

Paper 6

<b>Recommendation</b>  <input checked="" type="checkbox"/> <b>DECISION</b>  <input type="checkbox"/> <b>NOTE</b>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"><b>The Trust Board as Corporate Trustee</b></div> <p>is asked to approve the Charitable Funds Annual Report and Accounts for 2016/17.</p>
<b>Reporting to:</b>	<b>Trust Board – 30 November 2017</b>
<b>Date</b>	30 November 2017
<b>Paper Title</b>	Charitable Funds Annual Report and Accounts 2016/17
<b>Brief Description</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 2016/17.</p> <p>The Sustainability Committee have reviewed the annual report and accounts and the external auditors have completed an independent examination and have not identified any issues.</p> <p>The Corporate Trustee is asked to approve the annual report and accounts and sign off the statement of trustees' responsibilities in respect of the trustees' annual report and accounts, the balance sheet and the management letter of representation (available in supplementary Information Pack)</p>
<b>Sponsoring Director</b>	Neil Nisbet, Finance Director
<b>Author(s)</b>	Vicky Hall, Senior Financial Accountant
<b>Recommended / escalated by</b>	
<b>Previously considered by</b>	Sustainability Committee – 28 November 2017
<b>Link to strategic objectives</b>	
<b>Link to Board Assurance Framework</b>	
<b>Outline of public/patient involvement</b>	
<b>Equality Impact Assessment</b>	<ul style="list-style-type: none"> <li><input checked="" type="radio"/> <b>Stage 1 only (no negative impacts identified)</b></li> <li><input type="radio"/> <b>Stage 2 recommended (negative impacts identified)</b> <ul style="list-style-type: none"> <li>* EIA must be attached for Board Approval</li> <li><input type="radio"/> negative impacts have been mitigated</li> <li><input type="radio"/> negative impacts balanced against overall positive impacts</li> </ul> </li> </ul>

**Freedom of  
Information Act  
(2000) status**

- This document is for full publication
- This document includes FOIA exempt information
- This whole document is exempt under the FOIA

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Hassan Rohimun  
Ernst & Young LLP  
2 St Peter's Square  
Manchester  
M2 3EY

30 November 2017

Dear Hassan

This representation letter is provided in connection with your independent examination of the accounts of Shrewsbury and Telford Hospitals NHS Trust Charitable Funds ("the Charity") for the year ended 31 March 2017 in accordance with section 144(2) of the Charities Act 2011 ("the 2011 Act"). We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to complete your independent examination.

We understand that the purpose of your independent examination of our financial statements is to report whether any matter has come to your attention:

- which gives you reasonable cause to believe that in any material respect
  - the requirements to keep accounting records in accordance with section 130 of the 2011 Act ; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Act

have not been met; or

- to which, in your opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

We understand that an independent examination is substantially less than an audit, and involves an examination of the accounting records and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### **A. Financial Statements and Financial Records**

1. The Trustee consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.
2. We have fulfilled our responsibilities for the preparation of the financial statements in accordance with the Charities SORP and UK Generally Accepted Accounting Practice.
3. We acknowledge, as Trustee of the Charity, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance and cash flows of the Charity in accordance with UK GAAP, and are free of material misstatements, including omissions. We have approved the financial statements.
4. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

#### **B. Fraud**

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Charity's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Charity.

### **C. Compliance with Laws and Regulations**

1. We have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

### **D. Information Provided and Completeness of Information and Transactions**

1. We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the examination; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the Trustees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the period to the most recent meeting on the following date: 25 July 2017.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Charity's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We have disclosed to you, and the Charity has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

### **E. Liabilities and Contingencies**

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal advisers.

3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have not given any guarantees to third parties.

**F. Subsequent Events**

1. There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

**G. Other information**

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Annual Report.
2. We confirm that the content contained within the other information is consistent with the financial statements.

Yours faithfully,

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Name

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Position

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Date

## CHARITABLE FUNDS

### DRAFT ANNUAL REPORT & ACCOUNTS

2016/2017

## 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 2017.

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 Trust 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 £627,000 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.

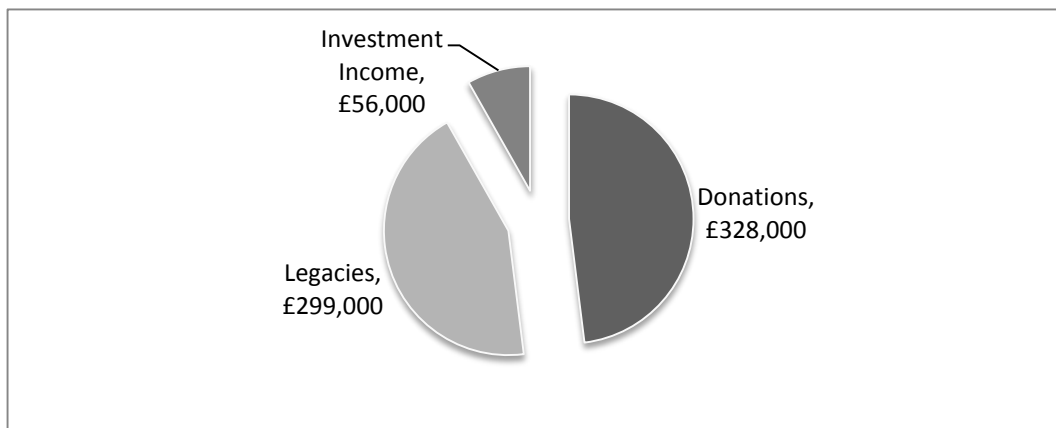
**Money received - £683,000      Money spent - £627,000**

The Charity can only continue to support the work of the Shrewsbury and Telford Hospital NHS Trust 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 £56,000 in hand before the performance of our investments was taken into account and the gain in the value of investments meant our total funds increased by £107,000.

### Money received: sources of funds

The pie chart shows our three main sources of income:

#### Income 2017



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.

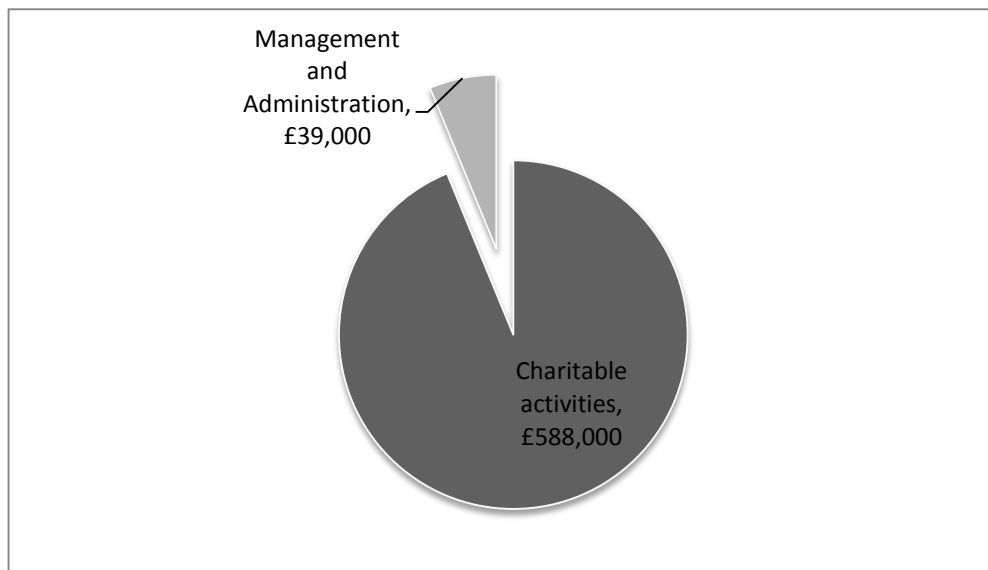
Legacies – a gift in a will, we are fortunate to be remembered by so many people each year.

Investment Income – by prudent management of funds not immediately required for use by the Charity we earned interest and dividends of £56,000.

## Money spent: what we spent the money on

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

### Spend 2017



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 2016/17 were:

- 4 Colonoscopy Flushing Pumps for use during endoscopy
- E - Prescribing specialised carts for Laptop's and PC's servers and licences
- Software to be utilised for medical purposes to assist patients with prostate cancer
- 2 Eclipse Microscopes in Haematology
- Replacement Couch for Truebeam Linac in Radiotherapy
- Faxitron, Bio Vision, Digital surgical imaging system in the Breast Care Unit
- Wheelchairs.

During 2016-17 charitable donations were also used to fund:

- Extension of telemetry infrastructure into the Cardiorespiratory department
- Training aids for the Maternity training room
- Upgrading the X-ray therapy unit.

### 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 £51,000 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 Sustainability 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 Sustainability 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 Sustainability Committee. The Finance Director has particular responsibility to ensure that the spending is in accordance with the objects and priorities agreed by the Sustainability 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 2017 the Charity holds restricted funds of £1,542,000 (2016: £1,471,000) and unrestricted funds of £349,000 (2016: £313,000). The description, nature and purpose of the restricted funds are contained within Note 22: Analysis of charitable funds.

The Sustainability 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	£349,000
One year’s administration, fund-raising and support costs	<u>£39,000</u>
<b>Free Reserves</b>	<b><u>£310,000</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 2017 are stated below, compared with the position as at 31 March 2016.

The net assets of the Charitable Funds as at 31 March 2017 were £1,891,000 (2016: £1,784,000). Overall net assets increased by £107,000 (2016: £218,000) with a gain on the valuation of our investments of £51,000 (2016: £26,000 loss) and an excess of income over expenditure of £56,000 (2016: £244,000).

	31-Mar-17	31-Mar-16
	£000	£000
Fixed Asset Investments	1,821	1,884
Current Assets	80	30
Creditors falling due within one year	(10)	(130)
<b>Total Net Assets</b>	<b>1,891</b>	<b>1,784</b>
<b>Funds:</b>		
Restricted funds	1,542	1,471
Unrestricted funds	349	313
<b>Total Funds</b>	<b>1,891</b>	<b>1,784</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 Sustainability 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 Sustainability 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.

The total gain on investments during 2016/17 was £51,000 - 50% of this gain has been apportioned to individual funds and 50% has 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 £56,000 (2016: £50,000) during the year and this was apportioned between individual funds on the basis of average fund balances held during the year.

The Sustainability 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 Sustainability 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 Simon Wright	Chief Executive
Mr Clive Deadman	Non-Executive Director
Mr Paul Cronin	Non-Executive Director
Mr Harmesh Darbhanga	Non-Executive Director
Mr Robin Hooper	Non-Executive Director (to 14.10.16)
Dr David Lee	Non-Executive Director (from 2.12.16)
Mrs Donna Leeding	Non-Executive Director (to 31.5.16)
Mrs Terry Mingay	Designate Non-Executive Director (from 2.12.16)
Mr Brian Newman	Non-Executive Director
Dr Simon Walford	Non-Executive Director (to 30.9.16)
Dr Chris Weiner	Non-Executive Director (from 2.12.16)
Mrs Sarah Bloomfield	Director of Nursing and Quality
Dr E Borman	Medical Director
Mrs Deborah Kadum	Chief Operating Officer
Mr Neil Nisbet	Finance Director

### 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

#### **Bankers:**

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

#### **External auditors:**

Ernst & Young  
100 Barbirolli Square  
Manchester  
M2 3EY

#### **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 NHS Trust who provide the financial services to the Charity.

The Sustainability 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 Sustainability 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

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 Sustainability Committee.

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

Non-Executive Members of the Trust Board are appointed by NHS Improvement 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 Sustainability 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 Sustainability Committee. The Sustainability 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 Sustainability 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 NHS Trust 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 2017**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2017 £000	Total Funds 2016 £000
<b>Income from:</b>					
Donations and legacies	4	29	598	627	854
Investments	7	10	46	56	50
<b>Total incoming resources</b>		<u>39</u>	<u>644</u>	<u>683</u>	<u>904</u>
<b>Expenditure on:</b>					
Charitable activities	9	(33)	(594)	(627)	(660)
<b>Total expenditure</b>		<u>(33)</u>	<u>(594)</u>	<u>(627)</u>	<u>(660)</u>
Net gains/ (losses) on investments	16	30	21	51	(26)
<b>Net income/ (expenditure)</b>		<u>36</u>	<u>71</u>	<u>107</u>	<u>218</u>
Transfers between funds	21	0	0	0	0
<b>Net Movement in funds</b>		<u>36</u>	<u>71</u>	<u>107</u>	<u>218</u>
<b>Reconciliation of Funds</b>					
Total Funds brought forward	22	313	1,471	1,784	1,566
<b>Total Funds carried forward</b>	22	<u>349</u>	<u>1,542</u>	<u>1,891</u>	<u>1,784</u>

The Shrewsbury and Telford Hospital NHS Trust Charitable Funds  
Balance Sheet as at 31 March 2017

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2017 £000	Total Funds 2016 £000
<i>Fixed assets:</i>					
Investments	16	341	1,480	1,821	1,884
<b>Total Fixed Assets</b>		<u>341</u>	<u>1,480</u>	<u>1,821</u>	<u>1,884</u>
<i>Current assets:</i>					
Debtors	17	0	35	35	3
Cash at bank and in hand	18	9	36	45	27
<b>Total Current Assets</b>		<u>9</u>	<u>71</u>	<u>80</u>	<u>30</u>
<i>Liabilities:</i>					
Creditors falling due within one year	19	<u>(1)</u>	<u>(9)</u>	<u>(10)</u>	<u>(130)</u>
<b>Net Current assets/(liabilities)</b>		<u>8</u>	<u>62</u>	<u>70</u>	<u>(100)</u>
<b>Total net assets or liabilities</b>		<u><u>349</u></u>	<u><u>1,542</u></u>	<u><u>1,891</u></u>	<u><u>1,784</u></u>
<b>The funds of the charity:</b>					
Unrestricted income funds:	22	349	-	349	313
Restricted income funds		<u>-</u>	<u>1,542</u>	<u>1,542</u>	<u>1,471</u>
<b>Total charity funds</b>		<u><u>349</u></u>	<u><u>1,542</u></u>	<u><u>1,891</u></u>	<u><u>1,784</u></u>

The notes at pages 17 to 27 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 2017**

	Note	Total funds 2017 £000	Total funds 2016 £000
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	20	(152)	461
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments	7	56	50
Sale of investments	16	410	0
Purchase of investments	16	(296)	(545)
<b>Net cash provided by (used in) investing activities</b>		<u>170</u>	<u>(495)</u>
Change in cash and cash equivalents in the reporting period		18	(34)
Cash and cash equivalents at beginning of the reporting period	18	27	61
<b>Cash and cash equivalents at the end of the reporting period</b>	18	<u><u>45</u></u>	<u><u>27</u></u>

## 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**

No restatement of comparatives is required in 2016/17 as compliance with FRS 102 and the Charities SORP FRS 102 was undertaken in 2015/16.

(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 2017

	2017 £000	2016 £000
<b>Income from:</b>		
Donations and legacies	29	220
Investments	10	6
<b>Total incoming resources</b>	<u>39</u>	<u>226</u>
<b>Expenditure on:</b>		
Charitable activities	<u>(33)</u>	<u>(35)</u>
<b>Total expenditure</b>	<u>(33)</u>	<u>(35)</u>
Net gains/ (losses) on investments	<u>30</u>	<u>(26)</u>
<b>Net income/ (expenditure)</b>	<u>36</u>	<u>165</u>
<b>Reconciliation of Funds</b>		
Total Funds brought forward	<u>313</u>	<u>148</u>
<b>Total Funds carried forward</b>	<u><u>349</u></u>	<u><u>313</u></u>

### Unrestricted funds - Balance Sheet as at 31 March 2017

	2017 £000	2016 £000
<i>Fixed assets:</i>		
Investments	<u>341</u>	<u>309</u>
<b>Total Fixed Assets</b>	<u>341</u>	<u>309</u>
<i>Current assets:</i>		
Debtors	0	0
Cash at bank and in hand	<u>9</u>	<u>4</u>
<b>Total Current Assets</b>	<u>9</u>	<u>4</u>
<i>Liabilities:</i>		
Creditors falling due within one year	<u>(1)</u>	<u>0</u>
<b>Net Current assets/(liabilities)</b>	<u>8</u>	<u>4</u>
<b>Total net assets for unrestricted funds</b>	<u><u>349</u></u>	<u><u>313</u></u>
<b>Total unrestricted funds</b>	<u><u>349</u></u>	<u><u>313</u></u>

2b. Restricted funds - Statement of Financial Activity for the year ended 31 March 2017

	2017 £000	2016 £000
<b>Income from:</b>		
Donations and legacies	598	634
Investments	<u>46</u>	<u>44</u>
<b>Total incoming resources</b>	<u>644</u>	<u>678</u>
<b>Expenditure on:</b>		
Charitable activities	<u>(594)</u>	<u>(625)</u>
<b>Total expenditure</b>	<u>(594)</u>	<u>(625)</u>
Net gains/ (losses) on investments	<u>21</u>	<u>0</u>
<b>Net income/ (expenditure)</b>	<u>71</u>	<u>53</u>
<b>Reconciliation of Funds</b>		
Total Funds brought forward	<u>1,471</u>	<u>1,418</u>
<b>Total Funds carried forward</b>	<u>1,542</u>	<u>1,471</u>

Restricted funds - Balance Sheet as at 31 March 2017

	2017 £000	2016 £000
<i>Fixed assets:</i>		
Investments	<u>1,480</u>	<u>1,575</u>
<b>Total Fixed Assets</b>	<u>1,480</u>	<u>1,575</u>
<i>Current assets:</i>		
Debtors	35	3
Cash at bank and in hand	<u>36</u>	<u>23</u>
<b>Total Current Assets</b>	<u>71</u>	<u>26</u>
<i>Liabilities:</i>		
Creditors falling due within one year	<u>(9)</u>	<u>(130)</u>
<b>Net Current assets/(liabilities)</b>	<u>62</u>	<u>(104)</u>
<b>Total net assets for restricted funds</b>	<u>1,542</u>	<u>1,471</u>
<b>Total restricted funds</b>	<u>1,542</u>	<u>1,471</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 2017 £000	Total 2016 £000
Donations	17	311	328	326
Legacies	12	287	299	528
<b>Total</b>	<b>29</b>	<b>598</b>	<b>627</b>	<b>854</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 2017 one legacy for £30,000 (31 March 2016: nil) has been accrued 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 2017 £000	Total 2016 £000
Fixed asset investments	10	46	56	50
<b>Total</b>	<b>10</b>	<b>46</b>	<b>56</b>	<b>50</b>

### 8. Analysis of expenditure on raising funds

The Charity does not have any expenditure relating to raising funds.

## 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 2017 £000	Total 2016 £000
Patient welfare and amenities	536	33	569	604
Staff welfare and amenities	1	0	1	2
Staff education, training and development	51	6	57	54
<b>Total</b>	<b>588</b>	<b>39</b>	<b>627</b>	<b>660</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 2017 £000	Non-current liabilities 2017 £000	Total 2017 £000	Total 2016 £000
Opening balance at 1 April (see note 19)	130	0	130	7
Additional commitments made during the year	588	0	588	619
Amounts paid during the year	(708)	0	(708)	(496)
<b>Closing balance at 1 April (see note 19)</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>130</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.

	2017 Total £000	2016 Total £000
External audit	1	3
Staff training and expenses	0	1
<b>Governance</b>	<b>1</b>	<b>4</b>
Salaries and related costs	34	33
Just Giving	1	-
Cash carrier	1	1
Stationery	1	2
Software Support	1	1
<b>Total</b>	<b>39</b>	<b>41</b>

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Charitable activities	<u>7</u>	<u>32</u>	<u>39</u>	<u>41</u>
<b>Total</b>	<u><b>7</b></u>	<u><b>32</b></u>	<u><b>39</b></u>	<u><b>41</b></u>

### 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:

	2017 £000	2016 £000
Salaries and wages	28	27
Social security costs	2	2
Employers pension contribution	<u>4</u>	<u>4</u>
<b>Total</b>	<u><b>34</b></u>	<u><b>33</b></u>

The average number of recharged full time equivalent employees during the year was 1.2 (2016: 1.2) with all employee time involved in providing support services to charitable activities.

No employees had emoluments in excess of £60,000 (2016: nil).

### 15. Auditor's remuneration

The external auditor's remuneration of £1,147 (2016: £3,443) related solely to the audit with no other additional work undertaken (2016: £nil).

### 16. Fixed asset investments

#### Movement in fixed asset investments

	2017 £000	2016 £000
Market value brought forward	1,884	1,365
Add: additions to investments at cost	296	545
Less disposals at carrying value	(410)	0
Add net gain/(loss) on revaluation	<u>51</u>	<u>(26)</u>
Market value as at 31 March	<u><b>1,821</b></u>	<u><b>1,884</b></u>

Fixed asset investments by type :

	Units held as at 31 March 2017	Units held as at 31 March 2016	2017 £000	2016 £000
<b>Common investment funds</b>				
Deposit Fund			420	534
Fixed Interest Account	999,226	999,226	<u>1,401</u>	<u>1,350</u>
<b>Total</b>			<u><b>1,821</b></u>	<u><b>1,884</b></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	2017 £000	2016 £000
Accrued income	<u>35</u>	<u>3</u>
<b>Total</b>	<u><b>35</b></u>	<u><b>3</b></u>

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

**18. Analysis of cash and cash equivalents**

	2017 £000	2016 £000
Royal Bank of Scotland accounts	<u>45</u>	<u>27</u>
<b>Total cash and cash equivalents</b>	<u><b>45</b></u>	<u><b>27</b></u>

**19. Analysis of liabilities**

Creditors under 1 year	2017 £000	2016 £000
Accruals for sums owed at 31 March by the charity	<u>10</u>	<u>130</u>
<b>Total</b>	<u><b>10</b></u>	<u><b>130</b></u>

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

	2017 £000	2016 £000
<b>Net income/(expenditure) as per the statement of financial activities</b>	<b>107</b>	<b>218</b>
<b>Adjustments for:</b>		
(Gains)/losses on investments	(51)	26
Dividends and interest from investments	(56)	(50)
(Increase) /decrease in debtors	(32)	144
Increase/(decrease) in creditors	<u>(120)</u>	<u>123</u>
<b>Net cash provided by (used in) operating activities</b>	<u><b>(152)</b></u>	<u><b>461</b></u>

## 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	Income	Expenditure	Fund c/fwd
	£000	£000	£000	£000
Shropshire Blood Research	251	326	(113)	464
Ward 23 Haematology/Oncology	156	33	(18)	171
Breast Cancer Fund	181	33	(82)	132
Chemotherapy Day Centre	31	37	(11)	57
Renal	45	35	(23)	57
Diabetes Hummingbird Centre	48	5	(5)	48
Ward 27	44	7	(3)	48
Sub-Specialty Cancer Fund	59	5	(21)	43
Cardiology PRH	50	7	(15)	42
Vascular	50	2	(23)	29
Radiotherapy	107	8	(87)	28
Trauma & Orthopaedics	33	1	(10)	24
ITU	21	12	(9)	24
Pharmacy	20	4	(5)	19
Neonatal Unit	23	17	(21)	19
Haematology PRH	16	1	(1)	16
Neurology	12	4	(3)	13
Children's Oncology	6	7	(1)	12
Elderly Care Patients	5	13	(7)	11
Shropshire Breast Screening	7	4	0	11
A & E	6	4	0	10
Other funds below £10k (77 funds)	300	101	(137)	264
<b>Total</b>	<b>1,471</b>	<b>666</b>	<b>(595)</b>	<b>1,542</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 b/fwd	Income	Expenditure	Gains/ losses	Fund c/fwd
	£000	£000	£000	£000	£000
SATH Development & Improvement	259	41	(31)	0	269
SATH Unrestricted Fund	35	2	(1)	0	36
Unrealised Gain Reserve	19	0	0	25	44
<b>Grand Total</b>	<b>313</b>	<b>43</b>	<b>(32)</b>	<b>25</b>	<b>349</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 Sustainability Committee which receives quarterly reports from the investment managers.

	COIF Deposits	COIF Fixed Interest	Total 2017
	£000	£000	£000
<b>Opening Balance as at 1 April 2016</b>	534	1,350	1,884
Transfer between COIF funds	0	0	0
Transfer between COIF and RBS	(170)	0	(170)
Dividends Received	0	55	55
Dividends transfer between funds	55	(55)	0
Interest Received	1	0	1
Unrealised Investment Gain/(Loss)	0	51	51
<b>Closing Balance as at 31 March 2017</b>	<b>420</b>	<b>1,401</b>	<b>1,821</b>

The fixed interest fund continued to provide a stream of income and the value of the fund saw an increase in the year.