St Raphael's Hospice

Meeting of the Finance & Resources Committee

To be held at St Raphael's Hospice

At 14:00 on Tuesday 20th January 2026

Members: Alan Cogbill (AC – Chair)
Steve Chambers (SC)
Ed Cook (EC)
Paul Holmes (PH)
Sr Kathleen O'Reilly (KO'R)

In attendance: Nick Stevens (NS – Joint CEO)
Rebecca Trower (RT – Joint CEO)
Neena Vadgama (NV – Head of Finance)
John Groom (JG – Director of IT & Facilities)
Alex Rudkin (AR – Director of Quality & Governance)
Karen Monaghan (KM – Governance)

Item	Time	Description	Purpose	Lead
1.	14.00-14.05	Welcomes, apologies for absence and declarations of interest	Discussion	Chair
2.	14.05-14.10	Review of minutes from 14th October 2025 Committee meeting	Approval	Chair
3.	14.10 – 14.15	Actions List and update on matters arising	Discussion	
4.	14.15-14.35	Finance Report including: • Management Accounts & Balance Sheet • Investments	Discussion	NS, RT, NV
5.	14.35 – 14.45	Policies Review • Anti-money laundering policy • Cash handling policy	Approval	NS
6.	14.45 – 15.15	Review of financial position vs five-year plans	Discussion	NS, RT, NV
7.	15.15-15.35	Outline 2026/27 look-ahead	Discussion	NS, RT, NV
		Non-Clinical Governance update		
8.	15.35-15.45	Estates & IT Report	Discussion	JG

		• Update on Hospice UK funded projects		
9.	15.45-15.50	Any Other Business & Date of next meeting	Discussion	Chair

Date of next meeting: Tuesday 5th May 2026

Actions log

Agenda item	Action	Responsible	Timeline	Ref.	Update
3. Matters Arising	Enhanced Money Laundering and Anti-Fraud Procedures completed for approval.	Nick Stevens / Neena Vadgama	January 2026	14.10.25/01	3. Matters Arising
4. External Audit Report	Finalise management comments and adjustments for audit completion and signature	Nick Stevens / Neena Vadgama	Immediate	14.10.25/02	4. External Audit Report
4. External Audit Report	Present Letter of Representation for Board approval	Committee / Board	October Board meeting	14.10.25/03	4. External Audit Report
7. Non-Clinical Governance	Expand H&S retail audit template to include interpersonal risk and aggression	Alex Rudkin	January 2026	14.10.25/04	7. Non-Clinical Governance
8. IT & Estates	Provide completion update on Hospice UK–funded projects	John Groom	January 2026	14.10.25/05	8. IT & Estates
9. AOB	Amend and re-present Cash Handling Policy to include lottery and money-laundering controls	Neena Vadgama	January 2026	14.10.25/06	9. AOB

Ref No.	Recorded By	Date	EXAMPLES OF EXCELLENT PRACTICE - Description
2025/41	LR/RT/AR	03/12/2025	Lucy Ribaudo highlighted an outstanding example of compassionate, person-centred service delivered recently by Chetna, Supporter Care, alongside the team at our Banstead shop. In October, a 92-year-old gentleman, visited the Banstead shop asking whether someone could assist him with questions about making a will. The shop team promptly called Sara Jane on her mobile, who then connected him with Chetna. Chetna spent approximately an hour speaking with the gentleman (still on SJ's mobile), clearly explaining that she is not a solicitor and advising him to seek guidance from a qualified professional for the preparation of his will. She also encouraged him to keep us updated after obtaining legal advice. Throughout the conversation, she demonstrated patience, empathy, and professionalism. Following their interaction, the gentleman called back this week, specifically to express his appreciation for the exceptional support he received. He said he felt Chetna had gone "over and above" in helping him and was overwhelmed by the care and consideration shown—from the moment he walked into the Banstead shop to his conversation with Chetna. Most notably, he shared that he has now chosen to leave a percentage of his estate to us in his will, entirely as a result of the service and kindness he experienced. He has no other prior connection to the hospice. It has always been my vision that, no matter where our supporters or donors choose to engage with us, we are able to facilitate their needs with consistency, dignity, and care. This situation represents that vision at its finest. It shows what can be achieved when every part of the organisation works together seamlessly in support of the people who place their trust in us. This is a powerful testament to the impact of genuine compassion and the high standards our staff uphold. Chetna and the Banstead shop team exemplify our values and the meaningful difference our organisation makes in the community every day.
2025/40	CT/AR	20/11/2025	Good morning, Thank you for letting me know (re. patient's admission), and thank you all for making this happen - you are amazing, wonderful people and allowed him to die with dignity surrounding by his loved ones, Lucy Discharge Hub Royal Surrey County Hospital
2025/39	SJH/AR	16/11/2025	One of the Donation Center volunteers emailed to see who she should write to to compliment the Manager. I have never met such a happy, positive, hardworking person in my life. I was a customer service manager before I retired. Roxanne is above and beyond what I expected from my employees!!!She is incredible.
2025/38	JF/AR	01/11/2025	Alison Fellows came in on a Saturday 1/11 to support the husband and daughter of a patient in RM 7 who is starting to die. Alison recognised from speaking with the husband on Friday 31/10 that further support was needed and agreed to come in to see the daughter. This was above and beyond. Feel it should be highlighted as excellent care. Alison has done this previously for other family members.

Ref No.	Recorded By	Date	EXAMPLES OF EXCELLENT PRACTICE - Description
2025/37	LJ/AR	24/10/2025	Complementary email received from grand-daughter of patient who was cared for on the IPU: Good morning, My grandmother was being cared for in your Cheam Branch and sadly passed away yesterday. I just wanted to say a massive thank you to every single staff member in the hospice. The end was never going to be easy and I am one of the closest people with my grandmother . I found it extremely hard to visit her but the staff are honestly Golden and really have helped me in my struggles. Not only did they care for my grandmother but they also cared for us, providing warmth and a soothing approach to death and paying attention to small details that will stay with me forever. They were all amazing but two ladies in particular I'd like to know the names of if possible. There was a blonde lady on Sunday 5th on duty at around 11am (I would say she was Welsh I think). Providing myself and my mother with a lot of support and offering us drinks . One thing that stood out to me is my mum asked if she could have a coffee to which she replied ' Of course , I will get you one along with a water because you need to stay hydrated also .' I found that very sweet, although such a small gesture it made me feel so happy that she had considered my mother's well being. On Monday 6th I decided to pluck courage to see my grandmother alone with just my baby, I sat there (I was sort of in the way with the pram) but I wanted to be at my grandmothers bedside and stoke her hand. I offered to move so the nurse could manoeuvre easier and she insisted I stayed with my grandmother and she will work around me which I thought was so lovely. The lady (whom I also unfortunately didn't get a name for) had brunette hair and was working around 10am when she came in , one thing that really comforted my heart was her attention to small details. She encouraged me to talk to my grandmother and that she could hear me , she said to me , 'I'm going to prop your grandmother up a little as I know she doesn't like to like flat , I also know your grandmother likes to be cool, I think it's too cold to open her door but I'll put the fan on her to keep her cool'. This meant so much to me as I knew for a fact in my head before she even said it , this is exactly what my grandmother would want and even though she wasn't able to communicate this it was still considered. Thank you to everyone at St Raphael's in Cheam. My grandmother made the decision to go into a hospice which we were all sceptical about , more so because we knew how much she loved being at home but it was the best choice she has ever made and I think the happiness I feel now to know how she was looked after and how well trained the staff are has made this experience so wonderful rather than a sad miserable one. I feel so happy , my grandmother was so happy Thank you so much
2025/36	AR	20/10/2025	**<u>Medex feedback in September 2025</u>** No care concerns x 12 Treated wonderfully, grateful to be there when they died Care was excellent in the Hospice
202/35	AR	20/10/2025	**<u>Medex feedback in August 2025</u>** No care concerns x 11 Exceptional care, good communications, explanations and attention from the doctors. Supported the family in an honest way. Nurses were very consent led, attentive, thoughtful and accommodating with visitors. Grateful for teh good care received.
2025/34	AR	20/10/2025	**<u>Medex feedback in July 2025</u>** No care concerns x 15
2025/33	CT/AR	16/10/2025	Medical Examiner's Office feedback relayed to whole clinmical/housekeeping team: "The ESTH ME Service recently reviewed a case for one of your former inpatients. Having spoken to the family, they reported that the care at St. Raphael's was outstanding and they expressed their wish to report this back to yourselves.
2025/32	GT/AR	12/10/2025	Email of Appreciation from a Volunteer Bereavement Counsellor It has been a genuine pleasure working alongside all of you at the hospice — Ginny, Diana, Mel, the IT department, and the wider team. I always looked forward to my visits to St Raphael's and the opportunity to meet with clients there. I wish you all continued success in your invaluable work. Please keep up the exceptional standard of care and professionalism that so many of my clients have spoken of with heartfelt appreciation.
2025/31	JC/AR	06/10/2025	Main Hospice Suggestions and Comments box : Love the aromatherapy scents and I was telling people I saw about this beautiful space and the amazing reflective scent combinations - it was suggested by someone - "why don't St Raphael's sell them as aura sprays?" I had not heard of them before, but the idea is that you spray them in the air to enjoy and to pep you up at a difficult moment. I felt it could only be beneficial to pass the idea along, although I have no idea how viable it would be to do so... Ana - thanks, you are amazing! God bless you all for the marvellous work you do.)

Anti-Money Laundering Policy

St Raphael's Hospice

Effective Date: [Insert Date]
Review Date: [Insert Date annually]

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1. Purpose

This Anti-Money Laundering (AML) Policy outlines the approach taken by St Raphael's Hospice ("the Charity") to prevent the use of our operations for money laundering or the financing of terrorism.

The Charity applies a risk-based and proportionate approach to AML controls, reflecting the low-value, mass-participation nature of hospice income generating activities.

While the Charity is assessed as very low risk for money laundering, this policy ensures compliance with relevant legislation and demonstrates our commitment to transparency, good governance, and ethical operations.

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2. Scope

This policy applies to:

- This policy applies to trustees, staff, and volunteers who are involved in the receipt or management of donations, fundraising activities, retail operations, lottery operations or financial oversight.
- Staff and volunteers with no exposure to these functions will be made aware of the policy as part of general governance information but are not expected to comply with AML procedures unless their role changes.
- All donations received, including cash, goods, and online contributions.
- All income-generating activities, including charity shops and lottery.

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3. Legal Framework

This policy has been prepared in accordance with:

- **The Proceeds of Crime Act 2002 (POCA)**

- **The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017**
- **Charity Commission guidance (CC8 and relevant AML updates)**

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4. Risk Assessment

The Charity's operations are assessed as very low risk for the following reasons:

- The Charity receives predominantly small donations from large numbers of different individuals in their personal capacity and through usual banking channels. Cash donations are usually under £100 with large cash donations (over £1,000) only received very occasionally.
- The lottery runs at a rate of £1 per week with no avenue for cash extraction. It is operated through the offices of an independent regulated provider.
- Donations of goods to shops are non-cash and resale-based, posing minimal money laundering risk.
- The Charity does not provide grants to individuals or organisations which provides no avenue for money to be exited from the charity for money-laundering purposes.
- All outgoings are processed via formal banking channels, with cash payments limited to minimal petty cash use.
- There are no international fundraising activities and no international operations.

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5. Policy Statement

The Charity does not tolerate any form of money laundering and will take appropriate steps to identify and report suspicious activity in line with legal obligations.

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6. Procedures

6.1 Cash Handling

- Cash donations are received at shops, events and on other occasions but are typically small or very small in value.
- Any single cash donation over £1,000 will be flagged and recorded, and the source queried politely.
- Cash handling procedures require two people present during counting and banking. There will be rare when this is not possible for practical reasons occasions and mitigations would be in place (for example, when a paid member of retail staff is lone working and has to cash up at the end of the day – there is a

control total through the till and any variance above £5 is reviewed by management).

6.2 Donations of Goods

- Donations of second-hand items are not considered high-risk for money laundering.
- Shops must remain alert for unusual donations (e.g. high-value items with no provenance) and report to the Manager or Commercial Director to assess whether to alert the Money Laundering Reporting Officer (MLRO).
- Where a donor has given a high value item and, upon sale, asks for the cash to be paid to them. Prior to agreement to repay, this must be reported to the Manager or Commercial Director to assess whether to alert the Money Laundering Reporting Officer (MLRO).
- For the purposes of this clause, high-value relates to items of £1,000 value or above.

6.3 Lottery

- The charity operates a society lottery as part of its fundraising activities.
- Day-to-day lottery operations are delegated to a suitably regulated external Lottery Manager (currently, Sterling Lottery) following due diligence of its operations and controls.
- The Charity maintains oversight and assurance that appropriate AML controls are in place with the provider and ensuring that any concerns are escalated to the MLRO for action, as required.
- The Charity will cooperate fully with its external Lottery Manager in the prevention and detection of financial crime.

6.4 Suspicious Activity

- Examples of suspicious activity include:
    - A donor insisting on making a large cash donation (over £1,000) anonymously.
    - Reluctance to provide details when queried reasonably about the origin of funds.
    - Repeated donations that seem inconsistent with the donor's known profile.
    - Requests for donations over £1,000 to be refunded to a different bank account or different named individual.
- All concerns should be reported promptly to the MLRO.
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Commented [RC1]: do we need to include the request for a return of a donation?

Commented [NS2R1]: I think yes, if a cash donation or if the request is for a return in a different name or bank.

7. Roles and Responsibilities

7.1 Money Laundering Reporting Officer (MLRO)

- The occupier of the role of Director of Finance or similar is appointed as the MLRO.
- The MLRO is responsible for:
  - Receiving reports of suspicious activity.
  - Assessing whether a Suspicious Activity Report (SAR) should be submitted to the National Crime Agency (NCA).
  - Maintaining a record of any reports made.

7.2 Staff and Volunteers who are involved in the receipt or management of donations, fundraising activities, retail operations, or financial oversight:

- Must be familiar with this policy.
- Must report any suspicious behaviour or transactions to the MLRO.
- Will receive brief, proportionate training as part of induction or annual review.

7.3 Staff and Volunteers who are NOT involved in the receipt or management of donations, fundraising activities, retail operations, or financial oversight:

- Must be made aware of the policy as part of general governance information (inclusion in the policy manual).

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8. Training and Awareness

For staff and volunteers who are involved in the receipt or management of donations, fundraising activities, retail operations, or financial oversight:

- Given the low-risk profile, formal training will be light-touch, focused on awareness:
  - Cash handling procedures
  - Recognition of suspicious behaviour
  - Reporting routes

For staff and volunteers who are not involved in the receipt or management of donations, fundraising activities, retail operations, or financial oversight:

- Given the low-risk profile, and their lack of proximity to risk areas, no formal training is required other than awareness of this policy and access to it.

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9. Record Keeping

- Records of cash donations over £1,000 and any suspicious activity reports will be retained securely by the MLRO for at least five years.
- All records will comply with GDPR and data protection obligations.

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10. Review of Policy

This policy will be reviewed annually or sooner if required by:

- Changes in legislation or guidance.
- Identification of risks not previously considered.

The background risk assumption of 'very low' will be specifically reviewed annually.

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11. Approval

Signed:
Alan Cogbill, Chair of Finance and Resources Committee
[Date]

Signed:
Nick Stevens, MLRO
[Date]

St Raphael's Hospice – Cash Handling Policy

Approved by: [Finance and Resources Committee]
Effective from: [Date]
Next Review Date: [Date – normally annual]
Version: 1.0

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1. Purpose

This policy ensures that all cash received by St Raphael's Hospice is:

- Handled securely and accurately.
- Properly recorded and banked promptly.
- Accounted for in line with Charity Commission guidance (CC8: Internal Financial Controls for Charities).
- Protected against loss, theft, or misuse.
- In compliance with legal and regulatory requirements, including HMRC rules for Gift Aid.

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2. Scope

This policy applies to:

- All staff and volunteers in hospice shops, fundraising teams, events, community fundraising, Orangery and hospice reception and any others who may handle cash as part of their duties.
- All types of cash income, including:
    - Charity shop and other sales
    - Fundraising events and activities
    - Street/bucket collections
    - Hospice-based donation boxes whether in the hospice or elsewhere
    - Cash donations handed in by supporters
    - Lottery cash receipts

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3. Roles & Responsibilities

- **Finance and Resources Committee** – approves this policy and monitors compliance via the delegated authority of its Finance and Resources Committee.

- **Director of Finance (or similar role) –** accountable for operational compliance.
- **Head of Supporter Care –** reconciliation of donations bank account
- **Head of Finance –** maintains procedures, reconciles other non-donations bank accounts, trains staff/volunteers.
- **Managers (Shops, Fundraising, Hospice Services) –** ensure local adherence, oversee cash counts, arrange secure pick-up for banking.
- **Staff & Volunteers –** follow this policy and report any concerns immediately.

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4. Principles of Cash Handling

1. **Segregation of Duties –** No single person should be responsible for the entire cash process (receipt → counting → recording → banking).
2. **Dual Control –** Cash should be counted by at least two unrelated individuals, wherever possible, or alternative mitigations should be in place.
3. **Prompt Banking –** Cash must be banked as soon as practicable, generally through the weekly external security collections each week.
4. **Secure Storage –** Cash must be kept in a locked cash box/safe until banking.
5. **Documentation –** Every cash transaction must be supported by a record (till print, signed count sheet, collection log, banking slip).

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5. Charity Shops

- **Tills –** Cash transactions recorded through approved Eproductive till systems.
- **Lottery receipts –** Lottery receipts are tilled under the lottery tab and a ticket issued. All receipts are reconciled to the till and a transfer made to the lottery account to reflect this.
- **Floats –** Fixed float levels held; float issued at start of day and reconciled at close.
- **Daily Reconciliation –** Two people count cash, where possible - or a single person with mitigations – cctv, reconciliation to till etc. Cash total is input to Eproductive and the system highlights discrepancies. Any discrepancy over £5 is advised to HQ for review.
- **Banking –** Shops to prepare sealed bank deposit bags containing daily cash bags; cash collected and signed out by authorised driver team and signed in to Supporter Care for safe deposit prior to secure weekly collection.
- **Discrepancies –** Variances over £5 must be reported to the Area Shop Manager and investigated.

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6. Fundraising Events & Activities

- **Cash Float Issue** – Approved in advance, recorded, signed for, and reconciled after event.
- **Collection Points** – Secure containers only (buckets sealed with cable-ties, funeral envelopes, secure cans, all recorded in and out); supervised by staff/volunteers.
- **Event Close** – Cash sealed on-site
- **Transfer** – Delivered directly to Supporter Care Safe by two people, to be counted at appropriate point, ready for weekly secure collection.

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7. Bucket / Street Collections

- **Licences & Permissions** – Obtained in advance from relevant local authority or site owner.
- **Collection Buckets/Cans** – Numbered, sealed, tamper-evident; issued and logged on RE NXT.
- **Collectors** – Cans or buckets are recorded in and out, including when a can is swapped for an empty can.
- **Counting** – Undertaken by two unrelated people; total recorded on Collection Count Sheet and signed.
- **Banking** – Cash banked promptly; copy of bank slip attached to NXT batch paperwork and recorded on daily banking sheet.

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8. Cash Donations (Hospice Premises)

- **Donation Boxes** – Locked, numbered, and sited securely.
- **Emptying** – By two people, recorded on Donation Box Log.
- **One-off Hand-ins** – Received at reception only; it is advisable for staff to issue a receipt, place cash in sealed envelope, record in book and signed out upon transfer to Supporter Care staff for transport to secure safe.

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9. Recording & Reconciliation

- Supporter Care team to reconcile all bankings to collection sheets, lottery records or donation logs. Finance team to reconcile to retail till reports.
- Any variances over £20 or repeated smaller discrepancies should be investigated and reported to the Head of Supporter Care.
- Gift Aid declarations to be captured where possible, in line with HMRC guidance.

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10. Security Measures

- Cash in transit to be carried discreetly by two-persons internally and by secure courier to the bank.
- Safes must be fixed and kept locked when unattended.
- Access to safes and keys restricted to authorised personnel.

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11. Incident Reporting

- Lost or stolen cash must be reported immediately to the relevant Manager, Finance, and CEO.
- If theft or fraud is suspected, Trustees and the police will be informed.

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12. Training & Compliance

- All staff/volunteers handling cash must complete induction training on this policy.
- Management to provide refresher training annually.
- Compliance spot checks may be undertaken without notice.

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13. Anti-Money Laundering

- Please see separate anti-money laundering policy

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14. Review

This policy will be reviewed annually by the Head of Finance and approved by the Finance and Resources Committee, or sooner if:

- There are significant operational changes.
- Relevant legislation or Charity Commission guidance changes.

Approved by: ____________________ (Chair of Finance and Resources Committee)

Date: ____________________

Finance and Resources Report

Key Points

1. **Key Points are:**

    a. The management accounts for the 9 months to 31st December 2025 show a shortfall of £(178)k against a budgeted loss of £(895)k before DoC drawdown.

    b. Cash (including the investment portfolio) at the end of December stood at £4.2m, £860k better than budget; legacy debtor is £600k v plan of £450k.

    c. These management accounts have been adjusted to reflect the DoC proposal to support the charity with a grant of land, restricted funds and unrestricted funds.

Finance

2. **Management Accounts – Income and Expenditure**

The management accounts for the 9 months to 30th December 2025 are attached together with the cash movements/balance sheet summary.

Income from NHS of £1.45m is £24k above budget. This reflects the uplift for 2025-26 of 4.83% which was agreed by ICB in the summer.

Other Income of £662k is £122k above budget – £110k of this variance relates to improved performance of our investment account with Sarasin. We have also received £203k of Hospice Capital Grant, in line with budget, (and spent on fixed assets shown on the balance sheet).

Direct costs of service was £8k above budget within which the salary costs for IPU + Community (including the medical team) was £35k above budget (1.6%). Support costs are £8k below budget.

Legacies – you may recall that some legacies that were recorded earlier in the financial year had to be reversed into the prior year, lowering the current year total. Despite this we have now reached £967k which is £211k above budget and twice the same point last year, which is encouraging. As ever, we do not have visibility for the future and we still need a further £400k to reach budget.

Donation Income is above budget by £281k and also above last year's total. That said, the budget was 'back-loaded' so that Q4 has a much higher budget level than the earlier quarters. It is expected that the final quarter will not meet that budget but overall should achieve the total for the year, achieving its target of £1.6m.

Fundraising costs are running over £30k below budget at £614k to yield an overall contribution of over £675k (**plus** legacy).

The **lottery** contribution is above budget but income is below budget, as are costs. This is because, at this point, there has not been any use of staff or agency recruiters, other than a telephone approach which has been trialled and has demonstrated a high success rate at a very low cost. This approach is one strand that will be expanded as others develop.

Retail was budgeted to have opened a new shop in November, yielding £23k income and incurring £32k of costs by the end of December. If these are stripped out of the budget (as we have not yet found any new premises) then the pre-existing shops are £22k below income target (1.5%) and on track for costs. The contribution of £300k is 20% and on track for the full year target.

The Wimbledon Park shop came close to assignment to a dentist but they withdrew at the last minute. Five further viewings have yielded a new suitor. We provided for the ongoing costs in last years' accounts.

3. Management Accounts – Balance Sheet

Overall cash (including the investment fund) stood at £4.2m which is £865k better than budgeted for this point whilst we also have a slightly higher legacy debtor (cash to come). The legacy debtor level stands at £1.5m compared to a budget of £550k which will result in improved cash in due course.

Net assets stood at £4.4m at the end of June compared to the budget of £3.3m.

4. Offer from DoC

The Congregation of the Daughters of the Cross of Liege (DoC) has made an offer to support the charity with a considerable gift in three key parts noted below: This generous offer is expected to be agreed and implemented and these management accounts seek to reflect the impact that this will have on the finances of the charity:

1. **A gift of the three parcels of land (the hospice are, St Bede's area and 759 area) that are currently leased on peppercorn leases of £100 pa each.**

    a. There is no cash impact of this gift of land (other than the £300 per year peppercorn). However, we currently recognise the notional rental value of this in our current accounts (management and published statutory accounts) with a £315k 'rent' charge and a £315k ' gift in kind' donation. Going forward this will cease.

    b. We do not currently show an asset value for the land and buildings in our accounts. This will change. We will obtain a valuation of the estate and introduce that as a one-off donation in income and an introduced asset on the balance sheet. Pending that valuation I have assumed a value of £5m, being £3m for the land (not depreciated) and £2m for buildings (depreciated over 50 years).

c. Hitherto, improvements to the Capital infrastructure of the leased land and buildings has been treated as 'leasehold improvements. With the ending of the lease, these improvements cease to exist as such – they become part of the gifted freehold asset at valuation. Therefore these will be written off to NIL in the current accounts (replaced by the freehold asset).

d. Care will need to be taken to explain this within the financial statements, particularly because their presence in the audited accounts are required to satisfy the monitoring of the Capital Grant which amounts to over £500k. Discussion with our auditors concluded that the additions will be shown and described within the accounts, satisfying the Grant. They will then be written off and notes will provide the explanation. This approach will also be discussed with Hospice UK in advance, to ensure it will be acceptable.

e. Please note that the land and buildings will be subject to a clawback clause that would be activated if the freeholds were sold within a ten-year timeframe. This is expected to take the form of a repayment equivalent to 10% of the value achieved for each remaining year of the ten-year period.

2. **A grant of £1.5m to fund the development of land behind 759 to provide warehousing and office space which releases the charity from the rental costs of Capitol House from Spring 2027.**

    a. Quotes have been received for £1.2m to create a large warehouse and office space, also creating a small reflective garden to link with our Psychological Support hub which is housed in 759. In addition, we will have fit-out costs and contingency.

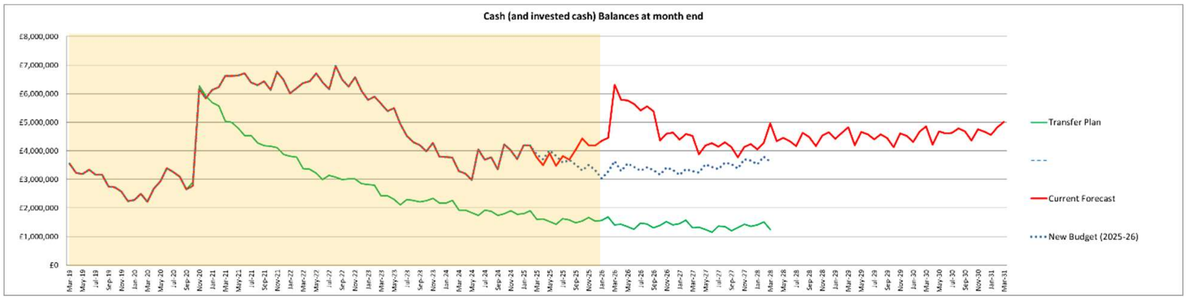
    b. The grant is expected to be received in full in advance and will be a restricted donation in the 2025-26 accounts. That will create a restricted fund on the balance sheet to offset the expenditure in 2026-27.

    c. As the grant is assumed to be gifted in the current year there will be a cash boost (very visible on the graph below) followed by a full expending (also visible).

3. A grant of £500k per year for three years to support the operating costs of the charity in each of those three years.

    a. In full satisfaction of previously described discretionary gifts (ie the contingency fund noted in the Letter of Comfort of 2020), a sum of £500k will be donated in cash in 2025-26 to offset the costs of that year; two further sums of £500k will be donated in the ensuing two years to support the operating costs of each of those two years. These will be treated as donations in the year received.

5. Cash Balance Projection



The graph reflects the expected impacts of the gifts noted above. The restricted grant can be seen received and then sent over the ensuing year. The three gifts of £500k have the effect of lifting the overall level to above £4m in this scenario.

The graph also assumes success in the ambitious growth of all our income sources that formed part of the EVE project and which will now need to be reviewed and revised as we move to a new strategy. Relatively small reductions in these totals can lead to very significant direction changes in the cash projection. Keeping levels as they currently are is not a viable option.

That said, we can be satisfied that the charity has been cash positive this financial year (and, indeed, since June 2024) without any DoC interventions.

The shaded area shows the actual history to date with the red line being the levels achieved and forecast into the future. The blue dash line shows the 2025-26 budget. The staff cost projection has now been increased to reflect a 4% salary rise in 2026 as has been recommended by the Remuneration Committee (the planning level was 2%).

The original green line was the level we were aiming to achieve when we became independent.

6. Budget 2026-27

The budget work has commenced and a short presentation will be prepared for discussion at the Committee.

7. Capital Grant programme

This is covered in the IT and Estates report. Expenditure of £203k was incurred up to the end of December 2025 and this was claimed and has been received at todays date. We are on track to complete the £393k grant by the end of March with qualifying expenditure. A further tranche of £25m has been authorised by the Government and this has resulted in a further £137k grant allowance that we are confident we will use effectively for the benefit of the patients and families and the hospice charity itself. As with the other tranches, the fund cannot be used for fund-raising related expenditure.

8. NHS Contract

The four local hospices are continuing to work together to press our local ICB for additional support. The variation to the contract to provide a 4.83% increase for 2025-26 has been signed and we expect the cash to be received in January or February. We have also signed an agreement for a £75k contract to provide a Digital Educator service to Care homes. This will cover 100% of the costs of the newly recruited role which will sit with the Community team.

A pilot project to provide additional fast track Continuing Healthcare (CHC) beds for a 12 week period has commenced. Each of the four local hospices will receive £48k and will set aside two beds for these patients for this period. Alongside this pilot the four hospices are working on a model to provide management of this fast track element of the CHC budget across SWL ICB. The model is based upon a successful venture in Essex which embraced that ICB's £11-15m budget.

NHSE has required all ICBs to urgently review the viability of the hospices in their areas. This is a first strong indicator that the real risk to the while sector is being recognised centrally. We have acknowledged that, *if we do not raised significantly more income in the future than we currently raise*, we will face further financial deficits and difficulties across a 24 month period. Our 'free reserves' remain very low by comparison with most hospices at around 4 months. Although this is within charity commission guidance, we are not an average charity because we rely very heavily on uncertain income streams such as legacy and donation (as opposed to rather more reliable Govt contracts. Growing our free reserves can only occur if we make consistent surpluses. Ultimately, we, and the sector, will need additional and substantial Govt funding to be truly secured for the future.

Nick Stevens, FD and Joint CEO **15th January 2026**

Finance & Resources Update – IT & Estates

20 January 2026

1 IT Department

1. The migration of the Capitol House phone system to the Microsoft Teams system is now complete, following a long delay due to problems at Microsoft.
   The contract for the old Panasonic analogue PABX system has now been cancelled. This change has enabled the Capitol House phones to be totally integrated into the main Hospice VoIP phone system.

2. The project to roll out new PCs for all Charity Shops is continuing, however, they will be using the Windows operating system instead of Linux which was previously planned.

3. The development of the new Hospice Website has now entered its final stages. The website build is complete and final testing is underway. The new website is still on plan to "go live" by the end of March 2026.

4. An Email Retention Policy is being introduced on 01 April 2026 whereby all emails older than 5 years will automatically be deleted from users' mailboxes. This is intended to both reduce the size of users' mailboxes and meet data retention time best practice.

2 Facilities / Catering Department

1. The project to refurbish the IPU Drug Store / Clean Supply Room has now been completed. The new intelligent Abloy keys for drug cabinets have now all been supplied and passed to the relevant users. This refurbishment was funded as part of the new government NHS funding arrangement.

2. The project to refresh the Female Locker Room in the IPU department has now been completed. This project was also funded as part of the new government NHS funding arrangement.

3. The replacement of the mortuary with a new Quiet space/multi-faith space has also now been completed. This project was also funded as part of the new government NHS funding arrangement

4. The installation of the new independent air conditioning units in the IPU bedrooms has been completed. This project was also funded as part of the new government NHS funding arrangement.

5. The project to redevelop the Hospice front garden has been started and is due for completion by March 2026. As planned, the garden will be levelled, and a resin

pathway will be installed. This project was also funded as part of the new government NHS funding arrangement.

6. The project to replace all of the fire doors in the IPU department has now been completed. This project was also funded as part of the new government NHS funding arrangement.

7. In the IPU department, all windows and doors in bedrooms 1 to 12 which lead into the garden area have now been replaced. This was scheduled to be completed by end of January 2026. This project was also funded as part of the new government NHS funding arrangement.

8. In the Catering department, the shift timings have been reviewed to allow for better cover for sickness and other absences. A new position is also being created to allow for Saturday and Sunday morning working.

9. The government have announced additional funding for hospices and St. Raphael's has been awarded an extra £137,893. This money also has to be spend before the end of March 2026.
   The projects which have so far been identified to make use of this money include:

   a. Create 4 extra parking spaces
   b. Upgrade the walking path into the Hospice entrance & rear additional pathway
   c. Separate the oxygen supply from SAH to provide our own oxygen system
   d. Underpin the Hospice kitchen
   e. Board up the St Bede's loft space for long term storage & enlarge the hatch
   f. Upgrade the St Bede's Room A and Room B A/C systems and electrics
   g. Move the bike storage area to the grassed area by the corner and move the shed from the back of Tobit to the side (near Room 14/15).

3 Incidents / Risks

1. No incidents have occurred since the last Finance and Resources update.

December Management Accounts 2025-26	Year To Date				Full Year									
	Actuals 2025-26	**Budget 2025-26**	***variance***	**YTD Prior Year**	**Actuals 2023-24**	**Actuals 2024-25**	**F'cast 2025-26**	**Budget 2025-26**	***variance to budget***	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**
Income from NHS	1,455,812	1,431,780	*24,032*	1,473,322	1,697,202	1,962,110	2,037,966	1,975,040	*62,926*	2,174,986	2,334,421	2,424,382	2,517,927	2,615,197
Other Income	662,114	540,090	*122,024*	455,292	623,775	668,986	7,469,594	849,164	*6,620,430*	177,377	180,165	187,377	193,760	200,881
Service Income	**2,117,926**	**1,971,870**	***146,056***	**1,928,613**	**2,320,977**	**2,631,096**	**9,507,560**	**2,824,204**	***6,683,356***	**2,352,363**	**2,514,586**	**2,611,759**	**2,711,687**	**2,816,078**
Direct Cost of Services	(3,496,809)	(3,488,905)	*(7,904)*	(3,761,282)	(4,907,359)	(4,913,309)	(4,696,823)	(4,660,241)	*(36,582)*	(4,551,806)	(4,661,761)	(4,760,698)	(4,862,166)	(4,966,816)
Hospice Depreciation	(65,647)	(96,955)	*31,309*	(81,481)	(109,815)	(111,501)	(923,297)	(134,525)	*(788,773)*	(122,541)	(157,022)	(162,491)	(153,562)	(140,440)
Support Costs	(589,129)	(597,861)	*8,732*	(647,604)	(792,519)	(928,351)	(790,707)	(790,567)	*(140)*	(917,323)	(891,425)	(909,587)	(927,960)	(930,048)
Service Costs	**(4,151,585)**	**(4,183,721)**	***32,136***	**(4,490,366)**	**(5,809,692)**	**(5,953,161)**	**(6,410,827)**	**(5,585,333)**	***(825,494)***	**(5,591,669)**	**(5,710,208)**	**(5,832,777)**	**(5,943,689)**	**(6,037,304)**
Net Service Cost to be funded	**(2,033,659)**	**(2,211,851)**	***178,192***	**(2,561,753)**	**(3,488,716)**	**(3,322,065)**	**3,096,732**	**(2,761,129)**	***5,857,861***	**(3,239,306)**	**(3,195,622)**	**(3,221,018)**	**(3,232,002)**	**(3,221,226)**
	35%	34%		33%	29%	33%	32%	35%	*0*	39%	41%	42%	42%	43%
Fundraising Activity														
Legacy Income	967,103	756,034	*211,069*	416,239	1,591,533	1,633,641	1,384,194	1,378,125	*6,069*	1,447,031	1,519,383	1,519,383	1,519,383	1,519,383
Donor Income	1,287,202	1,005,731	*281,470*	1,219,141	1,168,678	1,900,363	1,638,173	1,624,002	*14,170*	1,971,900	2,112,696	2,112,696	2,112,696	2,112,696
Fundraising Costs	(614,313)	(644,217)	*29,905*	(554,835)	(732,467)	(717,595)	(807,171)	(820,567)	*13,396*	(844,376)	(851,341)	(873,244)	(895,202)	(915,562)
	1,639,992	**1,117,548**	***522,444***	**1,080,545**	**2,027,743**	**2,816,410**	**2,215,195**	**2,181,560**	***33,635***	**2,574,555**	**2,780,738**	**2,758,834**	**2,736,876**	**2,716,517**
Lottery Income	321,979	350,926	*(28,946)*	278,461	354,369	386,257	423,522	466,642	*(43,120)*	438,846	518,575	566,292	615,927	659,436
Lottery Costs	(117,068)	(170,221)	*53,153*	(245,812)	(229,846)	(330,365)	(158,930)	(233,267)	*74,337*	(287,814)	(311,451)	(321,788)	(332,438)	(342,516)
	204,911	**180,704**	***24,207***	**32,649**	**124,523**	**55,892**	**264,592**	**233,375**	***31,217***	**151,033**	**207,124**	**244,504**	**283,490**	**316,920**
Shop Income	1,515,632	1,562,156	*(46,524)*	1,499,223	1,726,714	1,982,252	2,044,557	2,093,611	*(49,055)*	2,176,378	2,500,802	2,772,355	2,986,971	3,046,710
Shop Costs	(1,211,031)	(1,244,887)	*33,856*	(1,207,927)	(1,691,877)	(1,736,183)	(1,637,500)	(1,683,443)	*45,943*	(1,846,973)	(2,056,303)	(2,229,871)	(2,338,492)	(2,377,993)
	304,601	**317,269**	***(12,668)***	**291,296**	**34,837**	**246,068**	**407,057**	**410,168**	***(3,111)***	**329,406**	**444,499**	**542,484**	**648,478**	**668,717**
-3%	20%	20%		19%	2%	12%	20%	20%		15%	18%	20%	22%	22%
Support Costs	**(294,564)**	**(298,930)**	***4,366***	**(323,802)**	**(396,259)**	**(464,175)**	**(395,353)**	**(395,283)**	*(70)*	**(458,661)**	**(445,712)**	**(454,794)**	**(463,980)**	**(465,024)**
Fundraising Contribution	**1,854,939**	**1,316,591**	***538,349***	**1,080,688**	**1,790,845**	**2,654,195**	**2,491,491**	**2,429,820**	*61,671*	**2,596,332**	**2,986,648**	**3,091,028**	**3,204,864**	**3,237,130**
Shortfall before DOC Funding	**(178,720)**	**(895,260)**	**716,540**	**(1,481,065)**	**(1,697,871)**	**(667,870)**	**5,588,223**	**(331,309)**	**5,919,533**	**(642,974)**	**(208,973)**	**(129,990)**	**(27,137)**	**15,904**
DOC Funding	0	0	*0*	0	500,000	0	1,403,334	600,000	*803,334*	0	0	0	0	0
Contingency Drawdown				1,000,000		1,000,000	500,000			500,000	500,000	0		
Surplus/(Shortfall) for period	**(178,720)**	**(895,260)**	***716,540***	**(481,065)**	**(1,197,871)**	**332,130**	**7,491,557**	**268,691**	***6,722,867***	**(142,974)**	**291,027**	**(129,990)**	**(27,137)**	**15,904**

December Management Accounts 2025-26	Year To Date				Full Year									
Net Movement in Funds	**Actuals 2025-26**	**Budget 2025-26**	*variance*	**YTD Prior Year**	**2023-24**	**Actuals 2024-25**	**F'cast 2025-26**	**Budget 2025-26**	*variance*	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**
Surplus/(Loss) from Operations	(178,720)	(895,260)	*716,540*	(481,065)	(1,197,871)	332,130	7,491,557	268,691	*7,222,867*	(142,974)	291,027	(129,990)	(27,137)	15,904
Depreciation	115,494	164,112	*(48,617)*	148,124	199,165	21,608	71,389	224,028	*(152,639)*	188,540	224,329	211,849	196,381	180,440
Decrease/(Increase) in Debtors	823,866	573,553	*250,314*	923,553	(653,890)	(39,436)	945,176	263,987	*681,189*	(227,408)	49,346	(59,691)	(59,691)	40,309
(Decrease)/Increase in Creditors	(119,105)	(62,052)	*(57,053)*	(131,259)	(392,610)	86,796	(1,420,381)	(471,688)	*(948,693)*	(38,773)	(2,657)	4,044	4,127	4,211
Net cash (expended)/ generated by operations	**641,536**	(219,648)	*861,184*	**459,353**	**(2,045,206)**	**401,098**	**7,087,742**	**285,017**	*6,802,724*	**(220,615)**	**562,045**	**26,212**	**113,679**	**240,864**
Purchase of Fixed Assets	(232,562)	(245,000)	*12,438*	(34,642)	(312,460)	82,274	(4,549,994)	(515,000)	*(4,034,994)*	(1,565,000)	(125,000)	(165,000)	(85,000)	(85,000)
Increase / (Decrease) in Cash	**408,974**	**(464,648)**	***873,621***	**424,711**	**(2,357,666)**	**483,372**	**2,537,747**	**(229,983)**	***2,767,730***	**(1,785,615)**	**437,045**	**(138,788)**	**28,679**	**155,864**

December Management Accounts 2025-26	Year To Date				Full Year									
Balance Sheet	**Actuals 2025-26**	**Budget 2025-26**	*variance*	**YTD Prior Year**	**Actuals 2023-24**	**Actuals 2024-25**	**F'cast 2025-26**	**Budget 2025-26**	*variance*	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**
Fixed Assets	983,285	977,663	*5,621*	856,617	970,099	866,217	5,344,822	1,187,747	*4,157,075*	6,721,282	6,621,953	6,575,104	6,463,723	6,368,283
Debtors	1,274,673	943,755	*330,918*	1,135,550	2,059,103	2,098,539	1,153,363	1,253,321	*(99,958)*	1,380,771	1,331,425	1,391,116	1,450,808	1,410,499
Cash at Bank and Investment Fund	**4,182,926**	**3,320,348**	*862,578*	**3,715,294**	**3,290,583**	**3,773,955**	**6,311,700**	**3,645,013**	*2,666,687*	**4,526,085**	**4,963,130**	**4,824,342**	**4,853,021**	**5,008,884**
Creditors	(2,010,046)	(1,894,949)	*(115,097)*	(1,911,096)	(2,042,355)	(2,129,151)	(708,770)	(1,485,313)	*776,543*	(669,998)	(667,340)	(671,384)	(675,511)	(679,722)
Net Assets	**4,430,838**	**3,346,818**	***1,084,020***	**3,796,365**	**4,277,430**	**4,609,560**	**12,101,115**	**4,600,769**	***7,500,346***	**11,958,141**	**12,249,168**	**12,119,178**	**12,092,041**	**12,107,944**
- 3.24	3,447,553					3,743,343								
	2	90,000		0	0	0	2	0		0	0