

**The Congregation  
of the Daughters  
of the Cross of Liege  
St Raphael's  
Hospice**

**Annual Report and Financial  
Statements**

31 March 2019

## Contents

### Reports

Reference and administrative details of the charity and its trustees and of the Hospice	1
Management Team report	4
Independent auditor's report	21

### Financial Statements

Statement of financial activities	24
Balance sheet	25
Statement of cash flows	26
Principal accounting policies	27
Notes to the financial statements	31

**Reference and administrative details of the charity and its trustees  
and of the Hospice**

**Information relating to the overall charity**

<b>Name</b>	The Congregation of the Daughters of the Cross of Liege
<b>Trustees</b>	Sister Veronica Hagen (Chairperson) Sister Annette Clemence Sister Anne Kelly Sister Mary McGinn (aka Sister Mary Geraldine) Sister Shirley Lowe (aka Sister Mary Agnes) Sister Maureen O'Brien Sister Kathleen O'Reilly
<b>Provincial Superior</b>	Sister Veronica Hagen
<b>Provincial Bursar</b>	Sister Mary Geraldine
<b>Company registration number</b>	3492921
<b>Charity registration number</b>	1068661
<b>Charity's registered address</b>	29 Tite Street London SW3 4JX

**Reference and administrative details of the charity and its trustees  
and of the Hospice**

**Information relating to St Raphael's Hospice**

<b>Management Team</b>	
Chief Executive	Brigadier Mike Roycroft
Medical Director	Dr Marie Joseph
Director of Care Services and Strategy Development	Mrs Gail Linehan
Director of Communications and Fundraising	Ms Sara Jane Woods
Director of Finance and Resources	Mr Nick Stevens (from April 2018)
<b>Advisory Committee</b>	
	Mr Norman McWhinney (Chair)
	Dr Carrie Chill (joined May 2018)
	Dr Tessa Crilly
	Mr Alan Gogbill
	Sister Veronica Hagen
	Mr Paul Holmes
	Mrs Heather Howell
	Sister Clare Joseph (resigned May 2018)
	Mrs Marian Norman
	Mr Roderick O'Connor
	Mr Joseph Ryan
	Dr Joy Tweed
<b>Operating address</b>	London Road North Cheam Surrey SM3 9DX
<b>Telephone</b>	020 8099 7777
<b>email</b>	Enquiries@StRaphaels.org.uk
<b>Website</b>	www.straphaels.org.uk
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

**Reference and administrative details of the charity and its trustees  
and of the Hospice**

**Principal bankers**

National Westminster Bank plc  
93 Central Road  
Worcester Park  
Surrey  
KT4 8DZ

Barclays Bank plc  
50 Pall Mall  
London  
SW1A 1QE

## Management Team Report 31 March 2019

The Management Team presents its report with the financial statements of St Raphael's Hospice for the year ended 31 March 2019.

The financial statements are presented in accordance with the accounting policies set out on pages 27 to 30 therein and comply with the Memorandum and Articles of Association of The Congregation of the Daughters of the Cross of Liege and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### Structure, governance and management

#### *Constitution*

St Raphael's Hospice is one of the charitable works of the English Province of The Congregation of the Daughters of the Cross of Liege ("The Congregation"), a Roman Catholic religious congregation. The Congregation is a charitable company limited by guarantee, incorporated under Company Number 3492921 and registered under Charity Number 1068661.

Annual financial statements are prepared for The Congregation of the Daughters of the Cross of Liege aggregating the works of its Daughter houses, including St Raphael's Hospice.

#### *Information relating to the Congregation*

##### *The Trustees*

There are between three and ten trustees who are trustees by reason of their respective offices within the English Province of the Congregation to which they belong. The offices referred to are the Provincial Superior, the Provincial Bursar and the members of the Provincial Council. Under the Constitution of the Congregation, these offices are reviewed every 3 years. The appointments are made by the Superior General of the Worldwide Congregation who is based at the Mother House of the Congregation in Cheam, Surrey. The names of the trustees who served during the year are as follows:

##### **Trustees**

---

Sister Veronica Hagen (Chairperson)	
Sister Annette Clemence	
Sister Anne Kelly	
Sister Mary McGinn (aka Sister Mary Geraldine)	
Sister Patricia Ainsworth	Resigned 31 May 2018
Sister Shirley Lowe (aka Sister Mary Agnes)	Resigned 31 May 2018
Sister Maureen O'Brien	Appointed 31 May 2018
Sister Kathleen O'Reilly	Appointed 17 December 2018

---

As members of the Congregation the trustees' living and personal expenses during the year were borne by the Congregation. However, no trustee received any remuneration for services as a Trustee (2017-18: £nil). No trustee had any beneficial interest in any contract with the Hospice during the year.

**Structure, governance and management (continued)**

***Information relating to the Congregation (continued)***

*The Trustees (continued)*

The Trustees take responsibility for decisions relating to the acquisition, disposal or modification of any land and buildings owned by the Congregation. The Trustees are represented on the St. Raphael's Hospice Advisory Committee by Sister Veronica Hagen (Sister Provincial). Advice offered by the Advisory Committee is taken into account when the Trustees make decisions on matters of policy or strategy.

The Trustees attend Conferences and Seminars to keep themselves apprised of any changes in relevant legislation or best practice regarding the governance of the Charity. In addition, professional advice is extensively sought and relied upon by the Trustees particularly in the areas of law, finance and accounting, and property and investment.

***Information relating to St Raphael's Hospice***

*Organisation*

The authority of the Trustees for management of the Hospice remained with the Chief Executive, and he and his Management Team were responsible for all day-to-day operational decisions and the development of policies and procedures within the scope set out at the Advisory Committee Meetings and ratified as necessary by the Trustees.

*The Management Team*

The following members were in office at 31 March 2019 and served throughout the year:

**Management Team**

---

Brigadier Mike Roycroft	Chief Executive
Dr Marie Joseph	Medical Director
Mrs Gail Linehan	Director of Care Services and Strategy Development
Ms Sara Jane Woods	Director of Communications and Fundraising
Mr Nick Stevens	Director of Finance and Resources (appointed 7 April 2018)

---

The pay of the senior management team of the charity is reviewed annually by the Chair of Trustees as part of the standard pay review process and awards are the same for all staff.

***Chief Executive's responsibilities statement***

As explained in the principal accounting policies these financial statements deal only with the activities of St Raphael's Hospice and do not include any other works of The Congregation.

Company law requires the Trustees (who are directors of the charitable company for the purposes of the Companies Act) to prepare financial statements for each financial year for The Congregation as a whole. The Chief Executive, as their representative, is required by the Trustees to prepare the Management Team's Report and financial statements of St Raphael's Hospice, which give a true and fair view of the state of affairs of St Raphael's Hospice and of the income and expenditure of St Raphael's Hospice for that period, and to have them audited.

**Structure, governance and management** (continued)

***Chief Executive's responsibilities statement*** (continued)

In preparing the financial statements the Chief Executive is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102);
- ◆ 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; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Chief Executive is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of St Raphael's Hospice which enables him to ensure that the financial statements comply with the requirements of the Congregation. He is also responsible for safeguarding the assets of St Raphael's Hospice and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Chief Executive confirms that:

- ◆ So far as he is aware, there is no relevant audit information of which the Hospice's auditor is unaware; and
- ◆ He has taken all the steps that he ought to have taken in order to make himself aware of any relevant audit information and to establish that the Hospice's auditor is aware of that information.

**Structure, governance and management** (continued)

**Risk management**

The Hospice's Policy on the Management of Risk has been renewed, updated and endorsed by the Management Team. The principal risks facing the Hospice and the steps being taken to mitigate them are as follows:

Risk	Mitigation
<p><b>Finances</b></p> <p>The Hospice runs at a deficit and there is a risk that funds become insufficient to enable the Hospice to continue to deliver all its services to the degree that it would choose to do.</p> <p>Funding from Statutory Bodies, chiefly the Sutton and Merton Clinical Commissioning Groups might remain static or reduce over time as budgets are constrained.</p>	<p>The Hospice is part of a larger charity which has sufficient resource to mitigate the deficit if that became necessary.</p> <p>A management plan, designed to enable the Hospice to reach a sustainable balance of excellent service delivery and financial security has been developed and agreed for the next five years. Funding is agreed to enable the plan to progress and mitigations agreed to manage expected and unexpected variances to plan.</p> <p>The Hospice will focus on delivering excellent services to the communities of Merton and Sutton in order to deter any reduction to funding and to encourage, by collaborative and innovative solutions, the recognition by CCGs of the value for money that the Hospice presents.</p>
<p><b>Workforce</b></p> <p>The Hospice's clinical workforce is ageing. This presents a risk to the Hospice because of the national shortage of nurses, in general, and the more highly qualified Clinical Nurse Specialists, in particular.</p> <p>There is a risk that the Hospice fails to compete with the NHS in terms of recruitment because of the NHS outstanding terms and conditions.</p>	<p>The Hospice has created a rotational training opportunity for more junior nurses to develop the niche specialist skills that are required by the Hospice and future expected retirements will provide the vacancies for these roles that can be filled by our newly trained staff.</p> <p>The Hospice strives to provide a different working environment to the NHS with many non-financial benefits arising from the nature and purpose of its service delivery. It also seeks to offer good terms and conditions and is looking to develop innovative ways to engage with and to reward its staff.</p>

**Structure, governance and management** (continued)

*Risk management* (continued)

<b>Clinical Quality</b>	
<p>Specialist Palliative and End-of-Life Care operates, at times, at the boundaries of medical knowledge and there is a risk that the use of innovative drug or other treatment regimens could result in patient harm. There is also a risk that inappropriate actions by medical/care staff could result in complaints and claims against the Hospice.</p>	<p>St Raphael's will continue to invest in training and development to ensure that staff are up to date with current practice.</p> <p>We will continue to work within the boundaries of orthodox as informed by published guidelines such as the British National Formulary, PCF6 and the Nice guidance.</p> <p>Investing in Incident reporting and analysis, including the new Datix software.</p> <p>Continuing to nurture an ethos of openness and continual improvement, striving for excellence</p>

The management of risk remains a key priority for the Hospice. Risk assessments are undertaken for every aspect of its operation ranging from clinical risk assessments, which are undertaken on a continual basis, through health and safety assessments for everyday tasks to comprehensive assessments of all aspects of major fundraising events.

Staff continue to be dedicated to the prevention, identification and reporting of incidents, accidents and near misses. The Hospice has an effective feedback infrastructure including governance and clinical management meetings that review the actions and learning points identified in previous incidents to ensure that they are still effective. The dual system of reporting was replaced by a single reporting system and the electronic patient record remains a corroborative source for the reporting of patient unexpected incidents.

***Who uses and benefits from the Hospice's service?***

The Hospice contracts with Merton and Sutton Clinical Commissioning Groups (CCGs) to provide support to people whose GP practice is based within the London Boroughs of Merton and Sutton. This catchment area includes a population of approximately 401,500 (203,500 in Merton and 198,000 in Sutton). As required, and when funding can be made available by the appropriate CCG, people outside this geographical area are accepted if it is their choice to use St Raphael's Hospice as their preferred place of care or death.

The normal referral process is for people who are facing the last phase of their life (twelve months or less) who need hospice or palliative care, support and/or advice. For instance, they may need help with:

- ◆ symptom control.
- ◆ psychosocial or spiritual issues.
- ◆ difficult decisions, advanced care planning, or conversations about managing end of life care.

**Structure, governance and management** (continued)

***Who uses and benefits from the Hospice's service?*** (continued)

- ◆ support for family or friends.
- ◆ practical or companionship support provided by Hospice at Home (H@H) in their home/care home.

The Hospice supports adults, who have agreed to Hospice contact. If they do not have the mental capacity to do so we will consider how we can help meet their best interests within the context of legislation such as the Mental Capacity Act, Mental Health Act and Deprivation of Liberty guidance.

Families, carers or those close to a patient accepted for hospice services can be referred or access certain services in their own right, when they are affected by the patient's illness or death. These include counselling, attendance at the monthly carer lunch, Men's Den and relaxation sessions.

***How do we respond to requests for help and meet demand?***

Our Hospice 'First Point of Contact' service assesses all new referrals for hospice services, normally within 24 hours of need.

Patients accepted for hospice support are discussed at the daily multi-disciplinary meeting and subsequently telephoned to undertake an initial assessment to determine priority. First assessments to be undertaken by the Clinical Nurse Specialist (CNS) team are booked and recorded in the electronic Crosscare Team diary by the Hospice Point of Contact.

Referrals assessed as urgent are contacted as soon as possible and a visit arranged within the capacity of the Community Palliative Care Team (CPCT).

Responsive visits to patients with a rapidly deteriorating condition are facilitated by a CNS specifically allocated to that role within the CPCT.

Medical outpatient and domiciliary appointments are provided within 7 working days; urgent appointments are arranged within 2 working days. Out of hours enquiries are handled by the nursing and medical team. In-Patient Unit admissions are prioritised on patient and family needs and bed availability

***Clinical Quality Assurance***

Great importance is given by the Trustees and, on their behalf, the Advisory Committee to the Hospice's clinical governance arrangements. At all of their meetings, they monitor the activities of the various sub-committees and receive detailed reports from departmental managers who attend the Committee in rotation throughout the year. In addition to providing an opportunity to thank the managers and their staff for their contributions to the success of the Hospice, the Committee is able to demonstrate engagement and accountability, to gain insight and to manage the risks facing the Hospice.

### **Structure, governance and management** (continued)

#### ***Clinical Quality Assurance*** (continued)

The Committee received the minutes of the following Hospice committees and questioned and challenged the relevant senior managers.

- ◆ Quality Improvement Committee (also receives input from the Infection Control Committee).
- ◆ Drugs and Therapeutics Committee (which inputs to the Merton and Sutton NHS Medicine Management Committee and receives input from the Hospice's own prescribers' meeting).
- ◆ Health and Safety Committee (which includes Water Quality as a regular agenda item).

#### ***Care Quality Commission (CQC)***

The most recent inspection of the Hospice by the CQC was in July 2016. The subsequent report makes no negative comments or observations at all. The complete text is available from the CQC website or via the CQC "widget" on the Hospice website's homepage.

We are proud that the quality of care was recognised as being "Good" in all of the 5 domains of care; namely that our services are safe, effective, caring, responsive to people's needs and well-led.

#### ***Complaints***

All complaints or comments about the service provided are taken very seriously by the Hospice. Complaints are dealt with in line with the Complaints Policy and are fully investigated. All complaints are reported to the Advisory Committee and onwards to the Trustees. Plans are in place to install an incident reporting system, Datix, as noted on page 19.

#### ***Patient Safety***

Patient safety is the cornerstone of all that is done within the Hospice. There is a constant drive to be a learning organisation and, through learning, to achieve continual improvement. The main components of the Hospice's Clinical Governance are our systems, our policies, guidelines and standards, and our committee structure. The main clinical committees are:

- ◆ The Quality Improvement Committee, which focusses on multiple aspects of clinical, corporate and information governance including the integrity, availability and confidentiality of information, clinical audit, clinical and corporate effectiveness including guideline and policy development, practice development and NICE Quality Standards / CAS / MHRA clinical safety alerts, clinical incident management, patient/user feedback, organisational and regulatory assurance, infection control and complaints.

**Structure, governance and management** (continued)

**Patient Safety** (continued)

- ◆ The Drugs and Therapeutics Committee, which focusses on all medicine issues including management of Control Drugs (CDs), Medicines Incident Analysis, staff competency, service and practice developments e.g. nurse prescribing and patient self-administration, policy and guideline review, and medical gases. Each meeting is attended by an independent pharmacist who also audits all aspects of medicines management every fortnight. The Chief Pharmacists from Merton and Sutton CCGs are invited to attend or send representatives, and receive the minutes of the committee's meetings as routine. The minutes are included in the Merton and Sutton Medicines Management Committee. To inform the management of medicines the Accountable Officer (CD AO) attends the regional Accountable Officer Local Intelligence Network meetings; incidents involving controlled drugs are discussed with the committee.

**Trustee and employee liability insurance**

The Congregation has purchased insurance to protect the Charity from any loss arising from the neglect or default of its Trustees and Employees and to indemnify the Trustees or other Officers against the consequences of any neglect or default on their part. The proportion of the insurance premium re-charged to the Hospice during the year amounted to £3,334 (2017-18: £1,427) and provides public and employer cover up to a maximum of £10,000,000 (2017-18: £10,000,000).

**Employees**

St. Raphael's Hospice is an Equal Opportunities Employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are constantly reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees will be given equal opportunity and where appropriate and possible, special training to enable them to progress both within and outside the organisation. St. Raphael's Hospice is committed to a programme of action to make this policy effective and to ensure that it is brought to the attention of all employees.

**Our people**

**Pay**

In 2018-9 we moved the effective date for pay reviews from 1 September to 1 April in line with the financial year-end. Pay was reviewed as at 1 September 2018 and the next review will take effect from 1 April 2020, a nineteen month period meaning that the award of 3.75% has an annualised impact of 2.4% (2017-18: 2%).

**Structure, governance and management** (continued)

*Our people* (continued)

*Pay* (continued)

We continue to follow the principles of the "living wage" for our lower paid staff which lifted our minimum payment for any member of staff to £8.21 per hour. The staff impacted by this commitment largely work in our housekeeping and retail teams.

**Annual Leave**

The effective date for the annual leave year was also moved to 1 April to coincide with the financial year end and to minimise the impact of leave due to staff and not yet taken (the holiday accrual).

Staff turnover decreased to 10% for contracted employees (2017-18: 18%). This is below the above the UK average which is 15%.

At the year end the Hospice had 140 contracted employees (2017-18: 130) of whom 40 were full time and 100 part-time (2017-18: 40 and 90). The Hospice also has 43 bank staff who do not want to commit to working specific regular hours and are offered work as and when the need arises (2017-18: 46).

**Profile**

At the year end the Hospice clinical staff had the following age profile. This presents a risk as a significant number will approach retirement age over the course of the next five years.

Clinical Staff By Age	under 33	33-42	43-52	53-62	over 63
As at 31 March 2019	6	13	17	36	10
As at 31 March 2018	6	15	27	39	6

**Voluntary help**

The Management Team of the Hospice acknowledges and greatly appreciates the contribution that volunteers make to the Hospice. The total number of volunteers for the year was 818 individuals who gave 48,243 hours of their time (2017-18: 825 individuals gave 56,832 hours) with an estimated financial value of £526,000 (2017-18: £564,000). Some volunteers may take on several roles. The Sisters and Management of St. Raphael's Hospice are grateful for the huge amount of help given by our Volunteers, and wish to express their appreciation for the enthusiasm and dedication that these Volunteers bring to the mission of the Hospice.

**Structure, governance and management** (continued)

**Voluntary help** (continued)

The breakdown of volunteer roles in the Hospice this year was as follows:

<b>Role</b>	<b>Number 2018-19</b>	<b>Number 2017-18</b>
Receptionist	89	91
Admin	4	10
Ward Companions	14	8
Ward Clerks	2	3
Flowers and garden	18	16
Chaplains	12	13
Transport (1)	28	31
Day Care (2)	36	32
Art and Music	15	29
PAT Dogs	4	3
Hairdresser	3	1
Bereavement Support	4	6
Counsellors	0	1
Hospice Neighbours	17	19
Orangery Café	30	27
IT	2	2
Facilities	4	6
Advisory Committee	12	10
Bespoke Trainers/Mentor	2	5
Corporate Volunteers	49	41
Hospice Biographers	3	2
<b>Hospice Total</b>	<b>348</b>	<b>356</b>
Shops	114	131
Fundraising Admin	18	18
<b>Sub Total</b>	<b>480</b>	<b>505</b>
Supporter Groups	338	320
<b>GRAND TOTAL</b>	<b>818</b>	<b>825</b>

(1) Drivers and Passenger Assistants

(2) Jubilee Centre and Complementary Therapists

**Fundraising**

St Raphael's Hospice employs an experienced fundraising and donor management team under the leadership of the Director of Communication and Fundraising. We also have two commercial contracts with third-party fundraisers. Salvia Fundraising acts on our behalf by fundraising from Trusts, Foundations and The Big Lottery Fund whilst Sterling Lotteries run our weekly draw and our two raffle draws each year. At the end of this reporting year we had 5,929 weekly players (2017-18: 6,500) with 8,318 chances to win (2017-18: 9,200). In order to address the reduction in weekly players, we have taken the management and direction of the sales team in house.

**Fundraising** (continued)

St Raphael's Hospice Community Fundraising Team also manages 8 volunteer Supporter Groups (2017-18: 8). These are committees which fundraise in their local area on behalf of the Hospice by organising events, attending fairs, placing collection cans, banking funds and supporting Hospice-run activities. The groups currently contain 71 members (2017-18: 75) who organised or attended 19 events in 2018-19 (2017-18: 27). They are all issued with a Supporter Group Information Pack which was most recently updated in April 2018. This contains guidance including how each group should be run, what support to expect from the Community Fundraisers, the process of joining a group, suggested areas of activity and what is expected from members, how to bank funds and the process of distributing collection cans. We are signed up to the Institute of Fundraising and we follow its Code of Practice. Each Supporter Group member receives a photo ID badge to allow them to fundraise and collect legally on behalf of St Raphael's.

During the period of this report there were no reported failures in compliance with the Fundraising Regulator or other regulatory bodies (2017-18: NIL).

Each Supporter Group meets approximately every 6-8 weeks and produces minutes or meeting notes which are sent onto the St Raphael's Community Fundraising Team who monitor activities carried out. Occasionally, the team will also attend meetings and events. Two full Supporter Group meetings are held every year as well as bi-monthly lunch clubs in the Fundraising office.

St Raphael's also benefits from the support of individual fundraisers who carry out activities in aid of the Hospice. At first point of contact they are asked to complete an online event form to ensure contact details are retained and intentions are made clear. A fundraising pack is sent which includes legal advice, e.g. gambling laws surrounding raffles. The office keeps in regular communication with these fundraisers and ensures funds raised are received by the Hospice as swiftly as possible.

There were no complaints received in the period to be reported to the gambling commission in our return (2017-18: 1, relating to our third party lottery provider).

We have continued to ensure that we protect vulnerable people from undue pressure to donate or support our charitable work we adhere to the following Fundraising Promise:

- ◆ We will always tell you about how you are making a difference to the lives of our patients, their families and friends
- ◆ We will always take action if others acting on our behalf fail to meet our high standards.
- ◆ We will never phone you unless you have expressed an interest in our work
- ◆ We will always check first that you are happy to speak to us when we phone
- ◆ We will never sell your data to anyone else or share it without your permission
- ◆ If you tell us you don't want to hear from us again, or want to hear from us less, we will always respect that

In addition we support our staff in attending dementia awareness training and we are signed up to the fundraising preference service.

### **Objectives and activities**

The Hospice provides services that extend beyond the boundaries of the physical building serving the communities of Merton and Sutton by providing excellent person centred palliative and end of life care to people in their own homes or Nursing/Residential Homes. Working collaboratively with colleagues in primary care we support patients receiving the right care in the right place at the right time whilst also being able to offer in patient care if necessary.

The Jubilee Therapy Centre provides activities/support for both patients and carers. Sometimes activities are integrated, such as yoga, others for example the monthly lunch clubs are facilitated separately to enable peer support. The 'Men's Den' enables patients and bereaved men to meet, talk and relax in a supportive environment.

As well as patient/family services the Hospice facilitates education programmes focusing on palliative and end of life care for healthcare professionals to share best practice, knowledge and skills.

### **Public benefit**

Charity law requires the Trustees of the charity as a whole to include in their annual report a confirmation that they have had regard to the general guidance of the Charity Commission (and where relevant the specific guidance for certain types of charity), regarding public benefit. The Trustees are also required to provide information which demonstrates how the charity meets the guidance.

In assessing compliance with this legal requirement, the aims and activities of the Hospice are considered in conjunction with those of the Sisters and the other Major Works of the charity. This report describes the aims and activities of the Hospice which the Management Team believe contribute significantly to the aims of the charity as a whole and meet the criteria established by the Charity Commission for assessing public benefit.

The sections of this report which detail aims, objectives, activities and achievements set out how the Hospice provides benefit to those who use its services.

St. Raphael's Hospice's mission statement is as follows:

- ◆ St. Raphael's Hospice, built in 1987 by the Roman Catholic Congregation "The Daughters of the Cross of Liege", serves the local community by offering patient-centred specialist palliative care, free of charge to the terminally ill.
- ◆ The Hospice is based on the Christian ethos of respect for human life, and esteem for the unique value of each individual.
- ◆ This we share with all people of goodwill.
- ◆ We welcome, respect and support patients and staff of any or no faith.
- ◆ We aim to meet the physical, emotional, spiritual and social needs both of the patients, and their friends and family.
- ◆ Bereavement support is offered to those who might find it helpful.

**Public benefit** (continued)

- ◆ We value the contribution of each member of staff and volunteer, and offer training and education in the principles of specialist palliative care, both within the Hospice and in the community.

St. Raphael's Hospice fulfils its Mission Statement by accepting referrals from Hospital Clinical Nurse Specialists, District Nurses and General Practitioners of patients in the community who are in need of respite or palliative care. The Hospice has highly trained specialist doctors and nurses who operate both in the Inpatient Unit and patients own homes, whether that is their own domestic setting or a care home. The Community Palliative Care Team Clinical Nurse Specialists and the Hospice's Community Palliative Care Consultant assess patients and adjust their medication to provide relief from pain and other symptoms whilst retaining maximum awareness and wellbeing for the patient.

The PsychoSocial Team assist the patient and their family and other loved ones during the course of the terminal illness and offer a Bereavement Service after the death of the patient where appropriate.

The Hospice provides an extensive educational programme both for its own staff and for GP's, nursing home and community staff. The education programme is designed to improve awareness of and support best practice in the delivery of palliative and end of life care.

The Hospice at Home Service provides professional nursing care to patients in their own homes whose preference is to die at home rather than in any other setting.

**Achievements and performance**

***Referrals, discharges and deaths***

The community service has been reconfigured in the last year to support responsiveness and adapt to the needs of the people to whom we provide services. There has been an increased emphasis on patients informing the level of care and support they need. This has led to an increase in the level of telephone support patients receive rather than face to face visits. The team proactively prioritise visits to ensure patients receive the right level of support and input when needed. This year the Community Palliative Care Team assessed 1,047 new patients (2017-18: 989) and undertook 3,051 follow up visits (2017-18: 3,008) to patients in their own homes. They made 11,373 telephone calls to patients and families (2017-18: 10,347) and a further 8,662 telephone calls to healthcare professionals (2017-18: 8,709). The Hospice at Home Service received 296 referrals and made 2,164 support visits (2017-18: 324 and 2,300). The Jubilee Centre supported 263 patients (2017-18: 175) receiving 1,941 attendances (2017-18: 1,503) and our Psychosocial Team supported 284 people (2017-18: 280). The In Patient Unit admitted and cared for 225 patients (2017-18: 203) with a bed occupancy of 84% (2017-18: 79%) based on available beds.

St. Raphael's Hospice focuses on patient-centred care which extends to the family and friends of the terminally ill patients. The clinical teams aim to deliver a high standard of expert care to ensure patients' symptoms are effectively managed, enabling them to have the best possible quality of life and death.

**Achievements and performance** (continued)

***Referrals, discharges and deaths*** (continued)

The Bereavement Support Service, which consists of a Bereavement Support Manager and many volunteers provide support to the patient's family at the time of bereavement. This service is part of the Psycho-Social and Pastoral Care Team which includes Counsellors, a Social Worker and a Pastoral Care Sister.

Education is a fundamental principle of the Hospice movement in general and St Raphael's actively supports that tradition. The Hospice aims to deliver quality End of Life Care education and training to all health care professionals to support best practice and improve standards of care. The Hospice delivered six three-day End of Life Care courses funded by The Health Education England, to Care Home and Community staff both qualified and HCA level in Merton CCG and two further three-day courses which were open to both Sutton and Merton care staff. The course included a Level 1 communication skills module "Sage and Thyme". As well as education courses the Hospice supports trainee GPs facilitating three-monthly educational placements on a regular basis and placements for student nurses from Kingston University. The Hospice continues to take the lead locally in the implementation of the Government End of Life Care objectives and continues to work collaboratively across all sectors to improve education and training in Palliative and End of Life Care.

The Hospice continues to provide at its own expense development posts for trainee Clinical Nurse Specialists in palliative care as well as facilitating the advanced training of Nurse Independent Prescribers.

***Achievements and performance in year***

Specific achievements during the year under review, which were reported last year as plans for future periods, include the following:-

- ◆ Many of the necessary governance structures required for independence from the Daughters of the Cross have been implemented, including the commencement of Sub-Committees for Human Resources, Clinical Quality and Governance, Communications and Fundraising, Finance and Resources.
- ◆ A robust five year strategy has been created and agreed by relevant Boards to guide the charity as it moves towards its independent future and to provide a route to a financially sustainable future. The strategy includes the adoption of an innovative approach to clinical management that is designed to continually improve our staff's skills and experience.
- ◆ We have Improved Clinical Performance by providing bespoke professional training for patient facing staff to enhance their communication skills and their appreciation of patient and family needs. We have also learned from the Integrated Palliative Care Outcome Scale (iPOS) work to inform our approach to seeking feedback from patients to help improve our service.

**Achievements and performance (continued)**

***Achievements and performance in year (continued)***

- ◆ We have further developed and re-configured the CrossCare medical records database and trained staff in its application in order to produce relevant and effective data returns. We are now working on summarising the data in a dashboard for management which will lead to an improvement in our ability to deliver the best service in the right way.
- ◆ We have commenced the plan to increase income by re-organising the management and structure of the Fundraising team as a prelude to recruiting additional fundraising staff. We have commenced a programme of improvements to our shop network by successfully installing an EPOS system providing enhanced sales data and Gift Aid collection capability.
- ◆ We successfully completed a review and update of our data policies and procedures in order to ensure compliance with GDPR by the end of May 2018.
- ◆ We have initiated a strategy to improve our profile by rebranding the St Raphael's Hospice logo and by designing and configuring a new website for launch in the new financial year.

**Financial review**

***Financial position***

Net expenditure before transfers for the year ended 31 March 2019 was £237,000 compared with net income of £301,000 in the previous year. We experienced a 10% reduction in overall income from £6,089,000 to £5,507,000 whilst the costs of charitable activities rose nearly 5% from £3,914,000 to £4,096,000 and cost of raising funds increased by 4% from £1,874,000 to £1,948,000.

Income from donations of £1,185,000, shop sales of £1,019,000 and from Government sources of £1,515,000 were little changed from the previous year (2017-18: £1,194,000, £1,007,000 and £1,529,000 respectively).

The direct costs for shops increased to £916,000 (2017-18: £890,000) to give an operating surplus of £103,000 (2017-18: £117,000) before the allocation of overheads of £179,000 (2017-18: £158,000). Meanwhile, the Lottery showed a net profit of £315,000 (2017-18: £299,000).

A fall in the total for legacies of £1,180,000 compared with £1,691,000 in the previous year, was partly offset by a £300,000 grant from the Congregation to support the Hospice's plans for enhancing the buildings and environment for our patients and their families, our staff, volunteers and visitors (2017-18: £nil).

**Financial review** (continued)

***Reserves policy***

Total funds at 31 March 2019 amounted to £7,785,000 (2017-18: £8,022,000) including designated funds of £4,064,000 (2017-18: £4,213,000). This fund is represented by the net book value of tangible fixed assets which are used in the day to day work of the Hospice and amounts owed for tangible fixed asset additions held at the year end, and hence, the fund is not available for working capital as well as capital commitments.

The working capital available to the Hospice as at 31 March 2019, therefore, comprises the net current assets of £3,721,000 (2017-18: £3,809,000), of which £3,345,000 (2017-18: £3,737,000) represents free reserves. The Trustees have decided, in conjunction with the Management Team and in the context of its position as a work of the Daughters of the Cross, that the required level of free reserves should be between three and six months operating expenditure. The current level of free reserves is around seven months and this level will be reviewed in the light of future governance developments.

***The Hospice's assets***

Acquisition and disposals of fixed assets during the year are recorded in the notes to the balance sheet.

**Plans for future periods**

The main themes of management work include:

- ◆ Launching St Raphael's Hospice as a new and independent charity, transferring all the activities previously undertaken through the Daughters of the Cross charity into it.
- ◆ Delivering the first phase of our Clinical Plan to improve clinical performance and innovative practice by developing a rotation system for all clinical staff to enable experience to be shared across the IPU and Community work.
- ◆ Opening our new St Raphael's Wellbeing Centre with increased therapeutic services and relaxation space, including a new "Men's Den".
- ◆ Investing judiciously in our buildings and grounds in order to enhance our patient and family services and the overall ambiance of the site.
- ◆ Preparing to increase income through the recruitment of donor facing fundraising staff and the introduction of new and innovative approaches to fundraising.
- ◆ Commencing a programme of developing and enhancing our shops networks by upgrading the premises to provide an improved High Street profile and customer experience.
- ◆ Continue to embed our training culture by providing regular opportunities for staff to develop their skills and by creating specific development roles with training aspects to help create a highly skilled and experienced workforce.

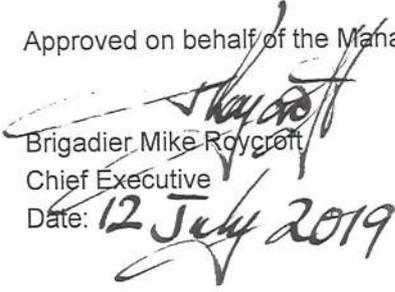
## Management Team Report 31 March 2019

### Plans for future periods (continued)

Specific tasks for future periods include the following:

- ◆ Configuring and implementing the Datix incident reporting and risk management system in order to enhance our responses and service delivery and to support the Hospice sector with validated data collection.
- ◆ Installing air-conditioning in all our ward rooms for patient comfort.
- ◆ Providing improved space for our enlarged Community team by moving them to the Jubilee Centre.
- ◆ Creating an app to impart key expert knowledge of palliative and end of life care to professionals in UK and in India.
- ◆ Installing a new finance system with improved transparency and budget reporting capability.
- ◆ Updating and replacing our IT infrastructure where it is nearing obsolescence.
- ◆ Successfully transferring our staff to the new charity under TUPE regulations.

Approved on behalf of the Management Team:

  
Brigadier Mike Roycroft

Chief Executive

Date: 12 July 2019

**Report of the independent auditors to the members of The Congregation of the Daughters of the Cross of Liege ("the charitable company") and to the Chief Executive of St Raphael's Hospice ("the Hospice")**

**Opinion**

We have audited the financial statements of St Raphael's Hospice for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 St Raphael's Hospice's affairs as at 31 March 2019 and of its income and expenditure for the year then ended; and
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of St Raphael's Hospice and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the Management Team.

**Responsibilities of the Chief Executive**

As explained more fully in the statement of the Trustees' and Management Team's responsibilities, the Chief Executive, in conjunction with the charitable company's trustees, is 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 Chief Executive and 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 Chief Executive's and trustees are responsible for assessing the Hospice'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 Hospice or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, and the Chief Executive of St Raphael's Hospice. 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.



Buzzacott LLP  
Chartered Accountants and Registered Auditors  
130 Wood Street  
London  
EC2V 6DL 22/7/19

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Statement of financial activities** Year ended 31 March 2019

	Notes	Unrestricted funds			Total funds 2019 £'000	Total funds 2018 £'000
		General fund £'000	Designated fund £'000	Restricted funds £'000		
<b>Income and expenditure</b>						
<b>Income from:</b>						
Donations and legacies	1	2,275	—	90	<b>2,365</b>	2,885
Other trading activities	2	1,527	—	—	<b>1,527</b>	1,527
Investments		21	—	—	<b>21</b>	16
<b>Charitable activities</b>						
. Clinical Commissioning Groups		1,512	—	3	<b>1,515</b>	1,529
. Other income		77	—	2	<b>79</b>	132
<b>Total income</b>		<b>5,412</b>	<b>—</b>	<b>95</b>	<b>5,507</b>	<b>6,089</b>
<b>Expenditure on:</b>						
Raising funds	3	1,946	—	2	<b>1,948</b>	1,874
Charitable activities	4	4,029	—	67	<b>4,096</b>	3,914
<b>Total expenditure</b>		<b>5,975</b>	<b>—</b>	<b>69</b>	<b>6,044</b>	<b>5,788</b>
<b>Net (expenditure) income before transfers</b>						
		(563)	—	26	<b>(537)</b>	301
<b>Gross transfers between funds in connection with tangible fixed assets</b>						
	11, 12	171	(149)	(22)	<b>—</b>	—
Transfer from the Congregation		—	—	300	<b>300</b>	—
<b>Net movement in funds</b>		<b>(392)</b>	<b>(149)</b>	<b>304</b>	<b>(237)</b>	301
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 April 2018		<b>3,737</b>	<b>4,213</b>	<b>72</b>	<b>8,022</b>	7,721
Fund balances carried forward at 31 March 2019		<b>3,345</b>	<b>4,064</b>	<b>376</b>	<b>7,785</b>	8,022

A full comparative statement of financial activities is shown at note 17 to the financial statements.

**Balance Sheet 31 March 2019**

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
<b>Fixed assets</b>					
Tangible assets	8		4,064		4,213
<b>Current assets</b>					
Debtors	9	572		917	
Short term deposits		1,250		1,000	
Cash at bank and in hand		2,295		2,196	
			4,117		4,113
<b>Creditors: amounts falling due within one year</b>	10	<b>(396)</b>		<b>(304)</b>	
<b>Net current assets</b>			<b>3,721</b>		<b>3,809</b>
<b>Total net assets</b>			<b>7,785</b>		<b>8,022</b>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
<b>Income funds</b>					
Restricted funds	11		376		72
<b>Unrestricted funds</b>					
. Designated funds	12		4,064		4,213
. General fund	13		3,345		3,737
<b>Total funds</b>			<b>7,785</b>		<b>8,022</b>

Approved on behalf of St Raphael's Hospice  
Management Team by:

  
Chief Executive

Approved on: *12 July 2019*

Statement of cash flows Year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	A	467	151
<b>Cash flows from investing activities:</b>			
Investment income		21	16
Purchase of tangible fixed assets		(139)	(23)
Net cash used in investing activities		(118)	(7)
Change in cash and cash equivalents in the year		349	144
Cash and cash equivalents at 1 April 2018	B	3,196	3,052
Cash and cash equivalents at 1 April 2019	B	3,545	3,196

Notes to the statement of cash flows for the year ended 31 March 2019

**A Reconciliation of net movement in funds to net cash provided by (used in) operating activities**

	2019 £'000	2018 £'000
Net movement in funds (as per the statement of financial activities)	(237)	301
<b>Adjustments for:</b>		
Depreciation charge	288	308
Investment income	(21)	(16)
Decrease (increase) in debtors	345	(441)
Increase (decrease) in creditors	92	(1)
Net cash provided by operating activities	467	151

**B Analysis of cash and cash equivalents**

	2019 £'000	2018 £'000
Cash at bank and in hand	2,295	2,196
Short-term deposits	1,250	1,000
<b>Total</b>	<b>3,545</b>	<b>3,196</b>

## Principal accounting policies 31 March 2019

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### Scope

The financial statements disclose only the movement in funds and state of affairs of St Raphael's Hospice. St Raphael's Hospice is one of the charitable works of The Congregation of the Daughters of the Cross of Liege, charity registration number 1068661 and company registration number 3492921.

### Basis of accounting

The financial statements have been prepared for the year to 31 March 2019 with comparative information provided in respect to the year to 31 March 2018.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value, unless otherwise stated in the relevant accounting policy note.

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 (Charities SORP FRS 102) issued on 16 July 2014, and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

St Raphael's Hospice is part of a charity which is a public benefit entity as defined in FRS 102.

The financial statements are prepared in sterling and are rounded to the nearest thousand pounds.

### Assessment of going concern

The management have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements and they have made this assessment in respect of a period one year from the date of the approval of these financial statements.

The management have concluded that there are no material uncertainties related to events or conditions that would cast significant doubt on the ability of St Raphael's Hospice to continue as a going concern. This is because they believe that they have sufficient reserves and resources to withstand any temporary drop in income or any additional unexpected liability.

### **Income recognition**

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Legacies are included in the statement of financial activities when there has been a grant of probate, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Donated goods are normally distributed very soon after receipt by the charity. Stocks held at the reporting date are immaterial. Under these circumstances, the cost of valuing all donated goods upon receipt by the charity outweighs the benefit to the users of the accounts of providing this information. Consequently, donated goods are included within income when sold or distributed and no value is placed on stock of such items at the year end.

In accordance with the Charities SORP FRS 102 no financial valuation of volunteer time is recognised in these financial statements, refer to page 13 for details.

Shop income arises from the sales of donated goods at charity shops within the Surrey and Greater London areas and is accounted for on receipt. Stocks are valued at the lower of cost and net realisable value and therefore have no value for financial statements.

### **Expenditure and the basis of apportioning costs**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenditure is inclusive of irrecoverable VAT.

Expenditure comprises the following:

- a. The cost of raising funds includes fundraising and publicity expenditure which comprises costs associated with, fundraising and shop overheads, publicity, advertising and event staging.
- b. The cost of charitable activities comprises all the costs of operating the Hospice, including all staff, supplies and property costs. It also includes governance costs.

Governance costs are the costs associated with the governance arrangements of the Hospice that relate to the general running of the Hospice as opposed to those costs associated with raising funds or charitable activities. Included within this category are costs associated with the strategic as opposed to day to day management of the Hospice's activities.

## Principal accounting policies 31 March 2019

### Tangible fixed assets

Tangible fixed assets are shown on the balance sheet at valuation on a depreciated replacement cost basis or at cost, less accumulated depreciation.

All assets which cost in excess of £5,000 and have an expected useful life exceeding one year are capitalised.

Depreciation is calculated at the following annual rates on a straight line basis in order to write off each asset over its estimated useful life:

◆ Freehold buildings	4%
◆ Computer and other equipment	20 - 33.33%
◆ Shop fixtures and fittings	33.33%
◆ Motor vehicles	25%

Long leasehold property is depreciated evenly over the period of the lease.

No depreciation is provided on freehold land.

### Fund accounting

Any restricted funds are monies raised for, and their use restricted to, a specific purpose or are donations subject to donor imposed conditions.

The designated funds are monies which may be used towards meeting the charitable objectives of the Hospice but which have been designated for a specific purpose by the Chief Executive and his Management Team.

The general fund represents free reserves and comprises those monies which may be used towards meeting the charitable objectives of the Hospice at the discretion of the Chief Executive and his Management Team.

Both the general fund and designated funds are unrestricted.

### Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease term.

### Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount paid in advance. They have been discounted to the present value of the future cash receipt where such discounting is material.

### Cash

Cash is held in bank accounts or in hand and money available on demand or term deposits with an expiry date within three months of the balance sheet date.

**Creditors**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount St Raphael's Hospice anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**Pension Costs**

St Raphael's Hospice operates a defined contribution pension scheme. The amounts charged represent the employers' contributions payable to the scheme in the year.

St Raphael's Hospice also participates in the NHS pension scheme, a defined benefit scheme which is underwritten by the UK Treasury. The liabilities of the scheme are not calculated and there is no attribution of liability to the participant organisations, including the Hospice. Accordingly, the contributions are accounted for as if it were a defined contribution scheme.

## 1 Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Donations	1,095	90	1,185
Legacies	1,180	—	1,180
<b>2019 Total</b>	<b>2,275</b>	<b>90</b>	<b>2,365</b>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
<i>Donations</i>	<i>1,110</i>	<i>84</i>	<i>1,194</i>
<i>Legacies</i>	<i>1,691</i>	<i>—</i>	<i>1,691</i>
<b>2018 Total</b>	<b>2,801</b>	<b>84</b>	<b>2,885</b>

In addition, the Hospice enjoys the benefit of volunteers for help in the running of the Hospice, fundraising and the shops. In accordance with the accounting policy, the worth - of these benefits, estimated by the Management Team at £526,000 (2017-18: £564,000) has not been reflected in the financial statements.

## 2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Lottery income	508	—	508
Shop sales and related income	1,019	—	1,019
<b>2019 Total</b>	<b>1,527</b>	<b>—</b>	<b>1,527</b>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
<i>Lottery income</i>	<i>520</i>	<i>—</i>	<i>520</i>
<i>Shop sales and related income</i>	<i>1,007</i>	<i>—</i>	<i>1,007</i>
<b>2018 Total</b>	<b>1,527</b>	<b>—</b>	<b>1,527</b>

**3 Raising funds**

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
<b>Raising funds</b>			
General appeal costs	660	—	660
<b>Other trading activities</b>			
Cost of selling donated goods			
. Staff costs	573	—	573
. Other costs	522	—	522
	1,095	—	1,095
Lottery costs and prizes	191	2	193
<b>2019 Total</b>	<b>1,946</b>	<b>2</b>	<b>1,948</b>
Included above are operating lease rentals as follows:	286	—	286

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
<i>Raising funds</i>			
<i>General appeal costs</i>	<i>604</i>	<i>1</i>	<i>605</i>
<i>Other trading activities</i>			
<i>Cost of selling donated goods</i>			
<i>. Staff costs</i>	<i>555</i>	<i>—</i>	<i>555</i>
<i>. Other costs</i>	<i>493</i>	<i>—</i>	<i>493</i>
	<i>1,048</i>	<i>—</i>	<i>1,048</i>
<i>Lottery costs and prizes</i>	<i>180</i>	<i>41</i>	<i>221</i>
<i>2018 Total</i>	<i>1,832</i>	<i>42</i>	<i>1,874</i>
<i>Included above are operating lease rentals as follows:</i>	<i>276</i>	<i>—</i>	<i>276</i>

**4 Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Hospice costs			
. Staff costs	1,510	39	1,549
. Supplies	183	8	191
. Bought services	140	—	140
. Professional fees	32	2	34
. Establishment costs			
.. Depreciation	270	—	270
.. Rates	29	—	29
.. Heat and light	45	—	45
. Other costs			
.. Sundry	42	3	45
. Support costs			
.. Staff costs	607	—	607
.. Other costs	30	—	30
.. Auditor's remuneration (including VAT)	10	—	10
	<u>2,898</u>	<u>52</u>	<u>2,950</u>
CPCT			
. Staff costs	610	15	625
. Other expenses	65	—	65
. Support costs			
.. Staff costs	141	—	141
.. Auditor's remuneration (including VAT)	3	—	3
	<u>819</u>	<u>15</u>	<u>834</u>
Hospice at Home			
. Staff costs	213	—	213
. Other expenses	38	—	38
. Support costs			
.. Staff costs	60	—	60
.. Auditor's remuneration (including VAT)	1	—	1
	<u>312</u>	<u>—</u>	<u>312</u>
<b>2019 Total</b>	<u><b>4,029</b></u>	<u><b>67</b></u>	<u><b>4,096</b></u>

**4 Charitable activities (continued)**

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total 2018 £'000</i>
<i>Hospice costs</i>			
. Staff costs	1,466	64	1,530
. Supplies	181	7	188
. Bought services	128	—	128
. Professional fees	26	—	26
<i>Establishment costs</i>			
.. Depreciation	288	—	288
.. Rates	41	—	41
.. Heat and light	45	—	45
<i>Other costs</i>			
.. Sundry	39	—	39
<i>Support costs</i>			
.. Staff costs	579	—	579
.. Other costs	25	—	25
.. Auditor's remuneration (including VAT)	9	1	10
	<u>2,827</u>	<u>72</u>	<u>2,899</u>
<i>CPCT</i>			
. Staff costs	554	—	554
. Other expenses	49	—	49
<i>Support costs</i>			
.. Staff costs	111	—	111
.. Auditor's remuneration (including VAT)	3	—	3
	<u>717</u>	<u>—</u>	<u>717</u>
<i>Hospice at Home</i>			
. Staff costs	200	—	200
. Other expenses	36	—	36
<i>Support costs</i>			
.. Staff costs	61	—	61
.. Auditor's remuneration (including VAT)	1	—	1
	<u>298</u>	<u>—</u>	<u>298</u>
<b>2018 Total</b>	<u>3,842</u>	<u>72</u>	<u>3,914</u>

Support costs are calculated as follows:

- ◆ Staff costs – based on FTE staff numbers for each charitable activity.
- ◆ Other costs – based on sq. ft. occupied by each charitable activity or FTE staff.
- ◆ Auditor's remuneration – based on FTE staff numbers for each charitable activity.

## 5 Employees and staff costs

Staff costs during the year were as follows:

	2019 £'000	2018 £'000
Wages and salaries	3,334	3,095
Payments to agency / bank staff	303	415
Social security costs	304	261
Other pension costs	163	128
	<u>4,104</u>	<u>3,899</u>
Other staff costs	49	55
	<u>4,153</u>	<u>3,954</u>

Staff costs were charged as follows:

	Total 2019 £'000	Total 2018 £'000
Cost of raising funds (Note 3)		
. Cost of generating donations and legacies		
.. Fundraising general appeal costs	377	322
. Fundraising trading		
.. Lottery	8	42
.. Shops selling donated goods	573	555
Charitable activities (Note 4)		
. Hospice costs	2,156	2,109
. CPCT	766	665
. Hospice at Home	273	261
	<u>4,153</u>	<u>3,954</u>

The average number of employees during the year (excluding bank staff), analysed by function, was as follows:

	2019 Number	2018 Number
Raising funds	29	30
Charitable activities	106	104
	<u>135</u>	<u>134</u>

The average number of bank staff during the year was 44 (2017-18: 44).

The average number of employees during the year (excluding bank staff), calculated on a full time equivalent basis, analysed by function, was as follows:

	2019 Number	2018 Number
Raising funds	25	26
Charitable activities	74	73
	<u>99</u>	<u>99</u>

**5 Employees and staff costs** (continued)

In addition to the above, 818 (2017-18: 825) part-time volunteers helped in the running of the Hospice and the shops.

The number of employees who earned £60,000 per annum or more (including benefits) during the year was as follows:

	2019 No.	2018 No.
£60,001 - £70,000	3	1
£80,001 - £90,000	1	—
£90,001 - £100,000	1	1
£120,001 - £130,000	—	1
£130,001 - £140,000	1	—

No remuneration or reimbursed expenses were paid to trustees (2017-18: £nil).

***Key management personnel***

Key management personnel comprise the trustees, the Chief Executive Officer and the Management Team.

None of the trustees received any remuneration in respect of their services during the year (2017-18: £nil). Out of pocket expenses were not reimbursed to trustees during the year (2017-18: £nil).

The total employee benefits (including taxable benefits and employer's pension and national insurance contributions) of the key management personnel of the charity were £507,000 (2017-18: £380,000).

**6 Taxation**

St. Raphael's Hospice is one of the charitable works of the Congregation of the Daughters of the Cross of Liege, a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**7 Tangible fixed assets**

	Freehold land and buildings £'000	Computer and other equipment £'000	Shop fixtures and fittings £'000	Motor vehicles £'000	2019 Total £'000
<b>Cost or valuation</b>					
At 1 April 2018	4,452	1,181	12	59	5,704
Additions	6	93	40	—	139
At 31 March 2019	4,458	1,274	52	59	5,843
<b>Cost</b>	827	1,274	52	59	2,212
Valuation (2014)	3,631	—	—	—	3,631
	4,458	1,274	52	59	5,843
<b>Depreciation</b>					
At 1 April 2018	477	943	12	59	1,491
Charge in year	127	160	1	—	288
At 31 March 2019	604	1,103	13	59	1,779
<b>Net book values</b>					
At 31 March 2019	3,854	171	39	—	4,064
At 31 March 2018	3,975	238	—	—	4,213

The Hospice's freehold land and buildings were valued as at 31 March 2014 by an external valuer, Nigel Grugeon FRICS of Reeves and Partners, Chartered Surveyors. Valuations were in accordance with the requirements of the RICS Valuation Standards and Financial Reporting Standard 102.

The basis of valuation was depreciated replacement cost. The depreciated replacement cost approach has been adopted to assess the market value as the specialised nature of the property meant that there were no market transactions of this type of asset, except as part of the business or entity.

Included in the valuation of freehold land and buildings is an amount for land at a valuation of £1,290,000 (2017-18: £1,290,000). This land on which the Hospice stands is owned by The Congregation of the Daughters of the Cross of Liege.

The historical cost of freehold land and buildings included at valuation is £2,162,000 (2017-18: £2,162,000).

**8 Debtors**

	2019 £'000	2018 £'000
Gift Aid recoverable	11	41
Prepayments	182	153
Accrued income (including legacies receivable)	364	717
Daughters of the Cross	15	6
	572	917

**9 Creditors: amounts falling due within one year**

	2019 £'000	2018 £'000
Trade creditors	131	60
Tangible fixed asset creditors	5	5
Social security and other taxes	118	97
Lottery income received in advance	65	81
Accruals and deferred income	77	61
	396	304

**10 Restricted funds**

The restricted funds are monies received for, and their use restricted to, the following:

	At 1 April 2018 £'000	Income £'000	Expenditure £'000	At 31 March 2019 £'000
Bereavement support fund	—	35	(35)	—
Daughters of Cross				
. Lottery investment grant	—	2	(2)	—
Other restricted donations	72	58	(54)	76
	72	95	(91)	76

	At 1 April 2017 £'000	Income £'000	Expenditure £'000	At 31 March 2018 £'000
<i>Bereavement support fund</i>	—	52	(52)	—
<i>Daughters of Cross grants:</i>				
. <i>Lottery investment grant</i>	—	41	(41)	—
<i>Other restricted donations</i>	59	34	(21)	72
	59	127	(114)	72

The Bereavement support fund represents the funding of a bereavement support co-ordinator and related costs.

The Daughters of the Cross Lottery Investment Grant was a grant-in-aid to help the Hospice increase the numbers of members of its lottery.

Other restricted donations represent other smaller restricted donations and legacies donated to the hospice for specific purposes.

In addition to the above, the Congregation provided funding of £300,000 during the year to be restricted for site enhancement. This is shown on the statement of financial activities as a transfer from the congregation.

## 11 Designated funds

The unrestricted funds of the Hospice include the following designated funds which have been set aside by the Chief Executive and his Management Team for specific purposes. The fixed asset fund represents the net book value of tangible fixed assets, which are used in the day-to-day work of the Hospice and hence is not available for working capital.

The capital commitment fund comprises monies designated to meet the cost of capital commitments for which funding is yet to be secured or will be met from general funds.

	At 1 April 2018 £'000	Transfer £'000	At 31 March 2019 £'000
Fixed asset fund	4,213	(149)	4,064
	4,213	(149)	4,064

	At 1 April 2017 £'000	Transfer £'000	At 31 March 2018 £'000
<i>Fixed asset fund</i>	4,498	(285)	4,213
<i>Capital commitment fund</i>	13	(13)	—
	4,511	(298)	4,213

The transfer in the fixed asset fund represents the net movement in fixed assets over the year.

## 12 Analysis of net assets between funds

	Restricted funds £'000	General fund £'000	Designated fund £'000	Total 2019 £'000
Fixed assets	—	—	4,064	4,064
Current assets	376	3,741	—	4,117
Creditors: amounts falling due within one year	—	(396)	—	(396)
<b>Total net assets</b>	<b>376</b>	<b>3,345</b>	<b>4,064</b>	<b>7,785</b>

	Restricted funds £'000	General fund £'000	Designated fund £'000	Total 2018 £'000
<i>Fixed assets</i>	—	—	4,213	4,213
<i>Current assets</i>	72	4,041	—	4,113
<i>Creditors: amounts falling due within one year</i>	—	(304)	—	(304)
<b>Total net assets</b>	<b>72</b>	<b>3,737</b>	<b>4,213</b>	<b>8,022</b>

## 12 Analysis of net assets between funds (continued)

The total unrealised gains at 31 March 2019 constitutes a movement on revaluation and are as follows:

	2019 £'000	2018 £'000
<b>Unrealised gains included above:</b>		
On tangible fixed assets	1,174	1,233
<b>Reconciliation of movements on unrealised gains:</b>		
Unrealised gains at 1 April 2018	1,233	1,292
Less: depreciation in respect to revalued amounts	(59)	(59)
<b>Total unrealised gains at 31 March 2019</b>	<b>1,174</b>	<b>1,233</b>

## 13 Leasing commitments

### *Operating leases*

At 31 March 2019 the Hospice had total commitments under non-cancellable operating leases as follows:

	Land and buildings 2019 £'000	Land and buildings 2018 £'000
Commitments falling due:		
Within one year	282	246
Within one to two years	252	257
Within two to five years	481	358
Thereafter	366	201
	<b>1,381</b>	<b>1,062</b>

## 14 Related party transactions

The financial statements do not include disclosure of all transactions between the Hospice and other entities that are part of The Congregation of the Daughters of the Cross of Liege. This is because as a daughter house controlled by the Congregation it is exempt from the requirement to disclose such transactions under FRS 102.

There were no other related party transactions.

## 15 Capital commitments

There were no capital commitments at either 31 March 2019 or 31 March 2018.

## 16 Pension commitments

The Hospice makes contributions in respect of the current service of its employees to either the NHS pension scheme or Royal London.

The Royal London pension scheme is a defined contribution scheme, with contributions accounted for in the period in which they arise.

The contributions payable for the year were £97,000 (2017-18: £77,000).

**16 Pension commitments** (continued)

The NHS pension scheme is a defined benefit scheme which is underwritten by the UK Treasury. The liabilities of the scheme are not calculated and there is no attribution of liability to the participant organisations, including the Hospice. Accordingly, it has accounted for its contributions as if it were a defined contribution scheme.

The contributions payable to the scheme for the year were £66,000 (2017-18: £51,000).

**17 Statement of financial activities – Year ended 31 March 201**

	Notes	Unrestricted funds			Total funds 2018 £'000
		General fund £'000	Designated fund £'000	Restricted funds £'000	
<i>Income and expenditure</i>					
<i>Income from:</i>					
Donations and legacies	1	2,801	—	84	2,885
Other trading activities	2	1,527	—	—	1,527
Investments		16	—	—	16
<i>Charitable activities</i>					
. Clinical Commissioning Groups		1,529	—	—	1,529
. Other income		89	—	43	132
<b>Total income</b>		<b>5,962</b>	<b>—</b>	<b>127</b>	<b>6,089</b>
<i>Expenditure on:</i>					
Raising funds	3	1,832	—	42	1,874
Charitable activities	4	3,842	—	72	3,914
<b>Total expenditure</b>		<b>5,674</b>	<b>—</b>	<b>114</b>	<b>5,788</b>
<i>Net (expenditure) income before transfers</i>		288	—	13	301
<i>Gross transfers between funds in connection with tangible fixed assets</i>	11	298	(298)	—	—
<i>Transfer from the Congregation</i>		—	—	—	—
<b>Net movement in funds</b>		<b>586</b>	<b>(298)</b>	<b>13</b>	<b>301</b>
<i>Reconciliation of funds:</i>					
<i>Fund balances brought forward at 1 April 2017</i>		3,151	4,511	59	7,721
<b>Fund balances carried forward at 31 March 2018</b>		<b>3,737</b>	<b>4,213</b>	<b>72</b>	<b>8,022</b>