

Cover page	
Meeting	<i>Corporate Trustee Meeting</i>
Paper Title	SaTH Charity Annual Report and Accounts 2018/19
Date of meeting	28 November 2019
Date paper was written	19 November 2019
Responsible Director	Finance Director
Author	Vicky Hall
Executive Summary	
<p>The Corporate Trustee is asked to approve the Shrewsbury and Telford Hospital NHS Trust Charity Annual Report and Accounts 2018-19 and sign off of the financial statements, the balance sheet and the management representation letter.</p> <p>An independent examination has been carried out on the SATH Charity Annual Report and Accounts 2018-19 by Dyke Yaxley Chartered Accountants. The Independent Examination Findings Report is attached.</p> <p>The SATH Charity Annual Report and Accounts for 2018-19 need to be submitted to the Charities Commission together with the audit opinion before the deadline of 31 January 2020.</p>	
Previously considered by	Charitable Funds Committee - 18 November 2019

The Board is asked to:			
<input type="checkbox"/> Approve	<input type="checkbox"/> Receive	<input checked="" type="checkbox"/> Note	<input type="checkbox"/> Take Assurance
To formally receive and discuss a report and approve its recommendations or a particular course of action	To discuss, in depth, noting the implications for the Board or Trust without formally approving it	For the intelligence of the Board without in-depth discussion required	To assure the Board that effective systems of control are in place

Link to CQC domain:				
<input type="checkbox"/> Safe	<input type="checkbox"/> Effective	<input type="checkbox"/> Caring	<input type="checkbox"/> Responsive	<input type="checkbox"/> Well-led

Link to strategic objective(s)	<p><i>Select the strategic objective which this paper supports</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> PATIENT AND FAMILY Listening to and working with our patients and families to improve healthcare</li> <li><input type="checkbox"/> SAFEST AND KINDEST Our patients and staff will tell us they feel safe and received kind care</li> <li><input type="checkbox"/> HEALTHIEST HALF MILLION Working with our partners to promote 'Healthy Choices' for all our communities</li> <li><input type="checkbox"/> LEADERSHIP Innovative and Inspiration Leadership to deliver our ambitions</li> <li><input type="checkbox"/> OUR PEOPLE Creating a great place to work</li> </ul>
	Link to Board Assurance Framework risk(s)

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Equality Impact Assessment	<ul style="list-style-type: none"><li><input checked="" type="radio"/> Stage 1 only (no negative impact identified)</li><li><input type="radio"/> Stage 2 recommended (negative impact identified and equality impact assessment attached for Board approval)</li></ul>
Freedom of Information Act (2000) status	<ul style="list-style-type: none"><li><input checked="" type="radio"/> This document is for full publication</li><li><input type="radio"/> This document includes FOIA exempt information</li><li><input type="radio"/> This whole document is exempt under the FOIA</li></ul>
Financial assessment	



The Shrewsbury and  
Telford Hospital  
NHS Trust

Registered Charity 1107883

# The Shrewsbury and Telford Hospital NHS Trust Charity

## ANNUAL REPORT & ACCOUNTS

2018/2019



## **THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST CHARITY**

### **Foreword**

The Corporate Trustee presents the Shrewsbury and Telford Hospital NHS Trust Charity (the Charity) independently examined financial statements for the year ended 31 March 2019.

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 Charity, it effectively has the power to exercise control so as to obtain economic benefits so therefore may need to consolidate its 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 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 2011, it is listed with the Charity Commission under registered Charity no. 1107883. The Charity is known as SaTH Charity.

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 through:

- Expenditure on equipment and facilities to improve patient care and associated areas;
- 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 **£367,000 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 it was spent.

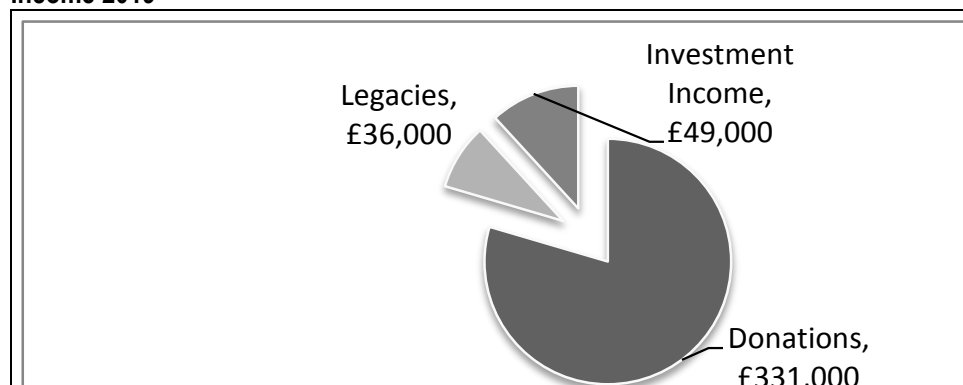
**Money received - £416,000      Money spent - £688,000**

The Charity can only continue to support the work of the Shrewsbury and Telford Hospital NHS Trust whilst we have the support of local people, local businesses and our staff. The majority of our income comes from the voluntary efforts of the general public. Overall we spent £272,000 before the performance of our investments was taken into account but the loss in the value of investments meant our total funds decreased by £278,000.

### Money received: sources of funds

The pie chart shows our three main sources of income:

#### **Income 2019**



Donations – gifts from the voluntary efforts and fundraising 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.

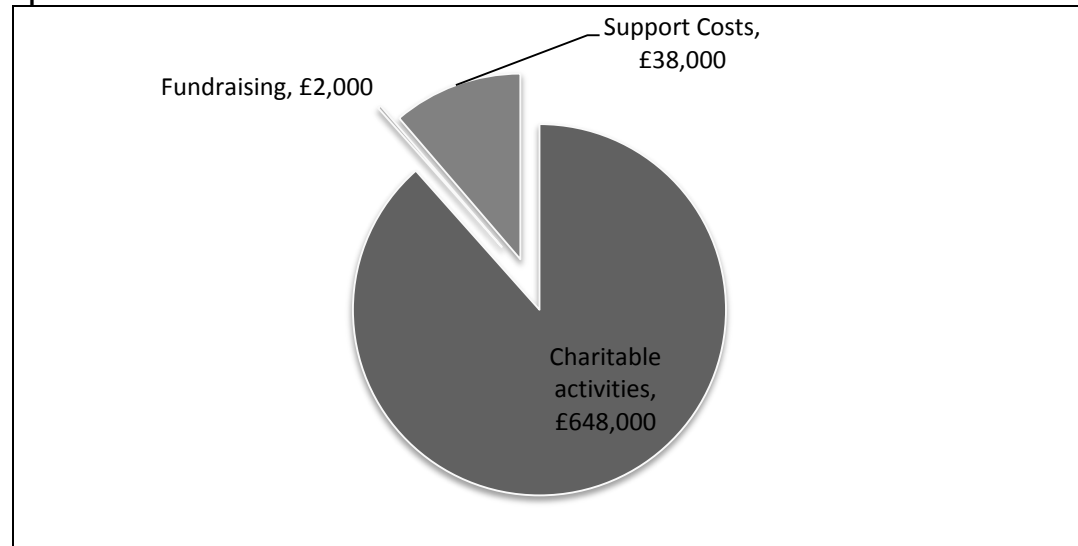
Legacies – a gift in a will, we are fortunate to be remembered by so many people each year.

Investment Income – by prudent management of funds not immediately required for use by the Charity we earned interest and dividends of £49,000.

## **Money spent: what we spent the money on**

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

### **Spend 2019**



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 2018/19 were:

- White Garden at RSH for people to reflect in when going through difficult times
- Expansion of the Haematology Unit outpatient waiting area at RSH
- 2 x Sentimag System for Breast Surgery/Breast Radiology at PRH and RSH
- Ophthalmology Field Analyser for the Ophthalmology department
- Installation of Wall Mural on Ward 21 at RSH.

## **Performance against objectives**

The Corporate Trustee encourages fund managers to spend any excess funds and not keep reserves unless they are accumulating funds for a specific project.

The Charity contributed £71,000 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 are 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.

## **Fundraising**

The fundraising department help organise fundraising events and co-ordinate the activities of our supporters both in the hospital and in the wider community on behalf of the Charity. 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 Corporate Trustee would like to express their sincere appreciation to all those members of the public and organisations who made a donation to the Charity 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 Corporate Trustee is hopeful, based on previous trends and patterns that the level of donations received during the year will be broadly maintained or increased 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 decreased 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 Charitable Funds Committee (this was previously devolved to the Performance 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.

The Corporate Trustee is given an opportunity to raise questions via the Charitable Funds Committee who act as a focus group for the Charity. 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 Charity and reports to the Charitable Funds Committee. The Finance Director has particular responsibility to ensure that the spending is in accordance with the objects and priorities agreed by the Charitable Funds 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 Trust 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:-

*"The Corporate Trustee recognises 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 2019 the Charity holds restricted funds of £1,671,000 (2018: £1,899,000) and unrestricted funds of £403,000 (2018: £453,000). The description, nature and purpose of the restricted funds are contained within Note 22: Analysis of charitable funds.

The Corporate Trustee considers all unrestricted reserves to be free reserves and thus the level of free reserves is calculated as follows:

Unrestricted funds	£403,000
One year's administration, fund-raising and support costs	<u>£40,000</u>
<b>Free Reserves</b>	<b><u>£363,000</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. However the Charity and the Corporate Trustee is trying to improve processes to enable charitable funds to be more easily and appropriately accessed. Fund Managers will be expected to submit annual spending plans by April each year which the Corporate Trustee will approve. This will offer earlier benefit to patients and staff and enable 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 2019 are stated below, compared with the position as at 31 March 2018.

The net assets of the Charitable Funds as at 31 March 2019 were £2,074,000 (2018: £2,352,000). Overall net assets decreased by £278,000 (2018: £461,000 increase) with a loss on the valuation of our investments of £6,000 (2018: £36,000) and a shortfall of income over expenditure of £272,000 (2018: £497,000 excess).

	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	<b>£000</b>	<b>£000</b>
Fixed Asset Investments	2,089	2,061
Current Assets	37	298
Creditors falling due within one year	(52)	(7)
<b>Total Net Assets</b>	<b><u>2,074</u></b>	<b><u>2,352</u></b>
<b>Funds:</b>		
Restricted funds	1,671	1,899
Unrestricted funds	403	453
<b>Total Funds</b>	<b><u>2,074</u></b>	<b><u>2,352</u></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 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 Corporate Trustee.

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

The total unrealised loss on investments during 2018/19 was £6,000. This loss has been offset against the balance held in an unrealised gains reserve built up from previous investment gains.

Investment income amounted to £49,000 (2018: £46,000) during the year and this was apportioned between individual funds on the basis of average fund balances held during the year.

The Charitable Funds 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 Charitable Funds 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.'

## **Corporate Trustee**

The Shrewsbury and Telford Hospital NHS Trust is the Corporate Trustee of the Charity. 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 Charity 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 Corporate Trustee, 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:

Ben Reid	Chairman
Simon Wright	Chief Executive (to 30.06.2019)
Tony Allen	Non-Executive Director (from 03.09.2018)
Anthony Bristlin	Non-Executive Director (from 03.09.2018)
Anthony Carroll	Associate Non-Executive Director (from 03.09.2018)
Harmesh Darbhanga	Associate Non-Executive Director (to 29.05.2019)
Clive Deadman	Non-Executive Director
Amanda Edwards	Non-Executive Director (from 03.09.2018 to 31.07.2019)
Dr David Lee	Non-Executive Director
Teresa Mingay	Designate Non-Executive Director (to 31.08.2018)
Brian Newman	Non-Executive Director
Dr Chris Weiner	Associate Non-Executive Director (to 31.07.2019)
Dr Edwin Borman	Medical Director (to 16.06.2019)
Deirdre Fowler	Director of Nursing and Quality (to 31.05.2019)
Nigel Lee	Chief Operating Officer
Neil Nisbet	Finance Director (to 07.04.2019)
Julia Clarke	Director of Corporate Governance
Victoria Rankin	Workforce Director

The following directors have since been appointed up until the date of approving the accounts:

Paula Clarke	Chief Executive (from 01.07.2019)
Bev Tabernacle	Interim Deputy Chief Executive (from 01.06.2019)
Dr Arne Rose	Medical Director (from 17.06.2019)
Dr Edwin Borman	Director for Clinical Effectiveness (from 17.06.2019)
James Drury	Interim Finance Director (from 18.06.2019)
Barbara Beal	Interim Director of Nursing (from 28.05.2019)

### **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

### **Independent Examination:**

Dyke Yaxley  
1 Brassey Road  
Old Potts Way  
Shrewsbury  
SY3 7FA

### **Bankers:**

The Royal Bank of Scotland plc  
Drummond House  
1 Redheughs Avenue  
Edinburgh  
EH12 9JN

### **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 Charitable Funds 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 Corporate Trustee with regard to the Charity Commission's guidance on public benefit.

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 Charitable Funds Committee.

There are several linked charities to the Charity on the Charity Commission website which have nil transactions.

## **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 Charitable Funds Committee who act as a focus group for the Charity. 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 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 Charitable Funds Committee. The Charitable Funds Committee review 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 Charitable Funds 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 Corporate Trustee 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 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 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 Royal Shrewsbury Hospital League of Friends, 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 Charity**  
**Statement of Financial Activities for the year ending 31 March 2019**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2019 £000	Total Funds 2018 £000
<b>Income from:</b>					
Donations and legacies	4	32	335	367	815
Investments	7	9	40	49	46
<b>Total incoming resources</b>		<u>41</u>	<u>375</u>	<u>416</u>	<u>861</u>
<b>Expenditure on:</b>					
Fundraising		(0)	(2)	(2)	(1)
Charitable activities	9	(85)	(601)	(686)	(363)
<b>Total expenditure</b>		<u>(85)</u>	<u>(603)</u>	<u>(688)</u>	<u>(364)</u>
<b>Net income/ (expenditure)</b>		<u>(44)</u>	<u>(228)</u>	<u>(272)</u>	<u>497</u>
Net gains/ (losses) on investments		(6)	(0)	(6)	(36)
Transfers between funds	21	0	0	0	0
<b>Net Movement in funds</b>		<u>(50)</u>	<u>(228)</u>	<u>(278)</u>	<u>461</u>
<b>Reconciliation of Funds</b>					
Total Funds brought forward	22	453	1,899	2,352	1,891
<b>Total Funds carried forward</b>	22	<u>403</u>	<u>1,671</u>	<u>2,074</u>	<u>2,352</u>

**The Shrewsbury and Telford Hospital NHS Trust Charity  
Balance Sheet as at 31 March 2019**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2019 £000	Total Funds 2018 £000
<i>Fixed assets:</i>					
Investments	16	433	1,656	2,089	2,061
<b>Total Fixed Assets</b>		<u>433</u>	<u>1,656</u>	<u>2,089</u>	<u>2,061</u>
<i>Current assets:</i>					
Debtors	17	0	4	4	255
Cash at bank and in hand	18	7	26	33	43
<b>Total Current Assets</b>		<u>7</u>	<u>30</u>	<u>37</u>	<u>298</u>
<i>Liabilities:</i>					
Creditors falling due within one year	19	(37)	(15)	(52)	(7)
<b>Net Current assets/(liabilities)</b>		<u>(30)</u>	<u>15</u>	<u>(15)</u>	<u>291</u>
<b>Total net assets or liabilities</b>		<u>403</u>	<u>1,671</u>	<u>2,074</u>	<u>2,352</u>
<b>The funds of the charity:</b>					
Unrestricted income funds:	22	403	-	403	453
Restricted income funds		-	1,671	1,671	1,899
<b>Total charity funds</b>		<u>403</u>	<u>1,671</u>	<u>2,074</u>	<u>2,352</u>

The notes at pages 18 to 28 form part of these accounts

Signed:

Name:

Date:

**The Shrewsbury and Telford Hospital NHS Trust Charity**  
**Statement of Cash Flows for the year ending 31 March 2019**

	Note	Total funds 2019 £000	Total funds 2018 £000
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	20	<b>(25)</b>	<b>228</b>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments	7	49	46
Sale of investments	16	200	0
Purchase of investments	16	(234)	(276)
<b>Net cash provided by (used in) investing activities</b>		<b>15</b>	<b>(230)</b>
Change in cash and cash equivalents in the reporting period		(10)	(2)
Cash and cash equivalents at beginning of the reporting period	18	43	45
<b>Cash and cash equivalents at the end of the reporting period</b>	18	<b>33</b>	<b>43</b>

## Notes to the Accounts

### 1. Accounting Policies

(a) **Basis of preparation**

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

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

The Corporate Trustee considers that there are no material uncertainties about the 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.

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

No restatement of comparatives is required in 2018/19 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**

The Charity does not have any grants payments made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the Charity.

(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 independent examination 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 fundraising costs attributable to charitable activities are apportioned across those activities in proportion to the average fund balance.

(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 and fundraising 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 Charity manages.

## 2a. Unrestricted Funds - Statement of Financial Activity for the year ended 31 March 2019

	2019 £000	2018 £000
<b>Income from:</b>		
Donations and legacies	32	165
Investments	9	10
<b>Total incoming resources</b>	<u>41</u>	<u>175</u>
<b>Expenditure on:</b>		
Fundraising	(0)	(1)
Charitable activities	(85)	(34)
<b>Total expenditure</b>	<u>(85)</u>	<u>(35)</u>
	<u>          </u>	<u>          </u>
<b>Net income/ (expenditure)</b>	<u>(44)</u>	<u>104</u>
Net gains/ (losses) on investments	(6)	(36)
<b>Reconciliation of Funds</b>		
Total Funds brought forward	453	349
<b>Total Funds carried forward</b>	<u>403</u>	<u>453</u>

## Unrestricted funds - Balance Sheet as at 31 March 2019

	2019 £000	2018 £000
<i>Fixed assets:</i>		
Investments	433	445
<b>Total Fixed Assets</b>	<u>433</u>	<u>445</u>
<i>Current assets:</i>		
Debtors	0	0
Cash at bank and in hand	7	9
<b>Total Current Assets</b>	<u>7</u>	<u>9</u>
<i>Liabilities:</i>		
Creditors falling due within one year	(37)	(1)
<b>Net Current assets/(liabilities)</b>	<u>(30)</u>	<u>8</u>
	<u>          </u>	<u>          </u>
<b>Total net assets for unrestricted funds</b>	<u>403</u>	<u>453</u>
	<u>          </u>	<u>          </u>
<b>Total unrestricted funds</b>	<u>403</u>	<u>453</u>

## 2b. Restricted funds - Statement of Financial Activity for the year ended 31 March 2019

	2019 £000	2018 £000
<b>Income from:</b>		
Donations and legacies	335	650
Investments	40	36
<b>Total incoming resources</b>	<u>375</u>	<u>686</u>
<b>Expenditure on:</b>		
Fundraising	(2)	(0)
Charitable activities	(601)	(329)
<b>Total expenditure</b>	<u>(603)</u>	<u>(329)</u>
<b>Net income/ (expenditure)</b>	<u>(228)</u>	<u>357</u>
Net gains/ (losses) on investments	(0)	(0)
<b>Reconciliation of Funds</b>		
Total Funds brought forward	1,899	1,542
<b>Total Funds carried forward</b>	<u>1,671</u>	<u>1,899</u>

## Restricted funds - Balance Sheet as at 31 March 2019

	2019 £000	2018 £000
<i>Fixed assets:</i>		
Investments	1,656	1,616
<b>Total Fixed Assets</b>	<u>1,656</u>	<u>1,616</u>
<i>Current assets:</i>		
Debtors	4	255
Cash at bank and in hand	26	34
<b>Total Current Assets</b>	<u>30</u>	<u>289</u>
<i>Liabilities:</i>		
Creditors falling due within one year	(15)	(6)
<b>Net Current assets/(liabilities)</b>	<u>15</u>	<u>283</u>
<b>Total net assets for restricted funds</b>	<u>1,671</u>	<u>1,899</u>
<b>Total restricted funds</b>	<u>1,671</u>	<u>1,899</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 Corporate Trustee. These are included within support costs – see note 12.

### 4. Income from donations and legacies

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Donations	22	309	331	435
Legacies	10	26	36	380
<b>Total</b>	<b>32</b>	<b>335</b>	<b>367</b>	<b>815</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 2019 no legacies (31 March 2018: one legacy for £249,000) 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 2019 £000	Total 2018 £000
Fixed asset investments	9	40	49	46
<b>Total</b>	<b>9</b>	<b>40</b>	<b>49</b>	<b>46</b>

### 8. Analysis of expenditure on raising funds

The Charity had expenditure of £2k for buckets, badges and a small lottery licence relating to raising funds as well as high-vis jackets and signs for the Charity's Fun Day.

## 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 & Fundraising Costs £000	Total 2019 £000	Total 2018 £000
Patient welfare and amenities	572	36	608	265
Staff welfare and amenities	5	0	5	1
Staff education, training and development	71	4	75	98
<b>Total</b>	<b>648</b>	<b>40</b>	<b>688</b>	<b>363</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 2019 £000	Non-current liabilities 2019 £000	Total 2019 £000	Total 2018 £000
Opening balance at 1 April (see note 19)	7	0	7	10
Additional commitments made during the year	648	0	648	322
Amounts paid during the year	(603)	0	(603)	(325)
<b>Closing balance at 1 April (see note 19)</b>	<b>52</b>	<b>0</b>	<b>52</b>	<b>7</b>

## 12. Allocation of support costs and fundraising costs

Support and fundraising 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.

	2019 Total £000	2018 Total £000
Audit/Independent Examination fees	4	7
<b>Governance</b>	<b>4</b>	<b>7</b>
Salaries and related costs	32	31
Just Giving/Bank charges	1	0
Cash carrier	1	1
Stationery	1	1
Software Support	1	1
<b>Total</b>	<b>40</b>	<b>41</b>

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Charitable activities	7	33	40	41
<b>Total</b>	<u>7</u>	<u>33</u>	<u>40</u>	<u>41</u>

### 13. Trustees' remuneration, benefits and expenses

The Shrewsbury and Telford Hospital NHS Trust Board is the Corporate Trustee of the Charity. 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:

	2019 £000	2018 £000
Salaries and wages	26	25
Social security costs	2	2
Employers pension contribution	4	4
<b>Total</b>	<u>32</u>	<u>31</u>

The average number of recharged full time equivalent employees during the year was 1.05 (2018: 1.05) with all employee time involved in providing support services to charitable activities.

No employees had emoluments in excess of £60,000 (2018: nil).

### 15. Auditor's remuneration

The auditor's remuneration of £4,464 (2018: £6,864 including £2,400 additional fees relating to the 2016/17 audit). This remuneration relates solely to the audit with no other additional work undertaken (2018: £nil).

### 16. Fixed asset investments

#### Movement in fixed asset investments

	2019 £000	2018 £000
Market value brought forward	2,061	1,821
Add: additions to investments at cost	234	276
Less disposals at carrying value	(200)	0
Add net gain/(loss) on revaluation	(6)	(36)
Market value as at 31 March	<u>2,089</u>	<u>2,061</u>

**Fixed asset investments by type :**

	Units held as at 31 March 2019	Units held as at 31 March 2018	2019 £000	2018 £000
<b>Common investment funds</b>				
Deposit Fund			730	696
Fixed Interest Account	999,226	999,226	1,359	1,365
<b>Total</b>			<u>2,089</u>	<u>2,061</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**

	2019 £000	2018 £000
<b>Debtors under 1 year</b>		
Accrued income	4	255
<b>Total</b>	<u>4</u>	<u>255</u>

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

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

	2019 £000	2018 £000
Royal Bank of Scotland accounts	33	43
<b>Total cash and cash equivalents</b>	<u>33</u>	<u>43</u>

**19. Analysis of liabilities**

	2019 £000	2018 £000
<b>Creditors under 1 year</b>		
Accruals for sums owed at 31 March by the Charity	52	7
<b>Total</b>	<u>52</u>	<u>7</u>

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

	2019 £000	2018 £000
<b>Net income/(expenditure) as per the statement of financial activities</b>	(278)	461
<b>Adjustments for:</b>		
(Gains)/losses on investments	6	36
Dividends and interest from investments	(49)	(46)
(Increase) /decrease in debtors	251	(220)
Increase/(decrease) in creditors	45	(3)
<b>Net cash provided by (used in) operating activities</b>	<u>(25)</u>	<u>228</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 £000	Income £000	Expenditure £000	Fund c/fwd £000
Shropshire Blood Research	513	103	(275)	341
Sub-Specialty Cancer Fund	316	7	(65)	258
Ward 23 Haematology/Oncology	130	28	(15)	143
Breast Cancer Fund	144	15	(34)	125
Ward 21, Ward 22R Stroke Unit	47	14	(9)	52
Chemotherapy Day Centre	57	8	(14)	51
Ward 22	47	5	(1)	51
Diabetes Hummingbird Centre	46	2	(9)	39
Elderly Care Patients	21	23	(6)	38
Haematology PRH	37	1	(1)	37
Renal	43	12	(19)	36
Cardiology PRH	38	2	(5)	35
Pharmacy	25	5	(1)	29
Vascular	23	2	(1)	24
ITU RSH	26	8	(11)	23
Endoscopy	23	1	(2)	22
Neonatal Unit	21	7	(7)	21
Hamar Centre	8	17	(5)	20
Children's Oncology	17	4	(5)	16
Swan Fund	9	15	(10)	14
Cardiology RSH	10	7	(3)	14
MSK Trauma & Orthopaedics	23	1	(11)	13
Dementia	10	12	(9)	13
Nephrology	11	1	0	12
ITU PRH	10	4	(2)	12
Shropshire Breast Screening	11	0	0	11
Radiotherapy	21	1	(12)	10
Other funds below £10k (74 funds)	212	70	(71)	211
<b>Total</b>	<b>1,899</b>	<b>375</b>	<b>(603)</b>	<b>1,671</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 £000	Income £000	Expenditure £000	Gains/ losses £000	Fund c/fwd £000
SATH General	445	41	(85)	0	401
Unrealised Gain Reserve	8	0	0	(6)	2
<b>Grand Total</b>	<b>453</b>	<b>41</b>	<b>(85)</b>	<b>(6)</b>	<b>403</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 Charitable Funds Committee which receives quarterly reports from the investment managers.

	COIF Deposits £000	COIF Fixed Interest £000	Total 2019 £000
<b>Opening Balance as at 1 April 2018</b>	696	1,365	2,061
Transfer between COIF funds	0	0	0
Transfer between COIF and RBS	(15)	0	(15)
Dividends Received	0	44	44
Dividends transfer between funds	44	(44)	0
Interest Received	5	0	5
Unrealised Investment Gain/(Loss)	0	(6)	(6)
<b>Closing Balance as at 31 March 2019</b>	<b>730</b>	<b>1,359</b>	<b>2,089</b>

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