

St Raphael's Hospice

Annual Report and Financial Statements

For the year ended 31st March 2023

Company Limited by Guarantee

Company Registration Number: 11732567 (England and Wales)

Charity Registration Number: 1182636

**St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023**

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St Raphael's Hospice
Annual Report and Financial Statements
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Reference and administrative details of the Charity and its Trustees

Trustees	Mr Norman McWhinney Mr Alan Cogbill Sister Veronica Hagen Mr Paul Holmes Sister Kathleen O'Reilly Mr Joseph Ryan Mr Bernard Marley Mr Grahame Darnell Ms Manjit Lall (appointed May 2022) Dr Carrie Chill (appointed February 2023) Dr Joy Tweed (resigned July 2022) Mr Roderick O'Connor (resigned March 2023)	Chair; HR, CQ&G Vice Chair; F&R, CQ&G, IGC IGC HR, F&R F&R F&R CQ&G, IGC IGC HR CQ&G CQ&G IGC
Committee Members	Dr Caroline Chill (became a trustee February 2023) Ms Hazel Borthwick (appointed October 2023) Mr Ed Cook Dr Eva Kalmus (resigned October 2023) Mr Steve Mulhall (resigned July 2023)	CQ&G HR F&R CQ&G HR
Clerk to the Trustees	Ms Anna Machin	
Executive Team	Mrs Gail Linehan (to November 2022) Mr Nick Stevens (from November 2022) Ms Rebecca Trower Ms Sara Jane Woods Ms Kate Billingham Wilson (from March 2023) Dr Gaby Tamara-Rose (from September 2022) Mr John Groom (from April 2022) Mr Alex Rudkin (from April 2023)	Joint CEO CEO (was Joint CEO to November 2022) Clinical Director Commercial Director Director of Fundraising and Communication Specialist Palliative Care Consultant Director of IT and Estates Director of Quality and Governance
Medical Leadership Team	Dr Gaby Tamara-Rose Dr Jenny Strawson Dr Naomi Collins	Specialist Palliative Care Consultant Specialist Palliative Care Consultant Specialist Palliative Care Consultant
Company registration number	11732567	
Charity registration number	1182636	
Registered office	St Raphael's Hospice, London Road, Cheam, SM3 9DX	
Telephone	020 8099 7777	
Email	enquiries@straphaels.org.uk	
Website	www.straphaels.org.uk	
Auditor	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG	
Principal bankers	National Westminster Bank plc, 93 Central Road Worcester Park, Surrey, KT4 8DZ	
Investment Managers	Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU	
Committees	Clinical Quality and Governance Committee (CQ&G) Finance and Resources Committee (F&R) Human Resources Committee (HR) Income Generation and Communications Committee (IGC)	

St Raphael's Hospice
Trustees' Report for the year ended 31st March 2023

Joint Chair and CEO Report

Having navigated the years which were impacted by the coronavirus pandemic, 2022-23 provided a welcome return to normality for patients and visitors as well as for our staff and volunteers. However, the economic uncertainties that arose during the pandemic were exacerbated by the war in Ukraine and resulted in unexpected inflation which has increased costs for all aspects of the Hospice's work.

The recruitment market was very difficult throughout the pandemic period, not only for skilled and experienced clinical specialists, but also for retail, fundraising and support staff. In October 2021 St Raphael's Hospice took the decision to align our clinical pay scales with the NHS "Agenda for Change" (AfC) scales which has enabled us to become competitive with our local acute hospitals and also our neighbouring hospices in the recruitment and retention of staff.

As a result of taking this step we have been able to recruit to most of the vacancies, retain key staff and secure our services for the future. However, the financial consequence of the increase to salary costs has taken full effect in the financial year 2022-23 and this, coupled with the usual pay rises and other inflationary increases, has caused our direct clinical costs to rise by £664k, a 14% increase. Overall costs are up by £758k and this has resulted in an operating shortfall, before investment losses, of £(293)k compared to a surplus of £564k last year.

The vital importance of raising more money to pay for the hospice operations, given that only 25% is supported by NHS grants, is made all the more clear by these results. Therefore, we took the decision to spread the responsibility for income generation across two directorates, in line with many other hospices. Sara Jane Woods became our Commercial Director with a focus on our retail and lottery growth and we successfully recruited to a new Director of Fundraising and Communications role, with Kate Billingham-Wilson joining us in March 2023. We also engaged an external consultant to review our fundraising activities and opportunities and to provide a Fundraising Strategy that our new Director will take forward over the coming years.

We have continued to pursue our programme of change to deliver our "EVE" strategy; focussing first on the qualities of all our services by aspiring for **excellence** in all that we do; then by seeking ways to raise our **visibility** with the communities we serve to provide reassurance that we will be there when needed; and then by increasing our **engagement** with these communities so that we can learn more about how we can adapt to serve them more effectively and offer the opportunity for connecting with us through partnering, volunteering and donating.

We have been pleased by the consistently positive reviews that have been given by patient families as part of our Voices Survey and that this continues to be echoed by responses to the independent Medical Examiners who report quarterly on all deaths. One respondent to our Voices Survey said:

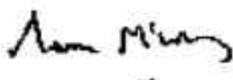
"The team members and level of care offered was amazing. They were on hand when we needed them and helped with everything required. We will be forever grateful."

As our clinical administration system, Crosscare, was due to be withdrawn and so we made the preparations to move to EMIS, a system used by all local GPs and other local hospices. Key to the success of a major change such as this is for clinical and technical expertise to work together to plan every element. We are very grateful to the multi-disciplinary project team who worked hard to prepare for the implementation which was then successfully rolled out in the May 2023.

We also want to register our thanks to all our dedicated staff and volunteers who, together, have continued to deliver these vital services for Merton and Sutton; to all our donors, lottery players, shoppers and event participants who have raised vital funds; and to those who have remembered us in their wills - this year we were delighted to receive over £1.65m in generous legacies, a major part of our income.

In November 2022 our Joint-CEO, Gail Linehan, retired after serving the Hospice for nearly 25 years as a ward sister, Community CNS and in various managerial positions. We are hugely grateful to Gail for all the energy and expertise that she invested over her career with St Raphael's. We have also been saddened by the death of Brigadier Mike Roycroft who served as CEO from 2014 to 2020 and who oversaw the creation of the independent charity and all its support functions. Mike was a brilliant man and a kind and dedicated leader who will be greatly missed.

As we look forward to 2023-24 we are confident in the qualities of the services we deliver. We will aim to consolidate these whilst growing aspects that touch our community more generally and where our wonderful volunteers play a lead role. We will also launch a Lottery Campaign to increase our income and engagement throughout Merton and Sutton whilst looking to continue the success of our retail function by seeking more outlets. We will recruit into our fundraising team the expertise and experience we will need to develop our supporter base and, importantly, we will work with local hospice colleagues to seek an increase to the funding from NHS and from HM Government in order to allow us to navigate inflationary times and ensure our services are available free of charge long into the future.



Norman McWhinney, Chair



Nick Stevens, CEO

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

The Trustees, who are also the directors of the charitable company for the purposes of company law, present their report and the financial statements of St Raphael's Hospice for the year ended 31 March 2023. This constitutes the strategic report for the purposes of company law.

The financial statements are presented in accordance with the accounting policies set out on pages 19 to 22 therein and comply with the Memorandum and Articles of Association of St Raphael's Hospice 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).

Achievements for the year

In our report for last year there were three major strands to the plan for 2022-23:

1. Embedding Excellence
2. Raising Visibility
3. Widening Our Engagement

1. Embedding Excellence

- The critical component in our drive for "excellence in all that we do" is our team. By aligning with the Agenda for Change pay scales we have enabled our recruitment and retention to be competitive with other local providers and this has resulted in strong candidates joining our team so that vacancies are now minimal. In a staff survey in May 2023 98% of our staff indicated that they are proud to work for St Raphael's Hospice (responses to our previous survey in 2021: 93%) and 88% would recommend us as an employer (2021: 80%). In the crucial measure of whether our staff would be "happy with the standard of care" should a friend or relative need it, 98% agreed that they would be (2021: 93%) and 100% of our clinical staff agreed with this.
- We have continued the work to improve our Hospice buildings and environment which was begun in 2021-22 when we updated the in-patient unit (IPU). Many areas that are less public facing have now been refreshed including staff rooms, offices, meeting rooms and some of the external areas. Work was completed on "The Den" providing space for our men's group to meet as well as other Community Engagement activities. Two ward rooms have been combined into one larger space that allows for families to stay with their loved-one; it is also equipped with hoists and other facilities for bariatric patients.
- In 2022/23, the NHS underwent significant organisational change, with the introduction of Integrated Care Boards (ICBs). St Raphael's lies within the area governed by South West London ICB, which is responsible for deciding how the NHS budget for South West London is spent, including NHS funding for palliative care. St Raphael's has navigated this change to the commissioning landscape and is in active discussion over future funding.

2. Raising Visibility

- Plans for a profile-raising and fund-raising campaign progressed with two different design agencies producing some thought-provoking and challenging straplines and visuals. As there was need to re-engineer the fundraising team during the year the project shifted emphasis to lottery recruitments and contracting with an agency to provide a professional team and approach to raising awareness of the hospice and recruiting players.
- Our major new fundraising event that would enable us to connect with new potential supporters, "Woof Fest" - a canine centred day of fun and activities for all the family - was scheduled to take place over the same weekend that the country paused to give thanks for the life of the Queen, Elizabeth II. The event was cancelled and it was not possible to reschedule the event at such short notice.
- We opened our second Wimbledon charity shop in Leopold Road, Wimbledon Park and also agreed terms on a new shop on Morden High Street. Both these shops will raise our profile locally and provide the local community with an opportunity to support the Hospice and grab a bargain. We also agreed terms on a new Donation Centre in Windsor Place, Sutton. This large shop is opposite our existing premises which will cease to be available and is on 28 days' notice.

3. Widening our Engagement

- Our plans to broaden the reach of our Wellbeing Centre, by increasing awareness with GPs so that people can be referred to the service as part of "social prescribing", progressed well. We saw a 67% growth in the number of people referred to the unit and a 145% increase in attendance in the year. "The Den" was also completed, as noted above, providing additional space for growth and development.

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

3. Widening our Engagement, continued

- We launched Compassionate Neighbours in January 2023 having transitioned from our pre-existing Hospice Neighbours programme. The scheme, described as a "social movement", works alongside existing social networks that already provide "neighbourly care and support", giving access to skilled support and training, signposting and advice. The scheme, which links "Hospice Neighbours" with "Members" in their community, is already proving successful and we are seeking more volunteers to meet community demand.
- We recruited a further part time counsellor to our Psychological Support Team who is able to provide a specialist Eye Movement Desensitisation and Reprocessing (EMDR) service, broadening our offer. We were also pleased to recruit replacements for the final year Roehampton University students who provide a large number of sessions for our patients' families on supervised placements. We began the development of a new "Bereavement Pathway" to provide a flexible structure to support people through the most difficult times of reconciling with and managing the reality of grief and loss. This will dovetail with, and add to, the specialist professional intervention provided by our counsellors and psychotherapists.
- During the year we engaged a Consultant to review our approach to fundraising and provide a Strategy to be adopted and taken forward over the coming years. One part of the findings was that there was a disconnect between our appreciation of fundraising as integral to the charity and our practice whereby the team were not co-located and there were few materials publicising the fundraising needs on the hospice site. These, along with other changes, will form part of the plan for 2023-24 (see below).
- After a long search, we successfully recruited BriteVox as the agency to promote and grow our lottery over the coming years. Currently, fewer than 2% of the adult population of Merton and Sutton play our lottery and we believe that this support base can be increased. Connecting with our community through the lottery will also provide a route to raising the profile of the Hospice more generally and potentially increase our donor support as well.

Financial review

Overall the charity had a shortfall of £(396)k for the year compared with a surplus of £581k last year. The main reasons for this shortfall relate to the cessation of coronavirus income support and the impact of inflationary related cost increases.

Donation income grew 13% to £1.88m (2021-22: £1.66m) and legacies were up 8% to £1.65m from (2021-22: £1.53m). We saw 17% growth in retail and commercial income to reach £1.79m (2021-22: £1.53m). Income from Charitable Activities dropped £0.78m (30%) which largely related to the absence of coronavirus support (2021-22: £247k NHSE COVID-19 Hospice Support Scheme and £500k from the SWL CCG for pandemic support).

Total costs were £7.76m which amounts to an 11% increase over the previous year (2021-22: £7.00m). Of the increase, £664k related to clinical costs which took a full year impact of our alignment to Agenda for Change rates of pay (2021-22: six months' impact) and also the NHS agreed pay increase for AfC staff for the year together with other inflationary factors.

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

The charity's cash balance at the end of the year amounted to £3.7m (2021-22: £4.4m) of which £1.9m related to the deferred income creditor (2021-22: £2.7m). In addition the charity held liquid investments valued at £2m (2021-22: £2m).

Reserves

Total funds at 31 March 2023 amounted to £5.48m (2021-22: £5.87m) including designated funds of £1.25m (2021-22: £1.18m). The designated 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 set aside for fixed asset acquisitions in the next twelve months, and hence, the fund is not available for working capital commitments.

Free reserves are that element of unrestricted funds which are available for future spending and are therefore calculated by taking the total unrestricted funds of the charity and deducting any balances not available for future spending, including designated funds which have been set aside by the Trustees for a particular purpose. The Trustees have decided that the required level of free reserves should be between three and six months' operating expenditure which is between £1.8m and £3.6m.

The free reserves at the end of the year amounted to £4m (2021-22: £4.4m) and therefore the Trustees are happy that this is sufficient for the charity's foreseeable needs.

Investments

The Trustees have approved an Investment Policy which meets the Charity's obligations under the Charities SORP FRS102 to ensure an effective system for the investment of cash, the transmitting of timely and reliable cash flow forecasts to the Trustees and ensuring the compliance with relevant statutory and regulatory requirements. The Policy is fully compliant with the requirements set out in 'CC14: Charities and investment matters: a guide for Trustees' published by the Charity Commission.

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

Investments, continued

The Trustee Board holds overarching oversight of, and accountability for, the charity's approach to cash management, investment and reserves. The Finance & Resources Committee is responsible for reviewing and monitoring the charity's cash in hand, cashflow forecasts, approach to investments and related performance on a regular basis. St Raphael's Hospice employs the services of investment managers, (currently Sarasin & Partners LLP), who provide updates on the performance of St Raphael's Hospice's investments and advice on how returns can be achieved in line with the charity's overarching approach.

In accordance with the constitutional objects of the charity, the Trustees have instructed the investment manager to be sensitive to the ethics and religious principles of the Catholic Church. They are instructed to try to avoid any investments in contravention of these and to highlight areas of potential sensitivity. The investment managers are also encouraged to engage actively with the underlying companies on these issues. Particular concern will be attached to issues related to the protection of human life and human rights, as well as discrimination against any sectors of society.

Going Concern

The Board and the Finance and Resources Committee regularly review the short and medium term financial forecasts and consider various scenarios and assumptions. The results for this financial year were largely in line with budgets with the exception of some areas of donation income which did not meet expectations. The Trustees have acted to address this and a revised strategy and structure has been adopted for 2023-24. Nonetheless, the inflationary pressures which are lifting overall costs may also have a detrimental impact on individual donors' ability to support the hospice and so plans are also underway to grow other income streams, including retail and lottery. The Trustees will be seeking to raise the charity's needs with NHS Commissioners and with Central Government. The Trustees remain satisfied that the Hospice's financial projections, which indicate a sustainable future, are reasonable and that there are sufficient funds in place to continue operating and to meet liabilities as they fall due for the foreseeable future and that the balance sheet is sufficiently robust to allow the Hospice time to respond effectively if income projections deteriorate significantly.

Plans for 2023-24

1. Consolidate Qualities and Widen Reach

- Embedding excellence now forms part of the foundation for all activity at St Raphael's Hospice. An excellent service is what is needed by all the residents of Merton and Sutton whether as a direct beneficiary or by way of reassurance that, should we ever be needed, we will be there for each and every person.
- We will continue to broaden the reach of our charity by developing our Community Engagement through the Wellbeing and Compassionate Neighbours services. We will also recruit to the role to plan and co-ordinate the implementation of the Bereavement Pathway service which is designed to provide a curated journey from preparing for the death of a loved one, through navigating the turmoil of grief and moving forward to a place of new stability and the ability to recognise and cherish the memories of life.
- We will continue to seek ways to improve our awareness of and training in equality, diversity and inclusion (EDI).

2. Embed Fundraising into the culture of St Raphael's

- We will build a team around the new Director of Fundraising and Communication, recruiting to the vacant posts of Corporate Manager, Community and Youth Manager, Philanthropy Manager, Appeals Manager and Legacy and In-Memory Manager.
- We will move the Fundraising team into the Hospice building to ensure that they are fully integrated into the charity and that relationships with clinical and other colleagues can flourish. We will bring the Communications team into the same space and under the leadership of the Director.
- We will develop the Fundraising elements that connect into the Bereavement Pathway including a memorial space, book of remembrance and bespoke events to mark and build lasting memories.
- We will take steps to understand the motivations and preferences of our existing supporters in order to tailor appeals to them and we will use this knowledge to nurture our relationship with all supporters more effectively.
- We will raise the profile of our fundraising needs within the hospice site by means of posters and leaflets, the literature of the Bereavement Pathway and by producing an effective St Raphael's story that can be displayed in the Hospice and used in other fora.

3. Grow our Commercial income

- We will commence the Lottery Campaign with an aim to recruit 100 new players each week in 2 x 3 month cycles, "resting" the area in between. We will also equip our shops to sell lottery tickets and take sign-ups for the lottery and seek other avenues to grow the player numbers using volunteers and social media.
- We will continue to develop our retail activities and in particular aim to find and open two or three new retail outlets in 2023-24. We will also look at opening a Wedding department in our Wimbledon Park shop and consider buying in new and second hand products for this and other sales outlets.

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

Structure, governance and management

Constitution

St Raphael's Hospice is a charitable company limited by guarantee (11732567) incorporated on 18 December 2018 in England and Wales. It is registered as a charity with the Charity Commission (1182636). Its governing document is its Memorandum and Articles of Association.

Charitable objects

The object of the charity is the relief of illness and suffering in accordance with the teaching, rites and practices of the Catholic Church, by:

1. The provision of palliative care, treatment or relief of people of all ages with active, progressive or advanced illness on the basis of need regardless of their religious, cultural or ethnic background;
2. The provision of care and support to those who have experienced loss and bereavement, in particular families, friends and carers;
3. Conducting, promoting or commissioning research into the care, treatment and relief of people suffering from advanced, active and progressive illness and by providing for the dissemination of the results of such research; and
4. The provision of education and training for professionals and volunteers engaged in palliative care.

Public benefit

The Trustees give careful consideration to the Charity Commission's guidance on public benefit when setting the Hospice's aims and objectives and planning activities. St Raphael's 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, a population of around 420,000. Access to our services is on the basis of need and open to anyone via referral from a healthcare professional, or, in the case of bereavement support and the new Living Well programme, self-referral. There is no charge to patients or their families for any of our care services. In addition to the direct benefit there is an indirect benefit to all residents who can be reassured that the Hospice will be there for them or for their loved ones, should they ever need it.

Referrals for hospice services are accepted for people with a life limiting condition who are entering the last twelve months of life and who require specialist palliative and end of life care. For instance, they may need help with:

- Symptom control
- Psychological or spiritual issues
- Terminal care
- Difficult decisions, advanced care planning, or conversations about managing end of life care
- Support for family or friends
- Clinical and nursing care provided by the Community team alongside practical and companionship support provided by Hospice at Home or by our volunteer Hospice Neighbours in their home.
- Wellbeing and Living well services for patients and other self-referred community members together with their carers.

The Hospice supports adults in Merton and Sutton who 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 or access certain services in their own right, when they are affected by the patient's illness or death. These include bereavement support and counselling, attendance at the Men's Den, Living Well and other sessions held in the Wellbeing Centre.

The Trustees

The Board of Trustees (which constitutes the Board of Directors for the purposes of the Companies Act) comprises a minimum of five and a maximum of twelve Trustees, of whom a majority must be Catholic. They should meet as a Board at least five times per year. The Board is guided in its governance by an independent, qualified Clerk who performs Company Secretarial functions. The Board delegates powers and responsibilities to the following committees: Clinical Quality and Governance; Finance and Resources; Income Generation and Communications and Human Resources (which is also the Remuneration Committee). Terms of reference define responsibilities and delegated authority and are reviewed regularly by the Board.

The membership of committees is made up of Trustees, independent advisors who are selected for their specialist expertise and senior managers of the charity. Minutes of committee meetings are circulated to the Board and Committee Chairs provide a report to the Board on major issues and decisions.

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

Environmental, Social and Corporate Governance

There is a framework for Board self-review and skills audit which draws upon the Charity Governance Code for smaller charities and the outcomes of the self-evaluation are used to inform plans for Board and Committee agendas, training opportunities, and further recruitment. There is a formal process for the recruitment of new Trustees and/or Committee Members who are needed to fill skills gaps and vacancies as they arise. External advertising in suitable media is employed with a formal interview process taking place before a candidate is proposed to the Board. A simple majority decision of the Board is required under the constitution in order for an appointment to proceed.

New Trustees and committee members attend an induction evening to be briefed on the charity and meet colleagues and they are provided with Charity Commission guides. They are required to undertake mandatory training on a regular basis using the charity training portal, Duty of Candour and level 2 Safeguarding for Adults training is also available and encouraged with one Trustee required to undertake level 3 Safeguarding in order to serve as the Board's Safeguarding Lead.

The Trustees recognise that St Raphael's Hospice serves the whole, diverse population of Merton and Sutton and are proactive in seeking to represent the whole community effectively. Training in EDI (equality, diversity and inclusion) has taken place on three occasions in the last 12 months for Trustees and staff and a steering group ensures EDI has a platform across the whole organisation. We are engaging at senior level with leaders of different communities and faiths across our geography in order to learn and adjust our services accordingly. We are also developing our Community Engagement service through our Wellbeing Centre and the Compassionate Neighbours programme which was launched in January 2023. Part of this is designed to increase our ability to connect with and to serve the whole of our diverse population.

The Trustees are also conscious of our broader responsibility to care for our community by caring for our environment. We were early adopters of professional quality battery operated gardening equipment which reduces noise and fumes for our patients and vibration risks for our team. They are also low maintenance and have lower running costs. In the same vein we have acquired a second all-electric van for our Retail distribution and have a third for our facilities and OT teams (distributing equipment to patients in their homes). We have installed an electric charging point and operate a hybrid pool car for all staff to use on Hospice business. Our recent refresh has upgraded the Hospice lighting to digital technology and we are seeking funding to install additional solar panels to those we already have in order to contribute into the National Grid and save funds over time.

The charity has purchased insurance to protect itself 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. This forms part of the organisational insurance premium which amounted to £1,619 (2021-22 £1,619) and provides public and employer cover up to a maximum of £10m.

Key Management Personnel

Key management personnel comprise the Trustees, and the executive team. The Board of Trustees is responsible for the running of the charity and delegates the operational activity to the executive team (which comprises the CEO (Joint CEOs until 26th November 2022), Clinical Director, Commercial Director, Director of Fundraising and Communications, Director of Quality and Governance and the Director of IT and Estates)) whose pay is reviewed annually by the Remuneration Committee. Salary levels are set with regard to similar roles in other local charities, including other hospices. The Lead Consultant (on rotation) is also a member of the executive team but their pay follows the NHS pay formula.

Limitation of liability

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantors at 31 March 2023 was 10 (2021-22: 10). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Principal risks and uncertainties

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 improvement remains continuous. The reporting system is supported by the electronic patient record which remains a corroborative source for the reporting of patient incidents.

The Board of Trustees review the corporate level risk register, prepared by the executive team, on a regular basis and each Committee reviews the relevant risk register for that discipline. The principal risks facing the Hospice and the steps being taken to mitigate them are as follows:

St Raphael's Hospice
Trustees' Report for the year ended 31st March 2023, continued

Principal risks and uncertainties, continued

Income - insufficient income is raised to deliver our charitable activities: The Hospice needs to raise around 75% of the total running costs from voluntary sources, with the remaining 25% being granted by the NHS. There is a continual risk that insufficient income is generated to cover this gap and there is a particular reliance on high levels of legacy income which is outside the control of the charity.

The Trustees and the executive team have set a target level of operating cash that is designed to enable it to manage the fluctuations of income year on year. It is diversifying its income streams and is pro-active in seeking new ways to raise additional regular income. In addition to this level of reserve, the Hospice also has a deferred income balance of £1.9m (which is represented by cash at bank) which is intended to offset the forecast shortfalls arising over the next three years whilst the charity undertakes its strategy of EVE. This strategy is designed to increase income and achieve a sustainable level of regular funding that does not rely upon exceptional legacy levels (which is currently assumed to be annual total legacies in excess of £1.25m). In addition the Hospice, together with other local Hospices will engage with the SWL ICB, Hospice UK and Central Government to lobby for an increase in funding to 50% of clinical costs.

Economic environment - The consequential impacts arising from the coronavirus pandemic and the war in Ukraine, including inflation, have added pressure to national and individual budgets which impacts the Hospice cost base and the ability of our community to afford the support we need. This risks the sustainability of the Hospice.

The Trustees and the staff team are committed to finding innovative ways to reach the communities we serve with a message of excellence and reassurance, coupled with sharing of the need for income generation. We continue to believe that the unique and vital role of hospices will ensure that future funding does grow to meet the needs. In the meantime we have sufficient funds to manage the foreseeable future effectively.

People - inability to recruit and retain specialist staff against a backdrop of an aging staff profile and widespread shortage of qualified staff.

The Trustees and the executive team monitor morale, staff benefits, remuneration and engagement through staff surveys, exit interviews, regular Heads of Department meetings and aim for open communication throughout the team. Internal training and development opportunities are designed to maximise work satisfaction and flexibility in working hours is facilitated wherever possible. We aim to ensure that work-life balance is positive, working environment is improving, our staff/patient ratio remains low and all clinical staff receive supervision. We match NHS Agenda for Change salary levels and have improved other terms and conditions.

IT and Data - The Hospice is reliant upon its IT infrastructure, systems, data management and web connectivity in delivering its service. All these systems are at risk of failure or interruption through malicious or accidental intervention, putting patient services and data at risk.

A robust back-up system is in place with a 2-3 hour turnaround for critical patient information. Our experienced and expert team are supplemented by a 24/7 support service with an expert consultancy that was involved with the installation and configuration of our systems. Risk is spread by the use of multiple servers and a failover power source. Anti-virus & anti-malware software is used on all servers & computers, updated in real-time. Firewalls control unauthorised entry from the internet and web-filtering software prevents users from accessing unsafe websites. Staff are educated to avoid risks from phishing attacks backed up by regular simulations to ensure compliance. Mandatory training includes cyber security for all staff.

Clinical Quality Assurance

Great importance is given by the Trustees to the Hospice's clinical governance arrangements. The Clinical Quality and Governance Committee meets four times each year and monitors the activities of the sub-committees and receives detailed reports from Clinical Director, the Director of Quality and Governance and feedback from the Medical Consultants. 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 manage patient safety, to gain insight and to manage the risks facing the Hospice.

The Committee receives the minutes of the following Hospice committees and questions the relevant senior staff:

- The Infection Control Committee steers the Hospice's approach to infection prevention and control. Chaired by a Consultant Microbiologist from the local acute Trust, it meets between two and four times each year. Standing items for the Committee include sharps injury and bodily fluids exposure; alert organisms surveillance, water management, occupational health update, regulatory and best practice requirements.
- The Drugs and Therapeutics Committee 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.
- Health and Safety Committee (which includes Water Quality as a regular agenda item) receives reports from managers involved in health and safety matters across the range of Hospice activities and reviews incidents to ensure good practice evolves and improves on a continual basis.

St Raphael's Hospice
Trustees' Report for the year ended 31st March 2023, continued

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 have been taken and the flooring was renewed as part of a wider IPU refresh in late summer 2021. The complete text is available from the CQC website or via the CQC "widget" on the Hospice website's homepage.

We are pleased 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 and reflecting on complaints is one of the ways we seek to maintain standards and improve practices. All complaints are reported to the CQ&G Committee and onwards to the Board of Trustees. A new incident reporting system, Datix, was successfully launched in 2021. This has provided a simple and transparent mechanism for recording incidents across all parts of the charity, monitoring measures taken to address them and changes implemented to reduce risks of recurrence.

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.

The workforce is predominantly female with women making up 86% of the total (2021-22: 86%). This ratio is maintained amongst the upper pay quartile where 85% are women (2021-22: 88%). The "mean pay" for women is the same as for men (2021-22: women 6% above men). The "median pay gap" is -10% (2021-22: -32%) arising because a higher proportion of men (20% of the total - 2021-22: 23%) work within the lower pay quartile.

Pay

St Raphael's aligned clinical pay with AfC rates including the Outer London Weighting allowance with effect from October 2021. As a result the clinical pay is now on a par with our competitors in the market and is transparent and consistent across all clinical teams. This has enabled the charity to retain its experienced and specialist team and also recruit to vacancies when they arise, reducing the risk to our service delivery. Pay increases will follow the NHS settlements. For other staff the Remuneration Committee reviews the levels in the light of the prevailing market conditions and balances affordability with the need to retain and recruit skilled staff who can deliver on the strategy of EVE.

The annual pay review, which was prepared by the executive team and ratified by the Board on 7 February 2023, affected only non-clinical staff members as the clinical team had been aligned to AfC rates and increments. In the face of inflation which was running at a rate of around 10% generally and where the recruitment market was difficult across all sectors, a 5% award was agreed (2021-22: 5%).

Staff on the lowest wages received a higher award equivalent, to 7.8% (2021-22: 15%). This moved the lowest pay level from £10.25 to £11.05 (2021-22: from £8.91 to £10.25) and beyond the latest Government minimum living wage of level £10.42. This was done in recognition of the vital role played by all members of our team and the high cost of living in the outer London area.

Employee profile

At the year end the Hospice had 141 contracted employees (2021-22: 132) of whom 51 were full time and 90 part-time (2021-22: 48 and 74). The Hospice also has 28 active bank staff who do not want to commit to working specific regular hours and are offered work as and when the need arises (2021-22: 30).

The age profile of Hospice clinical staff is shown in the table below. There remain a high proportion who may choose to retire in the coming five years but the risk that this has posed is diminished as recruitment has become more reliable.

Clinical Staff By Age	under 33	33-42	43-52	53-62	63 and over
As at 31 March 2023	7	9	19	22	4
As at 31 March 2022	6	9	21	19	4
As at 31 March 2021	5	9	18	27	2
As at 31 March 2020	5	6	16	30	4

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

Volunteers

St Raphael's Hospice relies on a large number of volunteers who freely contribute their time and expertise. They impact and add value to all areas of our work and this is hugely appreciated. Following the decline during the pandemic we are delighted that numbers and overall contribution is on the increase and we are particularly heartened by the growth in the numbers of patient-facing, wellness and retail volunteers. We estimate 735 volunteer roles undertaken in the year amounting to 51,321 hours of given time (2021-22: 669 roles and 34,337 hours). This provides an estimated financial value of between £700,000 and £800,000 (2021-22: between £400,000 and £500,000), an extraordinary achievement.

The breakdown of volunteer roles for the Hospice activity the year was as follows:

Volunteer Numbers	2022-23	2021-22
Reception	41	38
Office and Administration	24	28
Ward and Patient-facing	24	10
Flowers and Gardens	20	12
Psychological Support	18	14
Hospice Neighbours and Biographers	24	21
Orangery Café	14	14
Trustees and Committees	15	14
Training and Mentoring	2	3
Wellness Volunteers	28	7
Occasional Volunteers	19	45
Hospice Total	229	206
Shops	208	167
Fundraising Administration	4	7
Subtotal	441	380
Supporter Groups and Events	62	66
Occasional Events Volunteers	232	223
Total	735	669

Fundraising

In order to address the increasing need to raise additional funding, St Raphael's Hospice took the decision to create two new roles from the pre-existing Director of Income Generation role and Donor Development Manager role. The Commercial Director takes charge of driving the growth of our retail and lottery activity and the Director of Fundraising and Communications is charged with the same for donations and legacies. 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 (contract ended July 2023 when we recruited to an in-house role) whilst Sterling Lotteries runs our weekly draw and our two raffle draws each year. At the end of this reporting year we had 6,577 weekly lottery plays (2021-22: 7,011). Since the year end we have entered into a contract with Britevox Ltd to recruit players to our lottery. Britevox are licensed and regulated by the Gambling Commission.

St Raphael's Hospice Community Fundraising Team also manages 7 volunteer Supporter Groups (2020-21: 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 62 members (2021-22: 66). They are all issued with an information pack which includes 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. Each Supporter Group member receives a photo ID badge to allow them to fundraise and collect legally on behalf of St Raphael's.

We are signed up to the Institute of Fundraising and we follow its Code of Practice, whilst also complying with the Charity Commission guidance, "CC20: Charity Fundraising". During the period of this report there were no complaints or reported failures in compliance with the Fundraising Regulator or other regulatory bodies (2021-22: none).

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.

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

Fundraising, continued

There were no complaints received in the period to be reported to the Gambling Commission in our return (2021-22: 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

Auditors

Haysmacintyre LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

Trustees' responsibilities statement

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its income and expenditure for each period. In preparing these financial statements, the Trustees 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 Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company which enables them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- So far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware;
- 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 charitable company's auditor is aware of that information.

Approved by the Board of Trustees and signed on its behalf by:



Norman McWhinney: Chair

Date: 30 November 2023

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Independent auditor's report to the members of St Raphael's Hospice

Opinion

We have audited the financial statements of St Raphael's Hospice for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Independent auditor's report to the members of St Raphael's Hospice, continued

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Care Quality Commission, Charity Commission, Gambling Commission, Fundraising Regulations, Employment Law and GDPR, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue, management bias in accounting estimates and the statement of opening balances. Audit procedures performed by the engagement team included:

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

**St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023**

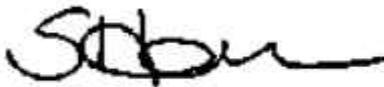
Independent auditor's report to the members of St Raphael's Hospice, continued

Auditor's responsibilities for the audit of the financial statements, continued

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Siobhan Holmes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

Date: 11 December 2023

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Statement of Financial Activities including an income and expenditure account

	Notes	Unrestricted			Total funds Year to 31 March 2023 £'000	Total funds Year to 31 March 2022 £'000
		General fund £'000	Designated fund £'000	Restricted funds £'000		
Income and expenditure						
Income from:						
Donations and legacies	2	3,447	-	352	3,799	3,466
Other trading activities	3	1,787	-	-	1,787	1,533
Investments		96	-	-	96	4
Charitable activities						
Clinical Commissioning Groups	4	1,632	-	66	1,698	2,265
Other income	4	87	-	-	87	298
Total income		7,049	-	418	7,467	7,566
Expenditure on:						
Raising funds	5	2,500	-	-	2,500	2,406
Charitable activities	6	4,875	-	385	5,260	4,596
Total expenditure		7,375	-	385	7,760	7,002
Net operating (shortfall) / surplus		(326)	-	33	(293)	564
Net gains / (losses) on investments	11	(103)	-	-	(103)	17
Net income / (expenditure) before transfers		(429)	-	33	(396)	581
Transfers between funds	15-16	48	76	(124)	-	-
Net movement in funds		(381)	76	(91)	(396)	581
Reconciliation of funds:						
Fund balances brought forward at 1 April 2022		4,396	1,176	300	5,872	5,291
Fund balances carried forward at 31 March 2023	15-17	4,015	1,252	209	5,476	5,872

All of the charity's activities during the above two financial periods derived from continuing operations. A full comparative statement of financial activities is shown at note 23 to the financial statements.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Balance Sheet

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Tangible assets	10		857		725
Fixed Asset Investments	11		1,966		2,017
			2,823		2,742
Current assets					
Debtors	12	1,406		1,978	
Cash at bank and in hand		3,682		4,356	
		5,088		6,334	
Creditors: amounts falling due within one year	13	(1,532)		(1,551)	
Net current assets			3,556		4,783
Creditors: amounts falling due after more than one year	13		(903)		(1,653)
Total net assets			5,476		5,872
Represented by:					
Funds and reserves					
Income funds					
Restricted funds	15		209		300
Unrestricted funds					
Designated funds	16		1,252		1,176
General fund	17		4,015		4,396
Total funds			5,476		5,872

Approved by the Board of Trustees on 30 November 2023:

and signed on its behalf by Mr Norman McWhinney (Chair):

Norman McWhinney

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Statement of Cash Flows

	Notes	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Net cash provided by operating activities	A	(440)	64
Cash flows from investing activities:			
Investment income		96	4
Purchase of tangible fixed assets	10	(278)	(332)
Purchase of investments	11	(52)	(2,000)
Net cash provided by (used in) investing activities		(234)	(2,328)
Change in cash and cash equivalents in the year	B	(674)	(2,264)
Cash and cash equivalents at 1 April 2022	B	4,356	6,620
Cash and cash equivalents at 31 March 2023	B	3,682	4,356

A: Reconciliation of net movement in funds to net cash provided by operating activities

		Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Net movement in funds (as per the statement of financial activities)		(396)	581
Adjustments for:			
Depreciation charge / amounts written off	10	146	169
Investment income		(96)	(4)
Net loss/(gain) on investments	11	103	(17)
Decrease in debtors		572	108
(Decrease) in creditors		(769)	(773)
Net cash provided by operating activities	A	(440)	64

B: Analysis of changes in net debt

	2022 £'000	Cash flows £'000	2023 £'000
Cash at bank and in hand	4,356	(674)	3,682
Borrowings and debt	-	-	-
Total	4,356	(674)	3,682

**St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023**

Notes to the Financial Statements

1 Accounting Policies

General Information

St Raphael's Hospice is a private company limited by guarantee in England and Wales (company number 11732567) and a charity registered in England and Wales (charity number 1182636). The registered office is St Raphael's Hospice, London Road, Cheam, SM3 9DX.

Basis of accounting

The financial statements have been prepared for the year ended 31 March 2023.

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, updated 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

St Raphael's Hospice is 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.

Critical accounting estimates and areas of judgement

The most significant areas of adjustment and key assumptions that affect items in the financial statements are in respect of:

- the recognition and deferral of income;
- assessing the probability of receiving legacies of which the Charity has been notified;
- estimating the value of the gift in kind of properties occupied under a peppercorn rental agreement with the Congregation of the Daughters of the Cross of Liege;

Assessment of going concern

As stated in the Trustees' Report, the Trustees 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 Trustees have considered the impact of the current and projected economic and inflationary uncertainties 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. Whilst the Hospice is reliant upon the generosity of the community of Merton and Sutton in order to raise sufficient funding and is conscious of the impact of the economic environment on people's ability to be generous, it is felt that it has sufficient cash resources to continue operations for the foreseeable future.

The Trustees 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 comprises donations, legacies, gifts in kind for donated services and facilities, lottery income, income from retail sales, grants from Clinical Commissioning Groups and other organisations together with, in 2021-22, the Government's Coronavirus Job Retention Scheme and the NHSE Covid Hospice Support Grant.

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.

Donations and transfers from other registered charities amounting to donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the Financial Statements, continued

1 Accounting Policies, continued

Income recognition, continued

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.

Lottery income is recognised during the period in which the lottery draw is held.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grants from government, other agencies and voluntary bodies have been included as income from charitable activities where these are akin to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from retail grants, (including the Coronavirus Job Retention Scheme) is credited to the statement of financial activities when the Charity is entitled to receive the funds and when the amount receivable can be quantified.

Shop income arises from the sales of donated goods at charity shops within the Surrey and Greater London areas. 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 "Volunteers" section of the Annual Report for further details.

Deferred income includes a cash grant given by the Congregation of Daughters of the Cross of Liège towards strategic investment in the new charity. This was granted as part of the transfer arrangements in order to bridge the anticipated funding gap that will arise over a period of five or more years as the charity invests in its strategy of "EVE" (excellence, visibility and engagement). The deferred income will be released to the Statement of Financial Activity in line with its use.

Donated services and facilities

Donated services and facilities are recognised in income and expenditure when the charity has control over the item, conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that the economic benefit can be measured reliably.

The charity benefits from the use of the hospice buildings and grounds which are leased to it by the Congregation of the Daughters of the Cross of Liege at a peppercorn rent. The value of this gift in kind has been estimated by the Trustees following the receipt of professional valuations for the market rent of the administrative building (759 London Road) and the St Bede's Conference Centre and the capital value of the hospice building and grounds. A 5% rate of return on the capital value has been used to estimate the annual rental value.

The Trustees consider that the valuation of goods donated for resale at the point of receipt is impractical due to the high volume of low value items and the administrative costs involved in valuation. Goods donated for resale are therefore recognised at the point of resale.

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 and includes any VAT that cannot be recovered under the s33c VAT refund scheme. This scheme is specific to charities which are wholly operating as Hospices and allows recovery of VAT incurred on the non-business activities (hospice service delivery and most fundraising) as well as the usual business activities (retail etc). In turn that allows for a high proportion recovery of VAT on "apportioned activity", that which serves to support the entire enterprise. VAT cannot be recovered on exempt activity (events, education and lottery).

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the Financial Statements, continued

1 Accounting Policies, continued

Expenditure and the basis of apportioning costs, continued

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. It also includes a share of support costs, including governance costs.
- b. The cost of charitable activities comprises all the costs of operating the Hospice, including all staff, supplies and property costs. It also includes a share of support costs, including governance costs.

Tangible fixed assets

Tangible fixed assets are shown on the balance sheet 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:

• Computer and other equipment	20 - 33.33%
• Shop fixtures and fittings	33%
• Motor vehicles	25%

Improvements to long leasehold property is depreciated evenly over the period of the lease.

Fund accounting and Reserves Policy

Any restricted funds are monies raised for, and their use restricted to, a specific purpose or are donations subject to donor-imposed conditions. The restricted reserve comprises the unspent element of all the individual restricted funds.

The designated funds are those which represent the net book value of tangible fixed assets which are used in the day to day work of the Hospice and amounts set aside for fixed asset acquisitions in the next twelve months, and hence, are unavailable for working capital commitments. Designated funds may also be set aside for a specific purpose designated by the Trustees. This designation can be changed by the Trustees and hence the designated fund is unrestricted.

The general fund represents free reserves are that element of unrestricted funds which are available for future spending and are therefore calculated by taking the total unrestricted funds of the charity and deducting any balances not available for future spending, including designated funds which have been set aside by the Trustees for a particular purpose.

The Trustees have decided that the required level of free reserves should be between three and six months' operating expenditure. Further details can be seen in the Annual Report.

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.

**St Raphael's Hospice
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For the year ended 31st March 2023**

Notes to the Financial Statements, continued

1 Accounting Policies, continued

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.

Employee Costs

St Raphael's Hospice holiday year operates from April to March. A week's worth of holiday that is earned in one year but not utilised in that year can be carried over to the following year. The cost to the charity of that holiday carry-over is estimated and accrued in the financial statements.

St Raphael's Hospice values the loyal service of its staff and makes an award to staff who attain ten years of service. The award is repeated and enhanced at five year intervals thereafter. The potential cost to the charity is calculated for all staff who have reached the end of their fifth year of service in proportion to the time worked towards the next award milestone.

Notes to the accounts, continued

2 Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Donations	1,800	82	1,882	1,416	247	1,663
Gifts in kind	-	270	270	-	270	270
Legacies	1,647	-	1,647	1,533	-	1,533
Total	3,447	352	3,799	2,949	517	3,466

Gifts in Kind include a donation from the Congregation of the Daughters of the Cross of Liège which represents the estimated market value of the lease of the land and buildings used by the charity, provided by the Congregation at no cost to the charity. The market value of the rent for the property has been estimated at £270,000 for the year (2022 – £270,000). The estimated value has been recognised within income as a donation, and an equivalent charge included within support costs.

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 value of these benefits has not been reflected in the financial statements.

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Lottery income	368	-	368	423	-	423
Retail sales and related income	1,419	-	1,419	1,110	-	1,110
	1,787	-	1,787	1,533	-	1,533

4 Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
CCG service funding	1,632	-	1,632	1,615	-	1,615
CCG Local COVID-19 funding	-	-	-	-	500	500
CCG Grants	-	66	66	-	150	150
Income from Clinical Commissioning Groups (CCGs)	1,632	66	1,698	1,615	650	2,265
NHS England COVID-21 funding	10	-	10	-	247	247
Coronavirus Job Retention Scheme	-	-	-	25	-	25
Other	77	-	77	26	-	26
Other Income	87	-	87	51	247	298

5 Expenditure on Raising Funds

Year ended 31 March 2023	Staff Costs £'000	Other Costs £'000	Support Costs £'000	Total £'000	of the total being	
					Unrestricted £'000	Restricted £'000
Fundraising	451	280	142	873	873	-
Lottery	22	147	11	180	180	-
Charity Shops	607	594	246	1,447	1,447	-
	1,080	1,021	399	2,500	2,500	-

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the accounts, continued

5 Expenditure on Raising Funds, continued

Year ended 31 March 2022	Staff Costs £'000	Other Costs £'000	Support Costs £'000	Total £'000	of the total being	
					Unrestricted £'000	Restricted £'000
Fundraising	460	250	139	849	849	-
Lottery	43	146	10	199	199	-
Charity Shops	498	626	234	1,358	1,358	-
	1,001	1,022	383	2,406	2,406	-

6 Expenditure on Charitable activities

Year ended 31 March 2023	Staff Costs £'000	Other Costs £'000	Support Costs £'000	Total £'000	of the total being	
					Unrestricted £'000	Restricted £'000
Hospice In-Patient Unit	1,741	589	395	2,725	2,534	191
"Hospice at Home" Community team	1,396	96	210	1,702	1,622	80
Psychological Support team	195	22	29	246	206	40
Education	75	38	19	132	130	2
Orangery	27	89	26	142	108	34
Volunteers	89	23	20	132	125	7
Wellbeing Centre	90	55	36	181	150	31
	3,613	912	735	5,260	4,875	385

Year ended 31 March 2022	Staff Costs £'000	Other Costs £'000	Support Costs £'000	Total £'000	of the total being	
					Unrestricted £'000	Restricted £'000
Hospice In-Patient Unit	1,464	531	373	2,368	1,716	652
"Hospice at Home" Community team	1,190	91	201	1,482	1,164	318
Psychological Support team	151	19	29	199	84	115
Education	86	34	18	138	129	9
Orangery	19	84	24	127	93	34
Volunteers	81	20	18	119	112	7
Wellbeing Centre	76	53	34	163	141	22
	3,067	832	697	4,596	3,439	1,157

Net Income is stated after charging	£'000
Auditor's remuneration	
Statutory Audit	18
Staff costs	5,461
Lease rental costs	317
Depreciation	146

See note 7 for an analysis of Support Costs which are allocated across activities on the following basis:

- Facilities costs – based on hospice floorspace with a portion to income generating activity.
- Quality costs – based on hospice headcount with a portion to income generating activity.
- Other Support costs – based on the headcount of each activity.

St Raphael's Hospice
Annual Report and Financial Statements
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Notes to the accounts, continued

7 Staff costs

Charitable Activities	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2023	£'000	£'000	£'000	£'000	£'000	£'000
Hospice In-Patient Unit	1,385	133	90	133	-	1,741
"Hospice at Home" Community team	1,151	125	120	-	-	1,396
Psychological Support team	171	18	6	-	-	195
Education	65	6	4	-	-	75
Orangery	26	1	0	-	-	27
Volunteers	80	7	2	-	-	89
Wellbeing Centre	82	5	3	-	-	90
	2,960	295	225	133	-	3,613

Income Generation	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2023	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising	393	42	16	-	-	451
Lottery	20	1	1	-	-	22
Retail Shops	553	41	13	-	-	607
	966	84	30	-	-	1,080

Support Team	Salaries	NIC	Pensions	Total Staff Costs	Non-Staff Costs	Total Support Cost
Year ended 31 March 2023	£'000	£'000	£'000	£'000	£'000	£'000
Executive Office and Communications	202	26	12	240	216	456
HR	91	9	4	104	43	147
IT and Facilities	226	24	8	258	79	337
Finance	74	7	4	85	24	109
Quality	70	7	4	81	4	85
	663	73	32	768	366	1,134

Charitable Activities	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000
Hospice In-Patient Unit	1,175	102	69	118	-	1,464
"Hospice at Home" Community team	988	102	100	-	-	1,190
Psychological Support team	133	13	5	-	-	151
Education	73	7	6	-	-	86
Orangery	19	0	0	-	-	19
Volunteers	73	6	2	-	-	81
Wellbeing Centre	70	4	2	-	-	76
	2,531	234	184	118	-	3,067

Income Generation	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising	404	38	16	-	2	460
Lottery	38	3	2	-	-	43
Retail Shops	457	31	10	-	-	498
	899	72	28	-	2	1,001

St Raphael's Hospice
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Notes to the accounts, continued

7 Staff costs, continued

Support Team	Salaries	NIC	Pensions	Total Staff Costs	Non-Staff Costs	Total Cost
Year ended 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000
<i>Executive Office and Communications</i>	256	29	11	296	175	471
<i>HR</i>	76	7	4	87	38	125
<i>IT and Facilities</i>	203	20	8	231	79	310
<i>Finance</i>	66	6	4	76	23	99
<i>Quality</i>	62	6	4	72	2	74
	663	68	31	762	317	1,079

In common with other Hospices, St Raphael's employs experienced Specialty Doctors and Specialist Palliative Care Consultants on standard NHS rates of pay and this is reflected in the higher paid employees report. The CEO is not the highest paid employee.

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

	2023	2022
	No.	No.
£60,001 - £70,000	3	4
£70,001 - £80,000	4	2
£80,001 - £90,000	2	2
£90,001 - £100,000	1	-

During the year the charity made no payments in respect of redundancies (2022: 2, £14,454) or other terminations of employment (2022: 3, £16,596).

Key management personnel

Key management personnel comprised the Trustees, the CEO, the Clinical Director, the Director of Fundraising and Communications, the Commercial Director and the Director of IT & Estates together with our three specialist palliative care consultants. One of the consultants takes the role of lead consultant on a rotational basis and is a member of the Executive Committee of the Hospice. They are not included in the key management personnel costs shown below.

None of the Trustees received any remuneration in respect of their services during the year (2022: £nil). No out of pocket expenses were reimbursed to trustees during the year (2022: £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 £445,020 (2022: £371,805).

8 Staff numbers

Year ended 31 March 2023	Headcount	FTE	Headcount	FTE
	2023	2023	2022	2022
Hospice In-Patient Unit	37	23	36	23
"Hospice at Home" Community team	25	19	26	19
Psychological Support team	4	3	3	2
Education & Quality	4	2	2	1
Volunteers	1	1	2	1
Wellbeing Centre	4	3	4	2
Housekeeping and Orangery	16	7	19	8
Hospice administration	11	6	7	4
Medical team	6	5	7	5
Charitable Activities	108	69	106	65
Fundraising	11	9	14	13
Lottery	1	1	1	1
Retail Shops	31	24	27	22
Income Generation	43	34	42	36
Support Services	13	10	11	10
Executive and Finance	5	4	8	6
Support Services	18	14	19	16
All Staff	169	117	167	117

St Raphael's Hospice
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Notes to the accounts, continued

8 Staff numbers, continued

Year ended 31 March 2023	Headcount		FTE		Headcount		FTE	
	2023		2023		2022		2022	
Permanent full time	51		51		50		50	
Permanent part time	90		57		87		55	
"Bank" variable hours	28		9		30		12	
	169		117		167		117	

In addition to our paid staff, St Raphael's Hospice benefitted from the support volunteers who contributed their time to cover 735 roles (2022: 669). Volunteer time is not accounted for in these financial statements.

9 Taxation

St. Raphael's Hospice is a registered charity and therefore benefits from not being liable for income tax or corporation tax on income derived from its charitable activities. As a Hospice it has taken advantage of the s33c VAT allowances which enable it to reclaim a large portion of its VAT paid. At the end of the year a refund is due for £48,000 (2022: £69,000) and this is included within debtors.

10 Tangible fixed assets

	Property and Freehold	Computer and other Equipment	Shop Fixtures and Fittings	Motor Vehicles	Retail Leasehold Improvement	Assets under Construction	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2022	308	577	45	54	144	42	1,170
Transfer between classes	66	-	-	-	-	(66)	-
Additions	37	24	-	29	47	141	278
Disposals/Written-off	-	-	-	-	-	-	-
At 31 March 2023	411	601	45	83	191	117	1,448
Depreciation							
At 1 April 2022	10	330	28	21	56	-	445
Charge in year	13	78	9	13	33	-	146
Eliminated on disposal / write-off	-	-	-	-	-	-	-
At 31 March 2023	23	408	37	34	89	-	591
Net book values							
At 31 March 2023	388	193	8	49	102	117	857
At 31 March 2022	298	247	17	33	88	42	725

The land and buildings that are occupied by St Raphael's Hospice are owned by The Congregation of the Daughters of the Cross of Liège and are leased to the charity at a peppercorn rental. The value of the gift in kind is recognised in these financial statements, as described in the principal accounting policies at note 1.

During the financial year the Hospice was bequeathed the freeholds of two flats. These freeholds were valued at £15,000 and this sum has been treated as legacy income received in the year and the asset value recorded as Fixed Asset on the Balance Sheet.

St Raphael's Hospice
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For the year ended 31st March 2023

Notes to the accounts, continued

10 Tangible fixed assets, continued

	<i>Property and Freehold</i>	<i>Computer and other Equipment</i>	<i>Shop Fixtures and Fittings</i>	<i>Motor Vehicles</i>	<i>Retail Leasehold Improvements</i>	<i>Assets under Construction</i>	Total 2022
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cost or valuation							
<i>At 1 April 2021</i>	49	537	45	44	184	19	878
<i>Transfer between classes</i>	233	-	-	-	-	(233)	-
<i>Additions</i>	26	40	-	10	-	256	332
<i>Disposals/Written-off</i>	-	-	-	-	(40)	-	(40)
At 31 March 2022	308	577	45	54	144	42	1,170
Depreciation							
At 1 April 2021	2	247	19	8	40	-	316
<i>Charge in year</i>	8	83	9	13	36	-	149
<i>Eliminated on disposal / write-off</i>	-	-	-	-	(20)	-	(20)
At 31 March 2022	10	330	28	21	56	-	445
At 31 March 2022	298	247	17	33	88	42	725
At 31 March 2021	47	290	26	36	144	19	562

11 Investments

	2023	2023	2022	2022
	£'000	Units 000's	£'000	Units 000's
Marketable investments				
Sarasin Endowments Fund				
Market value at start of year	1,417	1,163	-	-
Net additions at cost	638	542	1,400	1,163
Net gain/(loss) on revaluation/disposal	(103)	-	17	-
Market value at 31 March	1,952	1,705	1,417	1,163
Liquid Assets				
ICS-Sterling Liquidity Fund				
Market value at start of year	600	6	-	-
Investment Income	52	-	-	-
Net additions at cost	-	-	1,400	13
Disposals at market value	(638)	(6)	(800)	(7)
Market value at 31 March	14	-	600	6
Total investments	1,966	1,705	2,017	1,163
Cost at 31 March	2,052	1,705	2,000	1,163
Marketable investments comprise				
Fixed Income	290		99	
Equities	1,292		986	
Property	86		79	
Alternative Investments	242		179	
Short term deposits and cash	56		674	
	1,966		2,017	

St Raphael's Hospice
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Notes to the accounts, continued

12 Debtors

	2023	<i>2022</i>
	£'000	<i>£'000</i>
Legacies receivable	979	992
Prepayments	215	206
VAT receivable	55	69
NHSE COVID-19 Hospice Support Grant	-	153
CCG local COVID-19 Funding and other CCG grants	-	440
Other Debtors	157	118
	1,406	<i>1,978</i>

13 Creditors

	2023	<i>2022</i>
	£'000	<i>£'000</i>
Amounts falling due within one year		
Trade creditors	55	115
Social security and other taxes	103	100
Other creditors and accruals	294	245
Deferred income release of DoC grant	1,000	1,000
Lottery deferred Income	57	62
Other deferred Income	23	24
Provision for onerous lease commitments	-	5
	1,532	<i>1,551</i>

Amounts falling due after more than one year

	2023	<i>2022</i>
	£'000	<i>£'000</i>
Deferred income release of DoC grant	903	1,653
	903	<i>1,653</i>

14 Deferred Income

	2023	2023	2023	<i>2022</i>
	DoC Grant	Other	Total	<i>Total</i>
	£	£	£	£
Brought forward at 1 April 2022	2,653	86	2,739	3,425
Introduced in the year	-	2,379	2,379	796
Released during the year	(750)	(2,385)	(3,135)	(1,482)
Carried forward at 31 March 2023	1,903	80	1,983	<i>2,739</i>

A cash grant of £3.6m was given by the Congregation of Daughters of the Cross of Liège (DoC) in 2020 towards the five year strategic plan for the charity and has been included in deferred income. This will be released to the Statement of Financial Activity (SOFA) in line with the conditions of its use, as stipulated in the transfer arrangement between the Congregation and the charity. A sum of £750k was released to the SOFA in the current year (2022: £667k) and the release of a further £1m has been budgeted for the year to 31st March 2024 and is shown as "Creditors; amounts due in under one year" at note 13, above. The remaining balance of £0.9m is included under "Creditors; amounts due in more than one year" and is due to be released over the ensuing two to three years as the strategic plan progresses. The covid pandemic has cause delay to its implementation.

Other deferred income balances includes lottery subscriptions made for future lottery draws and to challenge event income raised in advance of the challenge taking place.

15 Restricted Funds

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

	At 1st April 2022	Income	Expenditure	Transfer between Funds	At 31st March 2023
	£'000	£'000	£'000	£'000	£'000
Bereavement support fund	-	35	(35)	-	-
DoC gift in kind	-	270	(270)	-	-
CCG grants	142	66	(58)	(30)	120
Other restricted donations	158	47	(22)	(94)	89
	300	418	(385)	(124)	209

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Notes to the accounts, continued

15 Restricted Funds, continued

	At 1st April 2021	Income	Expenditure	Transfer between Funds	At 31st March 2022
	£'000	£'000	£'000	£'000	£'000
Bereavement support fund	-	110	(110)	-	-
DoC capital improvement grant	165	-	-	(165)	-
DoC gift in kind	-	270	(270)	-	-
NHSE COVID-19 Hospice Support Grant	-	247	(247)	-	-
CCG COVID-19 Support Grant	-	500	(500)	-	-
CCG grants	-	150	(8)	-	142
Other restricted donations	110	137	(22)	(67)	158
	275	1,414	(1,157)	(232)	300

The Bereavement support fund represents the funding of the psychosocial team and related costs.

The DoC gift in kind relates to the provision of the land and buildings on a 20 year lease at a peppercorn rental. The Gift in Kind recognises the valuation placed upon the use of the properties by an independent surveyor in March 2020. Since that time it is not considered that this valuation has changed materially. The cost is also recognised in the financial statements.

In 2022-23 the CCG grants related to £66k given to cover the additional costs of providing two Clinical Nurse Specialists for weekend and bank holiday cover (2021-22 £120k). In 2021-22 we also received a grant of £30k towards the new patient administration project which was delivered in 2023.

The DoC capital improvement grant was given in order to progress certain capital projects including the IT upgrade (completed) and the IPU refresh (completed late summer 2021). Transfers from the fund to the designated fund represented the purchase of tangible fixed assets.

In 2021-22 the NHSE awarded funding to allow the Hospice to make available bed capacity and community support from November 2020 to March 2021 and from December 2021 to March 2022 to provide support to people with complex needs in the context of the coronavirus pandemic and to provide bed capacity and community support for the same purpose.

In 2021-22 the CCG COVID-19 Support Grant relates to grants made by the South West London CCG which was designed to support the charity in the face of the loss of income arising from the impact of the coronavirus pandemic.

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

16 Designated Funds

	At 1st April 2022	Expenditure	Transfer between Funds	At 31st March 2023
	£'000	£'000	£'000	£'000
Fixed Asset Fund				
Acquired	725	278	(146)	857
Committed	-	-	-	-
Budgeted within 12 months	451	-	(56)	395
	1,176	278	(202)	1,252
	At 1st April 2021	Expenditure	Transfer between Funds	At 31st March 2022
	£'000	£'000	£'000	£'000
Fixed Asset Fund				
Acquired	562	332	(169)	725
Committed	100	-	(100)	-
Budgeted within 12 months	552	-	(101)	451
	1,214	332	(370)	1,176

The unrestricted funds of the Hospice include the following designated funds which have been set aside by the Trustees 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 transfer in the fixed assets "acquired" fund represents the net movement of additions, disposals and depreciation in fixed assets over the year. "Committed" expenditure relate to additions which the charity is contractually obliged to complete and "Budgeted" relates to proposed additions that have been approved by the Board of Trustees.

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17 Analysis of net assets between funds

	Restricted funds £'000	General Fund £'000	Designated fund £'000	Total 2023 £'000
Fixed assets	-	1,981	842	2,823
Current assets	209	4,469	410	5,088
Creditors: amounts falling due within one year	-	(1,532)	-	(1,532)
Creditors: amounts falling due after more than one year	-	(903)	-	(903)
Total net assets	209	4,015	1,252	5,476

	Restricted funds £'000	General Fund £'000	Designated fund £'000	Total 2022 £'000
Fixed assets	-	2,017	725	2,742
Current assets	300	5,583	451	6,334
Creditors: amounts falling due within one year	-	(1,551)	-	(1,551)
Creditors: amounts falling due after more than one year	-	(1,653)	-	(1,653)
Total net assets	300	4,396	1,176	5,872

18 Leasing commitments

Operating leases

At 31 March 2023 the Hospice had total commitments under non-cancellable operating leases for retail shops and related office and warehouse buildings as follows:

	Land and buildings 2023 £'000	Land and buildings 2022 £'000
Commitments falling due:		
Within one year	307	218
Within one to two years	260	177
Within two to five years	314	174
	881	569

20 Related party transactions

St Raphael's Hospice was established as a work of The Congregation of the Daughters of the Cross of Liege ("DoC", charity number 1068661 and company number 3492921) in 1987 and its activities were reported as part of that entity. The activities and the operating assets and liabilities of the work were transferred into St Raphael's Hospice (charity number 1182636 and company number 11732567) on 31 October 2020 and from that point its activities are reported through this entity.

Two of the trustees of DoC are also Trustees of St Raphael's Hospice (Sr Veronica Hagen and Sr Kathleen O'Reilly). One member of the Finance & Resources Committee is a paid adviser of the DoC (Mr Ed Cook).

The freehold of the land and buildings that comprise the St Raphael's Hospice site are owned by DoC. These have been leased to St Raphael's Hospice under three separate leases for the three plots (the Hospice, St Bede's and 759 London Road) each for twenty years and at a peppercorn rental of £100 per annum. A total of £300 was paid in the period in respect of these leases (2022: £300). The leases are valued at £270k per annum and a gift-in-kind is recognised in these financial statements for this amount (2022: £270k). The notional rental of £270k is also recognised in these financial statements (2022: £270k).

No grants were made by DoC during the year. (2022: Nil).

DoC continues to receive occasional income on behalf of the Hospice, such as legacies and some donations and these are passed through to St Raphael's Hospice without deduction. During the year there were no such transactions (2022: 3 and £812k).

In May 2023 St Raphael's entered into a contract with Darnell Consulting Ltd for the provision of supporter insight analysis and report based on quantitative research. The contract value was £4,995, and represented an arm's length transaction at market value from an expert in the field. Grahame Darnell and Catherine Darnell are the beneficial owners of Darnell Consulting Ltd and Grahame Darnell is a Director of the company. Grahame Darnell is also a Trustee of St Raphael's Hospice. The contract value was fully paid by the end of September 2023.

There were no other related party transactions.

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21 Capital commitments

As at 31 March 2023 there were no capital commitments (2022: Nil).

22 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 £127,390 (2022: £115,707).

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 £149,004 (2022: £115,992).

23 Comparative Statement of Financial Activities for the year ended 31st March 2022

	Notes	Unrestricted			Total funds Year to 31 March	Total funds Year to 31 March (being 5 months of operations)
		General	Designated	Restricted		
		fund	fund	funds	2022	2021
		£'000	£'000	£'000	£'000	£'000
Income and expenditure						
Income from:						
Donations and legacies	2	2,949	-	517	3,466	2,819
Other trading activities	3	1,533	-	-	1,533	289
Investments		4	-	-	4	2
Charitable activities						
Clinical Commissioning Groups	4	1,615	-	650	2,265	637
Other income	4	51	-	247	298	959
Total income excluding assets transferred from the Daughters of the Cross		6,152	-	1,414	7,566	4,706
Assets transferred from the Daughters of the Cross	18	-	-	-	-	3,405
Total income		6,152	-	1,414	7,566	8,111
Expenditure on:						
Raising funds	5	2,406	-	-	2,406	1,005
Charitable activities	6	3,439	-	1,157	4,596	2,029
Total expenditure		5,845	-	1,157	7,002	3,034
Net gains / (losses) on investments	11	17	-	-	17	-
Net income / (expenditure) before transfers		324	-	257	581	5,077
Transfers between funds	15-16	270	(38)	(232)	-	-
Net movement in funds		594	(38)	25	581	5,077
Reconciliation of funds:						
Fund balances brought forward at 1 April 2021		3,802	1,214	275	5,291	214
Fund balances carried forward at 31 March 2022	15-17	4,396	1,176	300	5,872	5,291

All of the charity's activities during the above two financial periods derived from continuing operations. A full comparative statement of financial activities is shown at note 23 to the financial statements.