

haysmacintyre

St Raphael's Hospice Audit Findings Report

For the year ended 31 March 2022

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1. INTRODUCTION AND EXECUTIVE SUMMARY

This report summarises our key findings in connection with the audit of the financial statements of St Raphael's Hospice for the year ended 31 March 2022.

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

Our audit approach

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

Limitations

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

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

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

Overall conclusion and opinion

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

- Remaining journals supporting documentation
- Final version of the financial statements
- Signed copy of the letter of representation

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

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

Significant Audit risk/focus area	How we addressed this	Commentary
<p>Presumed risk in revenue recognition</p> <p>The risk of incorrect treatment of income under FRS102.</p> <p>In particular, the risk that income from legacies, fundraising income and donations is incomplete or recognised in the incorrect period.</p> <p>Additionally, the risk that lottery income is incomplete or has been recognised in the incorrect period.</p>	<p>We have undertaken the following procedures to verify the appropriateness of revenue recognition:</p> <ul style="list-style-type: none"> • We have planned and performed specific tests to ensure income has been recorded in the correct period and tested on a sample of transactions around the year end. • We have reviewed and documented the controls and processes in place around each of the income streams specified. • We have assessed the appropriateness of the recognition of accrued income (focusing on legacy accrued income) and deferred income (specifically focusing on the significant levels of deferred income relating to the cash grant from the Daughters of the Cross of Liège (Doc)). 	<p>Our audit work on revenue did not identify any material issues.</p>
<p>Presumed risk of management override</p> <p>The risk of misappropriation of assets and the risks of misrepresentation of financial information.</p>	<p>We reviewed the accounting estimates and judgements and considered their reasonableness.</p> <p>We have analysed the journals made in the year and determined the risk criteria for identifying higher risk journals. Subsequently significant, unusual or unexpected journal postings have been investigated and verified.</p>	<p>Results of our planned audit work considered to be satisfactory in this area. We have not identified any evidence of material management override.</p>

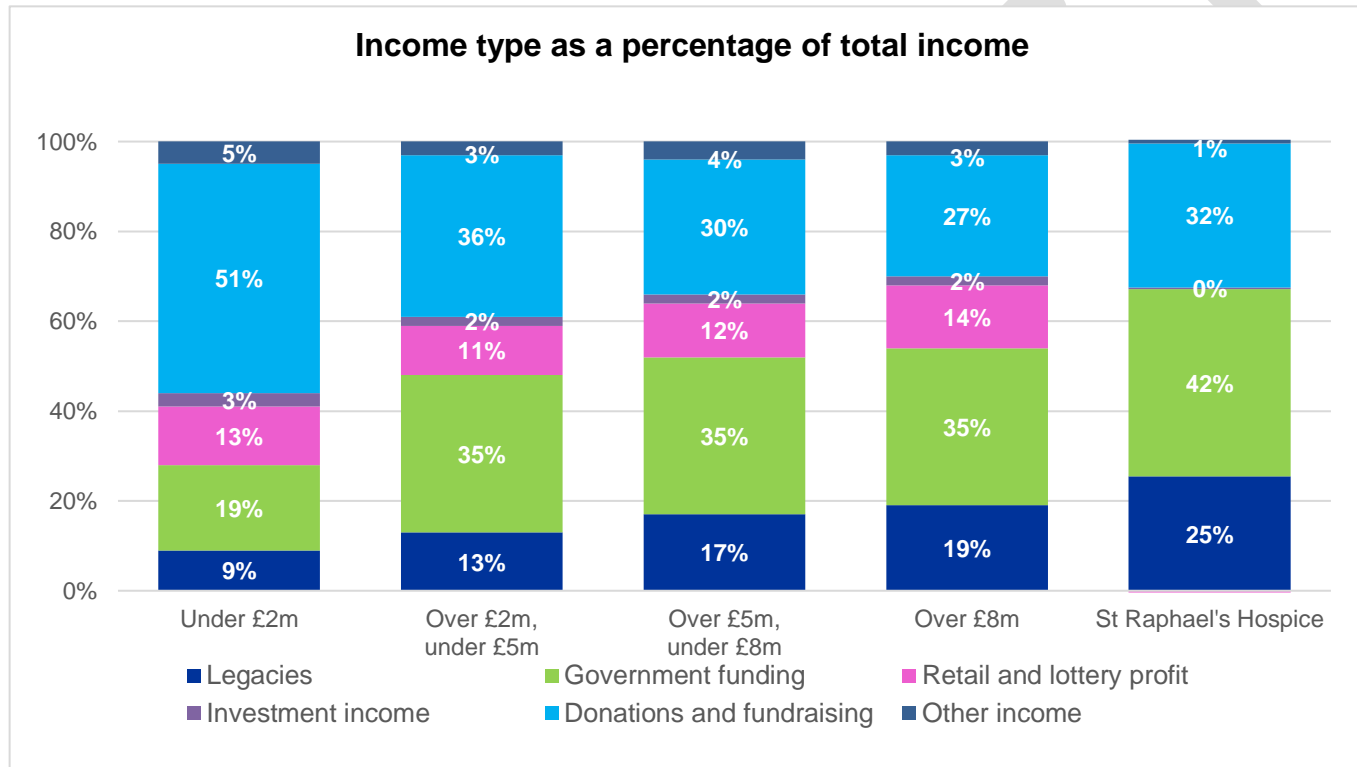
Significant Audit risk/focus area	How we addressed this	Commentary
<p>Opening balances</p> <p>As this is our first year auditing the Charity, we must consider the inherent risk within the opening balances and comparative information.</p> <p>There is a risk that comparative information and opening balances have not been correctly reflected in the financial statements and have been materially misstated.</p>	<p>We have undertaken a number of tests to check the opening balances have been correctly reflected in the financial statements and are not materially misstated.</p> <p>We have reviewed Buzzacott’s audit file and the work conducted in the previous year. Where sufficient evidence was not obtained, we have tested a sample of prior year transactions to agree opening balances.</p>	<p>Results of our planned audit work considered to be satisfactory in this area. We have not identified any evidence of material management override.</p>

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3. HOSPICE BENCHMARKING

The tables below are taken from Hospice accounts: Analysis of the accounts of UK charitable hospices published in November 2021 by Hospice UK and supported by haysmacintyre. The updated publication using figures to 31 March 2021 will be available in Autumn 2022.

In all charted, figures are split by size of hospice, using the expenditure bands: under £2m, over £2m under £5m, over £5m under £8m, and over £8m.

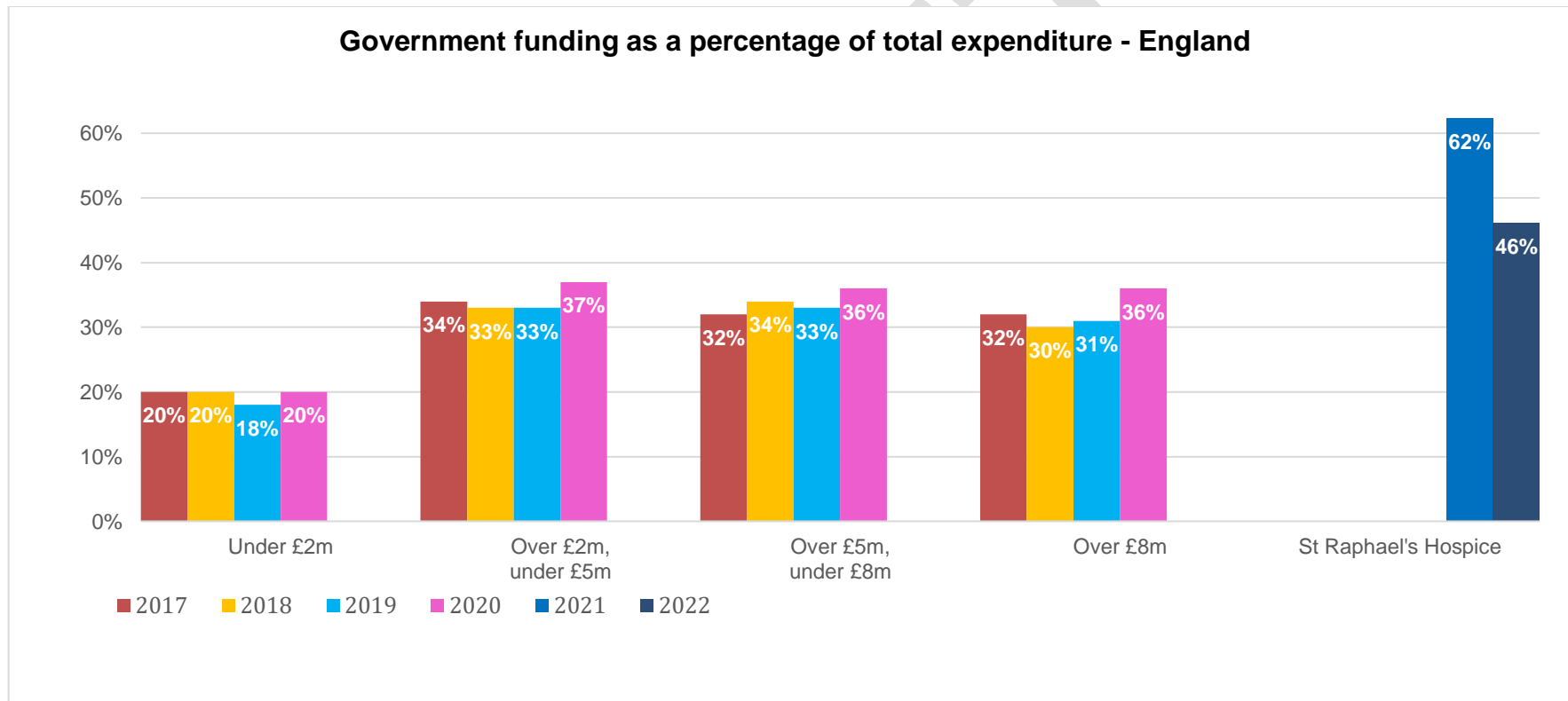


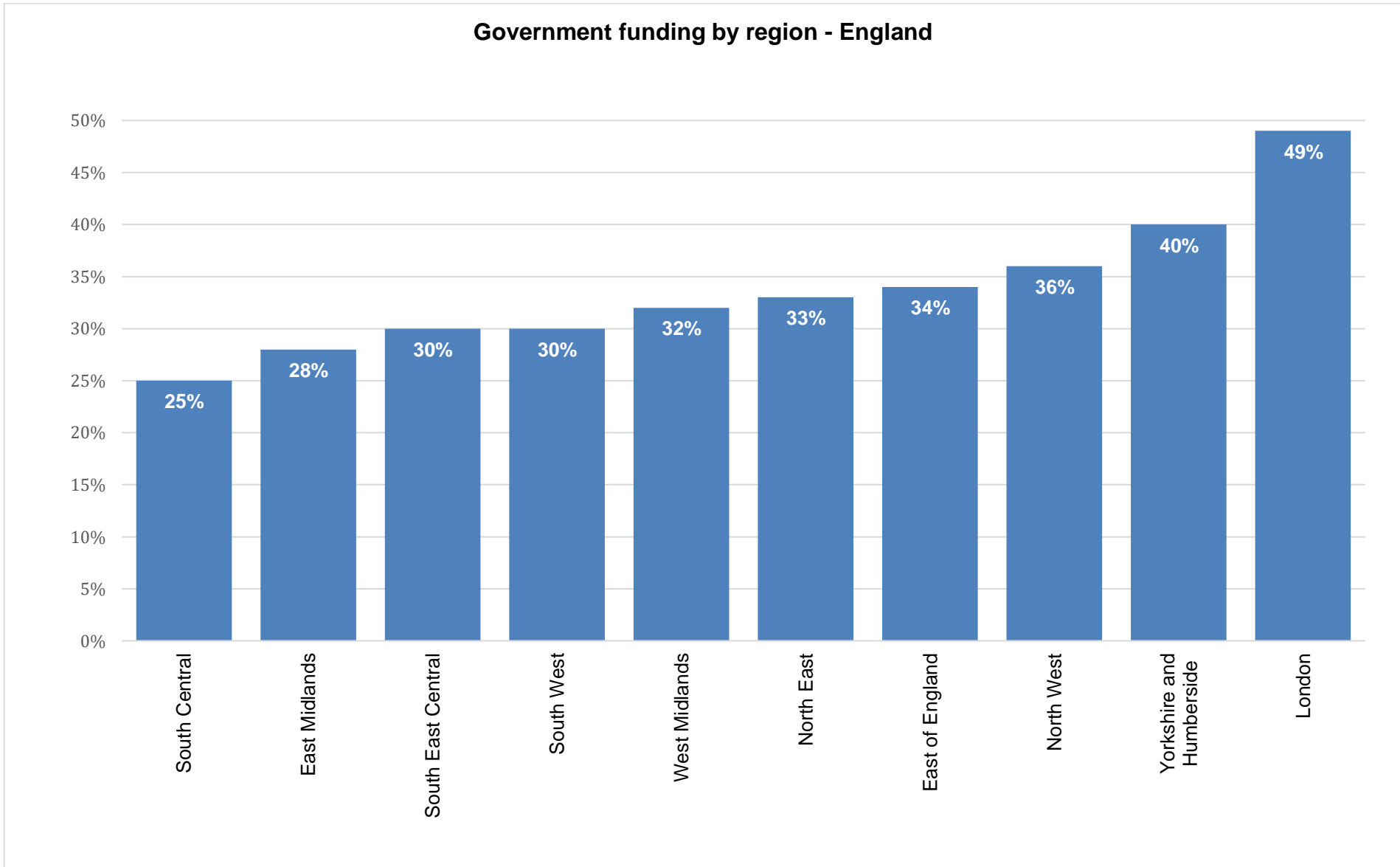
As a hospice with total income of £7.5m, we can see that St Raphael's performance is largely in line with Hospices of a similar size, except for retail and lottery profit.

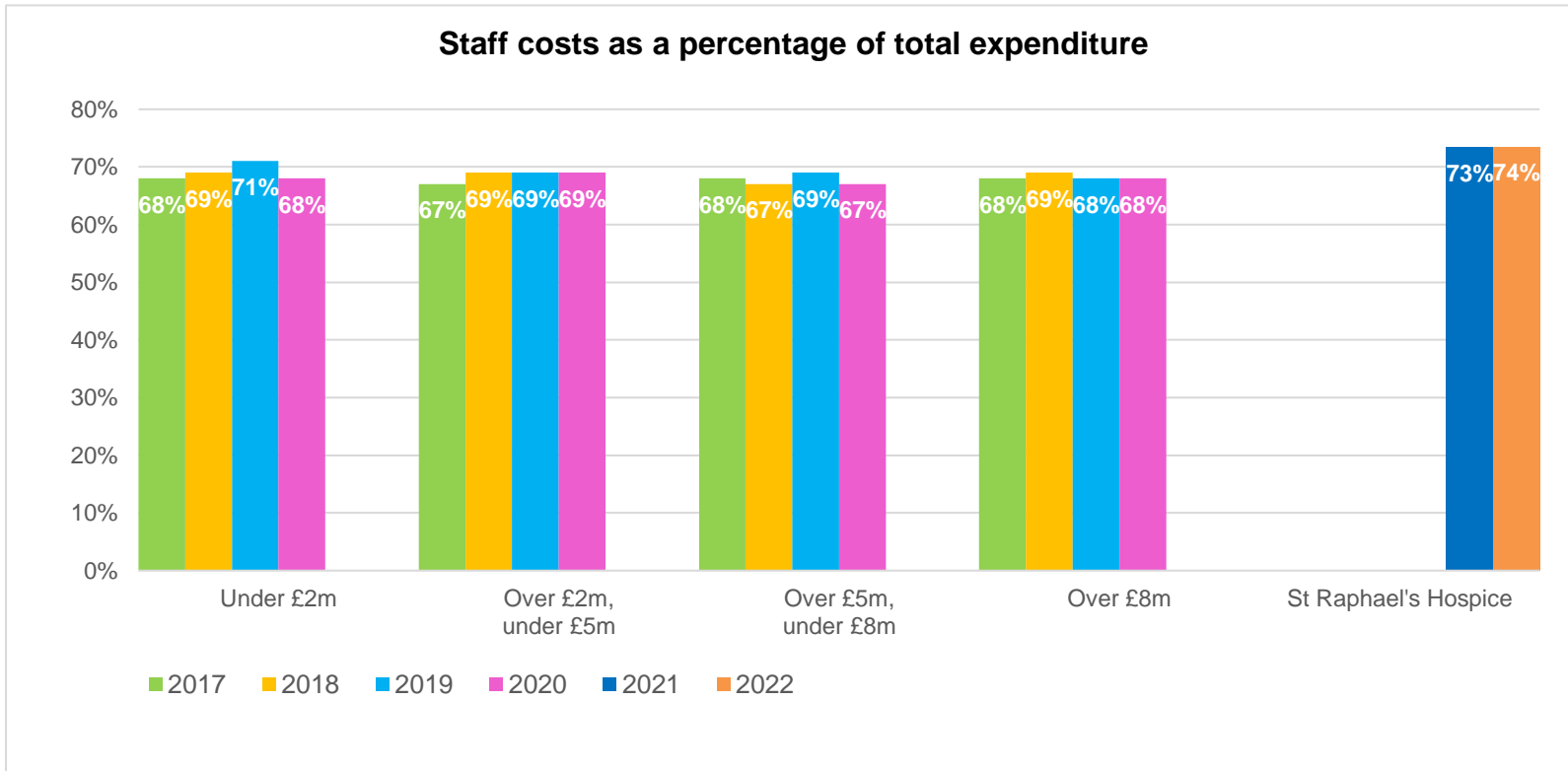
This is because there has been a loss on retail activity of £248k compared to a profit on lottery activity of £224k resulting in an overall retail and lottery loss of £24,000 rather than a profit.

Per the below, we can see that the proportion expenditure represented by government funding is much higher than that of other hospices of a similar size. This is due to a number of factors, the most significant being that these are the first two full years of the hospice operating independently, and expenditure remains lower than similar hospices that have been operating for a number of years whilst total government funding is already of a similar level.

There has also been a significant decrease in the proportion between 2021 and 2022. This decrease is due to both an increase in government funding received in 2022 and an increase in total expenditure.

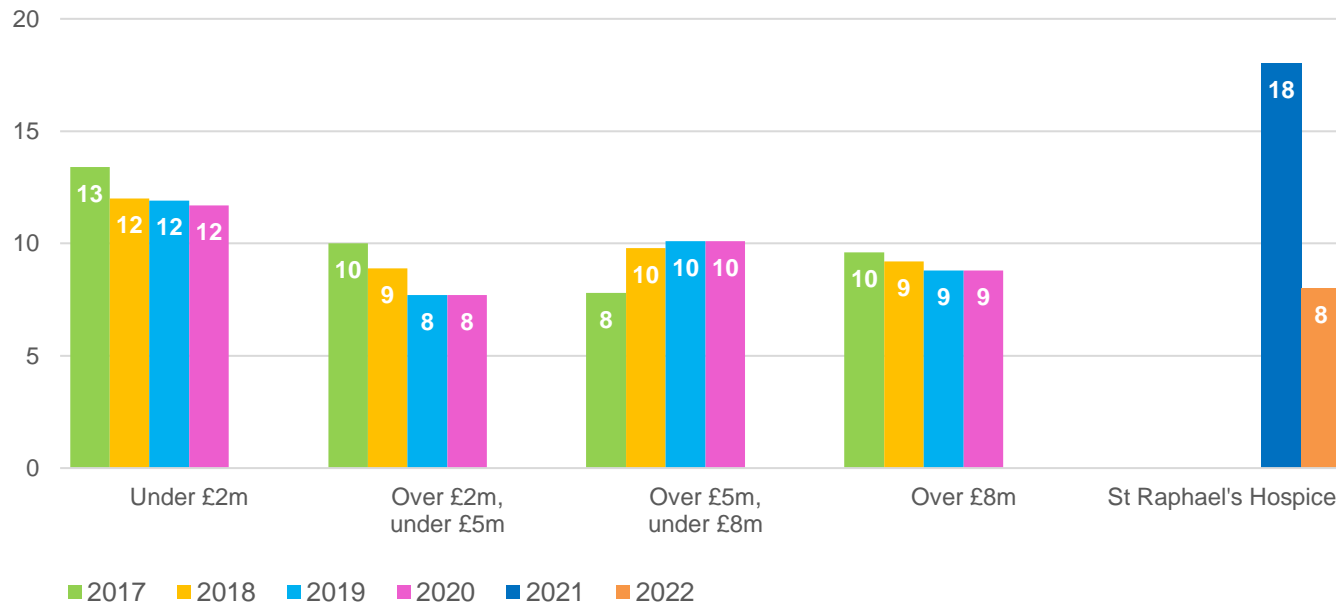






We can see that staff costs represent a higher proportion of expenditure on average than other hospices in the survey, though we also note that the proportion has been consistent for both the 2021 and 2022 financial years.

Free reserves as months of expenditure (adults' hospices)



This graph represents total unrestricted and designated reserves, excluding unrestricted fixed assets, as a proportion of expenditure for the year in terms of months of expenditure.

We can see that there has been a drastic change in the level of free reserves as months of expenditure over the first two full years of trading for the Hospice.

This is due to both the increase in fixed assets in the year and a significant increase in expenditure compared to the year to 31 March 2021.

Despite the significant decrease, we note that 8 months is within the reserves policy within the accounts which is between three and six months' operating expenditure.

4. ACCOUNTING AND AUDIT MATTERS

4.1 Qualitative aspects of accounting practices and financial reporting

i. Key judgements and accounting estimates

Accounting estimates are defined by ISA 540 as monetary amounts for which the measurement, in accordance with the requirements of UK GAAP, is subject to estimation uncertainty. Management exercises judgement in application of accounting policies while preparing the financial statements. By their nature, judgements are subjective and could be subject to bias, which affects the presentation of the Charity’s performance or financial position. We set out our comments on the key judgements and accounting estimates relevant to the current year below.

Significant accounting estimate & detail	Commentary
<p><i>Accrued Income</i></p> <p>Legacy income is a significant source of income for the Charity, with a large proportion of accrued income at the year end being legacies receivable of £992k.</p> <p>FRS102 requires income to be recognized when the entity is entitled to the amount, the income is probable, and the amount of income can be reasonably estimated.</p>	<p>We have reviewed the listing of accrued income and obtained supporting documentation for a sample of items. For each item, we have considered whether amounts have been recognized appropriately.</p> <p>We have additionally reviewed a sample of transactions and grants received around the year end and considered whether amounts have been recognised in the correct period.</p> <p>For accounting purposes, income should be recognised when there is evidence of entitlement, when the amount of income is measurable, and the receipt of that income is probable. Specifically in relation to grant income, there can often be specific terms or conditions within a grant agreement that determine the point at which the Charity are entitled to the income.</p> <p>No issues were found in our work around accrued income for the year ended 31 March 2022.</p>

Significant accounting estimate & detail	Commentary
<p><i>Deferred income</i></p> <p>The Charity have significant amounts of deferred income, the largest factor being the deferred element of the cash grant from the Daughters of the Cross of Liège (DoC).</p> <p>FRS 102 presentation requirements dictate that income and expenditure must be recorded in the period in which it relates.</p>	<p>Deferred income is based on amounts that have been received by the Charity in the year but relate to a future period.</p> <p>We have traced a sample of income receipts to supporting documentation in the year and have confirmed that amounts have been included within the correct period. We have additionally reviewed receipts close to the year end to ensure they have been correctly recognised.</p> <p>We have specifically reviewed the agreement between the Charity and DoC for a cash grant of £3.6m in October 2020. The purpose of this grant is to offset forecast losses over the 5 year period of the original Business Plan, prepared on the establishment of St Raphael’s Hospice as a separate entity.</p> <p>The total amount of this grant recognised as deferred income for the year to 31 March 2022 is £2.6m. £1m of this is recognised as due within 1 year and the remaining £1.6m is recognised as due later than one year. This is line with the amount per management’s financial plan for the next 3 years to 31 March 2025 which we have reviewed as part of our going concern assessment and agreed as appropriate.</p> <p>No issues were found in our work around deferred income for the year ended 31 March 2022.</p>



3.2 Accounting and audit matters

i. Reliance on individual team members

The Hospice is reliant on the work provided by Neena Vadgama for the management accounting records and similarly for all transaction processing. This presents an inherent risk in the substantial reliance placed on one individual, namely if they were to leave this role in the organisation and this was highlighted during Neena's sick leave during the audit process. The Hospice does have processes in place to cover Finance if Neena is not present, namely involvement of joint CEO Nick Stevens, however this may not be feasible moving forward. From our review of the Board minutes, we understand that the Trustees continue to regularly review the management accounts and overall review of the Charity's financial processes. We have also reviewed the systems and controls for the Hospice, with no significant areas highlighted. Our results are documented in **section 5** of this report.

ii. Shop visits

As part of the audit fieldwork, we conducted visits to two shops – Cheam Village and Sutton Donation Centre. We do not have any significant findings to report in terms of compliance with the procedures in place. A few minor points were noted as recorded in section 5 below and communicated with management following the visit.

iii. Summary of adjusted and unadjusted misstatements

We are pleased to report that there are no unadjusted errors noted in the financial statements for the year ended 31 March 2022.

iv. Letter of representation

International Standards on Auditing require us to obtain written representations from the directors when you approve the financial statements. The letter contains only standard matters with no additional items specific to St Raphael's Hospice.

5. DETAILED CONTROL POINTS

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

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

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

Current year

Issue:	Employee contracts	Control point rating:	Advisory
Risk	Our comments & proposals	Management response	
<p>During our testing we noted that we were unable to obtain a signed employee contract for one employee in our sample.</p> <p>There is a risk of dispute over employment terms in the absence of a supporting signed agreement.</p>	<p>We note that the contract in question has been archived and a soft copy due to be scanned in and saved.</p> <p>We recommend that copies of signed employment contracts are kept for all employees.</p>		

The following points were noted as part of shop visits as noted per Section 4(ii):

Issue:	Lack of Store Alarms (Both shops)	Control point rating:	Advisory
Risk	Our comments & proposals	Management response	
<p>We noted on both shop visits that there was no store alarm installed.</p> <p>There is a risk that access could be gained by unauthorised individuals without the Charity being alerted.</p>	<p>We recommend that management consider installing a store alarm in all shops.</p>		

Issue:	Till passwords (both shops)	Control point rating:	Advisory
Risk	Our comments & proposals	Management response	
<p>We noted that till passwords are not changed during a staff member or volunteer's time at the shop. They are only deactivated once the individual is no longer involved with the shop.</p>	<p>We recommend that till passwords for all staff and volunteers are changed on a regular cycle. For example, on a 3 month basis.</p>		

Issue:	Till passwords (both shops)		Control point rating:	Advisory
Risk	Our comments & proposals		Management response	
Though we note that staff are encouraged not to share their passwords, there is a risk that this does take place and therefore are able to access the tills through more than once password, increasing the risk of fraud and misappropriation of assets.				

Issue:	Lack of CCTV (Donation Centre only)		Control point rating:	Advisory
Risk	Our comments & proposals		Management response	
<p>We note that there is no CCTV in place at the donation centre.</p> <p>There is a risk that the shop is subject to damage or theft, or that access could be gained by unauthorised individuals without the Charity being alerted.</p>	We recommend that CCTV is installed in the Donation Centre.			

Issue:	Register of training (both shops)		Control point rating:	Advisory
Risk	Our comments & proposals		Management response	
<p>We note that no register of training is maintained for volunteers or staff.</p> <p>There is a risk that staff/volunteers do not have the appropriate training to fulfil their role suitably, and are not up-to-date with the latest policies and procedures for the Hospice shops.</p>	<p>We recognised that this has been particular difficult in the last couple of years due to the impact of Covid-19.</p> <p>However we recommend that a register of training for all staff and volunteers is maintained and updated accordingly.</p>			

6. EMERGING ISSUES

Charity reporting and governance matters

Charity Commission Inquiry into the collapse of Kids Company

The Charity Commission has concluded its Inquiry into the circumstances surrounding the August 2015 collapse of Kids Company and its report was published in February 2022. The Inquiry was opened in August 2015 but was paused while the Charity went through an involuntary insolvency process and to avoid prejudicing the outcome of a High Court trial to determine whether the then Trustees should be disqualified from acting as company directors. The High Court issued its judgment on 12 February 2021, with the determination that the Trustees should not be disqualified from acting as company directors.

The scope of the Charity Commission's Inquiry was considerably wider than the matter decided by the High Court and can be read in full here: <https://www.gov.uk/government/publications/charity-inquiry-keeping-kids-company/charity-inquiry-keeping-kids-company>.

The Commission's key findings were that:

1. Kids Company was operating a high-risk, demand-led model which prioritised growth and delivery of services to beneficiaries in the short term over building reserves and resilience for the longer term. As a result, when there was a shock which had a negative impact on the charity's fundraising, in this case unfounded allegations of abuse of beneficiaries, the charity's reserves were insufficient to allow the charity to avoid an insolvent winding-up. Had the charity maintained a higher level of reserves, it may have had sufficient resources to continue after the allegations were determined to be unfounded, or at least to have allowed for a more orderly winding-up and potential transfer of services to another provider, thus avoiding any detriment to its beneficiaries.
2. There was a lack of documentation relating to funding decisions made by the Board. This may, in part, have been due to the inappropriate destruction of records which followed the charity's closure but the Commission notes that it is not clear whether certain records were destroyed or never existed in the first place. The maintenance of proper records is essential to support accountability and to ensure that the Trustees can demonstrate that they have made decisions appropriately. It should be noted that at no point has it been alleged that the Trustees were involved in the destruction of records.
3. The charity had repeatedly failed to make payments to creditors on time, in particular amounts due to HMRC and to self-employed workers. The Commission found that this alone represented mismanagement on the part of the Trustees.
4. There were some skill gaps on the Board and the Commission particularly noted that the presence of a Trustee who had experience of running a large and complex charitable organisation, as Kids Company had grown to be, would have been invaluable.
5. Many of the Trustees had been in place for a long period of time, and greater rotation of the Trustee body and specific roles within it, would have meant that it would be more likely to constructively challenge management's established working practices and the charity's operating model.

Charity reporting and governance matters

Whilst the circumstances of Kids Company's operating model and eventual collapse were unique, the Commission has identified a number of learning points which are of potential relevance to all charities. Most notably:

1. Charity boards should ensure checks and balances, and the right blend of skills and knowledge, are in place to avoid power imbalances. Boards should consider setting formal terms of office for Trustees and have a diversity policy to ensure a broad range of experience in the Trustees. Both of these are key recommendations of the Charity Governance Code.
2. Charities should identify and balance the risks associated with their operating model with the benefits of that model, and the benefits should be evidenced.
3. Charities should undertake financial planning and maintain a reserves policy, and ensure that decisions are properly and transparently documented. Where charities are earning income from service provision, they should be giving due consideration to covering and element of core costs as well as the direct costs of provision. The Commission emphasises that the building of reserves would have been in the interests of Kids Company's beneficiaries because it would have allowed for a more orderly transition of services to a new provided in the event of the charity's closure.
4. Charities should ensure that their infrastructure, governance and resources keep pace with their growth. Kids Company had grown rapidly in the ten years prior to its collapse but it was not clear that the Trustee board or the charity's governance arrangements had changed to reflect the changing scale and complexity of the charity's activities.

Law Commission

The Law Commission published a review of technical issues relevant to Charity Law back in 2017. It has been a long time coming, but on 22 March 2021 the Government published its responses to the Law Commission's report and has accepted the majority of the recommendations. A summary of the key changes are:

- 1) **Charity registration thresholds** – The Government has accepted, but not yet agreed on changes to the current registration threshold for charities to register with the Charity Commission, acknowledging the administrative and financial burden of regulation for such small charities. This is currently £5,000 of income.
- 2) **Permanent Endowment** – The definition of permanent endowment is to be reformulated with the aim of capturing any fund held subject to a restriction that the capital cannot be spent. This refined definition is to make clear that the definition of endowment funds will not apply to special trusts where a fund is held subject to a restriction that it can only be expended on a specific purpose, or a fund subject to a general restriction that only a certain percentage of it can be spent each year. There will also be an extension to the power currently conferred in the Charities Act sections 281 and 282 allowing unincorporated charities to release permanent endowment and spend the capital (particularly where the fund is so small that the costs of administering the fund is disproportionate to the fund value) and extending this power to corporate charities and CIO's.
- 3) **Borrowing from permanent endowment.** The Government has accepted that charities should have a power to borrow from the charity's permanent endowment. The power would allow the charity to borrow up to 25% of the permanent endowment subject to a requirement that they

Charity reporting and governance matters

recoup the expenditure within 20 years. This power is intended for 'investment' permanent endowment and it is not intended for functional permanent endowment.

- 4) **Changing charitable purposes and governing documents** – The government acknowledged that the current process for changing or amending a governing document is complex, and there are various different ways in which it had to be carried out depending on the legal structure of the charity. Unincorporated charities are to be given a new power to amend any provision in their governing documents, subject to a limited number of changes which would still require the permission of the Charity Commission such as 'regulated' alterations (Charitable objects, dissolution provision and trustee benefit provision for example), provisions that would alter permanent endowment and provisions that would have required the agreement/consent of others.
- 5) **Cy-Pres schemes and fundraising appeals** – In relation to fundraising in particular, the need to obtain a cy-pres scheme or to approach every single donor where, perhaps, an appeal raised more than was needed, or the appeal failed to raise adequate funds, was time consuming and often costly. The Law Commission recommended thresholds below which charities would not have to contact donors and a simplification of the process. The recommendation, which has been accepted, is that there will no longer be a need to contact a donor to offer to return the donation provided that the donation was less than £120 in total in a financial year, and the donor has not stated that the donation should be returned if the appeal fails.

Good Governance

The Charity Governance Code has long been seen as a best practice guidance for charities and this guidance was updated and a refreshed code published in December 2020. The updated code followed consultations during 2020 that received over 800 responses.

The enhancements to the code focus on two of the key principles, Principle 3: Integrity, and Principle 6: Diversity, which they have retitled Equality, Diversity and Inclusion. For Integrity the code emphasizes ethics and the right of everyone who has contact with the charity to be safe, and for EDI the Code recommends four stages of practice for charities in their EDI journey. Boards should:

1. Think about why equality, diversity and inclusion is important for the charity and assess the current level of understanding.
2. Set out plans and targets tailored to the charity and its starting point.
3. Monitor and measure how well the charity is doing.
4. Be transparent and publish the charity's progress.

The revised code can be found at: www.charitygovernancecode.org

Fraud

While the world battles with the current pandemic, it has sadly given rise to an increase in attempted fraudulent behaviour. Much has been written about the most common frauds and being vigilant, particularly with unusual requests for making payments, or changes to bank account details for suppliers. Fraudsters are quick to adapt, and the most recent attempts have extended to mimicking an employee and requesting the bank account details to be change for the payment of salary. The same level of due diligence and checks should also be put in place for changes to salary information as you should for making changes to suppliers.

Charity reporting and governance matters

Maintaining your control environment

Remote working has become a new way of life for many and not least in the finance team. It is a good opportunity to review your control environment in the light of remote working and any permanent changes in the way in which your business operates on a day to day level. Internal processes may have changed permanently, and it would be best practice to document any changes and ensure that trustees have reviewed and approved them. One of the main challenges for remote working has been the documenting or evidencing of key controls within finance/HR. We would recommend a review of the key controls and how they are being operated and evidenced to ensure that the audit trail is maintained during this period of remote working.

Financial Reporting

Financial reporting framework

UK GAAP

The next periodic review of UK accounting standards is underway. Proposed changes to the standards will be subject to public consultation, and are currently expected to be effective for accounting periods beginning on or after 1 January 2024.

In the meantime, the Financial Reporting Council (“FRC”) have provided helpful guidance on how “Climate related matters” may affect the financial statements. This is available from the FRC website: <https://www.frc.org.uk/news/november-2021/frc-staff-factsheet-climate-related-matters>

New requirements for other information

Taskforce on Climate-related Financial Disclosures

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

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

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

Other

Financial Reporting

The Financial Reporting Council (FRC) has announced its areas of focus for corporate reporting and audit quality reviews during 2022/23. The FRC will focus on the following areas in its corporate reporting reviews: climate-related reporting; business combinations; earnings per share; deferred asset tax disclosures, particularly regarding losses; discount rates; and judgements and estimates.

The focus areas follow the “top ten” areas for corporate reporting improvements as published by the FRC here: <https://www.frc.org.uk/news/october-2021/frc-to-focus-on-climate-related-reporting-as-new-d>

The FRC has also published its annual review of corporate governance reporting which found that, whilst there was a general improvement in reporting against the UK Corporate Governance Code, there remains room for improvement in some areas. It identified disclosures on Board appointments, succession planning and diversity as areas for improvement. It also found that more reporting on the effectiveness of internal control and risk management systems to enhance the level of confidence in the company's control framework.

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UK Corporation tax**Corporation Tax self-assessment**

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

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

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

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

Common areas where charities may incur a corporation tax liability include (but are not limited to):

- ◆ Trading which is neither in furtherance of its charitable objects nor ancillary to those objects, known as non-Primary Purpose Trading ("non-PPT"). Relief is available where the turnover from such trading is less than 25% of the charity's total gross annual income, subject to an upper limit of £80k for charities with income exceeding £320k (charities under £320k can have non-PPT trading up to £8k, regardless of whether this exceeds 25% of their total income). Please note that this is an all or nothing relief, meaning that if the charity's non-PPT turnover exceeds the relevant limit, the whole of the charity's profits from that trading will be liable to corporation tax. Examples of trading can include:
 - Recharge of expenditure (e.g. wages / salaries to a trading subsidiary) that include a mark-up / profit element;
 - Sale of merchandise;
 - Providing services above that a landlord would normally provide in connection to the rental of spare land and building space (including rooms and sports facilities); and
 - Sponsorship income where it has been agreed that the sponsor will receive publicity or advertising that goes beyond a mere acknowledgement.
- ◆ If the charity incurs costs on behalf of its trading subsidiary but does not recharge these (this would be 'non-charitable expenditure'). Apportionment of overheads etc. should be done on a 'fair and reasonable' basis.
- ◆ Income from fundraising events that do not qualify as a 'VAT-exempt' fundraising event.
- ◆ Receipt of an overage payments following the disposal of land or buildings to a developer.
- ◆ Disposal of a property which has been bought for the purpose of realising a profit on the sale.
- ◆ Disposal of a property which was previously held as an investment (or for charitable purposes) and building work or other development activity is undertaken before the sale in order to achieve a better return.

UK Corporation tax

Holding an investment which is not deemed a ‘qualifying charitable investment’. Most mainstream investments are qualifying, though particular care should be taken with regards to trading subsidiaries as mentioned above. As a charity is unlikely to be able to obtain normal security for its investment, HMRC may ask to see the business plans, cash-flow forecasts and other business projections which informed the charity’s decision to make the investment.

Employment Tax

Health and Social Care Levy

The Government has announced the introduction from April 2022 of a Health and Social Care Levy at 1.25% to pay for spending on health and social care measures, including a cap on social care costs. Initially it will take the form of increased NICs, for both employers and employees.

- From April 2022, rates of employer and employee National Insurance will increase by 1.25%
- From 2023, the increased NICs will be replaced by a dedicated levy and National Insurance rates will revert to the 2021/22 levels. Unlike National Insurance, the levy will be paid by people over pensionable age who are still working.

The levy will not be charged for employees under the age of 21, apprentices under 25, and qualifying freeport employees. The money raised via the levy will be ring-fenced for investment in health and social care.

National Living/Minimum Wage

The National Living Wage will increase from £8.91 to £9.50 per hour from 1 April 2022. The National Minimum Wage rates are also increasing for those workers aged 22 and under. Employers will see their salary costs increase and face the prospect of having to auto-enrol more workers into workplace pension schemes - and pay at least 3% towards it. A full-time employee who earns the national living wage would be brought into auto-enrolment in the tenth month of the 2022/2023 tax year.

IR35 – engaging individuals through personal service companies

In 2017, the government reformed the IR35 rules for engagements by public sector bodies, which shifted the obligation for determining the application of the rules from the individual to the engager. In 2018 a consultation was issued on extending the IR35 rules to private sector bodies, including charities and these reforms became effective for medium and large sized entities from 6 April 2021.

Guidance on the requirements is set out [here https://www.gov.uk/guidance/private-sector-off-payroll-working-for-clients](https://www.gov.uk/guidance/private-sector-off-payroll-working-for-clients).

The private sector version of the legislation was founded on the rules already in place within the Public Sector. However, the exclusion of small businesses from the need to operate the legislation is helpful but does present several challenges too.

The small employer criteria for IR35 purposes are taken from the Companies Act 2006, and a company is considered a ‘small company’ if it satisfies two of the following conditions:

Employment Tax

- annual turnover of no more than £10.2 million
- balance sheet total of no more than £5.1 million (the total amounts shown as assets in the company's balance sheet before deducting any liabilities)
- no more than 50 employees

The key features of the extended IR35 legislation include:

- The end client is required to review the employment status of the worker
- The engager (the feepayer) is responsible for accounting and paying the income tax and NIC via PAYE if the contract is inside IR35
- The end client must provide a Status Determination Statement (SDS) to the worker and the intermediary, setting out its conclusions for the decision and that it has taken reasonable care in reaching that decision. Unless and until the SDS has been given to all relevant parties in accordance with the statutory requirements, the end client rather than the fee payer remains liable for any income tax and NIC liabilities
- There is an appeal process should the worker or the fee payer not agree with the client's decision
- The end client then has 45 days to address the appeal and notify the worker and/or the fee payer. If the end client fails to comply, then after the end of 45 days, it rather than the fee payer becomes liable for any income tax and NIC liability

However, HMRC can recover unpaid tax and NIC from any 'relevant person', including anyone in the payment chain above the fee-payer. Consequently, everyone in the labour supply chain has compliance responsibility.

HMRC policing

HMRC issued a briefing on 15 February 2021¹ where it stated that it will support organisations to comply with changes to IR35 rules. HMRC has said it would take a 'light touch' approach, including no penalties levied during the first year unless there is a deliberate evasion, the focus being on helping businesses comply.

All organisations should ensure that they have undertaken steps to comply using the following good practices:

- Establish an employment status policy which clearly sets out the process, controls, and governance
- Ensure all relevant stakeholders have employment status training so they understand the impact on the academy should an incorrect status decision be made
- Identify all personal service company engagements
- Assess whether the IR35 rules apply to each engagement
- Check how contracts work in practice
- Important to demonstrate thought processes in determining the worker's employment status
- Complete due diligence on the labour supply chain compliance

¹ HMRC issue briefing: supporting organisations to comply with changes to the off-payroll working rules (IR35)-link to briefing here:<https://www.gov.uk/government/publications/hmrc-issue-briefing-supporting-organisations-to-comply-with-changes-to-the-off-payroll-working-rules-ir35>

Employment Tax

- If an Umbrella company is used, it is worth having careful checking processes in place, and it is also recommended to have a regular review pattern
- Ensure a valid SDS is given to the contractor/ agency/any other intermediary once the engager has considered all available facts
- A fully contracted out service (exempt from IR35) should be based on the commercial reality of the arrangements and not on labelling the contract as 'contracted out service' or statement of work'
- When establishing whether the small company exemption applies it is important to remember that for IR35, all turnover from all connected companies must be included
- Carry out periodic reviews of each engagement to ensure that the original decision remains relevant
- Ensure that all costs covered by the IR35 rules are being paid through the payroll
- Getting it wrong is very costly both financially and potentially reputationally

The assessment as to whether the IR35 rules apply to an individual engagement is like the consideration of whether an individual should be an employee or self-employed and it includes the following factors:

1. Control: is the individual subject to supervision, direction, or control as to what work they do, when they do the work, where they work and how the work is carried out? Control would point towards employment, and therefore application of IR35 to the engagement.
2. Mutuality of obligation: is the individual obliged to offer their services to the engager and is the engager obliged to provide work for the individual? If so, this would also point towards employment.
3. Right of substitution: does the individual have the right to provide a substitute to carry out the work in their place? Do they have responsibility for paying such a substitute? If so, this also points towards self-employment.
4. Integration: is the individual involved with the core business of the engager? Are they seen as part of the engager organisation? Or are they peripheral to the organisation or its work? Integration also points towards employment.
5. Financial risk: does the individual carry financial risk relating to the engagement? E.g. providing their own equipment, engaging sub-contractors to assist them, covering any losses which arise on the engagement. If so, this points towards self-employment.

The extension of the IR35 rules increases the administrative burden on medium and large entities in the private sector who engage with consultants or other types of off-payroll workers.

Hybrid working arrangements

Throughout the COVID-19 pandemic it was possible for many office-based employees to be able to work from home.

Whilst the Government introduced an exemption for employer reimbursed expenses to cover the cost of relevant homeoffice equipment, the exemption will come to an end on 5 April 2022. Under the terms of the exemption employees will receive the full reimbursement for the purchase of equipment to enable them to work from home.

Employment Tax

What are the wider implications employers need to consider where consideration is being given to the future of flexible, or hybrid-working arrangements? Now that the pandemic restrictions are being lifted the reason for working from home will primarily be a matter of personal choice where the employee will come into the office say two/three days each week and work the remainder of their time at home. Where this is the case, the office will remain the place of work and the cost of travelling to the office will not qualify for any tax relief.

However, where offices have been permanently closed, for example, as part of a significant reorganisation of the organisation, then consideration will need to be given to the following:

- What are the employee's duties?
- Where do they carry out their duties?
- Are they an area-based employee, responsible for say the East of England?

Whilst technology has moved on and the ability to work remotely is now so much easier the underlying tax and National Insurance rules associated with employee travel were last reviewed in 1998. Consequently, employers will need to consider the impact of the legislation as part of introducing any hybrid working arrangements:

1. Do any of the expenses associated with working from home incurred by the employee satisfy the 'wholly, exclusively and necessarily in the performance of the duties' conditions found in the legislation?
2. What are the income tax and National insurance implications of travelling to the office?
3. What can be reimbursed to area-based employees?

Meeting the wholly, exclusively, and necessarily test can prove challenging as all parts of the test need to be fulfilled; specifically the costs need to be incurred in the performance of the duties and not simply to put the employee in a position to be able to carry out their duties. The strict application of the test was the reason why the aforementioned exemption was introduced for the reimbursement of home-office equipment during the pandemic.

For a claim for tax relief to be substantiated it must be possible to demonstrate that it is a requirement of the employment that duties can be carried out at home and cannot be performed elsewhere. It is not sufficient to show that it is convenient, or even more efficient for them to be carried out at the employee's home. Consequently, travel from the employee's home to their normal place of work will be a cost of commuting and will not be allowable for tax purposes. The same restrictions will also apply to any journey which is substantially the same as the employee's normal commute.

For area-based employees any travel they undertake in their area will be allowable for tax purposes. However, where the employee lives outside of their designated work area, travel into the that area will be considered a cost of commuting. Whilst the rules may initially seem fairly straight forward, employers need to ensure all internal staff policies and guidance clearly set out the following:

- The basis upon which all hybrid working arrangements will be applied
- State where the employee's normal place of work will be
- What costs the employer will reimburse to its employees

Employment Tax

For many organisations the post-pandemic era will present a real opportunity to revise employee working practices especially where they can work, helping to provide a better work-life balance. A further benefit is the possibility to extend the catchments area for recruiting new employees and not being restricted to candidates based within reasonable commuting distance of the office. Where new policies are being introduced, we recommend they are fully reviewed to ensure they are compliant with current income tax and National Insurance legislation.

Auditing developments**ISA (UK) 315 Revised Identifying and Assessing the Risks of Material Misstatement****Periods commencing on or after 15 December 2021**

The International Audit and Assurance Standards Board (IAASB) approved a significant re-write of the standard in September 2019. The effects of the revisions are far-reaching and will require a revised approach to risk assessments. Some of the terminology used will be familiar from the recent reworking of ISA (UK) 540 – Auditing Accounting Estimates.

In summary, it requires more thoughtful and evidence-based assessments in which five new inherent risk factors are considered and placed on a "Spectrum of Risk" at the higher end of which lie Significant Risks.

The new inherent risk factors are:

- Subjectivity;
- Complexity;
- Uncertainty;
- Change; and
- Susceptibility to misstatement due to bias or fraud.

"Sufficient, appropriate" evidence must be obtained from risk assessment procedures as the basis for the risk assessment.

The revised ISA's application notes provide more explanatory material on controls relevant to the audit and on the design and implementation required for these controls.

A great deal more is required in respect of IT and particularly IT general controls and appendices 5 and 6 provide specific guidance.

Understanding and applying the changes required will be a significant task for auditors with increased levels of audit preparation, planning and work.

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Finance and Resources Report

Key Points

1. Key Points are:

- a. The internal management accounts for the 5 months to 31st August 2022 shows a shortfall of £(911)k before DoC drawdown compared to budget of £(686)k.
- b. Cash (including the investment portfolio) at the end of August stood at £6.9m and £6.6m at the end of September.
- c. The forecast for 2022-23 is a shortfall of £1.9m before DoC drawdown and £900k after it.
- d. The Final Statutory format accounts for the year ending 31 March 2022 show a surplus of £581k.

Finance

2. Management Accounts – Income and Expenditure

The internal management account for the five months ending 31st August 2022 is attached. The figures for the end of September are not yet available.

Income from NHS of £678k includes a 2.5% uplift for 2022-23. We also budget for ad hoc “continuing care” fees (£2k per month) which is uncertain. None has been received so far.

Other Income is £107k below budget because the value of the investment fund has declined, due to the economic crisis, where the budget had assumed an increase.

Direct costs of service is £48k below the budget – the most significant contributors to this are departments where vacancies are being filled later than planned, though the savings for IPU staff vacancies are largely being covered by agency and bank staff costs.

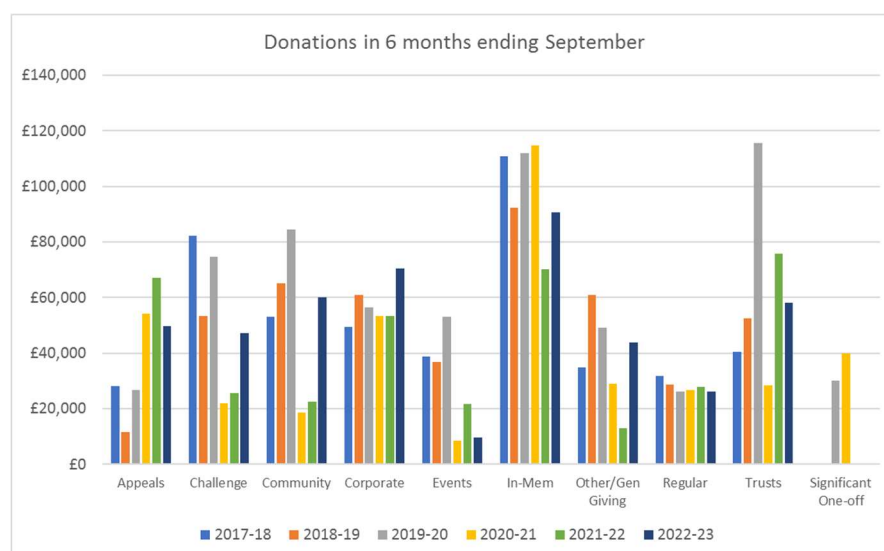
Support costs are slightly above plan as a result of unplanned recruitment cost for Head of HR and Datix licensing costs being budgeted to Direct Clinical Costs and charged to General Costs.

Legacies have now reached £366k with 2 new £100k+ receipts and also the long-standing legacy from John Dineen having been received at £80k above the accrued rate.

Donations

Reconciled donation income was 15% below budget at the end of August, although ahead of the previous two years.

The graph and table below is driven by data direct from the Raisers' Edge database (excluding Gift Aid). This covers the 6 months to the end of September and the total remains of £446k has now drifted from the target by 24% (budget £589k).



6 Months to September	2018-19	2019-20	2020-21	2021-22	2022-23	2022-23 Full	
						Year Target	% Achieved
Appeals	£11,540	£26,793	£54,129	£66,997	£49,719	£200,000	25%
Challenge	£53,245	£74,679	£21,979	£25,487	£47,257	£80,000	59%
Community	£65,067	£84,465	£18,593	£22,482	£59,969	£145,000	41%
Corporate	£60,993	£56,312	£53,210	£53,269	£70,426	£165,000	43%
Events	£36,682	£52,973	£8,458	£21,543	£9,543	£50,000	19%
In-Mem	£92,258	£112,004	£114,732	£70,269	£90,699	£225,000	40%
Other/Gen Giving	£60,923	£49,241	£28,902	£13,033	£43,833	£163,555	27%
Regular	£28,590	£26,177	£26,684	£27,702	£26,016	£100,000	26%
Trusts	£52,500	£115,550	£28,250	£75,663	£58,000	£175,000	33%
Significant One-off	£0	£30,000	£40,000	£0	£0	£25,000	0%
Total Fundraising	£461,798	£628,194	£394,936	£376,444	£455,462	£1,328,555	34%

As can be seen from the figures, the Appeal Income, at £50k, is lower than last year. This relates to the Lavender Appeal that arises from the Spring Raphaelite mailing. The volume of responses was 68% of the volume for this edition last year whilst the average donation was very similar, leading to a c33% reduction in income. The next Appeal (Light Up A Life) achieved £85k last year and £97k the year before. Given that the Lavender Appeal only achieved 66% of last year's total, we might anticipate around £50-60k this year. A particular call to respond by setting up a regular gift has been made this year.

Challenge events are ahead of last year as more activity is being planned and undertaken as Covid recedes. Similarly, there is an increase in Community activity, though some way down on pre-Covid levels. Other areas show some improvement over 2021 but it is clear that the full year target will be challenging. Our Raphaelite, which will be sent to over 35,000 people in December, will highlight the need and how people can support us. The response to this will influence the current and future years' results.

Fundraising costs are 10% below plan.

Lottery income and costs (at the end of August) are both below budget but the net effect is £15k below plan. We are seeing a 4% leakage of players which is not currently being replenished as the Agency we have recruited are not yet able to service the proposal. We have also seen a significant reduction in “Bumper Drawer” responses (down at £5k from the usual £20k).

Retail

The accounts show the 5 months to August with retail income just ahead of plan and costs below plan so that the contribution is £74k compared to £41k budget and £(59)k last year.

The up to date figures to the end of September from the “Eproductive” till system are shown below (excluding Gift Aid).

The shop units are operating 9% above the budget whilst Ebay remains all but dormant and we are yet to open the next new shop (Wimbledon Park is due to open in late November or December).

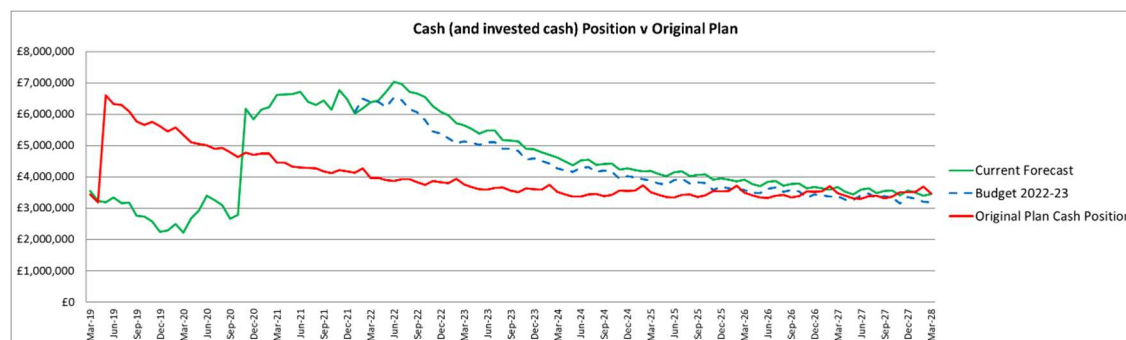
As performance is consistent, we are now seeking further shops to grow the contribution.

6 months to September	Actual	Budget	Variance	%	Annual Run-rate	Budget 2022-23	Variance	%
Banstead High Street	£47,619	£54,064	-\$6,445	-12%	£95,238	£108,583	-\$13,345	-12%
Carshalton	£65,012	£64,728	£284	0%	£130,024	£130,000	£24	0%
Cheam Village	£71,122	£64,329	£6,793	11%	£142,244	£129,200	£13,044	10%
New Malden	£67,180	£57,524	£9,656	17%	£134,360	£115,533	£18,827	16%
Raynes Park	£52,746	£45,701	£7,045	15%	£105,492	£91,787	£13,705	15%
Rosehill	£51,558	£47,032	£4,526	10%	£103,116	£94,460	£8,656	9%
Stonecot Hill	£41,230	£36,098	£5,132	14%	£82,460	£72,500	£9,960	14%
Sutton	£58,800	£57,126	£1,674	3%	£117,600	£114,733	£2,867	2%
Donation Station	£60,670	£53,734	£6,936	13%	£121,340	£107,921	£13,419	12%
Wimbledon Village	£110,950	£95,107	£15,843	17%	£221,900	£191,014	£30,886	16%
	£626,887	£575,443	£51,444	9%	£1,253,774	£1,155,731	£98,043	8%
Ebay	£265	£24,895	-\$24,630	-99%	£20,000	£50,000	-\$30,000	-60%
Rag + Books	£15,165	£17,427	-\$2,262	-13%	£30,330	£35,000	-\$4,670	-13%
Wimbledon Park		£8,855		0%	£50,000	£64,086	-\$14,086	-22%
	£642,317	£626,620	£24,552	4%	£1,354,104	£1,304,817	£49,287	4%

The biggest risk noted in the last report was that the Donation Station might be closed at some point this year and we will need to find as low a cost alternative to it in order to retain as much of this income as we can. Since then we have expressed interest in a unit opposite the current site with a 15-year lease. A business case has been drawn up for this and is attached for comment prior to going to the Board.

3. Management Accounts – Balance Sheet

Cash (including the investment fund) stood at £6.9m at the end of August 2022 and £6.5m at the end of September (being £400k above the plan level). This can be associated with the CCG grants of £440k which were notified after the budget was crystallised and received in April.



Net assets stood at £5.1m at the end of August 2022, down by the £744k shortfall compared to the year end March 2022.

4. Investment Fund

The fund stood at £1.94m at the end of August, a fall of £80k over the year end. By the end of September, it had tumbled to £1.85m. The Committee met with the Sarasin team in September and agreed that no changes to the makeup or quantum was advisable as there remains material uncertainty over the direction of the economy and the war in Ukraine.

5. Forecast for the Financial Year 2022-23 and beyond

At this point in the year we have to assume some significant shortfalls against income budgets. Even with some positive responses to the call for support in the LUAL and Raphaelite mailings, it is difficult to foresee any increase over previous year's income and the estimate has been dropped by £300k. The Lottery plans await the go-ahead by the agency and this too is not performing to plan and has been reduced by £100k. We have also lowered the expectations for any recovery in our Investment Fund. Some cost savings should be retained to the year end and the net forecast before the DoC drawdown is £135k below the plan at £(1.9)m. This is a very sobering figure and all effort now needs to be focussed on building our income generation over the coming 3 years.

The forecast has been re-set for 2023 and beyond to assume that the lottery agency commences with effect from 1st April 2023, incurring particularly high costs in that year. A reduced but ongoing arrangement is assumed thereafter.

The retail income assumes five new shops (including Wimbledon Park) open over the coming 18 months and that we can successfully relocate the Donation Centre to the premises opposite, maintaining the income levels already enjoyed.

Our Campaign, coupled with the revised structure and investment in the team is designed to grow our donation income base. Whilst the current year expectations have been pegged back, we will expect to see the start of significant growth.

We will review the strategy for fundraising and recruit to a revised vacant role – a director role following the resignation of our Head of Donor Development, Emily Nichols. The team then has **six** further fundraiser roles in the budgets. Four are in place and two are vacant and can be shaped to suit the practical needs. This compare to the “Head of” role plus 2 x team in 2019-20 when £1.2m was achieved. In order to leverage this extra resource, each team member will need to recruit volunteers around them to run events, to run supporter groups, to co-ordinate business activities, to encourage challenge event participants and to connect with families who want to get involved in memory of their loved ones.

Full Year Donation Income	2018-19	2019-20	2020-21	2021-22	Budget 2022-23	Revised 2022-23	Revised 2023-24
Appeals	£77,371	£82,756	£167,263	£157,462	£200,000	£150,000	£175,000
Challenge	£88,792	£115,914	£35,697	£49,034	£80,000	£100,000	£100,000
Community	£163,234	£187,687	£99,699	£82,901	£145,000	£100,000	£150,000
Corporate	£120,766	£105,393	£109,163	£125,596	£165,000	£140,000	£200,000
Events	£54,469	£66,327	£13,120	£33,573	£50,000	£30,000	£50,000
In-Mem	£207,193	£212,849	£214,940	£146,013	£225,000	£200,000	£270,000
Other/Gen Giving	£114,023	£87,303	£68,476	£59,248	£163,555	£150,000	£164,871
Regular	£55,381	£52,785	£55,799	£55,945	£100,000	£55,000	£125,000
Trusts	£193,736	£253,904	£161,066	£261,831	£175,000	£100,000	£175,000
Significant One-off	£77,924	£80,000	£148,000	£0	£25,000	£25,000	£50,000
Total Fundraising	£1,152,889	£1,244,917	£1,073,221	£971,602	£1,328,555	£1,050,000	£1,459,871

6. Statutory Accounts and Audit

Joe, Neena and I met with the Haysmacintyre audit principle, Siobhan Holmes, and manager, Amber Clerk, during September for the audit “wrap up”. I attach their “Audit Findings Report” in which their team has not raised any material matters of concern other than that we are significantly reliant upon Neena. We do not disagree with this, but in the context of our size, do not feel that this is a surprising situation to be in.

Quite a number of suggestions were made to improve the content of the Annual Report and to adjust rounding error in the numbers. These have been amended in the set attached for your review. The audit principal is still to agree these changes, though it is not expected that this will not occur.

We anticipate that Siobhan may be able to attend our Committee by zoom, although she is now on maternity leave and uncertainty is present, as one might expect in the circumstances.

Once any last amendments are made, and once we have been provided with the correct wording for the Auditor’s Report, the accounts will go to the Board to approve and for

Norman McWhinney to sign on our behalf before being sent to the auditors for their signature.

The Trustees also need to sign the “Letter of Representation” which acknowledges that all that should have been disclosed has been disclosed and that there are no post balance sheet events that have not been disclosed. A copy is attached for information.

A “Going Concern Review” document has been completed for the Trustees to review and is enclosed here. This review requires consideration of worst-case scenarios and contingency planning. Some examples of scenarios have been run and also of approaches to managing through such scenarios and these can be spoken to in the meeting.

7. Volunteer Numbers

In response to an action from the April FRC, Ginny Toubal (Hospice Volunteer lead) has co-ordinated the collation of numbers of active volunteers. This totals 347 at present. The reason this is a lower figure than in the statutory accounts (669) is because the latter includes supporter group members (fundraising) and also many volunteers perform several roles.

Nick Stevens, Joint CEO

3rd October 2022

ACTION LIST

SAINT RAPHAEL'S HOSPICE TRUSTEE BOARD ACTION LIST FOR OCTOBER 2022 MEETING

Reference	Lead	Description	Target Date for Completion	Comments
24.11.21/03	GL, Michelle Rahmin	Explore opportunities for joint working with the ICS team and St Raphael's	January 2022 meeting	Complete
24.11.21/05	AM, JR	Take forward Safeguarding Link Trustee appointment and training	January 2022 meeting	Complete
04.05.22/01	NM	Contribute to staff newsletter to express thanks for contributions from staff to EVE strategy	May/ June 2022	Complete
169/07	GL	Incorporate customer care/conflict/complaints management training into mandatory training		WIP Content of Mandatory Training under review
23.09/11	NM, AC, NS, GL	Bring together schedule of Provider visits	Spring 2021	List of Provider Visits to be brought to T-Time meeting for discussion
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	April 2022 meeting	Baseline data report being brought together
22.09.21/06	NM, AM	Discuss appropriate number of Trustees on Board	February 2022 meeting	For discussion in T-Time meeting
22.09.21/07	NM, AM	Discuss training for Trustees	February 2022 meeting	For discussion in T-Time meeting

2023 Board and Committee Agenda Planner

St Raphael's Hospice

This agenda planner sets out meeting dates for 2023 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 10 th January, 10am-12pm	Standing items: Volunteer Services; HR Report; Management Plan; Equality & Diversity; Speaking Up High-level staffing structure 2023/24 Staff survey outcomes Departmental Risk Register
Clinical Quality & Governance Committee	Friday 13 th January, 10am-12pm <u>Virtual meeting</u>	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
Communications & Fundraising Committee	Tuesday 17 th January, 11am-1pm	Standing items: Income Figures; Update on Donations; Lottery; Retail; Supporter Care; Communications; HR and Staffing 2023/24 Fundraising Strategy – high-level priorities Departmental Risk Register
Finance Committee	Tuesday 17 th January, 2-4pm	Standing items: Finance Report; Management Accounts & Balance Sheet; Investments; IT & Resources Review of financial position vs five-year plans Outline 2023/24 look-ahead Update on investment manager and ethical investment policy Corporate Governance Report; Health & Safety (H&S) update Departmental Risk Register

Meeting	Date and time	Key agenda items
Trustee Board	Wednesday 25 th January, 1-5pm	Standing items: Joint CEO Report; Fundraising Report; Committee Chair updates; Equality and Diversity; Governance update 2023/24 Budget – high-level priorities 2022/23 board self-evaluation: framework
Trustee Board Strategy meeting	Wednesday 8 th February, 10am-3pm (including lunch and Hospice visit)	Presentations inc. review of progress towards EVE strategy & Hospice communications Fundraising Campaign strategy Review of financial position vs five-year targets Review and approval of 2023/24 Budget 2022/23 Board self-evaluation: outcomes
Clinical Quality & Governance Committee	Friday 31 st March, 10am-12pm <u>In person meeting</u>	Standing items: (see above) Annual review of Committee Terms of Reference
HR Committee	Tuesday 4 th April 10am-12pm	Standing items: (see above) Annual review of Committee Terms of Reference
<i>Easter weekend</i>		
Communications & Fundraising Committee	Tuesday 25 th April, 11am-1pm <i>Note: Held towards end of Committee cycle in order for Committee to review latest information on 2022/23 year-end position at meeting</i>	Standing items: (see above) 2023/24 Fundraising Strategy Annual review of Committee Terms of Reference
Finance Committee	Tuesday 25 th April, 2-4pm <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
Trustee Board	Wednesday 10 th May, 1-5pm	Standing items: (see above) Update on latest estimated 2022/23 year-end financial position Annual approval of Scheme of Delegation and Committee Terms of Reference
Clinical Quality & Governance Committee	Friday 30 th June, 10am-12pm <u>Virtual meeting</u>	Standing items: (see above) Clinical Risk Register
HR Committee	Tuesday 5 th July, 10am-12pm	Standing items: (see above) Departmental Risk Register

Meeting	Date and time	Key agenda items
Fundraising & Communications Committee	Tuesday 11 th July, 11am-1pm	Standing items: (see above) Departmental Risk Register
Finance Committee	Tuesday 11 th July, 2-4pm	Standing items: (see above) Annual review of pensions Annual corporate governance update (data protection, insurance & compliance activities, policies framework, Health & Safety) Departmental Risk Register
Board meeting	Wednesday 19 th July, 1-5pm	Standing items: (see above) Hospice Policy Framework – for approval Hospice Risk Register & summary of Departmental Risk Registers
Summer break		
Clinical Quality & Governance Committee	Friday 6 th October, 10am-12pm <u>In person meeting</u>	Standing items: (see above) Annual review of Hospice's position in local healthcare ecosystem Safeguarding Adults Policy – for recommendation to Board
HR Committee	Tuesday 10 th October, 10am-12pm	Standing items: (see above) Annual leave allowance 2024/25
Fundraising & Communications Committee	Tuesday 17 th October, 11am-1pm	Standing items: (see above) Mid-year update on progress vs Fundraising Strategy Fundraising applications pipeline report
Finance Committee	Tuesday 17 th October, 2-4pm	Standing items: (see above) 2022/23 external auditors' report 2022/23 St Raphael's Annual Report & Accounts – for recommendation to Board
Trustee Board	Wednesday 25 th October, 1-5pm	Standing items: (see above) 2022/23 external auditors' report 2022/23 St Raphael's Annual Report & Accounts – for approval Safeguarding Adults Policy – for approval
Remuneration Committee	Wednesday 6 th December, 10am-12pm	Standing items: Hospice annual pay award; SMT remuneration

St Raphael's Hospice
 Minutes of a Meeting of the Board of Trustees
Held at 13:30 on 20th July 2022
At St Raphael's Hospice, London Road, Sutton, SM3 9DX

Trustees:

Norman McWhinney (NM) (*Chair - apologies*) **Alan Cogbill (AC)** (*Vice-Chair – Chair for meeting*) **Grahame Darnell (GD)**
Sister Veronica Hagen (Sr VH) **Paul Holmes (PH)** **Manjit Lall (ML)**
Bernard Marley (BM – by video call) **Roderick O'Connor (RO'C - apologies)** **Sister Kathleen O'Reilly (Sr KO'R)**
Joe Ryan (JR) **Dr Joy Tweed (JT)**

In attendance:

Gail Linehan (GL) (*Joint CEO*) **Nick Stevens (NS)** (*Joint CEO*) **Carrie Chill (CC)** (*Board Advisor - apologies*)
Ed Cook (EC) (*Advisor to DoC & Finance Committee member*) **John Groom (JG)** (*Director of IT & Estates*) **Alex Rudkin (AR)** (*Head of Quality & Improvement*)
Jenny Strawson (JS) (*Lead Consultant*) **Rebecca Trower (RT)** (*Clinical Director*) **Sara Jane Woods (SJW)** (*Director of Income Generation*)

Anna Machin (AM) (*Governance – by video call*)

Actions arising

Agenda item	Action	Responsible	Timeline
4. Joint CEO Report	Consider whether any claim may arise from 2 x RIDDOR incidents	Nick Stevens, Alex Rudkin	Immediate
5.1. HR Committee update	Send comments on EDI Action Plan to Head of HR	Trustees	By September

Agenda items arising

Agenda item	Action	Responsible	Timeline
Fundraising Strategy review & Campaign plans	Share analysis at next meeting and Fundraising Campaign GANTT Chart	Sara Jane Woods	October Committee and Board meeting
Lottery contract	Share review of effectiveness of lottery contractors at 3-month and 6-month stage	Sara Jane Woods	October and January Board meetings

1. Welcome and apologies for absence

- 1.1. Alan Cogbill took the Chair and welcomed Trustees and colleagues to the meeting, and introduced Dr Gaby Tamura-Rose who would be taking on the role of Lead Consultant in autumn 2022.

2. Declarations of interest

- 2.1. Apologies were received and accepted from Norman McWhinney, Rod O'Connor and Dr Carrie Chill. There were no declarations of interest in relation to items on the agenda.

3. Minutes of Board meeting held on 4th May 2022 and actions list

- 3.1. Trustees reviewed and approved the minutes of the previous meeting as an accurate record of proceedings. Trustees noted the Actions List, which would be discussed in more detail as part of the T-Time closed session.

4. Joint CEO Report and update on milestones towards Hospice strategy

- 4.1. Gail Linehan and Nick Stevens highlighted key points from the Report:
 - Income from the Lavender Appeal has been around one-third lower than in prior years. The Fundraising team is undertaking a review of contributing factors, as the campaign received a high level of engagement on social media. £0.5m legacies have been received since the year-end of which £280k is directed to 2021/22.
 - Retail is performing well although a small number of closures have been required due to covid related sickness and cover on certain days. A quote from Skyline has been received to support on scoping new shop sites and prepare to open them. Plans continue to put in place contingency space for the Donation Centre in the event that notice is given on the current free space.
 - There continue to be challenges in recruiting Band 5 and Band 6 nursing roles. NHS pay rises are now announced, with the pay confirmed for each banding. The non-London weighting will not increase. These payrises are slightly lower than the assumptions included in the budget.
 - In terms of staffing, covid cases continue to reduce capacity in teams and it is policy to wear masks in the wards again. A Head of HR has been recruited and is joining in mid-August on a 12-month contract in order to provide an independent perspective. He brings commercial sector experience and strong willingness to adapt to the non-profit context.
 - The Joint CEOs met with the leaders of two local Hospices to discuss opportunities to share services and resources – all leaders recognise the challenges and cost pressures on the Hospice sector. Key joint working will include sharing benchmarking data on fundraising and expenditure and making joint representation within the Integrated Care System (ICS) area in relation to funding.
- 4.2. Trustees requested more detail on the covid-related pressures on the team. Rebecca Trower confirmed that morale is strong overall, staff continue to take on additional shifts on IPU and also to train the Nurse Associates in new practices. There continue to be high levels of enquiries from patients due to the Hospice's reputation for excellent care.
- 4.3. Trustees asked about preparations in place in the event of a further rise in covid cases locally. Gail Linehan confirmed that the Hospice's prior practices, and the team's experience with these, would ensure quick responsiveness and implementation of new measures should winter present higher rates.

- 4.4. Trustees asked for the initial expectation on the benchmarking information that would be received from the local Hospices. Gail Linehan noted that staff terms and conditions are comparable, several have more Retail shops bringing a comparable turnover to St Raphael's boutique shop in Wimbledon, and there are different approaches to the composition and structure of fundraising teams.
- 4.5. Trustees requested that consideration be given to whether any potential claims should be anticipated for the two RIDDOR reportable incidents in the shops, even though these did not arise due to any non-compliant practices.
- 4.6. Trustees congratulated the team on the positive feedback from the Medical Examiner and also the recent visit from the insurance surveyors, which demonstrated exemplary practice in place. This shows the 'Excellence' component of the strategy in action.

5. Committee Chair updates & meeting minutes

- 5.1. **5th July HR inc. update on Equality & Diversity** - Paul Holmes updated that the Committee had reviewed the new Volunteer Risk Assessment, as well as the Management Plan summary. Paul spoke to the Equality, Diversity & Inclusion (EDI) Action Plan shared in meeting papers which had been reviewed by the HR Committee at the April meeting. Any comments would be sent to the new Head of HR by Trustees to be taken forwards.
- 5.2. **1st July Clinical Quality & Governance** - Alan Cogbill updated that the Committee had discussed the Corporate Risk Register, Action Plan, and recalibration of roles to provide more internal on Infection Control and development of new projects including database development and support for carers.
- 5.3. **12th July Fundraising & Communications Committee update** - Grahame Darnell updated on the Committee's discussion on contextual factors within the wider environment that may be beginning to impact on fundraising including the Ukraine crisis and inflation. 18% of the total budgeted fundraising figure has been raised to date which is comparable to the prior year but it is expected that certain budget lines will be affected going forwards. The Committee had explored the ways in which the Communications team work with Fundraising, as strong social media outreach did not result in higher sign ups, prompting an end-to-end review of the process and user experience. Sara Jane Woods is planning a review of the Fundraising Strategy due two years in, drawing from comparative data with other Hospices, reflecting the budget streams impacted by pandemic, and identifying any proposed areas of change. This analysis will be shared at the October Committee and Board meetings. Retail continues to perform well aside from Banstead shop, and the Board will remain updated on proposed new locations.
- 5.4. **26th April Finance & Resources Committee**

Noted full update and Finance papers in meeting minutes. Alan Cogbill provided a summary of the Financial position, which had been reviewed in detail at the Finance Committee. Fundraising Campaign due to be delayed to October 2022 or March 2023, optimal timing to be agreed in terms of launch to be based on technology and user journey, will impact fundraising figures for current year. For example, may need branded microsite to ensure effective comms. Echoed by trustee with Fundraising expertise. Recognise challenge in waiting further when covid has delayed plans. Don't need cash today but need to see green shoots of improvement in fundraising activity to bring it in, in future.

6. Fundraising Update inc. Lottery proposal

- 6.1. Nick Stevens presented the proposal on the Lottery contract, which will entail moving away from the plan to use volunteers and contract with an Agency firm instead who were previously used by Hospice. A tabled analysis of Lottery projections was shared that had been reviewed in detail by the Finance Committee, showing a range scenarios for sign-ups per week.

- 6.2. If the Agency achieved 100 sign ups per week in Yr1, the same in Yr2, and no sign ups in Yrs 3-5, the budget target would be exceeded by £115k over a 5-year period. The targets are felt to be realistic based on prior experience with the agency. The focus will be on private sites e.g. supermarkets rather than commencing any door-to-door activity at this stage. This agency has strong quality assurance and training processes in place for its staff. Trustees approved the proposed contract, and requested a review of effectiveness at the 3-month and 6-month stage.
- 6.3. Trustees asked for an update on plans for the Fundraising Campaign. Nick Stevens and Sara Jane Woods confirmed that an initial meeting had been held with the contracted communications agency AVE who are in tune with the aims of Campaign and work on a 10-week timeframe to prepare. The team are clear on the actions that need to be taken next but have been considering the optimal time to launch the campaign, taking into account team capacity and also wider economic pressures on potential donors. The Campaign's aim is to reach new audiences, not just warm contacts.
- 6.4. Trustees emphasised that delaying the campaign to 2023 would have an impact both on the in-year budget and future years due to the compounding impact of fundraising activity e.g. bringing on board regular donors. It could be possible to bring together core communications content by October and continue to evolve these materials online as needed. Overall, Trustees recognised the reserves in place and that the Campaign should be as high quality as possible, but stressed the importance of setting October 2022 as an initial launch date, unless further planning and exploration shows that this is not feasible. The Campaign GANTT Chart prepared with AVE would be shared with Trustees to show the key next steps.

7. Hospice Corporate Risk Register & Departmental Risk Registers

- 7.1. Trustees noted the relatively high levels of Yellow and Red risks which reflected the challenges in the financial and covid-related environment in particular at this current point in time. Each department now also has a risk register that is regularly reviewed at the relevant Committee.

8. Any Other Business & Date of Next Meeting

- 8.1. This being Dr Joy Tweed's last meeting, Trustees expressed their warm wishes and thanks for Joy's significant contribution to the Hospice over the past few years including through the transition to independence and Safeguarding Link Trustee role.
- 8.2. There were no further items of business raised. Trustees noted the date of the next meeting of Wednesday 26th October, 1-5pm.

Approved.....

Date.....

St Raphael's Hospice

**Meeting of the HR Committee held at St Raphael's Hospice, London Road,
Cheam, Sutton, SM3 9DX with video call access**

At 10:00am on Tuesday 10th October 2022

Members: Paul Holmes (PH - Chair)
Norman McWhinney (NM – Chair of Trustees)
Manjit Lall (ML – Committee Member & Trustee – virtual)
Steven Mulhall (SM – Committee Member – virtual)

In attendance: Barry Angel (BA – Head of HR)
Gail Linehan (GL – Joint CEO)
Nick Stevens (NS – Joint CEO)
Ginny Toubal (GT – Volunteer Services Manager - items 1-2)
Anna Machin (Governance – AM – virtual)

Actions arising

Agenda item	Action	Responsible	Timeline	Ref.
2. Volunteer Services Update	Arrange presentation on Compassionate Neighbours programme to Clinical Quality & Governance Committee	Anna Machin, Alex Rudkin	21 st October Committee meeting	11.10.22/01
	Include Supporter Groups within target volunteer numbers	Ginny Toubal	January 2023 meeting onwards	11.10.22/02
3.2. Actions List	Place absence management on agenda of future meeting and prepare paper	Anna Machin, Barry Angel	January or April 2023 meeting	11.10.22/03
4. Update on HR Activity	Place payroll provision on agenda of future meeting and prepare paper inc. paper-based costing exercise	Anna Machin, Barry Angel, Steve Mulhall	January or April 2023 meeting	11.10.22/04
	Update HR Risk Register to reflect risk relating to night shift recruitment and capacity	Barry Angel	Immediate	11.10.22/05
	Bring HR Strategy and 2023/24 Management Plan to Committee for review	Barry Angel	April 2023 meeting	11.10.22/06
7. AOB	Place annual leave allocation on Remuneration Committee agenda and prepare paper	Anna Machin, Barry Angel	December 2022 RemCo meeting	11.10.22/07

1. Welcome, apologies for absence and declarations of interest

The Chair welcomed Committee members and colleagues to the meeting and introduced Barry Angel, this being his first meeting as the Hospice's HR lead, and Barry introduced himself and his experience. Anna Machin, Steve Mulhall and Manjit Lall attended by video call.

The meeting was confirmed as quorate. There were no declarations of interest in relation to items on the meeting agenda.

2. Volunteer Services Update & Dashboard

Ginny Toubal presented headline information from the Volunteer Services update:

- There have been change to the composition of the team in terms of the time spent by colleagues in different areas, particularly in relation to the Compassionate Neighbours programme and complementary therapy offer.
- There are 175 active volunteers within the Hospice building, with a particular parallel focus on the Compassionate Neighbours programme. There are 167 active volunteers in Retail, with 57 new Retail volunteers recruited since the 1st of January with 51 still active. Volunteer outreach events are recommencing in person and bringing on board new potential joiners. There are also volunteer awards schemes and ceremonies recommencing which provides a valuable opportunity to recognise the contribution of volunteers. This shows 18% growth overall across volunteer numbers.

It was agreed that a presentation on the Compassionate Neighbours programme would be given at the October Clinical Quality & Governance Committee meeting, in order to ensure awareness at Board level of the changes to this programme.

Committee members emphasised the opportunity to build Supporter Groups with younger age groups, for example with student volunteers. There could also be prior volunteers who cannot fulfil their pre-pandemic role who could join a Supporter Group, which are a key part of growing local engagement and fundraising activity. It was agreed that the Supporter Groups would be included in the target numbers for volunteers.

3. Review of minutes from 5th July 2022 HR Committee meeting

3.1. Minutes - The minutes of the previous meeting were reviewed and approved as an accurate record of proceedings. Page 2 would be updated to emphasise that there are 669 'volunteer roles', as opposed to individual volunteers.

3.2. Actions List - The Committee reviewed the actions arising from the previous meeting:

- Make updates to Risk Register inc. reference to Staff Handbook development – this has been completed and is on the meeting agenda.
- Develop approach to absence reporting within Hospice – Barry Angel updated that the absence data is being review in the system and the next step will be to have one-to-one conversations with individuals showing higher levels of absence.
- Make requested updates to Equality, Diversity & Inclusion Policy – this was still in progress, working alongside the Equality Working Group.
- Share example sign-off process for policies in relation to EDI assessment – the example had been shared with Kelly Channer and had been forwarded in turn to Barry Angel.
- Confirm completion of update to posters at next meeting – this is in progress to include photos on the policies.

Committee members asked about the strength of the Hospice's Absence Management Policy. Barry Angel gave assurance that the Policy had the relevant information within it in relation to definitions and stages of absence management.

Certain triggers in the Policy may be reviewed over time. Line managers will also be further equipped to log and flag information with HR, which will also foster more support for staff if they are experiencing challenges. This topic would be covered in more detail as a standalone agenda item at a future meeting, supported by absence statistics.

Committee members asked for a status update on the development of the Staff Handbook. Barry Angel confirmed that a revised draft document will be brought together by mid-November.

4. Update on HR Activity and Management Plan

4.1. HR Report – Barry Angel updated on key developments since the July meeting, and during his first months in role:

- There is a strong team in place at the Hospice and there has been a slight reshaping of allocation of responsibility which is progressing well.
- Two Retail managers have been recruited recently, and recruitment of nurses continues to be a challenge – as with other local Hospices – however a Band 6 nurse accepted an offer of employment recently. The team are reviewing ways to adapt outreach for vacancies particularly for the relatively small - but critical – number of vacancies including through promotion on social media.
- There have been changes within the Fundraising team with Emily Nicholls moving on and consideration of the composition and priorities for this team. Sara Jane Woods will take focused responsibility on Retail and Lottery income generation and a senior Director role will be recruited for Fundraising.
- The HR systems have the core data however could support streamlining of processes and analytics data much more and so this will be a priority to make the HR team more time efficient. Over time it is intended to move to a self-service system.
- In terms of payroll, it is not anticipated that payroll should move in-house but the benefits and drawbacks would be considered. This will be put into a paper for formal consideration by the Committee at a future meeting.
- The Volunteering team will work more closely with the HR team, in order to join up on focused areas such as outreach.
- Policies are being gradually updated in line with the renewal timeframes including the Lone Worker Policy to reflect the Compassionate Neighbours programme. The Appraisal and Performance Management Policy and related processes will be the next priority to review.
- There will be further Mental Health First Aid training commencing in November.

The Committee discussed the potential benefits and drawbacks of the payroll options. It was agreed that Steve Mulhall would support on a paper-based exercise to analyse this including potential costs for consideration at a future meeting.

It was noted that elements of the Recruitment Policy could also be used to apply to the recruitment of Board and Committee members.

The Committee noted the HR risk register which had been updated with minor updates. Staff recruitment levels have improved but the risk will be updated to focus on recruitment to night shifts.

4.2. Management Plan – It was agreed that the HR strategy and draft 2023/24 Management Plan would be brought to the April 2023 meeting.

5. Equality, diversity and inclusion (EDI) update

Barry Angel is focusing on liaising with relevant colleagues in this area and also learning from training on EDI in the non-profit sector. The Committee emphasised the importance of progressing this area of work.

6. Speaking Up

There were no concerns raised under the Speaking Up policy to report to the Committee.

7. Any Other Business and Dates of future meetings

Nick Stevens introduced an item relating to a discrepancy between the nursing staff 27 days and remaining staff who receive 24 days of annual leave. It will be important to consider the timing of this, particularly in relation to the inflationary context currently which is not sustainable. The headline implications of this change in relation to Health Care Assistants and Retail staff have been costed as these staff would need cover.

The Committee emphasised that this would be a material change to terms and conditions and there would need to be a process around this including consultation. This would be considered in further detail at the December Remuneration Committee.

There were no items raised under Any Other Business.

Committee members noted the next meeting would be held on Wednesday 7th December 2022, 10am-12pm (Remuneration Committee).

The meeting ended at 11.30am

Approved.....

Date.....

St Raphael's Hospice

Meeting of the Board of Trustees

**To be held at St Raphael's Hospice at 13:30 on Wednesday 26th
October 2022 (lunch from 13:00)**

TO BE PRESENT:

Trustees:

Norman McWhinney (NM) (<i>Chair</i>)	Alan Cogbill (AC) (<i>Vice-Chair</i>)	Grahame Darnell (GD)
Sister Veronica Hagen (Sr VH)	Paul Holmes (PH)	Manjit Lall (ML)
Bernard Marley (BM)	Roderick O'Connor (RO'C)	Sister Kathleen O'Reilly (Sr KO'R)

Joe Ryan (JR)

In attendance:

Gail Linehan (GL) (<i>Joint CEO</i>)	Nick Stevens (NS) (<i>Joint CEO</i>)	Carrie Chill (CC) (<i>Board Advisor</i>)
Ed Cook (EC) (<i>Advisor to DoC & Finance Committee member</i>)	John Groom (JG) (<i>Director of IT & Estates</i>)	Alex Rudkin (AR) (<i>Head of Quality & Improvement</i>)
Dr Gaby Tamura-Rose (GT-R) (<i>Lead Consultant</i>)	Rebecca Trower (RT) (<i>Clinical Director</i>)	Sara Jane Woods (SJW) (<i>Director of Income Generation</i>)

Anna 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 20 th July 2022 & Actions List	Approval	Chair	1.35 – 1.45
4.	Joint CEO Report inc. update on plans for Gail Linehan handover	Discussion	GL, NS	1.45 – 2.15
5.	Committee Chair updates & meeting minutes: <ul style="list-style-type: none"> • 11th October HR inc. update on Equality and Diversity • 12th October Finance & Resources • 18th October Fundraising & Communications • 21st October Clinical Quality & Governance 	Discussion	Committee Chairs	2.15 – 2.35
6.	Fundraising and Income Generation Report inc. Fundraising Figures & verbal update on Lottery contract	Discussion	NS, SJW	2.35 – 3.00
--	<i>Break</i>	-	-	3.00 – 3.15
7.	Finance Report	Discussion	Chair	3.15 – 3.35
8.	Annual accounts & external audit: <ul style="list-style-type: none"> • 2021/22 external auditors' report • 2021/22 St Raphael's Annual Report & Accounts • Letter of Representation 	Approval	Chair	3.35 – 4.00

9.	Governance Update: <ul style="list-style-type: none"> Proposed 2023 Board and Committee meeting dates Standing item update from Safeguarding Link & Speaking Up Trustee (verbal update) 	Discussion	Chair	4.00 – 4.10
11.	Any Other Business & Date of Next Meeting	-	Chair	4.10 – 4.15
12.	T-Time (trustee only session)	Discussion	Chair	4.15 – 5.00

Dates of upcoming meetings: To be confirmed – see item 9.

Joint CEO's Report October 2022

Overview

1. The financial statements for the year ended 31st March 2022 are now ready for approval by the Board
2. Following the resignation of the Head of Donor Development and dissatisfaction with the Creative Agency, we have decided to delay the Campaign until Spring
3. We are seizing the opportunity to de-risk our trading and our donor plans by creating two director level roles (form the original one Director role plus the Head of Donor Development role)
4. Our December edition of the Raphaelite will include a more direct appeal for donations
5. Family Room/Bariatric suite in development is progressing

Finance and Governance

6. Auditors Hayescmacintyre have completed the annual audit and have issued a “clean” Audit Report. The concerns relating to the inefficiency of the audit process have been addressed by the Lead Director, Siobhan Holmes.

A review of the financial statements was undertaken at the Finance and Resources Committee who can recommend the statements to the Board for approval, with sign off by Norman McWhinny before being sent to the auditors for their signature.

7. We have reduced the expected income from donations and the lottery for the current year and incorporated the knock-on impact to future forecasts. Further details in the Finance Report.
8. The NHS pay award was paid to all clinical staff and backdated as agreed to April 2022.

Staffing and Recruitment

9. Please see **Clinical Directors** update in CQ&G report related to IPU and community team staffing/activity. The IPU is supporting between 8/9 beds at present.
10. New Head of HR, Barry Angel has been in post since August 22nd. He is settling in well and reviewing our processes and policies with fresh eyes.

- 11.** We have successfully recruited to the Manager and Deputy Manager role for our new shop in Wimbledon Park (Leopold Road). Staffing in the retail sector remains a challenge at the moment due to sickness (Covid).
- 12.** From the beginning of October, in line with the NHS and other neighbouring hospices, we have ceased the special arrangements for recording of Covid sick leave as separate to contractual sick leave. Staff have been encouraged to take up the offered Flu vaccination and Covid Booster
- 13.** Volunteer recruitment remains generally challenging. The most challenging area remains retail volunteers. This is receiving active attention from the Retail Volunteer Lead and the Director of Fundraising.

Fundraising and Retail

- 14.** The challenge to fundraising and achieving targets is ever present. There have been a number of changes in the fundraising team that have given an opportunity to review this very significant area of our work, which as a charitable hospice we are dependent upon. In these challenging times we feel it is important to invest in raising the funds we need to enable us to become a self-sustaining hospice. With this in mind we have decided to diversify the income generation team. Sara Jane will take on the role of Commercial Director focusing on developing our retail portfolio which she has successfully transformed and increase the number of shops we have across our area, as well as growing our hospice lottery. To work alongside the Commercial Director, we will be recruiting a Director of Donor Development who will focus specifically on leading our team to raise monies from businesses, campaigns, fundraising groups, events etc. While we transition and recruit to the new role Sara Jane will continue to support the whole team. These are exciting developments which we believe will provide the level of support we require to achieve our goals.
- 15.** Campaign - The work with the design and marketing company AVE has ceased. Unfortunately, following a third iteration of design it was felt that they were not hitting the brief as we had envisaged. As designs were presented and reworked it became ever clearer that the Campaign needed to focus on a call to action to support raising the monies for hospice sustainability into the future We have approached another company, 'Mr Creative' which also submitted a bid to explore a first set of concepts. This has resulted in the campaign being delayed until March/April in 2023.

The whole team feel it is important that our messaging and strap lines are right before launching the campaign across our area. This is our opportunity to engage widely with many in our community who may not have awareness of who we are or where we are, so we want to have assurance that the look, feel and tone of the campaign are correct before we launch.

- 16.** Our December edition of the Raphaelite will include articles by Gail and by members of the team, alongside a patient article, which all highlight the importance of the Hospice work. There will be a piece by Nick on the costs and income needs and a direct ask for financial support with 12 options, together with a one page form to complete.

17. Retail continues to perform well against budget and despite the continued challenge of staff and volunteer shortages and sickness most shops have remained opened.
18. The Corporate Awards Night held on the rescheduled date of October 7th was an enjoyable and successful event. Thanks to everyone who supported the event.
19. Please see Fundraising and Communications report for more a more comprehensive overview.

External Engagement

20. We have continued to meet with CEO colleagues from Royal Trinity (RT), Princess Alice (PAH) and St Christopher's Hospice (SCH). At the most recent meeting on September 9th held at SCH we met with Tonia Michaelides, Director of Health and Care SWL Integrated Care Board and Senior Responsible Officer (SRO) for End of Life Care alongside Mary Hopper, Director of Quality Improvement and Viccie Nelson Associate Director of Aging Well, Anticipatory Care and Care Homes.
21. We participated in the launch event of the Sutton Care Sector Board held on October 11th. The membership of this Board will include key representation from across Social Services, health and the voluntary sector with the aim of ensuring that services are integrated and working effectively to support the people across Sutton.
22. Sutton African Caribbean Cultural Organisation held an event in St Bede's to launch Black History Month.
23. We continue to engage with Twitter to raise awareness of events and matters relevant to hospice and palliative care.

Operations

24. Following a structural survey of Sunningdale Road, Sutton and a report outlining major structural defects we have pulled out of the negotiations for the lease.
25. We are moving to Heads of Terms for the lease at Lodge Place directly across from the Sutton Donation Centre. The passing of the Written Resolution of the Board has provided the landlord with the confidence that we are serious suitors and hence he has commenced the work to complete the building, including installing windows, stairs and flooring. By leaving it unfinished he has kept the rates bill to a minimum.
26. The EMiS Patient Administration System (PAS) project has been launched with training for the Super User Group and process mapping. This project will run over the next number of months with transfer to the new PAS in the first quarter of 2023.
27. Development of rooms 14 & 15 into a Family/Bariatric suite is underway. Due to complete in December 2022. This build is expected to cost around £90k and has been partly funded by Trust funding of approximately £68k.
28. Health and Safety checks across the hospice and retail continue as scheduled.

Staff Wellbeing

- 29.** Staff have been encouraged to avail of the Flu vaccination administered on site by Boots Chemist. Booster COVID vaccinations should be coming on stream shortly for all patient facing staff.
- 30.** Covid Policy Review – Staff across all areas of the hospice are no longer required to undertake twice weekly LFD testing. Staff in clinical areas will test only if exhibiting symptoms. A few staff have recently tested positive for COVID in the IPU, CPCT and retail. The CPCT staff can work from home undertaking virtual and telephone assessments, providing they are not unwell. Staff on the IPU have to remain off sick until they test negative on day 5/6 as they are caring for a vulnerable group of people. This has caused some pressure on staffing. In retail, as per government guidance, staff remain off sick if they feel unwell, but theoretically can return to work if they feel well as the general population are not routinely testing or isolating. Mitigations remain active hand washing and wearing of a mask (optional). What we are doing is in line with the NHS and surrounding hospices.
- 31.** At present staff morale appears to be resilient. Staff are already thinking and planning rotas to support across the Christmas period.
- 32.** Staff Development – A number of key staff are availing of Executive Coaching. Feedback from these staff members has been and continues to be very positive. This level of staff development is not usually offered or provided in healthcare.
- 33.** We would like to acknowledge the dedication of all our staff across teams and thank them for all they do to support our services both clinical and non-clinical.

Gail and Nick - Joint CEOs

ITEM 07

Communications & Fundraising Report October 2022

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

- After nine and a half years, Emily (Head of Donor Development) has left us for a new and exciting role with SeeAbility. This was never just a job for Emily she has personal experience of our care and in the time she has been here, she has done a lot of fundraising. Her last activity was to run the London Marathon for us and she did so in a very credible 6 hours.
- Emily's resignation creates a gap in the donor development team. It also provides an opportunity to review the structure in order to ensure it maximises income generation. As a result, we have had to postpone the review of the strategy which has given us time to reflect on how we will meet the challenge of significant growth of our three main income streams: fundraising, retail, and lottery. We agree that it is a huge task for one person and recognise the risk that this has for the organisation. The solution is to create two new Director roles, one responsible for fundraising and the other responsible for commercial activity, retail, lottery, and trading. I am the most natural fit for the role of Commercial Director and recruitment for a Director of Income Generation will be undertaken in due course. Until such time as they are recruited, I will continue to manage the team creating stability and assurance for everyone. Although the two roles will have different focus we will work collaboratively across all activities
- Shops continue to perform well and we have almost completed a new shop in Leopold Road (Wimbledon Park). We are also looking at a new site for the Donation Centre. The business case is being presented separately. Both of these locations have been sourced by Skyline and they will meet their current contract for three shops in the new year. Moving forward I am sure that they will continue to support our retail growth plans.

RETAIL - Caroline Worley and Linda Ryan

- September 2022 sales £123,719 -2% budget £126,260
- Year to date £314,680 against budget 316,118 -5%

Shops/Team

- We have lost two days trade during the last month as COVID is on the rise.
- We have Assistant Manager vacancies at New Malden and Banstead. New Malden has been open for months. Despite this, the shop is out-performing our expectations. Banstead vacancy came about when the Assistant Manager applied to move to the Sutton shop, which had a vacancy. We are trying different ways of recruiting, like putting the two roles together and advertising as full time, in the hope that will attract more applicants. As mentioned above, we have recruited to the new Wimbledon Park shop with an Assistant Manager and a Shop Manager.
- Our transport and volunteer co-ordinator left in September after failing to complete his probationary period. The advert for this role is out in the shops, on our website, and Indeed.
- The Donation Centre continues to be flooded with Donations but the team are working hard to keep the environment safe.
- We do not have enough Bank staff to cover sickness and holidays, mainly because people have left and not been replaced or become a contracted employee as a vacancy has arisen. All shop staff have continued to be very accommodating in supporting keeping shops open and moving to cover other sites where necessary.

General

- Alex and Steve continue to do their H&S visits to shops and ASM's are working with them regarding actions required. We met for a catch-up meeting with them to ensure that we complete all outstanding works.
- General Risk Assessments have been completed for each shop and the Donation Centre. Any outstanding issues identified are in hand.
- Wimbledon Village shop has been challenging, flooding on several occasions. Repair works have started, due for completion in November 2022, in line with suggestion from the H&S visit, and to create a better environment for the team by redecorating and replacing their kitchen and toilet and laminating the ground floor.
- The retail team are engaging with mandatory training and are on target to complete all outstanding modules by the end of October.

SUPPORTER CARE – Lucy Ribaudó

Fundraising Donations:

We have worked on the data requests for Woof Fest, Night Full of Stars, LUAL, and the November campaign.

With the unfortunate passing of the Queen and the cancellation of Night Full of Stars and Woof Fest, we contacted all donors to offer a full refund or alternatively offer the facility to change their tickets into a donation. We then built a process for the team to action the requests on Raisers Edge, Stripe and finance, converting any eligible payments to donations to enable GA claims.

The process guide for LUAL is now written which includes the new Regular Donation process, Xmas Cards and merchandise sales including calendars and diaries. The mailing is due to go out on the 7th October however, we have been made aware that Royal Mail have planned 21 postal strikes taking us up to December. This will most definitely affect the mailing and therefore we are building a contingency plan to minimise the impact on our donors and our fundraising.

Lottery.

We finally had a winner for our 2nd prize roll over which hadn't been won for **23** weeks and totalled **£4600**.

We have just prepared the data for the LUAL appeal to include the Bumper Draw mail out. Sales can also be made via the microsite on our website which Sterling manage. Paper based sales will be processed and managed in house.

Gift Aid

We have now received the claim of £13607.87 for Fundraising donations for the last quarter. We aim to make the next Gift Aid claim at the end of October 22.

We have made the decision to make and manage GA claims resulting from Online donations, namely Stripe in house. Unfortunately, it became apparent that our website provider did not have an appropriate work around or an adequate exceptions process to meet HMRC procedure. This has meant that we have had to import GA declarations from our Website on to the individuals records on Raisers Edge as evidence, initially this was in excess of 7000 records. We now do this on a weekly basis to ensure we capture all information consistently.

Retail Gift Aid The Supporter Care team, along with the Data Base Manager have worked tirelessly on the transition from historic paper GA declarations to the new digital pdf format. We mailed out to all eligible GA registered donors and have now received a payment of £41583.66 in our recent GA Claim. A cross reference with Eproductive, our Shops database, showed that initially we had nearly 3000 missing declarations. This has now been resolved with the missing declarations now

scanned on to our system. We will include these in our next Retail GA claim at the end of October.

DONOR DEVELOPMENT - Emily Nicholls

We are starting to see some green shoots post- pandemic. However, we are also starting to see significant changes in giving behaviours of donors, supporters and volunteers. We are seeing very late sign up for events, low conversion rates, less consistency from volunteers, a continued hesitancy/lack of motivation from older volunteers to fundraise again and donors / companies uncertain about the looming cost of living crisis.

Positively, challenge events have reached over 55% of their annual target and we have seen 52 participants sign up to take part in activities so far this calendar year. With the London Marathon moving back to April 2023 we hope to see the majority of this income in Q3 and 4. Other areas such as in memory giving and general donations are also showing signs of increasing compared to the last few years. We are seeing community fundraising and Fundraising Group activity pick up slightly too and corporate continues to hold its own.

The team suffered another hit with events as both A Night Full of Stars (ANFOS) corporate awards and Woof Fest were postponed due to the death of Queen Elizabeth II. ANFOS is due to take place on the 7th October instead with similar numbers but Woof Fest is likely to not take place until 2023 now. This has affected team moral significantly as a lot of work went into organising both events and it is another disappointment following many cancelled activities due to COVID.

The team are currently covering different roles due to the departure of Katy (Special Events and Major Donor Manager). Rose has stepped in to help with events and Lucia is covering Fundraising Group recruitment. The team are very flexible and helping each other to carry the extra workload.

Events

Lavender Walk – We have seen a slight increase in sponsorship for the lavender walk bringing it to a total of £8,359 (net £2,791)

Woof Fest – Sadly, this event had to be cancelled 1 week out due to the death of the Queen. It was due to take place on the 17th September with the funeral taking place on Monday 19th. Due to this, the police health and safety cover and police dogs' workshop was immediately cancelled. We also encountered a number of other supplier cancellations as well as stipulations from Radio Jackie and Sutton Council that would have meant the event could not be the happy and joyful day that was planned.

The team acted immediately and extremely professionally, ensuring that all suppliers and attendees were made aware. All ticket purchasers were told that an automatic

refund would be issued after Friday 23rd Sept but were offered the chance to donate the sum back to the hospice. Many were very generous and have informed us they would like us to keep their ticket cost.

278 tickets were purchased by Friday 9th September before sales were paused and later cancelled. As suspected more tickets were purchased nearer to the event with 158 bought throughout July and August and 121 purchased in the 9 days of September.

We are likely to see a loss of around £4000 through the marketing costs. However, we had not paid invoices for the majority of suppliers and the two that we had, will defer the payment to an event next year (total £1,425). We have received £255 in donations back from ticket holders and £60 from stallholders. £60 has also been deferred to stalls at the craft fair.

Despite the cancellation, the work that the team put in and what they achieved in just 3 months of organisation was incredible and the event was on target to be a successful day.

A full evaluation will be documented to demonstrate the potential for success of this event in the future.

Snowdon Trek – 11 participants took part in August raising £4,317 (net £3,012).

Skydive Day – A further 4 participants took on a skydive for the Hospice in August (could not take part in May) raising £5,091 (net £4,355). The total including the skydive day in May for International Nurses Day is £14,506 (net £11,375).

Light up a Life (LUAL) – After two years of virtual events and following a survey to previous attendees, we will be bringing the LUAL service back to the Hospice grounds on the 3rd and 4th December. Due to capacity issues in the past, we will be organising 2 services on the Saturday and Sunday to spread the potential 1,500+ people across two dates. Free tickets will need to be ordered to ensure we do not exceed capacity. The Hospice Christmas Tree will be the central piece as people donate towards a light on the tree as part of the LUAL appeal. We hope to welcome the Rock Choir again and various speakers to allow us to come together in remembrance at this festive time of year.

Santa Dash – Taking place once again on Sunday 11th December at Nonsuch Park. A 5km or 1.2km run/walk/jog dressed as Santa. This year being sponsored by Andrews Estate Agents. To increase numbers and encourage early sign ups we have introduced a super early bird offer (20% off until 30 Sept) and an early bird offer (10% off until 31st Oct).

London Marathon – A large team of 14 strong will be taking part in the London Marathon on the 2nd October (4 have been deferred to 2023 due to injury etc). So far the team have raised £39,055 overall on JustGiving since 2020. Much of the funds raised have been accounted for in previous years due to COVID.

Community

Jubilee Street Parties – 29 took place. Our St Raphael's Street party had over 100 people in attendance and raised £210. Final total raised from the campaign was £8,848 (net £340). High expenditure on marketing, fundraising packs and materials such as banners and bunting. The latter are general branded products/equipment that can continue to be used as there were a lot left over.

Calendar Photo Competition – The public were asked to submit photos with the theme “life is better with pets” to celebrate the joy, companionship and care that animals bring to our lives as well as acknowledging the therapeutic role they have on our mental and emotional wellbeing. 138 photos were submitted from 54 people with a final 12 being selected for the calendar. £2,142 was spent in prizes and print this year. £4,250 (gross) expected return if 500 are sold (they were due to be sold at Woof Fest event but will now be sold online and as part of Christmas card order form). Being sold at £8.50 each.

Fundraising Group Recruitment – A recruitment campaign was due to go live in August/September but was halted due to main SRH campaign. The handbook is being picked up again and we aim to print by the end of November, ensuring that when new groups are recruited we have all ducks in a row and they are given this handbook with everything they need to be successful (including legalities of fundraising, how to bank money, how to order equipment, how to budget and organise events, template forms, emergency contacts etc). We plan to review our strategy and possibly change tactic to focus more on encouraging support from community groups/voting wards.

Fundraising Group Events

We've had 3 Fundraising Group events since the last report:

- Wimbledon Garden Party raised £725
- Merton Park Garden Party raised £1,316
- Wallington/Rotary Afternoon Tea. Funds TBC but expected to raise another £1000 (£400 confirmed from the raffle)
- John Di Palma's Golf Day was also sadly cancelled due to the death of the Queen as it was planned for the 16th September.
- Sutton Fashion Show – 24th Oct
- Sutton Christmas Craft Fair – 27th Nov
- Merton Park winter Garden Party – 9th Dec

Rudolf / Elf Runs – Packs have been sent to primary schools in Sutton and Merton and 7 have signed up so far. Schools that have taken part for a number of years have been offered to re-brand as Elf Runs to give the campaign a new exciting feel for the children and staff. The premise is the same that they take part in a run/walk around their school playground or field dressed as either elves or reindeer. The children get sponsored to take part. We will attend to talk about the hospice at

assemblies or offer a pre-recorded video to play. All 7 schools have opted for in-person assemblies this year.

Third Party Events - We have seen local community groups and clubs have started to meet again and therefore fundraise. Events such as those below are being organised by supporters.

- Golf days by Coombe Hill Golf Club (£16,535) and Banstead Downs Ladies (£700)
- Clive Lambert Music Night (£786)
- St Cecilia's Church collection (£840)
- Upcoming events by Knights of St Columba (annual sponsored walk) and Wimbledon Bridge Club tournament.
- Plus a number of other coffee mornings and birthday fundraisers.

Fairs – Attended Carshalton Environmental Fair in August. We showed off our new branded gazebo and raised £168. We have applied to go to Carshalton Frost Fair in Dec and will have a number of volunteers attending school Christmas fairs on our behalf.



Corporate

A Night Full of Stars – Due to take place on Friday 9th September but was postponed to Friday 7th October due to the death of the Queen. Thankfully, a similar number of attendees can make the new date including the main logistical aspects such as catering and host. Over 50 business representatives will be attending and 5 will receive an award for their support and service to the Hospice. This year tickets are being sold at £20 and so far, 58 have been purchased (some donated back if they could not make the new date). Total raised so far is £1,070 (gross). Total costs spent have been around £1,450 (£2,150 below budget). Costs have been kept low due to multiple gifts in kind (e.g. gin bar, decoration, raffle prizes) totalling around £2,264.

St Raphael's Business Club – We will be launching our very own Business Club at the corporate awards evening with the first meeting in January 2023. “We are inviting big-hearted businesses to come together to support St Raphael's' Hospice”. We are encouraging them to “join our business club and align their brand with a respected local charity”. Membership is £500+VAT per year. As a hospice we aim to use our access to this highly engaged and motivated group to raise funds, educate them about the work we do, tell others about us in the business sector and encourage them to develop their fundraising with us over time. We want this to be a two-way relationship and understand that there need to be benefits to them too. A new leaflet has been produced which explains what these are:

- Connect and collaborate with like-minded companies through networking events
- Use of our 'proud partner' logo and link on our website
- Access to St Bede's and special 'member' prices
- Support and resources to develop CSR/ESG strategy working with SRH
- Online presence and shout outs on our socials and website
- Priority access to sponsorship packages (including tickets to events)
- Tour of the hospice
- Regular business e-newsletter

Kinesso Volunteering Day – 14 employees from Kinesso took part in a volunteer day on Thursday 22nd September. They spent the day delivering flyers for Santa Dash as well as taking part in a fun scavenger hunt. They were dressed in Santa costumes to attract attention (which they did!). So far, we have had 15 sign-ups for the event already.

Andrews Estate Agents – We have been successful in securing sponsorship of £2,500 for this year's Santa Dash through Andrews, a local estate agent with multiple branches near Nonsuch and Cheam. This will really help to make the event more viable and increase net income.

Make Your Will Fortnight – total raised this year for MYWF was £1,841 (net £839). We do not plan to continue this campaign next year as we have seen a decrease over the last few years. We hope to set up a new contract with Guardian Angel and promote a free will scheme instead.

Trusts

- Trust income for 2021-22 was positive bringing in £261,831 (£100k more than 2020-21).
- We were successful with many bids for the bariatric room project which has now raised £69,407 plus other pledges. We will continue trying to raise funds for the bariatric room gardens.
- Other projects that we have bid out for are Wellbeing Centre gardens, noise cancelling headphones for community team and self-cooling blankets.
- We are starting to put together a possible project for Solar Panels.

- For the past 10yrs+ we have used the services of Salvia Fundraising to bid for our trust grants with our main representative being Shirley Illsley throughout this time. Due to the owner of Salvia retiring, we now have a contract directly with Shirley rather than Salvia.

Regular Donors and Legacy Pledgers

- We sent our 6-monthly letter to regular donors and legacy pledgers (Life Long Friends) in August. This time we asked Dr Jenny Strawson to write it, which she did beautifully. This letter, along with our Christmas letter and diary, are acknowledgements for the continued support of these supporters. We give a general hospice update, choose a different topic each time and try and link the donors with our clinical service as best we can.

VOLUNTEERING - Lorraine Hunt

- We currently have 167 active retail volunteers in shops and the donation centre (including 7 drivers).
- There are 12 Admin volunteers supporting Donor development and supporter care and volunteering (6 currently active, 1 is still active in another volunteer role, 4 come in periodically to help with projects and 1 is long-term sick).
- We have recruited 57 new retail volunteers since 01/01/2022 and 51 are still active.
- Hours for September (not including Fundraising admin) are 2084.

Other activity

- We have reviewed the current Equality, Diversity and Inclusion questionnaires for both staff and volunteers, there will now be one form for all. The content has been agreed upon, and will now be available to complete online, however a paper copy of the questionnaire will still be available if required. We are hopeful this will be ready to roll out by the end of next week.
- The new retail recruitment and admin process is 99% complete and will be completed and rolled-out in the shops shortly.
- We are currently gathering information for a new Training booklet which will be specifically for retail volunteers.
- We are also collating items to include in a retail newsletter which we will be sending out monthly or bi-monthly (TBC)

St Raphael's Hospice

**Annual Report and Financial Statements
31st March 2022**

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 2022**

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St Raphael's Hospice
Annual Report and Financial Statements
31st March 2022

Reference and administrative details of the charity and its trustees

Trustees	Mr Norman McWhinney Mr Alan Cogbill Sister Veronica Hagen Mr Paul Holmes Mr Roderick O'Connor Sister Kathleen O'Reilly Mr Joseph Ryan Dr Joy Tweed (resigned July 2022) Mrs Marian Norman (resigned December 2021) Mr Bernard Marley (appointed September 2021) Mr Grahame Darnell (appointed November 2021) Ms Manjit Lall (appointed April 2022)	Chair Vice Chair; F&R, CQ&G HR, F&R F&C F&R F&R CQ&G HR, F&C CQ&G F&C HR
Committee Members	Dr Caroline Chill Dr Eva Kalmus (appointed March 2022) Mr Steve Mulhall (appointed March 2022) Mrs Heather Howell (retired April 2021) Mr Ed Cook	CQ&G CQ&G F&C HR F&R
Clerk to the Trustees	Ms Anna Machin	
Executive Team	Mrs Gail Linehan Mr Nick Stevens Ms Rebecca Trower Ms Sara Jane Woods Dr Jenny Strawson (from April to September 2022) Dr Gaby Tamara-Rose (from September 2022) Mr John Groom (from April 2022)	Joint CEO Joint CEO Clinical Director Director of Income Generation Specialist Palliative Care Consultant Specialist Palliative Care Consultant Director of IT and Estates
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	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG	
Principal bankers	National Westminster Bank plc, 93 Central Road Worcester Park, Surrey, KT4 8DZ	
Investment Managers	Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU	
Committees	Clinical Quality and Governance Committee (CQ&G) Finance and Resources Committee (F&R) Fundraising and Communications Committee (F&C) Human Resources Committee (HR)	

Chair and Joint CEOs' Report

This was the first full year of operation for the newly independent charity following the transfer of the hospice activity from the Congregation of the Daughters of the Cross of Liege on 31st October 2020. These financial statements therefore show a full twelve months of activity for 2021-22 but only five months of activity in the comparable figures for 2020-21.

This year saw continued disruption arising from the coronavirus pandemic as, notwithstanding the strong take-up of vaccinations which reduced the severity of the virus, infection levels remained very high at times and precautions and mitigations remained in place.

We are very grateful to all our staff team and volunteers for how they have persevered throughout the year in all their roles to ensure that our services to the people of Merton and Sutton have been maintained at the highest possible standard. Many have been willing to adjust their working patterns, locations and hours to meet the need and this demonstrates an attitude which exemplifies all that we hope to stand for.

We have been pleased to receive feedback from the new, and independent, Medical Examiner's Office which has illustrated what a difference our team have made to those we support at a critical time. One family said that they "could not have hoped for a better place for (their mum) to be" and this is a great encouragement to us all as it shows that our determination to provide a combination of expertise, compassion and kindness continues to be effective.

Alongside the management of the coronavirus pandemic impacts, we have continued to pursue our programme of change to deliver our "EVE" strategy; focussing first on the qualities of all our services by aspiring for *excellence* in all that we do; then by seeking ways to raise our *visibility* with the communities we serve to provide reassurance that we will be there when needed; and then by increasing our *engagement* with these communities so that we can learn more about how we can adapt to serve them more effectively and offer the opportunity for connecting with us through partnering, volunteering and fundraising.

During the year, we continued to refresh our hospice buildings with significant improvements made to our in-patient unit (IPU). To facilitate this, the unit was closed for the latter half of July and throughout August. We are very grateful to our neighbouring hospice, Royal Trinity, who accepted some of our in-patients and to St Christopher's and Princess Alice who expressed their willingness to be supportive should it become necessary. Our own team also worked flexibly to support patients in their own homes whilst the refresh was successfully completed, on time and on budget.

In July we welcomed Dr Naomi Collins who completed the team of three specialist palliative care consultants with Dr Jenny Strawson and Dr Gaby Tamura Rose. Together with our specialty doctors, they have worked in collaboration with Princess Alice Hospice and with Kingston Hospital to share on-call duties, further strengthening links with our neighbouring teams. We have also met regularly with CEOs of other local hospices to share insights, information and concerns and to plan further ways in which we can collaborate efficiently and to the advantage of our beneficiaries.

The level of clinical staffing was a major theme of the year and mirrored both the national and the sector shortage of qualified nurses. Compounded by coronavirus-related absences, our team covered the vacancies we operated with by working additional or different hours and we are thankful to them for this. In order to help address the difficulty in recruitment and also to increase our ability to retain our excellent staff, we took the decision to align pay to the NHS Agenda for Change (AfC) scales with Outer-London weighting. This has added £300k to our annual payroll but ensures that we are competitive in the market for short-supply expertise.

Although, like other hospices, we continue to operate under the historic anomaly of partial NHS funding (in our case we receive around £1 for each £3 spent on clinical service delivery), we are grateful that colleagues in South West London CCG were able to grant an additional £500k to help offset the impacts of the coronavirus pandemic. We also gratefully received £247k of NHSE COVID-19 support via Hospice UK and commend the latter for how they have raised the profile of hospice funding and the fragile nature of the sector.

This year we were delighted to receive over £1.5m in generous legacies; funds which are essential to our sustainability but which are also wholly uncertain. We are pressing on with our plans to seek more regular and reliable income through our lottery and charity shops, from our wonderful donors and from the wider community. In an environment of rising costs, only the generosity of our supporters can ensure that we will be there when we are needed long into the future.

Norman McWhinney
Chair

Gail Linehan
Joint CEO

Nick Stevens
Joint CEO

St Raphael's Hospice
Trustees' Report 31st March 2022

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 2022.

The financial statements are presented in accordance with the accounting policies set out on pages 20 to 23 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 2021-22 Our Team undertook 3,700 visits to patients homes (2021: 3,000)</p>	<p>In 2021-22 Our In Patient Unit cared for 160 patients (2021: 174)</p>	<p>In 2021-22 Our Community Team made 30,700 calls to patients, families and professionals (2021: 27,500)</p>
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Managing the impact of the coronavirus pandemic

Whilst the impact of the coronavirus pandemic on public health diminished during this financial year following the roll-out of the vaccination programme, the prevalence of the virus remained very high at times. Many of the precautions taken during the previous year remained in place, flexed according to the rates occurring locally at the time. Footfall and visiting, whilst less constrained than in 2020-21, were still limited for much of the year. Other mitigations, such as mask wearing, social distancing and working from home continued to be in place.

With the background of a national shortage of clinical staff, we found recruitment very difficult and ran with a number of vacancies throughout the year, particularly within the IPU setting. This was compounded by the ongoing impacts of the pandemic where many staff needed to isolate for periods because they or their close family had the virus, notwithstanding that over 95% of our team were protected from serious illness through the vaccination programme. Staff continued to be flexible and willing to fill gaps in the rotas, often working additional hours to ensure we could remain open. Following on from the rigours of the first year, this has left the team weary but unbowed.

The impact also affected our retail teams where coronavirus-related absence and vacancies meant that there was a constant challenge to keep shops open and stocked. The team rose to the challenges and showed a willingness to work in different locations at short notice in order to maximise our retail income.

The Hospice has benefitted from further 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 also benefitted from some ongoing furlough grants for staff and business grants from the local authorities where we have shops. We were grateful to the South West London CCG which also supported the Hospice with additional grant funding to tackle the challenges of the pandemic.

In our report for last year there were three major strands to the plan for 2021-22:

1. Embedding Excellence
2. Raising Visibility
3. Widening Engagement

1. Embedding Excellence

- The critical element of our drive for excellence in all that we do is our team. During this financial year we completed the recruitment of our medical team with the third consultant, Dr Naomi Collins, joining in July 2021. Our three specialists work as a "peer team" and take on different responsibilities on an 18 month rotation, allowing them each to broaden their experience across clinical audit, general management, education and other areas where the charity and our sector colleagues can benefit from their expertise. We also increased hours for one of our two Specialty Doctors, ensuring that our medical cover is thorough at all times. The team have collaborated with Princess Alice Hospice and with Kingston Hospital to share on-call duties. This has been assimilated successfully and is a model of efficient co-operation we hope to evolve over time.

St Raphael's Hospice

Trustees' Report 31st March 2022

- We have welcomed several new staff members into our Community Services team and we have also revised how services are delivered by assigning caseloads across three locations, each headed by a location lead. After a successful trial period, which saw improved continuity of patient experience and contact, this has been adopted as our standard going forward. In response to local needs our Community team stretched to rota two staff across the weekends and we successfully applied for grant funding from SWL CCG in order to recruit to an additional role to support this.
- We continued the work to improve our Hospice buildings and environment in 2021-22. Our in-patient unit (IPU) closed for six weeks during July and August to allow for a thorough refresh. The walls in all patient areas were repaired and repainted; the flooring was replaced and levelled to aid access to newly re-laid private patio areas with new patio furniture; digitally managed lighting was installed and the digital/audio/visual capability was upgraded to enable patients and their families to access services that they might be used to at home; a new air-handling system was installed to improve ventilation for patient bathrooms and other areas. A new reception area was opened up within the IPU to provide a focal point for visitors and we have added a photo board of staff to aid recognition and to help personalise our relationships. We engaged with a charity providing artworks for healthcare settings to brighten the public areas and were gifted a large, framed print by a local professional photographer. During the time of closure some of our patients were cared for in their homes, with some IPU staff supporting Community colleagues, whilst others were generously received by our neighbouring hospice, Royal Trinity Hospice.

2. Raising Visibility

- Having recruited a part time Digital Assistant, we have improved our social media presence and responsiveness and ensured our website content is kept up to date. We also recruited to the part time Editorial Assistant post which is designed to enable St Raphael's to provide strong copy for press and advertising (such as the advertorial in "My Merton Magazine") as well as within our own publications like The Raphaelite. These posts have freed our Communications Manager to focus on the strategy and work closely with teams throughout the charity.
- Our new portfolio of information leaflets progressed to publication together with a bespoke St Raphael's folder which can be used to present them, and other literature, to patients and their families and also as part of staff induction and fundraising.

3. Widening our Engagement

- We widened 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, progressive or chronic illness, even if not referred to our Specialist service. This has grown steadily over the year from small beginnings and aims to educate, empower and enable people to live life to the full and as independently as possible.
- We recruited to a new Compassionate Neighbours role to prepare for rolling out the programme 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. We have been grateful to other local hospices, who have run this programme for several years, for their guidance and support in this new venture.
- Our Psychological support team continued to link with Roehampton University to provide supervised placements for a number of final year student counsellors to offer sessions for our patients' families. We extended our service to cover six days per week and re-commenced the bereavement groups led by Sr Ann Venita who also provides spiritual support to our in-patients and their families. The refresh of our buildings also provided new counselling rooms for the team to work from and for others to use for confidential conversations.
- Alongside collaborative ventures with our neighbouring hospices, we have continued to be active in planning meetings and implementation workshops as part of the transformation of the NHS delivery system. Clinical Commissioning Groups (CCGs) are being subsumed into the new Integrated Care System (ICS) and our region is represented by Sutton Place and Merton Place within the South West London ICS. We have interfaced positively to ensure that the Hospice is fully recognised in the planning and we have joined with other local hospices to ensure we are united in presenting our needs and opportunities to the South West London ICS which we all support.
- We welcomed many volunteers back to the hospice as the strictures of the pandemic allowed. In the spring we hosted over 40 members of the Ismaili Community together with several leaders of Sutton Place who volunteered to dig over parts of our grounds and plant hundreds of plants and bulbs that they had provided in order to brighten up the grounds. We also advertised our constant need for more volunteer support across all areas. Our appeal for retail volunteers yielded 100 new active volunteers and we have been reassured to see our fundraising volunteer teams begin to operate again as people become more willing to meet up and hold events.

St Raphael's Hospice Trustees' Report 31st March 2022

Financial review

The results of the previous financial year are not fully comparable with the current year because of the transfer of operating assets and liabilities into St Raphael's Hospice charity by the Congregation of the Daughters of the Cross of Liège (DoC) which took place on 31 October 2020. There were only five months from 1 November 2020 to 31 March 2021 when there was full operating activity and the related financial transactions running through the entity. There was also the £3.4m transfer value which appears in the Statement of Financial Activities (SOFA) in the prior year. 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 (and included in creditors on the balance sheet) to be released over the life of the project with £667k released in the current financial year (2020-21: £280k).

Net income for the year ended 31 March 2022 was £581k compared with £5.1m for the year ended 31 March 2021 which arose after including the £3.4m transfer noted above.

The charity's total income for the year was £7.6m (2020-21: £8.1m, including the transfer) which included legacies amounting to £1,533k (2020-21: £1,790k); £247k relating to the NHSE COVID-19 Hospice Support Scheme (2020-21: £817k) and £24k from UK Govt COVID-19 Furlough Scheme (2020-21: £135k). The charity was thankful for the grant of £500k from the SWL CCG for pandemic support (2020-21: £200k). Costs of charitable activities amounted to £4.6m (2020-21: £2.0m for five months of activity) and cost of raising funds to £2.4m (2020-21: £1.0m for five months of activity).

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 £4.4m (2020-21: £6.6m) of which £2.7m related to the deferred income creditor (2020-21: £3.3m). During the year the charity invested £2m from cash reserves into marketable investments.

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.

Reserves policy

Total funds at 31 March 2022 amounted to £5.9m (2020-21: £5.3m) including designated funds of £1.2m (2020-21: £1.2m). 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 £4.4m (2020-21: £3.8m) and therefore the Trustees are happy that this is sufficient for the charity's foreseeable needs.

Investment policy

The Trustees have an Investment Policy which meets the Charity's obligations under the Charities SORP FRS102 to ensure an effective system for the investment of cash, the transmitting of timely and reliable cash flow forecasts to the Trustees and ensuring the compliance with relevant statutory and regulatory requirements. The Policy is fully compliant with the requirements set out in 'CC14: Charities and investment matters: a guide for trustees' published by the Charity Commission.

The Trustee Board holds overarching oversight of, and accountability for, the charity's approach to cash management, investment and reserves. The Finance & Resources Committee is responsible for reviewing and monitoring the charity's cash in hand, cashflow forecasts, approach to investments and related performance on a regular basis. St Raphael's Hospice employs the services of investment managers, (currently Sarasin & Partners), who provide updates on the performance of St Raphael's Hospice's investments and advice on how returns can be achieved in line with the charity's overarching approach.

In accordance with the constitutional objects of the charity, the Trustees have instructed the investment manager to be sensitive to the ethics and religious principles of the Catholic Church. They are instructed to try to avoid any investments in contravention of these and to highlight areas of potential sensitivity. The investment managers are also encouraged to engage actively with the underlying companies on these issues. Particular concern will be attached to issues related to the protection of human life and human rights, as well as discrimination against any sectors of society.

St Raphael's Hospice Trustees' Report 31st March 2022

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 but the longer term economic consequences of the coronavirus pandemic and the war in Ukraine remain uncertain, particularly given the inflationary pressure being experienced. The Trustees have considered the impact that this may have on individual donors' ability to support the hospice and remain satisfied that there are sufficient funds in place to continue operating and to 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 2022-23

Embedding excellence now forms part of the foundation for all activity at St Raphael's Hospice. An excellent service is what is needed by all the residents of Merton and Sutton whether as a direct beneficiary or by way of reassurance that, should we ever be needed, we will be there for each and every person. The focus of our strategy will now move on to "raising visibility" and "widening engagement" in order to raise the money that is required to make this level of service sustainable long into the future.

1. Raising Visibility

- We will commence a Campaign with the purpose of raising awareness of who we are and what we do and including a direct ask for financial and volunteer support. We will engage with a design agency to plan the campaign and we will aim to agree a suitable strapline that will be thought provoking and challenging in a way that will resonate positively with our current supporters and those whom we hope will support us in the future. Advertising will take place over a period of around 12 months via social media channels, on radio and via print media such as bus backs and at bus stops. We will also use the same material for in house posters and literature that can be used in the hospice, by supporter groups and in our shops.
- We will pilot a fundraising event which enables us to connect with new potential supporters. "Woof Fest" will be a canine centered day of fun and activities for all the family and will link in with our summer 2022 photo competition themed around life being enhanced by our pets. We hope that both these will broaden awareness of who we are and what we do, enabling us to approach people to become our supporters of the future.
- We will aim to open two new retail shops within the geographic boundaries of our service, including one in Leopold Road, Wimbledon Park. These will raise our profile with residents in these areas as well as add financial contribution to our retail activity.

2. Widening our Engagement

- We will continue to broaden the reach of our Wellbeing Centre and the "Living Well" programme by increasing the awareness of the service amongst the GP networks of Merton and Sutton so that people can be referred to the service as part of "social prescribing".
- Our Wellbeing Centre offer will also be extended by the opening of the new "Men's Den", a 30ft log cabin, installed voluntarily by a local building company, to provide a space for men to meet to share experiences and pursue hobbies in a supportive and practical way.
- We will launch the Compassionate Neighbours programme in Merton and Sutton and provide training and drop-in support for the volunteers we engage with. This will tie in with Wellbeing Centre and Men's Den services in that it is supporting a wider group of our community who do not need specialist palliative care, but where our expertise, experience and approach is valuable in enabling all to live life as well as is possible within the confines of their illness.
- To meet demand, we will recruit a further part time counsellor to our Psychological support team and also seek to build upon the number of final year students on supervised placements who currently provide sessions for our patients' families. We will also develop a new "Bereavement Journey" to provide a flexible structure to support people through the most difficult times of reconciling with and managing the reality of grief and loss. This will dovetail with and add to the specialist professional intervention provided by our counsellors and psychotherapists.
- We currently have 4,810 lottery players, many of whom have supported the Hospice loyally for many years. As this represents under 2% of the adult population of Merton and Sutton, we believe that this support base can be increased. To achieve this, we will appoint a specifically trained specialist agency to recruit additional lottery players and, potentially, regular donors.

St Raphael's Hospice

Trustees' Report 31st March 2022

Plans for 2022-23, continued

- We will continue the process of growing volunteers across all areas, including department and specialist skills volunteers, retail and Supporter Group volunteers. The marketing campaign will include a strand relating to volunteering and we will repeat the advertising on a rolling basis.

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.

Referrals for hospice services are accepted for people with a life limiting condition who are entering the last twelve months of life and who require specialist palliative and end of life care. For instance, they may need help with:

- Symptom control
- Psychological or spiritual issues
- Terminal care
- Difficult decisions, advanced care planning, or conversations about managing end of life care
- Support for family or friends
- Clinical and nursing care provided by the Community team alongside practical and companionship support provided by Hospice at Home or by our volunteer Hospice Neighbours in their home.
- Wellbeing and Living well services for patients and other self-referred community members together with their carers.

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

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

St Raphael's Hospice Trustees' Report 31st March 2022

The Trustees

The Board of Trustees (which constitutes the Board of Directors for the purposes of the Companies Act) comprises a minimum of five and a maximum of twelve trustees, of whom a majority must be Catholic. They should meet as a Board at least five times per year. The Board is guided in its governance by an independent, qualified Clerk who performs Company Secretarial functions. 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.

There is a framework for Board self-review and skills audit which draws upon the Charity Governance Code for smaller charities and the outcomes of the self-evaluation are used to inform plans for Board and Committee agendas, training opportunities, and further recruitment. There is a formal process for the recruitment of new Trustees and/or Committee Members who are needed to fill skills gaps and vacancies as they arise. External advertising in suitable media is employed with a formal interview process taking place before a candidate is proposed to the Board. A simple majority decision of the Board is required under the constitution in order for an appointment to proceed.

New Trustees and Committee Members attend an induction evening to be briefed on the charity and meet colleagues and they are provided with Charity Commission guides. They are required to undertake mandatory training on a regular basis using the charity training portal, Duty of Candour and level 2 Safeguarding for Adults training is also available and encouraged with one Trustee required to undertake level 3 Safeguarding in order to serve as the Board's Safeguarding Lead.

The Trustees recognise that St Raphael's Hospice serves the whole, diverse population of Merton and Sutton and are proactive in seeking to represent the whole community effectively. Training in EDI (equality, diversity and inclusion) has taken place on two occasions in the last 12 months for Trustees and staff and a new steering group formed to ensure EDI has a platform across the whole organisation. We are engaging at senior level with leaders of different communities and faiths across our geography in order to learn and adjust our services accordingly. We are also developing a more general community service through our Wellbeing Centre and the Compassionate Neighbours programme (launching in January 2023) part of which is designed and expected to increase our ability to connect with and to serve the whole of our diverse population.

The Trustees are also conscious of our broader responsibility to care for our community by caring for our environment. We were early adopters of professional quality battery operated gardening equipment which reduces noise and fumes for our patients and vibration risks for our team. They are also low maintenance and have lower running costs. In the same vein we have an all-electric van for our Retail distribution and another for our facilities and OT teams (distributing equipment to patients in their homes). We have installed an electric charging point and operate a hybrid pool car for all staff to use on Hospice business. Our recent refresh has upgraded the Hospice lighting to digital technology and we are planning to install additional solar panels to those we already have in order to contribute into the National Grid and save funds over time.

The charity has purchased insurance to protect itself from any loss arising from the neglect or default of its Trustees and Employees and to indemnify the Trustees or other Officers against the consequences of any neglect or default on their part. This forms part of the organisational insurance premium which amounted to £1,619 and provides public and employer cover up to a maximum of £10m.

Key Management Personnel

Key management personnel comprise the trustees, and the Executive Team. The Board of Trustees is responsible for the running of the charity and delegates the operational activity to the Executive Team (which comprises the Joint- CEOs, Clinical Director, Director of Income Generation and the Director of IT and Estates (with effect from 1 April 2022)) whose pay is reviewed annually by the Remuneration Committee. Salary levels are set with regard to similar roles in other local charities, including other hospices. The Lead Consultant (on rotation) is also a member of the Executive Team but their pay follows the NHS pay formula.

Limitation of liability

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantors at 31 March 2022 was 10 (2021: 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.

**St Raphael's Hospice
Trustees' Report 31st March 2022**

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 is diversifying its income streams and is pro-active in seeking new ways to raise additional regular income. In addition to this level of reserve, the Hospice also has a deferred income balance of £2.7m (which is represented by cash at bank) which is intended to offset the forecast shortfalls arising over the next four years whilst the charity undertakes its strategy of EVE. This strategy is designed to increase income and achieve a sustainable level of regular funding that does not rely upon exceptional legacy levels (which is currently assumed to be annual total legacies in excess of £1m).

People - inability to recruit and retain specialist staff against a backdrop of an aging staff profile and widespread shortage of qualified staff.

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

Economic environment - The consequential impacts arising from the coronavirus pandemic and the war in Ukraine, including inflationary pressure, have added pressure to national and individual budgets which impacts the Hospice cost base and the ability of our community to afford the support we need. This risks 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 coupled with sharing of the need for income generation. We continue to believe that the unique and vital role of hospices will ensure that future funding does grow to meet the needs. In the meantime we have sufficient funds to manage the coming years effectively.

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.

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.

St Raphael's Hospice Trustees' Report 31st March 2022

Clinical Quality Assurance, continued

- 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 was renewed as part of a wider IPU refresh in late summer 2021. The complete text is available from the CQC website or via the CQC "widget" on the Hospice website's homepage.

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

Complaints

All complaints or comments about the service provided are taken very seriously by the Hospice. Complaints are dealt with in line with the Complaints Policy and are fully investigated and reflecting on complaints is one of the ways we seek to maintain standards and improve practices. All complaints are reported to the CQ&G Committee and onwards to the Board of Trustees. A new incident reporting system, Datix, was successfully launched in 2021. This has provided a simple and transparent mechanism for recording incidents across all parts of the charity, monitoring measures taken to address them and changes implemented to reduce risks of recurrence.

Employees

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

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

The workforce is predominantly female with men making up 14% of the total. This ratio is maintained amongst the upper pay quartile where 12% are men. Our pay gap favours our female employees with the mean pay for women being 6% above the mean pay for men. The median pay has a greater disparity, being 32% higher than men. This latter figure arises because a higher proportion of our male colleagues (23% of the total) work within the lower pay quartile, particularly in our retail and facilities teams.

Pay

During the course of the year it became clear that St Raphael's was struggling to recruit to clinical vacancies and risked losing existing team members because it did not meet the NHS levels of salary as prescribed under Agenda for Change (AfC). At the Trustee Board on 22nd September 2022, the Trustees approved aligning the clinical salaries with AfC rates including the Outer London Weighting allowance. It was estimated that this would add £250k of cost to the charity each year. Future pay increases would follow the NHS decisions. The decision was implemented with effect from 1st October 2022. As a result the clinical pay is now on a par with our competitors in the market and is transparent and consistent across all teams.

The annual pay review, which was prepared by the Executive and ratified by the Board on 26 January 2022, affected only non-clinical staff members as the clinical team had been aligned to AfC rates and increments. In the light of the increasing rate of inflation, the fact that no pay increase had been awarded in the prior year and with recruitment proving particularly difficult following the coronavirus pandemic and "Brexit", a 5% award was made (2020-21: 0%).

Staff on minimum wages received a higher award equivalent to 15%. This moved the lowest pay level from £8.91 to £10.25 and beyond the new minimum wage of level £9.50. This was done in recognition of the vital role played by our team and the high cost of living in the outer London area.

St Raphael's Hospice
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Employee profile

At the year end the Hospice had 132 contracted employees (2020-21: 140) of whom 48 were full time and 84 part-time (2020-21: 47 and 93). The Hospice also has 30 active bank staff who do not want to commit to working specific regular hours and are offered work as and when the need arises (2020-21: 25).

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 been reducing over the last several years with fewer in the 53-62 age band. The average age has fallen marginally from 51 in 2020 to 49 in 2022.

Clinical Staff By Age	under 33	33-42	43-52	53-62	63 and over
As at 31 March 2022	6	9	21	19	4
As at 31 March 2021	5	9	18	27	2
As at 31 March 2020	5	6	16	30	4

Volunteers

St Raphael's Hospice relies on a large number of volunteers who freely contribute their time and expertise. They impact and add value to all areas of our work and this is hugely appreciated. 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. This contribution has begun to increase again, although still behind pre-pandemic levels, and there were 669 volunteer roles undertaken in the year, amounting to 34,337 hours of time (2020-21: 247 roles and 9,557 hours). This provides an estimated financial value of between £400,000 and £500,000 (2020-21: between £100,000 and £150,000 for the five month period under this governance).

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

Volunteer Numbers	2021-22	2020-21
Reception	38	31
Office and Administration	28	55
Ward and Patient-facing	17	7
Flowers and Gardens	12	8
Psychological Support	14	10
Hospice Neighbours and Biographers	21	11
Orangery Café	14	6
Trustees and Committees	14	11
Training and Mentoring	3	2
Occasional Volunteers	45	16
Hospice Total	206	157
Shops	167	54
Fundraising Administration	7	5
Subtotal	380	216
Supporter Groups and Events	66	31
Occasional Events Volunteers	223	-
Total	669	247

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 4,810 weekly players (2020-21: 5,229) with 7,035 chances to win (2020-21: 7,558).

St Raphael's Hospice Community Fundraising Team also manages 7 volunteer Supporter Groups (2020-21: 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 coronavirus pandemic caused much activity to cease, but we have seen this begin to reverse and our groups currently contain 66 members (2020-21: 31). They are all issued with an 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. Each Supporter Group member receives a photo ID badge to allow them to fundraise and collect legally on behalf of St Raphael's.

St Raphael's Hospice Trustees' Report 31st March 2022

Fundraising, continued

We are signed up to the Institute of Fundraising and we follow its Code of Practice, whilst also complying with the Charity Commission guidance, "CC20: Charity Fundraising". During the period of this report there were no complaints or reported failures in compliance with the Fundraising Regulator or other regulatory bodies (2020-21: 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 (2020-21: 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

Following the resignation of the previous auditors Buzzacott LLP, the Trustees appointed Haysmacintyre LLP to the vacant office of auditor in accordance with section 485(3) of the Companies Act 2006. Haysmacintyre LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

Trustees' responsibilities statement

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

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

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

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

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.

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 2022

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

Opinion

We have audited the financial statements of St Raphael's Hospice for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the financial statements are not in agreement with the accounting records and returns; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Care Quality Commission, Charity Commission, Fundraising regulations, Employment law and GDPR, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue, management bias in accounting estimates and the statement of opening balances. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Annual Report and Financial Statements
31st March 2022

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

Auditor's responsibilities for the audit of the financial statements, continued

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Siobhan Holmes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

Date:

St Raphael's Hospice
Annual Report and Financial Statements
31st March 2022

Statement of Financial Activities including an income and expenditure account

	Notes	Unrestricted			Total funds Year to 31 March (being 5 months of operations)
		General	Designated	Restricted	
		fund	fund	funds	Total funds Year to 31 March
		£'000	£'000	£'000	2022 £'000
Income and expenditure					
Income from:					
Donations and legacies	2	2,949	-	517	3,466
Other trading activities	3	1,533	-	-	1,533
Investments		4	-	-	4
Charitable activities					
Clinical Commissioning Groups	4	1,615	-	650	2,265
Other income	4	51	-	247	298
Total income excluding assets transferred from the Daughters of the Cross		6,152	-	1,414	7,566
Assets transferred from the Daughters of the Cross	18	-	-	-	-
Total income		6,152	-	1,414	7,566
Expenditure on:					
Raising funds	5	2,406	-	-	2,406
Charitable activities	6	3,439	-	1,157	4,596
Total expenditure		5,845	-	1,157	7,002
Net gains / (losses) on investments	11	17	-	-	17
Net income / (expenditure) before transfers		324	-	257	581
Transfers between funds	15-16	270	(38)	(232)	-
Net movement in funds		594	(38)	25	581
Reconciliation of funds:					
Fund balances brought forward at 1 April 2021		3,802	1,214	275	5,291
Fund balances carried forward at 31 March 2022	15-17	4,396	1,176	300	5,872

All of the charity's activities during the above two financial periods derived from continuing operations. A full comparative statement of financial activities is shown at note 23 to the financial statements.

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

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Tangible assets	10		725		562
Fixed Asset Investments	11		2,017		-
			2,742		562
Current assets					
Debtors	12	1,978		2,086	
Cash at bank and in hand		4,356		6,620	
		6,334		8,706	
Creditors: amounts falling due within one year	13	(1,551)		(1,597)	
Net current assets			4,783		7,109
Creditors: amounts falling due after more than one year	13		(1,653)		(2,380)
Total net assets			5,872		5,291
Represented by:					
Funds and reserves					
Income funds					
Restricted funds	15		300		275
Unrestricted funds					
Designated funds	16		1,176		1,214
General fund	17		4,396		3,802
Total funds			5,872		5,291

Approved by the Board of Trustees on:

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

St Raphael's Hospice
Annual Report and Financial Statements
31st March 2022

Statement of Cash Flows

	Notes	Year to 31 March 2022 £'000	Year to 31 March 2021 £'000
Net cash provided by operating activities	A	64	3,903
Cash flows from investing activities:			
Investment income		4	2
Purchase of tangible fixed assets		(332)	(135)
Purchase of investments		(2,000)	-
Sale of investments		-	-
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		(2,328)	2,669
Change in cash and cash equivalents in the year	B	(2,264)	6,572
Cash and cash equivalents at 1 April 2021	B	6,620	48
Cash and cash equivalents at 31 March 2022	B	4,356	6,620

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

		Year to 31 March 2022 £'000	Year to 31 March 2021 £'000
Net movement in funds (as per the statement of financial activities)		581	5,077
Adjustments for:			
Depreciation charge / amounts written off		169	58
Investment income		(4)	(2)
Net (gain)/loss on investments		(17)	-
Decrease/(Increase) in debtors		108	(1,065)
(Decrease)/Increase in creditors		(773)	3,240
Transfer from the Congregation of the Daughters of the Cross of Liege		-	(3,405)
Net cash provided by operating activities	A	64	3,903

B: Analysis of changes in net debt

	2021 £'000	Cash flows £'000	2022 £'000
Cash at bank and in hand	6,620	(2,264)	4,356
Total	6,620	(2,264)	4,356

St Raphael's Hospice
Annual Report and Financial Statements
31st March 2022

Notes to the Financial Statements

1 Accounting Policies

General Information

St Raphael's Hospice is a private company limited by guarantee in England and Wales (company number 11732567) and a charity registered in England and Wales (charity number 1182636). The registered office is St Raphael's Hospice, London Road, Cheam, SM3 9DX.

Basis of accounting

The financial statements have been prepared for the year ended 31 March 2022.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value, unless otherwise stated in the relevant accounting policy note.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102, updated 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

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

Critical accounting estimates and areas of judgement

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

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

With respect to the next reporting period, the general economic environment, the potential for a continuing impact from the coronavirus pandemic, the consequences of the Russian invasion of Ukraine and the inflationary pressures being felt in the economy are all factors that may affect future income flows and the carrying value of assets held by the Charity.

Assessment of going concern

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

The Trustees have considered the impact of the current and projected economic and inflationary uncertainties on the Hospice's operations, with a particular focus on its effect on the Hospice's financial position including the Hospice's income, expenditure and reserves. Whilst the Hospice is reliant upon the generosity of the community of Merton and Sutton in order to raise sufficient funding and is conscious of the impact of the economic environment on people's ability to be generous, it is felt that it has sufficient cash resources to continue operations for the foreseeable future.

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.

Notes to the Financial Statements

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.

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 are akin to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from retail grants, (including 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.

The Trustees consider that the valuation of goods donated for resale at the point of receipt is impractical due to the high volume of low value items and the administrative costs involved in valuation. Goods donated for resale are therefore recognised at the point of resale.

Notes to the Financial Statements

Expenditure and the basis of apportioning costs

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

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

Expenditure comprises the following:

- a. The cost of raising funds includes fundraising and publicity expenditure which comprises costs associated with fundraising and shop overheads, publicity, advertising and event staging. It also includes a share of support costs, including governance costs.
- b. The cost of charitable activities comprises all the costs of operating the Hospice, including all staff, supplies and property costs. It also includes a share of support costs, including governance costs.

Tangible fixed assets

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

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

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

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

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

Fund accounting

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.

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.

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
Annual Report and Financial Statements
31st March 2022

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.

Employee Costs

St Raphael's Hospice holiday year operates from April to March. A week's worth of holiday that is earned in one year but not utilised in that year can be carried over to the following year. The cost to the charity of that holiday carry-over is estimated and accrued in the financial statements. During the coronavirus pandemic the restrictions on carrying holiday over were loosened and this is reflected in the accrual for the years ending 31st March 2022 and 2021.

St Raphael's Hospice values the loyal service of its staff and makes an award to staff who attain ten years of service. The award is repeated and enhanced at five year intervals thereafter. The potential cost to the charity is calculated for all staff who have reached the end of their fifth year of service in proportion to the time worked towards the next award milestone.

Notes to the accounts

2 Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Donations	1,416	247	1,663	812	105	917
Gifts in kind	-	270	270	-	112	112
Legacies	1,533	-	1,533	1,790	-	1,790
Total	2,949	517	3,466	2,602	217	2,819

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 £270,000 for the year (2021 – £112,000 for period). The estimated value has been recognised within income as a donation, and an equivalent charge included within support costs.

In addition, the Hospice enjoys the benefit of volunteers for help in the running of the Hospice, fundraising and the shops. In accordance with the accounting policy, the value of these benefits has not been reflected in the financial statements.

3 Other trading activities

Year ended 31 March 2022	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Lottery income	423	-	423	205	-	205
Retail sales and related income	1,110	-	1,110	84	-	84
2022 Total	1,533	-	1,533	289	-	289

For the year ending March 2021, other trading activity relates to the five month period from 1st November 2020. Retail sales were severely impacted by the coronavirus pandemic and shops were closed for a large part of this period.

4 Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
CCG service funding	1,615	-	1,615	637	-	637
CCG Local COVID-19 funding	-	500	500	-	-	-
CCG Grants	-	150	150	-	-	-
Income from Clinical Commissioning Groups (CCGs)	1,615	650	2,265	637	-	637
NHS England COVID-19 funding	-	247	247	-	817	817
Coronavirus Job Retention Scheme	25	-	25	135	-	135
Other	26	-	26	7	-	7
Other Income	51	247	298	142	817	959

5 Expenditure on Raising Funds

Year ended 31 March 2022	Staff Costs £'000	Other Costs £'000	Support Costs £'000	Total £'000	of the total being	
					Unrestricted £'000	Restricted £'000
Fundraising	460	250	139	849	849	-
Lottery	43	146	10	199	199	-
Charity Shops	498	626	234	1,358	1,358	-
	1,001	1,022	383	2,406	2,406	-

Notes to the accounts

5 Expenditure on Raising Funds, continued

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	-

6 Expenditure on Charitable activities

Year ended 31 March 2022	Staff Costs £'000	Other Costs £'000	Support Costs £'000	Total £'000	of the total being	
					Unrestricted £'000	Restricted £'000
Hospice In-Patient Unit	1,464	531	373	2,368	1,716	652
"Hospice at Home" Community team	1,190	91	201	1,482	1,164	318
Psychological Support team	151	19	29	199	84	115
Education	86	34	18	138	129	9
Orangery	19	84	24	127	93	34
Volunteers	81	20	18	119	112	7
Wellbeing Centre	76	53	34	163	141	22
	3,067	832	697	4,596	3,439	1,157

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
	1,349	376	304	2,029	985	1,044

Net Income is stated after charging

Auditor's remuneration	
Statutory Audit	17
Other work	1
Staff costs	4,830
Lease rental costs	332
Depreciation	149

See note 7 for an analysis of Support Costs which are allocated across activities on the following basis:

- Facilities costs – based on hospice floorspace with a portion to income generating activity.
- Quality costs – based on hospice headcount with a portion to income generating activity.
- Other Support costs – based on the headcount of each activity.

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7 Staff costs

Charitable Activities	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000
Hospice In-Patient Unit	1,175	102	69	118	-	1,464
"Hospice at Home" Community team	988	102	100	-	-	1,190
Psychological Support team	133	13	5	-	-	151
Education	73	7	6	-	-	86
Orangery	19	0	0	-	-	19
Volunteers	73	6	2	-	-	81
Wellbeing Centre	70	4	2	-	-	76
	2,531	234	184	118	-	3,067

Income Generation	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising	404	38	16	-	2	460
Lottery	38	3	2	-	-	43
Retail Shops	457	31	10	-	-	498
	899	72	28	-	2	1,001

Support Team	Salaries	NIC	Pensions	Total Staff Costs	Non-Staff Costs	Total Support Cost
Year ended 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000
Executive Office and Communications	256	29	11	296	175	471
HR	76	7	4	87	38	125
IT and Facilities	203	20	8	231	79	310
Finance	66	6	4	76	23	99
Quality	62	6	4	72	2	74
	663	68	31	762	317	1,079

For the year ended March 2021, all activity relates to the period from 1st November 2020 to 31st March 2021

Charitable Activities	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2021	£'000	£'000	£'000	£'000	£'000	£'000
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
	1,097	100	74	63	15	1,349

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

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7 Staff costs, continued

Support Team	Salaries	NIC	Pensions	Total Staff Costs	Non-Staff Costs	Total Support Cost
Year ended 31 March 2021	£'000	£'000	£'000	£'000	£'000	£'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
	337	29	13	379	124	503

In common with other Hospices, St Raphael's employs experienced Specialty Doctors and Specialist Palliative Care Consultants on standard NHS rates of pay and this is reflected in the higher paid employees report. 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 ending 2021.

The number of employees who earned £60,000 per annum or more (including benefits) during the year was as follows:

	2022	2021
	No.	No.
£60,001 - £70,000	4	-
£70,001 - £80,000	2	-
£80,001 - £90,000	2	-

During the year the charity made payments amounting to £14,454 in respect of two redundancies and £16,596 in respect of three other terminations of employment.

Key management personnel

Key management personnel comprise the trustees, the Joint- CEOs, the Clinical Director and the Director of Income Generation together with our three specialist palliative care consultants. One of the consultants takes the role of lead consultant on a rotational basis and is a member of the Executive Committee of the Hospice. They are not included in the key management personnel costs shown below.

None of the trustees received any remuneration in respect of their services during the year (2021: £nil). No out of pocket expenses were reimbursed to trustees during the year (2021: £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 £371,805 (2021: £154,251).

8 Staff numbers

Year ended 31 March 2022	Headcount	FTE	Headcount	FTE
	2022	2022	2021	2021
Hospice In-Patient Unit	36	23	34	26
"Hospice at Home" Community team	26	19	26	19
Psychological Support team	3	2	3	2
Education	2	1	2	2
Volunteers	2	1	2	1
Wellbeing Centre	4	2	4	2
Housekeeping and Orangery	19	8	22	9
Hospice administration	7	4	7	4
Medical team	7	5	10	5
Charitable Activities	106	65	110	70
Fundraising	14	13	12	10
Lottery	1	1	1	1
Retail Shops	27	22	25	18
Income Generation	42	36	38	29
Support Services	11	10	11	10
Executive and Finance	8	6	6	5
Support Services	19	16	17	15
All Staff	167	117	165	114

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8 Staff numbers, continued

Year ended 31 March 2022	Headcount		FTE		Headcount		FTE	
	2022		2022		2021		2021	
Permanent full time	50	50	38	38	38	38	38	38
Permanent part time	87	55	104	68	104	68	68	68
"Bank" variable hours	30	12	23	8	23	8	8	8
	167	117	165	114	165	114	114	114

In addition to our paid staff, St Raphael's Hospice benefitted from the support of 669 volunteers who contributed their time (2020-21: 247). Volunteer time is not accounted for in these financial statements.

9 Taxation

St. Raphael's Hospice is a registered charity and therefore benefits from not being liable for income tax or corporation tax on income derived from its charitable activities. As a Hospice it has taken advantage of the s33c VAT allowances which enable it to reclaim a large portion of its VAT paid. At the end of the year a refund is due for £69,000 (2021: £90,000) and this is included within debtors.

10 Tangible fixed assets

	Site Leasehold Improvements	Computer and other Equipment	Shop Fixtures and Fittings	Motor Vehicles	Retail Leasehold Improvements	Assets under Construction	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2021	49	537	45	44	184	19	878
Transfer between classes	233	-	-	-	-	(233)	-
Additions	26	40	-	10	-	256	332
Disposals/Written-off	-	-	-	-	(40)	-	(40)
At 31 March 2022	308	577	45	54	144	42	1,170
Depreciation							
At 1 April 2021	2	247	19	8	40	-	316
Charge in year	8	83	9	13	36	-	149
Eliminated on disposal / write-off	-	-	-	-	(20)	-	(20)
At 31 March 2022	10	330	28	21	56	-	445
Net book values							
At 31 March 2022	298	247	17	33	88	42	725
At 31 March 2021	47	290	26	36	144	19	562

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 Tangible fixed assets, continued

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

11 Investments

	2022	2022	2021	2021
	£'000	Units 000's	£'000	Units 000's
Marketable investments				
Sarasin Endowments Fund				
Market value at start of year	-	-	-	-
Net additions at cost	1,400	1,163	-	-
Net gain/(loss) on revaluation/disposal	17	-	-	-
Market value at 31 March	1,417	1,163	-	-
Liquid Assets				
ICS-Sterling Liquidity Fund				
Market value at start of year	-	-	-	-
Net additions at cost	1,400	13	-	-
Disposals at market value	(800)	(7)	-	-
Market value at 31 March	600	6	-	-
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Total investments	2,017	-	-	-
Cost at 31 March	2,000	-	-	-
Marketable investments comprise				
Equities	1,417	1,163	-	-

Notes to the accounts

12 Debtors

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Legacies receivable	992	1,577
Prepayments	206	200
VAT receivable	69	90
Coronavirus Job Retention Scheme payments receivable	-	58
NHSE COVID-19 Hospice Support Grant	153	145
CCG local COVID-19 Funding and other CCG grants	440	-
Other Debtors	118	16
	<u>1,978</u>	<u>2,086</u>

13 Creditors

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Amounts falling due within one year		
Trade creditors	115	67
Social security and other taxes	100	92
Other creditors and accruals	245	314
Deferred income release of DoC grant	1,000	1,000
Lottery deferred Income	62	63
Other deferred Income	24	42
Provision for onerous lease commitments	5	19
	<u>1,551</u>	<u>1,597</u>

Amounts falling due after more than one year

	2022	<i>2021</i>
	£'000	<i>£'000</i>
Deferred income release of DoC grant	1,653	2,320
Provision for onerous lease commitments	-	60
	<u>1,653</u>	<u>2,380</u>

14 Deferred Income

	2022	2022	2022	<i>2021</i>
	DoC Grant	Other	Total	<i>Total</i>
	£	£	£	£
Brought forward at 1 April 2021	3,320	105	3,425	-
Introduced in the year	-	796	796	4,011
Released during the year	(667)	(815)	(1,482)	(586)
Carried forward at 31 March 2022	<u>2,653</u>	<u>86</u>	<u>2,739</u>	<u>3,425</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 (SOFA) in line with the conditions of its use, as stipulated in the transfer arrangement between the Congregation and the charity. A sum of £667k was released to the SOFA in the current year (2021: £280k) and the release of a further £1m has been budgeted for the year to 31st March 2023 and is shown as "Creditors; amounts due in under one year" at note 13, above. The remaining balance of £1.65m is included under "Creditors; amounts due in more than one year" and is due to be released over the ensuing four to five years as the strategic plan progresses.

Other deferred income balances includes lottery subscriptions made for future lottery draws and to challenge event income raised in advance of the challenge taking place.

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15 Restricted Funds

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

	At 1st April 2021	Income	Expenditure	Transfer between Funds	At 31st March 2022
	£'000	£'000	£'000	£'000	£'000
Bereavement support fund	-	110	(110)	-	-
DoC capital improvement grant	165	-	-	(165)	-
DoC gift in kind	-	270	(270)	-	-
NHSE COVID-19 Hospice Support Grant	-	247	(247)	-	-
CCG COVID-19 Support Grant	-	500	(500)	-	-
CCG grants	-	150	(8)	-	142
Other restricted donations	110	137	(22)	(67)	158
	275	1,414	(1,157)	(232)	300

	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-19 Hospice Support Grant	-	-	817	(817)	-	-
Other restricted donations	-	120	13	(23)	-	110
	-	324	1,034	(1,044)	(39)	275

The Bereavement support fund represents the funding of the psychosocial team 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. 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 and from December 2021 to March 2022 to provide support to people with complex needs in the context of the coronavirus pandemic and to provide bed capacity and community support for the same purpose.

The CCG COVID-19 Support Grant relates to grants made by the South West London CCG which was designed to support the charity in the face of the loss of income arising from the impact of the coronavirus pandemic.

The CCG grants comprise two awards by South West London CCG. A grant of £120k was made to cover the additional costs of providing two Clinical Nurse Specialists for weekend and bank holiday cover. The grant will be utilised over a 24 month period. A grant of £30k was made towards the new patient administration project which is being planned in 2022 for delivery in 2023.

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

16 Designated Funds

	At 1st April 2021	Expenditure	Transfer between Funds	At 31st March 2022
	£'000	£'000	£'000	£'000
Fixed Asset Fund				
Acquired	562	332	(169)	725
Committed	100	-	(100)	-
Budgeted within 12 months	552	-	(101)	451
	1,214	332	(370)	1,176
	At 1st April 2020	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

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16 Designated Funds, continued

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

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

17 Analysis of net assets between funds

	Restricted funds £'000	General Fund £'000	Designated fund £'000	Total 2022 £'000
Fixed assets	-	2,017	725	2,742
Current assets	300	5,583	451	6,334
Creditors: amounts falling due within one year	-	(1,551)	-	(1,551)
Creditors: amounts falling due after more than one year	-	(1,653)	-	(1,653)
Total net assets	300	4,396	1,176	5,872

	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

18 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

19 Leasing commitments

Operating leases

At 31 March 2022 the Hospice had total commitments under non-cancellable operating leases for retail shops and related office and warehouse buildings as follows:

	Land and buildings 2022 £'000	Land and buildings 2021 £'000
Commitments falling due:		
Within one year	218	313
Within one to two years	177	230
Within two to five years	174	394
	569	937

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20 Related party transactions

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

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

The freehold of the land and buildings that comprise the St Raphael's Hospice site are owned by DoC. These have been leased to St Raphael's Hospice under three separate leases for the three plots (the Hospice, St Bede's and 759 London Road) each for twenty years and at a peppercorn rental of £100 per annum. A total of £300 was paid in the period in respect of these leases (2021: £150). The leases are valued at £270k per annum and a gift-in-kind is recognised in these financial statements for this amount (2021: £112k). The notional rental of £270k is also recognised in these financial statements (2021: £112k).

No grants were made by DoC during the year. (2021: £3.7m of which £3.6m related to the transfer agreement between DoC and St Raphael's Hospice). During 2020-21 DoC gifted the net assets of the activity of the Hospice at a book value of £3.4m (see note 18, 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 3 such transactions amounting to £812k (2021: 9 and £615k).

There were no other related party transactions.

21 Capital commitments

There were no capital commitments as at 31 March 2022 (2021: £100k).

22 Pension commitments

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

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

The contributions payable for the year were £115,707 (2021: £54,579 for the five month period).

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 £115,992 (2021: £40,656 for the five month period).

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23 Comparative Statement of Financial Activities

Year Ended 31 March 2021

	Notes	Unrestricted			2021 £'000	2020 £'000
		General	Designated	Restricted		
		fund £'000	fund £'000	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	4	637	-	-	637	-
Other income	4	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	18	2,664	417	324	3,405	-
Total income		6,336	417	1,358	8,111	214
Expenditure on:						
Raising funds	5	1,005	-	-	1,005	-
Charitable activities	6	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	15-16	(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 2021		46	168	-	214	-
Fund balances carried forward at 31 March 2022		3,802	1,214	275	5,291	214

Extract from the Finance Report (re Fundraising)

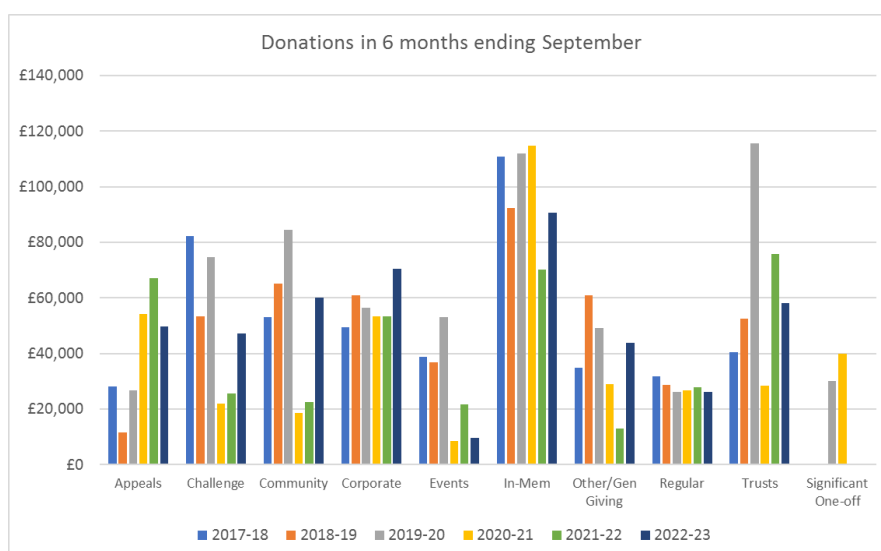
Key Points

Legacies have now reached £366k with 2 new £100k+ receipts and also the long-standing legacy from John Dineen having been received at £80k above the accrued rate.

Donations

Reconciled donation income was 15% below budget at the end of August, although ahead of the previous two years.

The graph and table below is driven by data direct from the Raisers' Edge database (excluding Gift Aid). This covers the 6 months to the end of September and the total remains of £446k has now drifted from the target by 24% (budget £589k).



6 Months to September	2018-19	2019-20	2020-21	2021-22	2022-23	2022-23 Full	
						Year Target	% Achieved
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Community	£65,067	£84,465	£18,593	£22,482	£59,969	£145,000	41%
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Events	£36,682	£52,973	£8,458	£21,543	£9,543	£50,000	19%
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Other/Gen Giving	£60,923	£49,241	£28,902	£13,033	£43,833	£163,555	27%
Regular	£28,590	£26,177	£26,684	£27,702	£26,016	£100,000	26%
Trusts	£52,500	£115,550	£28,250	£75,663	£58,000	£175,000	33%
Significant One-off	£0	£30,000	£40,000	£0	£0	£25,000	0%
Total Fundraising	£461,798	£628,194	£394,936	£376,444	£455,462	£1,328,555	34%

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Nick Stevens, Joint CEO

3rd October 2022

Extract from the Finance Report (re Fundraising)

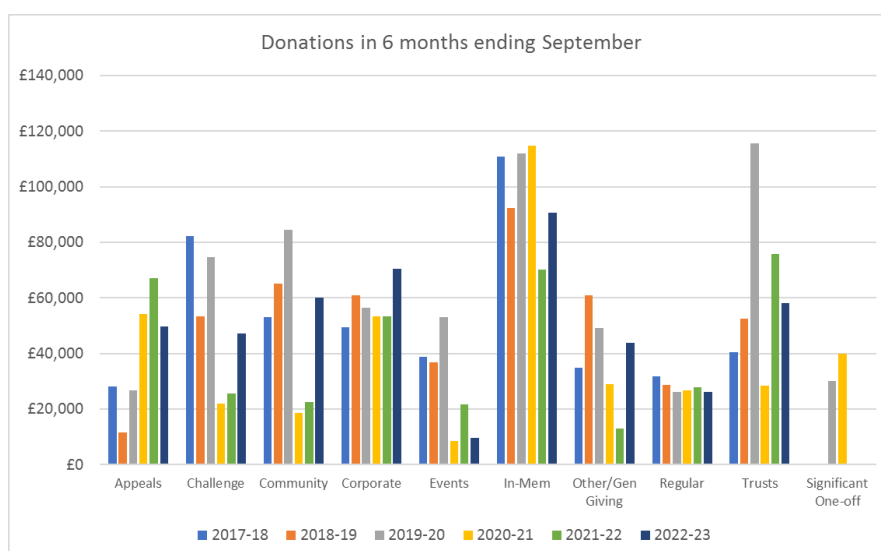
Key Points

Legacies have now reached £366k with 2 new £100k+ receipts and also the long-standing legacy from John Dineen having been received at £80k above the accrued rate.

Donations

Reconciled donation income was 15% below budget at the end of August, although ahead of the previous two years.

The graph and table below is driven by data direct from the Raisers' Edge database (excluding Gift Aid). This covers the 6 months to the end of September and the total remains of £446k has now drifted from the target by 24% (budget £589k).



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Nick Stevens, Joint CEO

3rd October 2022

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

26th October 2022

Dear Sirs/Madams

During the course of your audit of our financial statements for the year ended 31 March 2022, the following representations were made to you by management and directors of the charitable company:

1. We have fulfilled our responsibilities as directors under the Companies Act 2006 ("the Act") for preparing financial statements, in accordance with FRS102 and the Act, that give a true and fair view and for making accurate representations to you as auditors.
2. We confirm that all accounting records have been made available to you for the purpose of your audit, in accordance with your terms of engagement, and that all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and Trustees' meetings, have been made available to you. We have given you unrestricted access to persons within the company in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
3. We confirm that the methods, significant assumptions and source data used by us in making accounting estimates and their related disclosures are appropriate to ensure compliance with the recognition, measurement and disclosure requirements of FRS102.
4. We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with FRS102 and the Act.
5. We confirm that we have informed you of the details of all correspondence with the charitable company's regulators during the year and, in particular, the details of all Serious Incident Reports that we have made to the Charity Commission.
6. We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the accounts, other than those already disclosed or included in the accounts.
7. We confirm that we are aware of the definition of a related party set out in FRS102. We confirm that the related party forms have been completed by all trustees and made available to you as part of the audit.
8. We confirm that the related party relationships and transactions set out in the declarations provided to you are a complete list of such relationships and transactions and that we are not aware of any further related parties or transactions, and have been accounted for and disclosed in accordance with FRS102 and the Act.
9. We confirm that the financial statements correctly disclose the Trustees' remuneration and reimbursement of expenses, and are drawn up in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities*.
10. We confirm that the company has not had, at any time during the year, an arrangement, transaction or agreement to provide credit facilities (including advances and credits granted by

Hospice care to the people of Merton and Sutton

the company) for directors, nor to provide guarantees of any kind on behalf of the directors, except as disclosed in the financial statements.

11. We confirm that the company has not contracted for any capital expenditure other than as disclosed in the financial statements.
12. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business and which are central to the company's ability to conduct its business.
13. We acknowledge our responsibility for the design and implementation of controls to prevent and detect fraud. We confirm that we have provided you with a copy of our latest risk assessment, and confirm that we have considered the risk of fraud and have disclosed to you any actual or suspected instances of fraud involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by former employees, regulators or others.
14. We confirm that, having considered our expectations and intentions for the next twelve months and the availability of working capital, the company is a going concern.
15. We confirm that in our opinion the effects of unadjusted misstatements, as disclosed in the Audit Findings Report are immaterial, both individually and in aggregate, to the financial statements as a whole.
16. All grants, donations and other income, receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms and conditions in the application of such income.
17. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that:
 - so far as each trustee is aware, there is no relevant audit information of which you as auditors are unaware; and
 - each trustee has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that you are aware of that information.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and expertise (and, where appropriate, of supporting documentation) sufficient to satisfy ourselves that we can properly make these representations to you and that to the best of our knowledge and belief they accurately reflect the representations made to you by the directors during the course of your audit.

Yours faithfully

Signed on behalf of the Board of trustees by:

[Trustee]

St Raphael's Hospice
Minutes of a Meeting of the Fundraising & Communications Committee
Held at St Raphael's, London Road, Cheam, Sutton, SM3 9DX
At 11:00 on Tuesday 18th October 2022

Members: Roderick O'Connor – Committee Chair (RO'C)
 Grahame Darnell (GD – Trustee)
 Bernard Marley (BM – Trustee)

In attendance: Gail Linehan – Joint CEO (GL)
 Nick Stevens – Joint CEO (NS)
 Sara Jane Woods – Director of Income Generation (SJW)
 Diamond Naraviene – Communications Manager (DN)
 Anna Machin – Governance (AM)

Actions arising

Agenda item	Action	Responsible	Timeline	Ref.
4. Communications update	Share further information on Lavender Appeal analysis	Diamond Naraviene, Sara Jane Woods	January 2023 meeting	18.10.22/01

1. Welcomes, apologies for absence and declarations of interest

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

2. Review of minutes from 12th July 2022 Committee meeting

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

3. Actions List and update on matters arising

Committee members reviewed the matter arising.

4. Communications update

Diamond Naraviene updated on main activities since the last meeting:

- The team has reviewed and developed a range of literature for the Hospice over the past year, with the current focus on the 'Before and After Bereavement' booklet and collateral for fundraising groups. The Light up a Life and newsletters communications materials have taken a slightly different approach this year, which will save cost on the mailings.
- The Christmas newsletter will focus on emotive stories, festive activities, and the need for the Hospice to be funded particularly in an environment of rising costs. This will be sent to donors on the database and will act as a 'preview' of the donor campaign scheduled for the new year. The Christmas Lottery information is also now on the website.

- The 'Wooffest' event had to be cancelled unfortunately due to unforeseen circumstances, but had received strong support from local media in terms of communications, which could be considered if the event is held in future.
- The team has been reviewing individuals' journeys within the website, as part of understanding the reasons behind the Lavender Appeal not translating web visitors into active participants to the level that had been desired. There were 14,000 users of the website from August to December with 40,000 page views, of whom 80% are new users. The team recognise that it is important for there to be a clear call to action and distinct message in relation to each campaign.

The Committee emphasised the importance of being clear within the fundraising communications the proportion of funding received through the NHS by the Hospice compared to fundraised income, to make clear the need for public funding. There is commonly a misconception amongst the public that Hospices receive the majority of their funding from the NHS. There would need to be a clear call to action within these communications on the Light up a Life appeal.

The Committee and colleagues acknowledged the complexities in relation to individuals donating to St Raphael's but then that individual or their family members when unwell being directed to another Hospice by their GP, when their expectation had been to be supported by St Raphael's. The messaging emphasises that St Raphael's is 'the Hospice for Sutton and Merton'.

The Committee reiterated the request from the prior meeting to ensure that the reasons are known as to the active engagement with Lavender Appeal not reaching expectations. Diamond confirmed that overall the view is that the website showed too much text and different calls to action instead of one simple message. Further details would be shared at the next meeting.

5. 2022/23 year-to-date fundraising update

5.1. **Fundraising update** – Nick Stevens presented the summary of the Fundraising Figures, confirming that since summer 2022 the figures had not been meeting the budgetary expectations as follows:

- **Appeals** – this is sitting at £50k vs a £200k figure. The Lavender Appeal reached two-thirds of expected income so this may also be reflected in the Light Up a Life appeal, which will be promoted in the newsletter and Raphaelite. The revised projection is £110k.
- **Challenge events** – £47k has been raised of a £80k target, with in person events now able to resumed so it is expected that this target would be met.
- **Community fundraising** - £60k has been raised out of £145k, this amount will continue to rise but it is not expected that the full target will be met.
- **Corporate** - £70k of £165k has been raised and relationships with corporate partners are going well including through the recent awards dinner.
- **Events** – the 'Wooffest' event had to be cancelled and this income line is currently sitting at £10k out of a total of £50k, so this is unlikely to be met.
- **In memory** – donations are sitting at £90k out of a £225k target to these are not meeting historic or expected levels.
- **Other income and regular giving** – this is sitting at £70k out of a £260k target, this included the planned Campaign which is now delayed to spring 2023 therefore this target will not be met. Opportunities for regular giving will be reiterated in The Raphaelite.

- **Trusts** – applications continue to be submitted for project-based and capital activity in particular, £60k has been received so far of a £175k target, this target may still be met.
- **Significant one-off donation** – a target was set for £25k, this has not yet been received.

Collectively, the Hospice is at 34% of the Fundraising target. In reflection of this, the target will be reduced by £300k from £1.33m to £1.03m. Fundraising costs are 10% below plan. It is recognised that this has budgetary implications for the Hospice, which are being discussed in parallel with the Finance Committee and will be covered at the October Board meeting.

Sara Jane Woods echoed that Supporter Groups have been slower to get going since the lockdown periods, but are now beginning to restart with events happening such as a fashion show, garden party, and afternoon tea event. Light Up a Life planning is taking into account postal strikes taking place over Christmas.

- 5.2. Retail and Lottery update** – Nick Stevens confirmed that the Shops continue to consistently perform very strongly, and above the budget at around £24k currently. Lottery is sitting at only £15k below plan, even though a delay has been experienced in taking forward the Lottery Agency agreement due to their own challenges in recruiting staff. It is a priority to increase uptake of the Lottery to reduce the current 4% ‘leak’ in players.

Sara Jane Woods shared that opportunities are being explored to maximise channelling other forms of donation through the Shops for example giving opportunities to buy Lottery tickets. The Ebay account is now set up and ways to optimise the presence of the online shop on search engines are being explored.

The Committee recognised that the Retail portfolio is performing well and that it is hoped that this performance could be replicated with a wider portfolio of shops. For example, with a £35k average net contribution from each shop, 5 new shops would bring in £150k+ to the Hospice budget, and this is achievable. A new Shop will be opened in Wimbledon Park, with the rental contract now approved by Trustees.

A supporter recently won the Lottery ‘rollover’ and was delighted with the news.

- 5.3. HR and staffing** – Sara Jane Woods updated that Emily Nichols had left the Hospice after 9 years in role to take up a new fundraising role. The Committee wished to formally record their thanks to Emily for her significant contribution to the Hospice over many years’ service.

6. Update on the review of the Fundraising Strategy, fundraising roles and future Direction

Sara Jane Woods updated that the composition and needs of the team had been considered following Emily Nichols moving on from the Hospice. A new Fundraising Director will be recruited, as a more senior recruitment to this post with additional budget dedicated, and Sara Jane Woods will focus on Retail and Income Generation in the role of Commercial Director, also focusing on new opportunities to expand the retail portfolio.

The Donor Development team are picking up work from two vacant roles, but covering this smoothly overall. It has been a relatively challenging period for team morale due to needing to postpone ‘Wooffest’ and Corporate Awards, although this latter event was well received on when it took place.

The Campaign and Strategy review were postponed whilst the discussions on the staffing needs were underway, and the Campaign would be launched in spring 2023. The Committee also discussed the opportunity for the Hospice’s messaging to emphasise the support given not only directly to patients, but their wider family and loved ones in the run up to, and following, their bereavement.

7. Fundraising applications pipeline report

The Committee noted and discussed the pipeline report, including the potential optimal timing to draw down on a Trust with links to the Daughters' of the Cross.

8. Any Other Business and Dates of future meetings

The Committee thanked the team for the updates given at the meeting.

There were no items raised under Any Other Business.

Committee members noted that the date of the next meeting would be confirmed as part of setting the Board and Committee dates for 2023.

The meeting ended at 13.00pm.

Approved..... Date.....