

Are you aware of any potential going concern problems?

As a charity with secure funding that only amounts to under 30% of our clinical + fundraising costs (ie excluding retail and lottery costs) there is always a risk of going concern problems arising.

Whilst most other income levels could drop below the target by 10% or even an outside risk of 20%, this would only amount to an additional shortfall of £400-800k. This would not be sufficient to tip us into a going concern crisis that would impact in 12-18 months.

However, our legacy target of £1.4m could in practice be missed comprehensively. Adding that into the above equation would render the charity at risk if that continued beyond 12 months.

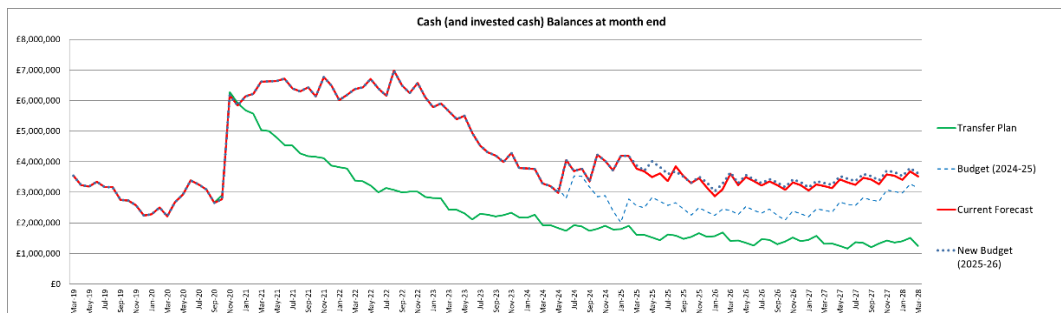
Our Legacy average has been £1.7m over the last seven years and has only dipped as low as £700k twice in 15+ years. That track record suggests only a low risk of very severe drop off in legacy.

We have mitigation in that there remains a £1.7m to £2m fund set aside at the discretion of the DoC to be deployed in the event of 'legacy drought' alongside other rationales. There is no reason to doubt that it would be deployed, indeed £1m was deployed against inflation, another of the rationales for creating this fund. This offsets the going concern risk.

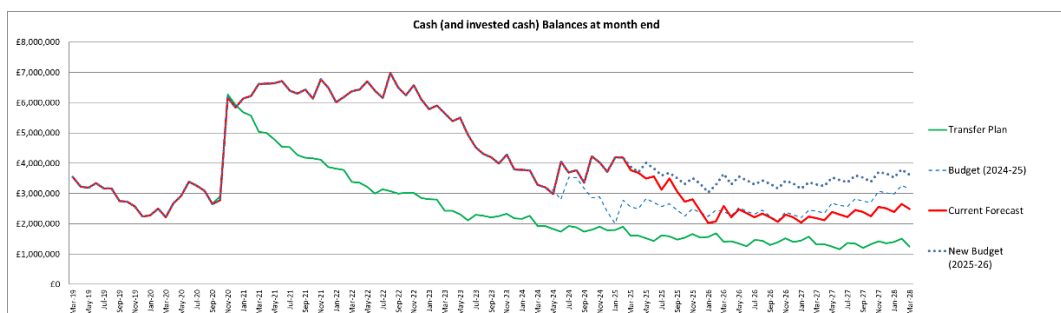
Therefore, at this point, I do not perceive a live going concern risk for the charity.

Update for 27th May 2025

Current Forecast for cash/investment over coming years:



Adjusted for a drop of £1m in the current year but all else being equal – not a going concern issue...but as there is no certainty in future for legacies it would place us in an exposed position if a second year of legacy drought occurred – hence the assurance that DoC would support such a situation with additional funds.



As it stands our donation income has reached £340k for the first 2 months (with more processing for May still to come) and that is 40% above budget and 45% above last year which adds some reassurance to other income sources.

We have received information that NHS pay will rise by 3.6% and we match this for our clinical staff – we have budgeted 3% and the additional cost is not material.

Therefore, at this point, I do not perceive a live going concern risk for the charity.

Nick Stevens

FD/Joint CEO

May 27th 2025

Added Note at 14th July 2025

The notes above reflect a short term reduction in income. The separate graphs (see separate sheet) illustrate ongoing reductions to income and increases to expenditure. Whilst these scenarios would demand action to be taken to avoid further difficulty in ensuing years, they do not cause the charity to enter a going concern risk position within the time horizon of 12 months from the point of signing accounts in October 2025, in my opinion.