

# Finance and Resources Report

---

## Key Points

### 1. Key Points are:

- a. The management accounts for the 3 months to 30<sup>th</sup> June 2025 shows a shortfall of £(137)k compared to budget shortfall of £(558)k before DoC drawdown, an improvement of £420k.
- b. Cash (including the investment portfolio) at the end of June stood at £3.5m compared to budget of £3.8m, legacy debtor is £1.2m v plan of £500k.
- c. Audit fieldwork is commencing on Monday 14<sup>th</sup> June

## Finance

### 2. Management Accounts – Income and Expenditure

The management accounts for the 3 months to 30<sup>th</sup> June 2025 are attached together with the cash movements/balance sheet summary and detailed summary.

**Income from NHS** of £470k is £7k below budget as the uplift has not yet been agreed. The latest position is that the increase of 2.15% was added as a variation to the contract and this has been rejected. Together with the other SWL hospices we continue to press for a higher increase.

**Other Income** of £144k is £34k above budget – the prior year included the £1m grant from DoC.

**Direct costs of service** was £12k (1%) above the budget with IPU and Community Team salaries both above budget. Support costs are £13k below budget which, after depreciation makes the total service costs in line with the plan.

**Legacies** reached £238k for Q1 which is significantly above budget although less than 25% of the full year target of £1.4m.

**Donation Income** has continued at a much improved run-rate that featured in the second half of last year. The total for Q1 is £470k which is 45% above the budget and 75% above the prior year total of £270k.

**Fundraising costs** are running over £60k below budget at £177k (budget £264k) to yield an overall contribution of over £200k (plus legacy).

The **lottery** income is in line with budget with costs 10% below.

**Retail** income is in line with the budget and costs are also on target. The contribution level of 22% is ahead of the full year expectation.

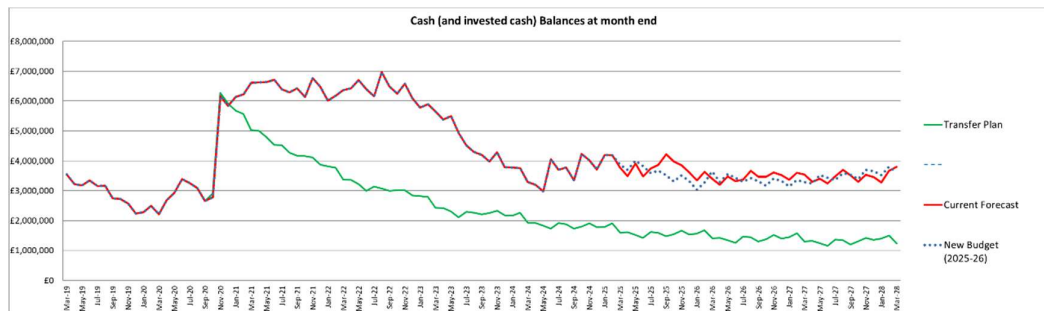
The Wimbledon Park shop remains close to being assigned with the fourth proposed assignees in place. This is for a dental practice, and we are optimistic that it will be completed.

### 3. Management Accounts – Balance Sheet

Overall cash (including the investment fund) stood at £3.5m compared to the budget of £3.8m. The chief reason is that the legacy debtor level stands at £1.2m compared to a budget of £500k which means that £700k less cash has been received.

Net assets stood at £4.3m at the end of June compared to the budget of £3.8m.

### 4. Cash Balance Projection

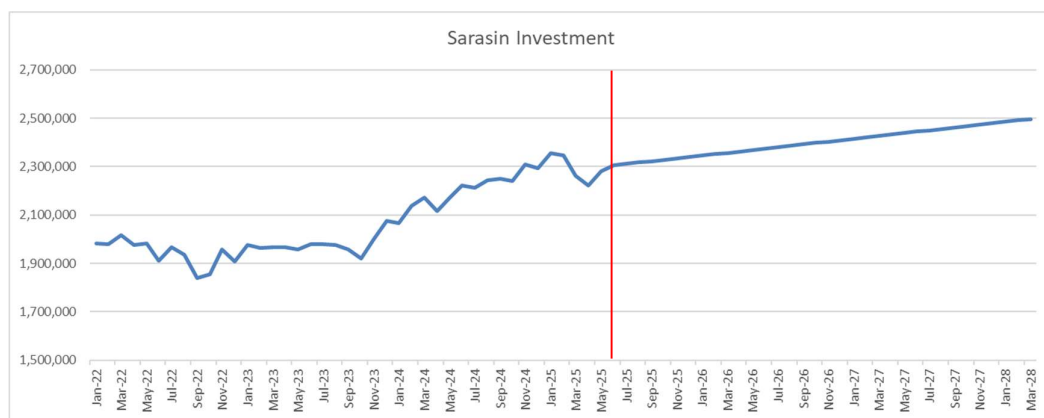


The graph reflects future aspirational income generation included for 2025-26 and beyond and this may not be realised in practice.

The red line shows the actual to date and then the forecast beyond and the blue dash line shows the budget.

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

### 5. Sarasin Investment (included in graph and totals above)



The cash and investment graph we are used to seeing includes the Sarasin Investment. The graph above only includes the Sarasin portfolio. This comprises a cash deposit of £537k (from an original allocation of £500k set aside in September 2023) and the remainder is the

managed investment portfolio in a variety of equities, bonds and other assets. The first 21 months of this fund were negative/neutral (2.5% overall decline) as the war in Ukraine commenced soon after we placed the initial deposit of £2m. From November 2023 to January 2025 the growth was strong (20%) but the uncertainty emanating from the US from January 2025 has caused a new volatility (-2%). The financial projections assume a steady growth of 3% per annum. Our actual experience has been 4.7% annual average growth, despite the wars!

## **6. Audit**

The Audit fieldwork will commence on Monday 14<sup>th</sup> July. Crowe have been good communicators thusfar and have provided us with the portal for information exchange (Inflo, which is the same system used by HaysMac).

We received 62 information requests for the planning stage with 4 outstanding. We have received a further 75 requests today with a deadline of Monday! So we will be working hard to keep up with these before the team themselves arrive with their own requirements and questions!

The current draft accounts (without the Annual Report) is attached. These show a surplus of £118k for the year after providing £110k for dilapidations in the retail estate (when a shop is returned to the landlord it needs to be returned to its previous condition and this provision is designed to offset the potential future costs).

## **7. Proposal to develop the lottery in-house**

The responsibility for the Lottery project has passed to the Fundraising Team with Lucy Ribaud, Head of Supporter Care taking the lead. Sara Jane will continue to provide expert advice. Job descriptions and action plans are being developed.

## **8. NHS Contract**

The four local hospices are continuing to work together to press our local ICB for additional support. We had been advised that the 2025-26 uplift would be at the minimum level of 2.15% but this was rejected and the Chief Finance Officer has confirmed that she is endeavouring to find additional funding. The minimum level of 2.15% amounts to less than £40k when our costs have risen by over £350k.

<b>Impact of Cost Increases in 2025-26</b>			
Employers' NIC increase			£146,410
NHS Pay increase			£102,947
Other costs inflation (at 4% CPI)			£103,293
			<b>£352,650</b>
Increase avoided			
Other staff had NIL pay rise (saving)			£90,841
Current Offer from NHS (rejected)			<b>£39,417</b>

**Nick Stevens, FD and Joint CEO**

**8<sup>th</sup> July 2025**