

Finance and Resources Report

Key Points

1. Key Points are:

- a. The financial statements to March 2025 now include an adjustment which adds £214k to the surplus to bring it to £334k.
- b. The management accounts for the 5 months to 31st August 2025 have been adjusted to reflect the change which increases the shortfall to £(220)k.
- c. The adjusted shortfall compares favourably to the budget shortfall of £(695)k before DoC drawdown, an improvement of £475k.
- d. Cash (including the investment portfolio) at the end of August stood at £3.7m in line with the budget of £3.7m; legacy debtor is £1.5m v plan of £550k.

Finance

2. Management Accounts – Income and Expenditure

The management accounts for the 6 months to 30th September 2025 are being worked upon and this report considers the 5 months to August 2025. These are attached together with the cash movements/balance sheet summary and detailed summary.

Income from NHS of £776k is £19k below budget. This does not yet reflect the uplift which has now been agreed at 4.83% which is more than double the budget and will add £88k to the total.

Other Income of £269k is £82k above budget – with £21k of Hospice Capital Grant already received and our Sarasin investment performing better than expected. The £1m grant from DoC is now shown at the foot of the Income and Expenditure account under Contingency Drawdown.

Direct costs of service was on budget. Support costs are £22k below budget.

Legacies have now been adjusted to add £307k to the prior year total. Of this total, £207k relates to legacies we became aware of after the draft accounts were formed but which had probate dates before March 2025. A further £100k relates to an under-accrual of legacy last year (ie we received more cash than we had provided for as debtor). Nonetheless, legacies remain above budget this year.

Donation Income has continued at the improved run-rate that featured in the second half of last year. The total is now £755k which is 55% above the budget. The total for the last twelve months is £2.18m which is greater than our target total for 2027-28 and demonstrates that this is an achievable level.

Fundraising costs are running over £66k below budget at £299k (budget £365k) to yield an overall contribution of over £450k (plus legacy).

The **lottery** contribution is in line with budget.

Retail income, costs and contribution are in line with the budget the contribution level of 22% is ahead of the full year expectation and in line with long term targets.

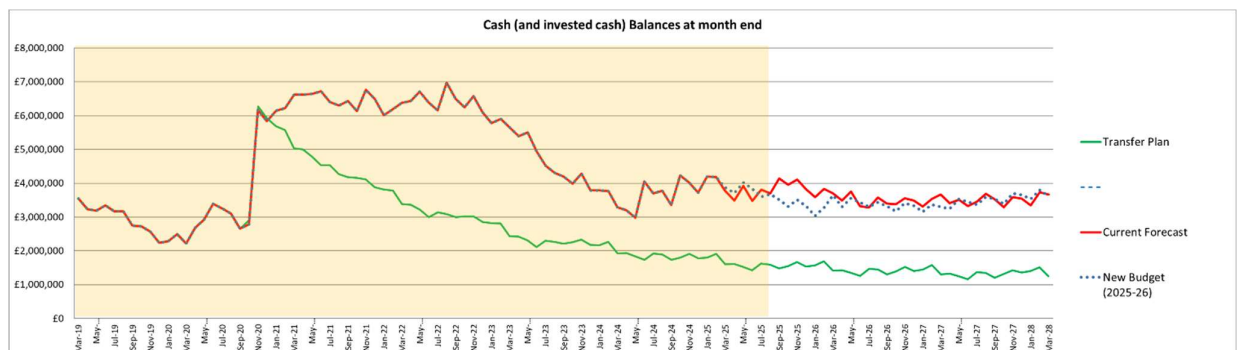
The Wimbledon Park shop remains close to being assigned with the fourth proposed assignees in place. This is for a dental practice, and we are optimistic that it will be completed.

3. Management Accounts – Balance Sheet

Overall cash (including the investment fund) stood at £3.7m in line with the budget. The legacy debtor level stands at £1.5m compared to a budget of £550k which will result in improved cash in due course.

Net assets stood at £4.4m at the end of June compared to the budget of £3.7m.

4. Cash Balance Projection



The graph reflects future aspirational income generation included for 2025-26 and beyond and this may not be realised in practice. Nonetheless it is encouraging that the charity has achieved a level of legacy and donation income that is greater than assumed in these projections in the last twelve months; the retail contribution % is at the level projected (despite not yet having achieved the economies of scale that arise from new units) and the lottery contribution is at the projected level. We have also had a second year of above expected ICB increases (10% and now 5%).

We can also be satisfied that the charity has more than broken even over the last 12 months (£300k surplus) and this has led to a levelling off of the cash position at a satisfactory level.

The red line shows the actual to date and then the forecast beyond and the blue dash line shows the budget. The staff cost projection has now been increased to reflect a 4% salary rise in 2026 (was using a 2% planning level)...inflation is not yet at the Bank of England targetted levels.

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

5. Audit

The Audit has been completed and the Partner and Senior Manager review took place in mid-September with Alan, Paul and Norman all present.

The draft accounts have now been adjusted to reflect the late changes noted above, and the surplus stands at £334k. These are attached and remain subject to final review, Audit Report wording and a rounding check.

It has been noted that the valuation method for legacies that we have adopted (whereby we provide for 85% of the estimated probate value due to us) is overly conservative. A review of actual results showed a 95%+ recovery rate. It is proposed that we adopt 95% going forward.

The Audit team have produced a comprehensive and impressive Findings Report for review and discussion at the Committee Meeting. Dipesh Chhatralia (Partner) and Charlene Wilson (Senior Manager) will attend.

6. NHS Contract

The four local hospices are continuing to work together to press our local ICB for additional support. This has yielded a 4.83% increase which is more than double the original offer. Although this is still far too little (£88k when our costs have risen by over £350k) we, and the other hospices, have accepted this offer. Our attention now turns to 2026-27 contract negotiations.

We had a positive meeting with the new ICB CEO, Katie Fisher, where she pledged to involve the hospices in planning that affects our remit. She expressed a willingness for us to consider taking a greater role in the provision of services, such as Continuing Health Care, but warned that the context was an ICB that is the worst performer in the UK. In the light of this, the 5% uplift is a positive.

7. Wimbledon Town shop

We have entered negotiations for a 3,000 sq ft unit near Wimbledon station. I attach a one-pager for discussion. The asking price for the rent is £90,000 which is 'value' in Wimbledon but will demand a high level of income for us to pursue. This proposal will require Board Approval.

Nick Stevens, FD and Joint CEO

7th October 2025