

Reporting to:	Trust Board - 28 January 2016
Title	Charitable Funds Annual Report and Accounts 2014/15
Sponsoring Director	Neil Nisbet, Finance Director and Deputy Chief Executive
Author(s)	Vicky Hall, Senior Financial Accountant
Previously considered by	Finance Committee
Executive Summary	<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 2014/15.</p> <p>The Finance 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 2014/15 need to be submitted to the Charities Commission together with the audit opinion before the deadline of 31 January 2016.</p>
Strategic Priorities	
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
Board Assurance Framework (BAF) Risks	<input type="checkbox"/> If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience <input type="checkbox"/> If we do not implement our falls prevention strategy then patients may suffer serious injury <input type="checkbox"/> If the local health and social care economy does not reduce the Fit To Transfer (FTT) waiting list from its current unacceptable levels then patients may suffer serious harm <input type="checkbox"/> Risk to sustainability of clinical services due to potential shortages of key clinical staff <input type="checkbox"/> If we do not achieve safe and efficient patient flow 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 staff engagement 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 clinical service vision then we may not deliver the best services to patients <input checked="" type="checkbox"/> If we are unable to resolve our (historic) shortfall in liquidity and the structural imbalance in the Trust's Income & Expenditure position then we will not be able to fulfil our financial duties and address the modernisation of our ageing estate and equipment
Care Quality Commission (CQC) Domains	<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 checked="" type="checkbox"/> Approve	Recommendation The Trust Board as Corporate Trustee is asked to APPROVE the Charitable Funds Annual Report and Accounts 2014/15 and sign off the trustees' responsibilities in respect of the trustees' report and the financial statements, the balance sheet and the management representation letter.

CHARITABLE FUNDS

ANNUAL REPORT & ACCOUNTS

2014/2015

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 2015.

These have been prepared in accordance with the requirements of the Charities Act 1993 and the Charities (Accounts & Reports) Regulations 2005 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.

Reference and Administrative details

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.

See page 9 for statutory information.

Trustee

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.

As trustees, all serving members of The Shrewsbury & Telford Hospital NHS Trust Board (page 9) 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.

Non-Executive Members of the Trust Board are appointed by the NHS Appointments Commission whilst Executive members are subject to recruitment by the NHS Trust Board. Members are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

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.

Structure, Governance and Management

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 decreased throughout the year.

The 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.

Trustees 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.

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 Board; that the criteria for spending charitable monies are fully met; that full accounting records are maintained; and 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.

The accounting records and the day-to-day administration of the funds are dealt with by the Finance Department contactable at the Royal Shrewsbury Hospital, Mytton Oak Road, Shrewsbury SY3 8XQ.

Risk Management

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.

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 Finance Committee has reviewed the risks that are applicable to the Charity and are satisfied that the risks to the Charity have been mitigated.

Objectives and Activities for the Public Benefit

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.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities. The objectives for 2014/15 included:

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

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. During the year the Finance Committee encouraged fund managers to spend any excess fund balances.

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.

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

Achievements and Performance for the Public Benefit

Thanks to the generosity of the people of Shropshire, Telford and Wrekin, and Mid Wales, the Hospitals received donations and legacies in excess of £683,000 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. Typical examples of such expenditure were:

- Equipment for Walker Trust training room within the Women and Children's Centre
- Dental Chair in the Head and Neck Unit
- Integral HRM and HRAM water perfusion manometry system
- Alterations to rooms within the Hummingbird Centre
- Garden Room attached to the Breast Care office
- Work for Birthing Pool

A WiFi service, funded by the Charity's unrestricted funds, was introduced in November 2013. Patient and public WiFi is now available in the Renal Unit, Chemotherapy Day Centre and O'Connor Haematology Unit at RSH and in the Renal Unit, Women and Childrens' Centre atrium, Children's Oncology and Children's Ward at PRH. Options are continuing to be explored to roll this out further both to improve patient experience and increasingly provide a portal for engaging with patients and providing enhanced services.

The Charity contributed £64,000 towards staff training and development in the form of external courses that support all staff members from trainees to those that require continued professional development.

Fundraising

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 and to support on-going fundraising activities by the Leagues of Friends and other partner charities. The Charity Development Lead left the Charity in November 2014 and the Charity is currently deciding whether to recruit a new fundraising officer.

Following the review of charitable fundraising by the Charity, the Corporate Trustees approved the establishment of a Charities Strategy Board to support the member charities (namely the Trust Charity, Lingen Davies and the Leagues of Friends of RSH and PRH) to work together for the benefit of patients and communities within Shropshire, Telford & Wrekin and mid Wales. The Charities Strategy Board meet to provide round table updates on current issues and developments.

Financial Review

The net assets of the Charitable Funds as at 31 March 2015 were £1.566 million (2014: £1.427 million). Overall net assets increased by £139,000 (2014: £127,000 increase) with a gain on the valuation of our investments of £89,000 (2014: £53,000 loss) and an excess of income over expenditure of £50,000 (2014: £180,000).

Reserves

The Trust's 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 2015 the Charity holds restricted funds of £1,418,000 (2014: £1,283,000) and unrestricted funds of £148,000 (2014: £144,000). The description, nature and purpose of the restricted funds are contained within Note 15: 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 to be £148,000.

Charitable fund managers are encouraged to spend their funds appropriately and not to keep any unnecessary reserves. The Finance Committee continued to monitor the level of reserves by asking Care Groups to submit a paper to the Committee on a rotating basis to detail their expenditure plans. This offers earlier benefit to patients and enables the Committee to make better decisions about its investments.

Investments

Investment income amounted to £46,000 (2014: £49,000) during the year and this was apportioned between individual funds on the basis of average fund balances held during the year.

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. The performance of investments is continuously monitored and reported to the Finance Committee.

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

The investment performance during the year has been as follows:-

	RBS Deposits	COIF Deposits	COIF Fixed Interest	Total
	£	£	£	£
Opening Balance as at 1.4.14	137,927	243,571	1,036,544	1,418,042
Transfer between COIF and RBS	50,000	-50,000	-	0
Dividends Received	-	-	44,841	44,841
Dividends transfer between funds	-	44,841	-44,841	0
Interest Received	192	775	-	967
Unrealised Investment Gain/(Loss)	-	-	89,357	89,357
Net current transactions	-126,742	-	-	-126,742
Closing Balance as at 31.3.15	61,377	239,187	1,125,901	1,426,465

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 and the value of the fund saw an increase in the year.

Apportionment of Unrealised Gains and Losses

50% of the total gain of £89,000 on the investments have been apportioned in full across our charitable funds on the basis of average fund balances held during the year and the remaining 50% balance is 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.

Plans for future periods

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 services and the plans for redesigning patient care to meet the needs of the future will influence the priorities for spending charitable funds.

The Chair of the Finance Committee and the Chair of the Corporate Trustee met with the Chairs of the Friends of the Royal Shrewsbury Hospital and the Friends of the Princess Royal Hospital during the year and it was agreed to seek opportunities to work together in the future to fund joint ventures.

It is hoped the Charity will be instrumental in raising funds for enhancing facilities and equipment at the new Shropshire Women and Children's Centre at the Princess Royal Hospital which opened in September 2014 to provide a state-of-the-art facility for mums, children and families across Shropshire, Telford & Wrekin and mid Wales.

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.

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.

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.

STATUTORY INFORMATION

THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST CHARITY

Registered Charity Number:	1107883
Charity Name:	The Shrewsbury and Telford Hospital NHS Trust Charity
Address:	Mytton Oak Road Shrewsbury Shropshire SY3 8XQ
Trustees 1 April 2014 - 31 March 2015: *Served as members of the Finance Committee for the full year unless stated otherwise	Professor Peter Latchford Mr Peter Herring Mr Harmesh Darbhanga* Mr Robin Hooper Mr Dennis Jones* Mrs Donna Leeding Mr Brian Newman Dr Simon Walford Mrs Sarah Bloomfield Dr E Borman Mrs Deborah Kadum Mr Neil Nisbet*
Auditors:	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH
Bankers:	The Royal Bank of Scotland plc 6 The Square Shrewsbury SY1 1LA
Investment Advisors:	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET
Solicitors:	Hill Dickinson LLP Pearl Assurance House Derby Square Liverpool L2 9XL

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

Under the trust deed of the charity and charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The financial statements are required by law to give 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 applicable UK Accounting Standards and the Statement of Recommended Practice 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Corporate Trustee confirms that it has met the responsibilities set out above and complied with the requirements for preparing the accounts on a going concern basis. The financial statements set out on pages 13 to 14 attached have been compiled from and are in accordance with the financial records maintained by the Corporate Trustee.

By Order of the Corporate Trustee

Signed:

Date:

Independent auditor's report to the Trustees of The Shrewsbury and Telford Hospital NHS Trust Charitable Funds 2014/15

We have audited the financial statements of the Shrewsbury and Telford Hospital NHS Trust Charitable Funds for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable by law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Charity's Trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10 the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the Charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

John Cornett for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

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

**The Shrewsbury and Telford Hospital NHS Trust Charitable Funds
Statement of Financial Activities for the year ending 31 March 2015**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2015 £000	Total Funds 2014 £000
Incoming resources					
Voluntary income	3	16	667	683	536
Investment income	12	17	29	46	49
Total incoming resources		<u>33</u>	<u>696</u>	<u>729</u>	<u>585</u>
Resources expended					
Costs of generating funds		(14)	0	(14)	(8)
Charitable activities	6	(59)	(601)	(660)	(392)
Governance costs	5	(5)	0	(5)	(5)
Total resources expended		<u>(78)</u>	<u>(601)</u>	<u>(679)</u>	<u>(405)</u>
Net outgoing resources before other recognised gains and losses		<u>(45)</u>	<u>95</u>	<u>50</u>	<u>180</u>
Other recognised gains and losses:					
Realised and unrealised gains on investment assets	11	49	40	89	(53)
Net Movement in funds		<u>4</u>	<u>135</u>	<u>139</u>	<u>127</u>
<i>Reconciliation of Funds:</i>					
Total Funds brought forward		<u>144</u>	<u>1,283</u>	<u>1,427</u>	<u>1,300</u>
Total Funds carried forward		<u><u>148</u></u>	<u><u>1,418</u></u>	<u><u>1,566</u></u>	<u><u>1,427</u></u>

The Shrewsbury and Telford Hospital NHS Trust Charitable Funds
Balance Sheet as at 31 March 2015

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2015 £000	Total Funds 2014 £000
<i>Fixed assets:</i>					
Investments	11	142	1,223	1,365	1,280
Total Fixed Assets		<u>142</u>	<u>1,223</u>	<u>1,365</u>	<u>1,280</u>
<i>Current assets:</i>					
	13				
Debtors		0	147	147	21
Cash at bank and in hand		6	55	61	138
Total Current Assets		<u>6</u>	<u>202</u>	<u>208</u>	<u>159</u>
<i>Liabilities:</i>					
Creditors falling due within one year	14	0	(7)	(7)	(12)
Net Current assets		<u>6</u>	<u>195</u>	<u>201</u>	<u>147</u>
Net assets		<u>148</u>	<u>1,418</u>	<u>1,566</u>	<u>1,427</u>
The funds of the charity:					
Unrestricted funds:	15	148	-	148	144
Restricted funds		<u>-</u>	<u>1,418</u>	<u>1,418</u>	<u>1,283</u>
Total charity funds		<u>148</u>	<u>1,418</u>	<u>1,566</u>	<u>1,427</u>

The notes at pages 15 to 21 form part of these accounts

Signed:

Name:

Date:

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 market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 1993. The accounts have been prepared on a going concern basis under the accruals concept to give a true and fair view of the Charity's financial activities and position.

(b) **Cash Flow Statement**

A cash flow statement is not included as this is not required for charities which fall below the "small companies' threshold" as per FRS 1 (two of £5.6m gross turnover; £2.8m gross assets; 50 employees).

(c) **Funds structure**

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 are disclosed in note 15.

(d) **Incoming resources**

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

(e) **Incoming resources from legacies**

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred once all conditions attached to the legacy have been fulfilled.

(f) **Resources expended**

Expenditure is recognised when a liability is incurred. Grant commitments are recognised when a constructive obligation arises that result in payment being unavoidable.

Grants are only made to related or third party NHS bodies and non NHS bodies in furtherance of the charitable objects of the funds. A liability for such grants is recognised when approval has been given by the Trustee. The NHS Trust has full knowledge of the plans of the Trustee, therefore a grant approval is taken to constitute a firm intention of payment which has been communicated to the NHS Trust, and so a liability is recognised.

Contractual arrangements are recognised as goods or services supplied.

(g) **Taxation**

Income and gains received by the Charity are exempt from Income Tax and Corporation Tax provided that the money is used for charitable purposes only. The Charity claims basic rate tax back from HMRC on income received from individuals through Gift Aid donations.

- (h) **Irrecoverable VAT**
Irrecoverable VAT is charged against the category of resources expended for which it was incurred.
- (i) **Allocation of overhead and support costs**
The support costs include salary recharges, computer software support and bank charges. These have been allocated between charitable activities and governance costs. The costs attributable to charitable activities are apportioned across those activities in proportion to the average fund balance.
- (j) **Costs of generating funds**
The costs of generating funds are the costs associated with generating income for the funds held on trust. These costs represent the fundraising costs of the Charity Development Lead and associated expenses from April – November 2015.
- (k) **Charitable activities**
Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity.
- (l) **Governance costs**
Governance costs comprise all costs attributable to ensuring the public accountability of the charity and its compliance with regulation and good practice including internal and external audit.

All governance costs are charged to unrestricted funds.
- (m) **Investments**
Investments are stated at 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.

The Common Investment Fund Units are included in the balance sheet at the closing dealing price at 31 March 2015.
- (n) **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).
- (o) **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. Related party transactions

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.

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 (note 5).

3. Analysis of voluntary income

	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
Donations	15	272	287	468
Legacies	1	395	396	68
Total	16	667	683	536

4. Incoming resources from charitable activities

There are no incoming resources from charitable activities.

5. Allocation of support costs and overheads

Allocation and apportionment to Governance Costs	2015 Total £000	Allocated to Governance Costs £000	Allocated to Support Costs £000
Salaries and related costs	33	-	33
External Audit	5	5	-
Membership fee	1	-	1
Cash carrier	1	-	1
Stationery	1	-	1
Software Support	1	-	1
Total	42	5	37

The support costs have all been apportioned proportionately to average fund balances. All governance costs are charged to unrestricted funds.

6. 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	2015 Total £000	2014 Total £000
Patient welfare and amenities	556	34	590	357
Staff welfare and amenities	2	0	2	3

Staff education, training and development	<u>64</u>	<u>4</u>	<u>68</u>	<u>32</u>
Total	<u><u>622</u></u>	<u><u>38</u></u>	<u><u>660</u></u>	<u><u>392</u></u>

7. Analysis of grants

There are no grants made to institutions or to individuals.

8. Transfers between funds

There are no transfers between restricted and unrestricted funds.

9. Analysis of staff costs

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:

	2015 Total £000	2014 Total £000
Salaries and wages	27	27
Social security costs	2	2
Other pension costs	<u>4</u>	<u>4</u>
Total	<u><u>33</u></u>	<u><u>33</u></u>

The average number of recharged full time equivalent employees during the year was 1.2 (2014: 1.2) with all employee time involved in providing support services to charitable activities.

No employees had emoluments in excess of £60,000 (2014: nil).

10. Auditor's remuneration

The external auditor's remuneration of £4,590 (2014: £4,590) related solely to the audit with no other additional work undertaken.

11. Fixed asset investments

Movement in fixed asset investments	2015 Total £000	2014 Total £000
Market value brought forward	1,280	1,234
Add: additions to investments at cost	196	99
Less disposals at carrying value	(200)	-
Add net gain/loss on revaluation	<u>89</u>	<u>(53)</u>
Market value as at 31 March	<u><u>1,365</u></u>	<u><u>1,280</u></u>

Fixed asset investments :			2015 Total £000	2014 Total £000
Common investment funds	Units held as at 31 March 2015	Units held as at 31 March 2014		
Deposit Fund			239	244
Fixed Interest Account	812,338	812,338	<u>1,126</u>	<u>1,036</u>
Total			<u><u>1,365</u></u>	<u><u>1,280</u></u>

12. Total income from investments and cash on deposit

	2015 Total £000	2014 Total £000
Quoted investments (fixed asset investments)	<u>46</u>	<u>49</u>
Total	<u>46</u>	<u>49</u>

13. Analysis of current assets

	2015 Total £000	2014 Total £000
Debtors under 1 year		
Accrued income	<u>147</u>	<u>21</u>
Total	<u>147</u>	<u>21</u>

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

Analysis of cash and deposits

	2015 £000	2014 £000
Royal Bank of Scotland Accounts	<u>61</u>	<u>138</u>
Total	<u>61</u>	<u>138</u>

14. Analysis of current liabilities

	2015 Total £000	2014 Total £000
Creditors under 1 year		
Accruals	<u>7</u>	<u>12</u>
Total	<u>7</u>	<u>12</u>

Creditors represent sums owed at 31 March by the charity.

15. Analysis of charitable funds

	Balance b/fwd £000	Incoming Resources £000	Resources Expended £000	Fund c/fwd £000
Restricted Funds				
Shropshire Blood Research	208	101	-29	280
Renal	135	57	-27	165
Ward 23 Haematology/Oncology (previously Ward 21)	56	137	-30	163
Breast Cancer Fund	43	65	-21	87
Cardiology PRH	44	74	-42	76
Sub-Specialty Cancer Fund	0	71	0	71
Vascular	51	3	-3	51
Ward 27	32	5	-1	36
Chemotherapy Day Centre	19	22	-5	36
Neonatal Unit	38	20	-26	32
Diabetes Hummingbird Centre	39	6	-27	18
Haematology PRH	16	1	0	17
Womens and Children's Centre	133	30	-147	16
Post Graduate Education	16	1	-1	16
Bridgnorth Maternity	0	15	0	15
Other funds below £15k	453	127	-241	339
Unrestricted Funds				
SATH Development & Improvement	95	35	-62	68
SATH Unrestricted Fund	49	3	-17	35
Unrealised Gain Reserve	0	45	0	45
Grand Total	1,427	818	-679	1,566

Name of Fund	Description, nature and purpose of the fund
Restricted Funds	
Shropshire Blood Research	This fund is for the benefit of staff and patients within the Haematology Unit.
Renal	This fund is for the benefit of staff and patients within the Renal Unit.
Ward 23 Haematology/Oncology (previously Ward 21)	This fund is for the benefit of staff and patients within Ward 23 (Cancer).
Breast Cancer Fund	This fund is for the benefit of staff and patients within the Breast Cancer Unit.
Cardiology PRH	This fund is for the benefit of staff and patients within the Cardiology Unit at PRH.
Sub-Specialty Cancer Fund	This fund is for the benefit of staff and patients within the sub-specialties of Oncology.
Vascular	This fund is for the benefit of staff and patients within Vascular.
Ward 27	This fund is for the benefit of staff and patients within Ward 27.
Chemotherapy Day Centre	This fund is for the benefit of staff and patients within the Chemotherapy Day Centre.
Neonatal Unit	This fund is for the benefit of staff and patients within the Neonatal Unit.
Diabetes Hummingbird Centre	This fund is for the benefit of staff and patients within the Diabetes Hummingbird Centre.
Haematology PRH	This fund is for the benefit of staff and patients within the Haematology Unit at PRH.
Women and Children's Centre	This fund is for the benefit of staff and patients within the new Women and Children's Centre at PRH.
Post Graduate Education	This fund is for the benefit of staff and patients within Post Graduate Education.
Bridgnorth Maternity	This fund is for the benefit of staff and patients within the Bridgnorth Maternity Unit.
Unrestricted Funds	

SATH Development & Improvement	This fund has general objects for any charitable purpose relating to the NHS for use by all departments/wards within the hospitals.
SATH Unrestricted Fund	This fund is for the benefit of staff and patients in all wards and departments within the hospitals.
Unrealised Gain Reserve	Balance held until investment gain is realised or is required to offset a future fall in value within the same investment category.

16. Material Legacies

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 2015 (31 March 2014: nil) the charity had been notified of one residuary legacy with a value of £141,891 which has been accrued due to the certainty to the value of the residual value of the estate.

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SY3 8XQ

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KPMG LLP
One Snowhill
Birmingham
B4 6GH

28 January 2016

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of The Shrewsbury and Telford Hospital NHS Trust Charity (“the Charity”), for the purpose of expressing an opinion as to whether these financial statements give a true and fair view of the financial position of the Shrewsbury and Telford Hospital NHS Trust Charitable Fund and of its financial performance in accordance with UK Generally Accepted Accounting Practice. These financial statements comprise the balance sheet as at 31 March 2015, and the statement of financial activities for the year then ended, and a summary of significant accounting policies and other explanatory notes.

We acknowledge as Trustees our responsibilities under the Charities Act 1993 for preparing financial statements which give a true and fair view of the Charity.

We also acknowledge as Trustees our responsibilities under the Charities Act 1993 for making accurate representations to you and for ensuring that there is no relevant audit information that you are unaware of.

The Trustees approve the financial statements.

The Trustees understand that auditing standards require you to obtain representations from Trustees on matters that are material to your opinion. The Trustees understand that omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

The Trustees have made appropriate inquiries of Trustees and officers of the Charity with the relevant knowledge and experience. Accordingly, the Trustees confirm, to the best of their knowledge and belief, the following representations:

1. The financial statements referred to above, which have been prepared on a going concern basis, give a true and fair view in accordance with UK Generally Accepted Accounting Practice.
2. All the accounting records have been made available to you for the purpose of your audit, and the full effect of all the transactions undertaken by the Charity have been adequately reflected and recorded in the accounting records in accordance with agreements, including side agreements, amendments and oral agreements. All other records and related information, including minutes of all management, committee and Trustees meetings and, when applicable, summaries of actions of meetings held after period end for which minutes have not yet been prepared, have been made available to you.
3. The Trustees are not aware of any known actual or possible non-compliance with laws and regulations that could have a material effect on the ability of the Charity to conduct its business and therefore on the results and financial position to be disclosed in the financial statements for the year ended 31 March 2015.
4. The Trustees:
 - (a) understand that the term “fraud” includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in the financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of an entity’s assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.
 - (b) acknowledge responsibility for the design and implementation of internal control to prevent and detect fraud and error.
 - (c) have disclosed to you its knowledge of fraud or suspected fraud affecting the Shrewsbury and Telford Hospital NHS Trust Charity involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
 - (d) have disclosed to you its knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
 - (e) have disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.
5. The Trustees confirm the completeness of the information provided to you regarding the identification of related parties and regarding transactions with such parties that are material to the financial statements. The identity of, and balances and transactions with

related parties have been properly recorded and when appropriate, adequately disclosed in the notes to the financial statements. The Trustees are not aware of any other such matters required to be disclosed in the financial statements, whether under FRS 8 *Related party disclosures* or other requirements. Included in Appendix A to this letter are the definitions of both a related party and a related party transaction as the Trustees understand them and as defined in FRS 8.

6. Presentation and disclosure of the fair value measurements of material assets, liabilities and components of equity are in accordance with UK Generally Accepted Accounting Practice. The amounts disclosed represent the Trustee's best estimate of fair value of assets and liabilities required to be disclosed by these standards. The measurement methods and significant assumptions used in determining fair value have been applied on a consistent basis, are reasonable and such assumptions appropriately reflect the Trustees' intent and ability to carry out specific courses of action on behalf of the Charity where relevant to the fair value measurements or disclosures.
7. The Trustees have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the financial statements all guarantees given to third parties.
8. The estimated financial effect of pending or threatened litigation and claims against the Charity has been properly recorded and/or disclosed in the financial statements. Except as disclosed in the notes to the financial statements, the Trustees are not aware of any additional claims that have been or are expected to be received.
9. Except as disclosed in the financial statements or notes thereto there are no:
 - (a) other gain or loss contingencies or other liabilities that are required to be recognised or disclosed in the financial statements, including liabilities or contingencies arising from environmental matters resulting from illegal or possibly illegal acts, or possible violations of human rights legislation; or
 - (b) other environmental matters that may have a material impact on the financial statements.

This letter was tabled and agreed at the meeting of the Trustees on 28 January 2016.

Yours faithfully,

Chair of Trustees

Appendix A to the Management Representation Letter of The Shrewsbury and Telford Hospital NHS Trust Charity

Definitions

- A. Two or more parties are related parties when at any time during the financial period:
- i. One party has either direct or indirect control of the other party; or
 - ii. the parties are subject to common control from the same source; or
 - iii. one party has influence over the financial and operating policies of the other party to an extent that that other party might be inhibited from pursuing at all times its own separate interests; or
 - iv. the parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.
- B. For the avoidance of doubt, the following are related parties of the reporting entity:
- i. its ultimate and intermediate parent undertakings, subsidiary undertakings, and fellow subsidiary undertakings;
 - ii. its associates and joint ventures;
 - iii. the investor or venturer in respect of which the reporting entity is an associate or a joint venture;
 - iv. Trustee i of the reporting entity and the Trustee of its ultimate and intermediate parent undertakings; and
 - v. pension funds for the benefit of employees of the reporting entity or of any entity that is a related party of the reporting entity.
- C. The following are presumed to be related parties of the reporting entity unless it can be demonstrated that neither party has influenced the financial and operating policies of the other in such a way as to inhibit the pursuit of separate interests:
- i. the key management of the reporting entity and the key management of its parent undertaking or undertakings;
 - ii. a person owning or able to exercise control over 20 per cent or more of the voting rights of the reporting entity, whether directly or through nominees;
 - iii. each person acting in concert in such a way as to be able to exercise control or influence over the reporting entity; and
 - iv. an entity managing or managed by the reporting entity under a management contract.
- D. Additionally, because of their relationship with certain parties that are, or are presumed to be, related parties of the reporting entity, the following are also presumed to be related parties of the reporting entity:
- i. members of the close family of any individual falling under parties mentioned above in A to C; and

partnerships, companies, trusts or other entities in which any individual or member of the close family in A to C above has a controlling interest.
