

St Raphael's Hospice
Meeting of the Finance and Resources Sub-Committee
To be held using Zoom Video Conferencing/Attendance
at 14:00 on 26th August 2020

Members: Mr Joe Ryan (JR)– Chair
 Mr Alan Cogbill (AC)
 Mr Paul Holmes (PH)
 Sr Kathleen O'Reilly (KR)

In Attendance: Mrs Gail Linehan – Joint CEO (GL)
 Mrs Neena Vadgama – Finance Manager (NV)
 Mr Ed Cook – DoC (EC)
 Ms Anna Machin (Clerk to the Board)

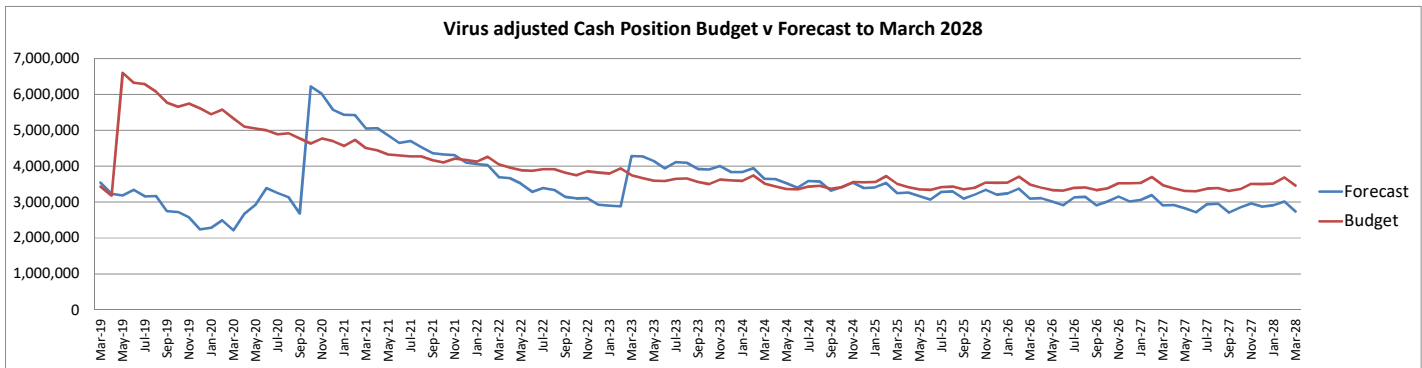
Agenda

Item	Description	Purpose¹	Lead
1.	Apologies for absence Nick Stevens – Joint CEO (NS)	I	Chair
2.	Review of Minutes and Matters Arising from last meeting	D	Chair
4	Review of Director of Finance and Resources Report <ul style="list-style-type: none"> • Update on Year to date • Update on Govt Grants • Forecast 2020-21 	I	GL
5	Draft Annual Accounts for St Raphael's Hospice (new charity)	I	NV
6	Any Other Business		ALL
7	Future Dates: 21 st October 2020 To be confirmed	I	Chair

¹ Purpose: PIDS - Policy/ Information/ Decision/ Signoff

St Raphael's Management Accounts 31 July 2020								
Net Movement in Funds	YTD 2020-21	Budget YTD 2020-21	variance	YTD Prior Year	Actuals 2019-20	Forecast 2020-21	Budget 2020-21	Variance
Surplus/(Loss) from Operation	(0)	(145,548)	145,548	(544,232)	(76,553)	(878,554)	(261,671)	(802,001)
Depreciation	87,174	104,648	(17,474)	40,245	233,035	327,004	327,615	93,970
Decrease/(Increase) in Debtors	670,773	(105,569)	776,341	(290,501)	(981,075)	852,917	145,133	1,833,991
(Decrease)/Increase in Creditors	379,315	3,399,519	(3,020,204)	279,832	(59,763)	3,021,682	2,219,154	3,081,445
Net cash (expended)/ generated by operations	1,137,261	3,253,050	(2,115,788)	(514,656)	(884,356)	3,323,049	2,430,231	4,207,405
Purchase of Fixed Assets	(98,608)	(15,100)	(83,508)	(9,995)	(445,856)	(488,770)	(500,405)	(42,914)
Increase / (Decrease) in Cash	1,038,653	3,237,950	(2,199,297)	(524,651)	(1,330,212)	2,834,279	1,929,826	4,164,491

St Raphael's Management Accounts 31 July 2020								
Balance Sheet	YTD 2020-21	Budget YTD 2020-21	variance	YTD Prior Year	Actuals 2019-20	Forecast 2020-21	Budget 2020-21	Variance
Fixed Assets	4,287,904	4,524,328	(236,424)	4,033,398	4,276,470	4,438,236	4,384,861	161,766
Debtors	882,180	851,595	30,585	945,595	1,552,953	700,036	600,894	(852,917)
Cash at Bank	3,253,589	5,025,023	(1,771,434)	3,102,325	2,214,936	5,049,215	4,118,704	2,834,279
Creditors	(715,571)	(3,743,685)	3,028,114	(675,851)	(336,256)	(3,357,938)	(2,563,776)	(3,021,682)
Net Assets	7,708,102	6,657,261	1,050,840	7,405,467	7,708,102	6,829,548	6,540,683	(878,554)
	0				0	0		



	Assumptions	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
Mar-2021	£3,600,000	Donations % of original plan	65%	90%	90%	95%	95%	
Mar-2023	£1,716,000	Shops % of original plan	37%	80%	85%	90%	90%	
Mar-2023	£984,000	Lottery % of original plan	80%	80%	80%	80%	80%	
		Income (ex DoC)	£5,023,269	£5,863,632	£6,583,449	£7,402,871	£7,852,014	£8,219,891
		Costs	£(6,651,823)	£(7,472,498)	£(7,894,695)	£(8,336,215)	£(8,537,392)	£(8,625,944)
		Shortfall before DoC	£(1,628,554)	£(1,608,865)	£(1,311,246)	£(933,344)	£(685,378)	£(406,053)
		Cash Movement (ex DoC)	£(765,721)	£(1,352,189)	£(1,128,343)	£(635,600)	£(396,957)	£(155,522)

SRH Detailed Income and Expenditure									
30th June 2020	Year To Date	Budget	Variance	Prior Year	Variance		Current F'cast 2020-21	Budget 2020-21	Variance
NHS Grants	509,728	511,035	(1,307)	509,300	429		1,529,184	1,533,105	(3,921)
NHS Other Fees	46,286	4,522	41,764	0	46,286	Includes NHS bed contract	59,058	17,294	41,764
Hospice Grants	0	30,000	(30,000)	60,000	(60,000)		30,000	30,000	0
Other income	718,089	12,748	705,341	3,551	714,538	Govt Grant to Hospices	727,209	38,244	688,965
Investment Income	2,719	9,442	(6,723)	7,734	(5,016)		12,911	28,414	(15,503)
Orangery Income	0	12,000	(12,000)	10,089	(10,089)	closed	18,000	36,000	(18,000)
Operating Income	1,276,822	579,746	697,076	590,675	686,147		2,376,363	1,683,057	693,306
Staff Costs	(1,012,044)	(1,126,097)	114,053	(980,885)	(31,158)	Delayed recruitment and furlough	(3,164,091)	(3,412,855)	248,764
Training, Recruitment and subscriptions	(5,076)	(20,442)	15,366	(9,279)	4,203		(31,295)	(54,661)	23,366
Food and Catering	(5,789)	(13,696)	7,907	(11,539)	5,750	Orangery closed	(28,728)	(42,111)	13,383
Cleaning and Waste Disposal	(10,502)	(10,483)	(19)	(9,415)	(1,087)		(34,113)	(31,436)	(2,677)
Travel and Motoring Expenses	(1,439)	(8,002)	6,563	(7,380)	5,941	little travel	(13,763)	(22,388)	8,625
Drugs, Dressings and Consumables	(33,528)	(38,750)	5,222	(32,147)	(1,381)		(106,634)	(111,654)	5,020
Rates and Utilities	(24,059)	(26,075)	2,016	(25,564)	1,505		(72,827)	(74,850)	2,023
Repairs and Maintenance	(27,795)	(24,121)	(3,674)	(18,421)	(9,374)		(83,356)	(80,236)	(3,120)
Telephones, Postage, Stationery & IT	(18,161)	(22,834)	4,673	(24,753)	6,593		(59,573)	(64,246)	4,673
Other Direct Costs	(5,845)	(13,676)	7,831	(11,898)	6,053		(29,686)	(41,103)	11,417
Depreciation	(73,567)	(88,156)	14,589	(73,608)	41		(242,680)	(267,539)	24,859
Direct Cost of Service (incl Depreciation)	(1,217,804)	(1,392,331)	174,526				(3,866,745)	(4,203,077)	336,332
Net Service Cost	59,018	(812,585)	871,602	(614,215)	673,232		(1,490,383)	(2,520,020)	1,029,638
Staff Costs	(179,255)	(210,800)	31,546	(180,930)	1,675	Delayed recruitment and furlough	(594,453)	(637,852)	43,398
Training, Recruitment and subscriptions	(1,811)	(14,414)	12,603	(3,006)	1,194	little activity	(10,976)	(30,376)	19,400
Telephones, Postage, Stationery & IT	(27,734)	(28,098)	363	(17,978)	(9,756)		(97,047)	(95,418)	(1,630)
Professional Services	(21,438)	(18,128)	(3,310)	(13,750)	(7,688)	£3k Life Assurance fee (budget elsewhere)	(56,607)	(63,403)	6,796
Other Costs	(12,896)	(14,750)	1,854	(9,443)	(3,453)	Apprenticeship Levy not expected in budget + credit card still to be coded	(52,137)	(42,741)	(9,396)
VAT	(62,014)	(11,000)	(51,014)	(51,706)	(10,308)	We cannot claim VAT back as planned (until independence)	(138,014)	(33,000)	(105,014)
Support Costs	(314,334)	(305,231)	(9,103)	(284,109)	(30,225)		(975,145)	(927,554)	(47,591)
Legacies	254,213	290,000	(35,787)	107,346	146,867		971,490	1,000,000	(28,510)
Donations	301,247	408,676	(107,429)	387,610	(86,362)		804,832	1,343,256	(538,424)
Gift Aid	0	18,852	(18,852)	0	0		25,179	66,785	(41,605)
Staff Costs	(120,459)	(179,593)	59,134	(124,745)	4,287	Delayed recruitment and furlough	(398,334)	(538,779)	140,445
Training, Recruitment and subscriptions	(1,878)	(2,200)	322	(1,154)	(723)		(5,958)	(6,600)	642
Rent, Rates and Utilities	(9,881)	(9,745)	(137)	(9,317)	(565)		(30,151)	(30,014)	(137)
Repairs and Maintenance	(3,488)	(2,072)	(1,416)	(3,067)	(421)		(5,968)	(6,216)	248
Telephones, Postage, Stationery & IT	(12,122)	(10,034)	(2,088)	(11,668)	(455)		(39,349)	(40,546)	1,197
Communications and Marketing	(13,875)	(26,046)	12,171	(8,169)	(5,706)		(39,297)	(81,015)	41,718
Events	(4,026)	(22,556)	18,530	(41,722)	37,696		(25,422)	(94,625)	69,203
Other Costs	(14,759)	(20,939)	6,179	(16,845)	2,085		(49,180)	(63,874)	14,694
Net Fundraising Contribution	374,972	444,345	(69,373)	278,269	96,702		1,207,843	1,548,372	(340,529)
Lottery Income	160,397	166,353	(5,956)	154,959	5,438		446,327	523,766	(77,439)
Staff Costs	(12,303)	0	(12,303)		(12,303)	Staff member charged to lottery for first time	(36,909)		
Agency Staff	615	(38,620)	39,235	(645)	1,260	Agents paid for new recruits, but not recruiting	(12,860)	(108,700)	95,840
Printing, Postage and Marketing	(7,344)	(12,902)	5,558	(14,163)	6,819		(38,029)	(38,287)	258

Govt support revised lower interest

most cost centres will be

non recovery until independent

lower asset values

few events or activities

few events or activities

few events or activities

fewer new players

fewer success fees

Bank, Credit Card and Other Charges	(6,984)	(10,686)	3,702	(7,884)	899		(26,125)	(29,827)	3,702	
Lottery Prizes	(29,000)	(28,560)	(440)	(27,500)	(1,500)	Lottery Prize for June to be accrued	(86,120)	(85,680)	(440)	
Management Company Costs	(11,132)	(13,983)	2,851	(9,823)	(1,309)		(39,097)	(41,948)	2,851	
Net Lottery Contribution	94,249	61,602	32,647	94,945	(695)		207,189	219,325	(12,136)	
									0	
Shop Income	8,535	329,549	(321,014)	311,419	(302,884)	Reopened two shops in July	368,203	1,100,432	(732,228)	shops closed half year
Gift Aid	0	20,703	(20,703)	0	0		26,975	57,224	(30,249)	
Rent received	3,900	0	3,900	3,900	0		3,900	0	3,900	
Staff Costs	(77,947)	(172,861)	94,914	(142,672)	64,725	Many staff are furloughed	(437,127)	(560,060)	122,933	
Training, Recruitment and subscriptions	(900)	(2,196)	1,296	(280)	(620)		(4,031)	(5,327)	1,296	
Consumables and Goods for Resale	(1,124)	(6,800)	5,676	(8,626)	7,502		(14,024)	(24,200)	10,176	
Cleaning and Waste Disposal	(1,879)	(11,157)	9,278	(11,724)	9,844		(21,863)	(33,141)	11,278	
Rent, Rates and Utilities	(93,743)	(110,417)	16,674	(122,961)	29,219		(330,414)	(377,750)	47,336	
Repairs and Maintenance	(4,191)	(3,200)	(991)	(19,401)	15,210		(8,691)	(9,600)	909	
Depreciation	(13,188)	(15,740)	2,552	(5,230)	(7,958)		(47,495)	(55,820)	8,326	
Telephones, Postage, Stationery & IT	(4,152)	(7,470)	3,318	(7,455)	3,303		(17,076)	(21,626)	4,550	
Other Costs	(2,094)	(8,102)	6,008	(2,619)	525		(18,234)	(42,478)	24,244	
Bank, credit card and cash collection	(1,695)	(6,255)	4,560	(7,078)	5,384		(10,991)	(19,552)	8,561	
Professional Services	(24,097)	(4,000)	(20,097)	(4,421)	(19,676)	Start of Skyline Business Consultancy	(62,097)	(12,000)	(50,097)	Skyline consultancy
Insurance	(1,330)	(2,400)	1,070	(1,974)	644		(5,094)	(7,200)	2,106	
Net Shops Contribution	(213,905)	(346)	(213,559)	(19,122)	(194,782)		(578,058)	(11,099)	(566,959)	
Net Shortfall before DoC funding	(0)	(612,215)	612,215	(544,232)	544,232		(1,628,554)	(1,690,976)	62,422	
Other income	0	466,667	(466,667)	0	0	Budget assumed DoC grant would have been received	750,000	1,400,000	(650,000)	Original Budget assumed the grant
Shortfall for period	(0)	(145,548)	145,548	(544,232)	544,232		(878,554)	(290,976)	(587,578)	

Finance and Resources Report

Recommendations

1. It is recommended that the Sub-Committee:
 - a. Notes that the draft management accounts show a breakeven balance for the 4 months to 31st July 2020.
 - b. Cash stood at £3.25m at the end of July 2020. This is an improvement over the budget position. This is partly due to an improvement in the 2019-20 YE position from that which was assumed when the budget was cast (£900k improvement).

Report

Finance

2. July Accounts – Income and Expenditure

The July 2020 draft management account summary with balance sheet/cash movement is attached together with a more detailed I&E account.

The zero-balance breakeven position arises after including the unused element of Govt Grant which was received in June and became income in July (£115k). A further amount, of c£80k, will now be claimed in respect of July (and is a debtor on the balance sheet in these accounts). The scheme has now ended and no further tranches are expected going forward.

We have invoiced the CCG for the £46k relating to our additional beds and this has been included in July figures.

Total costs for the period amounted to £2m (budget £2.4m) after claiming £184k for furloughed staff. The non-furlough savings relates largely to delayed recruitment and cancelled or delayed activity.

Income from donations has reached £301k, down on last year by 23%, which is less than feared. Shop income of £12k relates to the two shops re-opened recently and to rent received. These have yielded around 35% of their usual level of income. This is a little above our assumption of 25% for the first month of opening (though that is assumed in the forecast as being September and for all shops not just two).

3. July Accounts – Balance Sheet

Cash stood at £3.25m at the end of June, an increase of £1m over March following receipt of £600k of legacies that related to the March YE, £200k new legacies and the payment of CCG YE debtors.

Expenditure on fixed assets includes the bi-fold doors in reception (£9k), 6 x beds (£35k utilising historic restricted funds), delayed completion of IT project (£31k), completion of CPCT offices (£14k) and HR system implementation (£6k).

4. Forecast 2020-21

We remain in a position where forecasting the income for the year is uncertain. The assumptions that we have applied are as follows (compared to original Budget):

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Annual
Donation Income	92%	50%	92%	65%	48%	48%	48%	48%	48%	56%	64%	72%	60%
Shop Income	0%	1%	1%	8%	0%	25%	48%	48%	48%	56%	64%	72%	33%
Lottery Income	95%	70%	150%	87%	80%	80%	80%	80%	80%	80%	80%	80%	85%

The first four month % are the actual proportion of plan and the remainder of the year are estimated. The impact of social distancing may yet cause these assumptions to be optimistic.

These assumptions result in income being £1.4m below the budget, or £750k below if DoC is excluded. This is after benefitting from £700k of grant income, meaning that the actual COVID related income drop is estimated at £1.4m – being £580k for reduced donations, £80k reduced lottery and £760k reduced shop income.

The current estimate is that costs will be £300k above last year – comprising additional agency doctor cover costs (£100k); other staff costs (£130k); Shop depreciation (£25k); other depreciation (£30k); budget for Comms, training and life Cover (£50k); Skyline business consultants (£50k) and savings on events etc (£70k)

The forecast figures are now updated for the known timeframe for the recruitment of staff (consultant team, physician assistant) and also the estimated dates for filling current vacancies, delayed beyond the summer. Our furlough support will continue in part to September (although some staff are being “un-furloughed” as we prepare for “un-locking” the charity shops etc).

Looking further out – the cash graph presented assumes that SRH draws down on £1.7m of the contingency in 2023 in addition to the core £3.6m. These assumptions must be fully caveated as being for illustration only.

5. Statutory Accounts Audit 2019-20 – New Charity Accounts

These have been drafted and are attached. A copy has been submitted to Buzzacott for audit. Please note that the grant from DoC for £200k has been treated as a general fund (on the basis that the specification for its use was to pursue the objects of the charity). The acquired assets for a designated fund.

6. Independence – The timing for independence has been agreed as being as soon as the CQC are able to provide a transfer of the registrations. The request has been submitted by Sr. Veronica with a 31 October target date. CQC have responded that there may be a five week wait for assignment and a ten week process. That would indicate a 30th November date being possible.

The banking arrangements remain in place once a firm date is known. Letters will be sent to the landlords of our shops and Capitol House, to the CCGs, insurers and to a small number of other contracted parties informing them of the impending transfer and requesting novation to the new charity. TUPE for the staff will be triggered.

We will also prepare to update our website and other communications materials with the new legal identity.

A request has been made for an investment account to be opened to replicate the existing DoC accounts to accept the grant funding of £3.6m.

IT

7. Having updated all the servers and the Citrix environment, the User Acceptance Testing has been completed by department representatives with no “show stoppers”.
8. Following the testing the new system is now going live (Office 2019 etc). The 759 building has been moved over so far and no major issues have arisen.
9. Migrated 55 work mobiles over to O2. We negotiated a good deal and the migration process went smoothly.
10. The Datix project has kick off again and John and Alex are looking to push this through as a priority.
11. Clinical staff are now able to undertake secure video conferencing with patients using the Accurex Fleming system that most GP’s and hospitals use. IT have provided the access and training has been completed.
12. VOIP phone system upgrade for the hospice site has now been completed successfully.

Facilities

13. John Groom (Head of IT and Information Services) has agreed to take responsibility for the Facilities team. He will support Steve Cresswell, the Facilities Manager and also link in with Alex Rudkin (Head of Quality) who has taken on the responsibility for the Health and Safety portfolio.
14. Several offices have been painted by Mervin over the last few weeks. The plan is for him to continue through the offices as time and other commitments allow.

15. The paving from the chapel courtyard has been re-laid as a slope to facilitate wheelchair and other access to the garden from the reception area where bi-fold doors have been installed.
16. The generator required repair to the system that triggers its use in the event of a power-cut. This was successfully performed on an early Sunday morning which minimised disruption to the Hospice running.

Nick Stevens

Joint CEO

14th August 2020

SAINT RAPHAEL'S HOSPICE
MINUTES OF THE 11TH MEETING OF THE
FINANCE AND RESOURCES SUB-COMMITTEE
held on Wednesday 17 June 2020 at 2.00pm
Remotely by Zoom video/audio call

Members: Mr Joe Ryan (JR) - Chair
Mr Alan Cogbill (AC)
Mr Paul Holmes (PH)
Sr Kathleen O'Reilly (SrKO)

In attendance: Mr Nick Stevens – Joint CEO (NS)
Mr Ed Cook - Advisor, Daughters of the Cross (EC)
Mrs Neena Vadgama – Finance Manager (NV)
Miss Anna Machin – Clerk to Trustees (AM)

1. WELCOME AND APOLOGIES

Committee members were welcomed to the virtual meeting. There were no apologies for absence. There were no declarations of interest in addition to those already on the register of interests.

2 To APPROVE the minutes of the meeting on 22 April 2020.

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

3 To DEAL WITH matters arising from those minutes

The matters arising from the previous meeting were reviewed as follows:

3.1. Skyline Report - the Skyline Report would be circulated to the full Committee in order for the recommendations in the Executive Summary to be reviewed. **NS**

3.2. Retail team restructure - Committee members received assurance that all redundancy processes had been followed for retail team members as part of the restructure of this team. NS confirmed that the statutory redundancy payments had been made as well as the 3 months' notice period and these team members had been supported by HR throughout the process.

3.3. Shop leases – NS confirmed that the transfer of contracts for new shops was on hold for now but once the independence is moving ahead they would seek the transfer to the legal entity of St Raphael's Hospice. In terms of applications for 'rent holidays' for existing shops, a 50% reduction has been confirmed for one shop, one landlord has given a small reduction and one has agreed to delayed rent payment. The remaining landlords have not yet replied.

3.4. Wimbledon shop launch - the lease for the Wimbledon shop would be sent to SrVH and EC for review and signature. The shop will most likely now open in September and postal communications will be sent to 12,000 local community members to promote the shop and opportunity to donate items. **NS**

3.5. Shop reopening - three shops have now been opened just for donations and one shop will be opened in July as a test with all appropriate social distancing measures in place. Currently the furlough arrangements mean that shop finances are viable and there will need to be confidence that shops would perform well to reopen more widely before the autumn.

4 To REVIEW the Director of Finance and Resources Report

4.1. Update on prior year statutory accounts and external audit process

4.1.1. NV confirmed that the external audit had delivered remotely and a high volume of documents were submitted to auditors Buzzacott for review.

4.1.2. The Senior Leadership Team had drafted the Annual Report and NV had worked in the financial statements. The accounts were still subject to final tie-up and drafting changes including on the final balance sheet figures. Any adjustments from the audit team will be reviewed then also passed to the DoC team.

4.1.3. Committee members reviewed the statutory accounts which presented a year-end position of a £230k deficit, taking into account the late £75k legacy. Committee members recognised that this was a significant improvement on the £1.2m deficit projected in January 2020, with a total of £1.75m of legacies received for 2019/20.

4.1.4. Committee members recommended that the exact number of hospice beds be added and explained in the Strategic Report.

4.1.5. Committee members asked for assurance on the move for restricted to designated funds £8k from a trust donation. Feedback was awaited from the auditors on this point.

4.1.6. Further detailed comments on the annual report and accounts would be sent to the finance team for review.

4.2. Update on year to date

4.2.1. NS updated that overall April and May had both been better than break-even and budget projections. Cash is good at £2.9m as at the end of May and £3.5m as at 17 June. As a result of the covid-19 crisis a total of £700k grants from Hospice UK and Local Authorities would be received in addition to £200k of furlough grants. The grant from Local Authorities has been spread over six months in line with UK GAAP.

4.2.2. In terms of income, £225k of legacies had been received for the current financial year. Regular CLG funds were not affected but May donations income was lower than hoped. The promotion of the lottery with an external company has been delayed leading to a gradual drop-off in entries.

4.2.3. NS confirmed that costs had been lower than expected due to (a) £90k of furlough income received so far, (b) delayed hiring and (c) lower event and operational costs in shops.

4.3. Update on government grants

4.3.1. NS confirmed that £222k had been received in each of April and May from government Covid-19-related grants. There is now more clarity within the sector on the conditions for clawback, and the government knows that some hospices have made a surplus due to receipt of the grant which goes against the original purpose of the grant.

4.3.2. For Saint Raphael's Hospice this therefore means that £25k is anticipated to be clawed back for April and May. As £210k of legacies and a donation of £40k have been received for June, the government grant is not expected to be required for this month (so what would be received for June would need to be repaid). However the government grant may be extended to September in which case the funds may remain in the Saint Raphael's Hospice account and funds clawed back later in the year based on the total levels of funds received in the coming three months.

NS

JR

<p>4.3.3. Committee members therefore noted that exceptional income and the timing of donations was impacting the level of clawback. NS confirmed that Hospice UK is advocating with government on behalf of the sector in relation to the process for granting and clawing back covid-19-related funds.</p> <p>4.3.4. Committee members received assurance that legacies are being apportioned according to UK GAAP between last financial year and this financial year.</p> <p>4.3.5. NS updated that the six beds that have been commissioned by the local CCG are due to finish at end of June but that this arrangement may be extended on a rolling basis. The provision of staffing by NHS for this and ‘hotel costs’ which SRH are due to charge will be reviewed and agreed with the CCG in the context of wider grants received from local sources. Staff provided by the CCG for these beds have been integrated into the Hospice team and been given significant training in palliative care.</p>	
<p>5 To REVIEW the updated on independence and future finances</p> <p>5.1. NS presented the meeting paper that put forward three scenarios for ten-year financial projections for consideration by the Committee. The scenarios were based on three different assumptions on the implications of covid-19 on the Hospice’s financial position.</p> <p>5.2. Overall the Hospice team were relatively optimistic on meeting donations targets however the outlook for shops was more uncertain and pessimistic. The lottery income is being impacted negatively by the delay in the agency growing new entrants to the lottery due to covid-19.</p> <p>5.3. Committee members recognised the significant complexities in the wider environment. It was echoed that donor income could hold based on the community response in giving donations, and that the lottery may not reach income levels initially hoped for. Whilst there may be ‘pent up’ demand for shopping as lockdown eases, and the shops are an important physical expression of the Hospice’s visibility, Committee members noted that the social distancing measures and move to online shopping could minimise potential for shop income.</p> <p>5.4. Committee members requested further information in due course on the local employment situation in Merton and Sutton to inform expectations on the likelihood of donations.</p> <p>5.5. EC confirmed that the DoC would need to closely monitor the financial position to understand the short-term and medium-term viability of the Hospice which would impact the discussions on ‘spin out’ and also on a potential merger if required.</p> <p>5.6. Committee members also voiced the further option of a shared services model with another Hospice but with independent governance. It was agreed that either option - or continued independence - would prioritise continuation of the Hospice service to local residents. It was acknowledged that the financial challenges brought by covid-19 would be faced by Hospices across the sector. A watching brief would be kept on the wider environment.</p> <p>5.7. It was also noted that the locally held bank accounts had not been depleted below levels expected last year due to the positive fundraising through grants and legacies.</p> <p>5.8. AM confirmed that from a governance perspective, the decision to ‘spin out’ and transfer assets to the Hospice would need to be informed by (a) a full picture on long-term financial projections and (b) an open discussion on the risk appetite of trustees. Further advice on expectations and duties of charity trustees in relation to financial management would be given as required.</p>	<p>NS</p>

<p>5.9. Committee members were in accord that the full Hospice Trustee Board would need to be engaged in a conversation on the anticipated financial position, supported by the ongoing review by the Finance Committee every two months.</p>	
<p>5.10. It was agreed that this paper would be taken to the full Board as agenda item for discussion at the July meeting. Joe Ryan will speak to Norman McWhinney as Board Chair. The minutes would be circulated promptly following the meeting to ensure timely communication of the Committee’s discussion, and a log of actions arising from the meeting created.</p>	<p>JR AM</p>
<p>6 To CONSIDER Any Other Business</p> <p>There were no items raised under Any Other Business.</p>	
<p>7 NEXT MEETING</p> <p>The next meeting dates were confirmed as 19 August 2020 and 21 October 2020.</p>	
<p>The meeting finished at 3.15pm.</p>	

Distribution: Trustees and Auditors.

Approved.....

Date.....

DRAFT

**St Raphael's
Hospice**

**Annual Report and Financial
Statements**

31 March 2020

Company Limited by Guarantee
Registration Number
11732567 (England and Wales)

Charity Registration Number
1182636

Contents

Reports

Reference and administrative details of the charity and its trustees	1
Trustees' Report	3
Report of the independent auditors	9

Financial Statements

Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Principal accounting policies	15
Notes to the financial statements	18

Reference and administrative details of the charity

Name	St Raphael's Hospice
Trustees	Mr Alan Cogbill (appointed 22nd May 2019) Dr Teresa Crilly (appointed 22nd May 2019, resigned 26 th Sept 2019) Sister Veronica Hagen (appointed 18th Dec 2018) Mr Paul Holmes (appointed 22nd May 2019) Mr Norman McWhinney, Chairman (appointed 18 th Dec 2018) Mrs Marian Norman (appointed 18 th Dec 2018) Mr Roderick O'Connor (appointed 25 th Sept 2019) Sister Kathleen O'Reilly (appointed 20 th Nov 2019) Mr Joseph Ryan (appointed 22nd May 2019) Dr Joy Tweed (appointed 22nd May 2019)
Management Team	
Chief Executive	Brigadier Mike Roycroft (Retired on 31 March 2020)
Acting Clinical Director	Mrs Gail Linehan (Joint CEO from 1 April 2020)
Director of Income Generation	Ms Sara Jane Woods
Director of Finance and Resources	Mr Nick Stevens (Joint CEO from 1 April 2020)
Company registration number	11732567
Charity registration number	1182636
Charity's registered address	29 Tite Street London SW3 4JX

Commented [NS1]: I have added in a couple of trustees and put in alphabetical order, but the format is odd – I cannot seem to change it...

Commented [NS2]: Can the spacing be corrected to all narrow gap please

Reference and administrative details of the charity

Operating address	St Raphael's Hospice London Road North Cheam SM3 9DX
Telephone	020 8099 7777
email	Enquiries@StRaphaels.org.uk
Website	www.straphaels.org.uk
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	National Westminster Bank plc 93 Central Road Worcester Park Surrey KT4 8DZ

Trustees' Report 31 March 2020

The trustees who are also the directors of the charitable company for the purposes of company law) present their report and financial statements for the 15-month period ended 31 March 2020.

The financial statements are presented in accordance with the **principal** accounting policies set out on pages 15 to 17 therein and comply with the Memorandum and Articles of Association of St Raphael's Hospice, **with** 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), effective from accounting periods commencing 1 January 2015 or later.

The charity has been established in order to carry on the running of St Raphael's Hospice following the transfer of the activity of the hospice by the regulated authority (The Clinical Quality Commission, CQC) from the pre-existing operational charity. The pre-existing operational charity is The Congregation of the Daughters of the Cross of Liege (The DoC), a company limited by guarantee (number 3492921) and a registered charity (number 1068661).

The transfer was due to take place at the close of this financial period on the 31st March 2020. The Covid-19 pandemic caused the transfer to be delayed and the trustees are working towards a new date as soon as is practicable.

Activity in the current financial period was limited to the receipt of grant income and expenditure on fixed assets for the benefit of the **Hospice** activity.

Structure, governance and management

Constitution

St Raphael's Hospice is a charitable company limited by guarantee (11732567), originally incorporated on 18th December 2018. It is registered as a charity with the Charity Commission (1182636). Its governing document is its Memorandum and Articles of Association.

The 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. By the provision of palliative care, treatment or relief of people of all ages with active, progressive or advanced illness on the basis of need and regardless of their religious, cultural or ethnic **background**;
2. By the provision of care and support to those who have experienced loss and bereavement, in particular families, friends and carers;
3. By 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;

Commented [NS3]: Joe had added in "gender" but I have removed as this is not in the wording in the Mem&Arts

4. By the provision of education and training for professionals and volunteers engaged in palliative care.

The Trustees

The Board of Trustees (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.

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The Board is responsible for the running of the charity and delegates the operational activity to the CEO (joint-CEOs with effect from 1 April 2020) and the Management team.

Trustees' responsibilities statement

The trustees (who are also 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 Generally 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 and 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.

The trustees confirm that:

St Raphael's Hospice

- ◆ So far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ 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.

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 guarantees at 31 March 2020 was 9. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Risk management

Pending the transfer of undertakings of the activity of the hospice to the charity, the risks relating to the entity relate to the appropriateness of taking on responsibility for the future running of the hospice and the responsibilities of proper management of the grant income received in advance of that.

The risks around the appropriateness of taking on responsibility for the activity of the hospice have been analysed by the trustees with the help of the Management Team and resulted in an investment agreement with The DoC which enables the five-year plan, designed to achieve a long-term sustainable future for the hospice, to proceed. Risks to that plan have been considered and mitigations, including financial mitigations have been agreed.

The risks around the use of grant funding have been considered and the funds restricted to particular purposes which will benefit the hospice in the future.

Employees

The charity had no employees in the period, but will take on the employment of the workforce of St Raphael's Hospice under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). It will inherit the policies and procedures of the hospice which 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.

Public Benefit

Charity law requires the trustees of the charity as a whole to include in their annual report a confirmation that they have had regard to the general guidance of the Charity Commission (and where relevant the specific guidance for certain types of charity), regarding public benefit. The trustees are also required to provide information which demonstrates how the charity meets the guidance.

The Object of the charity is the relief of illness and suffering on the basis of need and regardless of their religious, cultural or ethnic background. The charity has been established in order to provide that public benefit and all other activities are ancillary to that. In anticipation of the transfer of undertakings, the charity has undertaken certain work and purchased certain assets which have the sole purpose of improving the ability of St Raphael's Hospice to deliver a public benefit.

Commented [NS4]: Deleted as not the wording in M&A

Financial review

Net income for the 15-month period ended 31 March 2020 was £214,286. A grant of £200,000 was received from the DoC to pursue the objects of the charity. A further gift of £14,286 was provided for the purchase of a car for the use of the hospice team in the pursuance of their duties.

Unexpended income was held in the charity's bank account to the value of £48,408.

Reserves

Total funds at 31 March 2020 amounted to £214,268 including designated funds of £168,130. This fund is represented by the net book value of tangible fixed assets which are available for the use of the St Raphael's Hospice.

The working capital available to the charity as at 31 March 2020, therefore, comprises the net current assets of £214,268, of which £46,138 represents free reserves.

The trustees have decided that, once operational (after the transfer of the Hospice activity), the required level of free reserves should be between three- and six-months operating expenditure. However, at this stage, without ongoing expenditure or commitments beyond the correct use of restricted funds, the reserve position is satisfactory.

The Hospice's assets

Acquisition and disposals of fixed assets during the year are recorded in the notes to the balance sheet.

Plans for future periods

The main themes of management work include:

1. Setting a date for Independence

The charity has put on hold its immediate plan to receive the activities of St Raphael's Hospice. The transfer was proposed to take place at the end of 31 March 2020 but, as a result in delays in the transfer of the CQC registration, this was postponed. The COVID-19 pandemic, which caused those delays as CQC resource was re-focussed to crisis management, has added uncertainty to the plans agreed for the transfer. Agreeing a revised date is a key target for the first half year.

2. Delivering on the first phase of the five-year plan

Following the transfer of undertakings and despite the uncertainty arising from the Covid-19 pandemic, the charity is determined to pursue the five-year plan to reach a point of financial sustainability that does not rely upon the need for an exceptional level of legacies (defined as being over £1m per annum). This plan has three key components:

- ◆ **Excellence** – the purpose of the charity is to deliver end of life palliative care to the communities of Merton and Sutton boroughs. We aim to be excellent in all that we do in the Hospice, in the Community and through all our other work, including our retail and fundraising endeavours.

- ◆ **Visibility** – St Raphael's Hospice provides a reassuring expertise at a critical time for everybody; the end of life. That reassurance increases with excellence and yet it is only felt when it is known. Raising the profile of St Raphael's Hospice within the communities we serve will raise the level of comfort and confidence the population have that an excellent service will be there for them and their loved ones when they need it.
- ◆ **Engagement** – there is a great deal of goodwill towards hospices and this, we believe, will increase with the current upsurge in recognition of the importance and value of front-line medical care. We will seek to engage with our communities so that they have the opportunity to volunteer with us, fundraise for us, donate to us or partner with us.

The programme to pursue these three strands of the plan will involve deliberate measures including the following:

- ◆ **Recruitment** – several key roles will be recruited in 2020-21. These include the Clinical Director to take forward the Clinical Action Plan and to lead all the medical and clinical teams. We will recruit a full complement of specialist consultants to work in unity with our specialist nursing teams and able to rotate between IPU and Community work. These roles will undergird our excellence.
- ◆ **Training** – a well trained workforce will deliver excellence. We will engage with the Princess Alice Hospice (PAH) Learning Zone to deliver our mandatory training and this will be supplemented by in-house training delivered by our education team and consultants. We will also engage with expertise in the charity retail sector to train our staff in this specific area whilst encouraging all staff to advance their skills.
- ◆ **Team Structures** – the Senior Management Team (SMT) will be re-scoped and extended to ensure that the breadth of skills available are brought together to drive and disseminate the actions. The SMT will support a small Exec that will meet weekly to maintain momentum. With an aim to minimise silo working we will work to connect our teams operating in different parts of the organisation so that the Hospice acts, thinks and is perceived as one team and everyone involved feels responsible for the whole.
- ◆ **Volunteers** – the Hospice recognises the value of our volunteers who perform a wealth of roles and also embed the Hospice into the communities they come from. We aim to involve all managers in specifying how volunteers can help their team improve service delivery and increase our recruitment and management of volunteers by targeted marketing.
- ◆ **Communications** – We will communicate regularly both internally and externally to increase engagement with the aims of the hospice. We will increase our visibility through social media and our website and use targeted marketing techniques to raise the profile of the Hospice's services throughout the Merton and Sutton boroughs. Shops – we will engage with sector specific expertise to overhaul our retail process including enhanced use of data, pricing policy, layout and stock rotation. We will train our staff in relevant skills and revise the structure through which they operate. We aim to open two new shops, one of which will be on Wimbledon Village High Street, a key geography we aim to reach.

Trustees' Report 31 March 2020

- ◆ Fundraising - we will continue to develop our Fundraising team with an emphasis on engaging with local business, growing our supporter groups and increasing regular donors.
- ◆ Facilities - we will enhance the Hospice site by improving the reception area, re-flooring the ward areas and commencing a refresh of our ward bedrooms. We will aim to source funding to create a bariatric room in order to cater for a growing demand for this specialist capacity.
- ◆ HR – we will upgrade our Select HR system to introduce a recruitment module and work to simplify our payroll process to reduce time and cost.
- ◆ IT – we will complete the transition to a newly upgraded Citrix environment and implement the Datix system. We will increase the internet capability at the Hospice to facilitate increased use of digital technology for working and for providing an enhanced environment for our patients.

Approved on behalf of the Board

Mr Norman McWhinney
Chairman

Date:

Report of the independent auditors to the members of St Raphael's Hospice

We have audited the financial statements of St Raphael's Hospice for the 15-month period ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 St Raphael's Hospice's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report Period ended 31 March 2020

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of St Raphael's Hospice and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the Management Team.

Responsibilities of the Chief Executive

~~As explained more fully in the statement of the Trustees' and Management Team's responsibilities, the Joint Chief Executives, in conjunction with the charitable company's trustees, 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 Chief Executive and 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 Chief Executive and Trustees are responsible for assessing the Hospice'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 Hospice or to cease operations, or have no realistic alternative but to do so.~~

Commented [N55]: These words will be amended by Buzzacott

Independent auditor's report Period ended 31 March 2020

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.

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, of St Raphael's Hospice. 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.

Commented [NS6]: Buzzacott to ensure the "hybrid" from existing SRH is amended suitably

Buzzacott LLP
Chartered Accountants and Registered Auditors
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Period ended 31 March 2020

	Notes	Unrestricted			Total funds 2020 £
		General fund £	Designated fund £	Restricted funds £	
Income and expenditure					
Income from:					
Donations and legacies	1	200,000	-	14,286	214,286
Total income		<u>200,000</u>	<u>-</u>	<u>14,286</u>	214,286
Expenditure on:					
Charitable activities	2	17	-	-	17
Total expenditure		<u>17</u>	<u>-</u>	<u>-</u>	17
Net (expenditure) income before transfers		199,983	-	14,286	214,269
Gross transfers between funds in connection with tangible fixed assets	6-7	(153,844)	168,130	(14,286)	-
Net movement in funds		<u>46,139</u>	<u>168,130</u>	<u>-</u>	214,269
Reconciliation of funds:					
Fund balances carried forward at 31 March 2020		<u>46,139</u>	<u>168,130</u>	<u>-</u>	214,269

Balance Sheet 31 March 2020

	Notes	2020 £	2020 £
Fixed assets			
Tangible assets	4	168,130	
Current assets			
Cash at bank and in hand		<u>48,408</u>	
		216,538	
Creditors: amounts falling due within one year	5	<u>2,269</u>	
Net current assets			<u>214,269</u>
Total net assets			<u><u>214,269</u></u>
Represented by:			
Funds and reserves			
Restricted funds	6		46,139
Unrestricted funds			
. Designated funds	7		168,130
. General fund			-
Total funds			<u><u>214,269</u></u>

Commented [NS7]: In answer to Joe's question - This was an invoice paid after the end of the period

Approved by the trustees on:

Trustee

Statement of cash flows Year ended 31 March 2020

	Notes	2020 £
Cash flows from operating activities		
Net cash (used in) provided by operating activities	A	<u>216,538</u>
Cash flows from investing activities:		
Purchase of tangible fixed assets		<u>168,130</u>
Net cash used in investing activities		<u>48,408</u>
Change in cash and cash equivalents in the year		
Cash and cash equivalents at 18 December 2018	B	-
Cash and cash equivalents at 1 April 2020	B	<u>48,408</u>

Notes to the statement of cash flows for the year ended 31 March 2020

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2020 £
Net movement in funds (as per the statement of financial activities)	214,269
Adjustments for:	
Depreciation charge	-
Investment income	-
(Increase) decrease in debtors	-
(Decrease) increase in creditors	<u>2,269</u>
Net cash (used in) provided by operating activities	<u>216,538</u>

B Analysis of cash and cash equivalents

	2020 £
Cash at bank and in hand	<u>48,408</u>
Total	<u>48,408</u>

Principal accounting policies 31 March 2020

The principal accounting policies adopted, judgements and key sources of **estimation uncertainty** in the preparation of the financial statements are laid out below.

Commented [NS8]: I think this wording is correct as it relates to the degree of risk relating to estimates (ie the uncertainty of an estimate) and it has been called "estimation uncertainty"

Basis of accounting

The financial statements have been prepared for the fifteen-month period ended 31 March 2020. There is no comparative information.

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) issued on 16 July 2014, 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 pound.

Assessment of going concern

The management 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 charity management have considered the impact of the current Coronavirus pandemic on the charity's operations, with a particular focus on its effect on the future transfer of undertakings and the charity's future financial position including the charity's future income, expenditure and reserves; the charity's beneficiaries; and the charity's employees. The charity has and will have, under the agreements made with DoC, sufficient cash resources to continue with its plans, and remains confident that its finances are satisfactory for the foreseeable future.

The management have therefore 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.

Income recognition

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.

Expenditure

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.

Principal accounting policies 31 March 2020

All expenditure is accounted for on an accruals basis. All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets are shown on the balance sheet at valuation on a depreciated replacement cost basis or 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:

◆ Freehold buildings	4%
◆ Computer and other equipment	20 - 33.33%
◆ Shop fixtures and fittings	33.33%
◆ Motor vehicles	25%

Long leasehold property is depreciated evenly over the period of the lease.

No depreciation is provided on freehold land.

No depreciation is provided on assets in the course of construction or assets with immaterial diminution to their expected useful life as at the year end.

Reserves and Fund Accounting

Any restricted funds are monies raised for a specific purpose and their use restricted to that purpose, or are donations subject to donor-imposed conditions.

The designated funds are those which represent the value of tangible fixed assets or monies which may be used towards meeting the charitable objectives of the Hospice but which have been designated for a specific purpose by the trustees and their management team.

The general fund represents free reserves and comprises those monies which may be used towards meeting the charitable objectives of the Hospice at the discretion of the trustees. Once operational (after the transfer of the Hospice activity), the required level of free reserves should be between three- and six-months operating expenditure. Prior to the transfer, without ongoing expenditure or commitments beyond the correct use of restricted funds, the free reserves may be below this level.

Both the general fund and designated funds are unrestricted.

Principal accounting policies 31 March 2020

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.

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

In the current period there are no employees of St Raphael's Hospice.

Commented [NS9]: Added in above, now

Add a title, per the Contents page

Notes to the financial statements.

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1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £
Donations and Grants	200,000	14,286	214,286
Legacies	-	-	-
2020 Total	200,000	14,286	214,286

2 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £
Bank Charges	17	-	17
2020 Total	17	-	17

Audit costs have been borne by the Congregation of the Daughters of the Cross of Liege.

3 Taxation

St. Raphael's Hospice is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

4 Tangible fixed assets

	Land and Buildings £	Assets under the course of construction £	Motor vehicles £	2020 Total £
Cost or valuation				
Additions	48,540	102,478	17,112	168,130
At 31 March 2020	48,540	102,478	17,112	168,130
Depreciation				
Charge in period	-	-	-	-
At 31 March 2020	-	-	-	-
Net book values				
At 31 March 2020	48,540	102,478	17,112	168,130

Depreciation has not been charged in period on the grounds of materiality and that a number of assets are in the course of construction before their useful lives commence.

5 Creditors: amounts falling due within one year

	2020 £
Trade creditors	2,269
	2,269

6 Restricted funds

The restricted funds are monies received for, and their use restricted to, the following:

	Income £'000	Expenditure £'000	Transfers £'000	At 31 March 2020 £'000
Community Car Grant	14,286	(14,286)	-	-
	214,286	(168,130)	(17)	46,139

The Community Car Grant was a grant provided to enable the charity to acquire a hybrid electric pool car for the use of the Community Team of St Raphael's Hospice and other members of the hospice team on hospice business.

7 Designated funds

The unrestricted funds of the Hospice include the following designated fund which has 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 for the benefit of the hospice and hence is not available for working capital.

	Transfer £'000	At 31 March 2020 £'000
Fixed asset fund	168,130	168,130
	168,130	168,130

The transfer in the fixed asset fund represents the net movement in fixed assets over the period.

8 Analysis of net assets between funds

	Restricted funds £'000	General fund £'000	Designated fund £'000	Total 2020 £'000
Fixed assets	-	-	168,130	168,130
Current assets	-	48,408	-	48,408
Creditors: amounts falling due within one year	-	(2,269)	-	(2,269)
Total net assets	-	46,139	168,130	214,269

9 Related party transactions

The Congregation of the Daughters of the Cross of Liege (The DoC) created the legal entity, St Raphael's Hospice, in order that it may be prepared to accept the transfer of the assets, liabilities and activities of its charitable work as a hospice trading as St Raphael's Hospice. It has provided legal advice, audit, grant funding and a registered office for the charitable entity. Two of the trustees of The DoC, who are also on the Advisory Board of the charitable work of St Raphael's Hospice, are also trustees of the charitable entity, St Raphael's Hospice. A further seven members of the Advisory Board of the charitable work of St Raphael's Hospice, are also trustees of the charitable entity, St Raphael's Hospice.

During the period the DoC provided grant funding totalling £200,000 to the charity. This fund is to be used to pursue the objects of the charity.

There were no other related party transactions.

10 Capital commitments

There were no capital commitments at 31 March 2020.

St Raphael's Management Accounts 31 July 2020	Year To Date				Full Year			
	YTD 2020-21	Budget YTD 2020-21	<i>variance</i>	YTD Prior Year	Actuals 2019-20	Forecast 2020-21	Budget 2020-21	<i>Variance</i>
Income from NHS	556,014	515,557	40,457	509,300	1,546,130	1,588,242	1,550,399	37,843
Other Income	720,808	64,190	656,619	81,375	175,599	788,120	132,202	655,919
Direct Cost of Services	(1,144,237)	(1,304,175)	159,938	(1,131,282)	(3,434,614)	(3,624,066)	(3,935,082)	311,017
Hospice Depreciation	(73,567)	(88,156)	14,589	(73,608)	(210,006)	(242,680)	(267,539)	24,859
Net Service Cost	59,018	(812,585)	871,602	(614,215)	(1,922,891)	(1,490,383)	(2,520,020)	1,029,638
Support Costs	(314,334)	(305,231)	(9,103)	(284,109)	(933,283)	(975,145)	(927,554)	(47,591)
Net cost of Service to be fund	(255,316)	(1,117,815)	862,499	(898,323)	(2,856,174)	(2,465,528)	(3,447,574)	982,046
Fundraising Activity								
Legacy Income	254,213	290,000	(35,787)	107,346	1,750,510	971,490	1,000,000	(28,510)
Donor Income	301,247	427,529	(126,281)	387,610	1,240,373	830,011	1,410,041	(580,029)
Fundraising Costs	(180,488)	(273,184)	92,696	(216,686)	(629,760)	(593,658)	(861,669)	268,011
	374,972	444,345	(69,373)	278,269	2,361,123	1,207,843	1,548,372	(340,529)
Lottery Income	160,397	166,353	(5,956)	154,959	456,007	446,327	523,766	(77,439)
Lottery Costs	(66,148)	(104,751)	38,604	(60,014)	(206,984)	(239,139)	(304,441)	65,303
	94,249	61,602	32,647	94,945	249,023	207,189	219,325	(12,136)
Shop Income	12,435	350,252	(337,817)	315,319	1,103,503	399,079	1,157,655	(758,577)
Shop Costs	(226,339)	(350,598)	124,259	(334,441)	(934,027)	(977,136)	(1,168,754)	191,618
	(213,905)	(346)	(213,559)	(19,122)	169,476	(578,058)	(11,099)	(566,959)
Shortfall before DOC Funding	-1720% (0)	0% (612,215)	612,215	-6% (544,232)	15% (76,553)	-145% (1,628,554)	-1% (1,690,976)	62,422
DOC Funding	0	466,667	(466,667)	0	0	750,000	1,400,000	(650,000)
	(0)	(145,548)	145,548	(544,232)	(76,553)	(878,554)	(290,976)	(587,578)

St Raphael's Management Accounts 30 April 2020	YTD 2020-21	Budget YTD 2020-21	<i>variance</i>	YTD Prior Year	Forecast 2019-20	Forecast 2020-21	Budget 2020-21	<i>Variance</i>
Total Income	2,005,114	2,280,547	(275,433)	1,555,908	6,272,121	5,773,269	7,174,063	(1,400,793)
Total Cost	(2,005,114)	(2,426,095)	420,981	(2,100,140)	(6,348,674)	(6,651,823)	(7,465,039)	813,216
Shortfall for period	0	(145,548)	145,548	(544,232)	(76,553)	(878,554)	(290,976)	(587,578)