

**St Raphael's Hospice**  
**Meeting of the Finance & Resources Committee**  
**To be held using Zoom Video Conferencing**  
**At 14:00 on Tuesday 18<sup>th</sup> May 2021**

Members: Joe Ryan (JR - Chair)  
 Alan Cogbill (AC)  
 Ed Cook (EC)  
 Paul Holmes (PH)  
 Sr Kathleen O'Reilly (KO'R)

In attendance: Gail Linehan (Joint CEO – GL)  
 Nick Stevens (Joint CEO – NS)  
 Neena Vadgama (Finance Manager – NV)  
 Anna Machin (Clerk – AM)

Item	Time	Description	Purpose	Lead
1.	14.00 – 14.05	Welcomes, apologies for absence and declarations of interest	Discussion	Chair
2.	14.05 – 14.20	Review of minutes from 10 <sup>th</sup> March 2021 Committee meeting	Approval	Chair
3.		Actions List and update on matters arising	Discussion	NS, NV
4.	14.20 – 15.20	2020/21 Year-end & 2021/22 Year-to-date Finance Report including: <ul style="list-style-type: none"> <li>• October 2020 audited Balance Sheets</li> <li>• March 2021 draft financial statements</li> <li>• Management accounts – detailed &amp; summary</li> <li>• Balance sheet &amp; cash movements</li> <li>• Update on investments</li> </ul>	Discussion	NS, NV
5.	15.20- 15.30	Verbal update on proposed Fundraising Database spend	Discussion	Chair
6.	15.30 - 15.50	Learnings from PAS (Patient Administration System) IT outage	Discussion	
7.	15.50 – 16.00	Any Other Business & Date of next meeting	Discussion	Chair

**Dates of future meetings:**

- Tuesday 6<sup>th</sup> July 2021, 2-4pm
- Wednesday 8<sup>th</sup> September 2021, 2-4pm
- Wednesday 10<sup>th</sup> November 2021, 2-4pm

**St Raphael's Hospice**  
**Minutes of a Meeting of the Finance & Resources Committee**  
**To be held using Zoom Video Conferencing**  
**At 14:00 on Wednesday 10<sup>th</sup> March 2021**

Members: Joe Ryan (JR - Chair)  
 Alan Cogbill (AC)  
 Ed Cook (EC)  
 Paul Holmes (PH)  
 Sr Kathleen O'Reilly (KO'R)

In attendance: Gail Linehan (Joint CEO – GL)  
 Nick Stevens (Joint CEO – NS)  
 Neena Vadgama (Finance Manager – NV)  
 Anna Machin (Clerk – AM)

**Actions arising**

<b>Agenda item</b>	<b>Action</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Ref.</b>
4. 2020/21 year-to-date finance report	Ensure legacies strategy discussed at upcoming Board meeting	NS, JR	March 2021	10.03/01
	Bring together detailed proposal on Fundraising Database spend	NS	By May meeting	10.03/02
	Communicate recommendation to keep reserve funds in NatWest at upcoming Board meeting	NS	March 2021	10.03/03
	Oversee external audit review and possible tender for 2021/22 accounts	Committee	Summer 2021	10.03/04
6. Governance items	Update Terms of Reference and submit to Board for approval	AM	March 2021	10.03/05

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

Committee members were welcomed to the meeting. There were no apologies sent to the meeting. There were no declarations of interest in relation to items on the meeting agenda.

**2. Review of minutes from 13<sup>th</sup> January 2021 Committee meeting**

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

**3. Actions List and update on matters arising**

The Committee reviewed the actions arising from the previous meeting:

- Take forward discussion with CAF – this had been completed and an update would be provided under item 4.

- Share schedule of transfer of funds between accounts with Committee Chair - completed
- Add FTE staff numbers to staff salaries summary and include funds to 2024/25 in budget figures submitted to the Board for approval – this was being prepared for the March Board.

#### **4. 2020/21 Year to Date Finance Report inc. Management Accounts (Detailed & Summary), Balance Sheet & Cash Movements and Audit Report as at 31 October 2020**

- 4.1. **Year to date income and expenditure to 31 January 2021** - Nick Stevens presented the meeting paper, including providing responses to questions submitted by Joe Ryan as Chair in advance of the meeting. Whilst at the end of December, the Hospice had projected £1m shortfall, the year-to-date shortfall is now £272k – or £480k before funds from the Daughters of the Cross (DoC) are recognised. This improvement in the projected financial position is primarily due to Covid-19 government grants. Central government grants of £184k have been received for both November and December, which is broadly in line with the similar grants given from April to July. The July grant has not yet been received by government and is perceived as less certain, so has not been included in year-end projections. The sector is not anticipating clawback based on the figures included in the Hospice Tracker.

The Clinical Commissioning Group (CCG) provided £200k in grants for August to October. This means that government income is £0.5m higher than expected, with grants to be received in February. Further government grants may be received for January, February and March, and the CCG indicated that it may be supportive in 2021/22 if further government funds were not forthcoming, and there is a perceived need due to Covid-19 impacts.

Committee asked about the anticipated level of legacies and how the opportunity to leave a legacy was promoted by the Hospice. Neena Vadgama confirmed that £41k was received in February and the pipeline currently stands at £0.5m, although the timing is not known. £700k has been included in the full-year forecast, of which around £0.5m has been received, including the large legacy of £285k.

Gail Linehan confirmed that consideration was being given to the most appropriate and sensitive ways in which to promote legacies as part of the Fundraising Strategy, and the team are building relationships with local solicitors. The sources of legacies can often be unexpected, and so the chance of legacies being made will be maximised through fulfilment of the Excellence and Visibility aspects of the Hospice's overall strategy. This subject would be raised with the Chair and an update given at the March Board meeting.

- 4.2. **Cash, reserves & year-end position** – Nick Stevens updated that cash at end of January was £6.1m before additional funds then being received in February, which puts the Hospice in a strong position. As a result of the Hospice becoming independent and buildings being owned by DoC, fixed assets and land are not on this balance sheet. The 2020/21 full-year forecast shows a shortfall of £0.55m before the DoC grant of £350k grant, leaving the year-end position at –£200k. The areas still to be confirmed before the 31<sup>st</sup> March are whether any further government grants will be forthcoming, if the £100k of legacies in the budget will be received, and final staff allowances for holiday pay accrual and some other areas of payroll.

Donor and Lottery income has also held up well, including a generous one-off donation of £130k, and so the overall picture is more positive than had been expected when Covid-19 began to impact the Hospice's operations. It is also a significant improvement on the initial budgeted shortfall of £1.7m before DoC funds. Retail has been hit the hardest, but these challenges have been partly offset through the furlough scheme.

The Committee asked for confirmation on plans to recognise the DoC funds sitting on the balance sheet. Nick Stevens confirmed that the £3.6m DoC funds were projected to be used for five years to make up the annual shortfalls before the Hospice rebalanced its operations and reached a break-even position. It was agreed with the auditors that this would be taken as deferred income on the balance sheet in order to represent the exceptional spend on transforming the Hospice's operations, and managing the presentation of the shortfall. This is factored into the five-year plans and has also been clearly communicated to the CCG who understand this is being used for investment to ensure long-term sustainability. The CCG have also recognised that the Hospice did not receive any inflationary increase in their core funding before 2019/20 and recognise the organisation's work and 'top-up' funding that it leverages to provide local end of life care. This is also a sign of more effective working between health organisations during this period of Covid-19.

- 4.3. **Fundraising income** - Committee members asked about the reason for improvement in the trends around Lottery income. Nick Stevens confirmed that there are a range of factors. Colleagues have worked hard to ensure there has not been any net impact of attrition this year and no agency support has been used. Glenda Withall has maintained engagement of players and put in place other opportunities for new sign-ups. The current thinking is that Glenda would now continue to oversee this function, with two colleagues supporting on administration and recruitment, and volunteers helping with outreach.

Using volunteers alongside Agency support could also promote opportunities for regular donations, volunteering and sharing stories about the Hospice. The expectation of the Agency is one sign-up per hour and 120 locations per year with 20 sign-ups each time leading to a total of 2,400 new Lottery players. The agency would hope to outperform this expectation. The key is ensuring continued engagement, as attrition is typically 10% but has only been 4% this year. A recent phone survey of local residents showed differing preferences between regular giving and Lottery entry. The average Hospice lottery is £1m - the Hospice's target sits below this and so it is felt to be achievable.

The Committee noted that this demonstrates a shift in emphasis to the business plan, with growth coming from Donor income as well the charity shops. Nick Stevens confirmed that five new shops were included in the plans rather than ten, but with higher profitability projected for each location. There are also much lower overhead costs for Lottery than Retail, and volunteer engagement in outreach will maintain local presence and also ensure it is authentic.

Committee members asked whether the projected spend of up to £100k on improvements to the Fundraising Database was justified. Nick Stevens confirmed the database has been in place for around six years. The software is useful overall but there are limitations such as the processes around Gift Aid claims. It was agreed that a detailed proposal would be shared with the Committee and Board on this planned area of expenditure.

- 4.4. **Update on investments** – Nick Stevens confirmed that a meeting had been held with two companies providing investment portals to deposit funds across multiple banks. Akoni Hub was recommended by DoC and Flagstone is linked to CAF. The systems are secure and broadly comparable, at a 0.15% or 0.25% fee. However the expected return on funds of up to £85k is at best 0.8%, and others around 0.5%, which would largely be offset by the fees, and be comparable to receiving 0.3% on a 12-month CAF deposit. Committee recognised that keeping funds in a national, high street bank may be more secure at this time than spreading across several banks some of which may be less secure.

Committee members resolved to recommend to the Board, through an update from Nick Stevens, that funds were kept in NatWest, and thanked Nick, Neena and Joe for their time in exploring the options available.

- 4.5. **Audited balance sheet to 31 October 2020** – Committee members noted the supplementary paper provided. Nick Stevens confirmed that the balance sheet had been subject to full review by the auditors along with the Statement of Financial Activities (SoFA) at the point of the Hospice's independence in October 2020. This means that the initial transactions have been reviewed and there is a set balance sheet in place to use as the baseline for the next set of accounts. There was a £96k adjustment agreed to legacy income which improved the results for the period to October 2020. The £200k CCG grant was also adjusted back into these figures, and £58k of the holiday accrual has been factored in.

The Committee considered whether the external auditors would continue. It was proposed that the 2020/21 audit would be undertaken by Buzzacott and that this would be reviewed for 2021/22, as other firms such as Mazars and haysmacintyre could be considered.

- 4.6. **HR, IT and Resources** – Nick Stevens confirmed that one long-standing member of staff had been subject to a medical dismissal, this had progressed to appeal and the appeal was not upheld, and the Hospice's original decision was upheld. The Hospice follows statutory guidance in relation to dismissal payments.

Nick Stevens asked the Committee to note that the a total sum of £15k - £30k had been identified as owing to 10 staff for historic underpayment of overtime. It is planned to bring payroll systems in-house. The Committee noted the significant work undertaken by HR during this period. The IT mailbox refresh has been undertaken and a range of activity is underway to improve Hospice facilities both internally and outside in the garden.

## **5. 2021/22 & longer-term Hospice budget including detailed 2021/22 budget & High-level long-term forecast to 2028**

Nick Stevens confirmed that the shortfall for the 2021/22 budget is £1.84m, compared to the originally anticipated shortfall of £1.77m. This is based on various teams now being at establishment for the upcoming year, with some recruitment having been delayed in 2020/21. For example the third Consultant has recently been identified, and there is strategic investment in the growth of the Fundraising and Communications teams to support outreach and income generation. There are six new roles and 10 vacancies that are now filled.

Donor income projections are prudent and may be outperformed, based on performance this year and increased staffing capacity. The Retail environment will be evolving during 2021/22 which will impact the year-end figures but the team have strong plans in place particularly based on the actions identified through the Skyline Report.

Committee members noted that it was an ambitious increase in donation income but this would stem from a variety of fundraising sources and had been planned in granular detail. The Fundraising Strategy would be shared as a supporting document for the March board meeting. Committee thanked for this work.

## **6. Governance items**

- 6.1. Finance & Resources Committee Terms of Reference – the Committee recommended the updated Terms of Reference to the Board for approval, subject to more detail being added on the Committee's role in overseeing corporate governance.
- 6.2. Review of Finance risks in Corporate Risk Register – The Committee were content with the top-line risks outlined in the Risk Register and suggested that the approach to scoring be noted at the top of the document.

## **7. Any Other Business and Dates of future meetings**

Committee members congratulated the team on the refurbishment of the Hospice and their work to prepare for this meeting and the upcoming financial year.

There were no items raised under Any Other Business. Committee members noted the dates for future meetings:

- Tuesday 18<sup>th</sup> May 2021, 2-4pm
- Tuesday 6<sup>th</sup> July 2021, 2-4pm
- Wednesday 8<sup>th</sup> September 2021, 2-4pm
- Wednesday 10<sup>th</sup> November 2021, 2-4pm

*The meeting ended at 4.15pm.*

Approved.....

Date.....

**SAINT RAPHAEL'S HOSPICE  
Finance Sub-Committee Action List**

Reference	Lead	Description	Target Date for Completion	Comments	Date Completed
13.01/03/NS	Nick Stevens	Add FTE staff numbers to staff salaries summary	By March 2021 meeting		Complete
13.01/06/NS	Nick Stevens	Include funds to 2024/25 in figures submitted to the Board for approval	By March 2021 Board meeting		Complete
10.03/05/AM	Anna Machin	Update Terms of Reference and submit to Board for approval	March 2021		Complete
10.03/01/NS, JR	Nick Stevens, Joe Ryan	Ensure legacies strategy discussed at upcoming Board meeting	Planned for July 2021 Board		In progress
10.03/02/JR	Joe Ryan	Bring together detailed proposal on Fundraising Database spend	By May 2021 meeting		In progress
10.03/03/JR	Joe Ryan	Communicate recommendation to keep reserve funds in NatWest at upcoming Board meeting	Discussed at March 2021 meeting; could raise again at June Board meeting		In progress
10.03/04/Committee	Committee	Oversee external audit review and possible tender for 2021/22 accounts	Summer 2021		In progress

<b>Management Accounts March 2021</b>	<b>Year To Date</b>			
	<b>2020-21</b>	<b>Budget 2020-21</b>	<b>variance</b>	<b>YTD Prior Year</b>
Income from NHS	1,775,471	1,550,399	225,072	1,546,130
Other Income	1,455,118	132,658	1,322,461	175,599
<b>Service Income</b>	<b>3,230,589</b>	<b>1,683,057</b>	<b>1,547,533</b>	<b>1,721,729</b>
Direct Cost of Services	(3,651,042)	(3,935,538)	284,496	(3,434,614)
Hospice Depreciation	(155,282)	(267,539)	112,257	(210,006)
Support Costs	(678,829)	(618,369)	(60,459)	(622,189)
<b>Service Costs</b>	<b>(4,485,152)</b>	<b>(4,821,446)</b>	<b>336,294</b>	<b>(4,266,809)</b>
<b>Net Service Cost to be funded</b>	<b>(1,254,563)</b>	<b>(3,138,389)</b>	<b>1,883,826</b>	<b>(2,545,080)</b>
<b>Fundraising Activity</b>	28%	65%		60%
Legacy Income	1,918,142	1,000,000	918,142	1,750,510
Donor Income	1,222,685	1,410,041	(187,356)	1,240,373
Fundraising Costs	(592,754)	(861,669)	268,915	(629,760)
	<b>2,548,074</b>	<b>1,548,372</b>	<b>999,702</b>	<b>2,361,123</b>
Lottery Income	454,014	523,766	(69,752)	456,007
Lottery Costs	(188,041)	(304,441)	116,400	(206,984)
	<b>265,973</b>	<b>219,325</b>	<b>46,648</b>	<b>249,023</b>
Shop Income	203,693	1,157,655	(953,963)	1,103,503
Shop Costs	(913,626)	(1,168,754)	255,128	(934,027)
	<b>(709,933)</b>	<b>(11,099)</b>	<b>(698,834)</b>	<b>169,476</b>
		-1%		15%
<b>Support Costs</b>	<b>(339,414)</b>	<b>(309,185)</b>	<b>(30,230)</b>	<b>(311,094)</b>
<b>Fundraising Contribution</b>	<b>1,764,699</b>	<b>1,447,413</b>	<b>317,286</b>	<b>2,468,527</b>
<b>Shortfall before DOC Funding</b>	<b>510,136</b>	<b>(1,690,976)</b>	<b>2,201,112</b>	<b>(76,553)</b>
DOC Funding	280,000	1,400,000	(1,120,000)	0
Contingency Drawdown				
	<b>790,136</b>	<b>(290,976)</b>	<b>1,081,112</b>	<b>(76,553)</b>

Management Accounts April 2021	Year To Date				Full Year						
	Actuals 2020-21	Budget 2020-21	variance	YTD Prior Year	Actuals 2019-20	Actuals 2020-21	Budget 2020-21	Variance	Forecast 2021-22	Budget 2021-22	variance
Income from NHS	127,432	129,884	(2,452)	127,432	1,546,130	1,775,471	1,550,399	225,072	1,567,656	1,570,108	(2,452)
Other Income	11,101	13,366	(2,265)	224,554	175,599	1,455,118	132,202	1,322,917	204,003	208,303	(4,300)
<b>Service Income</b>	<b>138,533</b>	<b>143,250</b>	<b>(4,717)</b>	<b>351,987</b>	<b>1,721,729</b>	<b>3,230,589</b>	<b>1,682,601</b>	<b>1,547,989</b>	<b>1,771,659</b>	<b>1,778,412</b>	<b>(6,752)</b>
Direct Cost of Services	(296,910)	(311,783)	14,873	(284,509)	(3,434,614)	(3,651,042)	(3,935,082)	284,040	(3,829,572)	(3,853,836)	24,264
Hospice Depreciation	(8,391)	(10,135)	1,744	(16,495)	(210,006)	(155,282)	(267,539)	112,257	(156,123)	(163,823)	7,700
Support Costs	(47,811)	(53,367)	5,556	(51,362)	(622,189)	(678,829)	(618,369)	(60,459)	(676,475)	(671,288)	(5,188)
<b>Service Costs</b>	<b>(353,112)</b>	<b>(375,285)</b>	<b>22,173</b>	<b>(352,366)</b>	<b>(4,266,809)</b>	<b>(4,485,152)</b>	<b>(4,820,990)</b>	<b>335,838</b>	<b>(4,662,171)</b>	<b>(4,688,947)</b>	<b>26,776</b>
<b>Net Service Cost to be funded</b>	<b>(214,579)</b>	<b>(232,035)</b>	<b>17,456</b>	<b>(380)</b>	<b>(2,545,080)</b>	<b>(1,254,563)</b>	<b>(3,138,389)</b>	<b>1,883,826</b>	<b>(2,890,512)</b>	<b>(2,910,535)</b>	<b>20,024</b>
<b>Fundraising Activity</b>	61%	62%		0%	60%	28%	65%		62%	62%	
Legacy Income	156,000	39,000	117,000	0	1,750,510	1,918,142	1,000,000	918,142	1,000,000	1,000,000	0
Donor Income	53,293	83,577	(30,284)	84,220	1,240,373	1,222,685	1,410,041	(187,356)	1,221,203	1,251,488	(30,284)
Fundraising Costs	(41,468)	(50,483)	9,015	(43,440)	(629,760)	(592,754)	(861,669)	268,915	(736,713)	(764,886)	28,173
	<b>167,825</b>	<b>72,095</b>	<b>95,730</b>	<b>40,780</b>	<b>2,361,123</b>	<b>2,548,074</b>	<b>1,548,372</b>	<b>999,702</b>	<b>1,484,490</b>	<b>1,486,602</b>	<b>(2,112)</b>
Lottery Income	38,221	29,503	8,719	30,732	456,007	454,014	523,766	(69,752)	464,587	459,720	4,867
Lottery Costs	(15,222)	(14,083)	(1,138)	(12,882)	(206,984)	(188,041)	(304,441)	116,400	(262,942)	(269,249)	6,306
	<b>23,000</b>	<b>15,419</b>	<b>7,580</b>	<b>17,850</b>	<b>249,023</b>	<b>265,973</b>	<b>219,325</b>	<b>46,648</b>	<b>201,645</b>	<b>190,471</b>	<b>11,174</b>
Shop Income	38,579	33,786	4,794	26,808	1,103,503	203,693	1,157,655	(953,963)	1,034,538	1,029,744	4,794
Shop Costs	(99,456)	(91,994)	(7,463)	(48,062)	(934,027)	(913,626)	(1,168,754)	255,128	(1,119,345)	(1,145,386)	26,042
	<b>(60,877)</b>	<b>(58,208)</b>	<b>(2,669)</b>	<b>(21,253)</b>	<b>169,476</b>	<b>(709,933)</b>	<b>(11,099)</b>	<b>(698,834)</b>	<b>(84,807)</b>	<b>(115,642)</b>	<b>30,835</b>
Support Costs	(23,906)	(26,684)	2,778	(25,681)	(311,094)	(339,414)	(309,185)	(30,230)	(338,238)	(335,644)	(2,594)
<b>Fundraising Contribution</b>	<b>106,042</b>	<b>2,622</b>	<b>103,420</b>	<b>11,696</b>	<b>2,468,527</b>	<b>1,764,699</b>	<b>1,447,413</b>	<b>317,286</b>	<b>1,263,090</b>	<b>1,225,787</b>	<b>37,303</b>
<b>Shortfall before DOC Funding</b>	<b>(108,538)</b>	<b>(229,413)</b>	<b>120,875</b>	<b>11,316</b>	<b>(76,553)</b>	<b>510,136</b>	<b>(1,690,976)</b>	<b>2,201,112</b>	<b>(1,627,422)</b>	<b>(1,684,749)</b>	<b>57,327</b>
DOC Funding	83,333	83,333	(0)	0	0	280,000	1,400,000	(1,120,000)	1,000,000	1,000,000	(0)
Contingency Drawdown											
	<b>(25,205)</b>	<b>(146,080)</b>	<b>120,875</b>	<b>11,316</b>	<b>(76,553)</b>	<b>790,136</b>	<b>(290,976)</b>	<b>1,081,112</b>	<b>(627,422)</b>	<b>(684,749)</b>	<b>57,327</b>

St Raphael's Management Accounts 31 August 2020	Actuals 2020-21	Budget YTD 2020-21	variance	YTD Prior Year	Forecast 2019-20	Actuals 2020-21	Budget 2020-21	Variance	Forecast 2021-22	Budget 2021-22	variance
Total Income	507,959	412,449	95,511	493,747	6,272,121	7,309,123	7,174,063	135,061	6,491,987	6,519,363	(27,376)
Total Cost	(533,164)	(558,528)	25,365	(482,431)	(6,348,674)	(6,518,987)	(7,465,039)	946,051	(7,119,409)	(7,204,112)	84,703
<b>Shortfall for period</b>	<b>(25,205)</b>	<b>(146,080)</b>	<b>120,875</b>	<b>11,316</b>	<b>(76,553)</b>	<b>790,136</b>	<b>(290,976)</b>	<b>1,081,112</b>	<b>(627,422)</b>	<b>(684,749)</b>	<b>57,327</b>

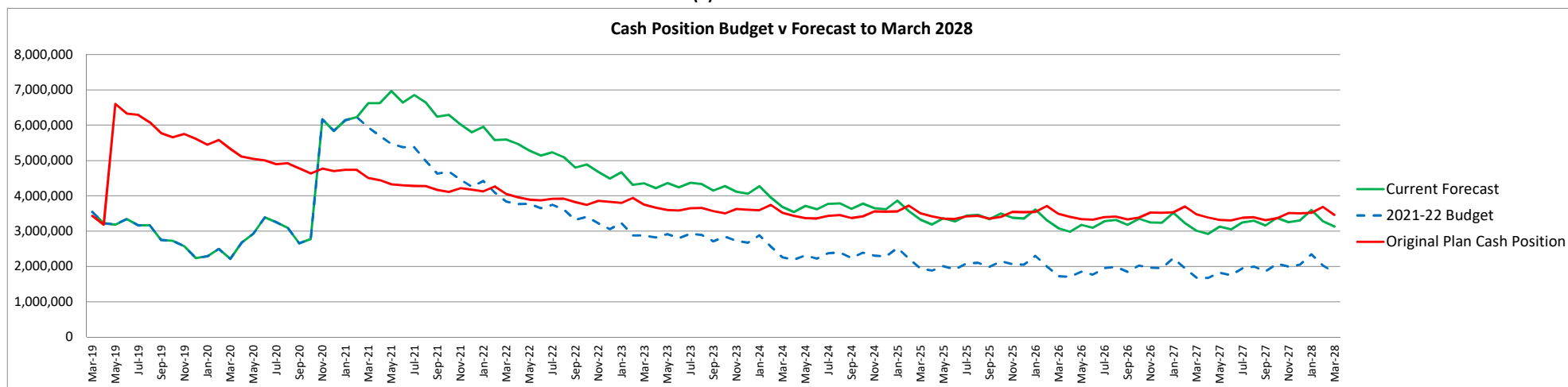
SRH Detailed Income and Expenditure	Month of April					Year To Date					Full Year			
	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance	Actuals 2020-21	Forecast 2021-22	Budget 2021-22	Variance to Forecast
30th April 2021														
NHS Grants	127,432	129,344	(1,911)	127,432	0	127,432	129,344	(1,911)	127,432	0	1,729,185	1,550,211	1,552,123	1,911
NHS Other Fees	0	541	(541)	0	0	0	541	(541)	0	0	46,286	17,445	17,986	541
Hospice Grants	656	0	656	223,452	(222,796)	656	0	656	223,452	(222,796)	1,390,159	40,656	40,000	(656)
St Bede's Income	0	1,005	(1,005)	0	0	0	1,005	(1,005)	0	0	1,500	7,000	10,040	3,040
DoC Rent Gift in Kind	10,000	10,000	0		10,000	10,000	10,000	0	0	10,000	50,000	120,000	120,000	0
Education Income	0	433	(433)	0	0	0	433	(433)	0	0	6,500	4,759	5,192	433
Other income	10,000	11,438	(1,438)	0	10,000	10,000	11,438	(1,438)	0	10,000	58,000	131,759	135,232	3,473
Investment Income	445	678	(233)	1,103	(658)	445	678	(233)	1,103	(658)	5,318	7,338	7,571	233
Orangery Income	0	1,250	(1,250)	0	0	0	1,250	(1,250)	0	0	1,641	24,250	25,500	1,250
<b>Operating Income</b>	<b>138,533</b>	<b>143,250</b>	<b>(4,717)</b>	<b>351,987</b>	<b>(213,454)</b>	<b>138,533</b>	<b>143,250</b>	<b>(4,717)</b>	<b>351,987</b>	<b>(213,454)</b>	<b>3,230,589</b>	<b>1,771,659</b>	<b>1,778,412</b>	<b>6,752</b>
Staff Costs	(249,760)	(258,024)	8,264	(252,200)	2,440	(249,760)	(258,024)	8,264	(252,200)	2,440	(3,120,576)	(3,185,912)	(3,186,758)	(845)
Training, Recruitment and subscriptions	(5,341)	(3,121)	(2,220)	(979)	(4,362)	(5,341)	(3,121)	(2,220)	(979)	(4,362)	(29,268)	(45,133)	(43,227)	1,906
Food and Catering	(1,151)	(3,564)	2,412	(1,114)	(37)	(1,151)	(3,564)	2,412	(1,114)	(37)	(16,511)	(39,997)	(42,277)	(2,280)
Cleaning and Waste Disposal	(2,739)	(3,527)	788	(3,107)	368	(2,739)	(3,527)	788	(3,107)	368	(31,782)	(35,442)	(36,145)	(702)
Travel and Motoring Expenses	(732)	(2,448)	1,716	(708)	(25)	(732)	(2,448)	1,716	(708)	(25)	(8,418)	(26,967)	(28,784)	(1,817)
Drugs, Dressings and Consumables	(7,214)	(7,184)	(30)	(6,878)	(336)	(7,214)	(7,184)	(30)	(6,878)	(336)	(102,166)	(108,144)	(108,785)	(641)
Rates and Utilities	(7,112)	(6,799)	(313)	(6,695)	(418)	(7,112)	(6,799)	(313)	(6,695)	(418)	(76,346)	(82,655)	(83,822)	(1,167)
Repairs and Maintenance	(8,377)	(7,018)	(1,359)	(5,545)	(2,832)	(8,377)	(7,018)	(1,359)	(5,545)	(2,832)	(131,886)	(85,061)	(83,001)	2,060
Telephones, Postage, Stationery & IT	(3,136)	(5,115)	1,980	(5,596)	2,460	(3,136)	(5,115)	1,980	(5,596)	2,460	(54,687)	(46,273)	(63,564)	(17,291)
Other Direct Costs	(11,347)	(14,983)	3,636	(1,687)	(9,660)	(11,347)	(14,983)	3,636	(1,687)	(9,660)	(79,403)	(173,988)	(177,475)	(3,487)
Depreciation	(8,391)	(10,135)	1,744	(16,495)	8,104	(8,391)	(10,135)	1,744	(16,495)	8,104	(155,282)	(156,123)	(163,823)	(7,700)
<b>Direct Cost of Service (incl Depreciation)</b>	<b>(305,301)</b>	<b>(321,918)</b>	<b>16,617</b>	<b>(301,004)</b>	<b>(4,297)</b>	<b>(305,301)</b>	<b>(321,918)</b>	<b>16,617</b>	<b>(301,004)</b>	<b>(4,297)</b>	<b>(3,806,324)</b>	<b>(3,985,696)</b>	<b>(5,469,837)</b>	<b>(31,963)</b>
<b>Net Service Cost</b>	<b>(166,768)</b>	<b>(178,668)</b>	<b>11,900</b>	<b>50,982</b>	<b>(217,750)</b>	<b>(166,768)</b>	<b>(178,668)</b>	<b>11,900</b>	<b>50,982</b>	<b>(217,750)</b>	<b>(575,735)</b>	<b>(2,214,036)</b>	<b>(2,239,248)</b>	<b>(25,211)</b>
Staff Costs	(56,828)	(56,500)	(328)	(39,808)	(17,020)	(56,828)	(56,500)	(328)	(39,808)	(17,020)	(695,112)	(688,478)	(687,820)	658
Training, Recruitment and subscriptions	(754)	(2,924)	2,170	(53)	(700)	(754)	(2,924)	2,170	(53)	(700)	(7,634)	(35,512)	(37,785)	(2,273)
Telephones, Postage, Stationery & IT	(7,086)	(4,977)	(2,109)	(6,995)	(92)	(7,086)	(4,977)	(2,109)	(6,995)	(92)	(89,629)	(90,993)	(91,498)	(505)
Professional Services	(2,775)	(4,816)	2,041	(6,300)	3,525	(2,775)	(4,816)	2,041	(6,300)	3,525	(62,761)	(75,867)	(59,785)	16,081
Insurance	(2,664)	(3,200)	536	(2,282)	(382)	(2,664)	(3,200)	536	(2,282)	(382)	(37,467)	(42,025)	(42,561)	(536)
Communications & Marketing	0	(3,400)	3,400	0	0	0	(3,400)	3,400	0	0	(1,577)	(37,400)	(40,800)	(3,400)
Other Costs	(1,139)	(2,193)	1,055	(3,704)	2,565	(1,139)	(2,193)	1,055	(3,704)	2,565	(14,408)	(21,527)	(22,202)	(675)
VAT	(471)	(2,040)	1,569	(17,901)	17,430	(471)	(2,040)	1,569	(17,901)	17,430	(109,656)	(22,911)	(24,480)	(1,569)
<b>Support Costs</b>	<b>(71,717)</b>	<b>(80,051)</b>	<b>8,334</b>	<b>(77,043)</b>	<b>5,327</b>	<b>(71,717)</b>	<b>(80,051)</b>	<b>8,334</b>	<b>(77,043)</b>	<b>5,327</b>	<b>(1,018,243)</b>	<b>(1,014,713)</b>	<b>(1,006,932)</b>	<b>7,782</b>

31st January 2021	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance	Current F'cast 2020-21	Current F'cast 2020-22	Budget 2021-22	Variance	
<b>Income Generation</b>															
Legacies	156,000	39,000	117,000	0	156,000	156,000	39,000	117,000	0	156,000	1,918,142	1,000,000	1,000,000	0	
Donations	53,293	79,597	(26,304)	84,220	(30,928)	53,293	79,597	(26,304)	84,220	(30,928)	1,117,902	1,165,589	1,191,893	26,304	
Gift Aid	0	3,980	(3,980)	0	0	0	3,980	(3,980)	0	0	104,783	55,615	59,595	3,980	
Staff Costs	(31,229)	(31,336)	107	(29,709)	(1,520)	(31,229)	(31,336)	107	(29,709)	(1,520)	(403,540)	(455,328)	(457,892)	(2,563)	
Training, Recruitment and subscriptions	(285)	(550)	265	(169)	(116)	(285)	(550)	265	(169)	(116)	(5,030)	(5,834)	(6,541)	(706)	
Rent, Rates and Utilities	(2,495)	(2,563)	68	(2,513)	18	(2,495)	(2,563)	68	(2,513)	18	(30,633)	(31,061)	(30,973)	88	
Repairs and Maintenance	(307)	(361)	55	(464)	158	(307)	(361)	55	(464)	158	(6,700)	(5,982)	(5,474)	507	
Telephones, Postage, Stationery & IT	(1,216)	(2,967)	1,751	(1,551)	335	(1,216)	(2,967)	1,751	(1,551)	335	(48,795)	(49,334)	(67,220)	(17,886)	
Communications and Marketing	(267)	(6,667)	6,399	(3,500)	3,233	(267)	(6,667)	6,399	(3,500)	3,233	(38,838)	(73,601)	(80,000)	(6,399)	
Events	(3,534)	(1,500)	(2,034)	(3,289)	(245)	(3,534)	(1,500)	(2,034)	(3,289)	(245)	(17,016)	(62,124)	(60,090)	2,034	
Other Costs	(2,135)	(4,539)	2,404	(2,244)	109	(2,135)	(4,539)	2,404	(2,244)	109	(42,201)	(53,449)	(56,697)	(3,248)	
<b>Net Fundraising Contribution</b>	<b>167,825</b>	<b>72,095</b>	<b>95,730</b>	<b>40,780</b>	<b>127,045</b>	<b>167,825</b>	<b>72,095</b>	<b>95,730</b>	<b>40,780</b>	<b>127,045</b>	<b>2,548,074</b>	<b>1,484,490</b>	<b>1,486,602</b>	<b>2,112</b>	
<b>Lottery Income</b>	<b>38,221</b>	<b>29,503</b>	<b>8,719</b>	<b>30,732</b>	<b>7,489</b>	<b>38,221</b>	<b>29,503</b>	<b>8,719</b>	<b>30,732</b>	<b>7,489</b>	<b>454,014</b>	<b>464,587</b>	<b>459,720</b>	<b>(4,867)</b>	
Staff Costs	(3,132)	(3,076)	(57)	(3,076)	(57)	(3,132)	(3,076)	(57)	(3,076)	(57)	(38,565)	(74,402)	(81,679)	(7,277)	
Agency Staff	0	0	0	240	(240)	0	0	0	240	(240)	327	0	0	0	
Printing, Postage and Marketing	0	(1,267)	1,267	0	0	0	(1,267)	1,267	0	0	(15,766)	(31,831)	(33,098)	(1,267)	
Bank, Management and Other Charges	(4,589)	(3,681)	(908)	(4,046)	(544)	(4,589)	(3,681)	(908)	(4,046)	(544)	(52,038)	(60,227)	(59,430)	797	
Lottery Prizes	(7,500)	(6,060)	(1,440)	(6,000)	(1,500)	(7,500)	(6,060)	(1,440)	(6,000)	(1,500)	(82,000)	(96,482)	(95,042)	1,440	
<b>Net Lottery Contribution</b>	<b>23,000</b>	<b>15,419</b>	<b>7,580</b>	<b>17,850</b>	<b>5,149</b>	<b>23,000</b>	<b>15,419</b>	<b>7,580</b>	<b>17,850</b>	<b>5,149</b>	<b>265,973</b>	<b>201,645</b>	<b>190,471</b>	<b>(11,174)</b>	
<b>Shop Income</b>	<b>33,604</b>	<b>31,100</b>	<b>2,504</b>	<b>0</b>	<b>33,604</b>	<b>33,604</b>	<b>31,100</b>	<b>2,504</b>	<b>0</b>	<b>33,604</b>	<b>147,858</b>	<b>967,475</b>	<b>964,971</b>	<b>(2,504)</b>	
Gift Aid	0	1,711	(1,711)	0	0	0	1,711	(1,711)	0	0	8,462	51,363	53,073	1,711	
Rent received	975	975	0	975	0	975	975	0	975	0	11,700	11,700	11,700	0	
Other Income	4,000	0	4,000	25,833	(21,833)	4,000	0	4,000	25,833	(21,833)	35,672	4,000	0	(4,000)	
Staff Costs	(36,362)	(42,928)	6,566	(11,904)	(24,458)	(36,362)	(42,928)	6,566	(11,904)	(24,458)	(276,848)	(551,689)	(561,246)	(9,557)	
Training, Recruitment and subscriptions	(496)	(437)	(58)	(225)	(271)	(496)	(437)	(58)	(225)	(271)	(1,772)	(5,160)	(5,102)	58	
Consumables and Goods for Resale	(5,651)	(1,700)	(3,951)	(75)	(5,576)	(5,651)	(1,700)	(3,951)	(75)	(5,576)	(17,192)	(25,785)	(21,834)	3,951	
Cleaning and Waste Disposal	(1,595)	(2,872)	1,277	(152)	(1,442)	(1,595)	(2,872)	1,277	(152)	(1,442)	(16,832)	(32,618)	(33,661)	(1,043)	
Rent, Rates and Utilities	(26,802)	(32,229)	5,427	(24,074)	(2,728)	(26,802)	(32,229)	5,427	(24,074)	(2,728)	(412,671)	(347,138)	(379,108)	(31,970)	
Repairs and Maintenance	(14,439)	(800)	(13,639)	(67)	(14,373)	(14,439)	(800)	(13,639)	(67)	(14,373)	(34,662)	(21,592)	(10,152)	11,439	
Depreciation	(4,367)	(3,788)	(579)	(3,290)	(1,077)	(4,367)	(3,788)	(579)	(3,290)	(1,077)	(45,048)	(46,200)	(48,520)	(2,320)	
Telephones, Postage, Stationery & IT	(717)	(1,780)	1,063	(797)	80	(717)	(1,780)	1,063	(797)	80	(18,481)	(19,710)	(20,860)	(1,149)	
Other Costs	(2,803)	(1,760)	(1,043)	(259)	(2,544)	(2,803)	(1,760)	(1,043)	(259)	(2,544)	(8,929)	(22,153)	(20,128)	2,025	
Bank, credit card and cash collection	(208)	(1,561)	1,353	(1,588)	1,380	(208)	(1,561)	1,353	(1,588)	1,380	(5,603)	(17,707)	(19,060)	(1,353)	
Professional Services	(5,677)	(1,000)	(4,677)	(5,180)	(497)	(5,677)	(1,000)	(4,677)	(5,180)	(497)	(70,130)	(16,677)	(12,000)	4,677	
Insurance	(341)	(1,139)	799	(452)	111	(341)	(1,139)	799	(452)	111	(5,458)	(12,916)	(13,715)	(799)	
<b>Net Shops Contribution</b>	<b>(60,877)</b>	<b>(58,208)</b>	<b>(2,669)</b>	<b>(21,253)</b>	<b>(39,624)</b>	<b>(60,877)</b>	<b>(58,208)</b>	<b>(2,669)</b>	<b>(21,253)</b>	<b>(39,624)</b>	<b>(709,933)</b>	<b>(84,807)</b>	<b>(115,642)</b>	<b>(30,835)</b>	
<b>Net Shortfall before DoC funding</b>	<b>(108,538)</b>	<b>(229,413)</b>	<b>120,875</b>	<b>11,316</b>	<b>(119,854)</b>	<b>(108,538)</b>	<b>(229,413)</b>	<b>120,875</b>	<b>11,316</b>	<b>(119,854)</b>	<b>510,136</b>	<b>(1,627,422)</b>	<b>(1,684,749)</b>	<b>(57,327)</b>	
<b>Other income</b>	<b>83,333</b>	<b>83,333</b>	<b>(0)</b>	<b>0</b>	<b>83,333</b>	<b>83,333</b>	<b>83,333</b>	<b>(0)</b>	<b>0</b>	<b>83,333</b>	<b>280,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>	
<b>Shortfall for period</b>	<b>(25,205)</b>	<b>(146,080)</b>	<b>120,875</b>	<b>11,316</b>	<b>(36,521)</b>	<b>(25,205)</b>	<b>(146,080)</b>	<b>120,875</b>	<b>11,316</b>	<b>(36,521)</b>	<b>790,136</b>	<b>(627,422)</b>	<b>(684,749)</b>	<b>(57,327)</b>	
<b>Total Income</b>	<b>507,959</b>	<b>412,449</b>	<b>95,511</b>	<b>493,747</b>	<b>14,212</b>	<b>507,959</b>	<b>412,449</b>	<b>95,511</b>	<b>493,747</b>	<b>14,212</b>	<b>7,309,123</b>	<b>6,491,987</b>	<b>6,519,363</b>	<b>27,376</b>	
<b>Total Costs</b>	<b>(533,164)</b>	<b>(558,528)</b>	<b>25,365</b>	<b>(482,431)</b>	<b>(50,733)</b>	<b>(533,164)</b>	<b>(558,528)</b>	<b>25,365</b>	<b>(482,431)</b>	<b>(50,733)</b>	<b>(6,518,987)</b>	<b>(7,119,409)</b>	<b>(7,204,112)</b>	<b>(84,703)</b>	
<b>Total Net</b>	<b>(25,205)</b>	<b>(146,080)</b>	<b>120,875</b>	<b>11,316</b>	<b>(36,521)</b>	<b>(25,205)</b>	<b>(146,080)</b>	<b>120,875</b>	<b>11,316</b>	<b>(36,521)</b>	<b>790,136</b>	<b>(627,422)</b>	<b>(684,749)</b>	<b>(57,327)</b>	

Management Accounts April 2021	Year To Date				Full Year						
Net Movement in Funds	Actuals 2020-21	Budget YTD 2020-21	variance YTD Prior Year	Actuals 2019-20	Actuals 2020-21	Budget 2020-21	Variance	Forecast 2021-22	Budget 2021-22	variance	
Surplus/(Loss) from Operations	(25,205)	(146,080)	120,875	11,316	(76,553)	790,136	(261,671)	866,689	(627,422)	(684,749)	57,327
Depreciation	12,862	16,282	(3,420)	19,889	233,035	164,112	327,615	(68,922)	240,420	240,654	(234)
Decrease/(Increase) in Debtors	(200,997)	(185,295)	(15,702)	(70,172)	(981,075)	(78,349)	145,133	902,725	1,046,459	(38,424)	1,084,883
(Decrease)/Increase in Creditors	224,082	166,929	57,153	515,992	(59,763)	3,640,923	2,219,154	3,700,686	(1,006,092)	(1,011,990)	5,898
<b>Net cash (expended)/ generated by operations</b>	<b>10,743</b>	<b>(148,163)</b>	<b>158,906</b>	<b>477,026</b>	<b>(884,356)</b>	<b>4,516,822</b>	<b>2,430,231</b>	<b>5,401,178</b>	<b>(346,635)</b>	<b>(1,494,509)</b>	<b>1,147,874</b>
Purchase of Fixed Assets	(6,636)	(95,000)	88,364	(14,608)	(445,856)	(234,848)	(500,405)	211,009	(682,304)	(610,841)	(71,464)
Increase / (Decrease) in Cash	<b>4,107</b>	<b>(243,163)</b>	<b>247,270</b>	<b>462,418</b>	<b>(1,330,212)</b>	<b>4,281,974</b>	<b>1,929,826</b>	<b>5,612,187</b>	<b>(1,028,939)</b>	<b>(2,105,350)</b>	<b>1,076,410</b>

Management Accounts April 2021	Year To Date				Full Year						
Balance Sheet	YTD 2020-21	Budget YTD 2020-21	variance YTD Prior Year	Actuals 2019-20	Actuals 2020-21	Budget 2020-21	Variance	2021-22	2021-22	variance	
Fixed Assets	555,339	641,100	(85,761)	4,271,188	4,276,470	561,565	4,384,861	(3,714,905)	1,003,449	932,569	70,881
Debtors	1,832,299	989,096	843,203	1,468,124	1,552,953	1,631,302	600,894	78,349	584,843	842,225	(257,382)
<b>Cash at Bank</b>	<b>6,624,413</b>	<b>5,695,831</b>	<b>928,582</b>	<b>2,677,354</b>	<b>2,214,936</b>	<b>6,620,306</b>	<b>4,405,370</b>	<b>5,591,367</b>	<b>3,833,744</b>	<b>1,757,623</b>	
Creditors	(4,201,262)	(3,817,751)	(383,510)	(697,249)	(336,256)	(3,977,179)	(2,563,776)	(3,640,923)	(2,971,087)	(2,638,831)	(332,256)
<b>Net Assets</b>	<b>4,810,789</b>	<b>3,508,276</b>	<b>1,302,513</b>	<b>7,719,418</b>	<b>7,708,102</b>	<b>4,835,994</b>	<b>(2,872,108)</b>	<b>4,208,571</b>	<b>2,969,706</b>	<b>1,238,866</b>	

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		Sage TB at 31 October	7 Month Audit Journals	Adjusted 7 months	SOFA Elimination	Revised Balance Sheet - Agreed to Auditors	New Charity Already Existing	Transfer BS - agreed to auditor bar rounding
Land	801	1,290,000.00	(1,290,000.00)	0.00		0.00		0.00
Buildings	802	3,225,666.56	(3,225,666.56)	0.00		0.00		0.00
Hospice Leasehold Improvements - F & F	804	0.00	48,539.04	48,539.04		48,539.04	48,539.04	0.00
Equipment - Charitable	811	752,059.21		752,059.21		752,059.21	25,749.33	726,309.88
Equipment - Retail	812	11,579.67		11,579.67		11,579.67		11,579.67
Motor Vehicles - Charitable	821	61,498.64		61,498.64		61,498.64	17,112.64	44,386.00
Motor Vehicles - Retail	822	41,788.80		41,788.80		41,788.80		41,788.80
Computer equipment - Charitable	831	639,408.81		639,408.81		639,408.81		639,408.81
Computer equipment - Retail	832	44,575.33		44,575.33		44,575.33		44,575.33
Computer equipment - Fundraising	833	6,278.62		6,278.62		6,278.62		6,278.62
Shop Leasehold Improvements	835	185,299.59		185,299.59		185,299.59	3,607.14	181,692.45
Capital Projects Pending	845	64,722.80		64,722.80		64,722.80		64,722.80
New SRH Charity - Fixed Assets	850	136,633.66		136,633.66		136,633.66	130,263.52	6,370.14
Buildings Accumulated Depreciation	851	(806,501.00)	806,501.00	0.00		0.00		0.00
Hospice Leasehold F & F - Accumulated Depreciation	854	0.00	(1,617.96)	(1,617.96)		(1,617.96)	(1,617.96)	0.00
Equipment Accumulated Depreciation - Charitable	861	(615,498.09)		(615,498.09)		(615,498.09)	(3,041.16)	(612,456.93)
Equipment Accumulated Depreciation - Retail	862	(11,579.67)		(11,579.67)		(11,579.67)		(11,579.67)
Motor Vehicles Accumulated Depreciation - Charitable	871	(47,594.62)		(47,594.62)		(47,594.62)	(3,208.62)	(44,386.00)
Motor Vehicles Accumulated Depreciation - Retail	872	(14,733.80)		(14,733.80)		(14,733.80)		(14,733.80)
Computer equipment Accumulated Depreciation - Charitable	881	(618,898.95)		(618,898.95)		(618,898.95)		(618,898.95)
Computer equipment Accumulated Depreciation - Retail	882	(15,381.39)		(15,381.39)		(15,381.39)		(15,381.39)
Computer equipment Accumulated Depreciation - Fundraising	883	(1,569.66)		(1,569.66)		(1,569.66)		(1,569.66)
Leasehold Improvements Accumulated Depreciation	885	(31,566.98)		(31,566.98)		(31,566.98)	(60.12)	(31,506.86)
Trade debtors	900	0.00		0.00		0.00		0.00
Legacies Receivable	901	312,454.33	96,500.00	408,954.33		408,954.33		408,954.33
Sundry Debtors	902	236,339.05	200,000.00	436,339.05		436,339.05		436,339.05
Prepayments	903	181,407.42		181,407.42		181,407.42	6,465.20	174,942.22
Ebay Control Account	904	524.66		524.66		524.66		524.66
Nat West Special Interest a/c	920	973,801.46		973,801.46		973,801.46		973,801.46
Nat West Fundraising a/c	921	24,479.90		24,479.90		24,479.90		24,479.90
Nat West Retail a/c	922	20,000.00		20,000.00		20,000.00		20,000.00
Barclays Lottery Tickets a/c	923	59,264.04		59,264.04		59,264.04		59,264.04
Barclays Lottery Prizes a/c	924	445.41		445.41		445.41		445.41
Nat West 35 Day	928	1,610,892.29		1,610,892.29		1,610,892.29		1,610,892.29
New SRH Charity-Nat West a/c	929	75,704.76		75,704.76		75,704.76	75,704.76	0.00
Paypal account	935	12,465.58		12,465.58		12,465.58		12,465.58
Petty Cash	940	868.82		868.82		868.82		868.82
Petty Cash - Appeals	941	79.28		79.28		79.28		79.28
Retail Donation Centre - Petty Cash	942			0.00		0.00		0.00
Trade Creditors	950	(47,942.70)		(47,942.70)		(47,942.70)	(5,944.80)	(41,997.90)
Other Creditors	951	(2,929.36)		(2,929.36)		(2,929.36)		(2,929.36)
Accruals	952	(142,546.37)	(53,832.89)	(196,379.26)		(196,379.26)		(196,379.26)
Deferred Income	953	(411,475.16)		(411,475.16)		(411,475.16)		(411,475.16)
Payroll Control Account	954	432.19		432.19		432.19		432.19
PAYE Control Account	955	(35,754.04)		(35,754.04)		(35,754.04)		(35,754.04)
NIC Control Account	956	(45,924.00)		(45,924.00)		(45,924.00)		(45,924.00)
Pensions Control Account	957	0.00		0.00		0.00		0.00
Provision for Rent in Advance	958			0.00		0.00		0.00
VAT Control Account	960							
VAT Output Tax	961	0.00		0.00		0.00		0.00
VAT Input Tax - business	962	0.00		0.00		0.00		0.00
VAT Input Tax - non-business	963	0.00		0.00		0.00	756.00	(756.00)
VAT Input Tax - apportioned	964	0.00		0.00		0.00		0.00
VAT Input Tax - Exempt	965	0.00		0.00		0.00		0.00
Restricted Funds	980	(396,768.00)		(396,768.00)	73,368.00	(323,400.00)		(323,400.00)
Designated Funds	981	(4,276,469.77)	3,662,244.48	(614,225.29)		(614,225.29)	(168,130.00)	(446,095.29)
General Fund	982	(3,034,864.15)		(3,034,864.15)	273,291.72	(2,761,572.43)	(46,138.70)	(2,715,433.73)
Surplus/(Loss) for the period	990	0.00		0.00		0.00		0.00
Suspense	9998	0.00		0.00		0.00		0.00
		<b>(589,326.83)</b>	<b>242,667.11</b>	<b>(346,659.72)</b>	<b>346,659.72</b>	<b>0.00</b>	<b>80,056.27</b>	<b>(80,056.27)</b>

**Appendix 1 – Balance Sheet** as at 31 October 2020, for the purposes of aggregation into the financial statements of the Congregation of the Daughters of the Cross of Liège

	<b>31 October 2020 £'000</b>	<b>31 October 2020 £'000</b>	31 March 2020 £'000	31 March 2020 £'000
<b>Fixed assets</b>				
Tangible assets		<b>634</b>		4,276
<b>Current assets</b>				
Debtors	<b>1,027</b>		1,553	
Cash at bank and in hand	<b>2,778</b>		2,215	
	<b>3,805</b>		3,768	
<b>Creditors:</b> amounts falling due within one year	<b>(740)</b>		(336)	
<b>Net current assets</b>		<b>3,065</b>		3,432
<b>Total net assets</b>		<b>3,699</b>		7,708
<b>Represented by:</b>				
<b>Funds and reserves</b>				
Income funds				
Restricted funds		<b>323</b>		397
Unrestricted funds				
. Designated funds		<b>634</b>		4,276
. General fund		<b>2,742</b>		3,035
<b>Total funds</b>		<b>3,699</b>		7,708

Approved on behalf of St Raphael's Hospice  
Management Team by:

Joint Chief Executives

Approved on:

**Appendix 2 – Balance Sheet** as at 31 October 2020, for the purposes of inclusion in the New St Raphael’s Charity’s financial statements

	<b>31 October 2020 £'000</b>	<b>31 October 2020 £'000</b>	31 March 2020 £'000	31 March 2020 £'000
<b>Fixed assets</b>				
Tangible assets		417		4,276
<b>Current assets</b>				
Debtors	1,021		1,553	
Short term deposits	—		—	
Cash at bank and in hand	2,703		2,215	
	<u>3,724</u>		<u>3,768</u>	
<b>Creditors:</b> amounts falling due within one year		<u>(734)</u>		<u>(336)</u>
<b>Net current assets</b>		<b>2,990</b>		3,432
<b>Total net assets</b>		<u><b>3,407</b></u>		<u>7,708</u>
<b>Represented by:</b>				
<b>Funds and reserves</b>				
Income funds				
Restricted funds		323		397
Unrestricted funds				
. Designated funds		417		4,276
. General fund		2,667		3,035
<b>Total funds</b>		<u><b>3,407</b></u>		<u>7,708</u>

Approved on behalf of St Raphael’s Hospice  
Management Team by:

Joint Chief Executives

Approved on:

The Trustees  
The Congregation of the Daughters of the Cross of Liege  
Provincial House  
29 Tite Street  
London  
SM3 9DW

28 April 2021

**Our ref S0617/EAF/MRK**

Dear Sirs,

**Assurance report: St Raphael's Hospice – 31 October 2020**

In accordance with the terms of our engagement letter dated 11 February 2021, we have carried out a review of the financial statements of St Raphael's Hospice for the purposes of the transfer of the Hospice from the Congregation of the Daughters of the Cross of Liege (the Charity) to the new St Raphael's Hospice charity (the New Charity).

The balance sheets to which this report relates are attached as Appendices 1 and 2.

**Conclusions**

We have concluded that the transfer balance sheets of St Raphael's Hospice as at 31 October 2020 are, in all material respects, complete and accurate, for the purposes of:

- Inclusion in the transfer agreement between the Charity and New Charity; and
- Providing sufficient information regarding the state of affairs of St Raphael's Hospice as at 31 October 2020 to enable aggregation into the financial statements of the Charity for the year ended 31 March 2021.

We acknowledge that they will be made available to the trustees of the New Charity, for the purposes of determining the value of the assets and liabilities to be transferred into the financial statements of the New Charity.

### **Other information**

We note that the New Charity was registered prior to 31 October 2020 and had begun conducting transactions from its own new bank account prior to the transfer date for the purposes of taking advantage of the VAT refund scheme for hospices. This bank account and certain assets purchased from it by the New Charity were included in the New Charity's first set of statutory financial statements, the period ended 31 March 2020 and the New Charity continued to transact using this bank account during the period 1 April to 31 October 2020. These transactions and the resultant assets and liabilities were initially included in the draft transfer balance sheet.

We understand that the Congregation also accounted for the transactions passing from this new account within its own, aggregated financial statements on the basis that the assets of the new charity were, in substance, under their control until the date of transfer. As such, two versions of the transfer balance sheet have been prepared. Appendix 1 shows the balance sheet including the transactions relating to the new charity bank account for use in the aggregated Charity accounts. Appendix 2 shows the transfer balance reflecting the assets and liabilities to be recognised in the New Charity's financial statements at the date of transfer and therefore excludes transactions undertaken by the New Charity from its new bank account, which have already been accounted for in the new entity.

Both balance sheets have been adjusted to remove the net book value of land and buildings previously accounted for as part of the St Raphael's Work accounts, since these assets were not transferred to the New Charity at 31 October 2020.

### **Respective responsibilities of charities and reporting accountant**

The management team of St Raphael's Hospice, in conjunction with the Charity's trustees, are responsible for the preparation of the balance sheets which provide sufficient information to be incorporated into the transfer agreement and the financial statements of the New Charity for the year ending 31 March 2021.

Our responsibility is to perform the procedures necessary to determine whether, in all material respects, the transfer balance sheet as at 31 October 2020 is complete and accurate.

### **Scope of the procedures performed**

Our work has been carried out for the purpose specified and does not constitute an audit within the meaning of International Accounting Standards on Auditing (UK).

## Use of our report

This report is issued for your private use only. We acknowledge that it will be made available to the trustees of the New Charity, for the purposes of determining the value of assets and liabilities to be transferred into the financial statements of the New Charity. It has been prepared on the understanding that it will not be disclosed to any third party (except as described above), or quoted or referred to, without out prior written consent and we can therefore assume no responsibility to any other party.

Yours faithfully

Edward Finch

for Buzzacott LLP

• Email [finche@buzzacott.co.uk](mailto:finche@buzzacott.co.uk)

• Direct +44 (0)20 7 556 1411

The Trustees  
The Congregation of the Daughters of the Cross of Liege  
Provincial House  
29 Tite Street  
London  
SM3 9DW

28 April 2021

**Our ref S0617/EAF/MRK**

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The balance sheets to which this report relates are attached as Appendices 1 and 2.

**Conclusions**

We have concluded that the transfer balance sheets of St Raphael's Hospice as at 31 October 2020 are, in all material respects, complete and accurate, for the purposes of:

- Inclusion in the transfer agreement between the Charity and New Charity; and
- Providing sufficient information regarding the state of affairs of St Raphael's Hospice as at 31 October 2020 to enable aggregation into the financial statements of the Charity for the year ended 31 March 2021.

We acknowledge that they will be made available to the trustees of the New Charity, for the purposes of determining the value of the assets and liabilities to be transferred into the financial statements of the New Charity.

### **Other information**

We note that the New Charity was registered prior to 31 October 2020 and had begun conducting transactions from its own new bank account prior to the transfer date for the purposes of taking advantage of the VAT refund scheme for hospices. This bank account and certain assets purchased from it by the New Charity were included in the New Charity's first set of statutory financial statements, the period ended 31 March 2020 and the New Charity continued to transact using this bank account during the period 1 April to 31 October 2020. These transactions and the resultant assets and liabilities were initially included in the draft transfer balance sheet.

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Both balance sheets have been adjusted to remove the net book value of land and buildings previously accounted for as part of the St Raphael's Work accounts, since these assets were not transferred to the New Charity at 31 October 2020.

### **Respective responsibilities of charities and reporting accountant**

The management team of St Raphael's Hospice, in conjunction with the Charity's trustees, are responsible for the preparation of the balance sheets which provide sufficient information to be incorporated into the transfer agreement and the financial statements of the New Charity for the year ending 31 March 2021.

Our responsibility is to perform the procedures necessary to determine whether, in all material respects, the transfer balance sheet as at 31 October 2020 is complete and accurate.

### **Scope of the procedures performed**

Our work has been carried out for the purpose specified and does not constitute an audit within the meaning of International Accounting Standards on Auditing (UK).

## Use of our report

This report is issued for your private use only. We acknowledge that it will be made available to the trustees of the New Charity, for the purposes of determining the value of assets and liabilities to be transferred into the financial statements of the New Charity. It has been prepared on the understanding that it will not be disclosed to any third party (except as described above), or quoted or referred to, without out prior written consent and we can therefore assume no responsibility to any other party.

Yours faithfully

Edward Finch

for Buzzacott LLP

• Email [finche@buzzacott.co.uk](mailto:finche@buzzacott.co.uk)

• Direct +44 (0)20 7 556 1411

**Appendix 1 – Balance Sheet** as at 31 October 2020, for the purposes of aggregation into the financial statements of the Congregation of the Daughters of the Cross of Liège

	<b>31 October 2020 £'000</b>	<b>31 October 2020 £'000</b>	31 March 2020 £'000	31 March 2020 £'000
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. General fund		<b>2,742</b>		3,035
<b>Total funds</b>		<b>3,699</b>		7,708

Approved on behalf of St Raphael's Hospice  
Management Team by:

Joint Chief Executives

Approved on:

**Appendix 2 – Balance Sheet** as at 31 October 2020, for the purposes of inclusion in the New St Raphael’s Charity’s financial statements

	<b>31 October 2020 £'000</b>	<b>31 October 2020 £'000</b>	31 March 2020 £'000	31 March 2020 £'000
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Approved on behalf of St Raphael’s Hospice  
Management Team by:

Joint Chief Executives

Approved on:

The Trustees  
St Raphael's Hospice  
London Road  
North Cheam  
Surrey  
SM3 9DW

27 April 2021

**Our ref S0617/EAF/MRK**

Dear Trustees

### **Confirmation of audit planning arrangements**

This letter confirms the arrangements for our forthcoming work on the financial statements of St Raphael's Hospice ('the charitable company') for the year ended 31 March 2021.

### **Services we shall provide**

We will carry out the audit of the statutory financial statements of the charitable company which, together with supporting schedules, will be prepared by the charitable company.

### **Terms of our engagement**

Our audit work will be conducted in accordance with the terms set out in our engagement letter dated 11 February 2021. It is conducted on the basis that you acknowledge and understand that you have responsibility for:

- the preparation of the financial statements that give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice;
- such system of internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- providing us with
  - access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

- additional information that we may request from management for the purpose of the audit; and
- unrestricted access to persons within the charitable company from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we may request from you, written confirmation concerning representations made to us in connection with the audit.

## Your audit team

Due to the Government advising office workers to work from home, the audit will be conducted remotely by Caroline Branson. A site visit may be required to follow up on outstanding information at a later date and this will be confirmed in due course. Edward Finch will act as Senior Statutory Auditor and Matthew King will manage the assignment.

	Direct line	E-mail address
Edward Finch	020 7556 1411	FinchE@buzzacott.co.uk
Matthew King	020 7710 0379	KingM@buzzacott.co.uk

All correspondence, including e-mails, should be addressed or copied to Edward or Matthew, to ensure it is dealt with as quickly and efficiently as possible, please.

## Transfer of assets and liabilities to the new legal entity

On 31 October 2020, the Congregation of the Daughters of the Cross of Liège transferred the assets and liabilities relating to St Raphael's hospice into a new, independent charitable company. We have undertaken a review of the balance sheet at the date of the transfer with management for the purposes of providing assurance to the Congregation that the balance sheet at the transfer date presents a true and fair view of the assets and liabilities relating to the hospice for the purposes of the transfer, and that these figures are suitable for aggregation into their own statutory accounts for the year ended 31 March 2021.

We noted as part of this review that the New Charity was registered prior to the transfer date on 31 October 2020. Between incorporation and the transfer date, it had begun conducting transactions from its own new bank account for the purposes of taking advantage of the VAT refund scheme for hospices. This bank account and certain assets purchased from it by the New Charity were included in the New Charity's first set of statutory financial statements, the period ended 31 March 2020 and the New Charity continued to transact using this bank account during the period 1 April to 31 October 2020. As such, any transactions from the new bank account during this period will need to be shown as income, expenditure or the purchase of fixed assets in the new charity's accounts for the year ended 31 March 2021, rather than included in the transfer balance.

As part of our review of the transfer balances, we raised adjustments to prepare a balance sheet appropriate for inclusion in the accounts of the New Charity and will review the accounts preparation workings to check that these transactions have been accounted for correctly.

## Timetable

In Appendix 1 we include a timetable, setting out the key dates in relation to our audit in order to meet your deadlines for the finalisation of the financial statements. Please let us know if any of these dates require amendment.

Please note, however, that due to the exceptional circumstances created by the coronavirus pandemic, we may need to agree changes to the timetable and our audit methodology as events evolve. If changes are required, we will discuss and agree these with you as early as possible in the process.

## Fees

Our estimated fee for the audit is £19,950 (2019 – fee for the Hospice’s audit as a component of the Congregation: £19,550). This estimate excludes VAT and is based on a number of basic assumptions. These are:

- draft statutory financial statements and all schedules and relevant information will be made available to us in accordance with the agreed timetable;
- there will be no significant difficulties or breakdowns in accounting systems which necessitate the performance of extra unplanned audit work;
- your staff will be available to our team during the audit and will provide all reasonable assistance; and
- you will meet the deadlines set out and agreed with you in the timetable subject only to problems arising that are beyond your control.

Any advice or assistance that does not fall within the remit of auditing the statutory financial statements will be charged for separately.

In the event of the deadlines or the above basic assumptions not being met through no fault of our own, our fees may be affected accordingly. We shall advise you when we become aware of any deviation from the timetable.

Our intention is to bill the above estimated fees in the following way:

At planning (with this letter)	25%
At the end of the fieldwork	60%

After signature of the final financial statements 15%

In the event of any additional fees (over and above the estimated fees above) becoming due, these will be billed as we may mutually agree. Our standard terms of business provide for payment of our fees within 30 days of the date on which the fee was sent.

## **Trustees' responsibilities**

The trustees are responsible for the preparation of the annual report and financial statements and whilst we are pleased to advise and support you in this, we cannot relieve you of certain specific responsibilities. Some of these are set out in the attached Appendix 2 as an aide memoire.

## **Nature and scope of audit work**

The purpose of the paragraphs set out in Appendix 3 is to give you an overview of the nature and scope of our audit work. It is supplementary to our letter of engagement to you dated 11 February 2021 which sets out the respective responsibilities of ourselves as auditor, and yourselves as trustees.

We draw to your attention revisions in auditing standards which apply to periods commencing on or after 15 December 2019.

## **Going concern**

ISA 570 Going Concern has been revised in response to recent enforcement cases and well-publicised corporate failures. The revised standard requires:

- Increased audit work to robustly challenge management's assessment of going concern, testing the adequacy of supporting evidence, and evaluating the risk of management bias;
- The auditor to consider all of the evidence obtained, whether corroborative or contradictory, when drawing a conclusion on going concern.

We will require management to prepare a going concern summary for our assessment and challenge and will work with you to review and update statements relating to going concern within the trustees' report and accounting policies. As part of our work, we will ask management to demonstrate that the assumptions have been reviewed and updated in response to the Covid-19 pandemic.

In addition, our audit report will be updated to reflect the new requirements.

We are likely to require information up to the point of signing our auditor's report to assess the Charity's most up-to-date financial position.

## Accounting estimates

ISA 540 Auditing Accounting Estimates has been revised and requires the auditor to:

- Assess the risk that the accounting estimate may be materially misstated to help determine the extent of audit procedures to perform on each accounting estimate;
- Consider all evidence relating to the accounting estimate, whether it supports or contradicts it; and
- Document for each accounting estimate the process and significant judgments made by management and the trustees when calculating the accounting estimate.

The accounting estimates used by St Raphael's Hospice that we will be focusing on are:

- the probability of receipt of legacies of which the charity has been notified;
- the provision needed for bad and doubtful debts; and
- the assessment of future income and expenditure for the purposes of assessing going concern.

We will also consider the useful economic lives of tangible fixed assets for the purpose of calculating depreciation, and the basis of the allocation of costs between expenditure headings, but we consider these to be less complex estimations than those identified above. We will require management to provide the methodology used to calculate each accounting estimate, including the key assumptions used.

## Forming an opinion and reporting on the financial statements

For the first time this year, in accordance with the revision to International Standard on Auditing 700, we will be required to formally comment on the risk of fraud and irregularity specific to St Raphael's Hospice within our audit report. In particular, we will be required to explain the extent to which the audit was considered capable of detecting irregularities, including fraud.

## Professional ethics

As is required by the Ethical Standard governing the whole audit profession, if we believe there are any perceived threats to our objectivity and independence, for example through the provision of non-audit services or where there is a long association with the audit engagement partner, we are required to draw this to your attention.

## Provision of non-audit services

We have been engaged to provide you with payroll services in addition to our function as auditors.

We have agreed that the Nick Stevens will receive these services from us and make independent decisions based on information and options which we may provide. These services are provided by a separate team from the one which undertakes the external audit.

## **Internet access for audit team and information exchange methods**

Should the audit team visit your offices to work on site, they will need access to the internet (ideally via your guest WiFi, if available). We shall use this to access our secure VPN connection to the Buzzacott systems. In the event of a site visit becoming necessary, we can provide a list of the technical requirements that need to be in place to allow the audit team to access the Buzzacott VPN service successfully. If you have any concerns about granting access, our Technology Team can reassure you on our approach to information security.

As for last year, we will use Huddle to exchange documents and information with you rather than using email or writeable media. More information about the solution and its security accreditation may be found here:

<https://www.huddle.com/product/security/>

## **Findings from the audit**

At the end of the audit, we shall provide you with details of expected modifications to the audit report, unadjusted misstatements, any material weaknesses in the accounting and internal control systems identified in the audit, matters specifically required by other ISAs and any other matters relating to the audit of which we believe you should be aware.

Please let us know if there is anything in this letter or the appendices which you would like to discuss or on which you require clarification.

Yours faithfully



## Appendix 1 - Audit timetable

Audit and financial statements for the year ended 31 March 2021

Activity	Date	By whom
Audit planning meeting	29 January 2021	NS, NV, EAF, MRK
Draft financial statements and schedules available	W/c 24 May 2021	NS, NV
Start of fieldwork	1 June 2021	CB, JM
On-site manager review and meeting/ remote manager call to discuss audit progress	To be agreed, depending on Covid restrictions	NS, NC, MRK, CB
End of fieldwork	11 June 2021	CB, JM
Final draft audited financial statements to client	15 July 2021	MRK
Audit clearance meeting	22 July 2021	NS, NV, EAF, MRK
Final changes to financial statements	Late July 2021	NS, NV, MRK
Financial statements issued for Finance Committee meeting	1 September 2021	NS
Finance Committee meeting for review of the financial statements	8 September 2021, at 2pm	The Trustees, EAF
Trustees' meeting for approval of the financial statements	22 September 2021	The Trustees, EAF
Audit report signed by Buzzacott	Late September 2021	EAF
Financial statements to be filed with the Registrar of Companies by	31 December 2021	Buzzacott
Financial statements to be filed with the Charity Commission by	31 January 2022	Buzzacott

### St Raphael's Hospice:

NS – Nick Stevens

NV – Neena Vadgama

### Buzzacott:

EAF – Edward Finch

MRK – Matthew King

CB – Caroline Branson

JM – Joseph Murray

## Appendix 2 – Trustees' responsibilities

The trustees, who are the directors of the charitable company for the purposes of company law, should formally consider the following during the course of each financial year and before the approval of the financial statements for each year:

- **Reserves policy** – the factors affecting the need for reserves and changes in these during the period, together with the requirements for designated funds and transfers to and from fixed asset reserves, should be re-evaluated and formally recorded.
- **Risk management** – the assessment of the major risks the charitable company faces should be updated and the existence of systems to mitigate the risks reconfirmed.
- **Accounting policies** – the trustees should review the principal accounting policies and satisfy themselves that these are the most appropriate policies to present a true and fair view of the charitable company's finances.
- **Going concern** – the financial statements will be prepared on the going concern basis unless there is reason to believe that the charitable company will not continue to operate for the foreseeable future, which is normally taken to be at least one year from the date of approval of the annual report. The trustees should document their consideration of this, usually with reference to cash flows and budgets covering this period or to their assessment of the adequacy of reserves to absorb any unforeseen change of circumstances. We are required to state in our report if the trustees have not considered the validity of this assumption for the required period. Further guidance for directors of small companies has been issued by the Financial Reporting Council and is available on their website at [www.frc.org.uk/publications](http://www.frc.org.uk/publications).
- **Public benefit** – the trustees should consider whether they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with 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.

Company law requires the trustees, as directors, 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 the income and expenditure of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;

- Observe the methods and principles in the 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 (FRS102);
- 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 charitable company will continue in operation.

Each of the trustees is responsible for ensuring that there is no relevant audit information of which the charitable company's auditor is unaware and for taking all steps that they ought to take as trustees in order to make themselves aware of any relevant audit information, and to establish that the charitable company's auditor is aware of this information.

## Appendix 3 – Nature and scope of audit work

### Applicable Auditing Standards

Our audit will be carried out in accordance with International Standards on Auditing (UK) ('ISAs').

### Auditor's report

On completion of our audit work, we will issue an auditor's report addressed to the members, in which we will express our opinion as to whether the financial statements give a 'true and fair view' of the state of affairs of the charitable company as at 31 March 2021 and of its income and expenditure for the year then ended; whether they have been properly prepared in accordance with UK Generally Accepted Accounting Practice; whether they have been prepared in accordance with the Companies Act 2006; and whether the information in the trustees' report is consistent with the financial statements.

In order to arrive at this opinion, we will undertake a variety of audit procedures, designed to provide us with sufficient audit evidence to conclude, with reasonable but not absolute certainty, whether the financial statements are free from material misstatement, whether caused by fraud or error. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statements. Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

### Materiality

Materiality refers to the relative significance of a particular matter in the context of the financial statements as a whole. An item would be considered material if its omission or its erroneous inclusion would reasonably influence the decisions of those using the financial statements.

In the context of the audit of the financial statements, materiality is most often expressed as a fixed amount which is calculated by reference to the key financial statements figures such as income or expenditure or total assets. A lower level of materiality may be selected for specific areas of the financial statements. For many disclosure items however, materiality is an absolute and not a relative concept, this specifically applies to transactions and other financial arrangements with trustees and their connected persons, which would usually be considered material regardless of relative value.

As part of our audit planning we set a "materiality level", which, in connection with the assessed level of audit risk, is used to determine the nature and extent of our audit work. When considering the impact of misstatements discovered during the course of our audit and considering the implications for our report of such misstatements, we will refer to this level amongst other things. Whether a misstatement is 'material' or not is

ultimately down to the auditor's judgement. The existence of material misstatements which remain unadjusted will result in a qualified audit opinion.

## **Risk assessment**

When planning our audit work, we must seek to minimise the risk of material misstatements occurring in the financial statements and remaining undetected at the conclusion of our audit work. To do this, we first evaluate both the inherent risk of misstatement arising, whether through deliberate misstatement or error and then the risk that such misstatement will not be detected and corrected through the operation of the charitable company's system of controls. We then use this assessment to design a programme of audit procedures which will most efficiently and effectively reduce the risk of material misstatement remaining undetected to an acceptable level.

## **Accounting system**

We shall seek to confirm how the charitable company's accounting systems function and the operation of the key controls within those systems. We shall perform a series of checks to ensure that these work as we believe and have recorded. The outcome of this work will determine whether we apply transaction tests to all headings within the statement of financial activities (and related notes to the financial statements) or instead rely to some degree on detailed analytical review procedures.

Transaction tests are those that test a sample of individual transactions through the accounting system. Analytical review procedures compare actual balances with those predicted based on expectations of relationships between figures in the financial statements and detailed knowledge of the charitable company.

If you have any questions or queries regarding the Buzzacott VPN service, please do not hesitate to contact Buzzacott Technology Team, by calling our switchboard on 020 7556 1200.

<b>St Raphael's Hospice</b>		<u>Unrestricted</u>			<b>Total funds</b>	<b>Total funds</b>
<b>SOFA for the Twelve Months Ended</b>		<b>General</b>	<b>Designated</b>	<b>Restricted</b>	<b>funds</b>	<b>funds</b>
<b>31st March 2021</b>	Notes	fund	fund	funds	<b>2021</b>	<b>2020</b>
<b>Income and expenditure</b>						
<b>Income from:</b>						
Donations and legacies	1	2,276,387	-	19,750	<b>2,296,137</b>	<b>214,286</b>
Other trading activities	2	288,680	-	0	<b>288,680</b>	-
Investments		2,167	-	-	<b>2,167</b>	-
Charitable activities	3					
· Clinical Commissioning Groups		637,160	-	-	<b>637,160</b>	-
· Other income		6,594	-	722,394	<b>728,988</b>	-
<b>Total income</b>		<b>3,210,990</b>	<b>-</b>	<b>742,144</b>	<b>3,953,134</b>	<b>214,286</b>
<b>Expenditure on:</b>						
Charitable activities	4	1,875,152	-	44,218	<b>1,919,370</b>	<b>18</b>
Raising funds	5	896,968	-	-	<b>896,968</b>	-
<b>Total expenditure</b>		<b>2,772,120</b>	<b>-</b>	<b>44,218</b>	<b>2,816,338</b>	<b>18</b>
<b>Net (expenditure) income before transfers</b>		438,870	-	697,926	1,136,796	<b>214,269</b>
Gross transfers between funds		697,926	-	-697,926	-	-
Transfer of St Raphael's Hospice net assets as at 31 October 2020		2,715,434	446,095	323,400	3,484,929	
<b>Net movement in funds</b>		<b>3,852,230</b>	<b>446,095</b>	<b>323,400</b>	<b>4,621,725</b>	<b>214,269</b>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 April 2020		46,139	168,130	0	<b>214,269</b>	-
Fund balances carried forward at 31 March 2021		3,898,368	614,225	323,400	<b>4,835,994</b>	<b>214,269</b>

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<b>BALANCE SHEET as at 31st October 2020</b>					
	Notes	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>					
Tangible assets	6		<b>561,565</b>		<b>168,130</b>
<b>Current assets</b>					
Debtors	7	<b>1,631,302</b>		<b>0</b>	
Cash at bank and in hand		<b>6,620,306</b>		<b>48,408</b>	
			<b>8,251,608</b>		<b>48,408</b>
<b>Creditors:</b> amounts falling due within one year	8	<b>3,977,179</b>		<b>2,270</b>	
<b>Net current assets</b>			<b>4,274,429</b>		<b>46,139</b>
<b>Total net assets</b>			<b>4,835,994</b>		<b>214,269</b>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Income funds					
Restricted funds			<b>323,400</b>		-
Unrestricted funds					
· Designated funds			<b>614,225</b>		<b>168,130</b>
· General fund			<b>3,898,368</b>		<b>46,139</b>
<b>Total funds</b>			<b>4,835,994</b>		<b>214,269</b>

		Sage TB at 31 March	Adjustment to remove the transactions to 31 October	TB for 5 months November 2020 to March 2021	YE Journal	TB as at 1 April 2021
Land	801	0.00	0.00	0.00		0.00
Buildings	802	0.00	0.00	0.00		0.00
Hospice Leasehold Improvements -F & F	804	48,539.04	0.00	48,539.04		48,539.04
Equipment - Charitable	811	303,089.72	0.00	303,089.72		303,089.72
Equipment - Retail	812	0.00	0.00	0.00		0.00
Motor Vehicles - Charitable	821	17,112.64	0.00	17,112.64		17,112.64
Motor Vehicles - Retail	822	27,055.00	0.00	27,055.00		27,055.00
Computer equipment - Charitable	831	228,260.41	0.00	228,260.41		228,260.41
Computer equipment - Retail	832	44,575.33	0.00	44,575.33		44,575.33
Computer equipment - Fundraising	833	6,278.62	0.00	6,278.62		6,278.62
Shop Leasehold Improvements	835	183,628.09	0.00	183,628.09		183,628.09
Capital Projects Pending	845	19,218.54	0.00	19,218.54		19,218.54
New SRH Charity - Fixed Assets	850	0.00	0.00	0.00		0.00
Buildings Accumulated Depreciation	851	0.00	0.00	0.00		0.00
Hospice Leasehold F & F - Accumulated Depreciation	854	(2,426.94)	0.00	(2,426.94)		(2,426.94)
Equipment Accumulated Depreciation - Charitable	861	(213,358.07)	0.00	(213,358.07)		(213,358.07)
Equipment Accumulated Depreciation - Retail	862	0.00	0.00	0.00		0.00
Motor Vehicles Accumulated Depreciation - Charitable	871	(4,991.18)	0.00	(4,991.18)		(4,991.18)
Motor Vehicles Accumulated Depreciation - Retail	872	(2,818.23)	0.00	(2,818.23)		(2,818.23)
Computer equipment Accumulated Depreciation - Charitable	881	(32,281.78)	0.00	(32,281.78)		(32,281.78)
Computer equipment Accumulated Depreciation - Retail	882	(19,096.01)	0.00	(19,096.01)		(19,096.01)
Computer equipment Accumulated Depreciation - Fundraising	883	(2,092.87)	0.00	(2,092.87)		(2,092.87)
Leasehold Improvements Accumulated Depreciation	885	(39,127.44)	0.00	(39,127.44)		(39,127.44)
Trade debtors	900	0.00	0.00	0.00		0.00
Legacies Receivable	901	1,267,425.08	0.00	1,267,425.08		1,267,425.08
Sundry Debtors	902	73,750.68	0.00	73,750.68		73,750.68
Prepayments	903	200,496.51	0.00	200,496.51		200,496.51
Ebay Control Account	904	0.00	0.00	0.00		0.00
Nat West Special Interest a/c	920	1,138,903.32	0.00	1,138,903.32		1,138,903.32
Nat West Fundraising a/c	921	33,958.00	0.00	33,958.00		33,958.00
Nat West Retail a/c	922	20,000.00	0.00	20,000.00		20,000.00
Barclays Lottery Tickets a/c	923	24,751.27	0.00	24,751.27		24,751.27
Barclays Lottery Prizes a/c	924	7,895.41	0.00	7,895.41		7,895.41
Nat West 35 Day	928	5,296,959.32	0.00	5,296,959.32		5,296,959.32
New SRH Charity-Nat West a/c	929	85,881.12	0.00	85,881.12		85,881.12
Paypal account	935	10,707.04	0.00	10,707.04		10,707.04
Petty Cash	940	821.29	0.00	821.29		821.29
Petty Cash - Appeals	941	79.28	0.00	79.28		79.28
Retail Donation Centre - Petty Cash	942	350.00	0.00	350.00		350.00
Trade Creditors	950	(67,338.97)	0.00	(67,338.97)		(67,338.97)
Other Creditors	951	(10,058.97)	0.00	(10,058.97)		(10,058.97)
Accruals	952	(302,816.88)	0.00	(302,816.88)		(302,816.88)
Deferred Income	953	(3,425,145.60)	0.00	(3,425,145.60)		(3,425,145.60)
Payroll Control Account	954	(293.01)	0.00	(293.01)		(293.01)
PAYE Control Account	955	(41,317.79)	0.00	(41,317.79)		(41,317.79)
NIC Control Account	956	(50,873.05)	0.00	(50,873.05)		(50,873.05)
Pensions Control Account	957	0.00	0.00	0.00		0.00
Provision for Rent in Advance	958	(79,335.00)	0.00	(79,335.00)		(79,335.00)
VAT Control Account	960	89,629.70	0.00	89,629.70		89,629.70
VAT Output Tax	961	0.00	0.00	0.00		0.00
VAT Input Tax - business	962	0.00	0.00	0.00		0.00
VAT Input Tax - non-business	963	0.00	0.00	0.00		0.00
VAT Input Tax - apportioned	964	0.00	0.00	0.00		0.00
VAT Input Tax - Exempt	965	0.00	0.00	0.00		0.00
Restricted Funds	980	(396,768.00)	73,368.00	(323,400.00)		(323,400.00)
Designated Funds	981	(614,225.29)	0.00	(614,225.29)		(614,225.29)
General Fund	982	(3,034,864.15)	273,291.72	(2,761,572.43)	(1,136,795.90)	(3,898,368.33)
Surplus/(Loss) for the period	990	0.00	0.00	0.00		0.00
Suspense	9998	0.00	0.00	0.00		0.00
		<b>790,136.18</b>		<b>1,136,795.90</b>	<b>(1,136,795.90)</b>	<b>(0.00)</b>

# Finance and Resources Report

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## Recommendations

1. It is recommended that the Sub-Committee:
  - a. Notes that audit has taken place for the 7 month period to 31 October 2020, showing a shortfall of £(347)k.
  - b. Notes that the draft financial statements for the 12-month period for the SRH charity, incorporating the 5-month trading period to 31 March 2021 show a surplus of £1,137k.
  - c. Notes that the internal management accounts for the 12-month to 31 March 2021 show a surplus of £730k.
  - d. Notes that the draft management accounts for the month of April 2021 shows a shortfall of £(108)k before DOC grant drawdown and £(25)k afterwards.
  - e. Cash at the end of April stood at £6.6m, unchanged from March.

## Finance

### 2. Audit for the period to 31 October 2020.

An audited balance sheet is required for inclusion in the Transfer Agreement. In order to supply this, a partial set of statutory format accounts were prepared including a number of critical notes, SOFA and Balance sheet.

The audit took place in February and followed a standard (distanced) format with Neena and the team fielding the additional work involved in servicing the audit information and questions.

Two balance sheets were prepared:

1. A balance sheet was prepared for consolidation into the DOC statutory accounts for the year ending 31 March 2021. As in the last financial year, the small number of transactions that took place through the newly incorporated charity (St Raphael's Hospice) up to 31 October 2020, would be included in the consolidated accounts on the basis that the essential control remained with DOC up to the point of transfer.
2. A second balance sheet was prepared for the purposes of introducing the assets and liabilities of the activity of St Raphael's Hospice that was being

transferred into the new charitable entity (which, itself, already existed and had some transactions historically and hence its own “opening balances”).

The letter of assurance from the auditors is attached for your information and the two balance sheets will be signed by the executive after this meeting. The Balance Sheet TB is included in the pack to illustrate the various stages from core accounting data on the Sage system to the two balance sheets in question.

The shortfall of £(347)k was less than the management accounts showed at that time because the audit required inclusion as at 31 October of a legacy and a grant that were unknown to us at that point in time. It also excludes the Land and Buildings that are being retained by DOC.

### **3. Draft Accounts for the Year Ended 31 March 2021**

The draft financial statements are at an early stage of preparation and the SOFA and Balance Sheet are included in their working format.

St Raphael’s accounts will be for the full 12-month period because the charity did exist as a legal entity from 18 December 2018 and it has already prepared and had audited the financial statements to 31 March 2020.

This 12-month period will comprise 5 months (from 1 November 2020) for the whole activity and a very small number of transactions which were enacted through the SRH charity.

The draft accounts show a surplus for the period of £1,137k. These drafts also show the introduction of the net assets of the activity of the hospice into the new charity at a value of £3,485k. It is to be remembered that this excludes the land and buildings. The cash grant of £3.6m was received after 31 October and is included in these accounts as asset cash, offset by liability “deferred income” - except for £280k which has been “released” into the SOFA in period.

The first draft full financial statements, notes and Annual Report is due to be completed during w/c 24<sup>th</sup> May and the fieldwork will be w/c 1 June.

We have been notified today that the COVID grant for February is £50k and we may assume that a similar level may apply for March. These are not included in any of the figures and may be subject to discussion with the auditors.

### **4. March Management Accounts – Income and Expenditure**

The management accounts continued to show the information for the full year and hence a surplus of £790k after the release of £280k of the DOC grant (equating to the shortfall to October plus the surplus from then to March).

At the previous Finance Committee meeting we were projecting a shortfall of the order of £2-300k and so this is a remarkable turnaround which is largely due to two

legacies that we became aware of in March and April. One is potentially for £800k and the second for £500k but we have assumed only 85% of this will ultimately be realised and have included this £1.1m in these figures. The total for legacies is £1.9m which is the highest we have recorded in one year. Together with the £1.4m of COVID grants, this has driven the surplus and adds security to the future, given the uncertainty of repeat legacies and other voluntary income.

#### **5. April Management Accounts – Income and Expenditure**

April is too early to assess trends. The shortfall is £120k lower than the plan because the legacy figure is £117k better. Other income was £21k below plan and offset by costs being £25k below plan.

#### **6. April Management Accounts – Balance Sheet**

Cash stood at £6.64m at the end of April, level with March year-end. This is £900k above plan, partly due to an additional £400k of creditors and deferred income, partly to the improved results.

As a result of the exclusion of the assets Land and Buildings, net assets have reduced from £7.7m at the end of April 2020 to £4.8m at the end of April 2021, despite having the large cash balance (as it is offset by the deferred income balance).

#### **7. Cash Forecast**

As can be seen from the cash graph, the impact of the recent receipt of significant grant income, together with the two additional legacies will add over £1.5m to our cash over the course of 2021.

8. Anuj Vadgama, who has been on staff for almost two years, being part of the finance team for the last year, left in April to start a new career. We are grateful for his support whilst with us.

## **IT**

9. The cloud version of Raisers' Edge (our donor database), called Raisers' Edge NXT, has been previewed to us. We are now waiting for a hands-on demo to evaluate further. Early signs are encouraging.
10. Secure email access from mobile phones has now been enabled and is being rolled out to staff.
11. The network switches, which are all very old, are to be replaced within the next few months. The total cost of the 12 new switches is £19,700 +VAT.
12. The web filtering software has been changed from OpenDNS to WebTitan. This new product provides much better web access control and data analysis.

13. An IT asset database, SnipeIT, is currently being evaluated. This will enable us to consolidate the information for all IT products and centralise control of user allocations of equipment.
14. The Cisco VoIP system's current licencing model has been changed by Cisco to a subscription-based model, called Flex. Due to several new staff members joining, we are currently in the process of converting to this new licencing model, which will allow us to incorporate additional phones. This upgrade will also give us the ability to incorporate the Capitol House phone system into the main VoIP system later in the year, thereby providing a single phone system throughout the organisation.

## Facilities

15. The refurbishment of the ward-rooms has been booked for the 4 weeks from 26th July to 20th August. During this period, the IPU ward will be closed but all other services will remain open. A project team has been set up to plan how to utilise staff during this time. The time will mainly be used to support other departments and to provide training and education sessions.
16. In addition to the previously planned upgrades to the IPU as above, additional modifications are also now being considered. These include a new family room, new flooring for patient bathrooms, improvements to the mortuary and viewing area, improvements to the Chapel and the Chapel Office.
17. An order has been placed to install the path from the public highway into the SRH site so that pedestrians do not need to walk on the road. This has long been a safety concern. The work has been scheduled to start at the beginning of November. We are hoping that before this date, Fundraising may be able to secure donations to cover part of the £7,000 cost.
18. The energy provision, electricity and gas, for all sites is currently being reviewed. It is planned to amalgamate all areas into one contract and date sync all existing contracts.
19. All quotes for the installation of a new ventilation system for the Hospice ward rooms have been received. The contract has been placed and work is planned to commence in June / July.
20. A new purpose built "Men's Den" is being planned, to be built to the left side of the St. Bede's Wellbeing Centre. A corporate construction company has agreed to provide their time, free of charge, to assemble the building and provide services (e.g. electricity and plumbing).