

St Raphael's Hospice
Meeting of the Finance & Resources Committee
To be held at St Raphael's Hospice
At 14:00 on Tuesday 15th October 2024

Members: Alan Cogbill (AC – Chair)
Steve Chambers (SC)
Ed Cook (EC)
Paul Holmes (PH)
Sr Kathleen O'Reilly (KO'R)

In attendance: Nick Stevens (NS – Joint CEO)
Rebecca Trower (RT – Joint CEO)
John Groom (JG – Director of IT & Facilities)
Alex Rudkin (AR – Director of Quality and Governance)
Anna Machin (AM – Governance – AM)
haysmcintyre representation to be confirmed

Item	Time	Description	Purpose	Lead
1.	14.00-14.05	Welcomes, apologies for absence and declarations of interest	Discussion	Chair
2.	14.05-14.15	Review of minutes from 18 th July 2024 Committee meeting	Approval	Chair
3.		Actions List and update on matters arising (see agenda)	Discussion	
4.	14.15-14.45	2023/24 external auditors' report & annual report and accounts	Discussion/recommend to Board	NS, NV
5.	14.45-15.35	Finance Report including: <ul style="list-style-type: none"> • Restructure update • Management accounts to end of September 2024 – detailed & summary • Balance sheet & cash movements • Update on investments • KPI report 	Discussion	NS, NV
6.	15.35-15.55	IT & Estates report	Discussion	JG
7.	15.55-16.00	Any Other Business & Date of next meeting	Discussion	Chair

Dates of future meetings [proposed]: Tuesday 21st January, 2-4pm; Tuesday 22nd April, 2-4pm

Actions log

Agenda item	Action	Responsible	Timeline	Ref.	Update
4. 2024/25 budget	Prepare 2024/25 budget for Board approval based on Committee discussion	Nick Stevens	By May Board meeting	23.04.24/01	Complete
7. Committee Terms of Reference	Update based on Committee feedback	Anna Machin	By May Board meeting	23.04.24/02	Complete
8. AOB	Bring Financial Delegated Authorities for approval	Nick Stevens	July meeting	23.04.24/03	Complete
4. 2023/24 year-end planning	Arrange meeting with auditors	Alan Cogbill	September	18.07.24/01	Update to be given at meeting

SRH Detailed Income and Expenditure	Year To Date											
	Actual	Budget	Variance	Prior Year	Variance	Actual 2023-24	F'Castl 2024-25	Budget 2024-25	Variance	F'cast 2025-26	Variance	
31-Aug-24												
NHS Contract	694,553	711,223	<i>(16,670)</i>	678,274	<i>16,279</i>	1,666,926	1,899,272	1,772,935	<i>126,337</i>	1,936,289	<i>37,018</i>	
NHS Other Fees	59,357	0	<i>59,357</i>	0	<i>59,357</i>	30,277	72,754	13,397	<i>59,357</i>	37,022	<i>(35,731)</i>	
Hospice Grants	1,013,902	1,000,000	<i>13,902</i>	820	<i>1,013,082</i>	135	1,013,902	1,000,000	<i>13,902</i>	0	<i>(1,013,902)</i>	
Other income	139,621	137,478	<i>2,143</i>	117,085	<i>22,537</i>	338,859	333,277	331,134	<i>2,143</i>	341,602	<i>8,326</i>	
Investment Income	79,479	21,387	<i>58,092</i>	43,543	<i>35,936</i>	255,142	109,656	51,564	<i>58,092</i>	96,579	<i>(13,077)</i>	
Orangery Income	12,538	12,925	<i>(387)</i>	12,310	<i>228</i>	29,639	30,734	31,121	<i>(387)</i>	32,270	<i>1,537</i>	
Operating Income	1,999,450	1,883,013	<i>116,437</i>	852,031	<i>1,147,419</i>	2,320,977	3,459,594	3,200,150	<i>259,444</i>	2,443,764	<i>(1,015,830)</i>	
Staff Costs	(1,871,616)	(1,875,084)	<i>3,468</i>	(1,653,319)	<i>(218,297)</i>	(4,007,084)	(4,053,739)	(4,153,242)	<i>99,503</i>	(3,723,128)	<i>330,611</i>	redundancy costs included in August - so high v prior year
Training, Recruitment and subscriptions	(12,809)	(12,459)	<i>(350)</i>	(15,388)	<i>2,579</i>	(45,643)	(34,062)	(33,825)	<i>(237)</i>	(37,044)	<i>(2,983)</i>	
Food and Catering	(19,490)	(19,793)	<i>303</i>	(20,204)	<i>713</i>	(47,200)	(45,678)	(47,966)	<i>2,287</i>	(45,959)	<i>(280)</i>	
Cleaning and Waste Disposal	(14,728)	(16,881)	<i>2,153</i>	(16,680)	<i>1,952</i>	(41,532)	(39,703)	(41,856)	<i>2,153</i>	(43,873)	<i>(4,170)</i>	
Travel and Motoring Expenses	(6,546)	(8,448)	<i>1,903</i>	(8,798)	<i>2,253</i>	(19,002)	(16,001)	(17,904)	<i>1,903</i>	(16,310)	<i>(309)</i>	
Drugs, Dressings and Consumables	(56,785)	(63,204)	<i>6,419</i>	(56,014)	<i>(771)</i>	(142,879)	(136,696)	(143,325)	<i>6,629</i>	(144,297)	<i>(7,601)</i>	
Rates and Utilities	(28,860)	(34,310)	<i>5,450</i>	(25,515)	<i>(3,345)</i>	(67,951)	(76,894)	(82,344)	<i>5,450</i>	(78,432)	<i>(1,538)</i>	
Repairs and Maintenance	(37,935)	(37,305)	<i>(630)</i>	(36,772)	<i>(1,163)</i>	(110,967)	(88,448)	(87,818)	<i>(630)</i>	(90,217)	<i>(1,769)</i>	
Telephones, Postage, Stationery & IT	(23,068)	(26,804)	<i>3,736</i>	(21,386)	<i>(1,682)</i>	(59,862)	(60,826)	(64,563)	<i>3,736</i>	(62,043)	<i>(1,217)</i>	
Rent	(131,400)	(131,625)	<i>225</i>	(112,575)	<i>(18,825)</i>	(315,225)	(315,675)	(315,900)	<i>225</i>	(324,991)	<i>(9,316)</i>	
Events	0	(1,251)	<i>1,251</i>	(1,191)	<i>1,191</i>	(1,191)	(840)	(1,251)	<i>411</i>	(1,217)	<i>(377)</i>	
Communications and Marketing	(1,689)	(2,625)	<i>936</i>	(3,959)	<i>2,270</i>	(9,331)	(5,089)	(6,300)	<i>1,211</i>	(5,191)	<i>(102)</i>	
Other Direct Costs	(11,974)	(17,392)	<i>5,418</i>	(20,573)	<i>8,598</i>	(50,013)	(35,504)	(39,307)	<i>3,803</i>	(36,762)	<i>(1,258)</i>	
Direct Cost of Service	(2,215,211)	(2,243,306)	<i>28,094</i>	(1,987,223)	<i>(227,988)</i>	(4,907,359)	(4,903,227)	(5,028,049)	<i>124,822</i>	(4,603,056)	<i>300,171</i>	
Depreciation	(45,771)	(48,469)	<i>2,699</i>	(43,935)	<i>(1,836)</i>	(109,815)	(110,210)	(120,509)	<i>10,298</i>	(107,627)	<i>2,584</i>	
Direct Service Cost less Direct Income	(261,532)	(408,762)	<i>147,230</i>	(1,179,128)	<i>917,595</i>	(2,696,197)	(1,553,844)	(1,948,408)	<i>394,564</i>	(2,266,919)	<i>(713,075)</i>	
Staff Costs	(362,216)	(364,534)	<i>2,318</i>	(291,830)	<i>(70,385)</i>	(757,923)	(816,156)	(859,349)	<i>43,193</i>	(663,608)	<i>152,548</i>	
Training, Recruitment and subscriptions	(5,347)	(5,544)	<i>197</i>	(8,632)	<i>3,285</i>	(23,536)	(13,132)	(13,329)	<i>197</i>	(14,466)	<i>(1,334)</i>	
Telephones, Postage, Stationery & IT	(65,755)	(77,400)	<i>11,645</i>	(49,415)	<i>(16,340)</i>	(127,218)	(174,370)	(186,015)	<i>11,645</i>	(156,035)	<i>18,334</i>	
Professional Services	(37,609)	(24,716)	<i>(12,893)</i>	(30,495)	<i>(7,114)</i>	(162,551)	(72,242)	(59,349)	<i>(12,893)</i>	(45,538)	<i>26,704</i>	high because of HR consultants re Cost reductions
Other Costs	(31,208)	(37,024)	<i>5,816</i>	(22,069)	<i>(9,139)</i>	(45,838)	(84,957)	(90,773)	<i>5,816</i>	(91,586)	<i>(6,630)</i>	
VAT	(3,248)	(7,312)	<i>4,064</i>	(7,672)	<i>4,424</i>	(28,158)	(8,718)	(12,783)	<i>4,064</i>	(15,704)	<i>(6,986)</i>	
Support charged to Income Generation	177,285	180,214	<i>(2,929)</i>	140,932	<i>36,354</i>	396,259	415,712	425,699	<i>(9,987)</i>	348,684	<i>(67,029)</i>	
Indirect Service Costs	(354,570)	(360,428)	<i>5,858</i>	(281,863)	<i>(72,707)</i>	(792,519)	(831,424)	(851,399)	<i>19,975</i>	(697,367)	<i>134,057</i>	
Net Service Cost to be Funded	(616,103)	(769,190)	<i>153,088</i>	(1,460,991)	<i>844,888</i>	(3,488,716)	(2,385,268)	(2,799,807)	<i>414,539</i>	(2,964,286)	<i>(579,018)</i>	

SRH Detailed Income and Expenditure	Year To Date										
	Actual	Budget	Variance	Prior Year	Variance	Actual 2023-24	F'Castl 2024-25	Budget 2024-25	Variance	F'cast 2025-26	Variance
31-Aug-24											
Income Generation											
Legacies	162,552	350,396	<i>(187,843)</i>	221,989	<i>(59,437)</i>	1,591,533	1,032,552	1,312,500	<i>(279,948)</i>	1,378,125	<i>345,573</i>
Donations	443,221	491,966	<i>(48,745)</i>	430,481	<i>12,740</i>	1,108,295	1,314,755	1,335,500	<i>(20,745)</i>	1,575,200	<i>260,445</i>
Gift Aid	25,008	27,632	<i>(2,624)</i>	(310)	<i>25,318</i>	60,383	68,584	66,775	<i>1,809</i>	78,760	<i>10,176</i>
Staff Costs	(240,282)	(248,545)	<i>8,262</i>	(191,540)	<i>(48,742)</i>	(525,495)	(564,092)	(588,643)	<i>24,551</i>	(509,362)	<i>54,729</i>
Training, Recruitment and subscriptions	(4,692)	(2,250)	<i>(2,442)</i>	(15,551)	<i>10,859</i>	(22,351)	(7,842)	(5,400)	<i>(2,442)</i>	(7,998)	<i>(157)</i>
Rent, Rates and Utilities	0	0	<i>0</i>	(21,271)	<i>21,271</i>	(42,401)	0	0	<i>0</i>	0	<i>0</i>
Repairs and Maintenance	(541)	(1,533)	<i>992</i>	(1,474)	<i>933</i>	(4,970)	(3,643)	(4,635)	<i>992</i>	(3,289)	<i>354</i>
Telephones, Postage, Stationery & IT	(7,201)	(7,211)	<i>10</i>	(8,476)	<i>1,276</i>	(20,393)	(25,322)	(25,331)	<i>10</i>	(29,583)	<i>(4,262)</i>
Events and Communications	(23,218)	(68,962)	<i>45,744</i>	(32,058)	<i>8,841</i>	(77,444)	(126,135)	(171,879)	<i>45,744</i>	(138,529)	<i>(12,394)</i>
Other Costs	(9,708)	(12,353)	<i>2,645</i>	(21,871)	<i>12,163</i>	(39,413)	(30,241)	(31,386)	<i>1,145</i>	(27,845)	<i>2,395</i>
Net Fundraising Contribution	345,140	529,141	<i>(184,000)</i>	359,919	<i>(14,779)</i>	2,027,743	1,658,619	1,887,501	<i>(228,882)</i>	2,315,478	<i>656,860</i>
Lottery Income	155,764	174,480	<i>(18,716)</i>	136,129	<i>19,635</i>	354,369	400,399	448,680	<i>(48,281)</i>	447,536	<i>47,136</i>
Staff Costs	(10,161)	(9,761)	<i>(400)</i>	(9,662)	<i>(499)</i>	(23,378)	(24,003)	(23,603)	<i>(400)</i>	(24,300)	<i>(297)</i>
Printing, Postage and Marketing	(2,406)	(8,500)	<i>6,094</i>	(1,261)	<i>(1,145)</i>	(2,947)	(3,456)	(9,550)	<i>6,094</i>	(1,836)	<i>1,620</i>
Bank, Management and Other Charges	(19,606)	(27,968)	<i>8,361</i>	(19,618)	<i>12</i>	(47,437)	(51,241)	(70,253)	<i>19,012</i>	(63,823)	<i>(12,582)</i>
Lottery Prizes	(33,000)	(33,000)	<i>0</i>	(31,500)	<i>(1,500)</i>	(78,000)	(82,000)	(82,000)	<i>0</i>	(82,000)	<i>0</i>
Net Lottery Contribution	89,180	(38,505)	<i>127,685</i>	(8,582)	<i>97,762</i>	124,523	111,006	54,652	<i>56,354</i>	151,445	<i>40,440</i>
Shop Income	799,320	772,710	<i>26,611</i>	647,997	<i>151,324</i>	1,667,013	1,892,498	1,869,424	<i>23,074</i>	2,126,465	<i>233,967</i>
Gift Aid	33,822	38,635	<i>(4,813)</i>	0	<i>33,822</i>	59,702	88,481	93,471	<i>(4,990)</i>	106,323	<i>17,842</i>
Other Income	2,491	0	<i>2,491</i>	0	<i>2,491</i>	0	2,491	0	<i>2,491</i>	0	<i>(2,491)</i>
Total Shop Income	835,634	811,345	<i>24,288</i>	647,997	<i>187,637</i>	1,726,714	1,983,470	1,962,895	<i>20,575</i>	2,232,788	<i>249,319</i>
Staff Costs	(369,542)	(402,254)	<i>32,712</i>	(347,131)	<i>(22,411)</i>	(890,129)	(895,074)	(957,516)	<i>62,442</i>	(958,361)	<i>(63,287)</i>
Training, Recruitment and subs	(2,488)	(2,672)	<i>184</i>	(4,431)	<i>1,943</i>	(10,268)	(6,513)	(6,697)	<i>184</i>	(6,643)	<i>(130)</i>
Consumables and Goods for Resale	(13,293)	(20,000)	<i>6,707</i>	(22,715)	<i>9,421</i>	(63,367)	(49,793)	(60,500)	<i>10,707</i>	(50,789)	<i>(996)</i>
Cleaning and Waste Disposal	(12,487)	(13,088)	<i>601</i>	(15,629)	<i>3,143</i>	(43,320)	(30,684)	(31,285)	<i>601</i>	(31,298)	<i>(614)</i>
Rent, Rates and Utilities	(186,881)	(198,757)	<i>11,876</i>	(167,280)	<i>(19,601)</i>	(454,872)	(472,312)	(484,188)	<i>11,876</i>	(540,687)	<i>(68,375)</i>
Repairs and Maintenance	(10,051)	(13,000)	<i>2,949</i>	(16,050)	<i>5,999</i>	(48,810)	(28,251)	(31,200)	<i>2,949</i>	(28,816)	<i>(565)</i>
Depreciation	(39,070)	(45,749)	<i>6,679</i>	(27,701)	<i>(11,370)</i>	(88,095)	(92,706)	(98,546)	<i>5,840</i>	(89,503)	<i>3,203</i>
Telephones, Postage, Stationery & IT	(11,797)	(10,500)	<i>(1,297)</i>	(8,691)	<i>(3,107)</i>	(25,162)	(29,143)	(25,200)	<i>(3,943)</i>	(29,726)	<i>(583)</i>
Other Costs	(6,851)	(16,757)	<i>9,906</i>	(16,687)	<i>9,835</i>	(27,827)	(28,137)	(38,043)	<i>9,906</i>	(53,393)	<i>(25,255)</i>
Bank, credit card and cash collection	(12,598)	(9,425)	<i>(3,174)</i>	(10,371)	<i>(2,228)</i>	(24,534)	(29,573)	(23,697)	<i>(5,876)</i>	(30,165)	<i>(591)</i>
Total Non-Staff Costs	(299,027)	(335,260)	<i>36,233</i>	(301,960)	<i>2,933</i>	(801,748)	(783,798)	(812,106)	<i>28,308</i>	(872,168)	<i>(88,370)</i>
Net Shops Contribution	167,064	73,830	<i>93,234</i>	(1,095)	<i>168,159</i>	34,837	304,598	193,273	<i>111,325</i>	402,259	<i>97,662</i>
Support Costs	(177,285)	(180,214)	<i>2,929</i>	(140,932)	<i>(36,354)</i>	(396,259)	(415,712)	(425,699)	<i>9,987</i>	(348,684)	<i>67,029</i>
Net Contribution from Income Generating Activities	424,100	384,252	<i>39,848</i>	209,311	<i>214,789</i>	1,790,845	1,658,510	1,709,726	<i>(51,216)</i>	2,520,499	<i>861,989</i>
Net Shortfall before DoC funding	(192,003)	(384,939)	<i>192,936</i>	(1,251,680)	<i>1,059,677</i>	(1,697,871)	(726,758)	(1,090,081)	<i>363,323</i>	(443,787)	<i>282,971</i>
Drawdown from DoC grant / other DoC	0	0	<i>0</i>	0	<i>0</i>	500,000	500,000	500,000	<i>0</i>	600,000	<i>100,000</i>
Shortfall for period	(192,003)	(384,939)	<i>192,936</i>	(1,251,680)	<i>1,059,677</i>	(1,197,871)	(226,758)	(590,081)	<i>363,323</i>	156,213	<i>382,971</i>

Finance and Resources Report

Key Points

1. Key Points are:

- a. Cost reductions of c.£1m on an annualised basis have been agreed and implemented.
- b. The draft management accounts for the 5 months to 31st August 2024 shows a shortfall of £(192)k compared to budget shortfall of £(385)k.
- c. Cash (including the investment portfolio) at the end of August stood at £3.8m compared to budget of £3.5m.
- d. The draft financial statements for the year ended 31 March 2024 show a shortfall of £1.2m. The audit has been completed and can be approved at the Board.

Finance

2. Management Accounts – Income and Expenditure

The draft management accounts for the 5 months to 31st August 2024 is attached together with the cash movements/balance sheet summary. The Half Year Accounts will be ready for the day of the Committee.

Income from NHS of £754k is £43k above budget. This includes £59k of continuing care payments (offsetting higher salary cost on IPU).

Other Income includes investment movements, and this was £58k higher than budgeted across the five months to June – we also have the £1m grant (as budgeted).

Direct costs of service is £28k below the budget and £24k above last year. This is after accounting for most of the costs of redundancy but not the backdated Agenda for Change pay increase that was implemented in September. This is expected to return the costs to budget.

Support costs are roughly in line with budget.

Legacies stand at £162k with a budget of £350k. We are aware of one bequest (estimated at £400k) from a legatee who is recently deceased, which may achieve probate in the financial year.

Donations to the end of August were £50k behind the plan, having improved over July. They continued to pick up in September and are now £20k behind the plan.

The table below shows the donation income categorised by the Fundraising team and arising from Raisers' Edge fundraising database as at the end of September 2024 and differs

from the accounts total marginally. The costs shown were estimates which were made before the actuals were completed.

Fundraising Income September 2024-25

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Actual 2024-25	Budget 2024-25	Variance 2024-25
Appeals	£11,540	£26,793	£54,129	£66,997	£49,719	£49,558	£62,929	£70,000	£(7,071)
Challenge	£53,245	£74,679	£21,979	£25,487	£47,257	£103,581	£85,202	£49,800	£35,402
Community	£65,067	£84,465	£18,593	£22,482	£59,969	£42,287	£37,424	£83,999	£(46,575)
Corporate	£60,993	£56,312	£53,210	£53,269	£70,426	£50,136	£35,068	£64,000	£(28,932)
Events	£36,682	£52,973	£8,458	£21,543	£9,543	£10,562	£4,425	£13,500	£(9,075)
In-Mem	£92,258	£112,004	£114,732	£70,269	£90,699	£75,205	£111,731	£119,000	£(7,269)
Other/Gen Giving	£60,923	£49,241	£28,902	£13,033	£43,833	£61,690	£61,515	£45,000	£16,515
Regular	£28,590	£26,177	£26,684	£27,702	£26,016	£28,943	£37,217	£45,000	£(7,783)
Trusts	£52,500	£115,550	£28,250	£75,663	£58,000	£58,750	£90,107	£75,000	£15,107
Major Donors	£0	£30,000	£40,000	£0	£0	£0	£25,250	£5,000	£20,250
Total Fundraising	£461,798	£628,194	£394,936	£376,444	£455,462	£480,712	£550,869	£570,299	£(19,430)

Fundraising Costs September 2024-25

Staff Costs	£153,743	£190,831	£192,017	£216,878	£245,616	£238,491	£287,524	£298,556	£11,032
Other Costs	£84,129	£81,274	£48,029	£73,305	£99,115	£75,173	£45,359	£107,023	£61,664
Total Costs	£237,872	£272,105	£240,046	£290,183	£344,731	£313,664	£332,883	£405,579	£72,696
Contribution	£223,925	£356,089	£154,890	£86,262	£110,731	£167,048	£217,986	£164,720	£53,266

Fundraising costs were £55k below budget for the first 5 months to August and are expected to fall further behind budget in September (as estimated above) to yield a contribution of over £200k at the half year.

The **lottery** income has fallen behind plan as the bumper draw has not yet taken place. Cost are also well behind plan as the 2024 Campaign did not start until September.

Following a year when **Retail** costs were considerably above budget, the team have focussed on managing staff utilisation much more rigorously and seeking to increase income by increasing prices and driving gift aid recovery.

This has had a clear impact on the figures with the accounts to August showing income up £212k on the prior year (33%) and costs up just £19k (3%) compared with last year, despite two new shops (Morden and DC) adding rent and staff cost. A contribution of 20% has resulted.

The table below shows income and costs by shop to August.

The Wimbledon Park shop has been placed on the market, following agreement with the landlord to allow us to assign the lease.

With results improved and following an independent review by a sector expert we will press on with the plans for growth.

Draft Retail at 31st August 2024	Income	Staff Costs	Property Costs	Other Direct Costs	Contribution before HQ	Allocation of HQ costs	Surplus / (Shortfall)	
Banstead	£51,038	£(20,974)	£(14,725)	£(3,282)	£12,057	£(8,820)	£3,237	6%
Carshalton	£56,895	£(17,948)	£(9,632)	£(3,227)	£26,088	£(8,593)	£17,494	31%
Cheam	£68,508	£(23,747)	£(14,207)	£(3,546)	£27,008	£(10,779)	£16,229	24%
Ebay Sales	£4,841	£(562)	£0	£0	£4,279	£(529)	£3,750	77%
Morden	£101,166	£(30,098)	£(12,981)	£(5,366)	£52,721	£(14,660)	£38,062	38%
New Malden	£74,651	£(22,090)	£(16,381)	£(4,069)	£32,111	£(11,483)	£20,628	28%
Raynes Park	£44,395	£(17,120)	£(11,772)	£(3,081)	£12,422	£(7,483)	£4,939	11%
Rosehill	£63,198	£(19,329)	£(8,139)	£(3,649)	£32,081	£(9,241)	£22,840	36%
SDC	£101,538	£(46,666)	£(23,590)	£(7,256)	£24,026	£(17,544)	£6,482	6%
Stonecot Hill	£41,763	£(16,016)	£(8,490)	£(2,814)	£14,443	£(6,769)	£7,674	18%
Sutton	£71,534	£(22,643)	£(17,283)	£(3,703)	£27,905	£(11,284)	£16,621	23%
Wimbledon	£99,309	£(24,576)	£(23,995)	£(5,065)	£45,674	£(14,986)	£30,688	31%
Wimbledon Park	£23,273	£(14,911)	£(20,242)	£(3,622)	£(15,501)	£(6,080)	£(21,581)	-93%
Total Shops	£802,111	£(276,680)	£(181,435)	£(48,680)	£295,316	£(128,252)	£167,064	21%
Not coded	£0	£(7,227)	£(40)	£(212)	£(7,479)	£7,479	£0	
Retail Office HQ	£33,522	£(85,635)	£(54,527)	£(14,133)	£(120,773)	£120,773	£0	
Total	£835,634	£(369,542)	£(236,002)	£(63,025)	£167,064	£0	£167,064	20%
Budget	£811,345	£(402,254)	£(257,506)	£(77,755)	£73,830	£0	£73,830	9%
Variance to Budget	£24,288	£32,712	£21,504	£14,729	£93,234	£0	£93,234	
%	3%	8%	8%	19%	126%		126%	

3. Management Accounts – Balance Sheet

Overall cash (including the investment fund) stood at £3.77m compared to the budget of £3.52m.

We retain a large legacy debtor balance of £1.2m which includes a single legacy of £750k. We have been assured that we will receive £400k of this in October and the balance in the near future which is sooner than the January 2025 estimate included in the plan.

Net assets stood at £4.06m at the end of August compared to the budget of £4.07m.

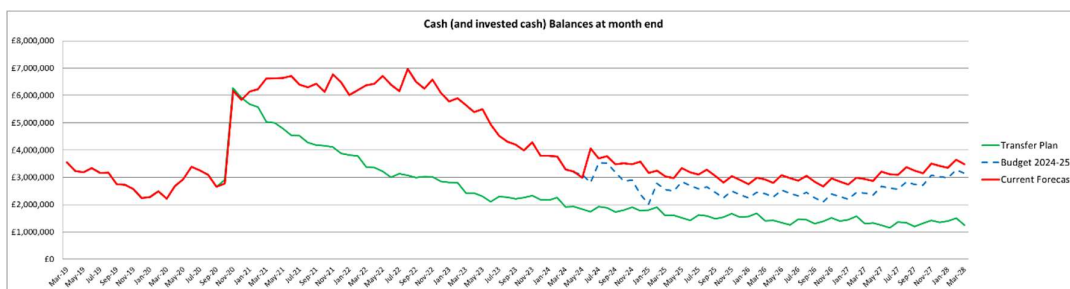
4. Forecast 2024-25

The forecast for the current year suggests a shortfall of £(751)k before the drawdown from the DoC grant, compared to £(1,090)k budgeted. Both had assumed that a cost cutting exercise would have ensued and that we would have received (as we did in June) a further £1m grant from DoC.

We currently forecast £260k more income from NHS and investment growth than in the budget. This is offset by a forecast reduction to the legacy total of £280k. The cost of clinical service delivery is forecast to be £155k lower than plan, contribution from retail £111k better than plan and from fundraising and lottery £26k and £56k respectively.

The current projection for 2025-26 is for a shortfall of £440k before drawdown (and breakeven the following year). This is now subject to potentially significant revisions as we consider the new strategy for the Hospice over the coming few months.

5. Cash Flow



The graph shows the historic cash balances and projected balances to 2028. The recent confirmation of when the £750k legacy debtor will be paid has flattened out the projected dip over the next few months and as the implementation of cost reductions took place slightly earlier than planned we have gained a little which has raised the cash level above the plan.

Overall, the projection suggests that, **IF** all the income targets are achieved on time and with costs being on budget, then the charity should be at or around a cash neutral position in c.18 months' time – that would have entailed fundraising contribution having grown by £500k, shops by nearly £200k and lottery nearly £100k. All of which is highly risky to assume, as we have witnessed in the past (see how the red line of reality has differed from the green line which was the projection at the time of the transfer from DoC).

However, we are about to embark on a revised strategy for the hospice. All income streams will need to be reviewed critically and we will consider fresh ideas for raising income, including from the utilisation of our bed capacity. We will also take account of the new willingness across the local hospices to consider how we can share services as a more cost-effective approach to supporting our work.

6. Draft Financial Statements

The draft financial statements are attached and, subject to minor updates and rounding, are ready for approval at the Board. As recorded before, they show a shortfall for the year of £1.2m after the movement in the value of investments.

The auditors are satisfied (subject to confirmation at the time of signature) that the charity is a going concern and that

7. NHS Contract

Since the last Finance Committee, SWL ICB confirmed an increase in the funding of 10%. This equates to around 2.7% of the cost of clinical service delivery and, whilst welcome, not sufficient to change the plans for cost reductions we continued to action.

We meet again with the CFO and the Chairman of the ICB later this month (with Normand and Alan) and will continue to press for a plan to reach 50% funding for clinical services.

Becca is working with the three other SWL hospices (Princess Alice, Royal Trinity and St Christopher's) to agree a formula for continuing care fees. We have received £75k from this source this calendar year and the hospices are meeting with the place level commissioners to create an agreed approach for the future.

Nick Stevens, Joint CEO

8th October 2024

haysmacintyre

St Raphael's Hospice Audit Findings Report

For the Year Ended 31 March 2024

Audit Principal: Siobhan Holmes; sholmes@haysmacintyre.com

Manager: Phillippa Kilmartin; pkilmartin@haysmacintyre.com



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1. INTRODUCTION AND EXECUTIVE SUMMARY

This report summarises our key findings in connection with the audit of the financial statements of St Raphael's Hospice for the year ended 31 March 2024.

We would like to thank Nick Stevens and Neena Vadgama for their help during the audit.

Our audit approach

Our work was planned and performed in order to issue an audit opinion on the financial statements in accordance with International Standards on Auditing (UK) ("ISAs") and the terms of our letter of engagement. Our audit approach is a risk-based approach founded on us gaining a thorough understanding of the entity and its business in order to allow us to identify the risks of material misstatement within the financial statements. To do this, we consider both the risk inherent in the financial statements themselves and the control environment in which the entity operates. We then use this assessment to develop an effective and efficient approach to the audit.

Limitations

Our audit procedures, which have been designed to enable us to express an opinion on the financial statements, have included an examination of the transactions and the controls thereon.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

We have included in this report only those matters that have come to our attention as a result of our normal audit procedures and, consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Overall conclusion and opinion

At the time of issuing this report we anticipate issuing an unqualified opinion on the financial statements, subject to receipt of the following outstanding information:

- Receipt and review of final word accounts
- Awaiting update on incident with volunteer and CCTV at Rosehill
- Follow up on accrued income not yet received to signing – Z Walliker £100k, K Siggee £732.5k, S Westwood £50k
- Response from investment managers RE difference in valuation
- Receipt of letter of representation on headed paper
- Follow up on going concern to signing

2. SIGNIFICANT AUDIT RISKS, AND OTHER FOCUS AREAS IDENTIFIED DURING AUDIT PLANNING

We set out below the significant audit risks and where applicable, other key areas of focus for our audit identified at the planning stage and the conclusions of our audit work:

Significant Audit risk/focus area	How we addressed this	Commentary
<p>Presumed risk in revenue recognition</p> <p>The risk of incorrect treatment of income under FRS 102.</p> <p>In particular, the risk that income from legacies, fundraising income and donations is incomplete or recognised in the incorrect period.</p> <p>Additionally, the risk that lottery income is incomplete or has been recognised in the incorrect period.</p>	<p>We have undertaken the following procedures to verify the appropriateness of revenue recognition:</p> <ul style="list-style-type: none"> • We planned and performed specific tests to ensure income has been recorded in the correct period and tested a sample of transactions around the year-end. • We also reviewed and documented the controls and processes in place around each of these income streams. • Our review also included an assessment of the appropriateness of the recognition of accrued income (focusing on legacy accrued income) and deferred income (specifically focusing on the significant levels of deferred income relating to the cash grant from the Daughters of the Cross of Liege (Doc)). 	<p>Our audit work on revenue did not identify any material issues.</p>
<p>Presumed risk of management override</p> <p>We are required to consider and respond to the risks arising from management override of controls.</p> <p>The risk of misappropriation of assets and the risks of misrepresentation of financial information.</p>	<p>We reviewed the accounting estimates and judgements and considered their reasonableness.</p> <p>We have analysed the journals made in the year and determined the risk criteria for identifying higher risk journals. Subsequently significant, unusual or unexpected journal postings have been investigated and verified.</p>	<p>Planned audit work considered to be satisfactory in this area. We have not identified any evidence of material management override.</p>

3. ACCOUNTING AND AUDIT MATTERS

3.1 Qualitative aspects of accounting practices and financial reporting

i. Key accounting estimates

Accounting estimates are defined by ISA 540 as monetary amounts for which the measurement, in accordance with the requirements of UK GAAP, is subject to estimation uncertainty. We set out our comments on the key accounting estimates relevant to the current year below:

Significant accounting estimate & detail	Commentary
<p><i>Accrued legacy Income £1.5m</i></p> <p>Legacy income is a significant source of income for the Charity, with a large proportion of accrued income at the yearend being legacies receivable.</p> <p>FRS102 requires income to be recognized when the entity is entitled to the amount, the income is probable, and the amount of income can be reasonably estimated.</p>	<p>We have reviewed the listing of accrued income and obtained supporting documentation for a sample of items. For each item, we have considered whether amounts have been recognised appropriately.</p> <p>We have additionally reviewed a sample of transactions and grants received around the year end and considered whether amounts have been recognised in the correct period.</p> <p>For accounting purposes, income should be recognised when there is evidence of entitlement, when the amount of income is measurable, and the receipt of that income is probable. Specifically in relation to grant income, there can often be specific terms or conditions within a grant agreement that determine the point at which the Charity are entitled to the income.</p> <p>We have included on the first page a list of legacy accrued income we have not yet been able to confirm recoverability by agreeing to receipt in bank statements. We will follow this up to signing.</p>
<p><i>Deferred income £1.5m</i></p> <p>The Charity have significant amounts of deferred income, the largest factor being the deferred element of the cash grant from the Daughters of the Cross of Liège (DoC).</p> <p>FRS 102 presentation requirements dictate that income and expenditure must be recorded in the period in which it relates.</p>	<p>Deferred income is based on amounts that have been received by the Charity in the year but relate to a future period.</p> <p>We have traced a sample of income receipts to supporting documentation in the year and have confirmed that amounts have been included within the correct period. We have additionally reviewed receipts close to the year end to ensure they have been correctly recognised.</p>

Significant accounting estimate & detail	Commentary
	<p>We have specifically reviewed the agreement between the Charity and DoC for a cash grant of £3.6m in October 2020. The purpose of this grant is to offset forecast losses over the 5 year period of the original Business Plan, prepared on the establishment of St Raphael's Hospice as a separate entity.</p> <p>The total amount of this grant recognised as deferred income for the year to 31 March 2024 is £1.4m. £0.5m of this is recognised as due within 1 year and the remaining £0.9m is recognised as due later than one year.</p> <p>No issues were found in our work around deferred income for the year ended 31 March 2024.</p>

3.2 Accounting and audit matters

i. Audit logistics

Our Audit fieldwork commenced on the 27 August 2024, with the completion meeting held on 23 September 2024. At this stage, we had completed all work, apart from the assessment of going concern which was provided in the week commencing 16 September. All deadlines to provide papers were met, with draft papers circulated to management on 27 September as agreed. We would again like to thank the staff at St Raphael's for their support with the audit.

ii. Reliance on individual team members

As reported last year, the Hospice is reliant on the work provided by Neena Vadgama for the management accounting records and similarly for all transaction processing. This presents an inherent risk in the substantial reliance placed on one individual, namely if they were to leave this role in the organisation. The Hospice does have processes in place to cover Finance if Neena is not present, namely involvement of CEO Nick Stevens, however this may not be feasible moving forward. From our review of the Board minutes, we understand that the Trustees continue to regularly review the management accounts and overall review of the Charity's financial processes. We have also reviewed the systems and controls for the Hospice, with no significant areas highlighted.

iii. Shop visits

As part of the audit fieldwork, we conducted visits to two shops – Rosehill and Banstead. We do not have any significant findings to report in terms of compliance with the procedures in place. A few minor points were noted as recorded in section 4 below.

iv. Summary of adjusted and unadjusted misstatements – Materiality £115,000, Tolerable error £86,200, Clearly trivial £5,750

Unadjusted

Waiting for a response from the investment managers on the valuation discrepancy

v. Going concern

We are required to assess going concern for the period of at least 12 months from signing ie to at least October 2025. We have obtained from management a cashflow forecast to cover the period to March 2028 which covers beyond the required period.

We have completed the following as part of our going concern work:

- Reviewed the forecast to ensure it is arithmetically correct;
- Agreed opening bank balances to audited bank balances per the year end TB;
- Obtained the most recent bank statements and agreed accurately included in the forecast;
- Obtained the most recent management accounts, reviewed these and ensured appropriate;
- Reviewed post year end minutes of meetings held;
- Obtained the 2024/25 budget;
- Enquired of management their assessment of the going concern basis for the period at least 12 months from signing;

As part of our work we have conducted a sensitivity analysis and challenged management of any key assumptions included within the forecast. From our discussions with management, we are aware that there have been some concerns over the longevity of the charity, and as a result a significant cost cutting exercise has been conducted. We have reviewed the minutes where such decisions have been taken, and agreed that as such the cashflow forecast has been updated to reflect this.

Whilst we have conducted our own assessment on going concern, we would like to remind the trustees that they too have a collective responsibility when signing the financial statements to agree that the hospice is a going concern 12 months from the date of signing. Whilst we are satisfied with the information we have reviewed, we advise that trustees discuss and clearly document their rationale for the hospice to be a going concern ahead of signing the financial statements. We often see this presented to the board as a going concern paper with any discussions recorded in the board minutes. With continual increasing costs and reduced funding opportunities, the next 12 months will prove a challenging time for all hospice clients.

vi. Letter of representation

International Standards on Auditing require us to obtain written representations from the directors when you approve the financial statements.

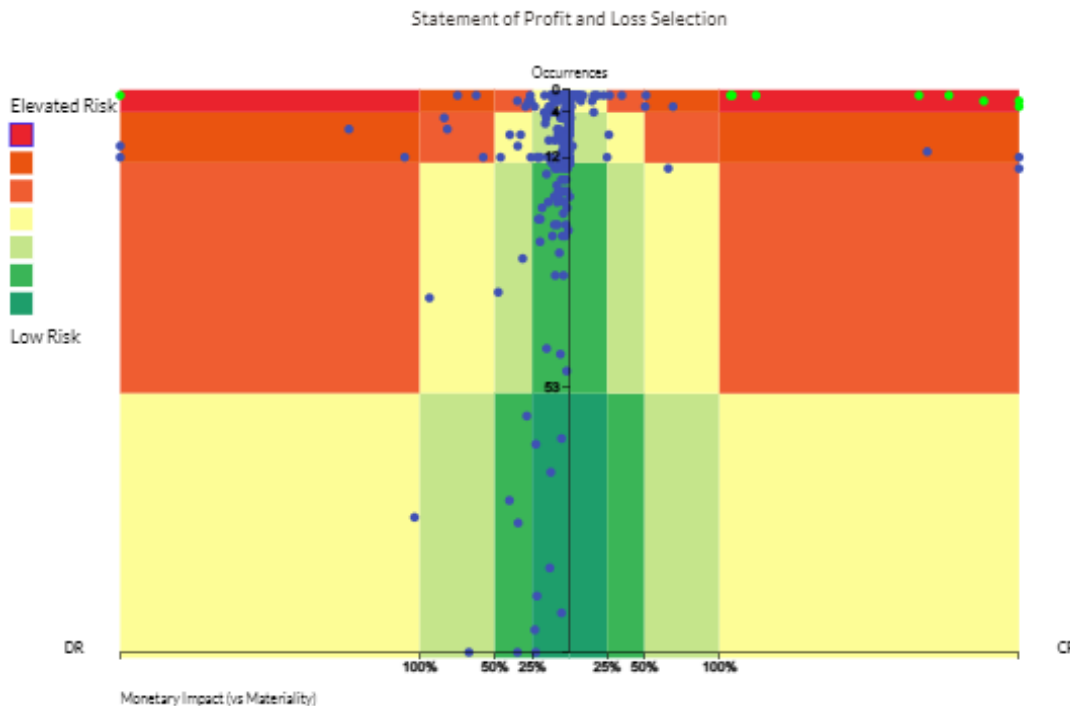
The letter contains only standard matters with no additional items specific to St Raphael's Hospice.

vii. Data Analytics

In addition to our usual audit tests, we have used our data analytics software to interrogate transactions making up the financial statements. We extracted the full transactional listing from your accounting system. By then reconciling on a line-by-line basis the aggregate impact of the transactions made during the period we were able to confirm the completeness of the population. We then used characteristic based data analytics and a multi dimension risk scoring logic which analysed every transaction in the population against a set of potential risk identifiers, highlighting the transactions we deemed to pose a heightened risk of fraud, error or misstatement.

The visualisation shows each unique accounting entries posted during the year, plotting the number of identical transactions (occurrence) and the impact they have on the reported profit number (materiality impact). The visualisation highlights unusual entries which heavily impact profit in the top left and top right of the chart being highlighted in red.

We identified 11 transactions for testing, based upon a determined risk score taking into account unusual values, keywords, related party descriptions, suspense accounts and new accounts for elevated risk. These can be seen via the elevated risk green dots in both red and dark orange. These transactions were reviewed as part of our audit work and have been appropriately accounted for.



We have reviewed these entries and they relate to the following:

- DOC grant
- Legacy income
- Salaries
- GP fees
- NHS pension payable
- Credit card expenditure

All journals tested were in line with expectations and relate to standard business expenditure.

4. DETAILED CONTROL POINTS

During the course of our audit we identified the following detailed control points that we feel need to be brought to the attention of the Directors and certain recommendations for improvements and or corrective action. Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation. The matters and detailed control points that we have identified are graded within the following framework to assist the Directors assess their impact.

Rating	Rating type	Characteristics of rating type
Significant	These findings are considered to be significant to the management of risk in the business. The finding represents a serious weakness in systems and controls currently in place or a potentially fundamental control that has been omitted from the risk management systems as currently in operation.	<ul style="list-style-type: none"> • Key control omitted • Key control not designed or operating effectively, for example as indicated by multiple exceptions found during our review work • Evidence of override of controls in place with significant or potentially fraudulent outcomes • Non-compliance with laws and regulations
Important	Important findings that should be reviewed by management, pending corrective action and or updates to systems and controls.	<ul style="list-style-type: none"> • Errors and exceptions noted during our testing that had corrected retrospectively during the year by management. • Potential improvement to existing control noted • Possibility for override of controls exists • Our review noted numerous exceptions but not in key controls
Limited	Findings that identify non-compliance with established systems and controls.	<ul style="list-style-type: none"> • Minor control weakness, for example limited exceptions noted during our review work
Advisory	Items requiring no immediate action but which may be of interest to management or best practice advice.	<ul style="list-style-type: none"> • Information for department management • Control operating but scope for efficiency and/or effectiveness improvements exist • Control operating but not necessarily in accordance with best practice • Recent or anticipated developments may necessitate new controls.

We wish to bring the following matters to your attention which arise from the current year audit as well as the latest status of outstanding issues arising from previous year audits:

Current year

Issue:	No segregation of duties – re cash counting and banking at shops we visited		Control point rating:	Advisory
Risk	Our comments & proposals	Management response		
As part of our shop visits, it was noted that only one person counts the money at each location with no second count, that same individual is also responsible for banking the money and investigating differences. There is a risk of fraudulent activity if no segregation of duties is implemented.	We recommend that one person counts the money with a second individual re-counting or banking the money to ensure sufficient segregation of duties.	TBC		

Issue:	No stock counts are performed at the Rosehill shop we visited		Control point rating:	Advisory
Risk	Our comments & proposals	Management response		
As part of our shop visits, it was noted that no stock counts are performed at the Rosehill shop. There is a risk of misappropriation of assets.	We recommend that at least quarterly a count is performed by two members of staff to ensure sufficient segregation of duties.	TBC		

Issue:	Lack of authorisation of journal postings		Control point rating:	Advisory
Risk	Our comments & proposals	Management response		
It was noted that currently the joint CEO and finance director does not review individual journal postings but instead prepares the management accounts monthly and ensures figures included within the management accounts are in line with expectations.	We recommend a preventative control is implemented, for example a second person reviewing journals proposed before they are posted onto the accounting system.	TBC		

Issue:	Lack of authorisation of journal postings		Control point rating:	Advisory
Risk	Our comments & proposals	Management response		
There is a risk because this is a detective control rather than a preventative control, an error would be spotted after it had already been made.				

Prior year

Issue:	Details of suppliers not maintained		Control point rating:	Advisory
Risk	Our comments & proposals	Management response		
During our testing, we noted that no supplier email addresses are maintained, only addresses and telephone numbers.	We recommend keeping email addresses for all suppliers in a move to try and become less paper based as a charity in general into the future. This will enable a more flexible and efficient way of operating.	TBC		

Issue:	Lack of correspondence of accrued legacy		Control point rating:	Resolved
Risk	Our comments & proposals	23/24 update:		
From our review of accrued income it was noted that for one legacy, the latest correspondence with solicitors was in 2021. There is a risk that the legacy is not recoverable, as no updates have been given on when the amount will be received.	We recommend that management continue to contact solicitors with regards to the estate to ensure the amount is still expected to be paid.	No issues found in the current year		

Issue:	No estate value given for a legacy		Control point rating:	Resolved
Risk	Our comments & proposals	23/24 update:		
<p>Per legacy testing, one person from the sample had no estate value given in their supporting documentation.</p> <p>There is a risk that the legacy value will be mis recorded without an expected value given.</p>	<p>We recommend that management maintain contact with solicitors of expected legacies to obtain an estate value. This will enable the accrued income to be better estimated.</p>	<p>No issues found in the current year</p>		

Issue:	Fixed Asset computers not identifiable		Control point rating:	Resolved
Risk	Our comments & proposals	23/24 update:		
<p>Per our fixed asset testing, it was not possible to select a particular computer from the listing to physically verify as they are not sorted by product codes.</p> <p>There is a risk that the computers may be wrongly depreciated and valued.</p>	<p>We recommend that management record IT equipment on the fixed asset register with a unique identification.</p>	<p>No issues found as part of our testing of fixed assets in the current year.</p>		

We identified the following issues in 21/22:

Issue:	Lack of Store Alarms (Both shops)		Control point grade:	Advisory
Risk	Our comments & proposals		23/24 update:	
<p>We noted on both shop visits that there was no store alarm installed.</p> <p>There is a risk that access could be gained by unauthorised individuals without the Charity being alerted.</p>	<p>We recommend that management consider installing a store alarm in all shops.</p>		<p>We noted that during this year’s shop visits that there were no store alarms.</p> <p><u>Managements response:</u></p> <p>The cost of installing and maintaining an alarm is felt to outweigh the risk of somebody breaking and entering, given the nature of the items that are for sale being second hand and relatively low value as well as the fact that significant cash is not held on site at any time. CCTV is also maintained in all stores.</p>	

Issue:	Till passwords (both shops)		Control point grade:	Advisory
Risk	Our comments & proposals		23/24 update:	
<p>We noted that till passwords are not changed during a staff member or volunteer’s time at the shop. They are only deactivated once the individual is no longer involved with the shop.</p> <p>Though we note that staff are encouraged not to share their passwords, there is a risk that this does take place and therefore are able to access the tills through more than once password, increasing the risk of fraud and misappropriation of assets.</p>	<p>We recommend that till passwords for all staff and volunteers are changed on a regular cycle. For example, on a 3 month basis.</p>		<p>We noted that during this year’s shop visit that passcodes are only changed in the event of a breach.</p> <p><u>Management response:</u></p> <p>Many of the volunteers and staff in retail are less computer savvy and management feel there is more risk to the organisation if they were to enforce frequent password changes.</p>	

5. EMERGING ISSUES – CURRENTLY UNDER REVIEW AND WILL PROVIDE UPDATE NEXT WEEK**Charity reporting and governance matters****Charity Commission updates its guidance on investing charity money**

On 1 August 2023 the Charity Commission published its updated guidance for trustees on investing their charity's money (C14).

This follows a consultation process that was started by the Commission several years ago but was put on hold while the 'Butler-Sloss' High Court case was concluded. The verdict in this case clarified that where trustees are of the reasonable view that particular investments (or classes of investments) potentially conflict with the charitable purposes, the trustees have the discretion to exclude such investments. They should exercise that discretion by reasonably balancing all relevant factors including the likelihood and seriousness of the potential conflict, and the likelihood and seriousness of any potential financial effect from the exclusion of such investments.

The revised guidance is shorter than the previous version of CC14. The other main changes to the guidance are:

1. Removing confusing terminologies such as 'ethical', 'responsible' and 'mixed-motive' investments.
2. Reflecting the judgement in the Butler-Sloss case: that trustees have wide discretion when deciding on their investment approach; for example by excluding certain investments based on non-financial considerations when making financial investment decisions, or by making financial investment decisions designed only to secure the best financial return, provided that ultimately they are furthering the charity's purpose.
3. The previously separate guidance on social investments is now included within CC14. Social investments are investments made with a view to both achieving your charity's purposes directly through the investment and making an financial return. The guidance is clear that there are specific trustee duties that apply when making a social investment which are different to those that apply for financial investments.
4. The guidance includes examples of approaches to investment, as well as examples of issues that trustees may need to consider when making investment decisions, such as the potential reputational impact.
5. The differences between legal duties of trustees and best practice are clarified, by listing steps that trustees 'must' take (legal duties) and those that they 'should' do (strongly recommended best practice, but not legal requirements).

The revised guidance can be found here: <https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14/charities-and-investment-matters-a-guide-for-trustees>

Charity Commission consultation on social media guidance

On 18 September the Charity Commission's published new guidance concerning charities' use of social media. The guidance addresses both charities' own use of social media and Trustees' responsibilities in this regard, and the potential risks surrounding charity employees' use of social media. The guidance is clear that charities using social media should have a social media policy in place and should ensure that it is followed. A checklist for developing a social media policy has also been created by the commission.

Charity reporting and governance matters

The Commission is clear that employees should be free to use social media in their own right but notes the potential for private posts to be interpreted as the views of the charity, with the risk to the charity's reputation that this could bring, and the consequent need for charities to consider setting guidelines to govern their employees' use of media and to set policies concerning how the charity would respond to any negative exposure.

The guidance can be found here: <https://www.gov.uk/government/publications/charities-and-social-media/charities-and-social-media>.

Revisions to the Annual Return

In December 2022, the Charity Commission published the outcome of its consultation on changes to the Annual Return, which will take effect for Annual Returns relating to financial years commencing on or after 1 January 2023.

The new Annual Return will include 23 new questions all charities will be required to answer 32 questions, up from a baseline of 16 in previous annual returns. The maximum number of questions that a charity will have to answer is now 52.

The changes to the questions cover the following areas:

1. Financial governance
2. Income and operations outside England and Wales
3. Charity operations and structure
4. Employees and volunteers
5. Governance of risk, incidents and safeguarding
6. Response to major external change

The detailed consultation outcome, including all of the new and revised questions, can be found here:

<https://www.gov.uk/government/consultations/charity-commission-revisions-to-the-annual-return-2023-25/annual-return-2023-consultation#annexes>

Charity Commission guidance on the impact of the cost of living crisis

The Charity Commission has published guidance on managing financial difficulties arising from the cost of living crisis, covering the following main subject areas:

1. Trustees' duties and decision making
2. What to do if you experience financial difficulties
3. What to do if your charity cannot continue to operate
4. Reporting a serious incident to the Charity Commission

Charity reporting and governance matters

The new page emphasises various existing guidance for Trustees, but with a specific focus on the impact of the current economic climate, and it can be found here: <https://www.gov.uk/guidance/manage-financial-difficulties-in-your-charity-arising-from-cost-of-living-pressures>

Financial Reporting

Financial reporting framework

UK GAAP developments

In December 2022, the Financial Reporting Council published FRED82, the exposure draft for the latest periodic review of FRS102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland*. Amongst numerous minor amendments and clarifications, FRED82 proposed two significant changes to UK GAAP which would bring it into closer alignment with International Financial Reporting Standards:

1. Changes to Section 20 *Leases*, which mirror the requirements of IFRS16 *Leases* and remove the distinction between operating leases and finance leases, with the result that all leases will lead to the recognition of an asset and a liability in the lessee's financial statements.
2. Changes to Section 23 *Revenue*, which introduces the five-step revenue recognition model from IFRS15 *Revenue from contracts with customers* into UK GAAP.

We had been expecting that the periodic review would also include changes to bring FRS102 into alignment with IFRS9 *Financial Instruments*, in particular the adoption of the expected credit loss model of financial asset impairment. However, the FRC has decided to postpone any alignment with IFRS9 until the IASB has concluded its own review of the IFRS for SMEs, which is expected to include limited alignment with IFRS9 in this regard.

The exposure draft was open for comment until 30 April 2023. It was previously reported that the revised standard would take effect for accounting periods commencing on or after 1 January 2025, however on 29 September the FRC published a project update which delays the effective date until at least 1 January 2026. The update states that the final amendments to FRS 102 "are likely to differ in a number of respects from the FRED 82 proposals". This includes reconsideration of the proposed changes to lease accounting to ensure that the model is proportionate and understandable for all FRS 102 users. The amendments are expected to be issued in the first half of 2024.

The Charity SORP will be rewritten to reflect the FRS102 revisions once they are finalised; and an exposure draft is expected during 2024. This is also an opportunity for the SORP to be updated for any other recommended changes, and the SORP Committee have consulted with various sector stakeholders on these as part of their 'Engage' briefings. Topics under consideration include the disclosure of reserves; support costs; sustainability reporting and impact reporting.

New requirements for other information

Taskforce on Climate-related Financial Disclosures

Financial Reporting

Periods starting on or after 6 April 2022 - This is the proposed date for mandatory climate-related financial disclosure requirements for publicly quoted companies, large private companies and Limited Liability Partnerships to apply.

Following a consultation process by the Financial Conduct Authority (FCA), for accounting periods beginning on or after 1 January 2021, commercial companies with a premium listing on the main market of the London Stock Exchange are required to include climate-related financial disclosures in their annual report. The disclosures should make clear the extent of their compliance with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations on a comply-or-explain basis.

In October 2021, the UK Government laid before Parliament legislation for the inclusion of TCFD aligned disclosures in the annual reports of all publicly quoted companies, public interest entities and large private companies for periods beginning on or after 6 April 2022 (with equivalent legislation for large LLP's expected to follow). The disclosures are to be included within the Strategic Report in the newly defined 'Non-financial and sustainability information statement'. Large in this context refers to companies with more than 500 employees and Turnover in excess of £500m and "quoted" companies exclude those listed on the AIM market.

UK Corporation tax

Other reminders

Intra-group arrangements

Charities must ensure that records and documentation are kept for all transactions with group companies. This includes management charges, service level agreements, licences for use of space, loan arrangements and calculations of recharged amounts.

In particular, any loans or investments that are made to group companies, should only be made as a result of a full financial investment assessment, as for any other investments made. There are no specific concessions or exemptions available for loans and investments made within a group and we are increasingly seeing HMRC show an interest in this area.

Corporation Tax self-assessment

As a reminder, every charity is required to perform a self-assessment each year to determine whether it is liable to pay any corporation tax. This is regardless of whether HMRC have issued a formal notice to file a corporation tax return (usually issued periodically for charities registered with HMRC).

A return should therefore be prepared and filed with HMRC if either:

- ◆ a return has been formally requested; OR
- ◆ it has been established that the charity has a corporation tax liability.

In most circumstances a charity will not be liable to pay any corporation tax, as there are a number of charitable exemptions which cover the majority of the typical income streams that charities receive. Please note that all the exemptions only apply so far as the income is applied for charitable purposes only.

The main exemptions include:

- profits from trading that directly furthers the charity's objects;
- rental income from land and buildings
- investment income
- income from VAT exempt fundraising events
- Miscellaneous and other non-charitable trading where the total turnover does not exceed £80k per annum

If you have any concerns about a possible liability to corporation tax or are unsure whether a particular stream of income falls within the exemptions noted above, please get in touch with your normal haysmacintyre contact for advice.

Other matters

Changes to Companies House filing arrangements

One consequence of the Economic Crime and Corporate Transparency Bill 2022 is that Companies House will have extended powers to mandate how companies submit their accounts for filing. Companies House has published proposals to move to a fully digital, software-based filing process for all registered companies, including dormant companies.

The detailed timetable for implementation will be published in due course, following the passage of the Bill to Royal Assent, but Companies House has indicated that there will be a phased implementation to enable all accounts filers to obtain suitable software.

We will provide updates on this as the Bill proceeds through the legislative process.

HMRC "customer" service standards

There are increasing delays in obtaining responses from HMRC ranging from delays in the region of six months in processing applications for VAT registrations, delays in obtaining repayments, a decision to cease acknowledging option to tax notifications. If you anticipate having any interaction with HMRC then factor in additional time.

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Finalist: Tax Team of the Year



Winner: Audit Team of the Year



Top 15 auditor to quoted companies in Advisor Ranking Listing



An eprivateclient top accountancy firm



Best Hedge Fund Manager Audit and Accountancy Firm 2018 & Most Trusted Tax Advisory Specialists - UK



Finance & Resources Update – IT & Estates

15 October 2024

1 IT Department

1. A major change to the Hospice's IT system has been completed, which involved the replacement of the two old servers and storage SAN with two new servers (HP DL360 / G10) which have shared installed hard disk storage.
2. Users have been migrated from the Citrix environment to the new Azure Stack HCI environment. All users are now using the new Microsoft Remote Desktop. This change has required the installation of nearly 50 applications used by users onto the new system, with the appropriate user acceptance testing phase for each application. The Microsoft 365 office apps are now also used to replace the legacy Microsoft Office apps.
3. Most virtual servers have been migrated from the VMware system to Hyper-V. Five servers remain which will be migrated by the end of this month.
4. All backup processes have now been updated to back-up the relevant Hyper-V servers instead of the old VMware servers.
5. All PCs and laptops have been upgraded to run the Windows 11 operating system. All TCs (Thin Clients) have been replaced with PCs.
6. We are currently working on improving our Cato firewalls / web filtering and Microsoft 365 In-Tune / Defender to optimise and prioritise traffic and to better secure our IT environment.
7. As part of the Raiser's Edge upgrade from on-prem to the new RE NXT Cloud version, a new project lead has been recruited to manage the move to the Cloud version on a 6 month contract. This cost is within the RE NXT project budget which had already been set. A go-live date of 21 October 2024 has been agreed.
8. Brian Dillamore retired at the end of September after 5 years service in the IT Department.

2 Facilities / Catering Department

1. The six month Orangery trial started on 01 October. This includes the training of volunteers to enter orders on a tablet so that data can be collected for analysis. We have started to review our procurement of goods and have already changed our suppliers for some items. We have also slightly increased prices in some cases.

2. Our Facilities Manager, Steve Creswell, is leaving the Hospice at the end of October. We thank Steve for his many years of dedication to the Hospice. Pete Morris has been promoted to be the new Facilities Manager.

Accordingly, a new staff member, Marco, has been recruited to be a Facilities Assistant.

3. The new fire doors for the IPU department have now all been installed. The automatic door closure mechanisms are still to be delivered & fitted.

3 Incidents / Risks

1. Since the Cyber / Ransomware attack on 23 October 2023, no further incidents have occurred.

Management Account August 2024	Year To Date				Full Year									
	Actuals 2024-25	Budget 2024-25	variance	YTD Prior Year	Actuals 2020-21	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	F'cast 2024-25	Budget 2024-25	variance	2025-26	2026-27	2027-28
Income from NHS	753,910	711,223	42,687	678,274	1,775,471	2,264,729	1,698,401	1,697,202	1,972,025	1,786,331	185,694	1,973,312	2,011,458	2,050,367
Other Income	1,245,540	1,171,790	73,750	173,757	1,662,681	588,934	350,702	623,775	1,487,568	1,413,819	73,750	470,452	482,703	495,354
Service Income	1,999,450	1,883,013	116,437	852,031	3,438,152	2,853,662	2,049,104	2,320,977	3,459,594	3,200,150	259,444	2,443,764	2,494,161	2,545,721
Direct Cost of Services	(2,215,211)	(2,243,306)	28,094	(1,987,223)	(3,713,542)	(3,878,465)	(4,516,639)	(4,907,359)	(4,903,227)	(5,028,049)	124,822	(4,603,056)	(4,698,705)	(4,793,845)
Hospice Depreciation	(45,771)	(48,469)	2,699	(43,935)	(155,282)	(95,491)	(95,392)	(109,815)	(110,210)	(120,509)	10,298	(107,627)	(57,591)	(55,768)
Support Costs	(354,570)	(360,428)	5,858	(281,863)	(678,829)	(670,239)	(698,011)	(792,519)	(831,424)	(851,399)	19,975	(697,367)	(707,373)	(721,473)
Service Costs	(2,615,553)	(2,652,203)	36,651	(2,313,022)	(4,547,652)	(4,644,196)	(5,310,041)	(5,809,692)	(5,844,862)	(5,999,957)	155,095	(5,408,050)	(5,463,668)	(5,571,087)
Net Service Cost to be funded	(616,103)	(769,190)	153,088	(1,460,991)	(1,109,500)	(1,790,534)	(3,260,937)	(3,488,716)	(2,385,268)	(2,799,807)	414,539	(2,964,286)	(2,969,507)	(3,025,365)
	29%	27%		29%	39%	49%	32%	29%	34%	30%		36%	37%	37%
Fundraising Activity														
Legacy Income	162,552	350,396	(187,843)	221,989	2,228,142	1,532,596	1,646,106	1,591,533	1,032,552	1,312,500	(279,948)	1,378,125	1,447,031	1,519,383
Donor Income	468,229	519,598	(51,369)	430,171	1,222,685	996,411	1,132,220	1,168,678	1,383,339	1,402,275	(18,936)	1,653,960	1,925,398	2,025,336
Fundraising Costs	(285,641)	(340,853)	55,212	(292,241)	(592,754)	(702,971)	(730,913)	(732,467)	(757,273)	(827,274)	70,001	(716,607)	(730,939)	(745,558)
	345,140	529,141	(184,000)	359,919	2,858,074	1,826,036	2,047,412	2,027,743	1,658,619	1,887,501	(228,882)	2,315,478	2,641,491	2,799,161
Lottery Income	155,764	174,480	(18,716)	136,129	454,014	422,996	368,285	354,369	400,399	448,680	(48,281)	447,536	495,345	490,331
Lottery Costs	(66,584)	(212,986)	146,402	(144,711)	(188,041)	(195,515)	(169,462)	(229,846)	(289,393)	(394,029)	104,635	(296,090)	(313,548)	(182,862)
	89,180	(38,505)	127,685	(8,582)	265,973	227,480	198,823	124,523	111,006	54,652	56,354	151,445	181,797	307,469
Shop Income	835,634	811,345	24,288	647,997	203,693	1,109,995	1,418,215	1,726,714	1,983,470	1,962,895	20,575	2,232,788	2,585,802	2,869,351
Shop Costs	(668,569)	(737,515)	68,946	(649,091)	(913,626)	(1,123,843)	(1,200,945)	(1,691,877)	(1,678,872)	(1,769,622)	90,750	(1,830,529)	(2,062,648)	(2,187,233)
	167,064	73,830	93,234	(1,095)	(709,933)	(13,848)	217,270	34,837	304,598	193,273	111,325	402,259	523,154	682,118
	20%	9%		0%		-1%	15%	2%	15%	10%		18%	20%	24%
Support Costs	(177,285)	(180,214)	2,929	(140,932)	(339,414)	(335,119)	(349,005)	(396,259)	(415,712)	(425,699)	9,987	(348,684)	(353,686)	(360,736)
Fundraising Contribution	424,100	384,252	39,848	209,311	2,074,699	1,704,549	2,114,500	1,790,845	1,658,510	1,709,726	(51,216)	2,520,499	2,992,754	3,428,011
Shortfall before DOC Funding	(192,003)	(384,939)	192,936	(1,251,680)	965,199	(85,985)	(1,146,437)	(1,697,871)	(726,758)	(1,090,081)	363,323	(443,787)	23,247	402,646
DOC Funding	0	0	0	0	280,000	666,666	750,000	500,000	500,000	500,000	0	600,000	203,334	0
Contingency Drawdown							0							
Surplus/(Shortfall) for period	(192,003)	(384,939)	192,936	(1,251,680)	1,245,199	580,681	(396,437)	(1,197,871)	(226,758)	(590,081)	363,323	156,213	226,581	402,646

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Management Account August 2024	Year To Date													
Net Movement in Funds	Actuals 2024-25	Budget 2024-25	variance	YTD Prior Year	Actuals 2020-21	Actuals 2021-22	Actuals 2022-23	2023-24	F'cast 2024-25	Budget 2024-25	variance	2025-26	2026-27	2027-28
Surplus/(Loss) from Operations	(192,003)	(384,939)	192,936	(1,251,680)	1,245,199	580,681	(396,437)	(1,197,871)	(226,758)	(590,081)	363,323	156,213	226,581	402,646
Depreciation	85,260	96,457	(11,197)	72,159	302,968	130,403	144,992	199,165	211,081	221,293	(10,211)	197,130	148,188	122,719
Decrease/(Increase) in Debtors	600,939	314,065	286,874	(118,998)	(533,412)	107,828	573,324	(653,890)	516,017	398,260	117,757	261,858	(43,149)	122,927
(Decrease)/Increase in Creditors	17,169	145,324	(128,155)	130,830	3,640,923	(772,786)	(769,428)	(392,610)	(663,292)	(571,048)	(92,244)	(587,013)	(191,080)	(33,721)
Net cash (expended)/ generated by operations	511,364	170,907	340,457	(1,167,689)	4,655,678	46,126	(447,549)	(2,045,206)	(162,952)	(541,575)	378,624	28,188	140,539	614,571
Purchase of Fixed Assets	(28,575)	(118,357)	89,782	(175,935)	(250,308)	(293,277)	(277,357)	(312,460)	(90,575)	(193,357)	102,782	(145,000)	(125,000)	(65,000)
Increase / (Decrease) in Cash	482,790	52,550	430,240	(1,343,623)	4,405,370	(247,151)	(724,906)	(2,357,666)	(253,526)	(734,932)	481,406	(116,812)	15,539	549,571

Management Account August 2024	Year To Date													
Balance Sheet	Actuals 2024-25	Budget 2024-25	variance	YTD Prior Year	Actuals 2020-21	Actuals 2021-22	Actuals 2022-23	Forecast 2023-24	F'cast 2024-25	Budget 2024-25	variance	2025-26	2026-27	2027-28
Fixed Assets	913,414	992,000	(78,585)	960,580	561,565	724,439	856,804	970,099	849,592	942,163	(92,571)	797,463	774,275	716,556
Debtors	1,458,164	1,678,710	(220,546)	1,524,210	2,086,365	1,978,537	1,405,213	2,059,103	1,543,086	1,594,516	(51,429)	1,281,228	1,324,377	1,201,450
Cash at Bank and Investment Fund	3,773,239	3,523,803	249,436	4,304,626	6,620,306	6,373,156	5,648,250	3,290,583	3,036,923	2,555,651	481,273	2,920,111	2,995,651	3,485,222
Creditors	(2,059,524)	(2,123,170)	63,646	(2,565,796)	(3,977,179)	(3,204,393)	(2,434,965)	(2,042,355)	(1,379,064)	(1,406,798)	27,735	(792,051)	(600,970)	(567,249)
Net Assets	4,085,293	4,071,343	13,951	4,223,621	5,291,057	5,871,739	5,475,301	4,277,430	4,050,538	3,685,531	365,007	4,206,752	4,433,333	4,835,979

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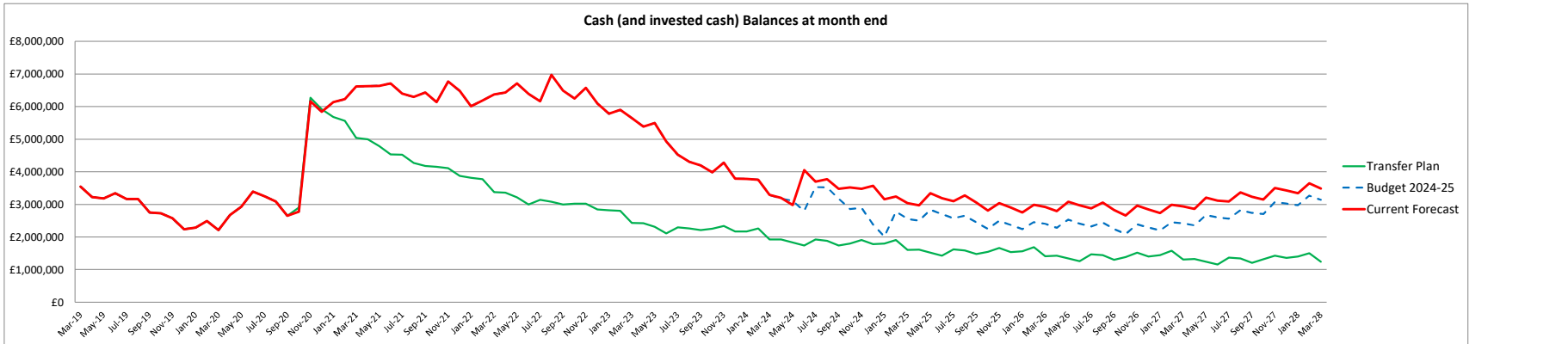
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Management Account September 2024	Year To Date				Full Year									
	Actuals 2024-25	Budget 2024-25	variance	YTD Prior Year	Actuals 2020-21	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	F'cast 2024-25	Budget 2024-25	variance	2025-26	2026-27	2027-28
Income from NHS	918,020	853,467	64,553	813,929	1,775,471	2,264,729	1,698,401	1,697,202	1,997,225	1,786,331	210,894	1,999,016	2,037,676	2,077,110
Other Income	1,298,396	1,205,875	92,521	174,724	1,662,681	588,934	350,702	623,775	1,506,340	1,413,819	92,521	469,723	481,939	494,554
Service Income	2,216,417	2,059,342	157,074	988,653	3,438,152	2,853,662	2,049,104	2,320,977	3,503,565	3,200,150	303,415	2,468,739	2,519,615	2,571,663
Direct Cost of Services	(2,633,179)	(2,659,429)	26,250	(2,353,177)	(3,713,542)	(3,878,465)	(4,516,639)	(4,907,359)	(4,901,483)	(5,028,049)	126,567	(4,594,998)	(4,690,485)	(4,785,460)
Hospice Depreciation	(54,754)	(58,675)	3,921	(53,208)	(155,282)	(95,491)	(95,392)	(109,815)	(110,087)	(120,509)	10,422	(107,627)	(57,591)	(55,768)
Support Costs	(430,723)	(430,908)	184	(335,537)	(678,829)	(670,239)	(698,011)	(792,519)	(837,518)	(851,399)	13,881	(699,716)	(709,768)	(723,916)
Service Costs	(3,118,656)	(3,149,012)	30,356	(2,741,923)	(4,547,652)	(4,644,196)	(5,310,041)	(5,809,692)	(5,849,088)	(5,999,957)	150,869	(5,402,340)	(5,457,844)	(5,565,145)
Net Service Cost to be funded	(902,239)	(1,089,669)	187,430	(1,753,270)	(1,109,500)	(1,790,534)	(3,260,937)	(3,488,716)	(2,345,523)	(2,799,807)	454,284	(2,933,602)	(2,938,229)	(2,993,482)
	29%	27%		30%	39%	49%	32%	29%	34%	30%		37%	37%	37%
Fundraising Activity														
Legacy Income	170,242	449,132	(278,890)	209,901	2,228,142	1,532,596	1,646,106	1,591,533	995,242	1,312,500	(317,258)	1,378,125	1,447,031	1,519,383
Donor Income	584,873	602,556	(17,684)	529,796	1,222,685	996,411	1,132,220	1,168,678	1,388,334	1,402,275	(13,941)	1,653,960	1,925,398	2,025,336
Fundraising Costs	(339,928)	(405,579)	65,651	(350,659)	(592,754)	(702,971)	(730,913)	(732,467)	(749,604)	(827,274)	77,670	(710,217)	(724,421)	(738,910)
	415,187	646,110	(230,923)	389,039	2,858,074	1,826,036	2,047,412	2,027,743	1,633,972	1,887,501	(253,529)	2,321,868	2,648,008	2,805,809
Lottery Income	183,164	209,731	(26,567)	171,432	454,014	422,996	368,285	354,369	399,921	448,680	(48,759)	447,536	495,345	490,331
Lottery Costs	(115,786)	(286,325)	170,539	(156,777)	(188,041)	(195,515)	(169,462)	(229,846)	(337,597)	(394,029)	56,431	(296,143)	(313,602)	(182,917)
	67,378	(76,594)	143,972	14,655	265,973	227,480	198,823	124,523	62,324	54,652	7,672	151,392	181,742	307,414
Shop Income	997,266	970,544	26,722	807,113	203,693	1,109,995	1,418,215	1,726,714	1,989,617	1,962,895	26,722	2,232,788	2,585,802	2,869,351
Shop Costs	(798,096)	(883,378)	85,282	(776,833)	(913,626)	(1,123,843)	(1,200,945)	(1,691,877)	(1,665,403)	(1,769,622)	104,219	(1,825,212)	(2,057,224)	(2,181,701)
	199,170	87,166	112,004	30,279	(709,933)	(13,848)	217,270	34,837	324,214	193,273	130,941	407,577	528,578	687,651
	-10%	20%	9%	4%		-1%	15%	2%	16%	10%		18%	20%	24%
Support Costs	(215,362)	(215,454)	92	(167,769)	(339,414)	(335,119)	(349,005)	(396,259)	(418,759)	(425,699)	6,940	(349,858)	(354,884)	(361,958)
Fundraising Contribution	466,373	441,228	25,145	266,204	2,074,699	1,704,549	2,114,500	1,790,845	1,601,750	1,709,726	(107,976)	2,530,979	3,003,444	3,438,915
Shortfall before DOC Funding	(435,867)	(648,442)	212,575	(1,487,066)	965,199	(85,985)	(1,146,437)	(1,697,871)	(743,773)	(1,090,081)	346,308	(402,622)	65,215	445,433
DOC Funding	0	0	0	0	280,000	666,666	750,000	500,000	500,000	500,000	0	600,000	203,334	0
Contingency Drawdown							0							
Surplus/(Shortfall) for period	(435,867)	(648,442)	212,575	(1,487,066)	1,245,199	580,681	(396,437)	(1,197,871)	(243,773)	(590,081)	346,308	197,378	268,549	445,433

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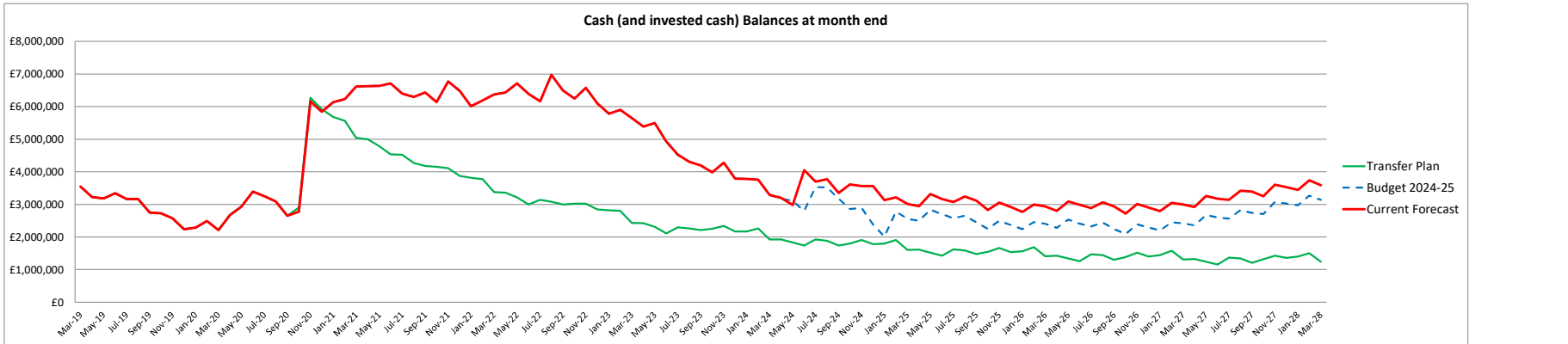
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Management Account September 2024	Year To Date													
Net Movement in Funds	Actuals 2024-25	Budget 2024-25	variance	YTD Prior Year	Actuals 2020-21	Actuals 2021-22	Actuals 2022-23	2023-24	F'cast 2024-25	Budget 2024-25	variance	2025-26	2026-27	2027-28
Surplus/(Loss) from Operations	(435,867)	(648,442)	212,575	(1,487,066)	1,245,199	580,681	(396,437)	(1,197,871)	(243,773)	(590,081)	346,308	197,378	268,549	445,433
Depreciation	101,668	115,042	(13,374)	89,534	302,968	130,403	144,992	199,165	211,095	221,293	(10,198)	197,130	148,188	122,719
Decrease/(Increase) in Debtors	506,280	382,450	123,830	262,294	(533,412)	107,828	573,324	(653,890)	485,241	398,260	86,981	259,916	(43,149)	122,927
(Decrease)/Increase in Creditors	(87,711)	(39,463)	(48,248)	(93,089)	3,640,923	(772,786)	(769,428)	(392,610)	(642,738)	(571,048)	(71,690)	(587,013)	(191,080)	(33,721)
Net cash (expended)/ generated by operations	84,371	(190,413)	274,783	(1,228,327)	4,655,678	46,126	(447,549)	(2,045,206)	(190,175)	(541,575)	351,400	67,411	182,507	657,358
Purchase of Fixed Assets	(25,895)	(118,357)	92,462	(222,629)	(250,308)	(293,277)	(277,357)	(312,460)	(87,895)	(193,357)	105,462	(145,000)	(125,000)	(65,000)
Increase / (Decrease) in Cash	58,476	(308,770)	367,246	(1,450,956)	4,405,370	(247,151)	(724,906)	(2,357,666)	(278,070)	(734,932)	456,863	(77,589)	57,507	592,358

Management Account September 2024	Year To Date													
Balance Sheet	Actuals 2024-25	Budget 2024-25	variance	YTD Prior Year	Actuals 2020-21	Actuals 2021-22	Actuals 2022-23	Forecast 2023-24	F'cast 2024-25	Budget 2024-25	variance	2025-26	2026-27	2027-28
Fixed Assets	894,325	973,414	(79,088)	989,899	561,565	724,439	856,804	970,099	846,899	942,163	(95,264)	794,769	771,582	713,863
Debtors	1,552,823	1,610,325	(57,503)	1,142,918	2,086,365	1,978,537	1,405,213	2,059,103	1,573,862	1,594,516	(20,653)	1,313,946	1,357,095	1,234,168
Cash at Bank and Investment Fund	3,349,059	3,176,664	172,395	4,197,294	6,620,306	6,373,156	5,648,250	3,290,583	3,012,513	2,555,651	456,863	2,934,924	2,992,431	3,584,789
Creditors	(1,954,644)	(1,938,383)	(16,261)	(2,341,876)	(3,977,179)	(3,204,393)	(2,434,965)	(2,042,355)	(1,399,617)	(1,406,798)	7,181	(812,604)	(621,524)	(587,803)
Net Assets	3,841,563	3,822,020	19,543	3,988,236	5,291,057	5,871,739	5,475,301	4,277,430	4,033,657	3,685,531	348,126	4,231,035	4,499,584	4,945,017

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St Raphael's Hospice RAG Report		September	2024-25										
		<i>Figures in Italics are estimates</i>											
Description	Target	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Cumulative Donations incl GAID	Budget	£110,822	£225,666	£335,116	£438,577	£519,598	£602,556	£737,873	£870,110	£1,069,349	£1,152,170	£1,292,911	£1,402,275
	Actual	£123,976	£222,129	£273,714	£336,236	£443,229	£584,873	£0	£0	£0	£0	£0	£0
Cumulative FR Costs	Budget	£70,781	£136,026	£207,873	£275,348	£340,853	£405,579	£489,070	£562,907	£638,557	£702,595	£761,302	£827,274
	Actual	£68,296	£122,906	£178,418	£231,491	£285,641	£339,928	£0	£0	£0	£0	£0	£0
Cumulative FR Contribution	Budget	£40,041	£89,640	£127,243	£163,229	£178,745	£196,978	£248,803	£307,202	£430,792	£449,575	£531,609	£575,001
	Actual	£55,680	£99,223	£95,296	£104,745	£157,588	£244,945	£0	£0	£0	£0	£0	£0
Cumulative Legacies	Budget	£422	£16,465	£62,604	£237,124	£350,396	£449,132	£554,132	£637,082	£720,032	£817,646	£984,596	£1,312,500
	Actual	£1,206	£20,579	£93,059	£127,152	£162,552	£170,242	£0	£0	£0	£0	£0	£0
Cumulative Lottery Income	Budget	£27,564	£62,091	£89,771	£119,111	£174,480	£209,731	£255,867	£292,750	£329,573	£375,490	£412,127	£448,680
	Actual	£27,295	£66,013	£96,150	£122,793	£155,764	£183,164	£0	£0	£0	£0	£0	£0
Cumulative Retail Income	Budget	£158,998	£323,309	£482,307	£646,826	£811,345	£970,544	£1,142,956	£1,309,793	£1,482,205	£1,647,789	£1,797,311	£1,962,895
	Actual	£177,275	£350,948	£512,172	£680,556	£835,634	£989,366	£0	£0	£0	£0	£0	£0
Cumulative Retail Costs	Budget	£143,990	£291,782	£442,542	£590,924	£737,515	£883,378	£1,028,480	£1,182,362	£1,326,132	£1,469,264	£1,617,822	£1,769,622
	Actual	£136,537	£269,905	£401,983	£539,048	£668,569	£798,096	£0	£0	£0	£0	£0	£0
Cumulative Retail Contribution	Budget	£15,008	£31,527	£39,765	£55,902	£73,830	£87,166	£114,476	£127,431	£156,073	£178,525	£179,488	£193,273
	Actual	£40,738	£81,043	£110,189	£141,508	£167,064	£191,270	£0	£0	£0	£0	£0	£0
Cumulative Clinical Costs	Budget	£429,161	£849,233	£1,269,990	£1,699,138	£2,243,306	£2,659,429	£3,078,824	£3,496,929	£3,913,978	£4,285,910	£4,656,206	£5,028,049
	Actual	£438,528	£849,165	£1,246,149	£1,677,392	£2,215,211	£2,633,179	£0	£0	£0	£0	£0	£0
Cumulative Support Costs	Budget	£107,575	£217,985	£325,478	£434,672	£540,642	£646,361	£750,235	£885,667	£990,090	£1,089,187	£1,182,133	£1,277,098
	Actual	£113,591	£202,454	£318,330	£434,199	£531,856	£645,951	£0	£0	£0	£0	£0	£0
Bank/Investment Balance	Budget	£3,180,878	£3,113,105	£3,796,553	£3,524,863	£3,523,803	£3,176,664	£2,857,691	£2,892,133	£2,382,801	£2,007,745	£2,773,146	£2,555,651
	Actual	£3,203,583	£2,979,876	£4,057,192	£3,696,669	£3,773,239	£3,349,059	£0	£0	£0	£0	£0	£0
Legacy Debtor	Budget	£1,185,852	£1,201,895	£1,148,034	£1,202,554	£1,195,825	£1,174,562	£1,159,562	£1,142,512	£1,225,462	£1,323,075	£740,025	£1,067,930
	Actual	£1,173,085	£1,148,262	£1,111,542	£1,175,004	£1,141,804	£1,096,804	£0	£0	£0	£0	£0	£0
Charity Monthly Shortfall/Surplus (excl DoC)	Budget	£(299,743)	£(260,131)	£737,096	£(188,628)	£(373,533)	£(263,503)	£(157,581)	£(208,065)	£(99,632)	£(124,589)	£(22,910)	£671,138
	Actual	£(324,564)	£(149,066)	£863,083	£(288,777)	£(292,679)	£(243,863)	£0	£0	£0	£0	£0	£0
Charity Cumulative Shortfall/Surplus (excl DoC)	Budget	£(299,743)	£(559,874)	£177,222	£(11,406)	£(384,939)	£(648,442)	£(806,023)	£(1,014,088)	£(1,113,720)	£(1,238,309)	£(1,261,219)	£(590,081)
	Actual	£(324,564)	£(473,630)	£389,453	£100,676	£(192,003)	£(435,867)	£0	£0	£0	£0	£0	£0

St Raphael's Hospice

**Annual Report and Financial Statements
For the year ended 31st March 2024**

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 2024**

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St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024

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 Bernard Marley Mr Grahame Darnell Ms Manjit Lall Dr Carrie Chill Mr Stephen Chambers (appointed June 2024) Mr Joseph Ryan (resigned March 2024)	Chair; HR, CQ&G Vice Chair; F&R, CQ&G, IGC IGC HR, F&R F&R CQ&G, IGC IGC HR CQ&G F&R F&R
Committee Members	Ms Hazel Borthwick (appointed October 2023) Mr Ed Cook Dr Eva Kalmus (resigned October 2023) Mr Steve Mulhall (resigned July 2023)	HR F&R CQ&G HR
Clerk to the Trustees	Ms Anna Machin	
Executive Team	Mr Nick Stevens Ms Rebecca Trower Ms Sara Jane Woods Ms Kate Billingham Wilson (from March 2023) Dr Jenny Strawson (to August 2022) Dr Gaby Tamara-Rose (from September 2022 to March 2024) Dr Naomi Collins (from April 2024) Mr John Groom (from April 2022) Mr Alex Rudkin (from April 2023) Mrs Gail Linehan (to November 2022)	Joint CEO (was CEO to July 2024) Joint CEO (was Clinical Director to July 2024) Commercial Director Director of Fundraising and Communication Specialist Palliative Care Consultant Specialist Palliative Care Consultant Specialist Palliative Care Consultant Director of IT and Estates Director of Quality and Governance Joint CEO
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) Income Generation and Communications Committee (IGC) Human Resources Committee (HR)	

St Raphael's Hospice Trustees' Report for the year ended 31st March 2024

Joint Chair and CEO Report

The year ending March 2024 has been a difficult year for the charity. The ongoing impact of inflation was felt as our clinical costs rose by £478k after increasing £664k in the previous year. This was against flat income levels and a challenging fundraising environment and with only an additional £103k provided by our NHS Commissioners, South West London Integrated Care Board (SWL ICB), to offset the increases over these two years.

The risks to the charity which arise from this underfunding, together with the evidence of the impact and importance of the Hospice as part of the local health system, were expressed throughout the year to the ICB. Together with other local hospices, we sought an increase in our funding level from around 30% of clinical costs to 50%, the London average.

Regretably, the ICB was unable to meet these needs and, after the year ended, the Board was left with no option but to reduce costs. Consultations with the staff body took place during July 2024 and plans were finalised in August 2024 which reduce operating costs by £1m on an annual basis. This included making eleven staff redundant, nine of whom were clinicians, as well as a number of reductions to hours and changes to roles. We are grateful to the whole team for how they have responded throughout this difficult time. We will continue to work with other hospices and our Commissioners in the endeavour to increase funding to provide stability and continuity for ourselves and the sector.

The cost reduction exercise addresses the increased funding gap which arose largely from the impact of inflation, but hospice funding remains a challenge going forward and we were pleased to recruit to our five fundraising vacancies and also to the new Head of Communications role during the year. This provides us with a strong foundation for growing our income in the coming years. We also saw the first phase of our campaign to grow our lottery income succeed in its target of 1,000 new plays, setting the scene for a continuation in 2024.

Our plans to extend our retail estate included opening two new venues in 2023-24. The new "donation station" is located opposite our pre-existing store which we had to vacate for development. It has enabled us to retain our vital volunteer team as well as ensure continuity for donors who drop off goods, whilst also enabling us to open to furniture sales. We also opened a new clearance store in Morden and have been delighted with how this has been received in the community and the exceptional sales it has achieved.

Our clinical and IT team worked well together to move the patient administration system to Emis, a platform used by local GPs and hospitals and also neighbouring hospices, in May 2023. This was a huge task and we have been delighted with the smooth transfer and with the data sharing capability this has enabled. In October we were subject to a "ransomware attack" which locked up our entire system. Our IT team worked overnight to restore the systems and minimise the impact on our operations. Working closely with the relevant authorities, the charity alerted those whose data had been put at risk and provided free access to monitoring services to provide reassurance. Improvements and changes to our IT system infrastructure and our data holding are being implemented.

Throughout the year, our clinical teams maintained a high standard of care achieved in the previous years and supported more than one in every four people who died in Merton and Sutton boroughs with our specialist clinical care free of charge. We also provided family members and other loved ones with our Counselling Service, Social Work, Wellbeing Centre and Hospice Neighbours teams alongside the advice and guidance from our Community Specialist Nursing, Medical and In-Patient teams. In all, we were there for over 2,400 people in 2023-24 and we are very proud of our team's positive contribution to our community.

As we look forward to 2025, and beyond, we are confident in the qualities of the services we deliver despite having reduced costs significantly, much of which has been in clinical services. Our expert and experienced, specialist nursing and medical staff will continue to serve all the referrals that we would normally receive into our Community team for our specialist end of life and palliative care. Our in-patient unit has not been affected and we are pleased that our Wellbeing Centre will continue to be open as before to provide a warm welcome, activities and advice to those living with life-limiting conditions in our community. Our Psychological Support, operating from a newly created hub on our site, will continue to provide specialist intervention, free of charge, through more than 1,200 sessions each year.

In August 2024, the Board were pleased to announce that our Clinical Director, Becca Trower, would step up into a new joint-CEO role whilst retaining her clinical responsibilities. Becca led on the publicity that arose locally and nationally as St Raphael's, along with 20% of hospices in the UK, wrestled with the impact of inflation by reducing costs. She was interviewed as the hospice featured on BBC London and BBC Morning news along with Channel 5 news. These TV reports included powerful interviews with patients and volunteers which helped to raise the profile of the Hospice and the sector.

The increased visibility that has arisen supports the central element of our five-year strategy of "EVE" (excellence, visibility and engagement). As the team begin to prepare a new strategy to take the Hospice through to 2030, we will strive to translate that visibility into engagement with all elements of our community in order to galvanise support for our Hospice and so ensure that we can continue to serve the people of Merton and Sutton long into the future.

Norman McWhinney, Chair

Nick Stevens and Becca Trower, Joint-CEOs

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2024, 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 2024. 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 2023-24:

1. Consolidate Qualities and Widen Reach
2. Embed Fundraising into the culture of St Raphael's
3. Grow our Commercial income

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 have continued to broaden the reach of our charity by developing our Community Engagement through the Wellbeing and Compassionate Neighbours services. We also recruited to, and progressed the plan to implement 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.

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

- We successfully built 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 also recruited a Head of Communications following the departure of our manager.
- We moved the Fundraising the Communications 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 began the development of 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.

3. Grow our Commercial income

- This was a very active year for the Retail team as we had a very successful opening of a new "Clearance Store" on Morden High Street and oversaw the fitting out from "shell state" of our new Donation Centre in Sutton, whilst the original store also carried on throughout the year. We established a new Furniture collection and Delivery service and added a Wedding Department to our Wimbledon Park shop.
- 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 £(1,198)k for the year compared with a shortfall of £(396)k last year.

Donation income fell by 11% to £1.67m (2022-23: £1.88m) and legacies fell by 3% to £1.59m from (2022-23: £1.65m). Commercial income (retail and lottery) grew by 16% to reach £2.08m (2022-23: £1.79m), though costs also grew significantly. Income from Charitable Activities was level at £1.70m (2022-23: £1.70m).

Clinical costs rose by £478k to £5.74m (2022-23 £5.26m), and this was largely inflation driven increases. The fundraising team and costs (part of our Income Generation costs) rose £37k to £910k (2022-23: £873k). However, our Commercial Income Generation costs rose significantly. Lottery costs were up £62k as we invested in a campaign to increase players. We had planned cost increases of £400k for rent, staff, logistics and set-up costs as we grew our retail estate and created the new Commercial Director role. However, retail costs rose by a further £123k as, for much of the year we ran the new Donation Centre alongside the pre-existing centre. These costs have now settled and are 12% down in the new financial year. Overall Total costs were £8.6m which amounts to an 14% increase over the previous year (2022-23: £7.76m).

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2024, continued

Financial review, continued

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 £1.6m (2022-23: £3.7m) of which £1.4m related to the deferred income creditor (2022-23: £1.9m). In addition the charity held liquid investments valued at £1.7m (2022-23: £2m).

Reserves

Total funds at 31 March 2024 amounted to £4.28m (2022-23: £5.48m) including designated funds of £1.18m (2022-23: £1.25m). 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 £2.2m and £4.4m.

The free reserves at the end of the year amounted to £3m (2022-23: £4m) and therefore the Trustees are happy that this is sufficient for the charity's foreseeable needs.

Investments

The Trustees have 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.

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 overall shortfall of £1.2m was greater than expected, by £200k, due to lower income levels. Total costs were on budget but a variance was experienced between cost centres. The costs of our charitable services was £300k above budget and retail costs were £130k above budget. These were offset by below budget costs for fundraising (£150k) and investing in the future of the lottery (£280k). In the absence of agreement from our NHS Commissioners, SWL ICB, to increase our funding to the London average levels, the Board acted within three months of the year end to lower operating costs by £1m. This ensures that our cost base returns to a manageable level.

The strategy of "EVE" is designed to ensure Excellence in all that we do, raising our Visibility across Merton and Sutton and taking every opportunity for Engagement with our community, in order to raise the funds that we need. It includes plans to increase donor income, and we have recruited a team of fundraisers and created a focussed Director role, in order to achieve this. Investment is in progress to grow the base of Lottery players and hence increase income and contribution over the coming years. We are also planning to increase the number of retail outlets, whilst keeping a close control over costs, so that retail contribution also grows. These measures, coupled with the cost reductions, will provide the charity with a sustainable future which indicates a surplus from 2027-2028.

The Trustees, therefore, 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.

St Raphael's Hospice Trustees' Report for the year ended 31st March 2024, continued

Plans for 2024-25

1. Reduce cost and maintain service

- We will agree and implement a plan to reduce the annualised operating cost level by £1m. We will consult with staff over the plan for this change and seek to minimise redundancies that will arise and also minimise the impact on service delivery, service quality and service levels.
- We will focus on cost control and income growth for our retail estate during the year and pause the plans for growing the number of shops. This will ensure we are delivering a strong contribution towards the cost of running the charity which, having achieved, will enable us to resume the plans to grow the estate.

2. Maximise the impact of increased profile by engagement with our community

- In line with the strategy of EVE, we will seek to maximise the impact of the news that we are needing to reduce costs in response to inflation lead cost rises and with little additional funding from the NHS Commissioners.
- We will follow up this increase profile with a variety of activities designed to engage with all elements of our community and to build relationships that can result in a growth in committed volunteering and a growth in regular and spontaneous giving.
- We will continue to grow the number of players for our lottery by engaging an agency to run a campaign with a target to recruit 2,000 new players.

3. Review the Strategy for 2025-2030

- Whilst continuing with existing plans to grow our profile and income, we will review the strategy of EVE with a view to re-setting it for the context of the coming five years.
- We will consider new commercial avenues for generating additional income including potential contracts which would utilise our additional in-patient capacity.
- We will consider how we may find opportunities to collaborate more closely with neighbouring hospices so that efficient operations can be achieved with lower overall cost.

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 South West London Clinical Commissioning Groups (SWL CCG) to provide support to people whose GP practice is based within the London Boroughs of Merton and Sutton, a population of around 420,000. We support more than one person out of every four who die each year in these boroughs and 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:

St Raphael's Hospice Trustees' Report for the year ended 31st March 2024, continued

Public benefit, continued

- 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. 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.

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 two 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 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 two all-electric vans for our Retail distribution and have a third for our facilities and OT teams (distributing equipment to patients in their homes). We have installed two electric charging points 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.

St Raphael's Hospice
Trustees' Report for the year ended 31st March 2024, continued

Environmental, Social and Corporate Governance, continued

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 £1,732 (2022-23: £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 from 1st August 2024), Clinical Director (Joint CEO from 1st August 2024), 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 2024 was 9 (2022-23: 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

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:

<p>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.</p> <p><i>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 £1.4m (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 £1.3m).</i></p>
<p>People - inability to recruit and retain specialist staff against a backdrop of an aging staff profile and widespread shortage of qualified staff.</p> <p><i>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. We recognise that the impact of the cost-reduction exercise will have impacted morale and adds to the risks around staff retention and recruitment.</i></p>
<p>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.</p> <p><i>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.</i></p>

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2024, continued

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 Controlled 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.

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. Our incident reporting system, Datix, was launched in 2021 and successfully transferred to the cloud in 2024. 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 81% of the total (2022-23: 86%). This ratio is marginally higher amongst the upper pay quartile where 86% are women (2022-23: 85%). The "mean pay" for women is 11% above the men (2022-23: women same as men). The "median pay gap" is -16% (2022-23: -10%) arising because a higher proportion of men (44% of the total - 2022-23: 25%) work within the lower pay quartile.

St Raphael's Hospice
Trustees' Report for the year ended 31st March 2024, continued

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 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 was prepared by the Executive and agreed by the Remuneration Committee in January 2024. It was ratified by the Board on 20 March 2024. It affected only non-clinical staff members as the clinical team had been aligned to AfC rates and increments. At the time of preparation, the wage inflation level was 7.7% although CPI inflation had dropped below 5%. As in previous years, a blended approach was taken with a higher increment awarded to lower paid staff. In aggregate it amounted to 5.2% (2022-23: 5%).

Permanent staff on the lowest wages received a higher award of 10% (2022-23: 7.8%). This moved the lowest pay for permanent staff from £11.05 from £12.19 (2022-23: from £10.25 to £11.05). Our lowest level for bank staff increased by 6.4% from £10.75 to £11.44 which met the latest Government minimum living wage level of £11.44 (2022-23: £10.42) regardless of the age profile of those bank staff. 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 152 contracted employees (2022-23: 141) of whom 53 were full time and 99 part-time (2022-23: 51 and 90). The Hospice also has 35 active bank staff who do not want to commit to working specific regular hours and are offered work as and when the need arises (2022-23: 28).

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 2024	7	9	20	20	7
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

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 has continued to increase and we are particularly heartened by the growth in the numbers of patient-facing, Hospice Neighbours and retail volunteers. We estimate 792 volunteer roles undertaken in the year amounting to 61,519 hours of given time (2022-23: 735 roles and 51,321 hours). This provides an estimated financial value of between £800,000 and £900,000 (2022-23: between £700,000 and £800,000), an extraordinary achievement.

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

Volunteer Numbers	2023-24	2022-23	2021-22
Reception	42	41	38
Office and Administration	27	24	28
Ward and Patient-facing	36	24	10
Flowers and Gardens	27	20	12
Psychological Support	19	18	14
Hospice Neighbours and Biographers	44	24	21
Orangery Café	18	14	14
Trustees and Committees	13	15	14
Training and Mentoring	2	2	3
Wellness Volunteers	29	28	7
Occasional Volunteers	12	19	45
Hospice Total	269	229	206
Shops	246	208	167
Fundraising Administration	1	4	7
Subtotal	516	441	380
Supporter Groups and Events	276	294	289
Total	792	735	669

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2024, continued

Fundraising

Income Generation arises from our commercial activity, including our charity shops and lottery, and through legacy and fundraising which is undertaken by our fundraising team. As part of our lottery activity we have two commercial contracts with third-party fundraisers. Sterling Lotteries administers and prepares reports on our weekly draw. At the end of this reporting year we had 6,813 weekly lottery plays (2022-23: 6,577). During the year end we also entered into a contract with Britevox Ltd to recruit players to our lottery. Britevox are licensed and regulated by the Gambling Commission.

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 (2022-23: 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.

There were no complaints received in the period to be reported to the Gambling Commission in our return (2022-23: 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.

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2024, continued

Trustees' responsibilities statement, continued

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:

**St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024**

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 2024 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 2024 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 2024**

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 2024**

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:

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024

Statement of Financial Activities including an income and expenditure account

	Notes	Unrestricted			Total funds Year to 31 March 2024 £'000	Total funds Year to 31 March 2023 £'000
		General	Designated	Restricted		
		fund £'000	fund £'000	funds £'000		
Income and expenditure						
Income from:						
Donations and legacies	2	3,197	-	378	3,575	3,799
Other trading activities	3	2,081	-	-	2,081	1,787
Investments		109	-	-	109	96
Charitable activities						
SWL Integrated Care Board	4	1,697	-	-	1,697	1,698
Other income	4	54	-	-	54	87
Total income		7,138	-	378	7,516	7,467
Expenditure on:						
Raising funds	5	3,122	-	-	3,122	2,500
Charitable activities	6	5,254	-	485	5,738	5,260
Total expenditure		8,375	-	485	8,860	7,760
Net gains / (losses) on investments	11	146	-	-	146	(103)
Net income / (expenditure) before transfers		(1,091)	-	(107)	(1,198)	(396)
Transfers between funds	15-16	78	(68)	(10)	-	-
Net movement in funds		(1,013)	(68)	(117)	(1,198)	(396)
Reconciliation of funds:						
Fund balances brought forward at 1 April 2023		4,016	1,252	209	5,477	5,872
Fund balances carried forward at 31 March 2024	15-17	3,003	1,184	92	4,279	5,476

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 24 to the financial statements.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024

Balance Sheet

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Tangible assets	10		971		857
Fixed Asset Investments	11		1,672		1,966
			2,643		2,823
Current assets					
Debtors	12	2,059		1,406	
Cash at bank and in hand		1,619		3,682	
		3,678		5,088	
Creditors: amounts falling due within one year	13	(1,139)		(1,532)	
Net current assets			2,539		3,556
Creditors: amounts falling due after more than one year	13		(903)		(903)
Total net assets			4,279		5,476
Represented by:					
Funds and reserves					
Income funds					
Restricted funds	15		92		209
Unrestricted funds					
Designated funds	16		1,184		1,252
General fund	17		3,003		4,015
Total funds			4,279		5,476

Approved by the Board of Trustees on:

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

St Raphael's Hospice, a charitable 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 2024

Statement of Cash Flows

	Notes	Year to 31 March 2024 £'000	Year to 31 March 2023 £'000
Net cash provided by operating activities	A	(2,302)	(440)
Cash flows from investing activities:			
Investment income		109	96
Purchase of tangible fixed assets		(312)	(278)
Purchase of investments		(58)	(52)
Disposal of investments		500	
Net cash provided by (used in) investing activities		239	(234)
Change in cash and cash equivalents in the year	B	(2,063)	(674)
Cash and cash equivalents at 1 April 2023	B	3,682	4,356
Cash and cash equivalents at 31 March 2024	B	1,619	3,682

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

		Year to 31 March 2024 £'000	Year to 31 March 2023 £'000
Net movement in funds (as per the statement of financial activities)		(1,198)	(396)
Adjustments for:			
Depreciation charge / amounts written off		199	146
Investment income		(109)	(96)
Net loss/(gain) on investments		(146)	103
Decrease/(Increase) in debtors		(654)	572
(Decrease)/Increase in creditors		(394)	(769)
Net cash provided by operating activities	A	(2,302)	440

B: Analysis of changes in net debt

	2023 £'000	Cash flows £'000	2024 £'000
Cash at bank and in hand	3,682	(2,063)	1,619
Borrowings and debt	-	-	-
Total	3,682	(2,063)	1,619

**St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024**

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 2024.

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 kept abreast of the actual and potential impact of 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. They have sought, unsuccessfully, to raise additional income from the NHS Commissioners, SWL ICB, in order to offset the additional costs arising from inflation over the prior three years. Therefore, the Trustees have taken decisive action to lower operating costs by £1m on an annual basis. They have also gratefully secured a grant of £1m from the Congregation of the Daughters of the Cross of Liege (DoC) in line with the Letter of Comfort which was provided to them as part of the transfer arrangements in 2020. This recognised risks to the strategic plan including "inflation assumption error".

The Hospice remains reliant upon the generosity of the community of Merton and Sutton even after having reduced cost and risk as described above. It is continuing with its endeavours to increase income across all avenues in order not to rely upon exceptional levels of legacy and on grants from the DoC. Notwithstanding the challenges that the Hospice continues to face, it is felt that it has sufficient cash resources and a realistic plan of action that will allow it to continue operations for the foreseeable future.

Therefore, 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 South West London ICB and other organisations together with the release of the DoC grant from deferred income.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024

Notes to the Financial Statements, continued

1 Accounting Policies, continued

Income recognition, continued

Income comprises donations, legacies, gifts in kind for donated services and facilities, lottery income, income from retail sales, grants from South West London ICB and other organisations together with the release of the DoC grant from deferred income.

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.

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. The value used is discounted by 15% in order to recognise the risk that asset values realised may not reach the original valuation estimates.

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 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 was used to estimate the annual rental value. The estimated value has subsequently been increased by reference to market indicators for similar properties in the region.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024

Notes to the Financial Statements, continued

1 Accounting Policies, continued

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).

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.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024

Notes to the Financial Statements, continued

1 Accounting Policies, continued

Cash

Cash is held in bank accounts or in hand and money available on demand or term deposits with an expiry date within three months of the balance sheet date.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount St Raphael's Hospice anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Pension Costs

St Raphael's Hospice operates a defined contribution pension scheme. The amounts charged represent the employers' contributions payable to the scheme in the year.

St Raphael's Hospice also participates in the NHS pension scheme, a defined benefit scheme which is underwritten by the UK Treasury. The liabilities of the scheme are not calculated and there is no attribution of liability to the participant organisations, including the Hospice. Accordingly, the contributions are accounted for as if it were a defined contribution pension scheme.

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.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024

Notes to the accounts, continued

2 Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Donations	1,606	63	1,669	1,800	82	1,882
Gifts in kind	-	315	315	-	270	270
Legacies	1,592	-	1,592	1,647	-	1,647
Total	3,197	378	3,575	3,447	352	3,799

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 £315,000 for the year (2023 – £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 2024 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Lottery income	354	-	354	368	-	368
Retail sales and related income	1,727	-	1,727	1,419	-	1,419
	2,081	-	2,081	1,787	-	1,787

4 Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
SWL ICB service funding	1,697	-	1,697	1,632	-	1,632
SWL ICB Grants	-	-	-	-	66	66
Income from South West London Integrated Care Board (ICB)	1,697	-	1,697	1,632	66	1,698
NHS England COVID-21 funding	-	-	-	10	-	10
Other	54	-	54	77	-	77
Other Income	54	-	54	87	-	87

5 Expenditure on Raising Funds

Year ended 31 March 2024	Staff Costs £'000	Other Costs £'000	Support Costs £'000	Total £'000	of the total being	
					Unrestricted £'000	Restricted £'000
Fundraising	525	219	166	910	910	-
Lottery	23	206	12	242	242	-
Charity Shops	890	802	278	1,970	1,970	-
	1,439	1,227	456	3,122	3,122	-

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024

Notes to the accounts, continued

5 Expenditure on Raising Funds, continued

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

6 Expenditure on Charitable activities

<i>Year ended 31 March 2024</i>	<i>Staff Costs</i>	<i>Other Costs</i>	<i>Support Costs</i>	<i>Total</i>	<i>of the total being</i>	
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>		<i>Unrestricted</i>	<i>Restricted</i>
				<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Hospice In-Patient Unit	1,847	632	443	2,922	2,703	220
"Hospice at Home" Community team	1,483	107	239	1,828	1,736	92
Psychological Support team	264	30	34	328	287	41
Education	94	31	21	146	93	53
Orangery	28	105	29	161	121	40
Volunteers	68	28	22	118	110	8
Wellbeing Centre	133	62	40	235	203	32
	3,916	994	828	5,738	5,254	485

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

Net Income is stated after charging

Auditor's remuneration	
Statutory Audit	24
Staff costs	6,164
Lease rental costs	416
Depreciation	199

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
For the year ended 31st March 2024

Notes to the accounts, continued

7 Staff costs

Charitable Activities	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2024	£'000	£'000	£'000	£'000	£'000	£'000
Hospice In-Patient Unit	1,524	148	93	83	-	1,847
"Hospice at Home" Community team	1,219	132	131	-	-	1,483
Psychological Support team	236	21	7	-	-	264
Education	83	9	3	-	-	94
Orangery	26	1	0	-	-	28
Volunteers	61	5	2	-	-	68
Wellbeing Centre	122	9	2	-	-	133
	3,271	324	238	83	-	3,917

Income Generation	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2024	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising	465	47	13	-	-	525
Lottery	21	2	1	-	-	23
Retail Shops	809	61	20	-	-	890
	1,295	110	34	-	-	1,439

Support Team	Salaries	NIC	Pensions	Total Staff Costs	Non-Staff Costs	Total Support Cost
Year ended 31 March 2024	£'000	£'000	£'000	£'000	£'000	£'000
Executive Office and Communications	189	18	9	215	281	497
HR	104	11	3	118	52	170
IT and Facilities	251	25	9	286	105	391
Finance	86	8	5	99	33	131
Quality	77	9	5	91	4	95
	707	71	31	809	475	1,284

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

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2024

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 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

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:

	2024	2023
	No.	No.
£60,001 - £70,000	2	3
£70,001 - £80,000	4	4
£80,001 - £90,000	3	2
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-

During the year the charity made payments of £8k in respect of redundancies (2023: nil) and £7k for other terminations of employment (2023: nil).

Key management personnel

Key management personnel comprised the Trustees, the CEO, the Clinical Director, the Director of Fundraising and Communications, the Commercial Director, Director of Quality and Governance 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 (2023: £nil). No out of pocket expenses were reimbursed to trustees during the year (2023: £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 £551,220 (2023: £445,020). This increase followed the recruitment to a new role of Director of Fundraising and Communications.

8 Staff numbers

Year ended 31 March 2024	Headcount	FTE	Headcount	FTE
	2024	2024	2023	2023
Hospice In-Patient Unit	38	25	37	23
"Hospice at Home" Community team	26	19	25	19
Psychological Support team	5	3	4	3
Education & Quality	4	3	4	2
Volunteers	1	1	1	1
Wellbeing Centre	5	3	4	3
Housekeeping and Orangery	15	6	16	7
Hospice administration	11	6	11	6
Medical team	6	5	6	5
Charitable Activities	110	71	108	69
Fundraising	14	12	11	9
Lottery	-	-	1	1
Retail Shops	47	29	31	24
Income Generation	60	41	43	34

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Notes to the accounts, continued

8 Staff numbers, continued

Support Services	12	10		13	10
Executive and Finance	4	3		5	4
Support Services	16	13		18	14
All Staff	187	125		169	117
Year ended 31 March 2024	Headcount	FTE		Headcount	FTE
	2024	2024		2023	2023
Permanent full time	53	56		51	50
Permanent part time	99	58		90	57
"Bank" variable hours	35	11		28	10
	187	125		169	117

In addition to our paid staff, St Raphael's Hospice benefitted from the support volunteers who contributed their time to cover 792 roles (2023: 735). 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 £51,000 (2023: £48,000) and this is included within debtors.

10 Tangible fixed assets

	Site Leasehold Improvements	Computer and other Equipment	Shop Fixtures and Fittings	Motor Vehicles	Retail Leasehold Improvement	Assets under Construction	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2023	411	601	45	83	191	117	1,448
Transfer between classes	117	36	-	-	193	(347)	-
Additions	28	24	6	-	5	249	312
At 31 March 2024	556	662	51	83	388	20	1,761
Depreciation							
At 1 April 2023	23	408	37	34	89	-	591
Charge in year	19	88	8	20	65	-	199
At 31 March 2024	41	496	45	55	153	-	790
Net book values							
At 31 March 2024	515	166	7	29	235	20	971
At 31 March 2023	388	193	8	49	102	117	857

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.

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Notes to the accounts, continued

10 Tangible fixed assets, continued

	Site Leasehold Improvements	Computer and other Equipment	Shop Fixtures and Fittings	Motor Vehicles	Retail Leasehold Improvements	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
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
At 31 March 2023	23	408	37	34	89	-	591
At 31 March 2023	388	193	8	49	102	117	857
At 31 March 2022	298	247	17	33	88	42	725

11 Investments

	2024 £'000	2024 Units 000's	2023 £'000	2023 Units 000's
Marketable investments				
Sarasin Endowments Fund				
Market value at start of year	1,952	1,705	1,417	1,163
Net additions at cost	58	50	638	542
Disposals at market value	(485)	(403)	-	-
Net gain/(loss) on revaluation/disposal	146	-	(103)	-
Market value at 31 March	1,671	1,352	1,952	1,705
Liquid Assets				
ICS-Sterling Liquidity Fund				
Market value at start of year	14	-	600	6
Investment Income	59	-	52	-
Interest	1	-	-	-
Net additions at cost	485	-	-	-
Transfer to Cash Deposit	(500)	-	-	-
Disposals at market value	(58)	-	(638)	(6)
Market value at 31 March	1	-	14	-
Total investments	1,672	1,352	1,966	1,705
Cost at 31 March	1,615	1,352	2,052	1,705
Marketable investments comprise				
Fixed Income	207		290	
Equities	1,224		1,292	
Property	59		86	
Alternative investments	115		242	
Short term deposits and cash	66		56	
	1,671		1,966	

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Notes to the accounts, continued

12 Debtors	2024	2023
	£'000	£'000
Legacies receivable	1,558	979
Prepayments	244	215
VAT receivable	60	55
Other Debtors	197	157
	<u>2,059</u>	<u>1,406</u>

13 Creditors	2024	2023
	£'000	£'000
Amounts falling due within one year		
Trade creditors	100	55
Social security and other taxes	128	103
Other creditors and accruals	336	294
Deferred income release of DoC grant	500	1,000
Lottery deferred income	53	57
Other deferred Income	23	23
Provision for onerous lease commitments	-	-
	<u>1,139</u>	<u>1,532</u>
Amounts falling due after more than one year		
Deferred income release of DoC grant	903	903
	<u>903</u>	<u>903</u>

14 Deferred Income	2024	2024	2024	2023
	DoC Grant	Other	Total	Total
	£	£	£	£
Brought forward at 1 April 2022	1,903	80	1,983	2,739
Introduced in the year	-	2,044	2,044	2,379
Released during the year	(500)	(2,048)	(2,548)	(3,135)
Carried forward at 31 March 2023	<u>1,403</u>	<u>75</u>	<u>1,479</u>	<u>1,983</u>

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 £500k was released to the SOFA in the current year (2023: £750k) and the release of a further £500k has been budgeted for the year to 31st March 2025 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 caused 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	At 1st April	Income	Expenditure	Transfer	At 31st
The restricted funds are monies received for, and their use restricted to, the following:	2023			between	March 2024
	£'000	£'000	£'000	Funds	£'000
				£'000	
Bereavement support fund	-	35	(35)	-	-
DoC gift in kind	-	315	(315)	-	-
SWL ICB grants	120	-	(66)	-	54
Other restricted donations	89	28	(69)	(10)	38
	<u>209</u>	<u>378</u>	<u>(485)</u>	<u>(10)</u>	<u>92</u>

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Notes to the accounts, continued

15 Restricted Funds, continued

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

The Bereavement support fund represents the funding of the Psychological Support 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. In the current year an inflation based increase has been recognised to adjust the valuation from £270k per annum to £315k per annum, but a formal revaluation has not taken place.

The South West London Integrated Care Board (SWL ICB) Grants are provided to fund one additional Clinical Nurse Specialists for weekend and bank holiday cover. In 2023-24 no further CCG grants were provided to (2022-23 £66k) and the fund is being utilised. A new bid will be made in the new financial year.

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

16 Designated Funds

		<i>At 1st April 2023</i>	<i>Expenditure</i>	<i>Transfer between Funds</i>	<i>At 31st March 2024</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Fixed Asset Fund	Acquired	857	312	(199)	971
	Committed	-	-	20	20
	Budgeted within 12 months	395		(202)	193
		<u>1,252</u>	<u>312</u>	<u>(381)</u>	<u>1,184</u>
		<i>At 1st April 2022</i>	<i>Expenditure</i>	<i>Transfer between Funds</i>	<i>At 31st March 2023</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Fixed Asset Fund	Acquired	725	278	(146)	857
	Committed	-	-	-	-
	Budgeted within 12 months	451		(56)	395
		<u>1,176</u>	<u>278</u>	<u>(202)</u>	<u>1,252</u>

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.

17 Analysis of net assets between funds

	<i>Restricted funds</i>	<i>General Fund</i>	<i>Designated fund</i>	<i>Total 2024</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Fixed assets	-	1,672	971	2,643
Current assets	92	3,374	213	3,678
Creditors: amounts falling due within one year	-	(1,139)	-	(1,139)
Creditors: amounts falling due after more than one year	-	(903)	-	(903)
Total net assets	<u>92</u>	<u>3,003</u>	<u>1,184</u>	<u>4,279</u>

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Notes to the accounts, continued

17 Analysis of net assets between funds, continued

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

18 Leasing commitments

Operating leases

At 31 March 2024 the Hospice had total commitments under non-cancellable operating leases for retail shops and related office and warehouse buildings as follows:

	Land and buildings 2024 £'000	Land and buildings 2023 £'000
Commitments falling due:		
Within one year	409	307
Within one to two years	309	260
Within two to five years	538	314
Over five years	39	-
	1,295	881

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 (2023: £300). The leases are valued at £315k per annum and a gift-in-kind is recognised in these financial statements for this amount (2023: £270k). The notional rental of £315k is also recognised in these financial statements (2023: £270k).

No grants were made by DoC during the year (2023: nil). A grant of £1m was given after the balance sheet date, in June 2024, to support the ongoing work of the charity.

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 (2023: nil).

During the year services were provided at a market rate of £4,990 by Darnelle Consulting Ltd. Grahame Darnelle is a Trustee and also Director of Darnelle Consulting Ltd.

There were no other related party transactions.

21 Capital commitments

As at 31 March 2024 there was a commitment to complete a contract for Fire Safe doors in the IPU which amounted to £20k. (2023: 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 £133,098 (2023: £127,390).

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22 Pension commitments, continued

The NHS pension scheme is a defined benefit scheme which is underwritten by the UK Treasury. The liabilities of the scheme are not calculated and there is no attribution of liability to the participant organisations, including the Hospice. Accordingly, it has accounted for its contributions as if it were a defined contribution scheme.

The contributions payable to the scheme for the year were £158,576 (2023: £149,004).

23 Post Balance Sheet Events

The Hospice, together with two other hospices, entered negotiations with the NHS Commissioners, SWL ICB, in May 2023 to increase funding over the course of a three year period to reach the London average level of 50% of the Clinical Services costs. This negotiation proved unsuccessful and, in May 2024, the Board made the decision to cut running costs by a figure of £1m per annum in order to offset an inflation-related increase in costs of a similar level. A proposal was presented to the staff body in July 2024 which included significant reductions to staff costs by means of reduced working hours, revised role descriptions and redundancy. In addition, planned costs which could be avoided were also reduced.

A period of consultation of around 30 days took place following which the revised proposal was agreed and presented to the staff in August. This included 11 staff being made redundant and 19 staff reducing their hours and/or revising their roles. The implementation of the majority of the proposals was with effect from September 2024 with some elements delayed for practical reasons.

As part of the planning for addressing the high level of costs the charity was grateful to receive a grant of £1m from DoC in June 2024.

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24 Comparative Statement of Financial Activities for the year ended 31st March 2023

	Notes	Unrestricted			Total funds Year to 31 March 2023 £'000	Total funds Year to 31 March (being 5 months of operations) 2022 £'000
		General	Designated	Restricted		
		fund £'000	fund £'000	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.