

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

**Annual Report and Financial
Statements**

31 March 2020

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

Information relating to the overall charity

Name	The Congregation of the Daughters of the Cross of Liege
Trustees	Sister Veronica Hagen (Chairperson) Sister Annette Clemence Sister Anne Kelly Sister Mary McGinn (aka Sister Mary Geraldine) Sister Maureen O'Brien Sister Kathleen O'Reilly
Provincial Superior	Sister Veronica Hagen
Provincial Bursar	Sister Mary Geraldine
Company registration number	3492921
Charity registration number	1068661
Charity's registered address	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

Management Team	
Chief Executive	Brigadier Mike Roycroft (to 31 March 2019)
Medical Director	Dr Marie Joseph (to 9 August 2019)
Acting Clinical Director	Mrs Gail Linehan (Joint CEO from 1 April 2020)
Director of Income Generation	Ms Sara Jane Woods
Director of Finance and Resources	Mr Nick Stevens (Joint CEO from 1 April 2020)
Advisory Committee	
	Mr Norman McWhinney (Chair)
	Dr Carrie Chill
	Dr Tessa Crilly (resigned 21 August 2019)
	Mr Alan Cogbill
	Sister Veronica Hagen
	Mr Paul Holmes
	Mrs Heather Howell
	Sister Kathleen O'Reilly (appointed 20 November 2019)
	Mrs Marian Norman
	Mr Roderick O'Connor
	Mr Joseph Ryan
	Dr Joy Tweed
Operating address	St Raphael's Hospice London Road North Cheam SM3 9DX
Telephone	020 8099 7777
email	Enquiries@StRaphaels.org.uk
Website	www.straphaels.org.uk
Auditor	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 2020

The Management Team presents its report with the financial statements of St Raphael's Hospice for the year ended 31 March 2020.

The financial statements are presented in accordance with the accounting policies set out on pages 29 to 32 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 Maureen O'Brien
Sister Kathleen O'Reilly

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 (2018-19: £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 2020 and served throughout the year, except where shown:

Management Team

Brigadier Mike Roycroft	Chief Executive (retired 31 March 2020)
Dr Marie Joseph	Medical Director (to 9 August 2019)
Mrs Gail Linehan	Acting Clinical Director (Joint CEO from 1 April 2020)
Ms Sara Jane Woods	Director of Income Generation
Mr Nick Stevens	Director of Finance and Resources (Joint CEO from 1 April 2020)

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. A Remuneration Committee was established and met on 17 February 2020 to review and agree senior management remuneration with effect from 1 April 2020.

Following the retirement of Brigadier Mike Roycroft on 31 March 2020, Mrs Gail Linehan and Mr Nick Stevens were appointed Joint Chief Executives on an interim basis with effect from 1 April 2020.

Joint Chief Executives' 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.

Structure, governance and management (continued)

Joint Chief Executives' responsibilities statement (continued)

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 Joint Chief Executives, as their representatives, are 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.

In preparing the financial statements Joint Chief Executives are 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 Joint Chief Executives are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of St Raphael's Hospice which enables them to ensure that the financial statements comply with the requirements of the Congregation. They are 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 Joint Chief Executives confirm that:

- ◆ So far as they are aware, there is no relevant audit information of which the Hospice's auditor is unaware; and
- ◆ They have taken all the steps that they ought to have taken in order to make themselves 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 reviewed, 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>Finances</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>The current Covid-19 pandemic and the consequential impact on the economy may cause a reduction in the actual or in the planned increase to the income generation that harms the sustainability of the hospice.</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 risks to plan.</p> <p>Notwithstanding the additional financial risks the Hospice will focus on continuing to deliver excellent services to the communities of Merton and Sutton whilst taking all opportunities to unlock new avenues of funding and support.</p>
<p>Workforce</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)

Clinical Quality	
<p>Specialist Palliative and End-of-Life Care aims to support patients maintain their independence and quality of life within the bounds of their disease and treatment trajectory. The speciality does at times work at the boundaries of medical knowledge and there is a risk that the use of innovative drug or other treatment regimens could inadvertently result in patient harm.</p>	<p>St Raphael's will continue to invest in training and development to ensure that staff are competent and up to date with current practice.</p> <p>We will continue to work within the boundaries of orthodoxy 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, learning to improve and 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 reporting system is supported by the electronic patient record which remains a corroborative source for the reporting of patient 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 424,000 (212,658 in Merton and 211,297 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.
- ◆ terminal care

Structure, governance and management (continued)

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

- ◆ difficult decisions, advanced care planning, or conversations about managing end of life care.
- ◆ 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 in Merton and Sutton have been referred to the Hospice and have agreed to that referral. 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 to 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 held in the Wellbeing Centre.

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 inpatient nursing team and on call medical team. Inpatient 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 November 2019. The subsequent report was published in April 2020. Whilst noting a number of areas of outstanding practice, the report also recommended that the carpet in the IPU be replaced and that the navigation of the electronic notes system be improved. Actions to comply with these recommendations are in progress. 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. A new incident reporting system, Datix, has been installed and will commence operation upon relevant staff being fully trained. This process has been delayed during the COVID-19 crisis.

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, and corporate governance including data 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 £4,000 (2018-19: £3,334) and provides public and employer cover up to a maximum of £10,000,000 (2018-19: £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

The annual pay review was prepared by the SMT and ratified by the Remuneration Committee on 17 February 2020. In addition to some individual changes, an award of 1.7% was agreed which took effect from 1 April 2020 (2018-19: 2.4%, annualised).

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 £8.72 per hour. The staff impacted by this commitment largely work in our housekeeping and retail teams.

Structure, governance and management (continued)

Our people (continued)

Annual Leave

The effective date for the annual leave year is 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 increased to 13% for contracted employees (2018-19: 10%). This is in line with the UK average which is 12-15%.

At the year end the Hospice had 148 contracted employees (2018-19: 140) of whom 46 were full time and 102 part-time (2018-19: 40 and 100). The Hospice also has 47 bank staff who do not want to commit to working specific regular hours and are offered work as and when the need arises (2018-19: 43).

Profile

At the year end the Hospice clinical staff had the following age profile. This presents a risk as a significant number are approaching retirement 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 2020	8	10	19	34	8
As at 31 March 2019	6	13	17	36	10

Voluntary help

The Management Team of the Hospice acknowledges and greatly appreciates the contribution that volunteers make to the Hospice. There were 830 volunteer roles undertaken in the year, amounting to 51,850 hours of time (2018-19: 818 roles and 48,243 hours). This provides an estimated financial value of £594,000 (2018-19: £526,000). The Sisters and Management of St. Raphael's Hospice are grateful for the huge amount of help given by our volunteers, some of whom take on several roles, and wish to express appreciation for the enthusiasm and dedication that they 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:

Role	Number 2019-20	Number 2018-19
Receptionist	74	89
Admin	6	4
Ward Companions	17	14
Ward Clerks	2	2
Flowers and garden	17	18
Chaplains	11	12
Transport (1)	21	28
Day Care (2)	30	36
Art and Music	6	15
PAT Dogs	4	4
Hairdresser	2	3
Bereavement Support	5	4
Counsellors	3	0
Hospice Neighbours	17	17
Orangery Café	28	30
IT	2	2
Facilities	0	4
Advisory Committee	13	12
Bespoke Trainers/Mentor	3	2
Corporate Volunteers	48	49
Hospice Biographers	3	3
Occupational Therapist	1	0
Student Volunteer	1	0
Governance Support	1	0
Volunteer Forum	1	0
Hospice Total	316	348
Shops	188	114
Fundraising Admin	18	18
Sub Total	522	480
Supporter Groups	308	338
GRAND TOTAL	830	818

(1) Drivers and Passenger Assistants

(2) Wellbeing Centre and Complementary Therapists

Fundraising

St Raphael's Hospice employs an experienced fundraising and donor management team under the leadership of the Director of Income Generation. 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 runs our weekly draw and our two raffle draws each year. At the end of this reporting year we had 5,976 weekly players (2018-19: 5,929) with 8,388 chances to win (2018-19: 8,318). In order to address the flatline in weekly players, we are pursuing a twin-pronged approach to develop our in-house capability and to employ a new external recruitment agency. The current COVID-19 crisis has delayed the implementation of this plan.

Fundraising (continued)

St Raphael's Hospice Community Fundraising Team also manages 8 volunteer Supporter Groups (2018-19: 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 (2018-19: 71) who organised or attended 25 events in 2019-20 (2018-19: 19). They are all issued with a Supporter Group Information Pack which has recently been revised to include a banner, leaflets etc. 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 (2018-19: none).

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 (2018-19: none).

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

Objectives and activities

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

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 care 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 Centre service was re-launched in December 2019 as the “St Raphael’s Wellbeing Centre”. It has been relocated to a newly upgraded space in our St Bede’s building which is a detached single story building on the main Hospice site. It continues to provide activities and 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:

The Hospice is based on the Christian ethos of respect for human life, and esteem for the unique value of each individual.

- ◆ 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.

Public benefit (continued)

- ◆ 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.
- ◆ 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 (where we operate with a working capacity of ten from fourteen available beds) 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 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 977 new patients (2018-19: 1,047) and undertook 2,972 - visits (2018-19: 3,051) to patients in their own homes. They made 12,234 telephone calls to patients and families (2018-19: 11,373) and a further 7,938 telephone calls to healthcare professionals (2018-19: 8,662). The Hospice at Home Service received 266 referrals and made 1,807 support visits (2018-19: 296 and 2,164). The Jubilee Centre (now the Wellbeing Centre) supported 211 patients (2018-19: 263) receiving 1,651 attendances (2018-19: 1,941) and our Psychosocial Team supported 287 people (2018-19: 284). The In Patient Unit admitted and cared for 207 patients (2018-19: 225) with a bed occupancy of 84% (2018-19: 84%) based on available beds

Achievements and performance (continued)

Referrals, discharges and deaths (continued)

St. Raphael's Hospice focuses on patient-centred care which extends to the family and friends of those coming to the end of their life. The clinical teams aim to deliver a high standard of expert care to ensure patients' symptoms are effectively managed, enabling them to live as well as they can within the bounds of their disease and be supported by the Hospice until they die.

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:-

A new charitable company was created (St Raphael's Hospice, registered company number 11732567 and registered charity number, 1182636) in readiness for the agreed transfer of the activities of the Hospice to be made on 31 March 2020. However, the Covid-19 pandemic delayed the transfer and a new date has yet to be agreed.

The first phase of delivering the Clinical Action Plan has commenced with our medical team of consultants and doctors rotating their work between the Community and the IPU. We have also merged the management of the CPCT and Hospice at Home Teams and consolidated the use of MDT meetings as a core function of our clinical delivery.

The Wellbeing Centre was launched in January 2020 in newly refurbished space in our St Bede's conference centre. The men's den facilities were delivered in the foyer, pending the creation of bespoke space in 2020-21.

Achievements and performance (continued)

Achievements and performance in year (continued)

We have begun a programme of projects designed to improve the experience for our patients and their families as well as our staff and volunteers. We installed air-conditioning units to all rooms, improved our St Bede's education and training facilities, refurbished the Jubilee Room in readiness for the CPCT team and continued to improve the external gardens and grounds.

We recruited to two new roles within the donor-facing fundraising team and filled two important vacancies in order to commence our plans to improve our fundraising performance over the coming 3-4 years.

We refurbished and upgraded seven of our ten operating shops, improving our High Street profile and our customer, staff and volunteer experience.

We recruited to our Training and Education roles to ensure we are well placed to develop a training culture within the charity.

The Datix incident reporting system was installed and configured, though the full implementation and training remains outstanding.

The St Raphael's App was created and made available to professionals in India and Nepal who can benefit from the training and Q&A facility provided.

We installed Sage Accounting software to provide more transparent functionality and ease of recruitment of staff able to use the system.

We invested in our IT infrastructure, renewing the obsolete Citrix environment with a current version across all servers. The completion of the project was stalled by the pandemic and will be finalised in 2020-21

Financial review

Financial position

Net expenditure before transfers for the year ended 31 March 2020 was £77,000 compared with net expenditure of £237,000 in the previous year. We experienced a 14% increase in overall income from £5,507,000 to £6,271,000 whilst the costs of charitable activities rose by 2.7% from £4,096,000 to £4,207,000 and cost of raising funds increased by 10% from £1,948,000 to £2,141,000.

Income from donations rose 8% to £1,286,000 (2018-19: £1,185,000), shop sales fell 7% to £948,000 (2018-19: £1,019,000) and income from Government sources rose 2% to £1,546,000 (2018-19: £1,515,000).

The direct costs for shops increased to £934,000 (2018-19: £916,000) to give an operating surplus of £14,000 (2018-19: £103,000) before the allocation of overheads of £220,000 (2018-19: £179,000). Meanwhile, the Lottery showed a net profit of £249,000 (2018-19: £315,000).

Financial review (continued)

Financial position (continued)

Legacies rose by £570,000 to £1,750,000 compared with £1,180,000 in the previous year. No grant was received from the Congregation in the year (2018-19: £300,000).

Reserves policy

Total funds at 31 March 2020 amounted to £7,708,000 (2018-19: £7,785,000) including designated funds of £4,276,000 (2018-19: £4,064,000). 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 2020, therefore, comprises the net current assets of £3,432,000 (2018-19: £3,721,000), of which £3,035,000 (2018-19: £3,345,000) 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 six 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:

1. Setting a date for Independence

The Hospice has put on hold its immediate plan to transfer its activities into a newly created charitable company (St Raphael's Hospice, registered company number 11732567 and registered charity number 1192636). The transfer was proposed to take place at the end of 31 March 2020 but, as a result in delays in the transfer of the CQC registration, this was postponed. The COVID-19 pandemic which caused those delays as CQC resource was re-focused to crisis management, has added uncertainty to the plans agreed for the transfer. Agreeing a revised date is a key target for the next six months.

2. Managing the COVID-19 situation

The whole Hospice team has been engaged in the management of the crisis arising from the pandemic. This included restricting the footfall on site; arranging appropriate PPE and protocols for all staff, in particular frontline teams; agreeing to take additional capacity from NHS; revising the approach to caring for patients under the social distancing and lockdown constraints; cancelling fundraising events and closing shops; furloughing some staff, re-deploying others and managing rotas under difficult conditions; collaborating with others in the wider sector and becoming adept in the use of video conferencing and home-working.

Plans for future periods (continued)

The Hospice will need to continue to adapt to the changing circumstances as the year develops. This will include re-opening shops and offices with suitable controls in place; finding new ways to connect with and support our patients and their families virtually where face to face support is limited; addressing the post crisis impacts on staff welfare and being ready to utilise our experience in bereavement and loss to help other cope in the aftermath.

The Hospice has benefitted from the grants that have been made available to the sector by HM Treasury and administered by Hospice UK, for which it is very grateful. It has also benefitted from the furlough grants for staff and business grants from the local authorities where we have shops. These grants have offset the losses that have arisen from closing shops and cancelling fundraising events in the first quarter. The reduction to income is expected to continue through the whole of the 2020-21 financial year and this is expected to yield significant shortfalls for the charity.

St Raphael's will remain reliant upon the generosity of the Daughters of the Cross of Liege to support it financially through this period and beyond as it seeks to overturn the impacts of the pandemic and also to achieve the improvements to income generation that it had already made plans to do, as outlined below.

3. Delivering on the first phase of the five year plan

Despite the uncertainty, the Hospice is determined to pursue its five year plan to reach a point of financial sustainability that does not rely upon the continued support of the Congregation of the Daughters of the Cross of Liege, nor on the need for an exceptional level of legacies (defined as being over £1m per annum). This plan has three key components:

- ◆ **Excellence** – the purpose of the charity is to deliver end of life palliative care to the communities of Merton and Sutton boroughs. We aim to be excellent in all that we do

in the Hospice, in the Community and through all our other work, including our retail and fundraising endeavours.

- ◆ **Visibility** – St Raphael's Hospice provides a reassuring expertise at a critical time for everybody; the end of life. That reassurance increases with excellence and yet it is only felt when it is known. Raising the profile of St Raphael's Hospice within the communities we serve will raise the level of comfort and confidence the population have that an excellent service will be there for them and their loved ones when they need it.
- ◆ **Engagement** – there is a great deal of goodwill towards hospices and this, we believe, will increase with the current upsurge in recognition of the importance and value of front line medical care. We will seek to engage with our communities so that they have the opportunity to volunteer with us, fundraise for us, donate to us or partner with us.

The programme to pursue these three strands of the plan will involve deliberate measures including the following:

- ◆ Recruitment – several key roles will be recruited in 2020-21. These include the Clinical Director to take forward the Clinical Action Plan and to lead all the medical and clinical

Plans for future periods (continued)

- ◆ teams, a full compliment of specialist consultants working in unity with our specialist nursing teams and able to rotate between IPU and Community work. These roles will undergird our excellence.
- ◆ Training – a well trained workforce will deliver excellence. We will engage with the Princess Alice Hospice (PAH) Learning Zone to deliver our mandatory training and this will be supplemented by in-house training delivered by our education team and consultants. We will also engage with expertise in the charity retail sector to train our staff in this specific area whilst encouraging all staff to advance their skills.
- ◆ Team Structures – the Senior Management Team (SMT) will be re-scoped and extended to ensure that the breadth of skills available are brought together to drive and disseminate the actions. The SMT will support a small Exec that will meet weekly to maintain momentum. With an aim to minimise silo working we will work to connect our teams operating in different parts of the organisation so that the Hospice acts, thinks and is perceived as one team and everyone involved feels responsible for the whole.
- ◆ Volunteers – the Hospice recognises the value of our volunteers who perform a wealth of roles and also embed the Hospice into the communities they come from. We aim to involve all managers in specifying how volunteers can help their team improve service delivery and increase our recruitment and management of volunteers by targeted marketing.
- ◆ Communications – we will recruit to a new Communications role to bolster the resources available in this area. We will increase our visibility through social media
- ◆ and our website and use targeted marketing techniques to raise the profile of the Hospice's services throughout the Merton and Sutton boroughs.

Management Team Report 31 March 2020

- ◆ Shops – we will engage with sector specific expertise to overhaul our retail process including enhanced use of data, pricing policy, layout and stock rotation. We will train our staff in relevant skills and revise the structure through which they operate. We aim to open two new shops, one of which will be on Wimbledon Village High Street, a key geography we aim to reach.
- ◆ Fundraising - we will continue to develop our Fundraising team with an emphasis on engaging with local business, growing our supporter groups and increasing regular donors.
- ◆ Facilities - we will enhance the Hospice site by improving the reception area, re-flooring the ward areas and seeking funds to refresh our ward bedrooms. We will aim to source funding to create a bariatric room in order to cater for a growing demand for this specialist capacity.
- ◆ HR – we will upgrade our Select HR system to introduce a recruitment module and work to simplify our payroll process to reduce time and cost.

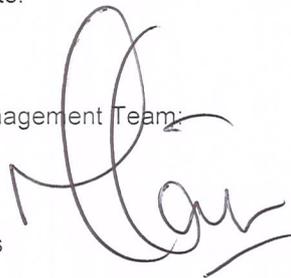
Plans for future periods (continued)

- ◆ IT – we will complete the transition to a newly upgraded Citrix environment and implement the Datix system. We will increase the internet capability at the Hospice to facilitate increased use of digital technology for working and for providing an enhanced environment for our patients.

Approved on behalf of the Management Team:



Gail Linehan and Nick Stevens
Joint Chief Executive Officers



Date: 24/7/20

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 2020 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 2020 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. 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

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 2020

	Notes	Unrestricted			Total funds 2020 £'000	Total funds 2019 £'000
		General fund £'000	Designated fund £'000	Restricted funds £'000		
Income and expenditure						
Income from:						
Donations and legacies	1	2,789	—	247	3,036	2,365
Other trading activities	2	1,404	—	—	1,404	1,527
Investments		19	—	—	19	21
Charitable activities						
. Clinical Commissioning Groups		1,546	—	—	1,546	1,515
. Other income		216	—	50	266	79
Total income		5,974	—	297	6,271	5,507
Expenditure on:						
Raising funds	3	2,141	—	—	2,141	1,948
Charitable activities	4	4,050	—	157	4,207	4,096
Total expenditure		6,191	—	157	6,348	6,044
Net (expenditure) income before transfers		(217)	—	140	(77)	(537)
Gross transfers between funds in connection with tangible fixed assets	11	(93)	212	(119)	—	—
Transfer from the Congregation		—	—	—	—	300
Net movement in funds		(310)	212	21	(77)	(237)
Reconciliation of funds:						
Fund balances brought forward at 1 April 2019		3,345	4,064	376	7,785	8,022
Fund balances carried forward at 31 March 2020		3,035	4,276	397	7,708	7,785

A full comparative statement of financial activities is shown at note 18 to the financial statements.

Balance Sheet 31 March 2020

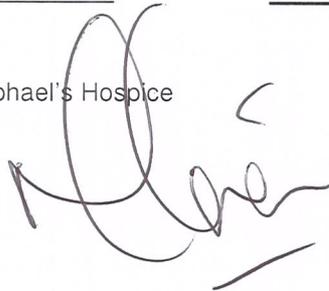
	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible assets	7		4,276		4,064
Current assets					
Debtors	8	1,553		572	
Short term deposits		—		1,250	
Cash at bank and in hand		2,215		2,295	
		<u>3,768</u>		<u>4,117</u>	
Creditors: amounts falling due within one year	9	(336)		(396)	
Net current assets			3,432		3,721
Total net assets			<u>7,708</u>		<u>7,785</u>
Represented by:					
Funds and reserves					
Income funds					
Restricted funds	10		397		376
Unrestricted funds					
. Designated funds	11		4,276		4,064
. General fund	12		3,035		3,345
Total funds			<u>7,708</u>		<u>7,785</u>

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



Joint Chief Executives

Approved on: 24/7/20



Statement of cash flows Year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash (used in) provided by operating activities	A	(904)	467
Cash flows from investing activities:			
Investment income		19	21
Purchase of tangible fixed assets		(445)	(139)
Net cash used in investing activities		(426)	(118)
Change in cash and cash equivalents in the year		(1,330)	349
Cash and cash equivalents at 1 April 2019	B	3,545	3,196
Cash and cash equivalents at 1 April 2020	B	2,215	3,545

Notes to the statement of cash flows for the year ended 31 March 2020

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

	2020 £'000	2019 £'000
Net movement in funds (as per the statement of financial activities)	(77)	(237)
Adjustments for:		
Depreciation charge	233	288
Investment income	(19)	(21)
(Increase) decrease in debtors	(981)	345
(Decrease) increase in creditors	(60)	92
Net cash (used in) provided by operating activities	(904)	467

B Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	2,215	2,295
Short-term deposits	—	1,250
Total	2,215	3,545

Principal accounting policies 31 March 2020

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 ended 31 March 2020 with comparative information provided in respect to the year ended 31 March 2019.

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 Hospice management have considered the impact of the current Coronavirus pandemic on the Hospice's operations, with a particular focus on its effect on the Hospice's financial position including the Hospice's income, expenditure and reserves; the Hospice's beneficiaries; and the Hospice's employees. The disruption caused by the pandemic to the Hospice's day-to-day operations and fundraising has been partly offset by Government support in the form of grants to the Hospice sector, furlough support payments and the Local Authority small business grants scheme. The Hospice has and is continuing to develop contingency plans which are being implemented successfully and has sufficient cash resources to continue for the foreseeable future, despite the current crisis. It also has the continued support of the Congregation.

Assessment of going concern (continued)

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 the 'Voluntary Help' section of the management report for further 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. It is impractical to put a value on donated stock at the time of giving and therefore donated stocks have no value attributed to them in the financial statements.

Expenditure and the basis of apportioning costs

Expenditure is recognised once there is a legal or constructive obligation to transfer resources 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.

Expenditure and the basis of apportioning costs (continued)

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.

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 those which represent the value of tangible fixed assets or monies which may be used towards meeting the charitable objectives of the Hospice but which have been designated for a specific purpose by the Joint Chief Executives and their 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 pension scheme.

1 Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Donations	1,039	247	1,286
Legacies	1,750	—	1,750
2020 Total	2,789	247	3,036

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

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 £594,000 (2018-19: £526,000) has not been reflected in the financial statements.

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Lottery income	456	—	456
Shop sales and related income	948	—	948
2020 Total	1,404	—	1,404

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

3 Raising funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Raising funds			
General appeal costs	780	—	780
	<u>780</u>	<u>—</u>	<u>780</u>
Other trading activities			
Cost of selling donated goods			
. Staff costs	603	—	603
. Other costs	551	—	551
	<u>1,154</u>	<u>—</u>	<u>1,154</u>
Lottery costs and prizes	207	—	207
2020 Total	<u>2,141</u>	<u>—</u>	<u>2,141</u>
Included above are operating lease rentals as follows:	297	—	297
	<u>297</u>	<u>—</u>	<u>297</u>
	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
<i>Raising funds</i>			
<i>General appeal costs</i>	660	—	660
	<u>660</u>	<u>—</u>	<u>660</u>
<i>Other trading activities</i>			
<i>Cost of selling donated goods</i>			
. Staff costs	573	—	573
. Other costs	522	—	522
	<u>1,095</u>	<u>—</u>	<u>1,095</u>
<i>Lottery costs and prizes</i>	191	2	193
<i>2019 Total</i>	<u>1,946</u>	<u>2</u>	<u>1,948</u>
<i>Included above are operating lease rentals as follows:</i>	286	—	286
	<u>286</u>	<u>—</u>	<u>286</u>

4 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Hospice costs			
. Staff costs	1,450	120	1,570
. Supplies	146	4	150
. Bought services	127	—	127
. Professional fees	30	3	33
. Establishment costs			
.. Depreciation	196	—	196
.. Rates	29	—	29
.. Heat and light	47	—	47
. Other costs			
.. Sundry	154	2	156
. Support costs			
.. Staff costs	630	—	630
.. Other costs	16	—	16
.. Auditor's remuneration (including VAT)	8	—	8
	2,833	129	2,962
CPCT and Hospice at Home			
. Staff costs	865	28	893
. Other expenses	144	-	144
. Support costs			
.. Staff costs	204	-	204
.. Auditor's remuneration (including VAT)	4	-	4
	1,217	28	1,245
2020 Total	4,050	157	4,207

4 Charitable activities (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total 2019 £'000</i>
<i>Hospice costs</i>			
. <i>Staff costs</i>	1,510	39	1,549
. <i>Supplies</i>	183	8	191
. <i>Bought services</i>	140	—	140
. <i>Professional fees</i>	32	2	34
<i>Establishment costs</i>			
.. <i>Depreciation</i>	270	—	270
.. <i>Rates</i>	29	—	29
.. <i>Heat and light</i>	45	—	45
. <i>Other costs</i>			
.. <i>Sundry</i>	42	3	45
. <i>Support costs</i>			
.. <i>Staff costs</i>	607	—	607
.. <i>Other costs</i>	30	—	30
.. <i>Auditor's remuneration (including VAT)</i>	10	—	10
	<u>2,898</u>	<u>52</u>	<u>2,950</u>
<i>CPCT</i>			
. <i>Staff costs</i>	823	15	838
. <i>Other expenses</i>	103	—	103
. <i>Support costs</i>			
.. <i>Staff costs</i>	201	—	201
.. <i>Auditor's remuneration (including VAT)</i>	4	—	4
	<u>1,131</u>	<u>15</u>	<u>1,146</u>
<i>2019 Total</i>	<u>4,029</u>	<u>67</u>	<u>4,096</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:

	2020 £'000	2019 £'000
Wages and salaries	3,493	3,334
Payments to agency / bank staff	387	303
Social security costs	313	304
Other pension costs	180	163
	4,373	4,104
Other staff costs	32	49
	4,405	4,153

Staff costs were charged as follows:

	Total 2020 £'000	Total 2019 £'000
Cost of raising funds (Note 3)		
. Cost of generating donations and legacies		
.. Fundraising general appeal costs	466	377
. Fundraising trading		
.. Lottery	39	8
.. Shops selling donated goods	603	573
Charitable activities (Note 4)		
. Hospice costs	2,200	2,156
. CPCT	1,097	766
. Hospice at Home		273
	4,405	4,153

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

	2020 Number	2019 Number
Raising funds	35	29
Charitable activities	109	106
	144	135

The average number of bank staff during the year was 43 (2018-19: 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:

	2020 Number	2019 Number
Raising funds	30	25
Charitable activities	77	74
	107	99

5 Employees and staff costs (continued)

In addition to the above, 830 (2018-19: 818) 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:

	2020 No.	2019 No.
£60,001 - £70,000	1	3
£70,001 - £80,000	2	—
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£120,001 - £130,000	—	—
£130,001 - £140,000	—	1

No remuneration or reimbursed expenses were paid to trustees (2018-19: £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 (2018-19: £nil). Out of pocket expenses were not reimbursed to trustees during the year (2018-19: £nil).

The total employment cost (including taxable benefits and employer's pension and national insurance contributions) of the key management personnel of the charity were £462,000 (2018-19: £507,000).

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	Leasehold Properties £'000	Assets under construction £'000	Computer and other equipment £'000	Shop fixtures and fittings £'000	Motor vehicles £'000	2020 Total £'000
Cost or valuation							
At 1 April 2019	4,458	—	—	1,274	52	59	5,843
Additions	49	153	160	61	5	17	445
At 31 March 2020	<u>4,507</u>	<u>153</u>	<u>160</u>	<u>1,335</u>	<u>57</u>	<u>76</u>	6,288
Cost	1,146	153	160	1,335	57	76	2,927
Valuation (2014)	3,361	—	—	—	—	—	3,361
	<u>4,507</u>	<u>153</u>	<u>160</u>	<u>1,335</u>	<u>57</u>	<u>76</u>	6,288
Depreciation							
At 1 April 2019	604	—	—	1,103	13	59	1,779
Charge in year	127	13	—	84	9	—	233
At 31 March 2020	<u>731</u>	<u>13</u>	<u>—</u>	<u>1,187</u>	<u>22</u>	<u>59</u>	2,012
Net book values							
At 31 March 2020	<u>3,776</u>	<u>140</u>	<u>160</u>	<u>148</u>	<u>35</u>	<u>17</u>	4,276
At 31 March 2019	<u>3,854</u>	<u>—</u>	<u>—</u>	<u>171</u>	<u>39</u>	<u>—</u>	4,064

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 (2018-19: £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 (2018-19: £2,162,000).

8 Debtors

	2020 £'000	2019 £'000
Gift Aid recoverable	59	11
Prepayments	224	182
Accrued income (including legacies receivable)	1,258	364
Daughters of the Cross	12	15
	<u>1,553</u>	<u>572</u>

9 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	63	131
Tangible fixed asset creditors	—	5
Social security and other taxes	87	118
Lottery income received in advance	62	65
Accruals and deferred income	124	77
	336	396

10 Restricted funds

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

	At 1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 March 2020 £'000
Bereavement support fund	—	120	(120)		—
Daughters of Cross grant	300	—	—	(81)	219
Other restricted donations	76	177	(37)	(38)	178
	376	297	(157)	(119)	397

	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 March 2019 £'000
<i>Bereavement support fund</i>	—	35	(35)	—	—
<i>Daughters of Cross grants:</i>					
· <i>Site enhancement</i>	—	—	—	300	300
· <i>Lottery investment grant</i>	—	2	(2)	—	—
<i>Other restricted donations</i>	72	58	(54)	—	76
	72	95	(91)	300	376

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 prior year to be restricted for site enhancement. This is shown on the comparative 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 2019 £'000	Transfer £'000	At 31 March 2020 £'000
Fixed asset fund	4,064	212	4,276
	<u>4,064</u>	<u>212</u>	<u>4,276</u>

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

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 2020 £'000
Fixed assets	—	—	4,276	4,276
Current assets	397	3,371	—	3,768
Creditors: amounts falling due within one year	—	(336)	—	(336)
Total net assets	<u>397</u>	<u>3,035</u>	<u>4,276</u>	<u>7,708</u>

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

12 Analysis of net assets between funds (continued)

The total unrealised gains at 31 March 2020 constitutes a movement on revaluation and are as follows:

	2020 £'000	2019 £'000
Unrealised gains included above:		
On tangible fixed assets	1,115	1,174
Reconciliation of movements on unrealised gains:		
Unrealised gains at 1 April 2019	1,174	1,233
Less: depreciation in respect to revalued amounts	(59)	(59)
Total unrealised gains at 31 March 2020	1,115	1,174

13 Leasing commitments

Operating leases

At 31 March 2020 the Hospice had total commitments under non-cancellable operating leases as follows:

	Land and buildings 2020 £'000	Land and buildings 2019 £'000
Commitments falling due:		
Within one year	286	282
Within one to two years	252	252
Within two to five years	476	481
Thereafter	303	366
	1,317	1,381

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 2020 or 31 March 2019.

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 £115,000 (2018-19: £97,000).

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 £65,000 (2018-19: £66,000).

17 St Raphael's Hospice – charitable company

A new charitable company (St Raphael's Hospice, registered company number 11732567 and registered charity number 1192636) was incorporated on 18th December 2020. It has the same registered office as the Daughters of the Cross of Liege and shares two trustees with that charity. All other trustees are current members of the Advisory Board of St Raphael's Hospice. The intention is that the activity of the Hospice will be transferred into the new charitable entity in due course. During the year it received a £200,000 grant from St Raphael's Hospice to be used to purchase assets for the benefit of the Hospice, £151,574 was spent in the period. It also received a £14,286 grant from a third party to be used to purchase an asset for the Hospice, this was fully utilised.

All transactions and banking are managed and controlled by the existing St Raphael's team and the assets acquired have been included on the balance sheet in these accounts. The remaining bank balance of £48,403 has been included in cash on the balance sheet.

A set of statutory format accounts will be drawn up for the entity, audited and submitted to the authorities as required.

18 Statement of financial activities – Year ended 31 March 2019

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