

ITEM 04.2 ACTION LIST

SAINT RAPHAEL'S HOSPICE ADVISORY COMMITTEE ACTION LIST FOR SEPTEMBER 2021 MEETING

Reference	Lead	Description	Target Date for Completion	Comments
02.06.21/04	NM	Write letters of thanks to Dr Andrew Hoy and Annaliese Mathews on behalf of the Board		Complete
21.07.21/02	AM	Make changes to Trustee role description based on feedback		Complete
21.07.21/03	AM	Upload list of Mandatory Trustee training and link to system to board portal		Complete
21.07.21/02	GL, NS	Add risk of delay to IPU refresh, and Covid-19 app leading to staff self-isolation, to Hospice Risk Register		Complete
169/07	GL	Incorporate customer care/conflict/complaints management training into mandatory training		WIP Content of Mandatory Training under review.
180/03	GL	HLRO report to be signed off by NM		
23.09/11	NM, AC, NS, GL	Bring together schedule of Provider visits	Spring 2021	On hold for now due to third lockdown
25.11.20/04	GL, RT	Organise Safeguarding training for Trustees		On hold for now due to third lockdown
20.01.21/05	GL, RT	Add 'closing the loop' as mitigating action for clinical incidents on Clinical Risk Register		
21.07.21/01	SJW, GL, NS	Discuss potential link to St Anthony's Hospital in relation to garden project inc. Hospital using garden space, promoting appeal to clients and security arrangements for garden at night		
20.01.21/03	SJW	Develop paper for FR& Comms Committee and Board giving further detail on plans for Retail	Planned for November 2021	

ITEM 04.2 ACTION LIST

Reference	Lead	Description	Target Date for Completion	Comments
02.06.21/03	GL, RT	Include figures on the number of referrals and beds in Clinical Quality & Governance Committee report	Planned for November 2021	
24.03.21/01	GL, NS	Take forward discussions with Diverse Matters re timing and cost of Equality Audit, including reviewing an existing example of Audit Report	November 2021 meeting	Baseline data report being brought together
22.07/01; 23.09/01	NM, AM	Bring Charity Governance Code for review at future Board meeting	November 2021	Planned for November 2021 Strategy Board meeting

Item 6.2. Letter on Investment Advisors

Email from Finance Committee Chair to Board Chair – 8th September

Dear Norman

Yesterday afternoon at St Bede's we had a Finance and Resources Committee Meeting. Other than Paul, who was not available, and Anna, who attended via Zoom, all those copied in this email were present.

The final item on the agenda was to discuss this attached letter – which I drafted but which Alan, Paul and Nick helped me to complete. It is a team effort!

The attached letter describes the process by which we had invited three independent Investment Advisory Firms to meet us and advise us on how to invest the funds in The Hospice's bank account.

Please read the letter and you will find that we have concluded on which Firm we would like The Hospice to select as its Investment Adviser.

Once you have had a chance to read the letter, please let me know if you would like to discuss the decision.

If you agree with the decision, we would include the letter in the papers for the Trustee Board Meeting on Wednesday 22 September and discuss it at that meeting.

If the Trustees reach the same decision as the Finance and Resources Committee has made, Nick and I would write to the Firm that the Trustees select and then ask them if they will accept our appointment? We will be astonished if they do not.

We would also write to the other two Firms and explain that they were not successful in their meeting with us to become The Hospice's Adviser.

Finally, we would invite the selected Firm to attend a meeting with the Finance & Resources Committee to discuss the details of how they will work with The Hospice in future.

At the Meeting to be held after the Trustees have made their decision, we would ask the selected firm to explain what would happen if we ask them to invest say £2.5m - £3m, not £4.5m and how they would advise us to invest the balance of the funds in the bank account. We would like them to advise on how the Hospice would earn at least some income, and not nothing at all, on the balance?

Best wishes and I look forward to hearing from you

Joe

Letter from Finance Committee Chair to Board Chair – 8th September

Dear Norman

I am writing on behalf of the Finance and Resources Committee to inform you that we arranged three separate meetings to be held with Independent Investment Management Advisory firms - and we have a recommendation to put to the Trustees Board Meeting on Wednesday 22 September about which firm to invite The Hospice to be our Adviser. It will be Sarasin & Partners.

The process

We had meetings as follows;

1. Thursday 19th August with Cazenove Capital – Christopher Smiley and Belinda Martin. Our team members were Sister Kathleen, Alan, Nick and me.
2. Wednesday 25th August with Sarasin & Partners - Melanie Roberts and Tom Lindsey. Our team members were Alan, Paul, Nick, Gail and me.
3. Tuesday 31st August with Quilter Cheviot - Ben Harwood and Peter Haines. Our team were Alan, Paul, Nick, Gail and me.

Presentations

We told each firm that The Hospice has approximately £6m cash in the bank, no stocks and shares/other investments, and asked what advice they would give us if they invested about £4-5m and kept the balance as working capital.

We asked each firm to send us a presentation in advance to describe the services they offer, an understanding of the approximate rate of return the Hospice would expect to receive over a 3, 5 and 10 year period, and for them to spend an hour at St Bede's to give us a presentation and ask questions as the meetings happened.

At each of the three meetings, we also discussed with them what would be the impact if they invested £3-4m rather than £4-5m. (The final figures will need to be assessed in discussion with the selected firm when we come to engage them).

All three firms were keen to tell us that they offer 'Educational Programmes', eg will offer our Trustees places at seminars etc to keep up to date with regulations and current practice.

You have been given a hard copy of the three presentations so I do not intend to go through them. If you have any questions, please ask us and we will respond.

Outcome of the Presentations. Summary.

Each of the three firms gave good presentations and it was clear that 'they knew their stuff'. After the meeting had ended on 31 August and Quilter Cheviot had departed, I asked our team what their views were about the three presentations. Unanimously, they felt that the presentation by Quilter Cheviot was 'too traditional', (their firm took pride that they have been with the same firm for over 40 and over 30 years), was not 'lively' and did not give us any new ideas – so we were not keen to appoint them.

Both the Cazenove's and Sarasin's presentations were impressive and responded well to our questions, particularly Sarasin.

All three firms presentations were strong on describing ESG – Environmental, Social and Governance – and also described any Ethical restrictions when investing The Hospice's funds, eg Gambling, Pornography, Alcohol, Tobacco, Armaments – Corruption, Breaches of Human Rights, Sanctity of Life etc.

In particular, Sarasin's lead partner, Melanie Roberts, gave some fine answers about sanctity of life issues and we feel sure that Sister Veronica and Sister Kathleen would have been impressed by her responses. She was on 'our wavelength' on such issues. It may be no coincidence that they number the DoC and several other Catholic bodies among their clients. Cazenove proposed a fund which has already been tailored to charities' typical ethical concerns, but if we were unhappy with any aspect they would have to re-organise the portfolio, at extra cost and potentially lower returns. Quilter Cheviot offered a more mechanical approach, inviting us simply to list categories of holding to be excluded, seemingly without the more discerning advice and discussion which Sarasin proposed.

Investment performance

The firms estimated *possible* returns *before inflation* of 5-6% a year. A difference of 0.5% between best and worst achieved result, if we had just £3m invested in the 'growth' part of the portfolio, would amount to £15,000 a year.

Naturally no firm can commit to future performance and all stress that we should be looking to invest the growth element of our money - cash we believe we shall not need to draw down over the next 5 years - for 5 years plus, to obtain attractive returns. Looking as best we could at comparative historical performance (not at all straightforward), there was little to choose among them, although Quilter Cheviot looked a touch lower over the last year or two, while their estimate of future growth was joint highest, and Sarasin's were a margin more conservative in their growth estimate than Cazenove. But there is no reliable guide to what each of them would achieve.

Inflation is widely reckoned to have an underlying level of 2% a year, but will go higher, to 4% (or more) this year, before falling back to trend level. For what it is worth, the firms differed whether the temporary increase would last for another year or two years.

Fees and expenses

Based on investing £4.5m, we asked each firm to tell us what their annual fees would be and their responses were;

1. Cazenove Capital. £38,475
2. Sarasin & Partners. £39,500
3. Quilter Cheviot. £44,355 based on a £5m investment. So £39,920 pro-rated.

Conclusion

If we exclude Quilter Cheviot, we concluded that we could have 'worked with the other two firms' but that there was something in the way that Sarasin and Partners 'spoke' - and responded more quickly and exactly to our questions – and were more "on our wavelength". Also that Sarasin displayed a superior level of client relationship than the other two companies. They also had superior experience working specifically with other hospices.

As a result, we recommend at The Trustees Board Meeting on 22 September that we should inform them that we would like to appoint Sarasin & Partners as The Hospice's Investment Management Adviser.

Best wishes

Joe

St Raphael's Hospice

Minutes of a Meeting of the Board of Trustees

Held at 13:00 on 21st July 2021 by conference call

Trustees:

Norman McWhinney (NM) (*Chair*)

Sister Veronica Hagen (Sr VH)

Marian Norman (MN)

Alan Cogbill (AC) (*Vice-Chair*)

Roderick O'Connor (RO'C)

Joe Ryan (JR)

Paul Holmes (PH)

Sister Kathleen O'Reilly (Sr KO'R)

Dr Joy Tweed (JT)

In attendance:

Gail Linehan (GL) (*Joint CEO*)

Ed Cook (EC) (*Advisor to DoC & Finance Committee member*)

Rebecca Trower (RT) (*Clinical Director*) – items 4-5

Nick Stevens (NS) (*Joint CEO*)

Diamond Naraviene (DN) (*Communications Officer*) – items 1-3

Sara Jane Woods (SJW) (*Director of Income Generation*)

Carrie Chill (CC) (*Board Advisor*)

Emily Nicholls (EN) (*Head of Donor Development*) – items 1-3

Anna Machin (AM) (*Clerk*)

1. Welcome and apologies for absence

1.1 The Chair welcomed Trustees to the meeting.

2. Declarations of interest

2.1. There were no declarations of interest in relation to items on the meeting agenda.

3. Garden Appeal update

3.1. Nick Stevens provided an initial introduction to the proposed project to fundraise up to £300k for a Garden Appeal, which is designed to enable outreach to new donors, align with the EVE and Fundraising Strategies and link to current public interest in wellbeing and the outdoors.

3.2. Emily Nicholls reflected on the impact of Covid-19, with appeals and individual giving outperforming other income streams over the past 18 months. Other local Hospices have raised £100-£150k in recent appeals, and surveys by the Hospice showed willingness of local residents to give. The key is putting forward the right 'ask', and individual donors often have a preference for concrete projects where they feel donations are making a tangible difference, rather than giving to core funds. The Fundraising Strategy included a plan to launch an appeal, develop the Supporter Journey and win Charity of the Year partnerships during 2021/22. The team also wishes to reach out to new institutional donors such as the Big Lottery Fund and corporates, celebrity supporters, and launch a new Supporter Group. This project would enable the Hospice to reach these goals, underpinned by clear donor recognition and tracking of donations to inform future requests.

3.3. Diamond Naraviene updated on the planned communications with unique designs displayed on a range of channels and the ability to segment audiences based on their interests. Sara Jane Woods echoed the project goals and the team's motivation for the project.

- 3.4. Board members asked about confidence levels on the potential for donations at a time at which household budgets may fall later in the year for reasons related to Covid-19. It was confirmed that trusts and foundations would be approached for up to £100k before public fundraising commenced. Project spending above this £100k threshold could be adapted according to funds raised, to mitigate against the risk of project over-spend.
- 3.5. Board members asked about the balance of raising funds for essential clinical services, versus restricted, project-based income for this Appeal. The Fundraising team emphasised that this Appeal would be designed to attract new supporters and advocates who could then give to core activities. This would include a one-off Lottery appeal. Any excess funds raised would also be given to core activities.
- 3.6. Board members asked for detail on how the income target had been set. The fundraising team confirmed that firstly, the organisation that delivers the Hospice's Trust applications advised this would be an achievable target. £45k was recently raised from 8 trusts towards the IPU refresh in a short timeframe, and the Hospice could apply to new funders that do not fund Hospice and health care. Secondly, the target is based on quotes from suppliers for the resin bond pathway which would enable wheelchair access, landscaping and plants. The budget includes the share of relevant staff costs, to enable full cost recovery.
- 3.7. Board members emphasised that it would be vital to ensure site security for the garden. It was discussed that the St Anthony's Hospital site team could perhaps be approached as part of this. Their colleagues and clients could also be a potential source of donations, and their patients could perhaps use the St Raphael's space.
- 3.8. Board members reflected on the importance of ensuring wider community benefit through this project. GPs are increasingly undertaking social prescribing, and the space could be used to support patients' time in nature. There would also be the opportunity to build partnerships such as with CDARS Sutton, although the practicalities of this would need to be confirmed. Board members shared the potential for the garden space to be a place for families to make memories, and for individuals to remember loved ones if they did not wish to come onto the Hospice building itself.
- 3.9. Trustees thanked the team for the comprehensive and inspiring presentation, and would discuss and vote on the proposal in the closed session at the end of the meeting.

21.07.21/01
(SJW, GL,
NS)

4. Minutes of 2nd June 2021 Board meeting and actions list

- 4.1. The minutes of the 2nd June 2021 meeting were reviewed and approved as an accurate record of proceedings.
- 4.2. Trustees requested an update on the all-staff equality and diversity training. Gail Linehan confirmed that the two training days had been well attended and received, inspired open and frank discussion, and going forwards will be given to all new staff.
- 4.3. Sara Jane Woods provided a detailed update on legacy communications:
 - Legacy income had varied over past years from between £500k-£1.3m, and there are currently 166 individuals who have pledged legacies that receive periodic communications during the year.
 - Make Your Will fortnight is held once per year using pro bono solicitor support, raising £12k on average. The charity receives notifications when the charity is included in a will and liaises with solicitors and executors.
 - Volunteers, Supporter Groups and the Supporter Care team are trained in talking about legacies, as it is important to discuss them sensitively. Data shows that individuals playing raffle and lottery are most likely to give a donation.

- In terms of communications and events, the Hospice celebrates large gifts (with donor permission) in communications to show the difference that funds have made. There has been tailored outreach to local Funeral Directors and solicitors. Legacy receptions have been held periodically. It has been decided that under current circumstances it will be too difficult to hold a reception in autumn 2021, but other opportunities for proactive marketing will be reviewed.
- The next priorities will be to apply for discretionary legacies, create a new Legacy Leaflet to share locally and develop the Supporter Journey for individuals that make pledges.

5. Committee Chair updates

- 5.1. **HR Committee Chair update** – Paul Holmes updated that Ginny Toubal (Volunteer Services Manager) had reported on the strategic focus on volunteer recruitment and shop reopening. Hospice Neighbours has re-launched with clear training on Covid safety. A written HR Report from Kelly Channer provided useful data and an update on the HR Management Plan. The Committee discussed the contractual statement on staff vaccination, with the approach to strongly recommend but not mandate vaccination. Feedback on the Equality and Diversity training was reviewed. There were no concerns raised under the Speaking Up Policy to report. The Committee discussed pensions, which had also been covered by Finance Committee, and will be revisited as part of the Pay and Pensions review at the December Remuneration Committee.
- 5.2. **Fundraising & Communications Committee Chair update** – Rod O'Connor shared that the meeting focused on the Garden Appeal, risk register and fundraising performance. Overall fundraised income sits lower than budget primarily due to Covid-19 restrictions inhibiting events and activities. The shops are performing well at 6.8% above target by the end of May. There were specific reasons for the two shops sitting below target.
- 5.3. **Finance Committee Chair update** – Joe Ryan confirmed the headline position to 31 May had shown a £159k shortfall after funding from the Daughters of the Cross (DoC), and an underlying deficit of £325k. There is £6.7m cash at the bank, and the Committee held a discussion on potential investment of £1-1.5m, and is supporting outreach to potential investment advisors. A meeting with Buzzacott is upcoming to discuss the 2020/21 accounts. The Committee agreed to a proposed external audit retender, and to invite Mazars, Haysmacintyre and Buzzacott to apply later in the autumn. John Groom is bringing a valuable skill set in IT and Facilities, and the Finance and Resources risk register was discussed.
- 5.4. **Clinical Quality & Governance Committee Chair update** – Alan Cogbill summarised key points from the meeting, which commenced with a review of the Evidence of Excellent Practice Register which included moving examples of support provided to patients and families. The Clinical Risk Register showed IT Failure, Infection Control and Recruitment for key nursing roles as key risks. The team will explore the potential for an agency nurse to deliver night shifts. The Hospice will maintain stringent internal Covid-19 procedures even with the 19th July relaxation of government guidance. The IPU refresh has been well planned for the summer. The Community team have had the busiest three months on record. The Committee ran through the Audit programme in detail which is receiving good engagement from the Clinical team. Analysis of Complaints showed the importance of clear communications about the Hospice's offer and signposting to other support services. There were no significant concerns to report arising from Complaints. Key developments with the Clinical Action Plan include implementation of Outcome Assessment and Complexity Collaborative (OACC) and bereavement counselling. Later in the year it will be a priority to put in place Schwartz rounds to shared practice and reflections amongst colleagues.

6. Joint CEO Report including Finance Report Summer

- 6.1. Trustees congratulated the team on the third Consultant recently joining the team, particularly when other Hospices are struggling to recruit to these roles. New staff have also joined the Finance and Fundraising teams. Gail Linehan updated on the key risks relating to recruitment of volunteers for Retail, and of Band 5 and Band 6 nurses. Staff are being encouraged to take annual leave over the summer and will be given a small budget for a team social event, to support wellbeing. The IPU refresh has commenced, with office refurbishment now complete, and there have been strong internal communications to update staff and patients.
- 6.2. The Board were asked to note that the Department of Health & Social Care (DHSC) has recently updated guidance for health and care staff related to self isolation and the circumstances under which healthcare staff do not need to self-isolate if they receive a notification. This would involve undertaking daily LFD tests and more frequent PCR tests. The Hospice Executive team have outlined that St Raphael's will follow this guidance, in order to maintain service and mitigate the risk of staff absence. However, the Executive continue to liaise with the Clinical team to provide reassurance on this approach, who are conscious that Hospice patients may be more susceptible to infection.
- 6.3. Gail Linehan updated on the membership of the Strategic Leadership Team (SLT), and recent meetings that had focused on the Hospice Management Plan. The SLT meets for 3 hours every three months to reflect on areas that are working well, and also challenges facing the Hospice. It has evolved well from the prior, more operational 'Heads of Department' meeting, to act as a forum for cross-team working and joint accountability. Feedback from SLT members would be sought during the year to continue to refine its role and purpose.
- 6.4. Nick Stevens updated on the Finance Report which took account of the 3 months to 30 June. The Hospice is performing £200k better than budget, including £250k grant from DoC, and is at a break-even position. This is primarily due to a legacy being received, with underlying income and expenditure sitting slightly below plan. Donations income is £60k below plan, as when the budget was written in autumn 2020, it was not anticipated that Covid-19 would continue to restrict activities in summer 2021. The Lavender Appeal has raised £70k, compared to £40-50k in prior year. Retail turnover is £162k compared to £131k in the budget. The new Wimbledon shop is performing particularly well, along with the Sutton and New Malden discount stores, with all shops supported by regular movement in stock. 60 Retail volunteers have returned and 60 are newly joined, but 300 would be needed to fully support the shops. It may be necessary to shut shops for short period of time in coming months if Covid-19 continues to lead to staff or volunteer shortages.
- 6.5. The RAG Key Performance Indicator (KPI) report shared with the Board is a summary of performance on the main targets used by SLT. Donations income is the only area sitting behind target. There is £6.7m cash in bank which is £2m higher than plan and links into the Finance Committee's discussion on investments.
- 6.6. Board members noted that the Donation Station would now be used to sell large items. Gift Aid income has declined slightly which has identified a need to ensure labelling is further integrated into the process. The appointment of a new Area Manager (now x 2 part-time roles) will add capacity to the Director of Income Generation.

7. Hospice Risk Register

- 7.1. Board members noted the Red risk of IT failure which is being mitigated through renewal and testing of systems. The Red risk relating to Volunteer numbers is being addressed by regular recruitment campaigns and investing additional resource in retention of volunteers, with strategic support from an individual volunteer with

expertise in this area. It was agreed that the risk of delay to the IPU refresh and Covid-19 app leading to staff isolation would be added to the Risk Register.

21.07.21/01
(GL, NS)

8. Governance update

- 8.1. Anna Machin summarised the planned timeline and approach for Trustee and Committee member outreach. Trustees approved the role descriptions, subject to further information being added on equality, diversity and the Hospice's Catholic ethos.
- 8.2. Trustees reviewed the mandatory training list, and it was agreed that Duty of Candour and Unconscious Bias training would also be explored. A link to the training list and software would be added to the Trustee Portal.

21.07.21/02
(AM)

21.07.21/03
(AM)

9. Any Other Business

- 9.1. Safeguarding Adults policy – Trustees noted the Policy, which would be reviewed in detail by the HR and Clinical Governance Committees. The Board would also be asked to appoint a Link Trustee for Safeguarding at the September meeting.
- 9.2. There were no further items raised under Any Other Business.
- 9.3. The date of the next meeting was confirmed as Wednesday 22nd September 2021 at 1pm.

Signed:

Date:

St Raphael's Hospice
Meeting of the Board of Trustees
To be held at 13:30 on 22nd September 2021

TO BE PRESENT:

Trustees:

Norman McWhinney (NM) (Chair) **Alan Cogbill (AC) (Vice-Chair)** **Paul Holmes (PH)**
Sister Veronica Hagen (Sr VH) **Roderick O'Connor (RO'C)** **Sister Kathleen O'Reilly (Sr KO'R)**
Marian Norman (MN) **Joe Ryan (JR)**
Dr Joy Tweed (JT)

In attendance:

Gail Linehan (GL) (Joint CEO) **Nick Stevens (NS) (Joint CEO)** **Carrie Chill (CC) (Board Advisor)**
Ed Cook (EC) (Advisor to DoC & Finance Committee member) **Rebecca Trower (RT) (Clinical Director)** **Sara Jane Woods (SJW) (Director of Income Generation)**
Philippa Machin (PM) (Clerk)

1 - Purpose: Discussion/ Approval/ Policy/ Information

Item	Description	Purpose ¹	Lead	Timing
1.	Welcome and apologies for absence	-	Chair	1.30-1.35
2.	Declarations of interest	-	Chair	
3.	Minutes of Board meeting held on 21 st July 2021 & Actions List	Approval	Chair	1.35-1.45
4.	Joint CEO Report including Finance Report Summary	Discussion	GL, NS	1.45-2.15
5.	Fundraising Report	Discussion	SJW	2.15-2.40
6.	Committee Chair updates & meeting minutes: <ul style="list-style-type: none"> • 7th September Finance & Resources meeting minutes • Letter from Finance Committee Chair on proposal to appoint investment advisors • Approach to accounting for Lottery funds 	Discussion	JR NS	2.40-3.00
--	<i>Break</i>	-	-	3.00-3.10
7.	Annual report and accounts <ul style="list-style-type: none"> • External auditors' report • 2020/21 annual report and accounts for the year ended 31st March 2021 • Letter of representation 	Discussion	NS	3.10-3.30
8.	Mid-year review of Hospice Risk Register and RAG Report	Discussion	GL, NS, RR, SJW	3.30-4.00
9.	Governance update (draft 2022 meeting plan; discussion on appointment of Safeguarding Link Trustee)	Approval	Clerk	4.00-4.10
10.	Any Other Business & Date of Next Meeting – Wednesday 24 th November 2021, 1pm	-	Chair	4.10-4.15
11.	T-Time (trustee only session)	Discussion	Chair	4.15-4.30

St Raphael's Hospice

**Annual Report and Financial Statements
31st March 2021**

Company Limited by Guarantee

Company Registration Number; 11732567 (England and Wales)

Charity Registration Number: 1182636

St Raphael's Hospice
Annual Report and Financial Statements
31st March 2021

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St Raphael's Hospice
Annual Report and Financial Statements
31st March 2021

Reference and administrative details of the charity and its trustees

Trustees	Mr Norman McWhinney Mr Alan Cogbill Sister Veronica Hagen Mr Paul Holmes Mrs Marian Norman Mr Roderick O'Connor Sister Kathleen O'Reilly Mr Joseph Ryan Dr Joy Tweed	Chair Vice Chair; F&R, CQ&G HR, F&R HR, F&C F&C F&R F&R CQ&G
Committee Members	Dr Caroline Chill Mrs Heather Howell (retired April 2021) Mr Ed Cook Bernard Marley (Appointed May 2021)	CQ&G HR F&R F&C
Clerk to the Trustees	Ms Anna Machin	
Executive Team	Mrs Gail Linehan Mr Nick Stevens Ms Rebecca Trower Ms Sara Jane Woods	Joint CEO Joint CEO Clinical Director Director of Income Generation
Medical Leadership Team	Dr Gaby Tamara-Rose Dr Jenny Strawson Dr Naomi Collins (from July 2021)	Specialist Palliative Care Consultant Specialist Palliative Care Consultant Specialist Palliative Care Consultant
Company registration number	11732567	
Charity registration number	1182636	
Registered office	St Raphael's Hospice, London Road, Cheam, SM3 9DX	
Telephone	020 8099 7777	
Email	enquiries@straphaels.org.uk	
Website	www.straphaels.org.uk	
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL	
Principal bankers	National Westminster Bank plc, 93 Central Road Worcester Park, Surrey, KT4 8DZ	
Committees	Clinical Quality and Governance Committee (CQ&G) Finance and Resources Committee (F&R) Fundraising and Communications Committee (F&C) Human Resources Committee (HR)	

Chair and Joint CEOs' Report

This has been a year like no other with the COVID-19 pandemic having a truly global impact on individuals, communities and nations. Every aspect of the Hospice was affected and all that we do needed to be re-appraised in order to manage the situation and serve our patients to the very best extent we were able. In the midst of this, on 31st October 2020, St Raphael's Hospice finalised its amicable and long awaited independence from the Congregation of the Daughters of the Cross of Liege (DoC), the charity that had "birthed" the Hospice in 1987.

All the operational assets and liabilities have been gifted by the DoC and the land and building leased for twenty years at a peppercorn rent. We are hugely grateful to them for this and for their continued support and encouragement. The staff team all transferred under the TUPE regulations and there has been no change or interruption to the day to day work as a result of the transfer.

We are delighted that all who had been serving on the Advisory Committee, helping to steer St Raphael's under the DoC governance, have continued to serve under this new, independent legal entity either as Trustees or on the Committees. Together with the staff team, the Trustees are determined to follow our five year strategic plan which is designed to ensure that the Hospice remains financially sustainable for the long term without undue reliance upon the exceptional level of legacies that we have enjoyed in recent years.

We are pleased to be able to report that the work of St Raphael's Hospice, caring for and serving the people of Merton and Sutton with expertise, compassion and kindness, was carried on throughout the year despite the pandemic. Our team has worked tirelessly and selflessly, pushing through their own personal concerns in order to care for our patients and for their loved ones. When we say "our team" we mean exactly that. We have been proud to witness how all our staff colleagues and volunteers, whether working in the direct clinical areas or in our retail, fundraising or support teams, have pulled together as one.

We are investing in a programme of change to deliver our "EVE" strategy; focussing first on the *excellence* of all our services; raising our *visibility* with the communities we serve to provide reassurance that we will be there when needed; and increasing our *engagement* with these communities so that we can learn more about how we can improve and offer the opportunity for engagement with us through partnering, volunteering and fundraising.

During the year, as part of this drive, we recruited to some vitally important roles, including to all three of our specialist palliative care consultant posts, a physician associate, several key nursing roles and to our new Clinical Director post. These new colleagues join our fantastic team at an exciting juncture in our history. This is the team that can embed continual improvement and our ambition for excellence in everything we do.

We were pleased to secure re-accreditation with Investing in Volunteers after a thorough audit of our practice over many months. We would like to acknowledge and thank all our volunteers, many of whom had to step down during the pandemic, whilst others joined and some were able to continue to support our work. We are also thankful for the continued support of our many donors, lottery players and all who have contributed to our finances in order to fund the work we do. We are grateful to those who remember us in their wills, as legacies play a huge role in ensuring we are sustainable. In this year of pandemic we have also benefitted from the Furlough Scheme, additional funding from our CCGs and from Grants arranged and administered by Hospice UK and funded by HM Treasury. These have been vital in seeing us through this exceptional year and were timely and effective. The grants recognise the vital role that hospices play in providing specialist palliative and end of life care free of charge to communities around the country and we hope that this recognition will enable even better partnership between hospices and the wider health sector going forward.

The financial statements included in this Annual Report and Accounts only reflect the five months of activity since independence on November 1st, aside from a very small number of transactions that ran through this charity earlier in the year, and so only tell a part of the story. The Trustees' Report, particularly in respect of describing what has happened in the period and what we had planned to do, alludes to the operations of the Hospice across the whole year in order to provide a fuller picture of all that has gone on with the charitable activity that is St Raphael's Hospice.

Norman McWhinney
Chair

Gail Linehan
Joint CEO

Nick Stevens
Joint CEO

**St Raphael's Hospice
Trustees' Report 31st March 2021**

The Trustees, who are also the directors of the charitable company for the purposes of company law, present their report and the financial statements of St Raphael's Hospice for the year ended 31 March 2021.

The financial statements are presented in accordance with the accounting policies set out on pages 20 to 22 therein and comply with the Memorandum and Articles of Association of St Raphael's Hospice and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Achievements for the year

<p>In 2020-21 Our Team undertook 3,000 visits to patients homes despite the pandemic (2020: 4,800)</p>	<p>In 2020-21 Our In Patient Unit cared for 174 patients (2020: 207)</p>	<p>In 2020-21 Our Community Team made 27,500 calls to patients, families and professionals (2020: 20,200)</p>
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In our report for last year there were three major strands to the plan for 2020-21:

1. Managing the COVID-19 situation
2. Setting a date for Independence
3. Delivering on the first phase of the five-year plan

1. Managing the COVID-19 situation

The whole Hospice team was engaged in the management of the crisis arising from the pandemic. This included restricting the footfall on site; arranging appropriate PPE and protocols for all staff, in particular frontline teams; agreeing to provide additional capacity to the NHS; revising the approach to caring for patients under the social distancing and lockdown constraints; cancelling fundraising events and closing shops; furloughing some staff, re-deploying others and managing rotas under difficult conditions; collaborating with the wider sector and becoming adept in the use of video conferencing and home-working.

The Hospice continued to adapt to the changing circumstances as the year developed. Staff worked from home where they could, or from our offices which were appropriately adapted. The team exhibited great flexibility and resolve which enabled the work of the Hospice to proceed throughout by finding new ways to connect with and support our patients, their families and with our volunteers and supporters. Our Education team hosted a number of staff reflective forums which addressed the impacts on staff and adjustments were made accordingly. We were pleased to be part of the first phase of vaccinations in December but, despite this, the usual winter pressures were compounded by the highly virulent variant of the coronavirus that was circulating and there was an outbreak within the Hospice that led to a closure for two weeks in late January and early February. The Hospice was commended on its management of the outbreak and has managed the limited number of COVID positive cases amongst staff without impact on patients since that time.

Although the charity shops were all shut for much of the year, we were able to re-open some of our shops as "donation stations" which received large volumes of donated goods under carefully managed distancing and quarantining protocols. The retail team also responded very positively when some re-opening was allowed in the Summer months and before Christmas but, with much of the year remaining under lockdown, the shops were closed for long periods.

The Hospice has benefitted from the grants that have been made available to the sector through NHSE (NHS England) and administered by Hospice UK, for which it is very grateful. It has also benefitted from the furlough grants for staff and business grants from the local authorities where we have shops.

2. Setting a date for Independence

Having been delayed from 31 March 2020 as a result of the pandemic, the Trustees agreed a new date for the transfer of the activities of St Raphael's Hospice into the independent charity of the same name, being 31 October 2020. In the circumstances, the event was managed without fanfare but nonetheless represents an important new step in the history of the Hospice.

Communication with staff and stakeholders focussed on continuity of activity and this was exemplified by the transfer of the CQC registration at that date. In a similar way the banking arrangements moved from one governance to another without any change to daily operations and staff were all successfully "TUPE'd" across.

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3. Delivering on the first phase of the five year plan

Despite the uncertainty, the Hospice pressed on with its five year plan to reach a point of financial sustainability that does not rely upon the continued support of the DoC, nor on 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 specialist 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 for everybody at 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.

Recruitment - Several key roles have been recruited to in 2020-21. These include a full team of three specialist palliative care consultants, Dr Jenny Strawson, Dr Gaby Tamura Rose and Dr Naomi Collins (joining in July 2021). Working as a peer team, in rotation between the in-patient unit (IPU) and the Community, alongside our clinical nurse specialist teams, specialty doctors, nurses and psychological support professionals, these roles will support and strengthen our excellence. They have been joined by a physician associate, the first such role, we understand, in a hospice; several new nursing colleagues, including development posts, and our second Education nurse lead. A new executive post, the Clinical Director, with overall responsibility for service delivery was also recruited to; Rebecca Trower joined us from our neighbouring Hospice, Princess Alice (PAH), with a remit to drive forward the Clinical Action Plan and to lead the changes that can embed excellence in all that we do.

Training - Having recruited to our second Education Nurse lead role, the team were heavily engaged all year in the provision of guidance and practical support to our COVID management effort. However, they also managed to complete the planned creation and implementation of the on-line PAH Learning Zone project to deliver our mandatory training to all staff and volunteers. Plans to engage with expertise in the charity retail sector to train our staff in this specific area were interrupted by the pandemic but the skills were passed to key team members who can now roll this out to the wider team.

Team Structures - New for the year was the Joint-CEO arrangement bringing together two different experience and skillsets behind the one vision. A small Executive which meets fortnightly supports the decision-making whilst a new group, the Strategic Leadership Team (SLT) is designed to ensure that the breadth of skills available can be brought together to drive the EVE project. A consequence of the pandemic was that boundaries between teams naturally blurred as staff covered one another in new ways. This helped with the objective to minimise silo working and to connect 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 - Plans to increase our recruitment of volunteers, in order to broaden and deepen the capability of the Hospice to serve our community, were interrupted. Many volunteers had to stand down due to their own risk factors or due to the need to minimise footfall in the Hospice. Some may not feel able to return and we have established a new "St Raphael's Alumni" group which, we hope, will provide a way to continue our relationship with former volunteers. We reorganised the staff team to reflect three core strands: the Hospice, the Community and Income Generation. Initial steps were taken to work with all managers in specifying how volunteers can help their team improve our service delivery and increase our recruitment and management of volunteers by targeted marketing. This will be continued in the new year. Work on the Investing in Volunteers audit also continued throughout the year, via video conference and virtual meetings, culminating in success across each of the nine "indicators".

Communications - We successfully recruited to a new digital marketing role to support our Communications Manager in raising our visibility through social media, our website and via direct marketing techniques. A Comms Strategy has been agreed and we have commenced a number of projects to improve recognition of the Hospice across Merton and Sutton.

Shops - We engaged with sector specific expertise to overhaul our retail process including enhanced use of data, pricing policy, layout and stock rotation. We trained a number of our staff in relevant skills and revised the structure through which they operate. We opened one new shop, on Wimbledon Village High Street, a key geography we aim to reach. The shop has raised a great deal of interest and has performed above expectation during the times it was possible to be open.

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3. Delivering on the first phase of the five year plan, continued

Fundraising - Plans to grow our supporter groups and increase regular donors were put on hold as a result of the pandemic which limited all opportunities to meet face to face. However, the team were creative in finding virtual ways to make connections and these proved to be very well supported financially. One of many successes was the "Reindeer Run" which had been started the previous year with four schools and raised £4k. As our staff could not attend assembly at schools in 2020, they made a video for schools to show about the Hospice and sixteen schools participated, raising £42k.

Facilities - Our small facilities team continued to improve the Hospice Grounds and Buildings. With volunteer help, our gardener, Pete Morris, planted 10,000 crocuses that lifted hearts in the spring (and he was also awarded a Gold "Our Health Heroes" award) whilst his colleague, Mervin Kelchure, re-painted many of the Hospice offices and, with volunteer support, the reception area. This area also received new furniture, bi-fold doors and a re-laid courtyard patio. Plans to refresh our IPU were completed and the work will be done in late summer 2021.

HR - HR successfully upgraded its Select HR system, introducing a recruitment module and also completed work to simplify our payroll process in preparation for taking this activity in-house. The work of the team grew significantly as they managed the furlough system, changing work and holiday patterns, sickness matters and self-isolation as well as providing an important point of contact for staff with questions about the frequently changing rules arising from the pandemic. They also successfully ran the TUPE process for all our payroll staff.

IT - Work on the completion of the transition to our newly upgraded Citrix environment was delayed by the imperative to provide all the teams with mobile communications allowing them to work from home and connect virtually at short notice. Nonetheless, the project was successfully completed and a seamless transition accomplished. Staff who need it now have access to social media for work and to emails on their mobile phones as well as up to the minute Microsoft 365 products including "Teams" video conferencing as well as "Zoom" options.

Financial review

As a result of the transfer of assets and liabilities relating to the operation of the Hospice from the Congregation of the Daughters of the Cross of Liège (DoC) on 31 October 2020, the results are not comparable to the previous accounting period. During the period ending 31st March 2020 there were very few transactions and this continued during the first 7 months of the year ending 31 March 2021. From 1 November 2020 there was full activity and the related transactions.

The operating assets and liabilities of the Hospice activity were gifted by DoC to the St Raphael's Hospice charitable entity with a value of £3.4m including cash of £2.7m. In addition a grant of £3.6m was made to the charity by DoC in order to support the five year plan to achieve a sustainable future for the Hospice. This has been treated as deferred income (a creditor on the balance sheet) to be released over the life of the project with £280k released in the current financial year.

Net income before transfers for the year ended 31 March 2021 was £5,077k, including the £3.4m transfer and £1.672k excluding it, compared with net income of £214k for the period ended 31 March 2020.

The charity's total income for the year, excluding the transfer, was £4,706k (2020: £214k) which included legacies amounting to £1,790k, £817k relating to the NHSE Covid Hospice Support Scheme and £135k from UK Govt Covid Furlough Scheme. Costs of charitable activities amounted to £2,029k and cost of raising funds to £1,005k.

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

The charity's cash balance at the end of the year amounted to £6.6m (2020: £48k) of which £3.3m related to the deferred income creditor (2020: Nil).

Reserves policy

Total funds at 31 March 2021 amounted to £5.3m (2020: £0.2m) including designated funds of £1,214k (2020: £168k). The designated fund is represented by the net book value of tangible fixed assets which are used in the day to day work of the Hospice and amounts set aside for fixed asset acquisitions in the next twelve months, and hence, the fund is not available for working capital commitments.

Free reserves are that element of unrestricted funds which are available for future spending and are therefore calculated by taking the total unrestricted funds of the charity and deducting any balances not available for future spending, including designated funds which have been set aside by the Trustees for a particular purpose. The Trustees have decided that the required level of free reserves should be between three and six months' operating expenditure which is between £1.8m and £3.6m.

The free reserves at the end of the year amounted to £3.8m (2020: £46k) and the Trustees are happy that this is sufficient for the charity's foreseeable needs.

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Going Concern

The Board and the Finance and Resources Committee regularly review the short and medium term financial forecasts and consider various scenarios and assumptions. The results for this financial year have exceeded expectations and, whilst the outworking of the Covid-19 pandemic remains uncertain, particularly its impact on retail and face to face fund-raising and events, the Trustees are satisfied that there are sufficient funds in current bank accounts to continue operating and meet liabilities as they fall due for the foreseeable future. The Board's view, therefore, is that the Hospice's balance sheet is sufficiently robust to provide resilience and that our reserves should allow the Hospice time to respond effectively and in a timely manner if income projections significantly deteriorate.

Plans for 2021-22

1. Embedding Excellence

- The critical element of our drive for excellence in all that we do is our team. In the next financial year we will complete our medical team with the third consultant joining from July and we will aim to recruit to all our vacancies in our clinical teams, adding some capacity to enable us to maintain service levels in the event of staff departures. We will revise how our Community services are delivered by assigning caseload across three geographically based teams to ensure continuity of patient experience and contact.
- Having been released from the intensity of pandemic management, the Education team can re-focus on training our internal staff and volunteers. They will also seek to develop filmed resources to support professionals within and outside the Hospice as well as patients and their families. We will plan a course aimed at providing skills for staff in nursing and care homes, filmed and accessible online.
- We will continue the work to improve our Hospice buildings. Our IPU will be refreshed; all areas will be repainted; the flooring will be replaced and levelled to aid access to the newly re-laid private patio areas and with new patio furniture; digitally managed lighting will be installed and the digital/audio/visual capability will be upgraded to enable patients and their families to access services that they might be used to at home; a new air-handling system will be installed to improve ventilation for patient bathrooms and other areas. We will engage with a charity providing artworks for healthcare settings, to brighten the public areas.
- Recognising how the beauty of the outdoors, sight, sound and scent, can impact wellbeing, we will complete the planting of our newly re-laid and opened up reception courtyard. We will launch a campaign aimed at raising the funds to transform our front lawns into welcoming and embracing garden spaces that will offer areas for privacy, play for children, for community, for remembrance and for the enjoyment of nature.
- Building on the success of our one room "Men's Den", we will install a 30ft log cabin beside our Wellbeing Centre to provide a space for men to meet to share experiences and pursue hobbies in a supportive and practical way.
- Data is increasingly important to St Raphael's and we will invest in an upgrade to our donor database, Raisers' Edge (RE), to provide easy access to high quality reporting and planning tools for our fundraising team. We will also invest in data-cleansing measures to ensure our data is up to date, necessary and without duplication and error.
- We will also review the options for our Volunteer data management with the aim to install the RE volunteer module as part of the programme of change.
- We will streamline our timesheet system, test a new payroll system and aim to bring our payroll function in-house. This will avoid duplicated effort, save costs and provide greater flexibility and control over timeframes.

2. Raising Visibility

- Having recruited a new part time Digital Assistant, we will train a selected group of motivated staff and volunteers to develop our social media presence under the authority of updated guidance and policies. We will also work to enhance our website dynamism and content.
- We will equip our staff to film training and other sessions, create a portfolio of photos, information and video clips that can be used to improve internal and external communications online and in print.
- We will create a new portfolio of information leaflets and volunteer role descriptors that can be made available in relevant locations across Merton and Sutton boroughs.
- We will seek to recruit a part time PR and editorial assistant and increase our presence in local publications, including a regular, themed advertorial in "My Merton" Magazine and other similar publications.

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3. Widening our Engagement

- We will widen the reach of our Wellbeing Centre by launching a new "Living Well" programme aimed at people living with or caring for those with a life limiting condition, even if not referred to our Hospice service.
- We will work with neighbouring Hospices who have already progressed with the Compassionate Neighbours programme to prepare for rolling out the project at St Raphael's. The scheme, described as a "social movement" works alongside existing social networks that already provide "neighbourly care and support", providing access to skilled support and training, signposting and advice.
- Our Psychological support team will continue to link with Universities and Colleges to grow the number of final year students on supervised placements who provide sessions for our patients' families from six to twelve. We will also develop a menu of services and extend our offer to six days per week, whilst reaching a wider demographic. Our pastoral and spiritual support will be enhanced with bereavement groups being led by Sr Ann Venita who also provides support to our in-patients and their families.
- We will acquire a be-spoke vehicle to support engagement in the market-place with potential lottery players and donors. We will train a team of volunteers as ambassadors for the Hospice to connect with communities and to offer fundraising opportunities such as lottery, small events and activities. We will recruit two new fundraising roles and commence the development of major donor groups and events as well as increase the number of our locally based supporter groups across Merton and Sutton.
- We will start the process of growing volunteers across all areas, including department and specialist skills volunteers, retail, lottery and supporter Group volunteers and we will trial a "young clinical volunteers" opportunity for A-level students wanting to pursue a clinical career.

Structure, governance and management

Constitution

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

Charitable objects

The object of the charity is the relief of illness and suffering in accordance with the teaching, rites and practices of the Catholic Church, by:

1. The provision of palliative care, treatment or relief of people of all ages with active, progressive or advanced illness on the basis of need regardless of their religious, cultural or ethnic background;
2. The provision of care and support to those who have experienced loss and bereavement, in particular families, friends and carers;
3. Conducting, promoting or commissioning research into the care, treatment and relief of people suffering from advanced, active and progressive illness and by providing for the dissemination of the results of such research; and
4. The provision of education and training for professionals and volunteers engaged in palliative care.

Public benefit

The Trustees give careful consideration to the Charity Commission's guidance on public benefit when setting the Hospice's aims and objectives and planning activities. St Raphael's Hospice contracts with Merton and Sutton Clinical Commissioning Groups (CCGs) to provide support to people whose GP practice is based within the London Boroughs of Merton and Sutton, a population of around 420,000. Access to our services is on the basis of need and open to anyone via referral from a healthcare professional, or, in the case of bereavement support and the new Living Well programme, self-referral. There is no charge to patients or their families for any of our care services. In addition to the direct benefit there is an indirect benefit to all residents who can be reassured that the Hospice will be there for them or for their loved ones, should they ever need it.

The normal referral process is for people who are facing the last phase of their life (twelve months or less) who need hospice or palliative care, support and/or advice. For instance, they may need help with:

- Symptom control.
- Psychological or spiritual issues.
- Terminal care
- Difficult decisions, advanced care planning, or conversations about managing end of life care.

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Public benefit, continued

- Support for family or friends.
- Clinical and nursing care provided by the Community team alongside practical and companionship support provided by Hospice at Home or by our volunteer Hospice Neighbours in their home.
- Wellbeing and Living well services for patients and other self-referred community members together with their carers.

The Hospice supports adults in Merton and Sutton who have been referred to the Hospice and have agreed to that referral. If they do not have the mental capacity to do so we will consider how we can help meet their best interests within the context of legislation such as the Mental Capacity Act, Mental Health Act and Deprivation of Liberty guidance.

Families, carers or those close to a patient accepted for hospice services can be referred or access certain services in their own right, when they are affected by the patient's illness or death. These include bereavement support and counselling, attendance at the Men's Den, Living Well and other sessions held in the Wellbeing Centre.

The Trustees

The Board of Trustees (which constitutes the Board of Directors for the purposes of the Companies Act) comprises a minimum of five and a maximum of twelve trustees, of whom a majority must be Catholic. They should meet as a Board at least five times per year.

The Board delegates powers and responsibilities to the following committees: Clinical Quality and Governance, Finance and Resources, Fundraising and Communications and Human Resources (which is also the Remuneration Committee). Terms of reference define responsibilities and delegated authority and are reviewed regularly by the Board.

The membership of committees is made up of Trustees, independent advisors who are selected for their specialist expertise and senior managers of the charity. Minutes of committee meetings are circulated to the Board and Committee Chairs provide a report to the Board on major issues and decisions.

Key Management Personnel

Key management personnel comprise the trustees, and the Executive Team. The Board of Trustees is responsible for the running of the charity and delegates the operational activity to the Executive Team (which comprises the Joint- CEOs, the Clinical Director and the Director of Income Generation) whose pay is reviewed annually by the Remuneration Committee.

Trustees' responsibilities statement

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its income and expenditure for each period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company which enables them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

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

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Limitation of liability

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantors at 31 March 2021 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.

Principal risks and uncertainties

The management of risk remains a key priority for the Hospice. Risk assessments are undertaken for every aspect of its operation ranging from clinical risk assessments, which are undertaken on a continual basis, through health and safety assessments for everyday tasks to comprehensive assessments of all aspects of major fundraising events.

Staff continue to be dedicated to the prevention, identification and reporting of incidents, accidents and near misses. The Hospice has an effective feedback infrastructure including governance and clinical management meetings that review the actions and learning points identified in previous incidents to ensure that improvement remains continuous. The reporting system is supported by the electronic patient record which remains a corroborative source for the reporting of patient incidents. The Board of trustees review the corporate level risk register, prepared by the Executive Team, on a regular basis and each Committee reviews the relevant risk register for that discipline. The principal risks facing the Hospice and the steps being taken to mitigate them are as follows:

Income - insufficient income is raised to deliver our charitable activities: The Hospice needs to raise around 75% of the total running costs from voluntary sources, with the remaining 25% being granted by the NHS. There is a continual risk that insufficient income is generated to cover this gap and there is a particular reliance on high levels of legacy income which is outside the control of the charity.

The Trustees and the Executive team have set a target level of operating cash that is designed to enable it to manage the fluctuations of income year on year. It has diversified its income streams and is pro-active in seeking new ways to raise additional regular income. In addition to this level of reserve, the Hospice also has a deferred income balance of £3.3m (which is represented in cash at bank) which is intended to offset the forecast shortfalls arising over the next five years whilst the charity undertakes its strategy of EVE. This strategy is designed to increase income and achieve a sustainable level of regular funding that does not rely upon exceptional legacy levels (which is assumed to be annual total legacies in excess of £1m).

People - inability to recruit and retain specialist staff against a backdrop of an aging staff profile and potentially increasing NHS pay

The Trustees and the Executive team monitor morale, staff benefits, remuneration and engagement through staff reflections, exit interviews, regular HODs meetings (Heads of Department) and aim for open communication throughout the team. Internal training and development opportunities are designed to maximise work satisfaction and flexibility in working hours is facilitated wherever possible. We aim to ensure that work-life balance is positive, working environment is improving, our staff/patient ratio is lower and all clinical staff receive supervision.

Environment - The consequential impacts arising from the Covid-19 pandemic on the economy and other uncertainties may cause a reduction in the actual or in the planned increase to the income generation, volunteer recruitment or our ability to raise profile and engage with our community that harms the sustainability of the Hospice.

The Trustees and the staff team are committed to finding innovative ways to reach the communities we serve with a message of excellence and reassurance, face to face and by other mechanisms, notwithstanding the restrictions to meeting that the pandemic has brought about. Whilst recognising that the challenge each year will be significant, the Trustees are confident that the strategy is reasonable and that the finances are sufficiently robust to meet it.

IT and Data - The Hospice is reliant upon its IT infrastructure, systems, data management and web connectivity in delivering its service. All these systems are at risk of failure or interruption through malicious or accidental intervention, putting patient services and data at risk.

A robust back-up system is in place with a 2-3 hour turnaround for critical patient information. Our experienced and expert team are supplemented by a 24/7 support service with an expert consultancy that was involved with the installation and configuration of our systems. Risk is spread by the use of multiple servers and a failover power source. Anti-virus & anti-malware software is used on all servers & computers, updated in real-time. Firewalls control unauthorised entry from the internet and web-filtering software prevents users from accessing unsafe websites. Staff are educated to avoid risks from phishing attacks backed up by regular simulations to ensure compliance. Mandatory training includes cyber security for all staff.

Clinical Quality Assurance

Great importance is given by the Trustees to the Hospice's clinical governance arrangements. The Clinical Quality and Governance Committee meets four times each year and monitors the activities of the sub-committees and receives detailed reports from Clinical Director and feedback from the Medical Consultants. In addition to providing an opportunity to thank the managers and their staff for their contributions to the success of the Hospice, the Committee is able to demonstrate engagement and accountability, to manage patient safety, to gain insight and to manage the risks facing the Hospice.

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Clinical Quality Assurance, continued

The Committee receives the minutes of the following Hospice committees and questions and challenges the relevant senior staff:

- The Quality Improvement Committee focusses on multiple aspects of clinical, and corporate governance including data clinical audit, clinical and corporate effectiveness including guideline and policy development, practice development and NICE Quality Standards / CAS / MHRA clinical safety alerts, clinical incident management, patient/user feedback, organisational and regulatory assurance, infection control and complaints.
- Drugs and Therapeutics Committee focusses on all medicine issues including management of Control Drugs (CDs), Medicines Incident Analysis, staff competency, service and practice developments e.g. nurse prescribing and patient self-administration, policy and guideline review, and medical gases. Each meeting is attended by an independent pharmacist who also audits all aspects of medicines management every fortnight. The Chief Pharmacists from Merton and Sutton CCGs are invited to attend or send representatives, and receive the minutes of the committee's meetings as routine. The minutes are included in the Merton and Sutton Medicines Management Committee. To inform the management of medicines the Accountable Officer (CD AO) attends the regional Accountable Officer Local Intelligence Network meetings; incidents involving controlled drugs are discussed with the committee.
- Health and Safety Committee (which includes Water Quality as a regular agenda item) receives reports from managers involved in health and safety matters across the range of Hospice activities and reviews incidents to ensure good practice evolves and improves on a continual basis.

Care Quality Commission (CQC)

The most recent inspection of the Hospice by the CQC was in November 2019. The subsequent report was published in April 2020. Whilst noting a number of areas of outstanding practice, the report also recommended that the carpet in the IPU be replaced and that the navigation of the electronic notes system be improved. Actions to comply with these recommendations have been taken and the flooring will be renewed as part of a wider IPU refresh in late summer 2021. The complete text is available from the CQC website or via the CQC "widget" on the Hospice website's homepage.

We are pleased that the quality of care was recognised as being "Good" in all of the 5 domains of care; namely that our services are safe, effective, caring, responsive to people's needs and well-led.

Complaints

All complaints or comments about the service provided are taken very seriously by the Hospice. Complaints are dealt with in line with the Complaints Policy and are fully investigated and reflecting on complaints is one of the ways we seek to maintain standards and improve practices. All complaints are reported to the Advisory Committee and onwards to the Trustees. A new incident reporting system, Datix, has been installed and will commence operation upon relevant staff being fully trained. This process was delayed during the COVID-19 crisis.

Trustee and employee liability insurance

The charity has purchased insurance to protect the itself from any loss arising from the neglect or default of its Trustees and Employees and to indemnify the Trustees or other Officers against the consequences of any neglect or default on their part. The insurance premium amounted to £38,250 and provides public and employer cover up to a maximum of £10m.

Employees

During the previous accounting period, the charity had no employees. It took on the workforce of St Raphael's Hospice under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) with effect from 1 November 2020. In so doing, it inherited the policies and procedures of the Hospice. For the purposes of this Report, the staff are treated as having continuous service and comparable information relates to their employment in the same roles under the previous governance.

St. Raphael's Hospice is an Equal Opportunities Employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are constantly reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees will be given equal opportunity and where appropriate and possible, special training to enable them to progress both within and outside the organisation. St. Raphael's Hospice is committed to a programme of action to make this policy effective and to ensure that it is brought to the attention of all employees.

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Pay

The annual pay review was prepared by the Executive and ratified by the Board on 26 March 2021. In the light of the uncertainties arising from the pandemic, it was agreed that no general pay increase would be offered but that a one-off award of £900 (pro rata to months worked, whether on site or from home, during the year) would be made to recognise the exceptional efforts made by the whole team during a very difficult year (2019-20: 1.7%, under the previous governance of St Raphael's Hospice).

We continue to follow the principles of the "living wage" for our lower paid staff which lifted our minimum payment for any member of staff to £8.91 per hour. The staff impacted by this commitment largely work in our housekeeping and retail teams. Some additional changes were made to maintain differentials.

Annual Leave

The effective date for the annual leave year is 1 April to coincide with the financial year end and to minimise the impact of leave not yet taken (the holiday accrual). In the exceptional circumstances of the pandemic, HM Govt. made a commitment that employees could carry unused holiday forward for a maximum of 2 years. As a result, St Raphael's enabled some unused holiday to be purchased (at a cost of c£18k) and has accrued for remaining unused leave, amounting to £55k.

Staff turnover

Voluntary staff turnover remained level at 13% for contracted employees (2019-20: 13%). This is in line with the UK average which is 12-15%. A further five staff left involuntarily (4%).

Employee profile

At the year end the Hospice had 140 contracted employees (2019-20: 148) of whom 47 were full time and 93 part-time (2019-20: 46 and 102). The Hospice also has 25 active bank staff who do not want to commit to working specific regular hours and are offered work as and when the need arises (2019-20: 47).

At the year end the Hospice clinical staff had the following age profile. This presents a risk as a significant number are approaching retirement over the course of the next five years. The risk has reduced in year as there is a gain of 4 in the under 43 age-group and a reduction of 7 in the over 53 group.

Clinical Staff By Age	under 33	33-42	43-52	53-62	over 63
As at 31 March 2021	8	9	18	33	3
As at 31 March 2020	8	5	19	37	6

Volunteers

St Raphael's Hospice relies on a large number of volunteers who freely contribute their time and expertise. They impact and add value to all areas of our work and this is hugely appreciated. The risks associated with the pandemic, the closure of shops and the need to restrict footfall across all sites, led to many volunteers being stood down for the duration. Nonetheless, there was still a considerable contribution to core services including our reception, our gardens, administration and our Trustee group. There were 247 volunteer roles undertaken in the year, amounting to 9,557 hours of time (2019-20: 830 roles and 51,850 hours). This provides an estimated financial value of £240,000 (2019-20: £594,000).

The breakdown of volunteer roles for the Hospice activity this year (under both governance jurisdictions) was as follows:

Volunteer Numbers	2020-21	2019-20
Reception	31	74
Office and Administration	55	13
Ward and Patient-facing	7	81
Flowers and Gardens	16	17
Psychological Support	10	19
Hospice Neighbours and Biographers	11	20
Orangery Café	6	28
Trustees and Committees	11	13
Training and Mentoring	10	3
Corporate Volunteers	0	48
Hospice Total	157	316
Shops	54	188
Fundraising Administration	5	18
Subtotal	216	522
Supporter Groups	31	308
Total	247	830

St Raphael's Hospice Trustees' Report 31st March 2021

Fundraising

St Raphael's Hospice employs an experienced fundraising and donor management team under the leadership of the Director of Income Generation. We also have two commercial contracts with third-party fundraisers. Salvia Fundraising acts on our behalf by fundraising from Trusts, Foundations and The Big Lottery Fund whilst Sterling Lotteries runs our weekly draw and our two raffle draws each year. At the end of this reporting year we had 5,229 weekly players (2020: 5,976) with 7,558 chances to win (2020: 8,388).

St Raphael's Hospice Community Fundraising Team also manages 8 volunteer Supporter Groups (2020: 8). These are committees which fundraise in their local area on behalf of the Hospice by organising events, attending fairs, placing collection cans, banking funds and supporting Hospice-run activities. The pandemic caused much activity to cease, however, our groups currently contain 31 active members (2020: 71). They are all issued with a Supporter Group Information Pack which includes a banner, leaflets etc. This contains guidance including how each group should be run, what support to expect from the Community Fundraisers, the process of joining a group, suggested areas of activity and what is expected from members, how to bank funds and the process of distributing collection cans. We are signed up to the Institute of Fundraising and we follow its Code of Practice. Each Supporter Group member receives a photo ID badge to allow them to fundraise and collect legally on behalf of St Raphael's.

During the period of this report there were no reported failures in compliance with the Fundraising Regulator or other regulatory bodies (2020: none).

St Raphael's also benefits from the support of individual fundraisers who carry out activities in aid of the Hospice. At first point of contact they are asked to complete an online event form to ensure contact details are retained and intentions are made clear. A fundraising pack is sent which includes legal advice, e.g. gambling laws surrounding raffles. The office keeps in regular communication with these fundraisers and ensures funds raised are received by the Hospice as swiftly as possible.

There were no complaints received in the period to be reported to the Gambling Commission in our return (2020: none).

We have continued to ensure that we protect vulnerable people from undue pressure to donate or support our charitable work we adhere to the following Fundraising Promise:

- We will always tell you about how you are making a difference to the lives of our patients, their families and friends
- We will always take action if others acting on our behalf fail to meet our high standards.
- We will never phone you unless you have expressed an interest in our work
- We will always check first that you are happy to speak to us when we phone
- We will never sell your data to anyone else or share it without your permission
- If you tell us you don't want to hear from us again, or want to hear from us less, we will always respect that

Auditors

Auditors Buzzacott LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

Approved by the Board of Trustees and signed on its behalf by:

Norman McWhinney: Chair

Date:

St Raphael's Hospice
Annual Report and Financial Statements
31st March 2021

Independent auditor's report to the members of St Raphael's Hospice

Opinion

We have audited the financial statements of St Raphael's Hospice (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet and statement of cash flows and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of the charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' report 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which is also a Directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of St Raphael's Hospice, continued

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charitable company through discussions with management and Trustees and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charitable company. These included but were not limited to the Companies Act 2006; the Charities Act 2011; 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 United Kingdom and Republic of Ireland (FRS 102), legislation, laws and regulations that relate to fundraising and are overseen by the Fundraising Regulator, the Gambling Act 2005, data protection legislation (the General Data Protection Regulation) and specific care and safeguarding legislation relating to vulnerable individuals (the Care Act 2014 and Care Standards Act 2000); and
- We assess the extent of compliance with laws and regulations identified above by making enquiries of management and representatives of the Trustees and review of the minutes of Trustees' meetings.

Independent auditor's report to the members of St Raphael's Hospice, continued

How the audit was considered capable of detecting irregularities including fraud, continued

- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by:
 - Making enquiries of management and representatives of the Trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
 - Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Tested the implementation of financial controls;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions, if any.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of Trustees; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date:

St Raphael's Hospice
Annual Report and Financial Statements
31st March 2021

Statement of Financial Activities including an income and expenditure account

	Notes	Unrestricted			Total funds Year to 31 March 2021 £'000	Total funds Period to 31 March 2020 £'000
		General fund £'000	Designated fund £'000	Restricted funds £'000		
Income and expenditure						
Income from:						
Donations and legacies	2	2,602	-	217	2,819	214
Other trading activities	3	289	-	-	289	-
Investments		2	-	-	2	-
Charitable activities						
Clinical Commissioning Groups		637	-	-	637	-
Other income		142	-	817	959	-
Total income excluding assets transferred from the Daughters of the Cross		3,672	-	1,034	4,706	214
Assets transferred from the Daughters of the Cross	16	2,664	417	324	3,405	-
Total income		6,336	417	1,358	8,111	214
Expenditure on:						
Raising funds	4	1,005	-	-	1,005	-
Charitable activities	5	985	-	1,044	2,029	-
Total expenditure		1,990	-	1,044	3,034	-
Net income (expenditure) before transfers		4,346	417	314	5,077	214
Transfers between funds	13-14	(590)	629	(39)	-	-
Net movement in funds		3,756	1,046	275	5,077	214
Reconciliation of funds:						
Fund balances brought forward at 1 April 2020		46	168	-	214	-
Fund balances carried forward at 31 March 2021		3,802	1,214	275	5,291	214

All of the charity's activities during the above two financial periods derived from continuing operations. A full comparative statement of financial activities is shown at note 21 to the financial statements.

St Raphael's Hospice
Annual Report and Financial Statements
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Balance Sheet

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	9		562		168
Current assets					
Debtors	10	2,086		-	
Cash at bank and in hand		6,620		48	
		8,706		48	
Creditors: amounts falling due within one year	11	(1,597)		(2)	
Net current assets			7,109		46
Creditors: amounts falling due after more than one year	11		(2,380)		-
Total net assets			5,291		214
Represented by:					
Funds and reserves					
Income funds					
Restricted funds	13		275		-
Unrestricted funds					
Designated funds	14		1,214		168
General fund	15		3,802		46
Total funds			5,291		214

Approved by the Board of Trustees on:

and signed on its behalf by:

St Raphael's Hospice
Annual Report and Financial Statements
31st March 2021

Statement of Cash Flows

	Notes	Year to 31 March 2021 £'000	Period to 31 March 2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	3,903	216
Cash flows from investing activities:			
Investment income		2	-
Purchase of tangible fixed assets		(135)	(168)
Write off of tangible fixed assets		100	-
Cash transferred from the Congregation of the Daughters of the Cross of Liege		2,702	-
Net cash provided by (used in) investing activities		2,669	(168)
Change in cash and cash equivalents in the year	B	6,572	48
Cash and cash equivalents at 1 April 2020	B	48	-
Cash and cash equivalents at 1 April 2021	B	6,620	48

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

		Year to 31 March 2021 £'000	Period to 31 March 2020 £'000
Net movement in funds (as per the statement of financial activities)		5,077	214
Adjustments for:			
Depreciation charge		58	-
Investment income		(2)	-
(Increase) in debtors		(1,065)	-
Increase in creditors		3,240	2
Transfer from the Congregation of the Daughters of the Cross of Liege		(3,405)	-
Net cash provided by operating activities	A	3,903	216

B: Analysis of changes in net debt

	2020 £'000	Cash flows £'000	2021 £'000
Cash at bank and in hand	48	6,572	6,620
Total	48	6,572	6,620

**St Raphael's Hospice
Annual Report and Financial Statements
31st March 2021**

Notes to the Financial Statements

1 Accounting Policies

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

Basis of accounting

The financial statements have been prepared for the year ended 31 March 2021 with comparative information provided in respect to the period ended 31 March 2020.

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) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

St Raphael's Hospice is a charity which is a public benefit entity as defined in FRS 102.

The financial statements are prepared in sterling and are rounded to the nearest thousand pounds.

Critical accounting estimates and areas of judgement

The most significant areas of adjustment and key assumptions that affect items in the financial statements are in respect of:

- the recognition and deferral of income;
- assessing the probability of receiving legacies of which the Charity has been notified;
- estimating the value of the gift in kind of properties occupied under a peppercorn rental agreement with the Congregation of the Daughters of the Cross of Liege;
- determining expected future income and expenditure flows for the purpose of assessing going concern.

With respect to the next reporting period, the impact of the coronavirus pandemic on the general economic environment is the critical factor that may affect future income flows and the carrying value of assets held by the Charity.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements and they have made this assessment in respect of a period one year from the date of the approval of these financial statements.

The Trustees have considered the impact of the current Coronavirus pandemic on the Hospice's operations, with a particular focus on its effect on the Hospice's financial position including the Hospice's income, expenditure and reserves; the Hospice's beneficiaries; and the Hospice's employees. The disruption caused by the pandemic to the Hospice's day-to-day operations and fundraising has been partly offset by Government support in the form of grants to the Hospice sector, furlough support payments and the Local Authority small business grants scheme, together with high legacy income. The Hospice has sufficient cash resources to continue for the foreseeable future, despite the current crisis.

The Trustees have concluded that there are no material uncertainties related to events or conditions that would cast significant doubt on the ability of St Raphael's Hospice to continue as a going concern. This is because they believe that they have sufficient reserves and resources to withstand any temporary drop in income or any additional unexpected liability.

Income recognition

Income comprises donations, legacies, gifts in kind for donated services and facilities, lottery income, income from retail sales, grants from Clinical Commissioning Groups and other organisations together with the Government's Coronavirus Job Retention Scheme and the NHSE Covid Hospice Support Grant.

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.

St Raphael's Hospice
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Notes to the Financial Statements

Income recognition, continued

Donations and transfers from other registered charities amounting to donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when there has been a grant of probate, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Lottery income is recognised during the period in which the lottery draw is held.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grants from government, other agencies and voluntary bodies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the Charity is entitled to receive the funds and when the amount receivable can be quantified.

Shop income arises from the sales of donated goods at charity shops within the Surrey and Greater London areas. Donated goods are normally distributed very soon after receipt by the charity. Stocks held at the reporting date are immaterial. Under these circumstances, the cost of valuing all donated goods upon receipt by the charity outweighs the benefit to the users of the accounts of providing this information. Consequently, donated goods are included within income when sold or distributed and no value is placed on stock of such items at the year end.

In accordance with the Charities SORP FRS 102 no financial valuation of volunteer time is recognised in these financial statements, refer to the 'Volunteers' section of the Annual Report for further details.

Deferred income includes a cash grant given by the Congregation of Daughters of the Cross of Liège towards strategic investment in the new charity. This was granted as part of the transfer arrangements in order to bridge the anticipated funding gap that will arise over a period of five or more years as the charity invests in its strategy of "EVE" (excellence, visibility and engagement). The deferred income will be released to the Statement of Financial Activity in line with its use.

Donated services and facilities

Donated services and facilities are recognised in income and expenditure when the charity has control over the item, conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that the economic benefit can be measured reliably.

The charity benefits from the use of the hospice buildings and grounds which are leased to it by the Congregation of the Daughters of the Cross of Liege at a peppercorn rent. The value of this gift in kind has been estimated by the Trustees following the receipt of professional valuations for the market rent of the administrative building (759 London Road) and the St Bede's Conference Centre and the capital value of the hospice building and grounds. A 5% rate of return on the capital value has been used to estimate the annual rental value.

Expenditure and the basis of apportioning costs

Expenditure is recognised once there is a legal or constructive obligation to transfer resources to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

St Raphael's Hospice
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Notes to the Financial Statements

Expenditure and the basis of apportioning costs, continued

All expenditure is accounted for on an accruals basis and includes any VAT that cannot be recovered under the s33c VAT refund scheme. This scheme is specific to charities which are wholly operating as Hospices and allows recovery of VAT incurred on the non-business activities (hospice service delivery and most fundraising) as well as the usual business activities (retail etc). In turn that allows for a high proportion recovery of VAT on "apportioned activity", that which serves to support the entire enterprise. VAT cannot be recovered on exempt activity (events, education and lottery).

Expenditure comprises the following:

a. The cost of raising funds includes fundraising and publicity expenditure which comprises costs associated with fundraising and shop overheads, publicity, advertising and event staging. It also includes a share of support costs, including governance costs.

b. The cost of charitable activities comprises all the costs of operating the Hospice, including all staff, supplies and property costs. It also includes a share of support costs, including governance costs.

Governance costs are the costs associated with the governance arrangements of the Hospice that relate to the general running of the Hospice as opposed to those costs associated with raising funds or charitable activities. Included within this category are costs associated with the strategic as opposed to day to day management of the Hospice's activities.

Tangible fixed assets

Tangible fixed assets are shown on the balance sheet at cost, less accumulated depreciation.

All assets which cost in excess of £5,000 and have an expected useful life exceeding one year are capitalised.

Depreciation is calculated at the following annual rates on a straight-line basis in order to write off each asset over its estimated useful life:

• Computer and other equipment	20 - 33.33%
• Shop fixtures and fittings	33%
• Motor vehicles	25%

Improvements to long leasehold property is depreciated evenly over the period of the lease.

Fund accounting

Any restricted funds are monies raised for, and their use restricted to, a specific 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 Executive 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 Trustees and their Executive Team.

Both the general fund and designated funds are unrestricted.

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.

St Raphael's Hospice
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Notes to the Financial Statements

Creditors

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

Pension Costs

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

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

St Raphael's Hospice
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Notes to the accounts

2 Donations and legacies

Year ended 31 March 2021	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Donations	812	105	917
Gifts in kind	-	112	112
Legacies	1,790	-	1,790
2021 Total	2,602	217	2,819

Aside from a single gift of £100k received prior to independence, all donations and legacies relate to the five month period from 1st November 2020

Period ended 31 March 2020	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Donations	200	14	214
2020 Total	200	14	214

Gifts in Kind include a donation from the Congregation of the Daughters of the Cross of Liège which represents the estimated market value of the lease of the land and buildings used by the charity, provided by the Congregation at no cost to the charity. The market value of the rent for the property has been estimated at £112k for the five-month period since the transfer (2020 – £nil) based on £270k per annum. The estimated value has been recognised within income as a donation, and an equivalent charge included within support costs.

In addition, the Hospice enjoys the benefit of volunteers for help in the running of the Hospice, fundraising and the shops. In accordance with the accounting policy, the value of these benefits, estimated to be £100,000 (2020: £nil) has not been reflected in the financial statements. This relates only to the five months from 1st November 2020.

3 Other trading activities

Year ended 31 March 2021	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Lottery income	205	-	205
Retail sales and related income	84	-	84
2021 Total	289	-	289

Other trading activity relates to the five month period from 1st November 2020

Retail sales were severely impacted by the covid pandemic and shops were closed for a large part of this period.

Period ended 31 March 2020

There was no comparable activity to 31 March 2020

4 Cost of Raising Funds

Year ended 31 March 2021	Staff Costs £'000	Other Costs £'000	Support Costs £'000	Total £'000	of the total being	
					Unrestricted £'000	Restricted £'000
Fundraising	177	57	72	306	306	-
Lottery	16	56	-	72	72	-
Charity Shops	182	318	127	627	627	-
	375	431	199	1,005	1,005	-

Period ended 31 March 2020

There was no comparable activity to 31 March 2020

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5 Charitable activities

Year ended 31 March 2021	Staff Costs £'000	Other Costs £'000	Support Costs £'000	Total £'000	of the total being	
					Unrestricted £'000	Restricted £'000
Hospice In Patient Unit	667	208	164	1,039	487	552
"Hospice at Home" Community Team	485	111	93	689	307	382
Psychological Support Team	65	18	14	97	-	97
Education	58	10	5	73	69	4
Orangery	15	9	14	38	35	3
Volunteers	35	11	8	54	50	4
Wellbeing Centre	24	9	6	39	37	2
	<u>1,349</u>	<u>376</u>	<u>304</u>	<u>2,029</u>	<u>985</u>	<u>1,044</u>

A £17 bank charge within the unrestricted fund was the only comparable activity to 31 March 2020

Period ended 31 March 2020

Net Income is stated after charging

Auditor's Remuneration	
Statutory Audit	20
Payroll Bureau work	7
Staff Costs	2,103
Lease Rental Costs	140
Depreciation	58

See note 6 for an analysis of Support Costs which are allocated on the following basis

Staff costs – based on FTE staff numbers for each charitable activity.

Other costs – based on sq. ft. occupied by each charitable activity or FTE staff.

Auditor's remuneration – based on FTE staff numbers for each charitable activity.

6 Employee costs

All staff activity relates to the period from 1st November 2020 to 31st March 2021

Charitable Activities	Salaries £'000	NIC £'000	Pensions £'000	Agency £'000	Other £'000	Total £'000
Year ended 31 March 2021						
Hospice In Patient Unit	519	50	34	63	1	667
"Hospice at Home" Community Team	414	37	33	-	1	485
Psychological Support Team	58	5	2	-	-	65
Education	38	4	3	-	13	58
Orangery	14	1	-	-	-	15
Volunteers	32	2	1	-	-	35
Wellbeing Centre	22	1	1	-	-	24
	<u>1,097</u>	<u>100</u>	<u>74</u>	<u>63</u>	<u>15</u>	<u>1,349</u>

Income Generation	Salaries £'000	NIC £'000	Pensions £'000	Agency £'000	Other £'000	Total £'000
Year ended 31 March 2021						
Fundraising	160	11	4	-	2	177
Lottery	14	1	1	-	-	16
Retail Shops	167	11	4	-	-	182
	<u>341</u>	<u>23</u>	<u>9</u>	<u>-</u>	<u>2</u>	<u>375</u>

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6 Employee costs, continued

Support Team Year ended 31 March 2021	Salaries £'000	NIC £'000	Pensions £'000	Total Staff Costs £'000	Non-Staff Costs £'000	Total Support Cost £'000
Executive Office	97	11	4	112	44	156
HR	37	3	2	42	30	72
IT and Facilities	89	9	3	101	29	130
Finance	32	3	2	37	21	58
Other	27	3	2	32	-	32
Hospice Holiday Accrual	55	-	-	55	-	55
	<u>337</u>	<u>29</u>	<u>13</u>	<u>379</u>	<u>124</u>	<u>503</u>

Period ended 31 March 2020

There was no comparable activity to 31 March 2020

Due to the short period from 1st November 2020 during which the charity employed staff, there were no employees who earned over £60,000 in the year. No staff were employed during the period ended 31st March 2020 and therefore no staff earned over £60,000 during that accounting period.

Key management personnel

Key management personnel comprise the trustees, the Joint- CEOs, the Clinical Director and the Director of Income Generation.

None of the trustees received any remuneration in respect of their services during the year (2020: £nil). No out of pocket expenses were reimbursed to trustees during the year (2020: £nil).

The total employment cost (including taxable benefits and employer's pension and national insurance contributions) of the key management personnel of the charity were £154,251 (2020: £nil).

7 Employee numbers

Year ended 31 March 2021	Headcount 2021	FTE 2021	Headcount 2020	FTE 2020
Hospice In Patient Unit	34	26	-	-
"Hospice at Home" Community Team	26	19	-	-
Psychological Support Team	3	2	-	-
Education	2	2	-	-
Volunteers	2	1	-	-
Wellbeing Centre	4	2	-	-
Housekeeping and Orangery	22	9	-	-
Hospice Admin	7	4	-	-
Medical Team	10	5	-	-
Charitable Activities	110	70	-	-
Fundraising	12	10	-	-
Lottery	1	1	-	-
Retail Shops	25	18	-	-
Income Generation	38	29	-	-
Support Services	11	10	-	-
Executive and Finance	6	5	-	-
Support Services	17	15	-	-
All Staff	165	114	-	-

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7 Employee numbers, continued

Year ended 31 March 2021	Headcount	FTE		Headcount	FTE
	2021	2021		2020	2020
Permanent Full Time	38	38		-	-
Permanent Part Time	104	68		-	-
"Bank" variable hours	23	8		-	-
	165	114		-	-

In addition to our paid staff, St Raphael's Hospice benefitted from the support of 247 volunteers who contributed around £100,000 worth of time in the five month period from 1st November 2020 (based on full 12 month activity valued at £240,000). Volunteer time is not accounted for in these financial statements. There were 9 volunteers in the period to 31st March 2020, all of whom were Trustees of the charity.

8 Taxation

St. Raphael's Hospice is a registered charity and therefore benefits from not being liable for income tax or corporation tax on income derived from its charitable activities. As a Hospice it has taken advantage of the s33c VAT allowances which enable it to reclaim a large portion of its VAT paid. A first return for the five month period amounted to a refund of £90k and this is included within debtors.

9 Tangible fixed assets

	Site Leasehold Improvements	Computer and other Equipment	Shop Fixtures and Fittings	Motor Vehicles	Retail Leasehold Improvements	Assets under Construction	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2020	49	-	-	17	-	102	168
Assets transferred from DoC	-	389	45	27	182	71	714
Transfer between classes	-	182	-	-	-	(182)	-
Additions	4	52	1	-	27	51	135
Disposals	(4)	(86)	(1)	-	(25)	(23)	(139)
At 31 March 2021	49	537	45	44	184	19	878
Depreciation							
At 1 April 2020	-	-	-	-	-	-	-
Acc' Deprn transferred from DoC	-	250	15	-	32	-	297
Charge in year	2	29	4	8	15	-	58
Eliminated on disposal	-	(32)	-	-	(7)	-	(39)
At 31 March 2021	2	247	19	8	40	-	316
Net book values							
At 31 March 2021	47	290	26	36	144	19	562
At 31 March 2020	49	-	-	17	-	102	168

Assets transferred from the Congregation of the Daughters of the Cross of Liege (DoC) were brought into the charity at their net book value as stated in the DoC's accounting records as at 31 October 2020 and will be depreciated over their remaining lives in line with the charity's accounting policy.

The land and buildings that are occupied by St Raphael's Hospice are owned by The Congregation of the Daughters of the Cross of Liège and are leased to the charity at a peppercorn rental. The value of the gift in kind is recognised in these financial statements, as described in the principal accounting policies at note 1.

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10 Debtors

	2021	<i>2020</i>
	£'000	<i>£'000</i>
Legacies Receivable	1,577	-
Prepayments	200	-
VAT receivable	90	-
Coronavirus Job Retention Scheme payments receivable	58	-
NHSE Covid Hospice Support Scheme	145	-
Other Debtors	16	-
	<u>2,086</u>	<u>-</u>

11 Creditors

	2021	<i>2020</i>
	£'000	<i>£'000</i>
Amounts falling due within one year		
Trade creditors	67	2
Social security and other taxes	92	-
Lottery income received in advance	63	-
Other Creditors and Accruals	314	-
Deferred income Release of DoC grant	1,000	-
Other Deferred income	42	-
Provision for onerous lease commitments	19	-
	<u>1,597</u>	<u>2</u>

Amounts falling due after more than one year

	2021	<i>2020</i>
	£'000	<i>£'000</i>
Deferred income Release of DoC grant	2,320	-
Provision for rental payments	60	-
	<u>2,380</u>	<u>-</u>

12 Deferred Income

	2021	2021	2021	<i>2020</i>
	DoC Grant	Other	Total	
	£	£	£	£
Brought forward at 1 April 2020	-	-	-	-
Introduced in the year	3,600	411	4,011	-
Released during the year	(280)	(306)	(586)	-
Carried forward at 31 March 2021	<u>3,320</u>	<u>105</u>	<u>3,425</u>	<u>-</u>

A cash grant of £3.6m, given by the Congregation of Daughters of the Cross of Liège (DoC) towards strategic investment in the new charity, has been included in deferred income. This will be released to the Statement of Financial Activity in line with the conditions of its use, as stipulated in the transfer arrangement between the Congregation and the charity. A sum of £280k has been released to the SOFA in the current year and the release of £1m has been budgeted for the year to 31st March 2022 and is shown as "Creditors; amounts due in under one year" at note 11, above. The remaining balance of £2.32m is included under "Creditors; amounts due in more than one year" and is due to be released over the ensuing five years as the strategic plan progresses.

Deferred income balances of £411k were introduced as part of the transfer of activities from DoC to the charity at 31 October 2020 and related to CCG grant funding made in advance of the period to which it relates and to lottery subscriptions made for future lottery draws.

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13 Restricted funds

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

	At 1st April 2020	Funds Introduced from DoC	Income	Expenditure	Transfer between Funds	At 31st March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Bereavement support fund	-	-	92	(92)	-	-
DoC Capital Improvement Grant	-	204	-	-	(39)	165
DoC Gift in Kind	-	-	112	(112)	-	-
NHSE Covid Hospice Support Grant	-	-	817	(817)	-	-
Other restricted donations	-	120	13	(23)	-	110
	-	324	1,034	(1,044)	(39)	275

	At 18th December 2018	Funds Introduced from DoC	Income	Expenditure	Transfers	At 31st March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Community car grant</i>	-	-	14	(14)	-	-

The Bereavement support fund represents the funding of a bereavement support co-ordinator and related costs.

The DoC Capital Improvement grant was given in order to progress certain capital projects including the IT upgrade (completed) and the IPU refresh (due late summer 2021). Transfers from the fund to the designated fund represent the purchase of tangible fixed assets.

The DoC Gift in Kind relates to the provision of the land and buildings on a 20 year lease at a peppercorn rental. The Gift in Kind recognises the valuation placed upon the use of the properties by an independent surveyor. The cost is also recognised in the financial statements.

The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from November 2020 to March 2021 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support for the same purpose.

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

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.

14 Designated funds

The unrestricted funds of the Hospice include the following designated funds which have been set aside by the trustees for specific purposes. The fixed asset fund represents the net book value of tangible fixed assets, which are used in the day-to-day work of the Hospice and hence is not available for working capital.

	At 1st April 2020	Funds Introduced from DoC	Transfer between Funds	At 31st March 2021
	£'000	£'000	£'000	£'000
Fixed Asset Fund				
Acquired	168	417	(23)	562
Committed	-	-	100	100
Budgeted within 12 months	-	-	552	552
	168	417	629	1,214

	At 18th December 2018	Funds Introduced from DoC	Transfers	At 31st March 2020
	£'000	£'000	£'000	£'000
<i>Fixed Asset Fund</i>	-	-	168	168
	-	-	168	168

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14 Designated funds, continued

The transfer in the fixed assets "acquired" fund represents the net movement of additions, disposals and depreciation in fixed assets over the year. "Committed" expenditure relate to additions which the charity is contractually obliged to complete and "Budgeted" relates to proposed additions that have been approved by the Board of Trustees.

Committed and Budgeted expenditure includes £330k which relates to work proposed for the IPU and Hospice buildings refresh.

15 Analysis of net assets between funds

	Restricted funds £'000	General Fund £'000	Designated fund £'000	Total 2021 £'000
Fixed assets	-	-	562	562
Current assets	275	7,779	652	8,706
Creditors: amounts falling due within one year	-	(1,597)	-	(1,597)
Creditors: amounts falling due after more than one year	-	(2,380)	-	(2,380)
Total net assets	275	3,802	1,214	5,291
	<i>Restricted funds £'000</i>	<i>General Fund £'000</i>	<i>Designated fund £'000</i>	Total 2020 £'000
<i>Fixed assets</i>	-	-	168	168
<i>Current assets</i>	-	48	-	48
<i>Creditors: amounts falling due within one year</i>	-	(2)	-	(2)
<i>Total net assets</i>	-	46	168	214

16 Net assets transferred into the Charity

On 31 October 2020, the following assets were transferred to the Charity from the Congregation of the Daughters of the Cross of Liege:

	£'000
Tangible fixed assets	417
Debtors	1,021
Cash	2,702
Creditors: amounts falling due in less than 1 year	(735)
Total	3,405

17 Leasing commitments

Operating leases

At 31 March 2021 the Hospice had total commitments under non-cancellable operating leases for retail shops and related office and warehouse buildings as follows:

	Land and buildings 2021 £'000	Land and buildings 2020 £'000
Commitments falling due:		
Within one year	313	-
Within one to two years	230	-
Within two to five years	394	-
	937	-

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18 Related party transactions

St Raphael's Hospice was established as a work of The Congregation of the Daughters of the Cross of Liege ("DoC", charity number 1068661 and company number 3492921) in 1987 and its activities were reported as part of that entity. The activities and the operating assets and liabilities of the work were transferred into St Raphael's Hospice (charity number 1182636 and company number 11732567) on 31 October 2020 and from that point its activities are reported through this entity.

Two of the trustees of DoC are also trustees of St Raphael's Hospice (Sr Veronica Hagen and Sr Kathleen O'Reilly). One member of the Finance & Resources Committee is a paid adviser of the DoC (Mr Ed Cook).

The freehold of the land and buildings that comprise the St Raphael's Hospice site are owned by DoC. These have been leased to St Raphael's Hospice under three separate leases for the three plots (the Hospice, St Bede's and 759 London Road) each for twenty years and at a peppercorn rental of £100 per annum. A total of £150 was paid in the period in respect of these leases. The leases are valued at £270k per annum and a gift-in-kind is recognised in these financial statements for the five month period since the transfer at £112k. The notional rental of £112k is also recognised in these financial statements.

During the year, DoC made grants totalling £3.7m of which £3.6m related to the transfer agreement between DoC and St Raphael's Hospice. In addition to these grants, DoC gifted the net assets of the activity of the Hospice at a book value of £3.4m (see note 16, above).

DoC continues to receive occasional income on behalf of the Hospice, such as legacies and some donations and these are passed through to St Raphael's Hospice without deduction. During the year there were 9 such transactions amounting to £615k (2020: Nil).

There were no other related party transactions.

19 Capital commitments

At 31 March 2021 the charity was committed to a contract for the refreshing of the Hospice ward bedrooms and corridors amounting to £100k. The work will be completed in late summer 2021. There were no capital commitments as at 31 March 2020.

20 Pension commitments

The Hospice makes contributions in respect of the current service of its employees to either the NHS pension scheme or Royal London.

The Royal London pension scheme is a defined contribution scheme, with contributions accounted for in the period in which they arise.

The contributions payable for the year were £54,579 (2020: £nil).

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

The contributions payable to the scheme for the year were £40,656 (2020: £nil).

21 Statement of financial activities – 15-month period ended 31 March 2020

	Unrestricted		Restricted Funds £'000	Total Funds £'000
	General Fund £'000	Designated Funds £'000		
Income and expenditure				
<i>Income from:</i>				
<i>Donations and legacies</i>	200	-	14	214
Total income	200	-	14	214
Expenditure on:				
<i>Charitable activities</i>	-	-	-	-
Total expenditure	-	-	-	-
<i>Net (expenditure) income before transfers</i>	200	-	14	214
<i>Gross transfers between funds in connection with tangible fixed assets</i>	(154)	168	(14)	-
Net movement in funds	46	168	-	214
<i>Reconciliation of funds:</i>				
Fund balances carried forward at 31 March 2020	46	168	-	214

ITEM 07
Communications & Fundraising Report

Aim

To update the Advisory Committee members on the fundraising activity at St Raphael's Hospice.

Recommendations

It is recommended that the Committee note the activity and developments since the last meeting.

Report Overview - Sara Jane Woods

- There is a lot of activity in both the retail and fundraising teams. Retail are preparing for the change of season and for their busiest time of year. Supporter Care are getting ready for the Light up a Life mailing to go out and Donor Development are advanced with plans for virtual Light up a Life, Santa Dash, Corporate Awards evening, I'm a Director Get Me Out of Here, Rudolf Runs and a new event Pudding Day.
- Volunteer recruitment has become a priority for all teams. Retail continue to struggle keeping doors open, shops stocked, back rooms safe and customers served. Fundraising Groups are still reluctant to pick up their usual activities so we are looking to start recruitment for new groups as soon as we can. Plans to expand our Lottery are reliant on engagement of more volunteers.
- With some exceptions most income streams continue to hold up. Challenge events are behind budget primarily because these activities are still not up and running or have been postponed for a second time, like the London Marathon now to take place in October. In memory income is down which could be related to low visitor numbers during the pandemic or because funerals have had restricted numbers and the usual donation triggers have not happened.
- All teams continue to focus on the fundraising strategy so that we are fully prepared when things are less uncertain.

RETAIL - Sara Jane Woods

- We undertook interviews for the second Area Manager post and were delighted to appoint Linda Ryan. She was previously the shop manager at Wimbledon.
- This highlighted a problem with our structure in retail, particularly the Senior Managers role. When the role was created we hoped it would attract more experienced retailers and encourage other managers to aspire to undertake development and seek promotion. We also thought that Senior Managers would take on responsibility for training and management of two or three shops. This didn't happen and with a second area manager in post, there was

no difference between work undertaken by the one remaining Senior Manager and that of their colleagues but they were paid more. This put the Senior Managers post at risk and we consulted with the individual who declined the suggested suitable alternative as the Manager of Raynes Park and has left. This leaves us with vacancies in Wimbledon, Raynes Park and the Donation Centre. Interviews will take place later this month.

- We have had two managers who have contracted Corona Virus and one who has been diagnosed with long Covid.
- We have opened the Donation Centre to the public for sales of furniture, books, toys, media, pictures and items that are cumbersome and heavy to transport. This has been quite successful. The donations from the public continue to pour in which puts us in a strong position giving us the ability to maximise income from our stock sending it to the shop where they will raise the most. New Malden & Sutton clearance shops are both performing very well, Rosehill is not doing quite as well which is mainly due to a lack of volunteers, meaning the managers struggle to fill the large shop quickly enough.
- Over the summer we have had a number of young people who have worked for us on the bank. Some are remaining as weekend cover but their returning to college and university has left us with a number of gaps.
- The Retail team have been very accommodating and are working on a week by week rota with the aim of keeping all shops open. However, we have had to shut Raynes Park for a few days over the past few weeks.
- Some of the retail team and volunteers attended the volunteer and staff picnic and very much enjoyed it.

DONOR DEVELOPMENT - Emily Nicholls

The team seem motivated and energised with two new staff members and finally some live events/campaigns to get their teeth stuck into. However, it is clear that the face of fundraising has changed and is likely to stay that way. For example, over the past 18 months we have received increased gifts in kind (GIK) from individuals and companies, people taking part in virtual events and even fundraising group meetings on Zoom. We have had some significant success with GIK recently for our upcoming corporate awards night with decorations, a compere and cupcakes all donated for free, reducing the event expenditure. This has tended to replace financial sponsorship or donations.

COVID is still having an effect on income with take up for challenge events and community fundraising low. Similarly, we continue to struggle for volunteer support, having to cancel bucket collections and opportunities for community fairs/stalls. The feeling is that they are still not ready to venture fully back to public fundraising. However, some fundraising groups are starting to pick up again with private/virtual events.

Overall, the team are gearing up for Christmas campaigns and have a number of creative, COVID-friendly activities ready to inspire our supporters to fundraise and donate to the Hospice.

Events

- **Lavender Walk** – Final total £14,669 raised (net £11,305 - ROI of 336%)
- **Snowdon Trek at Night** – 8 supporters, including trustee Rod and his wife Tina, took part in August. Beset with travel nightmares, persistent rain and the big task of scaling the mountain in the dark, the trek was a tough challenge from beginning to end. The St Raphael's group took part alongside 70 other charity trekkers as part of the Global Adventures Challenge. They set off late in the evening aiming to reach the summit for sunrise. Sadly, the weather front was too bad and just 40mins from the top the climb was called off. The winds were reaching gusts of 40mph! However, the group were amazing and high spirited despite the extreme conditions. Their resilience and determination were incredible although they were disappointed not to make it all the way to the summit. The organising company, Global Adventures, dealt well with the changing conditions and their experience was clear throughout. We would continue to use their services in the future. The team raised a brilliant £6,667, net of £5,507 (including cost of places and travel for Sam to attend and support).
- **Santa Dash** – Going ahead on Sunday 12th December at Nonsuch Park. Depending on COVID restrictions in place at the time there is likely to be staggered starts (like the Lavender Walk) or the event can be turned virtual if needed. This will now be a hybrid event where people can take part virtually (in their own time) as well if they wish to. The usual set up will continue with two routes that participants can walk, run, jog or even skip dressed as Santa - 5km and 1.2km.
- **Challenge Events** – Take up for running events has been slow and clearly less than previous years. We believe this is still due to COVID and the uncertainty re. whether the events will go ahead/likelihood of postponement. With extensive training required for these events, the changing circumstances make it less appealing for sign ups this year. Walks are proving more popular and a team of 5 nurses/staff are taking part in the Thames Bridges Trek on the 11th September. Participation is as follows:
- **LUAL** – Virtual service will take place again this year on Sunday 5th December. A new platform via YouTube Premier will be tested to avoid technical issues last year. This platform is designed to smoothly play pre-recorded videos to go 'live' at a specified time, reducing risk of technical hitches, jumpy videos and human error. There will still be the option to interact through comments and it can be imbedded to our website. Similar order of service as previous years will include vicar's message, readings, lighting of the Christmas Tree etc.
- **Special Events Manager** - Katy is settling in nicely by working closely with Sam and Emma on a number of events. She has taken over responsibility of LUAL as well as the logistics for the Corporate Awards Night and I'm a Director Get Me

Out of Here. She has also begun to produce celebrity and major donor strategy documents to ensure appropriate foresight in both these key areas.

- **Cancelled Events** - Legacy reception, LUAL live service, schools carol singing day and bucket collection, potential new carol concert.

Community

- **Fundraising Groups (FRGs)** – A group picnic was attempted in Morden Hall park. Despite a great turnout of 30 volunteers, the weather got the better of us. It was lovely to see some missed faces in person but after a short time under umbrellas in torrential rain, many decided to call it a day. Another event will be planned soon to keep in touch. Continuing to find lack of responses to call to actions since COVID.
- **FRG Events** – Morden group have organised a few quizzes raising £1,000. Wimbledon Village held a recent garden party raising £500 and Merton Park have a similar garden party coming up soon organised primarily by a new member, 50 tickets already sold. Another possible new member has been passed on via volunteering. Janet from the Merton group continues to knit her cuddly toys for donations to the Hospice.
- **FRGs Manager** – Rose is continuing to settle in by working on the FRG handbook. This is now out for proof reading to ensure all content is finalised before sending to the designer. She is also working on an FRG recruitment strategy document as well as working alongside Lorraine to set up recruitment days for retail and fundraising. She has already attended a number of FRG events and activities and is getting to know current members well.
- **Lavender Bucket Collections** – Just two were able to go ahead this year (although that is two more than last year!) raising £343. The final two booked, including London Victoria, had to be cancelled due to lack of volunteers.
- **Photo Competition and Calendar** – Over 50 photos were entered into the competition themed ‘Places I Love in Sutton and Merton’. 12 were chosen by an independent panel of judges (Siobhan McDonagh MP, professional photographer from Wimbledon, Patrick Steel, and Consultant Gaby Tamura-Rose) after some tough deliberation. They also chose a winner and two runners up, with an additional photo chosen by a social media vote, to receive prizes. All 12 will be featured in a 2022 calendar which will be available to purchase for £8 on the website and from the Raphaelite mailing. Patrick is also planning to donate one of his prints, worth £400+ to the IPU.
- **Rudolf Runs** – Aiming to increase participation again this year with 15 primary schools and 5 nurseries raising £45,000+. We have tweaked the theme slightly to link with the Olympic year and what the children will be learning in their curriculum but the same structure will be kept. We will be asking them to ‘go for gold’ and participate in the Rudolf Run. A teaser video has been sent for the teacher’s return to school and gold packs will be posted to all schools in our boroughs soon with instructions, a sign-up sheet and gold chocolate bar. A further video will be made to encourage sign ups and schools that have

participated before will have a hand delivered gold envelope by Christmas Elves that look remarkably like SRH fundraisers and volunteers!

- **Pudding Day** – A new initiative adapted from St Luke’s Hospice’s ‘Great Hospice Pudding Day’ which saw 500 participants raising over £40,000 last year. The St Raphael’s Pudding Day will take place on the 4th December. It is a virtual day of Christmas activity and fun that you can take part in with your partner, friends or family. It is themed around a family of Christmas puddings. You can purchase an activity box from our website that will include challenges, recipes, goodies, a t-shirt and a medal. The idea is to ‘spend the day doing lots of fun activities so our patients can enjoy their festivities’. To receive the box for free participants can choose to pledge £100 in sponsorship.

Corporate

- **Make Your Will Fortnight** – So far raised £4,500 but still waiting on some funds from solicitors. This is considerably lower than previous years and the net raised is £1,000.
- **A Night Full of Stars** – This corporate awards evening is taking place on Friday 17th September in St Bede’s. It is primarily a thank you event that will also give all parties a fantastic opportunity to network with each other. So far over 55 local company representatives and their guests will be attending. There will be a pizza van for catering, drinks (including a prosecco wall) donated personally by Mouli at Sainsbury’s North Cheam, decorations and balloon arches donated by Bella Blue Events and cupcakes donated by Crafted Confectionary. 5 awards will be presented as follows with a compere from Radio Jackie (also provided free of charge):

Hospice Hero – judged by all staff

Heart of the Community – judged and presented by Siobhan McDonagh MP

Long Standing Charity Partner – winner chosen by hospice panel

Nurses Award – judged by nurses and presented by Tracey Young

Best Enterprising Business - judged and presented via video by Dragon’s Den star Theo Paphitis

- **I’m a Director Get Me Out of Here** – Taking place on Friday 22nd April at Old Ruts Rugby Club in Merton. They are providing this free of charge to us. The day will consist of a number of challenges and ‘bushtucker trials’ for company directors to win stars and test their nerve. Packs including information, jelly spider sweats and plastic insects will be sent to key Directors in our areas to catch their attention and encourage involvement in the challenge. We aim to create a wide spread buzz within each company as their boss steps up to support their local hospice.

One of our CEO’s will be taking part and we would welcome participants from the Directors and Trustees.

- **LUAL** – Trulove & Sons have once again agreed to sponsor the LUAL appeal and tree for £4,000.

Trusts

- **IPU Refurb** – £49,081 raised towards this project as follows:
 - Francis Winham Foundation - £2,000
 - St James' Place - £2,500
 - Charlotte Marshall Charitable Trust - £1,056
 - The February Foundation - £6,035
 - Sir Harold Wood - £2,000
 - The Anders Foundation - £4,000
 - Garfield Western - £10,000
 - Mark Benevolent Fund - £17,000
 - Hobson Charity - £4,490 (TVs)
- **Education Room Computers** – £1,952 funded by Yorkshire Building Society
- **Bariatric Room** – Applications are on hold until financial accounts are available. As soon as this is finalised bids can be made towards this project.
- **Garden Appeal** – Work on the appeal continues and will be updated for the next board report.

SUPPORTER CARE - Lucy Ribaudó

Supporter Care

Christmas – We have been very busy over the summer months preparing various data requests in preparation for the Autumn and Christmas season. We have provided data for the Corporate Awards night, Life Long Friends Mail out, Community Newsletter Data, Legacy Reception Data, Volunteer recruitment Data, Reindeer Run Data & of course LUAL Appeal data. We have also been writing and testing guides for the LUAL appeal, including the templated “Thank You” letters which are used online and in office. We have also been setting up procedures and processes for the Christmas Merchandise sales for online sales, in office sales and of course retail sales. Also preparing & testing guides for processing donations both online & in office for Santa Dash, Reindeer Runs & Pudding Day.

Financial Reporting – Following on from our recent update to our processes for financial reporting we have come across some historical coding issues with JustGiving which we are in the process of rectifying. There are approximately 300 transactions which we are looking into although there are no financial discrepancies.

It has also been agreed that the Supporter Care team will take over the importing of donations from some of our donation platforms from the Data Base Manager. Initially this will be GoCardless transactions, PayPal, Facebook, Ebay donations & JustGiving weekly downloads.

Raiser's Edge NXT - As we are looking at upgrading our current Raiser's Edge to the new NXT cloud version, we thought it would be useful to talk to someone who is already using this version. Royal Trinity Hospice have been using this system for 2-3 yrs and have very kindly agreed to meet with us to share their knowledge and experience.

Gift Aid – We are still awaiting the final authorisation from HMRC for the registration of our Database Manager's access under our new charity number.

LOTTERY - Glenda Withall

- The lottery to date has 94 new lottery members and 145 entries.
- 15 supporters have purchased a Gift Voucher – Total income £680.
- We are in the process of writing a lottery guide for the Supporter Care Team of whom will start to take over the administration of our lottery.
- Volunteers will start to be recruited for the Lottery and to get started we hope to have them out selling Christmas Bumper Draw tickets at venues and encouraging supporters to sign up to our lottery for 20 weeks.

CHRISTMAS BUMPER DRAW

- Bumper draw tickets have been approved and ready to go to print. 500 extra books have been ordered this time so that we can have a massive push on sales this year alongside signing up supporters for lottery.
- The Bumper Draw Administration will be inhouse again this year

COMMUNICATIONS - Diamond Naraviene

Branding/Merchandise

- 23 x frosted glass door stickers depicting our heart-hand-petals lozenge have been delivered and are ready for application.
- New designs for 'Well Done', 'Thinking of You' and 'Good Luck' cards have been developed for usage by the Fundraising Team.
- A new branded floor mat - Welcome to St Raphael's - delivered and placed in the main reception area.
- IPU staff photography board designed and ordered; ready to be installed mid-September.
- Yellow volunteer badges have been arranged and are being used by our volunteers.

Campaigns

- Retail volunteer recruitment. The letter and NOK data are ready and due to be mailed out in-house w/c September 13th. It is an open letter from one of our new volunteers, where she shares her story and explains why she wanted to volunteer for St Raphael's Hospice, inviting others (NOK) to follow her suit.
- LUAL mailing is due to be sent on October 6th. The pack will contain the usual parts of content: The Raphaelite, Letter ad Donation form, Xmas Cards flyer which will include 2022 diaries and a wall calendar (as part of our Photography competition), Christmas Raffle book. Designs of all the items are nearing completion and are due to be sent to the mailing house for printing and personalisation. We are exploring options for having an interactive donations page for this year's appeal.
- 'Places I love in Merton and Sutton' – photography competition. In order to promote the competition, we have used a subsite on our website for the first time, allowing us to have a dedicated menu button, as well as nicely structured page with pockets for information on how to enter, judges and prizes.

Digital Marketing

- Major improvements have been implemented to the [volunteering section](#) on our website. The section is nearly complete. It offers a clear structure and ease-of-navigation. The roles have been divided into the main areas, such as Retail, Events and Fundraising, Hospice, Community and Other. Every section features an image of one of our volunteers and a quote, as well as a list of relevant roles with options to download role specs and to apply online. We'll be also adding a button to link to the volunteer events and open sessions on it too.
- Induction video. Editing of 10 videos has been completed and awaits revision by the Education Team, so it can be sent to the team at Learning Zone for uploading.
- [IPU refresh news and a video of pictures](#) have been produced and uploaded onto our website. There were regular updates on social media helping us to engage with our audiences, as well as to keep them well informed of the progress.
- We are due to launch a Joint CEOs twitter account and filmed an introductory video from Nick and Gail as our first tweet.
- Two garden appeal videos have been filmed; one featuring a family member talking about the importance of gardens and their memories; and another one, featuring one of our doctors, Gabby, who explained what role gardens and nature play as part of the holistic approach to the palliative and end of life care.
- A number of sessions have been arranged to capture staff photography. Professional photographs of the refreshed IPU, and staff and volunteer picnic were taken too. On 10th of September, one of our selected photographers will produce a portfolio of up-to-date pictures of our St Bede's Centre for usage in the room hire brochure, designed in-house.

- We've completed testing Hootsuite platform and have started using on a daily basis. It'll be key in the successful implementation of our Social Media Brand Ambassador Initiative.
- E-news were sent end of July to 2859 subscribers; opened by nearly half of the audience, which is well above the industry average. Stories included: IPU refresh, patient wedding, Lavender Appeal and Walk successes and Photography Competition.

Collateral

- We've helped the teams across the Hospice with the following designs developed in-house: St Raphael's Pudding Day poster, Hospice Menus, Interfaith Afternoon invitations + poster, 16-page Corporate Awards Programme, Wellbeing Centre poster, and Retail and Fundraising Volunteer Recruitment flyer.
- New Hospice Biographers and Hospice Neighbours, as well Wellbeing Centre leaflets have been developed and ready to be rolled out.

News/PR

- IPU refresh press release sent to the media.
- Getting ready for the recruitment of a part-time PR and Content Assistant role.

VOLUNTEERING - Lorraine Hunt

- Recruited 20 new volunteers for the shops/Donation centre since the last campaign ended, and have 20 more in progress. 2 are existing hospice volunteers who have decided to change roles and only 2 paper applications. 2 more of the pre-pandemic volunteers have returned to the shops.
- Volunteer section of the website has been refreshed, all profiles have been updated and all roles have been streamlined and linked to an online application or enquiry form.
- Currently working on a New Lottery volunteering role profile with Glenda so we can add to the website and start promoting at our community events.
- First drop in community recruitment event in Centre Court Wimbledon on 15/9/2021 just waiting to confirm dates for Sutton Library and the Sound Lounge. Working with Rose to secure more locations in Merton.
- All retail volunteers are being given the new hospice yellow badge, the majority have been printed and will be delivered to the shops and donation centre in the next week or two.

Finance and Resources Report

Recommendations

1. It is recommended that the Committee:
 - a. Notes that the internal management accounts for the 5 months to 31 August 2021 shows a shortfall of £(197)k.
 - b. Cash at the end of August stood at £6.3m
 - c. The Board approve the appointment of Sarasin & Partners as investment advisers
 - d. The Board notes the risks around staff recruitment and current non-compatibility with Agenda for Change (AfC) NHS salary levels.
 - e. The Board notes the forecast projections for current and future years which have been adjusted for AfC matching and mitigating cost savings, as well as for lowering of donor and lottery expectations in 2021-22 and beyond.

Finance

2. August Management Accounts – Income and Expenditure

The shortfall of £(197)k equates to £(614)k *before* the allocation of £416k of the DoC funding – compared to £(863)k in the budget, due to lower costs (£125k) and higher than budgeted income (£123k).

Donor income is £106k below the plan (24%) and marginally behind last year. Income from shops £57k ahead of plan (17%). Legacy income is £86k above plan. Other income includes a higher level of notional “gift in kind” for the provision of the leases to the land and buildings by DoC. This is matched by an equal and opposite increase in notional rental costs.

Direct costs of service delivery are £1,539k compared to £1,426k last year. That said, last year benefitted from c £40k furlough grant and the current year includes £112k notional rental costs. Once adjusted for these the current year is £39k below last year.

Support Costs (which are split 67% to Service Delivery and 33% to Income Generation) are running at around budget although they include a write-off of £15k of VAT. This related to the year-end balance of £90k which included VAT on the extensive consultancy costs related to the configuration of the new IT system. HMRC deemed this not to be “fixed asset” and disallowed it.

3. August Management Accounts – Balance Sheet

Cash stood at £6.3m at the end of August, £300k down from March year-end. This is £1.3m above plan, partly due to our not yet having been invoiced for all the IPU refresh costs and partly to the improved results last year. Debtors are £1.2m above plan as there are significant legacy balances and NHS income that remain to be collected (£300k NHS invoice was paid in early September). This will help cash to remain strong this year despite the high capital expenditure underway.

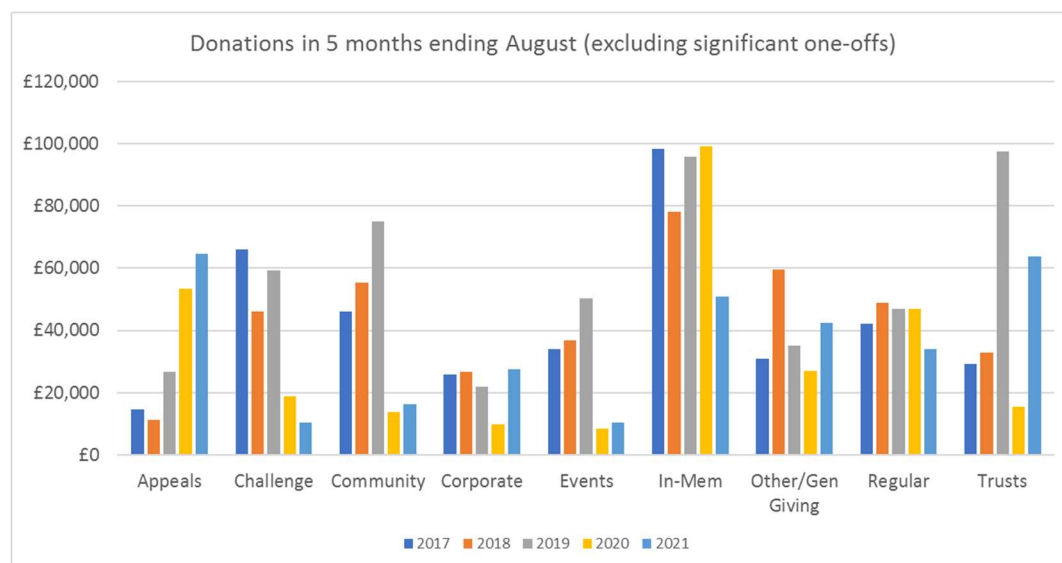
Net assets stand at £5.1m at the end of August 2021, £1.9m above budget. The large cash balance is partly offset by the deferred income balance.

4. Monitoring Progress

In the context of the longer-term plans, we are clearly in a much stronger cash position than expected. However, there remain some mixed messages arising from some of the detail.

The RAG report for some financial measures is attached and shows all financial areas are “green” except donations which, is behind plan, as noted above. The graph below is driven by data direct from the Raisers’ Edge database and excludes Gift Aid. It is for the 5 months to the end of August over the years 2017 to 2021. It shows that Challenge, Community and Events income fell materially last year and has not recovered this year. In Memory income held up last year but is well down this year. These four areas are £200k below their 2019 level and had been on an increasing trajectory. Appeals and Corporate income are among the more encouraging signs, and so, had the four affected areas been on track we would be £100k above plan rather than £100k below.

This may be due, partly, to there not yet being any impetus or opportunity for challenge events or community fundraising. Income generated today will have been planned many months ago when COVID remained prominent and planning might simply not have happened. It may still not be happening and this will cause a lag in income generation that will affect this year and next year.



With retail, we have some encouraging signs, in that the income for shops that are open are running ahead of plan by 31%. To capitalise on this we do need to recruit many more

volunteers to avoid the need to use paid staff. We also need to use paid staff to move forward with Ebay. It is very pleasing to see that New Malden and Sutton, very poor performers in that past, have been doing well. Raynes Park remains very disappointing.

5 months to August 31	Actual	Budget	Variance	%
Banstead High Street	£39,112	£32,789	£6,322	19%
Carshalton	£50,056	£37,179	£12,877	35%
Cheam Village	£45,374	£35,964	£9,410	26%
New Malden	£23,932	£16,926	£7,006	41%
Raynes Park	£31,189	£29,862	£1,327	4%
Rosehill	£35,414	£29,814	£5,600	19%
Stonecot Hill	£23,114	£17,800	£5,314	30%
Sutton	£32,030	£18,663	£13,367	72%
Wimbledon Village	£76,574	£53,889	£22,685	42%
	£356,796	£272,886	£83,910	31%
Ebay	£8	£14,052	-£14,044	-100%
Donation Station	£4,547	£0	£4,547	100%
Carshalton Beeches	£0	£29,414	-£29,414	-100%
	£361,350	£316,352	£44,998	14%

5. Clinical Staff Costs

The RAG report also now includes FTE staffing across four areas of our work. This points up a serious and ongoing level of vacancies in the Clinical team.

In recent months we have found that we have attracted an excellent cohort of candidates for clinical posts being advertised (HCA, Nurse Associate and Band 5 nurses). However, of the most recent six offers, five have been rejected and pay seems to be at the heart of the reasons. The acceptance was made noting that pay was around £5k below current levels.

NHS pay an “Inner”, “Outer” and “Fringe” London allowance on top of the core salary. St Raphael’s sits in the “Outer London” region which would attract a 15% allowance between £3,898 and £4,967. At present our pay levels are equivalent (for most roles) to the core NHS pay and the effect is that we are not paying the Outer London Weighting which represents a huge disincentive for staff to join us. In addition, the NHS retain some experience based annual (or three-yearly) increments which SRH also do not offer. Our pay is less distant from the NHS for our Community team than for the IPU.

This poses a significant and immediate risk as we hold a number of vacancies and are struggling to maintain the rota after many months with staff performing overtime to support our service and risking both burnout and disenchantment. We also risk staff leaving to gain better pay elsewhere (we have several staff leaving in the near future including one who has stated it is to get more pay).

Estimating the cost of a correction to our service amounts to an annual increase of c£200k including pensions and NIC.

Possible actions include:

1. No action – this could rapidly jeopardise our service and our reputation in the near term.
2. Partial action – changing to pay at the “Fringe” level (5% of salary between £1,066 and £1,845) and would cost around £65k. However, it is advised by colleagues that this will still leave candidates for vacancies contemplating significant pay cuts in order to join St Raphael’s and we have many competitors in the vicinity.
3. Seek additional funding from CCG – we have met with the CCG Hospice finance lead in the last week and presented the dilemma and the nature of the risk it poses to our service. He is putting a meeting in place with the Hospice Lead for South West London STP.
4. Reduce our other costs to compensate for the additional burden. We have composed a list of changes, see below in “forecast 2021-22”, which would reduce future *budgeted* costs by £180k per year and not jeopardise the EVE strategy. Additional income from investments, could provide the remaining funds.
5. A combination of the above.

It should be further noted that, once in place at AfC levels, St Raphael’s would need to keep pace with the NHS increments and that includes a 3% increase in the current year.

6. Forecast 2021-22 and beyond

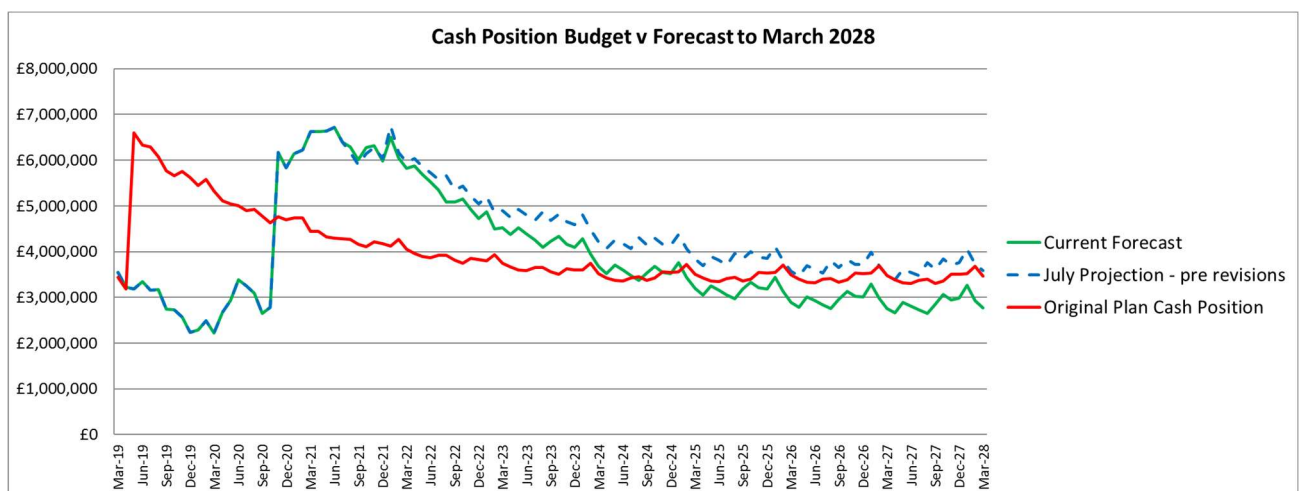
There are two significant changes that have been made to the projections at this point:

1. In the light of the ongoing impact of COVID and the consequential delay in the recovery of some aspects of our donation base and also our activity to promote the lottery, the assumptions have been pushed back around 8 months. This reduces the projections for the current year by £300k and then by £220k, £150k, £100k, £50k and then an ongoing £20k in the following years.
2. The forecast has been adjusted to add in the £200k additional cost each year (plus inflation) for the AfC change and also for the 3% increase in the current year for clinical pay (which also impacts each year forward). Mitigations to offset this are also included as follows:
 - Staff redundancy – 2 x roles + 1 re-specified = £66k per annum
 - Future budget reductions for Training, Comms and Events – these cost centres have had large increases budgeted in for the future years, significantly above any historic actual spend. These can be reduced and yet still provide increases that may be needed for the pursuit of the EVE project. The budgets have been lowered by £73k.

Actual/Previous Projection	2018-9	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Training	34,625	28,017	25,228	55,844	71,741	73,001	74,461
Communications / Events	133,440	128,254	57,934	191,946	243,015	247,875	252,832
	168,064	156,270	83,162	247,790	314,756	320,876	327,293
Projections revised to:				41,178	50,141	50,969	51,988
				152,864	191,076	194,898	198,796
				194,042	241,218	245,866	250,784
Saving				53,748	73,538	75,009	76,509

- Other projections have been reduced by c £40k per annum (eg we have better awareness now of what VAT will be recoverable on “apportioned costs” – 93% where c85% had been assumed – lowering projections by £7k per annum; reduced the increase in lottery prizes for bumper drawers from £10k + £10k to £10k + £5k, saves £5k; We had budgeted for extra psychosocial hours, not felt to be needed – removing this saves £8k.

The corollary of these changes is to reach cash neutrality later and at a lower level (due to the lower income projected) as follows (Nb this now shows the change over the July projection which had already taken account of some of the income reduction):



7. Meeting with the CCG

We met with the finance lead for SW London CCG, Geoffrey Price. We discussed a number of topics:

1. The ongoing impact of the pandemic. We noted that our fundraising income is £200k below the 2019 level for four key areas of our activity and estimated that this would be £400k below by the end of the financial year. We noted that the impact was also affecting our Lottery and Retail work and it would stretch into 2022-23. We have been asked to present this information in a way which will be easy for the SWL Finance Committee to digest and they will consider providing additional financial support in the current year,

2. We noted that there was no inflation uplift from 2011 to 2019 and that this would have amounted to an additional £200k per annum had it been in place during this time. The quantum “lost” over the decade amounts to £1.5m. A meeting will be arranged with GP and with other operational leads for the SWL CCG, in order to take this discussion further.
3. We noted that at the time of the introduction of the Agenda for Change (AfC) payment structure for the NHS it was decided that the hospice could not afford to keep pace. We explained that this was now a risk to service provision and that it would cost around £200k per annum to correct. We also noted the impending 3% pay increase and the fact that NHS was to receive £5billion towards offsetting costs. This will be discussed at the next meeting.
4. We noted that the overall contribution of c35% towards the direct cost of service delivery (25% of full charity costs) was an historic anomaly and that no other provision would be available at this level. This will be discussed at the next meeting.
5. We noted that a contribution from Wandsworth, of £19k, is received for services which amount to 4.3% of all work. This actually costs £185k to provide. We were told that the CCG looks at the whole contribution rather than the component parts.
6. We were told that other Hospices were expressing concern over their inability to deliver a breakeven budget and a suggestion that services will be cut.

8. Investment of Cash Funds

Several members of the Finance Committee have met with three investment advisers, Cazenove, Sarasin & Partners and Quilter Cheviot. Historic returns are not a guarantee of future returns, but the comparative figures given by the teams are as follows (ARC is the average of all charity funds):

	5yrs to 30 June 2021	3yrs to 30 June 2021	1yr to 30 June 2021	1yr to 30 June 2020	1yr to 30 June 2019	1yr to 30 June 2018	1yr to 30 June 2017
Cazenove	10.2	9.2	20.2	2.5	6.3	6.6	17.2
Sarasin	9.4	9.5	15	6.8	7	4.5	14.2
Quilters	8.5	6.6	4.4	2.4	11.7	-5.1	7.5
ARC	8.0	6.5	4.4	4.3	13	-5.1	6.7

All suggested that medium term returns should be in the region of 3.5% to 4% after inflation (likely to be 4% short term and then return to 2-2.5%). There was a variance in fees between Cazenove and Sarasin (both just below 0.9%) and Quilter (1.6%) arising because the latter invest heavily through other funds and this picks up the charges for those funds as well. It also leads to their returns mirroring the average of all charitable funds quite closely (the ARC figure).

St Raphael’s currently holds a large cash balance. However, there is an expected call upon a large portion over the next 3-5 years which renders it less available for investment. The estimated cash balance over the coming years is as follows:

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Current Cash Forecast at end of Financial Year	£5,817,800	£4,526,025	£3,678,768	£3,197,920	£2,890,253	£2,763,309	£2,775,372
Cash drain forecast for following year	£1,291,775	£847,257	£480,847	£307,667	£126,944		
Working Capital required	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
Risk cash?	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000
Balance potentially available	£3,026,025	£2,178,768	£1,697,920	£1,390,253	£1,263,309	£1,263,309	£1,275,372

Please note that there is an assumption within these figures that £1.5m is invested and achieves a return of 4% before any inflation impact and after fees. This is a lower return than expected by the firms.

9. Draft Accounts for the Year Ended 31 March 2021

The financial statements, attached, have now been adjusted for all agreed changes and the auditors have given them a final check for editing points.

These are presented to the Board for approval. Subsequently they will be signed by the auditors and submitted to the Charity Commission and to Companies House.

Also enclosed is the Buzzacott Management letter to the Trustees which explains the work that they have undertaken, their findings and the matters that they rely upon. There is also a "Letter of Representation" which is to be sent from the Trustees to Buzzacott to agree the responsibility of the Trustees for the information submitted in the course of the audit. Neena and I have also written a note to express our view that all the information that should have been provided has been provided.

Nick Stevens, Joint CEO

15th September 2021

Governance Report to St Raphael's Hospice Board of Trustees

September 2021 Board meeting

1. Executive Summary

- The 2022 draft Board agenda has been brought together for Trustee review (see **Section 2** and **Appendix 1**).
- Following discussion at the July Board meeting about the possibility of appointing a Safeguarding Link Trustee role, a draft role description has been brought together (see **Section 3** and **Appendix 2**)
- An update on other governance matters is provided for information (see **Section 4**).

2. Draft 2022 Board and Committee meeting agenda

At the July meeting, Trustees discussed and agreed that the Board meetings for 2022 would be held on a quarterly cycle, with an additional Strategy meeting held during the year. This aligns with the requirement in the St Raphael's Hospice Articles of Association to hold at least five formal Board meetings each year. Committees will also be held four times each year. The draft cycle builds on a proposal brought together as part of the Hospice's transition to independence, through which Board meetings would be held in the month following each Quarter of the year (see **Appendix 1**).

Meetings would generally be held at St Bede's in order to enable Trustees to spend time together in person. However video conference will be used if public health circumstances require, and there will be the option for video dial-in.

3. Safeguarding Link Trustee role

Trustees discussed the possibility of appointing a Trustee to take on the role of Safeguarding 'Link' Trustee, to undertake more detailed challenges and support on this area on behalf of the Board. A draft Safeguarding Link Trustee role description has been brought together for Trustee review and discussion (see **Appendix 2**).

4. Other governance matters

Trustee recruitment – an application has been received for the Clinical Quality & Governance role (through Dr Carrie Chill), and HR role (through St Raphael's website and social media promotion). Promoting Communications & Marketing role through Trustees Unlimited has not received interest so far, primarily due to promoting over the summer. To make for this, Trustees Unlimited have offered to provide us with a full 'Database Search' offer which is usually worth £1,000. This will help us to conduct more proactive outreach. Once we have received more applications, the timeline for interviews will be confirmed.

Committee appointment – it is proposed that Norman McWhinney joins the Clinical Quality & Governance Committee as a Committee member, subject to Trustees' approval.

Trustee training – we have put details of mandatory training and link to the training portal on the Trustee section of the website. Duty of Candour training is now available and we have confirmed one Trustee must undertake Fire Safety annually. The Education team also offer Safeguarding Level 2 training for Trustees with a clinical background. -

- Confidentiality and IG Governance - 2 yearly
- Equality and Diversity - 3 yearly – this includes a section on Unconscious Bias
- Health, Safety and Welfare - 2 yearly
- Infection Control for non-clinical - annually
- Introduction to Safeguarding – annually
- Duty of Candour – available on LearningZone
- [One trustee] Fire Safety – annually

Appendix 1: Draft 2022 Board and Committee agenda plan



2022 Board and Committee Agenda Planner

St Raphael's Hospice (draft)

This agenda planner sets out meeting dates for 2022 for the St Raphael's Hospice Trustee Board and Committees, with the meeting cycle on a quarterly basis with an annual Strategy meeting also held during the year.

Each meeting will start with: Apologies; Approve minutes of previous meeting; Actions List & Matters arising; Declarations of interest.

Each meeting will end with: Any other business; Date of next meeting. Additional agenda items arising from Board and Committee meetings will be added throughout the year.

Meeting	Date and time	Key agenda items
HR Committee	Tuesday 11 th January, 10am-12pm	Standing items: Volunteer Services; HR Report; Management Plan; Equality & Diversity; Speaking Up High-level staffing structure 2022/23 Departmental Risk Register
Clinical Quality & Governance Committee	Friday 14 th January, 10am-12pm	Standing items: Recruitment/ Staffing update; Clinical Risk Register; Evidence of Excellent Practice Register; Clinical Quality & Governance Report: Clinical Action Plan; Minutes of internal meetings Departmental Risk Register
Finance Committee	Tuesday 18 th January, 10am-12pm	Standing items: Finance Report; Management Accounts & Balance Sheet; Investments; IT & Resources Departmental Risk Register
Communications & Fundraising Committee	Tuesday 18 th January, 1-3pm	Standing items: Income Figures; Update on Donations; Lottery; Garden Appeal; Retail; Supporter Care; Communications; HR and Staffing 2022/23 Fundraising Strategy – high-level priorities Departmental Risk Register
Trustee Board	Wednesday 26 th January, 1-4.30pm	Standing items: Joint CEO Report; Fundraising Report; Committee Chair updates; Equality and Diversity; Governance update 2022/23 Management Plan and Budget – high-level priorities 2021/22 board self-evaluation: framework

Meeting	Date and time	Key agenda items
Trustee Board Strategy meeting	Mid-February/ early March (time TBD based on Trustee feedback)	Review of progress towards EVE strategy & Hospice communications Review of financial position vs five-year targets Review and approval of 2022/23 Management Plan and Budget 2021/22 Board self-evaluation: outcomes
Clinical Quality & Governance Committee	Friday 1 st April, 10am-12pm	Standing items: (see above) Annual review of Committee Terms of Reference
HR Committee	Tuesday 5 th April/ Wednesday 6 th April, 10am-12pm	Standing items: (see above) Annual review of Committee Terms of Reference
	<i>Easter weekend</i>	
Finance Committee	Tuesday 19 th April/ Wednesday 20 th April, 10am-12pm <i>Note: Timing to coincide with C&F Committee for reason above</i>	Standing items: (see above) Annual review of Committee Terms of Reference Annual review of Financial Delegated Authorities
Communications & Fundraising Committee	Tuesday 19 th April/ Wednesday 20 th April, 1-3pm <i>Note: Held towards end of Committee cycle in order for Committee to review latest information on 2020/21 year-end position at meeting</i>	Standing items: (see above) 2022/23 Fundraising Strategy Annual review of Committee Terms of Reference
Trustee Board	Wednesday 27 th April 1-4.30pm	Standing items: (see above) Update on latest estimated 2021/22 year-end financial position Annual approval of Scheme of Delegation and Committee Terms of Reference
Clinical Quality & Governance Committee	Friday 1 st July, 10am-12pm	Standing items: (see above) Clinical Risk Register
HR Committee	Tuesday 5 th July, 10am-12pm	Standing items: (see above) Departmental Risk Register
Finance Committee	Tuesday 12 th July/ Wednesday 13 th July, 10am-12pm	Standing items: (see above) Annual review of pensions Annual corporate governance update (data protection, insurance & compliance activities, policies framework, Health & Safety) Departmental Risk Register
Fundraising & Communications Committee	Tuesday 12 th July/ Wednesday 13 th July, 1-3pm	Standing items: (see above) Departmental Risk Register

Meeting	Date and time	Key agenda items
Board meeting	Wednesday 20 th / 27 th July	Standing items: (see above) Hospice Policy Framework – for approval Hospice Risk Register & summary of Departmental Risk Registers
	<i>Summer break</i>	
Clinical Quality & Governance Committee	Friday 7 th October, 10am-12pm	Standing items: (see above) Annual review of Hospice’s position in local healthcare ecosystem Safeguarding Adults Policy – for recommendation to Board
HR Committee	Tuesday 11 th / Wednesday 20 th October, 10am-12pm	Standing items: (see above) Annual leave allowance 2023/24
Finance Committee	Tuesday 18 th / Wednesday 19 th October, 10am-12pm	Standing items: (see above) 2021/22 external auditors’ report 2021/22 St Raphael’s Annual Report & Accounts – for recommendation to Board
Fundraising & Communications Committee	Tuesday 18 th / Wednesday 19 th October, 1-3pm	Standing items: (see above) Mid-year update on progress vs Fundraising Strategy Fundraising applications pipeline report
Trustee Board	Wednesday 26 th October, 1-4.30pm	Standing items: (see above) 2021/22 external auditors’ report 2021/22 St Raphael’s Annual Report & Accounts – for approval Safeguarding Adults Policy – for approval
Remuneration Committee	Wednesday 7 th December, 10am-12pm	Standing items: Hospice annual pay award; SMT remuneration

Appendix 2: Safeguarding Link Trustee role description

Safeguarding Link Trustee

The St Raphael's Hospice Board of Trustees has legal oversight of the charity, including responsibility for meeting statutory requirements and reporting to Companies House and the Charity Commission of England and Wales. The Board of Trustees also hold collective strategic oversight of the charity, ensuring that ambitious strategic goals are set and worked towards effectively. The Board of Trustees works in collaboration with the Joint CEOs and senior team to make decisions on key issues, offering support and challenge as part of this.

The Board is supported by Committees and also individuals who are appointed to 'Link' roles in order to undertake more in-depth challenge and support on areas of Hospice delivery.

Safeguarding and promoting the mental, emotional and physical welfare of our patients is integral to effective care at St Raphael's Hospice. As a sign of our commitment to Safeguarding, the Board of Trustees has appointed a Safeguarding Link trustee to hold strategic oversight of this area and to receive assurance that the Board duties are being fulfilled.

Committee Membership - This Trustee will be a member of the Clinical Quality & Governance Committee.

Training – The Safeguarding Link Trustee will be provided with Level 3 Safeguarding Adults training.

Role of Safeguarding Link Trustee -

- Know and understand Safeguarding policy and practice and hold the Executive to account in line with statutory obligations, in particular Charity Commission and Hospice UK guidance on Safeguarding
- Understand the board's responsibilities for Safeguarding outlined in the charity's Scheme of Delegation, and key internal policies including the Safeguarding Adults Policy and Code of Conduct.
- Lead on the governance of Safeguarding including the relationship with the Clinical Quality & Governance Committee and lead Executive team member with responsibility for Safeguarding.
- Receive assurance on the appointment of internal appointments of staff members with key Safeguarding responsibilities.
- Request assurance that there are proportionate risk management policies and procedures in place to support the Hospice's strategic Safeguarding priorities.
- Seek assurance on the Key Performance Indicators (KPIs) that underpin high quality outcomes for Safeguarding.
- Have governance oversight of Safeguarding training and ensure the Board are satisfied with the update provided by the Executive on safeguarding at Trustee meetings throughout the year.
- That the Executive are ensuring safeguarding is considered strategically and effective communication supports this.
- Act as an internal point of escalation for any high-risk Safeguarding matters of concern, along with the Chair of Trustees.
- Report to the Board on an annual basis on meetings and activity delivered as part of the Safeguarding Link Trustee role.

Time commitment – two Safeguarding Link Trustee visits each year in addition to attending required training sessions.

Serial	Cause of Risk	Description of Principle Risk to Charity	Current Controls to prevent occurrence	Current Impact	Current Probability	Raw Score	Additional Controls	Residual Impact	Residual Probability	Residual Score	Monitoring Process	Who is responsible for action	Date of last review	Date of next review
1.	Nurse and HCA job offers are being rejected on grounds of pay - inability to recruit and retain IPU and other clinical staff	<ul style="list-style-type: none"> Inadequate staffing for IPU and other services Inability to cover all shifts Staff burnout and further staff losses Reputational damage impairs EVE project 	<ul style="list-style-type: none"> Staff have been flexible to work additional hours IPU patient numbers kept to low level Adverts have attracted strong field of candidates (rejecting offers based on pay) Strong sense of team and purpose 	5	4	25	<ul style="list-style-type: none"> Consider NHS terms and conditions (Outer London Weighting + experience scale) 	3	2	9		Exec	Sep-21	Nov-21
2.	IT systems failure	<ul style="list-style-type: none"> Loss of access to patient data Loss of service functionality Loss of business processes Staff become frustrated with repeat of issues 	<ul style="list-style-type: none"> Backup system in place, Critical data with 2-3 hours turnaround Multiple servers to spread risk Highly qualified and experienced team failover power source 	4	3	16	<ul style="list-style-type: none"> Renewal of all systems completed External support contracted as 24/365 backup Review of internal support structure to be undertaken in 2021 	4	2	12		Exec	Sep-21	Nov-21
3.	Inability to Recruit Sufficient Volunteers to support Income Generation	<ul style="list-style-type: none"> Retail Operation is restricted Supporter Group plans curtailed Lottery Growth delayed 	<ul style="list-style-type: none"> Retail Team being engaged and trained in recruitment and retention of volunteers New Supporter Group Fundraiser drawing up a plan for growing groups Lottery role in budget to support recruitment and management of volunteers Safe volunteering measures in place to re-assure potential volunteers 	4	3	16	<ul style="list-style-type: none"> Comms Plan being drawn up to repeat the recruitment drive of spring on ongoing basis High calibre volunteer to be drafted in to support implementation of plan Admin resource being re-pointed to support Income Generation Volunteer Team 	3	2	9	<ul style="list-style-type: none"> Record of actions to enhance quality of delivery and record compliments to be promoted and completed Engagement with TMA 	Exec	Sep-21	Nov-21
4.	Cyber attack	<ul style="list-style-type: none"> Virus/malware attack Malicious software prevents normal service Problem spreads to other servers Denial of Service Attacks 	<ul style="list-style-type: none"> Anti-virus & anti-malware software is used on all servers & computers These are updated automatically in real-time. Software updates & security patches are applied when needed. Firewalls control unauthorised entry from Internet. Web filtering software prevents users from accessing unsafe websites. Email filtering blocks most unsafe emails. Staff are educated to avoid risks from fishing attacks. Simulated attacks are used to ensure that staff comply. 	4	2	12	<ul style="list-style-type: none"> Replace aging firewalls with up-to-date devices. Regular penetration testing to be adopted to ensure long term protection from remote attacks. 	3	2	9		Exec	Sep-21	Nov-21
5.	Aging staff profile against a backdrop of increasing NHS pay (AFC) and shortage of specialist practitioners	<ul style="list-style-type: none"> Hospice cannot keep pace with increasing staff costs Staff leave to join NHS Service Decline 	<ul style="list-style-type: none"> Work/Life balance is superior at SRH Working environment is more pleasant Staff/patient ratio is lower All clinical staff receive supervision Staff development and training encouraged to raise expertise internally 	4	2	12	<ul style="list-style-type: none"> SRH can further highlight elements of staff welfare and flexibility EVE promotes our working environment and engagement with the vision Enhanced support for education, informally and formally 	3	2	9	<ul style="list-style-type: none"> Monitor feedback through appraisal system Monitor leavers and perform exit interviews Re-introduce Staff Questionnaire (from Sept 2021) 	Exec	Sep-21	Nov-21
6.	Inability to Grow Longer Term Funding Streams	<ul style="list-style-type: none"> Financial Losses continue and cash drains Reputational Damage 	<ul style="list-style-type: none"> Medium term plan includes provision for additional fundraising staff and resources Staff restructure completed to maximise team effectiveness Sufficient funds in place to ensure 3-5 years viability 	3	3	12	<ul style="list-style-type: none"> Mitigation funding has been agreed in principle to ensure time to react to unexpected changes to circumstance and to clear trends that require addressing 	2	2	6	<ul style="list-style-type: none"> Budgets monitored monthly to actual and reforecast KPIs to be introduced for non financial measures Cash forecast to 24 months + 	Exec	Sep-21	Nov-21
7.	Key Staff lost	<ul style="list-style-type: none"> Loss of experience takes time to replace Inability to recruit suitable alternative Leadership is interrupted and momentum lost 	<ul style="list-style-type: none"> Invest in training to enable development Involve key staff in strategy and leadership to add engagement 	4	2	12	<ul style="list-style-type: none"> Ensure career and salary development is monitored pro-actively Recruit and grow in-house succession where possible 	3	1	6		Exec	Sep-21	Nov-21
8.	Data Breach	<ul style="list-style-type: none"> Malware attack steals data Data suffers an accidental leakage Patient or donor confidentiality compromised Loss of Reputation Potential ICO fine 	<ul style="list-style-type: none"> All system data is protected by strong IT system access security and access is regularly reviewed Data is only made available to staff on a need-to-know basis. Data cannot be taken offsite as all writable media (CD/DVD, USB, etc) are disabled except for IT issued encrypted USB pens. Web filtering prevents access to file transfer services. Unauthorised access is prevented by using MAC address authentication on all switch ports & VLANs to segregate data areas. Office 365 emails & other services are encrypted & monitored to prevent unauthorised data transfer. Mandatory training now includes data security for all staff 	3	2	9	<ul style="list-style-type: none"> Review if necessary 	3	2	9		Exec	Sep-21	Nov-21
9.	Key Staff are overstretched through many projects and changes	<ul style="list-style-type: none"> Projects and change are not completed Staff lose vision and momentum Key Staff leave 	<ul style="list-style-type: none"> set realistic time-frames manage expectations and flex time-frame as required ensure budget for suitable resources are in place 	3	2	9	<ul style="list-style-type: none"> acknowledge successes and celebrate advances 	3	2	9		Exec	Sep-21	Nov-21
10.	Staff resilience negatively impacted during long pandemic	<ul style="list-style-type: none"> Inability to continue delivering service to the desired standards Consequential impact on EVE 	<ul style="list-style-type: none"> Peer support implemented for Managers - aim to equip to support staff effectively HR pro-active and available to hear and to escalate issues HR mental health helpline Regular and open communication from senior team Weekly testing for staff to lower anxiety and lower risk of absences Vaccines rolled to most staff 	3	2	9	<ul style="list-style-type: none"> Staff to be offered a period of time to take out for reflection and team social Staff and volunteer party planned for late summer 	3	1	6	<ul style="list-style-type: none"> Manager feedback 	Exec	Sep-21	Nov-21
11.	Financial Fraud (significant sums)	<ul style="list-style-type: none"> Financial Loss Reputational Damage 	<ul style="list-style-type: none"> Two signatures required for all transactions Annual budget set as boundary for activity Monthly review of accounts to budget and variances investigated 	4	1	8	<ul style="list-style-type: none"> Review of financial policies and accountability structures to be undertaken 	4	1	8		Exec	Sep-21	Nov-21
12.	Coronavirus spreads within the Hospice	<ul style="list-style-type: none"> Patients, staff or volunteers suffer CV-19 Reputational Damage 	<ul style="list-style-type: none"> All staff and volunteers Risk Assessed Strong protocols in place for infection control PPE in use - masks continue to be worn in clinical areas Social distancing observed Government Guidance is observed weekly testing and vaccines for all staff 	3	1	6	N/A	3	1	6		Exec	Sep-21	Nov-21

ITEM 06

Joint CEO's Report

Overview

1. The main In -Patient Unit Refresh is now complete. Outstanding items will be concluded in the next few weeks including the ventilation system and snagging.
2. Recruitment of new staff to support clinical services remains a real and current risk related to Agenda for Change (AfC) and associated allowances.
3. Recruitment and retention of volunteers, particularly for retail sector remains a continued risk.
4. Communication with SWL CCG to provide increased support to the hospice associated with the continued impact of Covid on fundraising is ongoing.
5. The annual Staff and Volunteer update took place (in 3 sessions per day) on the 6th and 13th September.

Governance and Finance

6. Annual report and accounts have been presented to the Finance Committee by Buzzacotts. To be presented to the Board at this meeting for approval and sign off.
7. A meeting was held on Friday 10th September with Deputy Director of Finance for Sutton SWL CCG, Geoffrey Price to discuss the continued deficit in fundraising related to Covid, cessation of government grants and challenges of recruiting clinical staff where terms and conditions are at variance with the NHS. Another meeting is planned for early October to review month 6 financial data and construct a case for short term non- recurrent financial support related to the continued Covid impact.
8. Health and Safety checks/updates across the Hospice continue as a matter of routine, monitored by the Quality Manager, supported Hettle Andrews. Mandatory Training on line continues to be encouraged across all teams.
9. Lottery financial management – The Board to be asked to confirm that any funds held which relate to future lottery plays (eg when a year is paid in advance) are assumed to continue to belong to the player and not the charity. They are shown as an asset (cash) and a creditor (income received in advance) in our figures and not included in income until the lottery play occurs. It is kept in a separate bank account and is by way of a “Quistclose Trust”.

Staffing and Recruitment

10. We are currently running with a 15% vacancy rate for clinical staff on the IPU. This poses a potential risk to service delivery over time. Recent interviews for staff have

resulted in refusal of offered posts because of salary/benefit differentials with other NHS providers.

- 11.** Currently nurses and HCAs are working extra shifts to facilitate the IPU remaining functional. Capacity is currently 6 beds. Bank staff are being utilised, however this has limited availability. Agency staff are also being used, but at present there is not always availability of staff with the skill set to support the core team. There is also a general shortage of nurses working for agencies, which further compounds the problem. Night cover remains problematic. Day staff are rotating onto nights to provide cover, but again this has the potential to compromise adequate cover on day shifts. There is concern that staff working extra shifts will become exhausted and that the goodwill demonstrated up until this point will also be impacted. Recruitment of both qualified and HCA staff members is critical to the IPU being able to function at an appropriate level to service patient needs.
- 12.** The Community Palliative Care Team are at full compliment. They remain busy, with noted increasing complexity of referred patients and contacts from patients/healthcare professionals for advice and support at weekends in particular, when other services are not available or providing skeleton service. The increase in patient contacts has resulted in two CNSs being scheduled to work at weekends in order to safely manage the volume of work. This will impact cover Monday to Friday. The H@H team have been impacted by long term sickness in the team, however the service remains active across 7 days, staff numbers permitting. A funding bid was submitted in May 2021 to SWL CCG to enable two further CNS roles to be recruited to support CNS x 2 at weekends.
- 13.** Furlough ceases at the end of September. Staff currently on this scheme will be expected to return to their roles. Where furlough has been associated with health conditions and risk assessment an Occupational Health review will be undertaken prior to return.
- 14.** Housekeeping Manager Sue Davis Evans and Melanie Kirkwood, Team Lead for Hospice Neighbours are both retiring in September. Their retirement tea in the Orangery will be held on September 30th.
- 15.** Interviews for the role of Hospice Neighbour Team Lead are scheduled for Friday 24th September. Interviews for the Housekeeping Manager role TBC.
- 16.** Volunteer recruitment remains a significant challenge particularly for Retail. New campaigns are set to launch to offer opportunities to join the volunteer team and support the hospice. The need to attract volunteers is key to the continued success and viability of the shops to work alongside the paid staff member.

Covid - Related Matters

- 17.** There have been minimal changes to infection control protocols across the hospice. Hand washing on entering the main hospice building continues as does wearing a face mask entering the IPU. Masks are optional in all other areas. Where there are

bigger groups of people, it is suggested that masks are worn. Signs highlighting the maximum numbers per room/office have been removed and replaced with signs reminding people to be aware of social distancing, ventilating the room and wearing masks where there are larger numbers of people meeting together.

18. The Hospice maintains weekly PCR and twice weekly LFT testing. Hospice support for registering tests has now stopped with staff independently registering postal tests.

Income Generation

19. Retail continues to perform well against budget and despite staff shortages most shops have remained opened. Carshalton Beeches remains closed.
20. The Donation Centre in Sutton continues to attract large volumes of donations. On August 21st it extended its offer to sell larger items of furniture etc.
21. Events, challenge events, in memory and supporter group donations are all down over this period, (by £200,000 compared with the same period in 2019). Other areas are performing well but overall we are £100k down on plan. The fundraising team are actively engaged in thinking of innovative ways of engaging with donors to raise monies, but as there continues to be social hesitancy this remains challenging.
22. The first Corporate Partner Awards are scheduled for Friday September 17th in St Bede's Conference Centre. These awards will recognise the support local business partners have given to the Hospice. The event will provide an opportunity for networking, consolidation of existing and new relationships as well as acknowledging the support given by these business partners and the benefit to the Hospice.
23. The Communication Team are actively engaged in highlighting our hospice profile on social media. Engagement with Twitter, Linked- In and Face Book are regular outputs.

External Engagement

24. Two external events are planned for October. The Interfaith Afternoon has been scheduled for Monday 18th October 13.00 –16.00. Faith Leaders have been invited to represent the varied faith groups across Sutton Merton. We would like to hear from them what their community's need from the hospice and how we can engage more co-operatively to support people at the end of life. On Monday 25th October we are hosting an event for Sutton Afro Caribbean Community (SACCO) titled, "Exploring the Covid impact on Grief and Bereavement. The audience will be people from the Sutton area who are members of SACCO, some of whom may have suffered a bereavement over the last 18 months possibly related to Covid. We were hoping to make the session interactive so some group work/exercises as well as a talk delivered by Steve Molyneux, to engage the group and hear their experiences, which will hopefully start an informative discussion.

- 25.** The Ishmali Community are attending the Hospice on the weekend of 25/26th of September to undertake gardening support including planting of roses in the rose garden beside 759. They will be supervised and supported by Pete Morris.(Facilities)

Operations

- 26.** The IPU refresh has been completed except for the remaining snagging items which will be sorted over the next few weeks. John Groom, the project lead, has kept the project to time and within budget. A real achievement. He has been supported by all the members of the project team, Steve Cresswell, Rebecca Trower, Paula Di Palmer, Tracey Young, Dr Jenny Strawson and Julie Ford. We would like to acknowledge and thank them everyone involved.
- 27.** Installation of the new ventilation system which commenced the week of July 19th continues. It is hoped it will be completed in the next couple of weeks.
- 28.** The IT team remain extremely busy with multiple projects supporting the upgrade of IT infrastructure to enhance functionality for all teams.

Staff Wellbeing

- 29.** Staff Wellbeing: HR routinely remind staff of the details of the Employee Assistance Programme (EPA). All staff are encouraged to take their annual leave to ensure they have time away from work for rest and relaxation.
- 30.** As part of recognising the impact of Covid on all our staff, across August and September they have been offered £15.00 per head to go out together in their respective teams, to reconnect, reflect and relax. Most teams have gone out in the evening after work with others taking a longer lunch break to spend time together.
- 31.** The Staff and Volunteer picnic held on Sunday 29th August was an enjoyable occasion enjoyed by everyone who attended. There was a lovely mix of staff and volunteers from across all teams. The pizza, Pimm's and ice-cream went down a treat. We were so lucky that the sun shone for most of the afternoon. Tours of the IPU to see the improvements were facilitated by two members of the IPU team, SN Julie Ford and HCA Samantha Dunmall. Feedback from people who saw the unit was very positive.
- 32.** The newly refreshed and updated IPU will provided a bright and contemporary environment for our team to work in. Improved light and ventilation will support an enhanced working environment for the team which it is hoped will have a positive impact on their wellbeing.
- 33.** We would like to acknowledge and thank the various team members who have actively led and supported the recent works on the IPU, as well as all our staff across teams who have demonstrated such flexibility over the period of the IPU closure.

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Your ref S0617/EAF/MRK

Dear Buzzacott LLP

Audit representations – St Raphael’s Hospice

This representation letter is provided in connection with your audit of the financial statements of St Raphael’s Hospice (‘the charity’) for the year ended 31 March 2021 for the purposes of expressing an opinion as to whether the financial statements are true and fair, in all material respects.

We confirm that the following representations are made on the basis of enquiries of the directors/trustees, management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you:

1) General

We have fulfilled our responsibilities under the Companies Act 2006, as set out in the terms of engagement letter dated 11 February 2021 for the preparation of the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) which give a true and fair view and for making accurate representations to you as auditor.

We confirm that all the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the charity have been adequately reflected and recorded in the accounting records. All other records and related information, including minutes of trustee and management meetings, have been made available to you. We have provided additional information that you have requested from us for the purposes of the audit and we have given you unrestricted access to persons within the charity in order to obtain audit evidence.

2) Going concern

We believe that the charity's accounts should be prepared on a going concern basis on the grounds that, based on the charity's assessment of the feasibility of future plans, current and future sources of funding or support will be adequate for the charity's needs.

We confirm that we have considered the impact of the ongoing Coronavirus pandemic on the charity's operations, with a particular focus on its effect on the charity's financial position including the charity's income, expenditure and reserves; the charity's beneficiaries; and the charity's employees.

While we acknowledge the disruption caused by the pandemic to the charity's day-to-day operations, we confirm that we do not consider this to be cause for material uncertainty with respect to the charity's ability to continue as a going concern. We consider that the charity has sufficient liquid resources to continue for the foreseeable future, despite the current crisis.

We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the accounts. In assessing going concern, we have paid particular attention to a period of not less than one year from the date of approval of the accounts.

3) Accounting policies

We believe that the accounting policies and estimation techniques adopted for the preparation of the financial statements are the most appropriate to the circumstances in which the charity operates.

4) Fraud

We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud, and have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We are not aware of any irregularities, including fraud and suspected fraud, involving management, employees who have significant roles in internal control, or those employed by the charity where the fraud could have a material effect on the financial statements. No allegations of such irregularities or breaches have come to our attention.

5) Laws and regulations

Details of all laws and regulations that are fundamental to the operation and activities of the charity have been made available to you. We confirm that we have informed you of that no serious incident reports have been made to the Charity Commission.

We are not aware of any breaches or possible breaches of statute, regulations, contracts, agreements or the charity's Memorandum and Articles of Association which might prejudice the charity's going concern status or

that might result in the charity suffering significant penalties or other loss. No allegations of such breaches have come to our notice. We are not aware of any reason why the tax status of the charity may be jeopardised.

6) Loans and arrangements

The charity has not had nor entered into at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit facilities) for trustees nor to guarantee or provide security for such matters.

7) Liabilities, provisions and contingencies

Except as stated in the financial statements, there are no unrecorded liabilities, actual or contingent. Other than those disclosed in the financial statements, we are not aware of any material provisions, contingent liabilities, contingent assets or contracted for capital commitments, that need to be provided for or disclosed in the financial statements.

8) Related parties

We confirm that we have disclosed to you the identity of the charity's related parties and all of the transactions with those parties of which we are aware. Other than those included in the financial statements, the charity has not entered into any transactions involving trustees, officers or other related parties, which require disclosure under the Companies Act or Financial Reporting Standards.

9) Post balance sheet events

There have been no events since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. Should further material events occur, which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.

10) Grants and donations

All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been identified in the financial statements and accounting records appropriately or otherwise notified to you. There have been no breaches of terms or conditions during the period in the application of such income.

During the year, the charity received a cash grant of £3,600,000 from the Congregation of the Daughters of the Cross of Liege towards strategic investment in the new charity. This has been included in deferred income and will be released to the Statement of Financial Activity in line with the conditions of its use. Since the grant is designed support the Hospice through loss making periods as it carries out its strategic plan to become a viable, independent entity, the income will be released in line with projected future deficits. We believe that this

accounting treatment is consistent with the principles of the funding agreement and the requirements of the Charities Statement of Recommended Practice (FRS 102).

11) Accounting estimates

The methods, the data, and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

The key assumptions used relate to:

- The recognition and deferral of income;
- Assessing the probability of receiving legacies of which the charity has been notified;
- Estimating the value of the gift in kind of properties occupied under a peppercorn rental agreement with the Congregation of the Daughters of the Cross of Liege; and
- Determining expected future income and expenditure flows for the purpose of assessing going concern.

12) Adjustments

We confirm that we have agreed the adjustments detailed in your post-audit report which have been made to the statement of financial activities and balance sheet which we presented to you for audit.

13) Unadjusted misstatements

We confirm that the reason why the misstatements that you have brought to our attention in your post-audit report have not been adjusted is that the trustees believe that the combined effect is not material to the truth and fairness of the financial statements.

14) Ethics

We confirm that we have been notified by you that there are no matters which you are required to raise with us to comply with your profession's ethical guidance which are in addition to the matters included in your planning letter to us dated 27 April 2021.

Yours faithfully

Signed on behalf of the trustees of
St Raphael's Hospice

Date:

St Raphael's Hospice
Minutes of a Meeting of the Finance & Resources Committee
Held using at St Raphael's Hospice
At 14:00 on Tuesday 7th September 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)
 Eddie Finch (Audit Partner, Buzzacott – EF – item 2- attending virtually)
 John Groom (IT & Facilities Manager – JG)
 Neena Vadgama (Finance Manager – NV)
 Anna Machin (Clerk – AM – attending virtually)

Actions arising

Agenda item	Action	Responsible	Timeline	Ref.
2. 2020/21 annual accounts	Share accounts, letter of representation and management letter with Board for approval	Nick Stevens, Anna Machin	22.09.21 Board meeting	07.09.2021/01
5a. Management accounts	Report to Board on financial risks, mitigations and impact on long-term financial projections	Nick Stevens, Gail Linehan	22.09.21 Board meeting	07.09.2021/02
5b. Update on investments	Share letter of recommendation to appoint Sarasin as investment advisor with Board Chair and Board	Joe Ryan	By 22.09.21 Board meeting	07.09.2021/03

The meeting commenced at 2pm

1. Welcome, apologies for absence and declarations of interest

Committee members were welcomed to the meeting. Apologies were received and accepted from Paul Holmes. There were no declarations of interest in relation to items on the meeting agenda.

2. 2020/21 annual accounts

The Chair welcomed Eddie Finch to the meeting and invited key points on the annual report and accounts to be highlighted by the external auditor:

The 2020/21 financial period encompasses a period of dormant activity before the transfer of staff and assets on 31st October 2020. It also includes the significant grant from the Daughters of the Cross (DoC) charity as part of this transfer, and the grant will be held as deferred income on the balance sheet and released gradually over coming years.

The Strategic Report includes key information on the charity, activity during the year and also the transition to independence from DoC. The Report has been checked to ensure it includes all information that is legally required.

The Financial Review and Reserves Policy (page 6) shows that the overall result for the year is a surplus, supported in part by an exceptional legacy, government funding to counteract the impacts of Covid-19 and the one-off transfer from the DoC. The reserves target has been set at 3-6 months' of operating expenditure, which is £1.8-£3.6m. Current reserve levels are slightly higher than this upper threshold.

The Going Concern section (page 7) describes the impact of Covid-19 on the Hospice's finances and long-term plans to reach a more sustainable funding base.

The Principal Risks and Uncertainties (page 10) were felt by the external auditors to be reflective of the charity's key risks and operating environment and Trustees are encouraged to review in detail to ensure this reflects the organisation's current risk register.

The Fundraising Disclosures (page 13) include information on general fundraising activity and also disclosures expected by the relevant regulators.

The Auditor's Report (page 14) declares that the auditors believe the accounts give a true and fair view of the Hospice's financial position and follows all relevant legislation and requirements. Buzzacott is issuing an unqualified audit opinion. The auditors have also undertaken more in-depth work with clients this year, compared to other years, on Going Concern and long-term financial projections. The auditors have found no material uncertainty or Going Concern risk to raise with Trustees.

The Statement of Financial Activities (page 17) shows a total income of £8.11m, of which £3.4m represents the transfer of the operational net assets from DoC. The level of expenditure of £3m is primarily from the 5-month period from October 2020 onwards. The accounts show a £5.07m surplus, although the underlying operational result would have been a surplus of £0.9m without DoC and government funding. £5.29m is carried forward at the end of the financial year, also aligns with the figure on the Balance Sheet (page 18). There are £1.6m creditors due within one year, of which £1m is funds due to be released from DoC. The Hospice holds £0.275m restricted funds, £1.2m designated funds, and £3.8m general fund reserves.

The Committee thanked Eddie Finch for the presentation, and received assurance on the Hospice's approach to legacy recognition. Nick Stevens thanked the Buzzacott team for work delivered on the audit and presentation.

The Committee recommended the St Raphael's Hospice Annual Report and Accounts to the Board for Trustees for approval at the 22nd September Board meeting. The Letter of Representation and Auditors' Management Letter would be included in the Board paper pack, and the accounts would be signed shortly after this meeting.

3. Review of minutes from 6th July 2021 Committee meeting

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

4. Actions List and update on matters arising

The Committee reviewed the actions arising from the previous meeting:

- Provide Finance Report on (a) reasons for Banstead shop income sitting below target, (b) updated report format – this information and the updated format were reflected in the Finance & Resources Report.
- Review timing of Finance Committee meetings in 2022 – the 2022 timetable is in progress and will be presented to the 22nd September Board meeting.
- Identify, approach and meet with potential investment advisors – an update would be provided under item 5b.
- Support with development of Investment Policy – this would be pursued as an outcome of the discussion under item 5b.
- Take forward approach to Haysmacintyre, Mazars and Buzzacott regarding external audit retender – this would be progressed following submission of the 2020/21 annual report and accounts.
- Add number of employees to RAG Report – these were available to Committee members, to be added to the Report in follow up.

5. 2021/22 Year to Date Finance Report

a. Management accounts & year to date income and expenditure to 31 July 2021;

Balance sheet & cash movements – Nick Stevens focused the Committee discussion on Donations and Shops income. Donor income is sitting as £98k below plan (28%), and forecasting ahead the Hospice would end the year at £250k below budget, if this trajectory is maintained. Historical information included in the Finance & Resources Report analyses at each type of fundraised income and donation levels:

- Appeal income has increased year-on-year particularly over the past 18 months during Covid-19, including through postal, online and Lavender Walk donations
- Challenge, Community and Events income have both decreased significantly due to Covid-19 restrictions and there is likely to be a 6-month lag on receiving funds if supporters start planning events in autumn 2021
- Corporate income has been constant, and local companies are also providing in-kind donations to the Hospice
- In memoriam gifts have remained relatively steady in past years but 2021 income has been lower, and the level of donations may have been inhibited in part by family not having been able to visit the Hospice with patients due to Covid-19 restrictions.
- Lottery is running at a steady level but it will need to increase from 2022/23 onwards and the preparation for this has also been delayed, in part by COVID.
- Shops have performed above budget at £360k compared to £316k year-to-date. The Ebay transition has been delayed due to technical difficulties and the opening of the Carshalton Beeches shop has been deferred. Whilst Shop staffing is at capacity, recruitment of volunteers remains a challenging issue. The current run-rate if projected forwards indicates that Shops could bring in £960k vs a target of £1m and the Sutton Donation Station opening may make up these funds. Many of the Shops are already beginning to operate at the level it had been expected from 2022/23 onwards, however Raynes Park and Rosehill are underperforming, and so the reasons for this are being explored.

Committee members asked about plans in place for volunteer further outreach. Nick Stevens confirmed that from advertising in local press, radio, online and in shops, 100 volunteers recruited for one-off shop reopening activities had converted to 50 ongoing volunteers. The Hospice will conduct periodic campaigns with the aim to increase from 100 current volunteers to 200. Many prior volunteers have not been able to return due to Covid-19.

Nick Stevens also raised the concern that the Hospice had been offering staff roles to high-quality candidates for HCA and nursing roles, who had turned down working at the Hospice due to lower pay levels at St Raphael's compared to local Hospitals and other Hospices. These pay either the Outer London Weighting or Fringe Allowance. There are around 6 vacancies in IPU and there is a concern that this would inhibit the Hospice's ability to maintain service in the short- to medium-term.

It is projected that increasing pay to match the Agenda for Change levels at local Hospitals would cost £200k per annum. It was explained that the risk of not competing with local rates was both imminent and significant. Meeting the additional costs could be met through a combination of a small restructure impacting 2-3 roles, along with reduction in the *projected* marketing, training and events budgets, whilst still ensuring that the essence of the EVE project is not put at risk. Discussions would also be held with CCG to seek additional support.

Committee members asked for further detail on the costs that could be reduced. Nick Stevens confirmed that this could encompass:

- Lowering the proposed future expenditure on training from £70k to £50k to save £20k – historically this has run at a round £30k and is likely to again this year.
- Lowering the Comms and Events projections from £240k to £200k to save £40k – this has historically run at around £130k and so there remains a significant increase
- A further £50k could be saved via a small number of staff redundancies
- Assuming that investing our medium to long term cash can give rise to £80k net increase in income, the remaining £10k could be found from other budgets

Gail Linehan updated that a meeting was also being held with representatives from the CCG in Merton, Sutton and Wandsworth to communicate this challenge and discuss potential funding opportunities.

Nick Stevens confirmed that whilst the year-to-date financial position was better than expected due to early legacy income, with lower Donation income it is still expected that the Hospice will end the year at or around the budgeted position.

Committee members understood the reasons for the reduced income in Donations, that would impact both the current budget and future projections. Committee members requested a report to be submitted to the Board at the 22nd September meeting on the key risks, mitigations and impact on the long-term reserves projections.

- b. Update on investments** – Joe Ryan updated on three meetings held with potential investment advisors. Out of the three firms, Sarasin had been the preferred advisors. Joe Ryan had drafted and shared a letter to the Board Chair which had been shared with Committee members.

Committee members discussed the potential level of funds available to invest of the current £6m cash balance, depending on the Hospice's cashflow needs over the next five years. The DoC grant of £3.6m had been given to meet anticipated in-year deficits over this time period, and so £2-2.4m would be the likely amount available to invest. This may increase depending on in-year legacies and an improvement in Donation income.

The Committee agreed to recommend Sarasin to the Board. On this basis, Joe Ryan would submit the letter to Norman McWhinney as Board Chair. Subject to approval at the Board meeting, Joe Ryan would confirm the appointment of Sarasin following the Board, and arrange a meeting and discuss investment options and financial projections in more detail.

- c. **IT and Facilities** – John Groom confirmed that the IPU refresh had been delivered to plan and the Committee congratulated the team for delivery of this project. Trust fundraising has been received towards the IPU through close working with fundraising team with 6 months' lead-in time. The change of ventilation system is running to time and budget and work on the Men's Den building will commence in March 2022.
- d. In terms of IT, shop PCs have been replaced with some devices being upgraded in Hospice. Wireless Access Points and network switches are being rolled out.
- e. **KPI Report** – the Committee noted the KPI Report.

6. Any Other Business and Dates of future meetings

There were no further items raised under Any Other Business. The next meeting is due to take place on Wednesday 10 November at 2pm.

The meeting ended at 3.45pm.

Approved.....

Date.....

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

25 August 2021

Our ref S0617/EAF/MRK

Ladies and Gentlemen

Post-Audit Report – Year ended 31 March 2021

The purpose of this letter is to bring to your attention the findings from our recent audit of the financial statements of St Raphael's Hospice (the Hospice) for the year ended 31 March 2021. We appreciate that you will already be aware of some of the matters contained in this letter. However, in accordance with International Standards on Auditing (UK) (ISAs) we are communicating them to you formally.

1. Purpose of the audit

Our work during the audit was performed with a view to expressing an opinion on the financial statements for the year ended 31 March 2021 and other matters required by legislation.

Our audit work included consideration of the internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your system of internal control.

The matters being reported are limited to those that were identified during the audit and that we conclude are of sufficient importance to merit being reported to those charged with governance.

2. Audit progress

We are pleased to report that the audit, from our perspective, progressed smoothly and in accordance with the agreed timetable.

We would like to take this opportunity to thank all those with whom we dealt during the audit for their assistance and co-operation, in particular Neena Vadgama and Nick Stevens.

3. Annual report and financial statements' format

The financial statements have been prepared, as last year, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102).

The Hospice incorporated as an independent legal entity on 18 December 2018 and its first set of statutory accounts, for the period ended 31 March 2020, contained only a small number of transactions. As such, the disclosures required in these accounts were minimal. The statutory accounts for the year ended 31 March 2021 contain considerably more detailed disclosure notes as a result of the transfer of net assets from the Congregation of the Daughters of the Cross of Liege on 31 October 2020.

The format of the new, independent entity's accounts is similar to the "works" accounts prepared annually for the purpose of aggregation into the accounts of the Daughters of the Cross, although management has taken the opportunity to reformat the presentation of the trustees' report and notes to the financial statements.

Other than the above, there are no significant changes to the format of the financial statements this year.

4. Auditor's report

The Charity's first set of accounts did not require a statutory audit and as such, an independent examiner's opinion was issued for the period ended 31 March 2020.

Our audit report for the year ended 31 March 2021 is broadly similar to the audit report previously issued on the "works" accounts prepared annually for the purpose of aggregation into the accounts of the Congregations Daughters of the Cross of Liege, but is made directly to the members of St Raphael's Hospice in accordance with the Companies Act 2006, rather than the members of the Congregation and the Chief Executive of the Hospice, and refers throughout to the Trustees of the independent Charity throughout rather than the Management Team and the Chief Executive of the Hospice.

Following recent changes to the International Standards on Auditing (UK), our auditor's report has also been updated to include:

- an explanation as to what extent our audit was considered capable of detecting irregularities, including fraud; and
- revised wording for our conclusion relating to the trustees' use of the going concern basis of accounting and the identification of any material uncertainties that may cast significant doubt on the charity's ability to continue as a going concern.

We do not propose any modifications to our audit opinion and, therefore, we intend to issue an unqualified opinion in our auditor's report.

5. Adjustments made during the audit

A list of the adjustment proposed as a result of our audit is included in Appendix A to this letter. We will obtain representations that you, as trustees, concur with these adjustments.

6. Unadjusted misstatements

We enclose a list of misstatements identified during our audit which remain unadjusted at Appendix A. The list does not include items which are considered to be clearly trivial. We will obtain written representations from you, as trustees, that these are not to be adjusted, due to their lack of significance to the overall result portrayed by the financial statements.

7. Accounting policies, accounting estimates and disclosures

The accounting policies used in preparing the financial statements are broadly unchanged from the policies used in the "works" accounts prepared annually for the purpose of aggregation into the accounts of the Congregations Daughters of the Cross of Liege. They have, however, been updated to:

- Remove the "Scope" policy which explained the form of the "works" accounts and is no longer relevant to the independent legal entity;
- Explain the Hospice's new VAT recovery mechanism under the s33c VAT refund scheme for hospices;
- Refer specifically to the basis for the deferral of the £3.6m grant from the Congregation of the Daughters of the Cross of Liege;
- Explain the recognition of a gift in kind for the occupancy of the hospice's land and buildings on a peppercorn rental agreement with the Congregation of the Daughters of the Cross of Liege; and
- Include policies in respect of all material income streams.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the charity. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the charity.

We have no specific observations to make in this regard.

8. Letter of representation

We have provided management with a copy of the final draft letter of representation which we will request the trustees to approve and sign at the same time as the financial statements.

9. Prior year's post audit-report

There were no issues raised last year which required follow-up in the current year.

10. Significant deficiencies in the accounting and internal control systems

Our work during the audit included an examination of some of the charity's transactions, procedures and controls with a view to expressing an opinion on the financial statements for the year ended 31 March 2021.

We found no significant deficiencies in the accounting and internal control systems during our audit.

11. Other deficiencies in the accounting system and financial reporting function

We noted during our audit that there were some instances where gift aid declarations from donors were not available for review. We also noted that the older balances on the Charity's fixed asset register were not clearly itemised and may no longer be in use. We understand, however, that the charity is currently undertaking exercises to ensure that the gift aid declarations are up-to-date and reference the new charity, and also that the fixed asset register is complete and accurate. We therefore have no practical recommendations to make in respect of these observations, other than that the charity completes these exercises in due course.

We have no further observations or recommendations to make regarding the Charity's accounting system and financial reporting function.

12. Professional ethics

In accordance with our profession's ethical guidance and further to our letter to you dated 11 February 2021 confirming audit planning arrangements, there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

13. Current developments

We have attached a summary of recent and ongoing developments in the charity sector in appendix B to this report.

14. Updates, insights and seminars

As part of our commitment to the charity sector, during the year the Charity Team issues occasional Updates and Insights on matters of relevance to the sector and also holds a number of seminars free of charge throughout the year. We would be delighted to welcome representatives of your charity to our seminars (as and when the ongoing pandemic and Government guidelines allow) or to add trustees and management to our email distribution lists if this would be welcome.

Conclusion

This report has been prepared for your private use only. It has been prepared on the understanding that it will not be shared with any third party without our prior written consent and we can therefore assume no responsibility to any other party. The advice contained herein is based on the information you have provided and UK law and judicial and administrative interpretation as of the date of this report. Should the facts provided to us be incorrect or incomplete or should they change, our advice may be inappropriate. Buzzacott LLP accepts no liability for losses arising from changes in UK law, interpretation or practice or in public policy that are first published after the date of this report.

If you require any further information or assistance, we shall be very pleased to help you.

We would be pleased to receive your comments and reaction to this letter.

Yours faithfully

Appendix A: Audit adjustments and unadjusted misstatements

Audit adjustments

AUDIT ADJUSTMENTS		Statement of financial activities		Balance sheet	
Description		Debit (£)	Credit (£)	Debit (£)	Credit (£)
1	DR Staff costs CR Other income – Coronavirus Job Retention Scheme grants <i>Being a presentational adjustment to gross up Government CJRS grants to show the amounts receivable as income rather than negative expenditure.</i>	136,249	136,249		
2	DR Support costs CR Donations – Gift in Kind <i>Being an presentational amendment to increase the value of the Gift in Kind recognised in respect of the lease of the Hospital's land and buildings from the Daughters of the Cross following a review by the charity's surveyor (based on 5/12ths of the agreed value of £270,000).</i>	62,500	62,500		
3	DR Transfer from the Congregation of the Daughters of the Cross of Liege – Designated Funds CR Transfer from the Congregation of the Daughters of the Cross of Liege – General Funds <i>Being the presentational correction of the split between funds of the net assets transferred in from the Daughters of the Cross.</i>	29,000	29,000		
4	DR Accrued income CR Legacy income <i>Being the remeasurement of the Freda Thompson legacy accrual following a post-year end receipt (identified by the Hospice).</i>		310,000	310,000	

**St Raphael's Hospice
Post Audit Report
For the year ended 31 March 2021**

Adjustments 1-3 are purely presentational; the impact of the adjustment 4 on the Hospice's net movement in funds was an increase of £310,000.

Unadjusted misstatements

UNADJUSTED MISTATEMENTS		Statement of financial activities		Balance sheet	
Description		Debit (£)	Credit (£)	Debit (£)	Credit (£)
1	DR Accrued income			15,800	
	CR Legacy income		15,800		
<i>Being the recognition of a legacy receivable at the year end.</i>					
2	DR Deferred income			42,500	
	CR CCG Grant income		42,500		
<i>Being the write-off of an historic deferred income balance.</i>					

Had the above adjustments been made, the impact on the Hospice's net movement in funds would have been an increase of £58,300.

Other presentational adjustments

As part of our review of the accounts, we also proposed the following presentational adjustments:

- The inclusion of a "Net movements in funds are stated after charging..." disclosure in note five to the financial statements, giving details of the auditor's remuneration, staff costs, depreciation charge and payments made under operating lease rentals during the year, which is a requirement of the Companies Act 2006.
- The amendment of the disclosure of the aggregate remuneration of Key Management Personnel to £154,251 in order to match the Hospice's workings and payroll record.

Coronavirus

Updates relating to the ongoing Coronavirus pandemic can be found on our website at:

<https://www.buzzacott.co.uk/news/responding-to-the-impact-of-covid-19>

Trustees' Annual Report and Accounts

Annual report and impact reporting

Charity Finance has unveiled a best practice template on how best to compile an annual report which focuses on the impact a charity has on its beneficiaries. The template is split into four key sections:

1. Purpose and impact: An explanation of why the charity is relevant in 2020 is considered more important than the history of the charity with emphasis on how the charity gathers evidence of outcomes.
2. Values and ways of working: A description of how the charity operates and reaches the targeted beneficiaries, including a policy on remuneration and how it engages with various stakeholders.
3. Operating model and risks: Information on the processes in place and how the charity uses volunteers, works with partners and raises funds.
4. Governance and decision-making: This section should take into account how trustees provide oversight over the charity's day-to-day operations.

An example of the template is available at:

<https://www.civilsociety.co.uk/uploads/assets/8533e1e4-3a68-494b-a99d1e80a4cfbd10/Illustration-report-by-Kate-Sayer.pdf>

Policy and governance

Transparent and accountable governance

In June 2020, the Charity Commission issued an alert for charities emphasising the importance of transparent and accountable governance. This alert was sent to trustees of large charities with complex governance and management structures that are in a service-providing industry (e.g. health, education, disaster relief etc).

The alert was prompted following a Charity Commission investigation into the Royal National Institute of Blind People (RNIB) which found that some beneficiaries were being placed at undue risk of harm through what it describes as systematic weaknesses at senior levels including having a culture of dismissiveness toward Ofsted or CQC criticism, inadequate staff training and an overreliance on agency staff leading to poor recruitment practices.

The full report can be read at:

<https://www.gov.uk/government/news/rnib-failures-led-to-some-children-in-the-charitys-care-being-harmed-says-watchdog>

As a result of the RNIB investigation, the regulator has provided an alert to remind trustees, senior executives and staff of such charities on the best practice approach to good governance.

Trustees

The role of a trustee is to ensure robust oversight of the charity's operations and structure. Trustees may choose to delegate significant decision-making authority to senior executives and communication needs to be regular and effective. Trustees should also undertake an annual review of the charity's approach to identifying, prioritising and managing risks and establish a timely process for making and handling any complaints against the charity. The alert also suggests that clear lines of responsibility and reporting between all governance and management committees need to be made and that each body has the right mix of skills and is guided by appropriate terms of reference.

Executives

An executive should have effective oversight of the charity's operations and have the confidence to fully disclose any incident to trustees, regulators or agencies on a timely basis. The Charity Commission encourages regular reporting to the Board on significant incidents which should also include a summary of how such incidents are managed and mitigated. Executives also need to provide assurance to trustees on the quality and safety of the charity's activities and need to have confidence in third party suppliers if used on how they carry out their work.

Staff

Service-providing charities make use of front-line staff or volunteers who serve and interact directly with beneficiaries, who are often vulnerable, and it is important that safeguarding responsibilities remain a top governance priority. The alert highlights the following points for charities to consider:

- Establishing safeguarding policies and procedures that all stakeholders follow;
- Ensuring there are skilled, trained staff/volunteers/trustees to protect people;
- Appointing a senior safeguarding lead to help co-ordinate the charity's safeguarding strategy through engagement both internally and with other agencies and partners; and
- Reviewing the charity's safeguarding arrangements on a regular basis.

The Charity Commission's full alert can be read at:

<https://www.gov.uk/government/publications/alert-for-charities-the-importance-of-transparent-and-accountable-governance/alert-for-charities-the-importance-of-transparent-and-accountable-governance>

Charity Commission review

The Charity Commission has undertaken a thematic review of complaints they have received about charities between April and June 2019. During this time, the regulator received 600 reports about charities which fell below the threshold of direct regulatory action where the charity had taken appropriate action already or because they were not serious enough to warrant action. However, an in-depth analysis of 200 of these complaints was carried out and four key themes were identified:

1. Personal connection: People making complaints are usually people who are known to the charity (e.g. a supporter, volunteer, trustee or beneficiary);
2. Accountability: Ensuring stakeholder involvement in decisions a charity makes is important as well as making sure a charity's annual accounts tell a complete and accurate story of the year;
3. Public trust: Transparent decision making and the management of any conflicts of interest is vital and trustees must always act in their charity's best interests; and
4. Tone at the top: How policies and procedures are implemented and monitored are as important as the policy itself and how a charity responds to unexpected situations will ultimately result in how successful a charity is.

The Charity Commission concludes that charities should lead the way in taking public expectations seriously which gives the sector a better chance of flourishing through the retention of the personal, emotive investments people make in them.

The full review can be read at: <https://www.gov.uk/government/publications/every-complaint-matters-a-thematic-review-of-complaints-about-charities/every-complaint-matters-a-thematic-review-of-complaints-about-charities>

External scrutiny benchmark

In conjunction with charities and the accounting profession, the Charity Commission has published an 'External Scrutiny Benchmark' with the aim to help charities meet a minimum standard in their annual accounts. This enables the public to read the accounts with confidence as it will act as a mechanism to check that a minimum standard of work has been undertaken by a charity's auditors or independent examiners. The benchmark helps to facilitate the regulatory case work carried out by the Charity Commission by identifying the external scrutinies that fail to meet the benchmark.

The benchmark comprises 15 basic criteria including whether there is a trustees' report, the inclusion of a correctly worded auditor's report (or independent examiner's report) and checks the accounts add up correctly and whether the accounts are internally consistent (e.g. closing funds on the statement of financial activities being the same as the balance sheet).

The benchmark also refers to a number of commonly missed disclosures with the requirement for the statement of financial activities to incorporate an income and expenditure account and details of related party transactions.

Trustees should use this benchmark tool to perform simple checks on the accounts before approval as this will help ease the Charity Commission's concerns of accounts being inaccurate, out-of-date and not providing the information required to be held accountable to donors, beneficiaries and the general public.

It is important to note though, that although the benchmark covers the vast majority of charities, it does not cover Common Investment Funds, Common Deposit Funds or educational or housing charities that do not prepare their accounts in accordance with the Charities SORP.

A link to the benchmark can be found at: <https://www.gov.uk/government/publications/a-benchmark-for-the-external-scrutiny-of-charity-accounts/a-benchmark-for-the-external-scrutiny-of-charity-accounts>

Charity Governance Code – what has changed?

The Charity Governance code is a simple tool for charity trustee boards to ensure their governance structures are fit for purpose. It sets out seven principles of good governance for charities of all shapes and sizes in England and Wales. A consultation on refreshing the Charity Governance Code was launched by its “steering group”, made up of ACEVO, the Association of Chairs, the Chartered Governance Institute, NCVO, SCC and WCVA, in November 2019 and came to an end on 28 February 2020.

Following the consultation, the steering group have refined two of the seven principles: the Equality, Diversity and Inclusion (EDI) Principle and the Integrity Principle.

The steering group believe that great EDI practice sits at the heart of good governance, and that in order to effectively deliver their public benefit, boards must focus on achieving equality of outcomes carrying out their charitable purpose. To make better and more informed decisions, boards must be diverse. Societal power imbalances must be prevented from playing out in the boardroom. In addition to this, the committee believe EDI has the power to create social justice, in boardrooms, organisations, across the charity sector as a whole and ultimately throughout society.

It is recognised that all charities are at different stages in their ongoing diversity journey. Four stages of recommended practice for charities have been set out. Boards should:

- Think about why EDI is important for their charity and assess the current level of understanding.
- Set out plans and targets tailored to each charity and its starting point.
- Monitor and measure how well a charity is doing, based on context specific goals set by the charity.
- Be transparent and publish the charity's progress.

Alongside EDI, the Code's Integrity principle has been updated. In the last couple of years, the charity sector has learnt a lot about integrity and safeguarding, and the harm that can be caused when integrity is abused. Integrity in charity governance is much more than managing funds and financial assets well. It is also about values, ethical principles in all decision-making and creating a welcoming and supportive culture.

Following the Charity Commission's safeguarding regulatory alert last year, the committee have put further emphasis on the right of everyone who comes into contact with a charity, including staff, volunteers, partners and beneficiaries – to be safe and to know how to speak up and raise concerns.

More information on the Charity Governance Code, and the updated principles, can be found at: <https://www.charitygovernancecode.org/en>

Fraud and cybercrime

The Government has published a comprehensive guide on how charities can protect themselves against fraud and cybercrime. The guide covers all aspects of fraud and cybercrime with useful links to relevant organisations that combat fraud in charities.

The guidance determines eight overarching principles for tackling fraud:

1. Fraud will always happen, even at charities;
2. Threats are constantly changing so it is important for charities to be able to adapt defences quickly;
3. Prevention mechanisms are better than cure;
4. Fraudsters exploit the trust and goodwill of a charity;
5. It is good to discover fraud as this is the first step in fighting fraud;
6. Report all fraud on a timely basis to Action Fraud, the relevant regulator or police;
7. Responses to fraud should be proportionate to the charity's size, activities and fraud risks;
8. Everybody involved in the charity should help fight fraud, especially trustees.

The fraud section of the guidance covers a broad range of issues, including how fraud should be reported if a charity is a victim of fraud, how a charity should protect itself from fraud and example policies on anti-fraud, whistleblowing and investigations.

As an ever evolving threat to all organisations, the guidance on cybercrime covers an array of topics. Of particular significance, the National Cyber Security Centre (NCSC) has produced an electronic learning training package covering top tips for staff that covers four key areas: defence against phishing, passwords, device security and incident reporting. The NCSC has also designed a toolkit specifically for boards to encourage wider discussions throughout the charity which contains information on how to plan a response to a cyber-incident. In the event of a cybercrime attack, Action Fraud, the national policing lead for fraud, has launched a 24/7 live cyber-attack helpline which is connected with the National Fraud Intelligence Bureau (NFIB).

The detailed guidance can be found at: <https://www.gov.uk/guidance/protect-your-charity-from-fraud>

Compliance

Companies House reforms

In September 2020, the Department for Business, Energy and Industrial Strategy ('BEIS') published its findings in relation to a consultation on Companies House reform which it launched in May 2019. The government's response contains an overview of the proposed reforms. The key areas are as follows:

- Knowing more about who is setting up, managing and controlling companies: The government plans to introduce compulsory identity checks on directors of companies, general partners in Limited Partnerships, designated members in LLPs and people with significant control (PSCs).
- Reforms to Companies House powers: The government plans to extend the powers of Companies House to query, seek evidence for, amend or remove information on the register, and to share it with law enforcement if certain conditions are met.
- Protecting personal information on the register: The government plans to improve the processes for removing personal information from the register.
- Improved data accuracy and digital tagging: The government proposes a further consultation on how to introduce full digital tagging of accounts to ensure consistency, easier identification and comparability of information on the register.

Care workers

The UK's largest trade union, Unison, has suggested that the government should guarantee that care workers are paid fairly and at least at the minimum wage level. This was in response to a court ruling against companies contracted by Haringey Council who were found to be paying some of their carers under £4 per hour with an employment tribunal ruling that £100,000 in backdated earnings would be due. This is expected to have a significant impact for thousands of workers in the care sector and more information can be seen at: <https://www.unison.org.uk/news/2020/09/government-urged-act-major-minimum-wage-win-homecare-workers-says-unison/>

National insurance gaps

Individuals are retiring to find that they do not qualify for a full State Pension due to gaps in their National Insurance record. HMRC stress that it is down to the taxpayer to monitor their National Insurance record and top up any shortfalls before it is too late.

Further information can be found at: <https://www.buzzacott.co.uk/insights/many-unaware-of-national-insurance-gaps-impacting-pensions>

Workplace etiquette

The Equality and Human Rights Commission has recently released guidance on how employers are able to take action to protect working relationships and the culture of organisations. A seven step plan has been recommended:

1. Develop an effective anti-harassment policy
2. Staff engagement
3. Assess and mitigate risks in the workplace
4. Reporting systems
5. Training
6. Handling complaints
7. Sexual harassment and third parties

More information can be found at: <https://www.buzzacott.co.uk/insights/identify-tackle-and-prevent-inappropriate-banter-in-the-workplace>

Tax

Gift Aid

HM Revenue and Customs (HMRC) has published a free online guide for charities who need assistance in completing their Gift Aid donations schedule covering topics such as how to claim tax back on eligible donations, using the right software and what information is required.

The step-by-step guide can be found at: http://www.hmrc.gov.uk/courses/syob4/giftaidsch_guide/

The Government has also published legislation to simplify the rules relating to the benefits a donor is allowed when a charity claims gift-aid. The rules came into effect for donations made on or after 6 April 2019. There are now only two tiers of donations and associated benefits:

1. Donations of up to £100 are subject to a maximum benefit of 25% (unchanged); and
2. Donations of over £100 will be subject to a £25 benefit plus an additional 5% on the amount over £100 (up to a maximum of £2,500).

Previously, the second tier was split between donations between £100 and £1,000 being eligible to a benefit of £25 and donations over £1,000 being eligible to a benefit of 5% (up to a maximum of £2,500).

VAT – Digital advertising

HMRC have for some time insisted that most digital advertising supplied to charities should be subject to VAT because it is targeted. However, following a campaign by the Charity Tax Group, HMRC has now accepted, in Business Brief 13/2020, that VAT is not due on the majority of digital and web based advertisements, with the exception of social media advertising and advertising on subscription websites where adverts can be targeted at individual users. This is welcome news for

charities who were charged VAT passed on by advertising agencies, and for those who were also required to account for VAT under the reverse charge procedure where advertising was purchased from overseas. As the position has been quite unclear for a considerable amount of time, some charities may have been charged VAT which they should not have been on supplies of zero-rated online advertising service or have accounted for too much reverse charge VAT, and they should review their past position in the light of the policy change.

Further information can be read at: <https://www.buzzacott.co.uk/uploads/200720-digital-advertising-hmrc-response.pdf>

New off-payroll working rules (IR35)

New rules were introduced from April 2021 for organisations who pay contractors using personal service companies. The off-payroll working rules are designed to stop the avoidance of payroll taxes where a client pays a worker via the worker's personal service company.

From April 2021, the responsibility of assessing whether contracts fall under the IR35 rules and implementing payroll deductions were extended to cover many private sector charities and other organisations. Previously the responsibility only affected organisations meeting the definition of 'public authorities'. New requirements have also been introduced that will affect both public authorities and other organisations. In addition to public authorities, large and medium* size entities also fall under the new IR35 rules.

Charities and organisations under the new rules must review their contracts to determine whether the IR35 rules apply. A 'Status Determination Statement' (SDS) must be prepared, explaining the charity's decision and reasoning for it. This SDS must then be given to the worker and their personal service company/agency. If the outcome is that the IR35 rules apply, the worker must go onto the charity's payroll with tax and NICs deducted, before the net payment is made to the worker's personal service company. The charity is also required to establish a disagreement process for any workers that wish to challenge the SDS they have been sent.

HMRC's online Check Employment Status for Tax (CEST) tool is useful in determining whether IR35 applies, however it is not definitive and it may be worth seeking further advice on uncertain engagements.

Further information can be found at: <https://www.buzzacott.co.uk/insights/new-off-payroll-working-rules-ir35-what-your-charity-needs-to-do-before-april-2021>

**An incorporated entity is large or medium if any two of the following apply:*

- Annual turnover (excluding donations and voluntary income) is more than £10.2 million
- Balance sheet total is more than £5.1 million
- Average number of employees is more than 50.

St Raphael's Hospice RAG Report 2021-22

Description	Target	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
YTD Cumulative Donations	Budget	79,597	170,167	252,449	340,795	419,242	501,581	593,202	717,064	839,547	999,997	1,100,073	1,191,893
	Actual	53,293	137,242	205,316	259,933	330,533	0	0	0	0	0	0	0
YTD Cumulative Legacies	Budget	39,000	138,000	249,000	288,000	387,000	426,000	465,000	504,000	603,000	702,000	861,000	1,000,000
	Actual	156,000	158,000	440,454	463,754	473,077	0	0	0	0	0	0	0
YTD Cumulative Lottery Income	Budget	33,354	66,708	119,421	153,295	187,169	222,862	258,555	294,248	349,941	386,534	423,127	459,720
	Actual	38,221	68,229	116,928	154,231	184,855	0	0	0	0	0	0	0
YTD Cumulative Retail Income	Budget	31,100	91,868	174,419	247,122	316,352	399,908	501,263	599,350	704,661	790,338	873,888	964,971
	Actual	38,579	105,999	195,820	280,946	361,350	0	0	0	0	0	0	0
YTD Cumulative Shortfall	Budget	(146,080)	(218,116)	(253,491)	(374,517)	(446,352)	(565,789)	(679,561)	(728,367)	(713,336)	(689,955)	(661,892)	(684,749)
	Actual	(25,205)	(158,648)	(35,503)	(110,217)	(197,422)	0	0	0	0	0	0	0
Bank Account	Budget	5,695,831	5,469,402	5,378,497	5,375,105	4,982,982	4,629,729	4,685,439	4,460,290	4,256,024	4,419,398	4,091,058	3,833,744
	Actual	6,624,821	6,639,281	6,714,730	6,395,490	6,296,000	0	0	0	0	0	0	0
Clinical Staff FTE	Budget	62	62	62	62	62	62	62	62	62	62	62	62
	Actual	51	51	55	52	53	0	0	0	0	0	0	0
Non Clinical Hospice FTE	Budget	19	19	19	19	19	19	19	19	19	19	19	19
	Actual	18	18	18	18	18	0	0	0	0	0	0	0
Retail and Fundraising FTE	Budget	41	41	41	41	41	41	41	41	41	41	41	41
	Actual	32	32	34	38	39	0	0	0	0	0	0	0
Support & Management FTE	Budget	14	14	14	14	14	14	14	14	14	14	14	14
	Actual	14	14	13	14	14	0	0	0	0	0	0	0