June 2024	Chief Executive Officer	16 years	BSc (Hons) ACA – Associate of The Institute of Chartered Accountants in England and Wales	
Kathryn Burkitt – resigned March 2025	Commercial Director	16 years	BA (Hons) MInstF	

⁽¹⁾ *Dr Kyeremateng's role as Medical Director of St Luke's is shared with his ongoing commitments as a Palliative Care Consultant at Sheffield Teaching Hospitals NHS Foundation Trust, his employer*

Sub-Committees of the Board

Audit and Risk Committee

The Audit and Risk Committee oversees and scrutinises St Luke's response to the risk environment in which it operates, considers risk appetite, and monitors the status of internal controls (including financial controls placing reliance on the work of its external auditors).

Clinical Research and Development Committee

The Research Committee's remit is to oversee, monitor and develop St Luke's growing Research portfolio – helping to develop the organisation's strategy towards research with the ambition of St Luke's becoming a research-leading organisation.

Healthcare Governance Committee

St Luke's clinical governance arrangements are modelled on guidance and good practice within the healthcare sector. Clinical governance is defined as the framework through which St Luke's will ensure continuous improvement in the quality of services to patients. This process is overseen by the Healthcare Governance Committee.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is responsible for specific governance issues delegated to it by the Board, with particular emphasis on:

- The recommendation of individuals to be considered for appointment as Trustees of the Charity or as lay-members of any sub-committee of the Board, and the numbers of such Trustees or lay-members.
- The recommendation of individuals to be considered as Chairs or Deputy Chairs of either the Board or any sub-committees of the Board.
- The recommendation of individuals to be considered for honorary roles.
- Delegated wider duties by the Board, including oversight of remuneration of the Executive Directors and the appraisal of the trustees and the Chief Executive.

Resource and Finance Committee

The Resource and Finance Committee is responsible for reviewing and overseeing the financial and resource management of St Luke's in the widest sense. The Committee is responsible for overseeing income generation, investment strategy, financial reporting, budgeting and financial planning, employee and volunteering matters and policies, marketing and public relations matters and oversight of St Luke's estate and facilities.

Trustee method of appointment

A skills-based matrix system is used by the Board in which the organisation's need for a balanced mix of skills, both clinical and non-clinical, is regularly reviewed. The Board uses an open process to search for, identify, access and appoint new Trustees, using selection agencies when this is seen to be beneficial and appropriate. All prospective Trustees are invited to undertake a rigorous process of discussion and observation before undertaking a 'fit and proper person' check, and ultimately new Trustees are appointed at a meeting of the full Board of Trustees. A new Trustee undergoes a full programme of induction into all aspects of the organisation and their duties and obligations as a Trustee, in line with Charity Commission guidance and best practice.

Trustee terms of office

Trustees serve an initial term of four years. This can be renewed for a further four years, and then two years, by mutual agreement. No Trustee may serve for more than ten years.

Section 172(1) statement

The Trustees are aware of their duties and have mechanisms in place to ensure they comply with the matters outlined in section 172(1) of the Companies Act 2006. This includes ensuring that any decisions that may have a long-term influence on the success of the Charity require, at a minimum, a full risk assessment and business case appraisal. Trustees regularly engage with the Executive Directors and senior staff members through formal Board and Committee meetings at which risk assessments and business cases are considered in respect of all major decisions that could have a long-term influence on the Charity.

The Trustees are aware of their duties to inform all regulatory bodies of any areas of concern. Regular submissions are made to South Yorkshire Integrated Care Board, the Care Quality Commission, the Information Commissioners Office, the Gambling Commission and other regulatory bodies. All areas of compliance are reported to the relevant sub-committee of the Board and an annual statement of compliance with all laws and regulations is received by the full Board. Trustees attend any ad hoc meetings required in respect of regulatory compliance and investigation and they consider whether any concerns should be submitted to the Charity Commission under the Reporting of Serious Incidents (RSI) process.

The Board receives feedback from staff and people we support through surveys, monitoring of complaints, compliments, and incidents, attendance at service user forums (where appropriate) and Patient Safety Leadership Walkrounds. Trustees also regularly attend a variety of public events that St Luke's hold throughout each year and interact with staff, volunteers, supporters and general public. They attend shop openings and celebrations, volunteer long-service awards, services of remembrance and other key events.

The Trustees monitor financial performance in detail at the Resource and Finance Committee and in a more summarised format at full Board meetings. Financial controls and the application of ethical terms of business are monitored through the Resource and Finance and the Audit and Risk Committees. Committees and Working Groups of the Board have the opportunity to meet with professional advisors to seek feedback on specific risk areas of the Charity and its responsiveness to regulatory and legal compliance matters.

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The Charity has ethical fundraising and investment policies in place and adherence to these is monitored through Committees and Working Groups. We have an Environmental and Sustainable Practices Group which is a working group comprising members of the Board, the Executive Directors and key staff which has oversight of our various initiatives that help St Luke's to be an environmentally sustainable organisation.

Public benefit statement

In planning and delivering its services and activities, the Trustees and Executive Directors of St Luke's have given due regard to the need to ensure that the organisation provides public benefit, following the Charity Commission's guidance on these matters.

St Luke's charitable objectives and our annual declaration of activities and achievements (publicly available from the Charities Commission and Companies House, and through the Quality Account) demonstrate that St Luke's provides vital free-to-access services available to all people in the city of Sheffield.

St Luke's is clearly meeting the requirements of the public benefit test – a charity providing benefits for the public and supported by the public.

Equality statement

St Luke's is committed to the promotion of diversity and equal opportunities and to eliminating and preventing unlawful discrimination in our work.

We believe that our services should be available to all, regardless of race, age, gender, disability, sexuality, religion, marital status, gender reassignment status or the area of Sheffield in which a person lives. We are also committed to treating staff, volunteers and those applying to work at St Luke's fairly and without discrimination.

We actively seek to promote equality by ensuring that we meet our legal duties under the Equality Act 2010 and the Human Rights Act 1998, by making sure that equality and diversity are at the centre of our policies and procedures, and by ensuring that staff and volunteers are able to meet the diverse needs of our service users.

Environmental Impact and Sustainability statement

St Luke's is a charity that is all about caring. Just as we care for people, we also care for our environment, our neighbours and our impact on society.

As our journey to be a better organisation continues, we aspire to reduce the negative impact we have on our environment and to improve and grow the positive impact we have on our neighbourhood and society. We'll do this by developing our philosophy, improving our awareness and understanding, seeking best practice and establishing action plans to make improvements – seeking outcomes that can be measured against appropriate benchmarks and charters. We'll report our progress and celebrate our successes – and work harder on things that are difficult to achieve. By doing these things we'll demonstrate that we are a responsible citizen and we'll enhance sustainability for ourselves and those around us.

St Luke's recognises that this is a long-term journey with significant resource implications, and that we cannot change overnight. But our commitment is clear and we'll work as a team, and with partners, to combine big-ticket actions with small positive steps to progressively achieve our goal of a greener, more energy-efficient, and sustainable St Luke's in tune with our environment and community.

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Streamlined Energy and Carbon Reporting (SECR)

As part of SECR, our UK greenhouse gas (GHG) emissions and energy use for the year are as set out below:

UK GHG Emissions and energy use data for the period 1 April 2024 to 31 March 2025

Energy consumption used to calculate emissions (kWh): 2,450,386

Energy consumption breakdown (kWh):

- Gas
- Electricity
- Transport fuel

Direct GHG emissions: gas consumption 269.84

Indirect energy emissions: purchased electricity 171.93

Other indirect emissions: employee mileage while undertaking activities for St Luke's Hospice 30.89

Total gross emissions in metric tonnes CO₂e 472.66

Intensity ratio in in metric tonnes CO₂e per staff FTE 1.60

NB. first year reporting requirement under SECR

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and the UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes per staff FTE.

Measures to improve energy efficiency

During the year to which these accounts relates we made significant progress in improving our energy efficiency. We installed new solar panels at our main hospice site, replacing the old ones that had originally been installed in 2013. The new solar panels are considerably more effective than the old ones and will make a significant contribution to improving our energy efficiency at the hospice.

We have continued our programme of replacing old fashioned lighting with energy efficient LED lighting. Our estate is considerable, spanning 20 sites, and so this programme will continue into the next financial year. Alongside this our new utilities contracts use 100% green energy.

It is important to St Luke's and its staff that we reduce our environmental impact where possible.

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The cross-organisational 'Big Ticket' environmental groups met regularly throughout the year increasing awareness of energy efficiency and specifically focussing on:

- transport
- energy
- reduce, reuse, recycle
- grounds, biodiversity and carbon capture

Looking ahead we have plans to replace elements of our diesel vehicle fleet with electric vans, to install electric vehicle charging points at our larger sites, to introduce bee hives at our Ecclesall Road South site, and to significantly reduce single use plastics in our retail chain.

Our progress to date and into the future is underpinned by the Board's commitment to the environmental and sustainability agenda. This commitment is demonstrated through the earmarking of funds to the environmental designated fund.

Legal and administration

Status

St Luke's Hospice is a charitable company limited by guarantee, incorporated on 15 November 1967 as St Luke's Nursing Home Limited and registered as a Charity in England and Wales on 24 November 1967. It is independent and has no legal connection with other hospices in the UK. St Luke's first opened its doors on 1 October 1971.

Governing document

St Luke's was established under a memorandum of association and is governed under its articles of association which establish the objects and powers of the organisation.

The company is established for charitable purposes only, having the following objectives:

To relieve sickness and assist in the treatment and care of persons suffering from mental and physical illness of any description and in particular:

- By providing an establishment or establishments for sick persons where they can be given the accommodation, attendance, medical care and treatment and nursing which by reason of their sickness they require.
- By conducting, exploring or encouraging research and the evaluation of improvements in the care of the terminally ill person, that person's carers and relatives and to disseminate the useful results of such research.
- By providing palliative care in the community and by providing support for the carers and relatives of terminally ill people.

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Company number	00922448
Charity number	254402
Registered office	St Luke's Hospice Little Common Lane Off Abbey Lane Sheffield S11 9NE
Founder	Professor Eric Wilkes OBE (1920 – 2009)
President	Lady Neill DL
Executive Team	Jo Lenton <i>Chief Executive and Chief Nurse</i>
	Tony Saunders <i>Director of Finance and Chief Operating Officer (Company Secretary)</i>
	Dr Sam Kyeremateng <i>Medical Director and Clinical Lead for Programme Development</i>
	Katie Weller <i>Director of People and Wellbeing</i>
	<i>Peter Hartland</i>
	<i>Kathryn Birkett</i>
Board of Trustees	Adrian Belton <i>Chair of the Board of Trustees</i>
	Dr Lucy Cormack <i>Chair of the Healthcare Governance Committee</i>
	Steve Ned <i>Chair of the Nominations and Remuneration Committee</i>
	Angus Ridge <i>Chair of the Resource and Finance Committee</i>
	Amy Stanbridge <i>Chair of the Audit and Risk Committee</i>
	Professor Jon Wadsley <i>Chair of the Research Committee</i>
	Dr Mark Durling

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Louise Edwards-Holland

Professor Diana Greenfield (resigned 24 June 2025)

Louisa Harrison-Walker

Nicola James

Dr Suvira Madan

Martin McKervey

Dr Kathryn Platts (resigned 24 June 2025)

Shelley Garlington (resigned 31 July 2024)

The Trustees have given due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

St Luke's patrons and ambassadors

St Luke's is proud to be supported by patrons and ambassadors who champion our Charity both locally and nationally. Our patrons and ambassadors give their support voluntarily, and serve for mutually agreed periods of time. We are grateful to them for their time and commitment.

Our Principal Patrons are:

Hugh Facey OBE & Mrs Frances Facey

Neil MacDonald OBE

Ruth Wilkes (daughter of our Founder, Professor Eric Wilkes OBE)

The President's Award

President's award recipients:

Sue Inglis, 2024

Helen Bacon, 2024

Alex Pettifer MBE, 2024

Professor Barry Hancock OBE, 2018

Michael Pestereff, 2017

The Queen's Award for Voluntary Service

St Luke's Volunteers are proud to be the recipient of The Queen's Award for Voluntary Service, which was presented for HM The Queen by HM Lord-Lieutenant of South Yorkshire in 2019.

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Bankers

Svenska Handelsbanken AB (publ)
Seventh Floor
3 St Paul's Place
129 Norfolk Street
Sheffield S1 2JE

Barclays
2-10 Pinstone Street
Sheffield
S1 2HN

Solicitors

Knights plc
Commercial House
14 Commercial Street
Sheffield S1 2AT

Freeths
Fifth Floor
3 St Paul's Place
129 Norfolk Street
Sheffield S1 2JE

Hemingways Solicitors Limited
11 Westbourne Road
Sheffield
S10 2QQ

DAC Beachcroft
St Pauls House
23 Park Square South
Leeds, LS1 2ND

Auditors

BHP LLP
Albert Works
Sidney Street
Sheffield
S1 4RG

Trustees' Responsibilities statement

The Trustees (who are the statutory Directors of St Luke's for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods of principles in the Charities SORP 2019 (FRS102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time 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 hence for taking reasonable steps for the prevention of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

The auditor, BHP LLP, have indicated their willingness to stand for reappointment.

In accordance with the company's articles, a resolution proposing that BHP LLP be reappointed as auditor of the company will be made at a Board Meeting.

Insurance for Trustees and Officers

Insurance for Trustees and Officers against liabilities in relation to the company, as permitted by the Companies Act 2006, is maintained under a policy held by St Luke's.

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TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2025

This report is presented on behalf of the St Luke's Board of Trustees.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors. On behalf of the Board on 2025.

Adrian Belton

Chair of the Board of Trustees

Angus Ridge

Chair of Resource and Finance Committee

Opinion

We have audited the financial statements of St Luke's Hospice (the "parent charitable company") and its subsidiary (the "group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 parent charitable company's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' 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' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent 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 and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor 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. 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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the parent charitable company through discussions with directors and other management, and from our commercial knowledge and experiences of the charity's sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, taxation legislation and data protection, employment, health and safety legislation (including CQC documentation) and requirements of the Gambling Commission;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence throughout;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls we:

- Performed analytical procedures to identify any unusual or unexpected variances.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1(r) were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation.
- Reading the minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit>. 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.

Laura Mashedor (Senior statutory auditor)

Date.....

For and on behalf of

BHP LLP
Chartered Accountants
Statutory Auditors
Albert Works,
Sidney Street,
Sheffield,
S1 4RG

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Income from:									
Legacies and donations		4,050,541	-	99,550	4,150,091	2,534,376	-	57,155	2,591,531
Other trading activities:									
Special events and sundry sales		355,552	-	-	355,552	358,107	-	-	358,107
Charity shops		4,174,779	-	-	4,174,779	3,872,838	-	-	3,872,838
Lottery income		755,810	-	-	755,810	799,603	-	-	799,603
Education and research		316,326	-	-	316,326	374,498	-	-	374,498
Other income		416,438	-	-	416,438	306,896	-	-	306,896
Investment income	2	199,474	-	-	199,474	208,269	-	-	208,269
Charitable activities									
SYICB Contract		3,290,125	-	-	3,290,125	3,216,200	-	-	3,216,200
Subsidy of medicine & drugs costs		84,767	-	-	84,767	90,747	-	-	90,747
Other grants		78,142	-	727,245	805,387	327,446	-	578,006	905,452
ICB complex needs funding		-	-	-	-	-	-	500,000	500,000
		13,721,954	-	826,795	14,548,749	12,088,980	-	1,135,161	13,224,141
Expenditure on:									
Raising funds									
Legacies and donations	3	529,438	7,783	15	537,236	483,726	3,513	-	487,239
Special events and sundry sales	3	339,633	6,191	15	345,839	325,375	3,448	-	328,823
Charity shops	3	3,532,131	4,806	-	3,536,937	2,957,095	2,212	-	2,959,307
Lottery prizes and expenses	3	355,215	54,251	-	409,466	338,300	-	-	338,300
Investment management fees	3	23,284	-	-	23,284	24,429	-	-	24,429
Total		4,779,701	73,031	30	4,852,762	4,128,925	9,173	-	4,138,098

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Expenditure on:									
<i>Charitable activities</i>									
Inpatient care	3	5,885,395	245,887	323,158	6,454,440	4,719,505	180,595	760,951	5,661,051
Medicine & drugs costs	3	84,767	-	-	84,767	90,747	-	-	90,747
Early support for terminal illness	3	212,752	3,038	3,639	219,429	151,914	3,253	-	155,167
Integrated community care services	3	3,129,698	121,356	191,637	3,442,691	2,914,669	166,782	158,495	3,239,946
Education and research	3	540,252	4,777	50	545,079	583,423	1,366	-	584,789
Total		9,852,864	375,058	518,514	10,746,406	8,460,258	351,996	919,446	9,731,700
Total expenditure		14,632,565	448,089	518,544	15,599,168	12,589,183	361,169	919,446	13,869,798
Net income / (expenditure)	6	(910,611)	(448,089)	112,797	(1,050,419)	(500,203)	(361,169)	215,715	(645,657)
Gains/(losses) on investments									
Realised and unrealised gains/(losses) on investments	8	112,979	-	-	112,979	233,694	-	-	233,694
Gain/(loss) on revaluation of fixed assets	7,8	(81,280)	-	-	(81,820)	-	2,465,880	-	2,465,880
		31,699	-	-	31,699	233,694	2,465,880	-	2,699,574
Net (expenditure)/income		(878,912)	(448,089)	308,281	(1,018,720)	(266,509)	2,104,711	215,715	2,053,917
Transfer between funds	14/15	635,504	(326,401)	(309,103)	-	(7,885,135)	7,928,128	(42,993)	-
Net movement in funds		(243,408)	(774,490)	(822)	(1,018,720)	(8,151,644)	10,032,839	172,722	2,053,917
Funds balance at 1 April 2024		3,959,558	11,782,839	172,722	15,915,119	12,111,202	1,750,000	-	13,861,202
Funds balance at 31 March 2025	14/15	3,716,150	11,008,349	171,900	14,896,399	3,959,558	11,782,839	172,722	15,915,119

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

ST LUKE'S HOSPICE

BALANCE SHEET

31 MARCH 2025

	Note	GROUP		CHARITY	
		2025 £	2024 £	2025 £	2024 £
Fixed assets					
Tangible assets	7	10,333,338	10,044,009	10,333,338	10,044,009
Investments	8	3,152,575	4,612,596	3,152,649	4,612,670
		<u>13,485,913</u>	<u>14,656,605</u>	<u>13,485,987</u>	<u>14,656,679</u>
Current assets					
Stock – goods for resale		96,044	84,648	96,044	84,648
Debtors	9	3,809,213	2,292,512	3,810,598	2,292,512
Cash at bank and in hand	10	648,613	1,846,645	646,455	1,845,584
		<u>4,553,870</u>	<u>4,223,805</u>	<u>4,553,097</u>	<u>4,222,744</u>
Creditors: amounts falling due within one year	11	(3,143,384)	(2,965,291)	(3,157,095)	(2,977,805)
Net current assets		<u>1,410,486</u>	<u>1,258,514</u>	<u>1,396,002</u>	<u>1,244,939</u>
Total assets less current liabilities		<u>14,896,399</u>	<u>15,915,119</u>	<u>14,881,989</u>	<u>15,901,618</u>
Charity Funds					
General funds	15	3,716,150	3,959,558	3,701,740	3,946,057
Designated funds	15	11,008,349	11,782,839	11,008,349	11,782,839
Restricted funds	16	171,900	172,722	171,900	172,722
Total charity funds -		<u>14,896,399</u>	<u>15,915,119</u>	<u>14,881,989</u>	<u>15,901,618</u>
Including investments revaluation reserve (£250,942 (2024: £117,700))					

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in the financial statements. The deficit of the charity is £1,033,200 (2024: surplus £2,040,346).

The financial statements were approved and authorised for issue by the Board on

Board of Trustees

Adrian Belton
Chair of the Board of Trustees

Angus Ridge
Chair of Resource and Finance Committee

The notes on pages 36 to 58 form part of these financial statements.
Company registration number: 00922448

ST LUKE'S HOSPICE

CONSOLIDATED STATEMENT OF CASH FLOWS

31 MARCH 2025

		2025		2024	
	Note	£	£	£	£
Net cash flow (used in) operating activities	17		(2,399,301)		(804,968)
Cash flows from Investing activities					
Interest received	2	71,115		72,651	
Dividends received	2	128,359		135,618	
Purchase of tangible fixed assets	7	(707,705)		(868,272)	
Proceeds from sale of fixed assets		136,500		-	
Purchase of investments	8	(1,179,726)		(1,856,567)	
Proceeds from sale of investments	8	2,713,881		1,777,904	
Net cash flow from investing activities			1,162,424		(738,666)
Decrease in cash and cash equivalents in the year			(1,236,877)		(1,543,634)
Cash and cash equivalents as at 1 April 2024	18		1,885,934		3,429,568
Cash and cash equivalents as at 31 March 2025	18		649,057		1,885,934

1 Summary of significant accounting policies

(a) General information and basis of preparation

St Luke's Hospice is a registered Charity in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £2 per member of the charity. The address of the registered office is given in the charity information of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees' Annual Report.

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

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

(b) Going concern

The 2024-25 financial statements have been prepared on a going concern basis. We have recorded a good surplus in the financial year and we have a strong asset base. Our budgets for the 2025-25 financial year anticipate a deficit due to significant inflationary pressures on wages and other costs. Our short, medium and long-term cash flow forecasts all project sufficient liquid balance of funds and we have no reason to believe that there will be any threat to our going concern status for the next 12 months following approval of these financial statements.

(c) Basis of consolidation

The consolidated accounts include the accounts of St Luke's Hospice and its subsidiary undertakings on a line by line basis.

Under section 399 of the Companies Act 2006 and paragraph 15.12 of the SORP (FRS 102) the company is not required to present its own income and expenditure account.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in the financial statements. The deficit of the charity is £1,033,200 (2024: surplus £2,040,346). The summary financial performance of the charity alone is disclosed in note 23. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only statement of cash flows in the consolidated financial statements.

(d) Fund accounting

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

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

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

Investment income and gains are allocated to the appropriate fund.

(e) Income recognition

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

(i) South Yorkshire Integrated Care Board

Income represents grants receivable from the South Yorkshire Integrated Care Board (SYICB) covering the Sheffield region in respect of either contractual service level agreements or non-contractual recurrent grant funding.

(ii) Lottery income

Lottery income is accounted for when receivable and represents income generated by the weekly St Luke's Hospice Society Lottery and periodic raffles. Lottery income received in advance is carried forward as deferred income.

(iii) Donations

Donations are treated as income when received.

(iv) Gifts in kind

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from Charity shops'. Upon sale, the value of the stock is charged against 'Income from Charity shops' and the proceeds are recognised as 'Income from Charity shops'.

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

(v) Legacies

For legacies, entitlement is the earlier of St Luke's being notified of an impending distribution or the legacy being received. Legacies are treated as income when they are received, or on a receivable basis for all individual legacies which have been notified prior to the accounting reference date and become capable of financial measurement prior to the sign off of the accounts.

(vi) Quoted investment income

Quoted investment income is accounted for on a receivable basis.

(vii) Special events and sundry sales income

Special events and sundry sales income is credited when the event takes place.

(viii) Dividends

The charity was gifted shares in a private limited company, the gifted shares have no voting rights, however they do have entitlement to dividends. The shares cannot be valued as they are not held on a listed investment stock exchange and cannot be transferred or exchanged. The dividends are recognised on a receivable basis.

(f) Deferred income

Funds received in one accounting period that are specifically restricted to work to be carried out in subsequent accounting periods are not accounted for as income but are carried forward as deferred income.

(g) Expenditure and basis of allocation of costs

Expenditure is included in the SoFA on an accruals basis, inclusive of any irrecoverable VAT.

Charitable expenditure directly related to the objects of St Luke's and the provision of hospice services is recognised on an accruals basis.

Direct costs are attributed directly to the charity's activities.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Support costs which relate to more than one charitable activity are allocated to those activities based on an assessment criteria of time spent on each activity. Included in support costs are governance costs which represent expenditure incurred in the management of the charity's assets, strategic and organisational administration and compliance with constitutional and statutory requirements.

(h) Operating leases

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

(i) Fixed assets and depreciation

Freehold land and buildings and long leasehold land and buildings are included at fair value, impairment reviews are considered annually. As a consequence, depreciation is not charged on such assets. All other fixed assets categories are included at the historical cost. Significant donated fixed assets are capitalised at their estimated cost.

(i) Fixed assets and depreciation – continued

Expenditure of less than £1,000 is normally not capitalised unless it forms part of a larger project which has either a) an aggregate value in excess of £1,000 or b) has been specifically designated as a capital project by management. In all cases the decision to capitalise expenditure or otherwise will be made on an item by item basis with regard to the nature of the item and the economic benefits derived.

No depreciation is applied to assets in the year of purchase. A full year's charge is applied in the year of disposal. Depreciation is provided by St Luke's on a reducing balance basis (unless otherwise determined) to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Short leasehold improvements	- Straight line over the life of the lease
Motor vehicles	- 20% per annum
Equipment and furniture	- 25% per annum
Computer equipment	- 3 years straight line

The general rates detailed above are subject to override on an item by item basis should - in the opinion of management - the circumstances of the condition or estimated life of the asset change. Material departure from the general rates above will be disclosed in the notes to the accounts.

(j) Stocks

Stocks are stated at the lower of cost and net realisable value. Donated stocks are fair valued as described in (e) (iv) above.

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

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

(l) Financial instruments

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

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Except for those employees for whom St Luke's makes contributions to the NHS superannuation scheme, all other St Luke's employees may, at their discretion, join the St Luke's Group Personal Pension Plan arranged by Scottish Widows to which St Luke's makes an employer contribution which matches the employee's contribution. Employees who are not already part of a pension scheme are enrolled in the Auto-Enrolment Pension Scheme which they may opt out of at their request. These pension funds are assets of the individual and St Luke's has no liability nor interest in the value of each fund. St Luke's contributions are charged to the SoFA as they are incurred.

(n) Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than three months (other than cash).

(o) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'gains/(losses) on investments' in the SoFA.

Investments in subsidiary undertakings are valued at cost less impairment.

(p) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(q) Agency arrangements

The charity acts as an agent in distributing funds in relation to various ECHO projects and CoMPaSs. Payments are received for funds which are distributed to various partners. St Luke's is one of three ECHO Superhubs in the UK.

The funds are excluded from the statement of financial activities as the charity does not have control over the charitable application of the funds. The funds are received and paid and any balances held are disclosed in note 24.

(r) Critical accounting estimates and areas of judgement

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

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Critical accounting estimates and assumptions:

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

- i. **Donated stock**
Donated stock is valued based on post year end sales and stock turnover.
- ii. **Property valuations**
Freehold land and buildings and long leasehold land and buildings are included at fair value, impairment reviews are considered annually.
- iii. **Legacy accrued income**
Legacies are treated as income when they are received, or on a receivable basis for all individual legacies which have been notified prior to the accounting reference date and become capable of financial measurement at the year-end date.

2. **Income from investments**

	2025	2024
	£	£
Dividends and interest	128,359	135,618
Bank interest	71,115	72,651
	<u>199,474</u>	<u>208,269</u>

Income from investments in both years is unrestricted.

3. **Analysis of expenditure**

	Direct costs	Support costs	Total 2025	Total 2024
	£	£	£	£
Raising funds				
Legacies and donations	412,715	124,521	537,236	487,239
Special events and sundry sales	258,785	87,054	345,839	328,823
Charity shops	3,439,793	97,144	3,536,937	2,959,307
Lottery prizes and expenses	349,446	60,020	409,466	338,300
Investment management costs	23,284	-	23,284	24,429
	<u>4,484,023</u>	<u>368,739</u>	<u>4,852,762</u>	4,138,098
Charitable activities				
Inpatient care	5,521,266	933,174	6,454,440	5,661,050
Medicine and drugs	84,767	-	84,767	90,747
Early support for terminal illness	182,941	36,488	219,429	155,167
Integrated community care services	2,868,241	574,450	3,442,691	3,239,946
Education and training	449,566	95,513	545,079	584,790
	<u>9,106,781</u>	<u>1,639,625</u>	<u>10,746,406</u>	9,731,700
Total	<u>13,590,804</u>	<u>2,008,364</u>	<u>15,599,168</u>	13,869,798
2024 Total	<u>11,955,020</u>	<u>1,914,778</u>	<u>13,869,798</u>	

Included within support costs are governance costs of £136,885 (2024: £125,315) which are detailed in note 4.

Support costs totalling £2,008,365 (2024: £1,914,778) have been allocated across activities, these costs include the support service of Finance, HR, Administration and other facility and central services. Costs have been allocated either on the basis of time spent by the department in supporting the activities, or other usage of the service. Investment management costs include fees payable to the investment managers, Investec Wealth & Investment Ltd.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

4. Governance costs	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Strategic management	103,905	-	103,905	98,884
Legal, professional and support costs	<u>32,980</u>	-	<u>32,980</u>	<u>26,431</u>
	<u>136,885</u>	-	<u>136,885</u>	<u>125,315</u>
2024 Total	<u>125,315</u>	-	<u>125,315</u>	

5. Employment costs	2025 £	2024 £
Staff costs		
Wages and salaries	9,216,990	8,253,200
Social security costs	886,528	774,540
Pension costs	<u>486,397</u>	<u>428,628</u>
	<u>10,589,915</u>	<u>9,456,368</u>

The emoluments of employees who earned over £60,000 during the year were within the following ranges:

	Number of employees	
	2025	2024
£120,001 - £130,000	1	-
£110,001 - £120,000	-	1
£100,001 - £110,000	4	-
£90,001 - £100,000	1	2
£80,001 - £90,000	-	-
£70,001 - £80,000	1	2
£60,000-£70,000	4	3

The key management personnel of St Luke's during 2024-25 comprise the Chief Executive Officer (resigned June 2024), the Chief Executive Officer and Chief Nurse (appointed July 2024) and the Executive Directors. The total emoluments earned as employees of St Luke's including employer national insurance and pension contributions totals £609,000 (2024: £481,087). During the year pension contributions on behalf of these employees amounted to £80,608 (2024: £71,838)

As shown above, St Luke's has employed 11 individuals who earned over £60,000. Of these, three were medical consultants employed on NHS equivalent contracts. Five of those listed were members of the key management team in the year. The Chief Executive Officer and Chief Nurse is not the highest paid employee.

Total redundancy payments amounted to £Nil (2024: £46,184) and are included in wages and salary costs.

Please refer to page 17 of the Trustees' Report for details on how executive pay is set.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

5. Employment costs – continued

	Head count - Average Number of employees	
	2025	2024
Ancillary	39	41
Medical and nursing	74	74
Allied Health Professional	41	32
Professional and technical	39	35
Fundraising	10	11
Administration	16	16
Shops	77	75
	<u>296</u>	<u>284</u>

St Luke's receives a substantial amount of support and expertise from volunteers. The work undertaken by this significant number of volunteers, when expressed as a monetary value for 2024-25, is £1,180,825 (2023-24: £897,653). This amount is not reflected in the Statement of Financial Activities.

6. Net income / (expenditure) for the year

Net income / (expenditure) is stated after charging:

	2025	2024
	£	£
Auditor's remuneration:		
Audit	26,700	25,420
Other Services	-	1,575
Hire of other assets – operating leases	604,575	304,710
Loss/(profit) on disposal of fixed assets	(27,685)	-
Impairment on revaluation of fixed assets	81,280	-
Depreciation	<u>228,281</u>	<u>147,871</u>

7. Tangible fixed assets – Group and charity

	Freehold land and buildings			Long leasehold property	Short leasehold property	Equipment, furniture and motor vehicles	Total
	Little Common Lane	Clifford House	Shops	Abbeydale Road shop	Shops		
	£	£	£	£	£	£	£
Cost/valuation							
At beginning of year	2,900,000	4,350,000	1,510,000	160,000	1,093,158	1,624,323	11,637,481
Additions	71,300	-	9,980	-	283,649	342,776	707,705
Disposals	-	-	(100,000)	-	-	(8,815)	(108,815)
Revaluation	(71,300)	-	(9,980)	-	-	-	(81,280)
At end of year	2,900,000	4,350,000	1,410,000	160,000	1,376,807	1,958,284	12,155,091
Depreciation							
At beginning of year	-	-	-	-	469,436	1,124,036	1,593,472
Charge for the year	-	-	-	-	100,164	128,117	228,281
Revaluation	-	-	-	-	-	-	-
At end of year	-	-	-	-	569,600	1,252,153	1,821,753
Net book value							
At 31 March 2025	2,900,000	4,350,000	1,410,000	160,000	807,207	706,131	10,333,338
At 31 March 2024	2,900,000	4,350,000	1,510,000	160,000	623,722	500,287	10,044,009

The buildings at Little Common Lane are erected on freehold land donated to the charity prior to the opening of St Luke's in 1971. The land is held at fair value. Other significant donated fixed assets are capitalised at their estimated cost. All the tangible fixed assets are used for the charitable purposes of St Luke's.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

7. Tangible fixed assets – Group and charity (continued)

Tangible fixed assets held at valuation

The historic cost equivalent of land and buildings included at valuation are as follows:

	2025	2025	2024	2024
	Freehold	Long	Freehold	Long
	property	leasehold	property	leasehold
	£	£	£	£
Cost	16,463,310	168,271	16,482,029	168,271
Accumulated impairment (losses)/gains	(5,072,892)	46,074	(4,991,611)	46,074
Accumulated depreciation	(2,730,418)	(54,345)	(2,730,418)	(54,345)
Net book value	8,660,000	160,000	8,760,000	160,000

Freehold land and buildings were subject to independent, professional valuation as at 28 February 2024. The valuation was undertaken by SMC Brownill Vickers. The valuations will be reviewed for indicators or material change annually and a professional valuation will be obtained at least every 5 years.

8. Fixed asset investments

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Listed Investments:				
Market value at beginning of year	4,573,297	4,260,940	4,573,297	4,260,940
Additions	1,179,726	1,856,567	1,179,726	1,856,567
Disposals	(2,713,881)	(1,777,904)	(2,713,881)	(1,777,904)
Net investment gains / (losses)	112,979	233,694	112,979	233,694
Market value at end of year	3,152,121	4,573,297	3,152,121	4,573,297
Investment cash	444	39,289	444	39,289
Market value at end of year	3,152,565	4,612,586	3,152,565	4,612,586
Unlisted investments	10	10	84	84
	3,152,575	4,612,596	3,152,649	4,612,670
Historical cost of listed investments	2,901,633	4,406,518	2,901,633	4,406,518

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

8. Fixed asset investments (continued)

Included in unlisted investments are companies limited by share capital in which St Luke's interest at the year end is more than 20% as follows:

	Note	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertaking				
St Luke's Options Limited	22	England and Wales	Trades for the benefit of St Luke's Hospice	100% ordinary
St Luke's Promotions Limited		England and Wales	Dormant	100% ordinary
St Luke's Care Limited		England and Wales	Dormant	100% ordinary

9. Debtors

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Trade debtors	36,342	180,669	36,340	180,669
Income tax recoverable	290,569	106,565	290,569	106,565
Prepayments and accrued income	3,295,937	1,821,316	3,295,937	1,821,316
Other debtors	186,365	183,962	187,752	183,962
Amounts owed by group undertakings	-	-	-	-
	<u>3,809,213</u>	<u>2,292,512</u>	<u>3,810,598</u>	<u>2,292,512</u>

10. Cash and Bank

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Cash at bank	642,822	1,841,658	640,664	1,840,597
Cash in hand	5,791	4,987	5,791	4,987
	<u>648,613</u>	<u>1,846,645</u>	<u>646,455</u>	<u>1,845,584</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

11. Creditors: amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	727,889	745,546	727,889	745,546
Other creditors	152,379	160,682	152,379	160,682
Taxation and social security	216,041	181,313	216,041	181,313
Accruals and deferred income (note 13)	655,657	960,960	655,657	960,960
Amounts owed to group undertakings	-	-	13,711	12,514
Amounts held under agency arrangement (note 24)	1,391,418	916,790	1,391,418	916,790
	<u>3,143,384</u>	<u>2,965,291</u>	<u>3,157,095</u>	<u>2,977,805</u>

12. Creditors: amounts falling due after more than one year

Group and Charity	2025	2024
	£	£
Other creditors	-	-

13. Deferred income

Group and Charity	£
Balance at 1 April 2024	449,352
Amounts utilised in the year	(449,352)
Amount deferred in the year	118,290
Balance at 31 March 2025	<u>118,290</u>

Deferred income relates to funding received in advance of the period to which the funding relates and lottery income received in advance of the draw dates to which it relates.

14. Commitments

Total commitment under non-cancellable operating leases are as follows:

	2025	2025	2024	2024
	Land and buildings	Plant	Land and buildings	Plant
	£	£	£	£
Within one year	598,973	7,997	330,615	8,895
Two to five years	1,422,573	613	1,859,649	6,671
Over five years	-	-	-	-
	<u>2,021,546</u>	<u>8,610</u>	<u>2,190,264</u>	<u>15,566</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

15. Summary of movement in funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2024	3,959,558	11,782,839	172,722	15,915,119
Income	13,721,954	-	826,795	14,548,749
Expenditure	(14,632,565)	(448,089)	(518,514)	(15,599,168)
Investment gains	112,979	-	-	112,979
Transfers of fixed assets to designated	635,504	(326,401)	(309,103)	-
Revaluation on fixed assets	(81,280)	-	-	(81,280)
Fund balance at 31 March 2025	<u>3,716,150</u>	<u>11,008,349</u>	<u>171,900</u>	<u>14,896,399</u>

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balance at 1 April 2023	12,111,202	1,750,000	-	13,861,202
Income	12,088,980	-	1,135,161	13,224,141
Expenditure	(12,589,183)	(361,169)	(919,446)	(13,869,798)
Investment losses	233,694	-	-	233,694
Transfers	(7,885,135)	7,928,128	(42,993)	-
Revaluation on fixed assets	-	2,465,880	-	2,465,880
Fund balance at 31 March 2024	<u>3,959,558</u>	<u>11,782,839</u>	<u>172,722</u>	<u>15,915,119</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Lottery Development £	Fixed Assets £	Total 2025 £
Fund balance at 1 April 2024	3,959,558	209,504	304,499	255,019	619,809	350,000	10,044,008	15,742,397
Income	13,721,954	-	-	-	-	-	-	13,721,954
Expenditure	(14,632,565)	(136,274)	(111,958)	(28,520)	(118,377)	(52,960)	-	(15,080,654)
Other recognised gains	112,979	-	-	-	-	-	-	112,979
Transfers to unrestricted funds	326,401	101,770	(42,541)	(176,499)	(401,432)	(97,040)	289,341	-
Transfers to designated funds	-	-	-	-	-	-	-	-
Transfers from restricted funds	309,103	-	-	-	-	-	-	309,103
Revaluation of fixed assets	(81,280)	-	-	-	-	-	-	(81,280)
Fund balance at 31 March 2025	3,716,150	175,000	150,000	50,000	100,000	200,000	10,333,349	14,724,499

Charity	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Lottery Development £	Fixed Assets £	Total 2025 £
Fund balance at 1 April 2024	3,946,057	209,504	304,499	255,019	619,809	350,000	10,044,008	15,728,896
Income	13,656,380	-	-	-	-	-	-	13,656,380
Expenditure	(14,581,471)	(136,274)	(111,958)	(28,520)	(118,377)	(52,960)	-	(15,029,560)
Other recognised gains	112,979	-	-	-	-	-	-	112,979
Transfer to unrestricted funds	326,401	101,770	(42,541)	(176,499)	(401,432)	(97,040)	289,341	-
Transfers to designated funds	-	-	-	-	-	-	-	-
Transfers from restricted funds	309,103	-	-	-	-	-	-	309,103
Revaluation of fixed assets	(81,280)	-	-	-	-	-	-	(81,280)
Fund balance at 31 March 2025	3,701,740	175,000	150,000	50,000	100,000	200,000	10,333,349	14,710,089

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

15. Analysis of movement in unrestricted funds (continued)

Group	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Lottery Development £	Fixed Assets £	Total 2025 £
Fund balance at 1 April 2023	12,111,202	250,000	350,000	300,000	850,000	-	-	13,861,202
Income	12,088,980	-	-	-	-	-	-	12,088,980
Expenditure	(12,589,183)	(40,496)	(45,501)	(44,981)	(230,191)	-	-	(12,950,352)
Revaluation on fixed assets	-	-	-	-	-	-	2,465,880	2,465,880
Other recognised gains	233,694	-	-	-	-	-	-	233,694
Transfer to unrestricted funds	-	-	-	-	-	-	-	-
Transfers to designated funds	(7,885,135)	-	-	-	-	350,000	7,535,135	-
Transfers from restricted funds	-	-	-	-	-	-	42,993	42,993
Fund balance at 31 March 2024	3,959,558	209,504	304,499	255,019	619,809	350,000	10,044,008	15,742,397

Charity	General Fund £	Research and Education £	Strategic £	Environment & Sustainability £	IT and Digital Transformation £	Lottery Development £	Fixed Assets £	Total 2025 £
Fund balance at 1 April 2023	12,091,453	250,000	350,000	300,000	850,000	-	-	13,841,453
Income	12,026,490	-	-	-	-	-	-	12,026,490
Expenditure	(12,540,264)	(40,496)	(45,501)	(44,981)	(230,191)	-	-	(12,901,433)
Revaluation on fixed assets	-	-	-	-	-	-	2,465,880	2,465,880
Other recognised gains	233,694	-	-	-	-	-	-	233,694
Transfers to unrestricted funds	-	-	-	-	-	-	-	-
Transfers to designated funds	(7,885,135)	-	-	-	-	350,000	7,535,135	-
Transfer from restricted funds	-	-	-	-	-	-	42,993	42,993
Gift aid from subsidiary company	19,819	-	-	-	-	-	-	19,819
Fund balance at 31 March 2024	3,946,057	209,504	304,499	255,019	619,809	350,000	10,044,008	15,728,896

15. Analysis of movement in unrestricted funds (continued)

The named designated funds are estimated amounts set aside for the specific strategic activities and programmes and are considered by the directors each year to determine their continued adequacy and necessity based on circumstances and current understanding.

The Research and Education fund is held to support future development of research and education programmes, for the benefit of St Luke's patients and clients, as well as in support of the wider community, and to assist in the creation of necessary infrastructure. £175k is required for our planned activity in 2025-26. From 2026-27, research and education costs will be moved to part of our core operating budget, thus eliminating the need for a designated fund.

The Strategic fund has been set at £150k. With the launch of the new strategy, funds have been earmarked to take forward particular strategic themes. As the year progresses, the Executive team will determine what these funds will be spent on.

The Environment and Sustainability fund has enabled St Luke's to achieve a considerable number of our goals over the last couple of years. We will keep a fund of £50k for one off projects, such as charging points and LED lighting upgrades

The IT and Digital Transformation fund has been used to support the build and implementation of electronic patient record system SystemOne and the progression of several other IT projects. Going forward, we do not need to hold such a large designated fund and therefore the fund has been reduced to £100k. This will be used to keep pace with digital developments.

The Lottery Development fund is held to pay for canvassing activity throughout 2025-26. The plan is to incorporate lottery development within the normal fundraising budgets beyond this year. £200k is held in this fund.

The Fixed Assets fund has been created to recognise the fact that fixed assets do not form part of our general or free reserves. We own considerable property assets that are required in order to carry out our charitable activities. This fund will total the net fixed assets in the financial statements each year.

The transfer of funds from restricted to general funds was in respect of the purchase of fixed assets which have now fulfilled their restriction.

The transfer of funds from unrestricted to designated funds was in respect of the transfer of fixed asset fund balances.

ST LUKE'S HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

16. Analysis of movement in restricted funds

Group and Charity	Compassionate Sheffield Funding £	Support a Nurse £	SYICB Funding £	NHS England Deanery Funding £	Hospice UK – Capital Grant £	Other £	Total 2025 £
Fund balance at 1 April 2024	172,722	-	-	-	-	-	172,722
Income	182,668	6,610	-	316,525	228,053	92,939	826,795
Expenditure	(183,490)	(6,610)	-	(316,525)	-	(11,889)	(518,514)
Transfers	-	-	-	-	(228,053)	(81,050)	(309,103)
Fund balance at 31 March 2025	171,900	-	-	-	-	-	171,900

Group and Charity	Compassionate Sheffield Funding £	Support a Nurse £	SYICB Funding £	NHS England Deanery Funding £	Hospice UK – Capital Grant £	Other £	Total 2025 £
Fund balance at 1 April 2023	-	-	-	-	-	-	-
Income	326,142	6,912	500,000	251,869	-	50,238	1,135,161
Expenditure	(153,420)	(6,912)	(500,000)	(251,869)	-	(7,245)	(919,446)
Transfers	-	-	-	-	-	(42,993)	(42,993)
Fund balance at 31 March 2024	172,722	-	-	-	-	-	172,722

Compassionate Sheffield Funding

This is an initiative between St Luke's, Sheffield Public Health Directorate and SYICB to help those facing end of life issues.

Support a Nurse

This represents donations received to support the nursing costs of St Luke's, fully expended in the year.

SYICB Funding

SYICB has provided funding for the care of specific needs patients. This funding was spent on the costs of providing St Luke's nursing team in 2023-24.

NHS England Deanery funding

The Deanery has provided funding specifically for the purpose of supporting the costs of training-grade doctors working with St Luke's. This funding was spent on the costs of providing St Luke's medical team in 2024-25.

Hospice UK – Capital Grant

In December 2024, the government announced it would be providing an additional £100m of funding for adults' and children's hospices across England to be allocated over two years, being the financial years 2024-25 and 2025-26. The funding is designed to help hospices improve efficiency by investing in digital technology and increase capacity to care for patients at home. St Luke's received £228k of funding for the financial year 2024-25.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

16. Analysis of movement in restricted funds (continued)

Other

St Luke's has received funding from other bodies (including Charitable Trusts) in the financial year, which is summarised as follows:

	Received in year 2025 £
Funding for capital assets	81,050
Funding for revenue expenditure	11,889
	<u>92,939</u>

17. Reconciliation of net income to net cash flow from operating activities

	2025 £	2024 £
Net (expenditure)/income for the year before investment gains/(losses)	(1,050,419)	(645,657)
Return on investments	(199,474)	(208,269)
Depreciation charge	228,281	147,871
Loss on disposal of fixed assets	(27,685)	-
(Increase)/decrease in stocks	(11,396)	(5,739)
Decrease/(increase) in debtors	(1,516,701)	298,040
(Decrease)/increase in creditors	178,093	(391,214)
Net cash flow (used in)/provided by operating activities	<u>(2,399,301)</u>	<u>(804,968)</u>

18. Analysis of cash and cash equivalents

	At beginning of year £	Cashflow £	At end of year £
Cash at bank and in hand (Note 10)	1,846,645	(1,198,032)	648,613
Cash held as investments (Note 8)	39,289	(38,845)	444
	<u>1,885,934</u>	<u>(1,236,877)</u>	<u>649,057</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

19. Analysis of assets between funds

2025	Unrestricted funds	Designated funds	Restricted funds	Total 2025
	£	£	£	£
Tangible fixed assets	-	10,333,338	-	10,333,338
Investments	3,152,575	-	-	3,152,575
Current assets	3,706,959	675,011	171,900	4,553,870
Creditors: amounts falling within one year	(3,143,384)	-	-	(3,143,384)
	<u>3,716,150</u>	<u>11,008,349</u>	<u>171,900</u>	<u>14,896,399</u>
2024	Unrestricted funds	Designated funds	Restricted funds	Total 2025
	£	£	£	£
Tangible fixed assets	-	10,044,009	-	10,044,009
Investments	4,612,596	-	-	4,612,596
Current assets	2,312,253	1,738,830	172,722	4,223,805
Creditors: amounts falling within one year	(2,965,291)	-	-	(2,965,291)
	<u>3,959,558</u>	<u>11,782,839</u>	<u>172,722</u>	<u>15,915,119</u>

20. Related party transactions

No remuneration has been paid to any trustee (2024: £nil). No expenses have been paid to trustees (2024: £nil)

Indemnity insurance has been purchased from funds to:

- Protect the Trustees from loss arising from the neglect or defaults of its members or employees; and
- Indemnify Trustees from the consequences of any neglect or default on their part.

The cost incurred during the year was included within insurance costs.

During the year, a gift aid distribution totalling £13,571 (2024: £19,819) was received from St Luke's Options Limited. St Luke's Options Limited is 100% subsidiary of the charity. At the year end £13,714 was owed to the subsidiary and was included in other creditors (2024: debtor of £12,514).

Louisa Harrison-Walker, a Trustee, is also the Chief Executive of Sheffield Chamber of Commerce. The charity incurred expenses of £8,000 (2024: £8,000) to Sheffield Chamber Commerce in relation to annual Patron memberships and £nil (2024: £1,497) in relation to training courses.

21. Pension costs

NHS Pension Scheme

Employees who joined St Luke's prior to 31 March 2013 from the NHS are entitled to remain members of the NHS superannuation scheme which provides benefits based on final pensionable pay. From 1st April 2022, all active members moved from the 1995/2008 scheme to the NHS Pension Scheme 2015. This scheme provides pensions for all members calculated on a CARE basis. The formula is not the same as that used for practitioners in the 1995 section and 2008 section, members with periods of service in more than one part of the scheme are eligible to receive a pension calculated under the provisions of the scheme applicable to those periods of service. The NHS Pension Scheme 2015 is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence it is not possible for St Luke's to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

Employers' pension costs contributions are charged to operating expenses as and when they become due. The last valuation on which contributions are based (31 March 2020) was published in October 2023 and noted a notional deficiency of £40.9bn (12% of notional fund value). The employer's contribution rate increased from 14.38% to 20.68% from 1 April 2019. In the year ended 31 March 2025, the uplift continued to be funded by the Department of Health and Social Care.

The total employer contribution payable in 2024-25 was £92,679,92 (£72,206 for 2023-24). £7,492 was outstanding at the year-end (2024: £7,512). In addition employees who are members of the Scheme paid salary dependent variable contributions in the range 6.1% to 13.5%.

The scheme is subject to an accounting valuation each year at the balance sheet date by the Scheme Actuary. The Annual Report and Accounts 2022-23. These accounts can be viewed on the NHS Pensions website.

The details of current rates and contributions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/nhs-pensions.

From 1st April 2013, new employees to St Luke's from the NHS have been invited to join, at their discretion the Group Personal Pension Plan or are enrolled in the Auto-Enrolment Pension Scheme which they may opt out of at their request. Therefore, employees of St Luke's are not part of the NHS 2015 pension scheme which is a Career Average Revalued Earnings (CARE) scheme.

Group Personal Pension Scheme

Excluding those employees for whom St Luke's continue to make contributions to the NHS superannuation scheme, all other St Luke's employees are enrolled into the Group Pension Scheme arranged by Scottish Widows which they may opt out of at their request. St Luke's makes an employer contribution which matches the employees contribution within the parameters of the scheme. These pension funds are assets of the individual and St Luke's has no liability nor interest in the value of each fund. St Luke's contributions are released to the SOFA as they are incurred. Contributions made during the year were £376,354 (2024: £328,207). £29,161 was outstanding at the year-end (2024: £28,112).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

21. Pension costs (continued)

St Luke's allows arrangements for contributions to certain other registered personal pension funds through its pension broker, John James (an independent financial adviser) to best meet the circumstances of its employees. The employer pension contributions made during the year are £17,364 (2024: £28,215). £942 was outstanding at the year-end (2024: £2,351).

22. St Luke's Options Limited**Profit and loss account****For the year ended 31 March 2025**

	2025	2024
	£	£
Turnover	65,573	62,490
Cost of sales	(16,270)	(15,535)
Gross profit	49,303	46,955
Administrative expenses	(34,825)	(33,384)
Retained profit for the year	14,478	13,571

Net assets at the year end were £14,481 (2024: £13,573). The principal activity of St Luke's Options Limited is to trade for the benefit of St Luke's.

23. St Luke's Hospice

The consolidated SOFA includes the results of the wholly owned subsidiary, St Luke's Options Limited.

The summary financial performance of the Charity alone is:

For the year ended 31 March 2025

	2025	2024
	£	£
Incoming Resources	14,483,175	13,161,647
Resources expended	(15,548,074)	(13,820,875)
Net outgoing resources	(1,064,899)	(659,228)
Other recognised gains / (losses)	112,979	233,694
Net income	(951,920)	(425,534)
Impairment of fixed assets	(81,280)	-
Gain on revaluation of fixed asset	-	2,465,880
Net movement in funds	(1,033,200)	2,040,346
Total funds brought forward	15,901,618	13,841,453
Gift aid from subsidiary company	13,571	19,819
Surplus/(deficit) for the financial year	(1,033,200)	2,040,346
Total funds carried forward	14,881,989	15,901,618
Represented by:		
Unrestricted funds	14,710,089	15,901,618
Restricted funds	171,900	-
	14,881,989	15,901,618

24. Agency arrangements

The charity acts as an agent in distributing ECHO and CoMPaSs project funds. In the accounting period ending 31 March 2025 the charity received £653,000 (2024: £271,707) and disbursed £178,372 (2024: £223,034) from the fund. An amount of £1,391,418 (2024: £916,790) is included in creditors for funds which are distributable to various ECHO projects and CoMPaSs. Payments are received for funds which are distributed to various partners. St Luke's is one of three ECHO Superhubs in the UK.