

**St Raphael's Hospice**  
**Minutes of a Meeting of the Finance & Resources Committee**  
**Held at St Raphael's, London Road, Cheam, Sutton, SM3 9DX with video call**  
**access**  
**At 2pm on Tuesday 20<sup>th</sup> January 2026**

Members: Alan Cogbill (AC – Committee Chair and Trustee)  
Steve Chambers (SC – Trustee)  
Ed Cook (EC – Co-opted Committee member and Board Advisor)  
Paul Holmes (PH – Trustee)  
Sr Kathleen O'Reilly (KO'R – Trustee)

In attendance: Nick Stevens (NS – Joint CEO)  
Rebecca Trower (RT – Joint CEO)  
John Groom (JG – Director of IT & Estates)  
Neena Vadgama (NV – Head of Finance)  
Karen Monaghan (KM – Governance)

**Actions arising**

<b>Agenda item</b>	<b>Action</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Ref.</b>
4.	Liaise with Sarasin to undertake the transfer of £500k cash assets back into the Investment portfolio.	NS	ASAP	20.01.26/01
6.	Present a draft 2026/2027 Budget to Trustees by mid-March.	NS	16.03.26	20.01.26/02
7.	Discuss with the Communications Team the provision of external signs and website content explaining the nature of the funding for capital works.	JG	ASAP	20.01.26/03

*The meeting commenced at 2.00pm*

**1. Welcome, apologies for absence and declarations of interest**

The Chair welcomed members and attendees to the meeting. Apologies were received from Alex Rudkin. There were no declarations of interest in relation to the items on the agenda.

**2. Review of minutes from 14<sup>th</sup> October 2025 Committee meeting & matters arising**

The minutes of the previous meeting were reviewed and approved as an accurate record of proceedings by the Committee.

### 3. Actions list and matters arising

The Committee noted that matters arising were either completed or covered within the agenda items for this meeting.

### 4. Finance Report

4.1 Management Accounts & Balance Sheet: The Joint CEOs presented the finance report, including management accounts, balance sheet, and investments. The Committee noted that the year-to-date position showed a deficit of £178k for the nine months to December, which was significantly improved compared with the original budgeted shortfall. Cash balances had strengthened materially and stood at approximately £4.2m across bank, deposit, and accessible investment funds. Legacy debtors were slightly above plan and continued to be closely monitored.

Income performance was discussed in detail. NHS income was marginally above budget, reflecting a slightly higher-than-expected uplift and additional grant funding, including a forthcoming £48k pilot grant linked to continued healthcare and IPU beds. Other income exceeded budget, due to stronger-than-anticipated investment returns. Donation income and legacies were both tracking ahead of budget at this point in the year, although Trustees noted the historic volatility of legacy income and the back-loaded nature of fundraising performance.

Expenditure remained tightly controlled. Direct service costs were marginally above budget, driven by higher IPU community costs, while support costs were on budget. Retail performance was reported as broadly on track operationally, noting that assumptions within the budget regarding new shop openings had not yet materialised. The Committee discussed Hospice UK capital grant funding, noting that £200k had been received and fully spent by December, with further tranches (£190k and £137k) to be spent on eligible capital projects by the end of March 2026. Trustees noted that while these grants improve the income and expenditure position, they do not contribute to operational sustainability and require careful accounting treatment.

#### 4.2 The Congregation of the Daughters of the Cross of Liege (DoC) Gift:

**Gifting of land and buildings:** The Committee noted the proposal for the DoC to gift to the charity the freehold interest in the land and buildings currently occupied by the Hospice and held under three peppercorn leases (£100 per annum) with 13–14 years remaining. Trustees discussed that the intention of the gift was to secure the long-term use of the site for hospice purposes. A clawback provision was under discussion, with an indicative period of around ten years, subject to final agreement. The Committee recognised that, once transferred, the assets would be valued independently and recognised on the balance sheet as a donated asset. It was recognised that this would materially strengthen the balance sheet position but would not generate cash.

The Committee further noted that the existing accounting treatment for notional rent (approximately £315k per annum) recognised in the statutory accounts would cease once the freehold transferred, and that future accounts would instead reflect depreciation of the buildings over their useful economic life, with land not depreciated.

**Capital development grant (£1.5m):** The Committee noted the proposal for a £1.5m restricted capital grant to develop land behind the existing hospice buildings, including the construction of a warehouse and office accommodation. This would enable consolidation of storage and retail support functions currently located off-site, facilitate exit from the Capital House lease in March 2027 (with an associated annual saving of approximately £65k plus on costs), and improve operational efficiency. VAT treatment and eligibility for recovery were discussed, with assurance provided that appropriate professional advice would be taken and that the grant would be treated as a restricted fund, recognised on receipt, and expended in line with donor intent.

Trustees acknowledged that the cash impact would be temporary, with the grant increasing cash balances on receipt and reducing as the development progressed, while creating a new freehold fixed asset on completion.

**Unrestricted revenue support (£1.5m over three years):** The Committee discussed the proposal for a further £1.5m of unrestricted support to be provided over three financial years, expected to be profiled at £500k per annum and recognised as donation income in each relevant year. It was noted that this funding would materially improve short to medium term sustainability, provide greater certainty for service delivery, and create a defined three-year window to address the underlying structural funding gap.

**Overall impact and risks:** The Committee expressed their gratitude to the DoC and carefully considered the overall financial impact of the DoC support. It was noted that net assets were projected to increase significantly (from approximately £4m to circa £12m) once the transactions were reflected in the accounts. However, it was emphasised that a substantial proportion of this increase related to illiquid assets (land and buildings) and restricted funds and therefore did not equate to free reserves available to manage operational risk. Free reserves were expected to improve more modestly, from around £3m to £4–4.5m.

The Committee agreed that while the support was transformational and materially reduced immediate financial risk, it did not remove the need for continued focus on income diversification, fundraising growth, and long-term sustainability planning. The importance of clear communication, appropriate recognition of the DoC's support, and careful management of accounting and audit treatment was emphasised.

**4.3 Investments -** The Committee noted that investment returns were below benchmark for the period, reflecting the deliberately cautious and diversified investment strategy adopted by Sarasin's in this investment fund, which had been accepted at the outset by the Board. It was acknowledged that this approach had resulted in lower returns than higher-risk portfolios, particularly those with greater exposure to US technology equities, but that it remained consistent with the charity's low–moderate risk appetite and priority to protect capital rather than maximise gains. The Committee noted that absolute returns were nevertheless ahead of budget assumptions, with investment income contributing positively to the overall position. It was recognised that recent market volatility and geopolitical uncertainty reinforced the appropriateness of a cautious approach for hospice funds, given the organisation's reliance on reserves for operational resilience rather than long-term capital growth.

The Committee discussed liquidity in detail, noting that approximately £500k had previously been moved from the Sarasin portfolio into cash to ensure ready access for operational needs. This cash had been held for approximately 18 months and had generated interest at a rate comparable to recent investment returns. However, considering improved cash headroom, strengthened forecasts, and reduced likelihood of needing immediate access to these funds, the Trustees considered whether this balance should be redeployed. Accessibility of the investment portfolio was also discussed, noting that funds could be realised within a relatively short timeframe should circumstances change, although market sentiment might be adverse at that point. The Trustees weighed the risks of market volatility against the opportunity cost of holding cash over the medium term.

The Committee considered whether a formal review or retendering of the investment manager was warranted. It was agreed that, while performance was behind benchmark, Sarasin had acted in line with the mandate, maintained an appropriate risk profile, and provided satisfactory stewardship. The Committee therefore did not consider that a change in investment manager was justified at this stage but agreed that performance and asset allocation should continue to be kept under review.

**Decision:** The Committee agreed that the £500k currently held in cash should be transferred back into the Sarasin investment portfolio, on the basis that it was not

required for short-term operational liquidity and that maintaining alignment with the agreed long-term investment strategy was appropriate.

**Action: NS to liaise with Sarasin to undertake the transfer of £500k cash assets to be transferred back into the Investment portfolio.**

## 5. Policies Review

5.1 Anti-Money Laundering Policy: The Committee noted that money-laundering risk was assessed as low but agreed that the policy appropriately set out controls and expectations, particularly for retail and lottery operations. The importance of incorporating relevant awareness into induction and annual training was emphasised.

5.2 Cash Handling Policy: The Cash Handling Policy was noted to reflect strong existing practice within the Supporter Care team.

**Decision: The Anti-Money Laundering Policy and Cash Handling Policy were approved.**

## 6. Review of 2026/27 financial position vs five-year plans

The Committee considered the organisation's financial position against its five-year plans and the emerging outlook for 2026/27. The Trustees acknowledged that while the current trajectory was ahead of original projections, long-term sustainability had not yet been secured and remained dependent on delivering ambitious income growth assumptions. Key areas discussed included:

- Fundraising capacity and performance, including the appointment of an interim Director of Fundraising & Relationships to provide leadership and strategic focus.
- Retail strategy, including challenges in opening new shops and the planned engagement with an external retail consultant.
- Assumptions around NHS funding uplifts and pay awards.
- The importance of maintaining a balanced income portfolio and building free reserves over time.

**Decision: The Committee noted the intention to present a draft budget to Trustees in March, with opportunity for any immediate comment, and formal approval expected in April at the Strategy Day.**

**Action: NS to present a draft 2026/2027 Budget to Trustees by mid-March.**

## 7. IT & Estates Report

JG provided an update on estates and IT matters. Progress on projects funded through government capital grants was noted, including improvements to clinical and staff facilities, fire safety works, and infrastructure upgrades, and JG and the team congratulated on it. Further eligible projects were being scoped to ensure full utilisation of available grant funding within required timescales. The Committee discussed the importance of clear communication regarding ongoing works and the need to acknowledge and publicise significant grants and gifts of land appropriately.

**Action: JG to discuss with the Communications Team the provision of external signs and website content explaining the nature of the funding for capital works.**

## 9. Any Other Business and Dates of future meetings

The Committee received the Evidence of Excellent Practice Register for information, highlighting compassionate and responsive care provided by Hospice and Retail Staff. The date of the next meeting was confirmed as **Tuesday 5<sup>th</sup> May 2026** at 2pm.

*The meeting ended at 3.32pm*

Approved.....

Date.....

DRAFT