

<b>Reporting to:</b>	<b>Trust Board - 1 December 2016</b>
<b>Title</b>	Charitable Funds Annual Report and Accounts 2015/16
<b>Sponsoring Director</b>	Neil Nisbet, Finance Director
<b>Author(s)</b>	Vicky Hall, Senior Financial Accountant
<b>Previously considered by</b>	Finance Committee
<b>Executive Summary</b>	<p>The SaTH Trust Board is the Corporate Trustee of SaTH's Charitable Funds and is required to review and approve the attached annual report and accounts for 2015/16.</p> <p>The Sustainability Committee have reviewed the annual report and accounts and the external auditors have completed their audit work.</p> <p>The Corporate Trustee is asked to approve the annual report and accounts and sign off the trustees' responsibilities in respect of the trustees' report and the financial statements, the balance sheet and the management representation letter.</p> <p>The Charitable Funds Annual Report and Accounts for 2015/16 need to be submitted to the Charities Commission together with the audit opinion before the deadline of 31 January 2017.</p>
<b>Strategic Priorities</b>	
1. Quality and Safety	<input type="checkbox"/> Reduce harm, deliver best clinical outcomes and improve patient experience. <input type="checkbox"/> Address the existing capacity shortfall and process issues to consistently deliver national healthcare standards <input type="checkbox"/> Develop a clinical strategy that ensures the safety and short term sustainability of our clinical services pending the outcome of the Future Fit Programme <input type="checkbox"/> To undertake a review of all current services at specialty level to inform future service and business decisions <input type="checkbox"/> Develop a sustainable long term clinical services strategy for the Trust to deliver our vision of future healthcare services through our Future Fit Programme
2. People	<input type="checkbox"/> Through our People Strategy develop, support and engage with our workforce to make our organisation a great place to work
3. Innovation	<input type="checkbox"/> Support service transformation and increased productivity through technology and continuous improvement strategies
4. Community and Partnership	<input type="checkbox"/> Develop the principle of 'agency' in our community to support a prevention agenda and improve the health and well-being of the population <input type="checkbox"/> Embed a customer focussed approach and improve relationships through our stakeholder engagement strategies
5. Financial Strength: Sustainable Future	<input checked="" type="checkbox"/> Develop a transition plan that ensures financial sustainability and addresses liquidity issues pending the outcome of the Future Fit Programme
<b>Board Assurance Framework (BAF) Risks</b>	<input type="checkbox"/> If we do not deliver <b>safe care</b> then patients may suffer avoidable harm and poor clinical outcomes and experience <input type="checkbox"/> If we do not implement our <b>falls prevention</b> strategy then patients may suffer serious injury <input type="checkbox"/> If the local health and social care economy does not reduce the <b>Fit To Transfer (FTT)</b> waiting list from its current unacceptable levels then patients may suffer serious harm <input type="checkbox"/> Risk to <b>sustainability</b> of clinical services due to potential shortages of key clinical staff <input type="checkbox"/> If we do not achieve safe and efficient <b>patient flow</b> and improve our processes and capacity and demand planning then we will fail the national quality and performance standards <input type="checkbox"/> If we do not get good levels of <b>staff engagement</b> to get a culture of continuous improvement then staff morale and patient outcomes may not improve

	<input type="checkbox"/> If we do not have a clear <b>clinical service vision</b> then we may not deliver the best services to patients <input checked="" type="checkbox"/> If we are unable to resolve our (historic) shortfall in <b>liquidity</b> and the structural imbalance in the Trust's <b>Income &amp; Expenditure</b> position then we will not be able to fulfil our financial duties and address the modernisation of our ageing estate and equipment
<b>Care Quality Commission (CQC) Domains</b>	<input type="checkbox"/> Safe <input type="checkbox"/> Effective <input type="checkbox"/> Caring <input type="checkbox"/> Responsive <input type="checkbox"/> Well led
<input type="checkbox"/> Receive <input type="checkbox"/> Review <input type="checkbox"/> Note <input type="checkbox"/> Approve	<b>Recommendation</b> The Trust Board as Corporate Trustee is asked to APPROVE the Charitable Funds Annual Report and Accounts 2015/16 and sign off the trustees' responsibilities in respect of the trustees' report and the financial statements, the balance sheet and the management representation letter.

# Shrewsbury and Telford Hospital NHS Trust – Charitable Funds

## Audit Committee Summary

For the year ended 31 March 2016

Audit Results Report – ISA (UK and Ireland) 260

29 November 2016



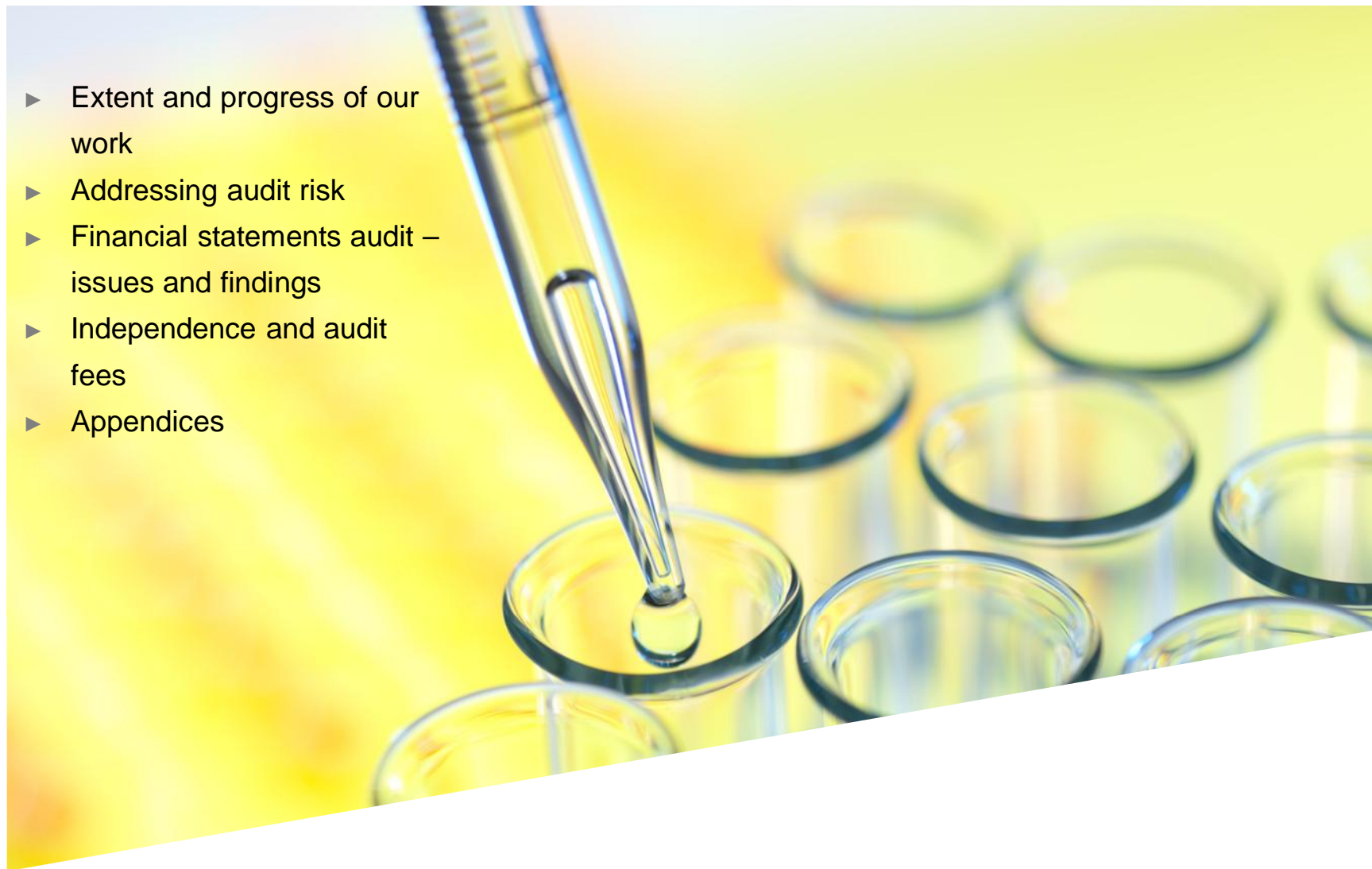
Building a better  
working world

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# Extent and purpose of our work

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## The Trustee's responsibilities

- ▶ Under charity law, the trustees are responsible for preparing the trustees' annual report and accounts for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.
- ▶ To act in accordance with the trust deed of the charity, within the framework of trust law.
- ▶ To enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.
- ▶ General responsibility for taking such steps as are reasonably open to the trustees to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

## Purpose of our work

Our audit was designed to express an opinion on the 2015/16 financial statements.

In addition, this report contains our findings related to the areas of audit emphasis, our views on the Trust's charitable funds accounting policies and judgments and significant deficiencies in internal control.

This report is intended solely for the information and use of the Trust. It is not intended to be and should not be used by anyone other than this specified party.



# Addressing audit risks – significant audit risks

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We identified the following significant audit risks during the planning phase of our audit, as we set out below. Here, we set out how we have gained audit assurance over those issues.

Audit risk identified	Audit procedures performed	Assurance gained and issues arising
Significant audit risks		
<p><b>Risk of fraud in revenue recognition</b></p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p>	<ul style="list-style-type: none"> <li>▶ Review and test revenue recognition policies.</li> <li>▶ Develop a testing strategy to test material revenue streams.</li> <li>▶ Reviewed the existence and valuation of debtors.</li> <li>▶ Undertake year end cut off testing to gain assurance on the completeness of income balances recorded in the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>▶ We did not identify any issues from your review of accounting polices.</li> <li>▶ We did not identify any issues from our cut off testing.</li> <li>▶ We have no issues or findings to report in relation to the procedures carried out.</li> </ul>

# Addressing audit risks – significant audit risks (continued)

Audit risk identified within our Audit Plan	Audit procedures performed	Assurance gained and issues arising
Significant audit risks		
<p><b>Risk of management override</b> As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p>	<ul style="list-style-type: none"> <li>▶ Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and</li> <li>▶ Evaluated the business rationale for any significant unusual transactions.</li> </ul>	<ul style="list-style-type: none"> <li>▶ We tested a sample of manual journals to focus on specific areas of risk. We have no matters to report to report to you.</li> </ul>



# Financial statements audit – issues and misstatements arising from the audit

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## Uncorrected misstatements

- ▶ We have not identified any uncorrected misstatements

## Corrected misstatements

- ▶ We have not identified any misstatements requiring correction.



# Financial statements audit – Internal control, written representations.

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## Internal control

- ▶ It is the responsibility of the Charitable Trust to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. We have adopted a fully substantive approach and have therefore not tested the operation of controls. However, our testing has not identified any significant deficiencies in the design or operation internal controls that we wish to report to you.

## Request for written representations

- ▶ Upon conclusion of the audit we will request managements confirmation on a number of matters by way of a management representation letter. There are no specific representations sought in addition to the standard representations.

# Independence and audit fees

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## Independence

- ▶ We confirm there are no changes in our assessment of independence. We complied with the Auditing Practices Board's Ethical Standards for Auditors and the requirements of the Public Sector Audit Appointments Ltd (PSAA)'s Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.
- ▶ We confirm that we are not aware of any relationships that may affect the independence and objectivity of the firm that we are required by auditing and ethical standards to report to you.
- ▶ We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view.
- ▶ We confirm that we have met the reporting requirements to the Audit Committee, as 'those charged with governance' under International Standards on Auditing (UK and Ireland) 260 – Communication with those charged with governance.

## Audit fees

- ▶ The table below sets out the scale fee and our final proposed audit fees.

	Proposed final fee 2015/16(£)	Scale fee 2015/16(£)
Fee for charitable funds	3,825	3,825

EY | Assurance | Tax | Transactions | Advisory

## Ernst & Young LLP

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ED None

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ey.com

In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies 2015-16". It is available from the Chief Executive of each audited body and via the PSAA website ([www.psaa.co.uk](http://www.psaa.co.uk))

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment from 1 April 2015' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Audit Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute

The Shrewsbury and Telford Hospital   
NHS Trust

Registered Charity 1107883

## **CHARITABLE FUNDS**

### **DRAFT ANNUAL REPORT & ACCOUNTS**

**2015/2016**

## **THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST CHARITABLE FUNDS**

### **Foreword**

The Corporate Trustee presents the Charitable Funds Annual Report together with the audited financial statements for the year ended 31 March 2016.

These have been prepared in accordance with the requirements of the 2015 Statement of Recommended Practice (SORP) FRS 102 and public benefit reporting requirements. Charitable funds are accounted for separately from other income received by the Shrewsbury and Telford Hospital NHS Trust.

Following Treasury's agreement to apply IAS 27 (Consolidation and Separate Financial Statements) to NHS Charities from 1 April 2013, the Shrewsbury and Telford Hospital NHS Trust has established that as the Trust is the Corporate Trustee of the linked NHS Charity, it effectively has the power to exercise control so as to obtain economic benefits so therefore may need to consolidate its NHS Charity Accounts into its NHS Trust Accounts. However the income, expenditure, assets and liabilities of the Charity are considered to be immaterial in the context of the accounts of the Shrewsbury and Telford Hospital NHS Trust and therefore the Charity's accounts have not been consolidated into its NHS Trust Accounts.

### **Who We Are**

The Shrewsbury and Telford Hospital NHS Charity formed following the merger of the Royal Shrewsbury Hospital (RSH) and the Princess Royal Hospital (PRH) in October 2003. In accordance with the Charities Act of 1993, it is listed with the Charity Commission under registered charity no. 1107883.

Funds received by the charity are accepted and held and administered as 'funds held on trust' for purposes relating to the Health Service in accordance with the National Health Service Act 1977 and the National Health Service and Community Care Act 1990 and these funds are held on trust by the corporate body.

### **Our mission**

The object of the Charity is to apply income received from donations to any charitable purpose or purposes relating to the National Health Service to benefit the public served by the Trust. The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and in designating funds, the Trustee respects the wishes of donors to benefit patient care and advance the good health and welfare of patients, carers and staff.

### **What we have achieved**

The Charity's key aim is to serve the NHS patients of the Shrewsbury and Telford Hospital NHS Trust for the public benefit. We put this aim into practice by helping patients, staff and visitors to the hospitals by:

- Continued expenditure on equipment and facilities to improve patient care and associated areas;
- Continued expenditure on staff training and development.

Thanks to the generosity of the people of Shropshire, Telford and Wrekin, and Mid Wales, the Hospitals received donations and legacies of £854,000 during the year. The nature of support received ranged from donations left with a Ward sister by satisfied patients upon their discharge from Hospital through to a share of an individual's estate in line with their wishes upon their death. These funds continued to benefit both patients and staff within the hospitals. Ward donations are often used to provide a modern piece of equipment that improves the care which nursing staff can provide.

**How we funded our work, our achievements and performance**

The following figures are taken from the Charity accounts which are lodged with the Charity Commission. This part of the annual report comments on key features of those accounts. In this section we firstly explain how we raised the money and then how we spent it.

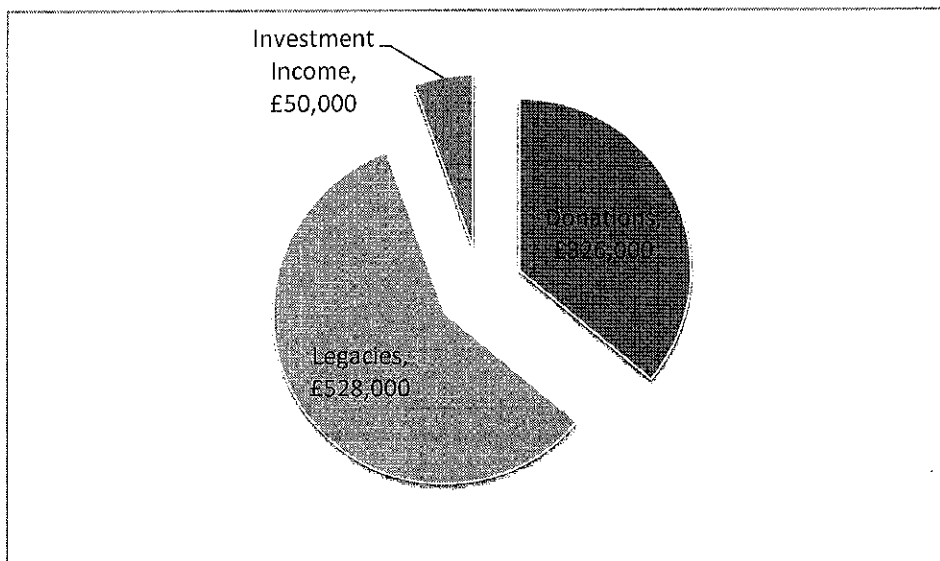
**Money received - £904,000      Money spent - £660,000**

The Charity can only continue to support the work of the Shrewsbury and Telford Hospital for as long as we receive the money needed. Almost all of our income comes from the voluntary efforts of the general public. Overall we ended the year £244,000 in hand before the performance of our investments was taken into account and even with the falls in the value of investments our total funds increased by £218,000.

**Money received: sources of funds**

The pie chart shows our three main sources of income:

**Income 2016**



Donations – gifts from the voluntary efforts of the general public from a few pence in a collecting box to several hundred pounds from grateful relatives or a collection in memory of a loved one, we are fortunate to receive thousands of generous gifts each year towards our work.

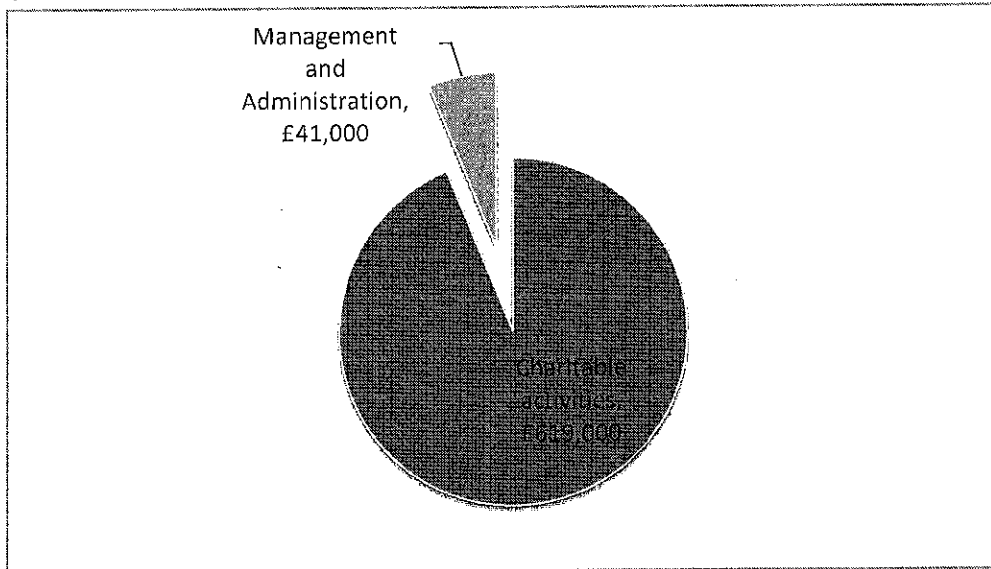
Legacies – a gift in a will, we are fortunate to be remembered by so many people each year.

Investment Income – by prudent management of funds not immediately required for use by the Charity we earned interest and dividends of £50,000.

## Money spent: what we spent the money on

As the pie chart shows, our largest area of spend was on charitable activities.

### Spend 2016



With advances in technology and technological obsolescence of existing equipment we can make a real difference in purchasing equipment. Typical examples of such expenditure during 2015/16 were:

- Breast Care scanner – required to meet the additional capacity requirement of the Breast Care service and provides back up for the Trust's main scanner during its downtime
- First Sensor Cordless Gamma probe for Breast Care Unit - to ensure all breast care patients have equitable and timely access to this equipment within their breast cancer pathway
- 2 multichannel monitors for the Neonatal Unit - for monitoring sick and vulnerable babies to detect early subtle indicators of deterioration in a baby's condition
- 15 ward fridges at the Princess Royal Hospital - to ensure patient food is kept at safe operating temperatures.

During 2015-16 charitable donations were also used to fund:

- Renal procedure room on Ward 28 at the Royal Shrewsbury Hospital
- Uplift carpet in Radiotherapy main corridor and replace with Polyflor 2000
- Creation of a skills lab in the Education Centre at PRH essential for doctor training
- IT and Pharmacy project to implement an electronic chemotherapy prescribing system
- Virtual IT servers in Cardiology and Haematology.

### Performance against objectives

Fund managers are encouraged to spend any excess funds and not keep reserves unless they are accumulating funds for a specific project.

The Charity contributed £50,000 towards staff training and development in the form of external courses to ensure all staff members are well trained and supported from trainees to those that require continued professional development.

The NHS Trust of course buys much of its own equipment and has its own capital programme but NHS capital funds for equipment is scarce. The Charity purchased additional equipment that may not have been able to have been bought through the Trust's revenue or capital budgets. Equipment over £5,000 that is to be funded by charitable funds has to be presented to the Trust's Capital Planning Group to ensure this fits in with other strategies of the Trust such as IT and Estates to ensure consistency across the Trust.

### **Our fundraising performance**

The Charity does not actively fundraise but some members of the public fundraise independently and donate the money to the Charity by cheque or via Just Giving at [www.justgiving.com/sath/donate](http://www.justgiving.com/sath/donate) or Virgin Money Giving at [uk.virginmoneygiving.com/giving](http://uk.virginmoneygiving.com/giving).

The Trustees of the charity would like to express their sincere appreciation to all those members of the public and organisations who made a donation to the Trust during the year.

### **What we plan to do with your donations: our future plans**

The longer term aim of the Charity is to continue applying income received from donations to benefit the public served by the Trust, whilst maintaining minimal levels of reserves.

The Trustees are hopeful, based on previous trends and patterns that the level of donations received during the year will be broadly maintained in subsequent years. It is the Charity's intention to continue to use its funds in broadly the same manner as in the past. Mindful of the many changes in the NHS, the future direction of the charity will be shaped by these. The reconfiguration of patient services within Shropshire and the plans for redesigning patient care to meet the needs of the future will influence the priorities for spending charitable funds.

We will achieve our mission by working with the NHS to develop the facilities to treat patients and to identify the treatments of tomorrow we actively seek to assist in equipping NHS staff with the skills they need. Your support makes these plans possible and to help us please consider making a donation.

### **How we manage the money**

Within the Charity there are a number of restricted funds relating to particular wards and departments nominated by the donor. The charity manages spending through local fund managers for each of these restricted funds who oversee the use of the funds on a day-to-day basis within the boundaries of local guidance agreed by the Corporate Trustee.

The Charity also holds a level of unrestricted funds that can be accessed by all wards and departments for patient and staff welfare. The level of unrestricted funds has increased throughout the year.

The Corporate Trustee oversees the work of the fund managers and has the power to revoke a fund manager's remit or, subject to any specific donor restriction, direct the use to which funds are put.

The NHS Trust Board devolves responsibility for the on-going management of funds to the Finance Committee which administers the funds on behalf of the Corporate Trustee. The Committee is required to:

- Control, manage and monitor the use of the fund's resources;
- Provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income;
- Ensure that 'best practice' is followed in the conduct of all its affairs fulfilling all of its legal responsibilities;
- Ensure that the approved Investment Policy approved by the NHS Trust Board as Corporate Trustee is adhered to and that performance is continually reviewed whilst being aware of ethical considerations;
- Keep the Trust Board fully informed on the activity, performance and risks of the charity.



Trustees are given an opportunity to raise questions via the Finance Committee who act as a focus group for the Trust's charitable funds. Additionally, copies of all policies relating to charitable funds are provided on the Trust's intranet. Within the year quarterly investment reports have been provided by the Trust's investment advisors.

The Finance Director is responsible for the day-to-day management and control of the administration of the charitable funds and reports to the Finance Committee. The Finance Director has particular responsibility to ensure that the spending is in accordance with the objects and priorities agreed by the Finance Committee and the Trust Board:

- that the criteria for spending charitable monies are fully met;
- that full accounting records are maintained;
- that devolved decision making or delegated arrangements are in accordance with the policies and procedures set out by the Board on behalf of the Corporate Trustee.

#### **Our reserves policy**

The Charity has established a reserves policy as part of their plans to provide long term support to the Shrewsbury and Telford Hospital NHS Trust for patient and staff welfare. The current reserves policy states:-

*"Trustees recognise that the charity is entirely dependent upon donations for its future viability which will inevitably be subject to fluctuations. With this in mind an unrestricted fund reserve is required to meet one year's administration, fund-raising and support costs and thus ensure the Charity is able to operate as a going concern."*

As at 31 March 2016 the Charity holds restricted funds of £1,471,000 (2015: £1,418,000) and unrestricted funds of £313,000 (2015: £148,000). The description, nature and purpose of the restricted funds are contained within Note 22: Analysis of charitable funds.

The Finance Committee introduced a new donation receipt form to enable donations to be more readily classed as unrestricted and thus increase the flexibility available in deploying the funds for qualifying purposes. The Trustees consider all unrestricted reserves to be free reserves and thus the level of free reserves is calculated as follows:

Unrestricted funds	£313,000
One year's administration, fund-raising and support costs	<u>£41,000</u>
<b>Free Reserves</b>	<b><u>£272,000</u></b>

Charitable fund managers of restricted funds are encouraged to spend their funds appropriately within a reasonable period of receipt and not to keep any unnecessary reserves. This offers earlier benefit to patients and staff and enables the Committee to make better decisions about its investments.

### **Our financial health: a strong balance sheet**

The assets and liabilities of the Charity as at 31 March 2016 are stated below, compared with the position as at 31 March 2015.

The net assets of the Charitable Funds as at 31 March 2016 were £1,784,000 (2015: £1,566,000). Overall net assets increased by £218,000 (2015: £139,000) with a loss on the valuation of our investments of £26,000 (2015: £89,000 gain) and an excess of income over expenditure of £244,000 (2015: £50,000).

	31-Mar-16	31-Mar-15
	2016	2015
	£000	£000
Fixed Asset Investments	1,884	1,365
Current Assets	30	208
Creditors falling due within one year	(130)	(7)
<b>Total Net Assets</b>	<b>1,784</b>	<b>1,566</b>
<b>Funds:</b>		
Restricted funds	1,471	1,418
Unrestricted funds	313	148
<b>Total Funds</b>	<b>1,784</b>	<b>1,566</b>

#### **A few helpful definitions:**

**Fixed asset investments** are investments placed in a COIF (Charities Official Investment Fund) managed by CCLA Investment Management Ltd.

**Current assets** represent cash held on deposit and the value of accruals for money owed to the Charity at the year-end.

**Creditors falling due within one year** represents the money owed to others for expenses chargeable to the year.

**Restricted income funds** represent money which is held by the trustees which can only be used for specified purposes.

**Unrestricted income funds** are funds available to be spent within the objects of the charity which can legally be spent wholly at the discretion of the trustees.

#### **About our investments**

Long-term investments are placed in a COIF (Charities Official Investment Fund) managed by CCLA Investment Management Ltd. This arrangement allows the charity access to a wider portfolio of investments than would otherwise have been possible. This arrangement also ensures no investments are made in companies that would be contra to NHS principles. Investment performance is monitored by the Finance Committee which receives quarterly reports from the investment managers.

An investment policy is in place, this is reviewed annually to ensure it continues to meet the needs of the charity. The policy is designed to protect the charity from undue adverse risk and inflation whilst ensuring the charity's long, medium and short term objectives are met.

A cash balance remains in a Royal Bank of Scotland deposit account to cover current transactions.

Due to the uncertainty in the financial markets the Finance Committee continued their focus on the investment portfolio and the appropriateness of the mix of assets. Following a review the Committee agreed that due to previous underperformance of the property fund and investment fund it would be prudent to refrain from these investments. The fixed interest fund continued to provide a stream of income but the value of the fund saw a decrease in the year.

The total loss of £26,000 on the investments during 2015/16 has been offset against the unrealised gains reserve set up from previous gains on investments. In previous years 50% of gains have been held against an unrealised gains reserve until such a time as it can be realised or is required to offset a future fall in value within the same investment category to comply with the Charity's investment policy.

Investment income amounted to £50,000 (2015: £46,000) during the year and this was apportioned between individual funds on the basis of average fund balances held during the year.

The Finance Committee has currently agreed to keep the investments in a fixed interest fund and a deposit fund. This will enable prompt access to these funds to support the Committee's policy of reducing the invested sums as a result of its aim to see money utilised early for patient benefit. This will be reviewed at Finance Committee meetings to monitor if the Charity should start re-investing in listed securities.

#### **How we organise our affairs: reference and administrative details**

The Charity is registered with the Charity Commission under the single Registered Number 1107883 following the merger of the Royal Shrewsbury Hospital (RSH) and the Princess Royal Hospital (PRH) in October 2003.

Its objects are 'for any charitable purpose or purposes relating to the National Health Service to benefit the public served by the Trust.'

#### **How to contact us**

The principal address of the Shrewsbury and Telford Hospital NHS Trust Charity is:

Finance Department – Charitable Funds  
Royal Shrewsbury Hospital  
The Shrewsbury and Telford Hospital NHS Trust  
Mytton Oak Road  
Shrewsbury  
SY3 8XQ

The accounting records and the day-to-day administration of the funds are dealt with by the Finance Department of the Shrewsbury and Telford Hospital NHS Trust - for any queries please contact: 01743 261000 Ext 1704.

#### **Our trustees**

The Shrewsbury and Telford Hospital NHS Trust is the Corporate Trustee of the charitable funds. The Executive Directors and Non-Executive Directors of the Trust Board share the responsibility for ensuring that the NHS body fulfils its duties as Corporate Trustee in managing the charitable funds and are responsible for deciding policy and ensuring that it is implemented. Members are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

As trustees, all serving members of The Shrewsbury & Telford Hospital NHS Trust Board are required to ensure that:

- the income of the charity is applied with complete fairness between the persons who are properly qualified to benefit from it;
- they act reasonably and prudently regarding any decisions made in respect of the charity;
- they exercise the same degree of care in dealing with the administration of the funds as that of a prudent business person would exercise in managing his or her own affairs or those of someone else for whom he or she was responsible;
- they are able to demonstrate that its charitable aims are for the public benefit.

During the year, the following directors held office:

Professor Peter Latchford	Chairman
Mr Peter Herring	Chief Executive (to 31.07.15)
Mr Simon Wright	Chief Executive (from 28.09.15)
Mr Clive Deadman	Non-Executive Director (from 01.02.16)
Mr Paul Cronin	Non-Executive Director (from 01.11.15)
Mr Harmesh Darbhanga	Non-Executive Director
Mr Robin Hooper	Non-Executive Director
Mr Dennis Jones	Non-Executive Director (to 31.10.15)
Mrs Donna Leeding	Non-Executive Director
Mr Brian Newman	Non-Executive Director
Dr Simon Walford	Non-Executive Director
Mrs Sarah Bloomfield	Director of Nursing and Quality (Acting Chief Executive from 01.08.15-16.08.15)
Dr E Borman	Medical Director
Mrs Deborah Kadum	Chief Operating Officer
Mr Neil Nisbet	Finance Director (Acting Chief Executive from 17.08.15-27.09.15)

#### **Our staff**

The Charity does not have any employees. The administration of the funds is carried out by employees from the Shrewsbury and Telford Hospital NHS Trust. The employees' salary and related costs are recharged to the Charity from the NHS Trust.

#### **Our advisors**

##### **Investment managers:**

CCLA Investment Management Ltd  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

##### **External auditors:**

Ernst & Young  
20 Chapel Street  
Liverpool  
L3 9AG

##### **Bankers:**

The Royal Bank of Scotland plc  
6 The Square  
Shrewsbury  
SY1 1LA

##### **Legal advisors:**

Hill Dickinson LLP  
Pearl Assurance House  
Derby Square  
Liverpool  
L2 9XL

### **Charity governance, structure and management arrangements**

The Corporate Trustee is responsible for deciding policy and making sure that it is implemented. Day to day management is delegated to the Finance Director who is responsible for carrying out the decisions of the Corporate Trustee and for working with the professional advisors and with the employees of the Shrewsbury and Telford Hospital who provide the financial services to the Charity.

The Finance Committee provides detailed scrutiny of the Charity's activities, including income and expenditure and monitoring the performance of investments, and makes appropriate recommendations to the Trust Board with regard to the Charity Commission's guidance on public benefit.

The following served as members of the Finance Committee for the full year unless stated otherwise:

Mr Neil Nisbet	Finance Director
Mr Harmesh Darbhanga	Non-Executive Director
Mr Clive Deadman	Non-Executive Director (from 01.02.16)
Mr Dennis Jones	Non-Executive Director (to 31.10.15)

The Finance department review any Charity Commission guidance and advise appropriately with specific issues being raised for the attention of the Corporate Trustee through the Trust's Finance Committee.

### **Trustee recruitment, appointment and induction**

Non-Executive Members of the Trust Board are appointed by NHS Improvement (previously NHS Trust Development Authority) under arrangements made by the Secretary of State for Health for a fixed term of not more than four years (renewable to a maximum of ten years in total). Executive members are subject to recruitment by the NHS Trust Board. Members are selected to give a good mix of appropriate professional skills.

Members are given an opportunity to raise questions via the Finance Committee who act as a focus group for the Trust's charitable funds. Additionally, copies of all policies relating to charitable funds are provided on the Trust's intranet.

Members are provided with a number of Charities Commission publications to assist them in fulfilling their roles. Within the year quarterly investment reports have been provided by the Trust's investment advisors.

### **Key management personnel remuneration**

During the year none of the members of the NHS Trust Board or senior NHS Trust staff or parties related to them were beneficiaries of the charity.

Neither the Corporate Trustee nor any member of the NHS Trust Board has received honoraria, emoluments or expenses in the year and the Trustee has not purchased trustee indemnity insurance.

### **Risk analysis**

The Charity has a policy that any significant risks to which the charity faces or is likely to encounter are reported to the Finance Committee. The Finance Committee has reviewed the risks that are applicable to the Charity and are satisfied that the risks to the Charity have been mitigated.

Losses on investments during previous years prompted the Finance Committee to review its investments and consider the risks surrounding the charity's investment strategy. The Committee agreed that due to the current economic conditions the charity would not yet reinvest in the more volatile investments such as a property fund or an investment fund. The charity continues to invest in a fixed interest fund and a deposit fund.

The Charity is reliant on donations to allow it to spend on charitable activities for the benefit of staff and patients at the Shrewsbury and Telford Hospital NHS Trust. If income falls the Charity would not be able to spend or enter into longer term commitments with the NHS hospitals we support.

The NHS is, by its very nature, subject to national changes in government policy as well as local politically driven decisions. The Trustees regularly liaise with all of our NHS partners to understand any potential changes and identify any risks as it may mean initiatives or healthcare activities supported by the Charity are no longer delivered in the area.

#### **Related parties**

The Shrewsbury and Telford Hospital NHS Trust Charity works closely with, and provides the majority of its funding to, the Shrewsbury and Telford Hospital NHS Trust which comprises of the Royal Shrewsbury Hospital and Princess Royal Hospital in Telford.

The Shrewsbury and Telford Hospital NHS Trust makes a number of administrative services, including accounts preparation, available to the charity by agreement with the Corporate Trustee.

#### **Our relationship with the wider community**

The ability of the Shrewsbury and Telford Hospital Charity to continue its vital support for the two hospitals is dependent on its ability to maintain and increase donations from the general public. The Charity also continues to forge strong relationships with members of staff of the hospital without whose co-operation the ability to make an effective contribution would be much diminished.

It is hoped the Charity will continue its good relationships with other local charities such as the Friends of the Royal Shrewsbury Hospital, Friends of the Princess Royal Hospital and Lingen Davies Charity to seek opportunities to work together in the future to fund joint ventures.

On behalf of the staff and patients who have benefited from improved services due to donations and legacies, the Corporate Trustee would like to express their sincere appreciation to all patients, relatives and staff who have made charitable donations to the Charity during the year. This gratitude is also extended to those external fund raising organisations and its volunteers who support the charity in its objectives.

#### **Please consider supporting the Charity**

The challenge facing the Charity in the future is to maintain and grow our support as it carries out its mission of improving patient and staff welfare at the Royal Shrewsbury Hospital and the Princess Royal Hospital.

What could your gift buy?

£1	could buy	a set of colouring pens
£10	could buy	a CD or DVD
£400	could send	a nurse or doctor on a training course
£500	could buy	a wheelchair
£5,000	could buy	medical equipment for a ward/department
£10,000	could refurbish	a patient area

Anyone wishing to make a donation in person can do so at the Cashiers Offices located in the vicinity of the Outpatients waiting area of the Royal Shrewsbury Hospital or in the main reception area of the Princess Royal Hospital during normal office hours.

Alternatively, postal donations can be made to:

The Cashiers Office  
Royal Shrewsbury Hospital  
The Shrewsbury and Telford Hospital NHS Trust  
Mytton Oak Road  
Shrewsbury  
SY3 8XQ

Signed on behalf of the Corporate Trustee:

Name:

Date:

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND ACCOUNTS**

Under charity law, the trustees are responsible for preparing the trustees' annual report and accounts for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the recommendations of the SORP have been followed, subject to any material departures disclosed and explained in the financial statements
- State whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. The trustees are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. The trustees have general responsibility for taking such steps as are reasonably open to the trustees to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

### **Signed on behalf of the Corporate Trustee:**

Signed:

Date:



**The Shrewsbury and Telford Hospital NHS Trust Charitable Funds**  
**Statement of Financial Activities for the year ending 31 March 2016**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2016 £000	Total Funds 2015 £000
<b>Income from:</b>					
Donations and legacies	4	220	634	854	683
Investments	7	6	44	50	46
<b>Total incoming resources</b>		<u>226</u>	<u>678</u>	<u>904</u>	<u>729</u>
<b>Expenditure on:</b>					
Raising funds		0	0	0	(14)
Charitable activities	9	(35)	(625)	(660)	(665)
<b>Total expenditure</b>		<u>(35)</u>	<u>(625)</u>	<u>(660)</u>	<u>(679)</u>
Net gains/ (losses) on investments	16	(26)	0	(26)	89
<b>Net income/ (expenditure)</b>		<u>165</u>	<u>53</u>	<u>218</u>	<u>139</u>
Transfers between funds	21	0	0	0	0
<b>Net Movement in funds</b>		<u>165</u>	<u>53</u>	<u>218</u>	<u>139</u>
<b>Reconciliation of Funds</b>					
Total Funds brought forward	22	148	1,418	1,566	1,427
<b>Total Funds carried forward</b>	22	<u>313</u>	<u>1,471</u>	<u>1,784</u>	<u>1,566</u>

**The Shrewsbury and Telford Hospital NHS Trust Charitable Funds  
Balance Sheet as at 31 March 2016**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2016 £000	Total Funds 2015 £000
<i>Fixed assets:</i>					
Investments	16	309	1,575	1,884	1,365
<b>Total Fixed Assets</b>		<u>309</u>	<u>1,575</u>	<u>1,884</u>	<u>1,365</u>
<i>Current assets:</i>					
Debtors	17	0	3	3	147
Cash at bank and in hand	18	4	23	27	61
<b>Total Current Assets</b>		<u>4</u>	<u>26</u>	<u>30</u>	<u>208</u>
<i>Liabilities:</i>					
Creditors falling due within one year	19	0	(130)	(130)	(7)
<b>Net Current assets/(liabilities)</b>		<u>4</u>	<u>(104)</u>	<u>(100)</u>	<u>201</u>
<b>Total net assets or liabilities</b>		<u>313</u>	<u>1,471</u>	<u>1,784</u>	<u>1,566</u>
<i>The funds of the charity:</i>					
Unrestricted income funds:	22	313	-	313	148
Restricted income funds		-	1,471	1,471	1,418
<b>Total charity funds</b>		<u>313</u>	<u>1,471</u>	<u>1,784</u>	<u>1,566</u>

The notes at pages 17 to 28 form part of these accounts

Signed:

Name:

Date:

**The Shrewsbury and Telford Hospital NHS Trust Charitable Funds**  
**Statement of Cash Flows for the year ending 31 March 2016**

	Note	Total funds 2016 £000	Total funds 2015 £000
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	20	461	(127)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments	7	50	46
Proceeds from the sale of investments	16	0	200
Purchase of investments	16	(545)	(196)
<b>Net cash provided by (used in) investing activities</b>		<b>(495)</b>	<b>50</b>
Change in cash and cash equivalents in the reporting period		(34)	(77)
Cash and cash equivalents at beginning of the reporting period	18	61	138
<b>Cash and cash equivalents at the end of the reporting period</b>	18	<b><u>27</u></b>	<b><u>61</u></b>

## Notes to the Accounts

### 1. Accounting Policies

(a) **Basis of preparation**

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at fair value.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies to accounting periods starting on or after 1 January 2015.

The trustees consider that there are no material uncertainties about the Shrewsbury and Telford Hospital NHS Trust Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the Charity are a fall in income from donations or investment income but the trustees have arrangements in place to mitigate those risks.

(b) **Reconciliation with previous generally accepted accounting practice**

In preparing these accounts, the trustees have considered whether any restatement of comparatives was required to comply with FRS 102 and the Charities SORP FRS 102. No restatements were required although there has been a change in the analysis of governance costs.

**Governance costs:** previously, these had been separately analysed on the face of the statement of financial activity. Governance costs are now classified as a support costs and have therefore been apportioned between fundraising activities and charitable activities. There is no effect on the total expenditure for 2014/15 or 2015/16.

Reconciliation of reported total expenditure:

	Expenditure on raising funds £000	Expenditure on charitable activities £000	Governance costs £000	Total expenditure £000
<b>2015 expenditure as previously reported</b>	14	660	5	679
Adjustment for the reappportionment of governance costs	0	5	(5)	0
<b>2015 expenditure as restated</b>	<b>14</b>	<b>665</b>	<b>0</b>	<b>679</b>

The analysis of support costs, including governance costs, is shown in note 12.

(c) **Funds structure**

The Charity's funds are a mixture of restricted and unrestricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor at the time the donation was made.

Unrestricted funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects.

The major funds held in each of these categories are disclosed in note 22.

(d) **Incoming resources**

All incoming resources are recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

(e) **Incoming resources from legacies**

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted
- The executors have established that there are sufficient assets in the estate to pay the legacy and
- All conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

(f) **Resources expended and irrecoverable VAT**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event
- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- The amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(g) **Recognition of expenditure and associated liabilities as a result of grant**

Grants payable are payments made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the Charity.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The trustees have control over the amount and timing of grant payments and consequently where approval has been given by the trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

(h) **Allocation of support costs**

Support costs are those costs which do not relate directly to a single activity. These include some staff recharges, costs of administration, external audit costs and IT system support. The support costs attributable to charitable activities are apportioned across those activities in proportion to the average fund balance. The analysis of support costs and the bases of apportionment applied are shown in note 12.

(i) **Fundraising costs**

The costs of generating funds are the costs attributable to generating income for the Charity. The Charity did not have any fundraising costs during this period.

(j) **Charitable activities**

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 9.

(k) **Fixed asset investments**

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Investments are included in the Balance Sheet at the current market value quoted by the investment advisors, excluding dividends.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Further information on the Charity's investments can be found in note 16.

- (l) **Debtors**  
Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.
- (m) **Cash and cash equivalents**  
Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due.
- (n) **Creditors**  
Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.
- Amounts which are owed in more than a year are shown as long term creditors.
- (o) **Realised gains and losses**  
All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).
- (p) **Pensions**  
The Charity does not have any employees and therefore no pension contributions are payable. The administration of the funds is carried out by employees from the Shrewsbury and Telford Hospital NHS Trust.

## **2. Prior year comparatives by type of fund**

The primary statements provide prior year comparatives in total; this note provides prior period comparatives for the Statement of Financial Activities and the Balance Sheet for each of the two types of fund that the Shrewsbury and Telford Hospital NHS Trust Charity manages.

## 2a. Unrestricted Funds - Statement of Financial Activity for the year ended 31 March 2016

	2016 £000	2015 £000
<b>Income from:</b>		
Donations and legacies	220	16
Investments	6	17
<b>Total incoming resources</b>	<u>226</u>	<u>33</u>
<b>Expenditure on:</b>		
Raising funds	0	(14)
Charitable activities	(35)	(64)
<b>Total expenditure</b>	<u>(35)</u>	<u>(78)</u>
Net gains/ (losses) on investments	<u>(26)</u>	49
<b>Net income/ (expenditure)</b>	<u>165</u>	<u>4</u>
<b>Reconciliation of Funds</b>		
Total Funds brought forward	148	144
<b>Total Funds carried forward</b>	<u>313</u>	<u>148</u>

## Unrestricted funds - Balance Sheet as at 31 March 2016

	2016 £000	2015 £000
<i>Fixed assets:</i>		
Investments	309	142
<b>Total Fixed Assets</b>	<u>309</u>	<u>142</u>
<i>Current assets:</i>		
Debtors	0	0
Cash at bank and in hand	4	6
<b>Total Current Assets</b>	4	6
<i>Liabilities:</i>		
Creditors falling due within one year	0	0
<b>Net Current assets/(liabilities)</b>	<u>4</u>	<u>6</u>
<b>Total net assets for unrestricted funds</b>	<u>313</u>	<u>148</u>
<b>Total unrestricted funds</b>	<u>313</u>	<u>148</u>



**2b. Restricted funds - Statement of Financial Activity for the year ended 31 March 2016**

	2016 £000	2015 £000
<b>Income from:</b>		
Donations and legacies	634	667
Investments	44	29
<b>Total incoming resources</b>	<u>678</u>	<u>696</u>
<b>Expenditure on:</b>		
Raising funds	0	0
Charitable activities	(625)	(601)
<b>Total expenditure</b>	<u>(625)</u>	<u>(601)</u>
Net gains/ (losses) on investments	0	40
<b>Net income/ (expenditure)</b>	<u>53</u>	<u>135</u>
 <b>Reconciliation of Funds</b>		
Total Funds brought forward	<u>1,418</u>	<u>1,283</u>
<b>Total Funds carried forward</b>	<u>1,471</u>	<u>1,418</u>

**Restricted funds - Balance Sheet as at 31 March 2016**

	2016 £000	2015 £000
<i>Fixed assets:</i>		
Investments	<u>1,575</u>	<u>1,223</u>
<b>Total Fixed Assets</b>	<u>1,575</u>	<u>1,223</u>
 <i>Current assets:</i>		
Debtors	3	147
Cash at bank and in hand	<u>23</u>	<u>55</u>
<b>Total Current Assets</b>	<u>26</u>	<u>202</u>
 <i>Liabilities:</i>		
Creditors falling due within one year	<u>(130)</u>	<u>(7)</u>
<b>Net Current assets/(liabilities)</b>	<u>(104)</u>	<u>195</u>
 <b>Total net assets for restricted funds</b>	<u>1,471</u>	<u>1,418</u>
 <b>Total restricted funds</b>	<u>1,471</u>	<u>1,418</u>

### 3. Related party transactions

None of the members of the Shrewsbury and Telford Hospital NHS Trust Board or parties to them has undertaken any transactions with the Charity or received any benefit from the charity in payment or kind. No member has received honoraria, emoluments or expenses in the year.

The Shrewsbury and Telford Hospital NHS Trust makes a number of administrative services, including accounts preparation, available to the charity by agreement with the trustees. These are included within support costs – see note 12.

### 4. Income from donations and legacies

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Donations	15	311	326	287
Legacies	205	323	528	396
<b>Total</b>	<b>220</b>	<b>634</b>	<b>854</b>	<b>683</b>

Donations are gifts from members of the public, patients, relatives of patients and staff.

Legacy income is only included in incoming resources where receipt is reasonably certain and the amount is known with certainty, or the legacy has been received. As at 31 March 2016 (31 March 2015: one legacy for £142,000) the charity has not accrued any legacies due to the certainty to the value of the residual value of the estate.

### 5. Analysis income from other trading activities

There are no incoming resources from trading activities during this period.

### 6. Role of volunteers

Like all charities, the Shrewsbury and Telford Hospital NHS Trust Charity relies on volunteers to organise coffee mornings and raffles towards donations to the Charity. In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of volunteers is not recognised in the accounts.

### 7. Gross investment income

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Fixed asset investments	6	44	50	46
<b>Total</b>	<b>6</b>	<b>44</b>	<b>50</b>	<b>46</b>

## 8. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Fundraising costs	0	0	0	14
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>

The Charity appointed a Charity Development Lead from 1 January 2014 on a part-time basis to develop and implement a fundraising strategy with the aim of increasing voluntary income both for specific projects and general (unrestricted) purposes. The Charity Development Lead left the Charity in November 2014 and the Charity has not yet decided to recruit a new fundraising officer.

## 9. Analysis of charitable expenditure

The charity undertook direct charitable activities for the benefit of both staff and patients at the Shrewsbury and Telford Hospital NHS Trust.

	Activities undertaken directly £000	Support Costs £000	Total 2016 £000	Total 2015 £000
Patient welfare and amenities	567	37	604	595
Staff welfare and amenities	2	0	2	2
Staff education, training and development	50	4	54	68
<b>Total</b>	<b>619</b>	<b>41</b>	<b>660</b>	<b>665</b>

## 10. Analysis of grants

The Charity does not make grants to institutions or to individuals. The Corporate Trustee operates a scheme of delegation for the majority of the charitable funds, under which fund advisors manage the day to day disbursements on their projects in accordance with the directions set out by the Corporate Trustee.

## 11. Movements in funding commitments

	Current liabilities 2016 £000	Non-current liabilities 2016 £000	Total 2016 £000	Total 2015 £000
Opening balance at 1 April (see note 19)	7	0	7	12
Additional commitments made during the year	619	0	619	623
Amounts paid during the year	(496)	0	(496)	(628)
<b>Closing balance at 1 April (see note 19)</b>	<b>130</b>	<b>0</b>	<b>130</b>	<b>7</b>

## 12. Allocation of support costs and overheads

Support and overhead costs have all been apportioned proportionately to average fund balances during the year. Governance costs are those support costs which relate to the strategic and day to day management of the Charity.

	2016 Total £000	2015 Total £000
External audit	3	5
Staff training and expenses	1	-
Governance	4	5
Salaries and related costs	33	33
Membership fee	-	1
Cash carrier	1	1
Stationery	2	1
Software Support	1	1
<b>Total</b>	<b>41</b>	<b>42</b>

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Charitable activities	5	36	41	42
<b>Total</b>	<b>5</b>	<b>36</b>	<b>41</b>	<b>42</b>

## 13. Trustees' remuneration, benefits and expenses

The Shrewsbury and Telford Hospital NHS Trust Board is the Corporate Trustee of the charitable funds. The Executive Directors and Non-Executive Directors of the Trust Board do not receive any additional remuneration, benefits or expenses.

## 14. Analysis of staff costs and remuneration of key management personnel

The Charity does not have any employees. The administration of the funds is carried out by employees from the Shrewsbury and Telford Hospital NHS Trust. The employees' salary and related costs are recharged to the Charity from the Trust. These are analysed as follows:

	2016 £000	2015 £000
Salaries and wages	27	27
Social security costs	2	2
Employers pension contribution	4	4
<b>Total</b>	<b>33</b>	<b>33</b>

The average number of recharged full time equivalent employees during the year was 1.2 (2015: 1.2) with all employee time involved in providing support services to charitable activities.

No employees had emoluments in excess of £60,000 (2015: nil).

## 15. Auditor's remuneration

The external auditor's remuneration of £3,443 (2015: £4,590) related solely to the audit with no other additional work undertaken (2015: £nil).

## 16. Fixed asset investments

### Movement in fixed asset investments

	2016	2015
	£000	£000
Market value brought forward	1,365	1,280
Add: additions to investments at cost	545	196
Less disposals at carrying value	0	(200)
Add net gain/(loss) on revaluation	<u>(26)</u>	<u>89</u>
Market value as at 31 March	<u>1,884</u>	<u>1,365</u>

### Fixed asset investments by type :

	Units held as at 31 March 2016	Units held as at 31 March 2015	2016 £000	2015 £000
Common investment funds				
Deposit Fund			534	239
Fixed Interest Account	999,226	812,338	<u>1,350</u>	<u>1,126</u>
Total			<u>1,884</u>	<u>1,365</u>

All investments are carried at their fair value.

Investments are placed in a COIF (Charities Official Investment Fund) managed by CCLA Investment Management Ltd.

## 17. Analysis of current debtors

Debtors under 1 year	2016 £000	2015 £000
Accrued income	3	147
Total	<u>3</u>	<u>147</u>

Debtors wholly represent any sums owed to the charity by a related party at 31 March.

## 18. Analysis of cash and cash equivalents

	2016 £000	2015 £000
Royal Bank of Scotland accounts	<u>27</u>	<u>61</u>
Total cash and cash equivalents	<u>27</u>	<u>61</u>

## 19. Analysis of liabilities

Creditors under 1 year	2016 £000	2015 £000
Accruals for sums owed at 31 March by the charity	<u>130</u>	<u>7</u>
Total	<u>130</u>	<u>7</u>

## 20. Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2016 £000	2015 £000
Net income/(expenditure) for 2015/16 (as per the statement of financial activities)	218	139
Adjustments for:		
(Gains)/losses on investments	26	(89)
Dividends and interest from investments	(50)	(46)
(Increase) /decrease in debtors	144	(126)
Increase/(decrease) in creditors	123	(5)
<b>Net cash provided by (used in) operating activities</b>	<b>461</b>	<b>(127)</b>

## 21. Transfers between funds

There were no transfers between restricted and unrestricted funds during the period.

## 22. Analysis of charitable funds

### a) Analysis of restricted fund movements

	Balance b/fwd £000	Income £000	Expenditure £000	Fund c/fwd £000
Shropshire Blood Research	280	76	(105)	251
Breast Cancer Fund	87	174	(80)	181
Ward 23 Haematology/Oncology	163	28	(35)	156
Radiotherapy	9	125	(27)	107
Sub-Specialty Cancer Fund	71	4	(16)	59
Cardiology PRH	76	14	(40)	50
Vascular	51	2	(3)	50
Diabetes Hummingbird Centre	18	31	(1)	48
Renal	165	29	(149)	45
Ward 27	36	9	(1)	44
Trauma & Orthopaedics	7	27	(1)	33
Chemotherapy Day Centre	36	2	(6)	32
Women and Children's Centre	16	21	(13)	24
Neonatal Unit	32	18	(27)	23
ITU	13	11	(3)	21
Pharmacy	20	6	(6)	20
Haematology PRH	17	1	(2)	16
Respiratory Ward 9	12	1	0	13
Cancer Services Fund	12	0	0	12
Neurology	9	4	(1)	12
Cardiology RSH	8	6	(4)	10
Other funds below £10k (79 funds)	280	89	(105)	264
<b>Total</b>	<b>1,418</b>	<b>678</b>	<b>(625)</b>	<b>1,471</b>

Each of the restricted funds is designated for the welfare and benefit of staff and patients on the relevant ward/department within the Royal Shrewsbury Hospital and the Princess Royal Hospital, Telford.

#### b) Analysis of unrestricted fund movements

	Balance	Income	Expenditure	Gains and losses	Fund c/fwd
	b/fwd				
	£000	£000	£000	£000	£000
SATH Development & Improvement	68	224	(33)	0	259
SATH Unrestricted Fund	35	2	(2)	0	35
Unrealised Gain Reserve	45	0	0	(26)	19
<b>Grand Total</b>	<b>148</b>	<b>226</b>	<b>(35)</b>	<b>(26)</b>	<b>313</b>

The unrestricted funds include all donations for which a donor has not expressed any preference as to how the funds shall be spent. These funds are applied for any charitable purpose to the benefit of the patients and staff in any ward/department within the Royal Shrewsbury Hospital and Princess Royal Hospital at the discretion of the Corporate Trustee.

The remaining balance against the unrealised gains reserve is held until such a time as it can be realised or is required to offset a future fall in value within the same investment category to comply with the Charity's investment policy.

#### 23. Total return on investment

Long-term investments are placed in a COIF (Charities Official Investment Fund) managed by CCLA Investment Management Ltd. This arrangement allows the charity access to a wider portfolio of investments than would otherwise have been possible. This arrangement also ensures no investments are made in companies that would be contra to NHS principles. Investment performance is monitored by the Finance Committee which receives quarterly reports from the investment managers.

	COIF Deposits	COIF Fixed Interest	Total 2016
	£000	£000	£000
<b>Opening Balance as at 1 April 2015</b>	239	1,126	1,365
Transfer between COIF funds	(250)	250	0
Transfer between COIF and RBS	495	0	495
Dividends Received	0	48	48
Dividends transfer between funds	48	(48)	0
Interest Received	2	0	2
Unrealised Investment Gain/(Loss)	0	(26)	(26)
<b>Closing Balance as at 31 March 2016</b>	<b>534</b>	<b>1,350</b>	<b>1,884</b>

The fixed interest fund continued to provide a stream of income but the value of the fund saw a decrease in the year.