

# THE QUEEN VICTORIA HOSPITAL NHS TRUST CHARITABLE FUND

Registered Charity No. 1056120

## TRUSTEE'S REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

The annual report and accounts have been prepared by the trustee in accordance with the statement of recommended practice "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (second edition, effective 1 January 2019) issued by the Charity Commission.

Further administrative information relating to the charity can be found on page 6.

Signed on behalf of the corporate trustee



Acting Chair of Queen Victoria Hospital NHS Foundation Trust

Date 16 / 12 / 2021

## 1 Constitution and objectives of the charity

The Queen Victoria Hospital NHS Trust Charitable Fund ("the charity") was entered in the Charity Commission's Central Register of Charities on 13 June 1996. Its governing document is a declaration of trust made by the Queen Victoria Hospital NHS Trust dated 10 May 1996. It has a single, corporate trustee: Queen Victoria Hospital NHS Foundation Trust (QVH NHSFT).

The Charity recognises its duty to ensure the fund is managed appropriately and grants given only in accordance with its charitable objects, which are:

'For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by the Queen Victoria Hospital NHS Trust' .

The following criteria are used when considering applications:

- meets the charity's objects;
- provides equipment/facilities or a service which is over and above what the NHS should provide;
- enhances a service already provided to improve patient care;
- improves patient comfort; and
- benefits staff/staff comfort.

## 2 Structure, Governance and Management

**Registration** - The charity is registered with the Charity Commission as an umbrella charity covering all the charitable funds administered by QVH NHSFT.

**Trustee** - Since it has a single, corporate trustee, the functions of trustees are, in practice, performed by the board of directors of QVH NHSFT who meet regularly to consider matters of policy and overall control. The names of the present directors and those who served during the year ended 31 March 2021 are shown on page 6.

Non-executive directors are appointed by the governors of QVH NHSFT. Executive directors are appointed by the non-executive directors and the chief executive.

Since the single trustee is a corporate body, induction and training of the trustee is not a relevant concept. However, the directors of QVH NHSFT receive advice as necessary from their legal advisers and employees of the Trust using guidance provided by the Charity Commission. In November 2019 the Chair provided training for members of the corporate trustee covering the regulatory and governance framework within which the corporate trustee operates, and the relationship between the corporate trustee and the charity committee.

**Advisory Committee** - The board has set up a Charity Committee (CC) chaired by a non-executive director of the Trust and consisting of one other non-executive director, the medical director, the director of finance and performance and a representative from each of the nursing, allied health professional and medical workforces. Non-voting, ex-officio attendees represent the League of Friends and the public and staff governors of the QVH NHSFT. Other members of QVH NHSFT staff also attend regularly in an advisory capacity. The function of the committee is to oversee the management, investments and expenditure of the charity and to ensure that it complies with statute. It reviews and authorises items of expenditure up to £20,000 and reports regularly to the corporate trustee, making recommendations in respect of items of expenditure in excess of £20,000.

## 2 (cont.)

**Administration** - Day-to-day administration is carried out by the staff of QVH NHSFT. The cost of this service is passed on to the charity in the form of an administration fee.

The Charity has no employees of its own and therefore makes no remuneration to employees. Similarly, no employees received employee benefits, excluding employer pension costs, of more than £60,000.

**Structure** - For administrative purposes the charity is divided into a number of restricted and unrestricted funds. The restricted funds usually relate to individual bequests which stipulated the specific purpose for which the funds were to be used. The remaining funds are unrestricted but the trustee has designated some of them for specific purposes.

**Risk** - The corporate trustee reviews potential risks and the steps taken to avoid them materialising on an annual basis.

**Public Benefit** - The activities of the charity are carried out with the aim of enhancing the facilities and services of the hospital in ways that go beyond those that would normally be available from NHS resources. They benefit NHS patients both directly through the provision of equipment and other facilities and indirectly through the provision of additional education and training and an improved working environment for staff. When reviewing its aims and objectives, setting its grant making policy and planning future activities the trustee acts in accordance with the Charity Commission's general guidance on public benefit.

**Financial Instructions** - In respect of tendering and contracting the charity adopts the provisions in the Standing Financial Instructions of the QVH NHSFT. These were last reviewed in August 2021.

## 3 Annual review

### 3.1 - Overview of activities

Over the last few years the charity has gained momentum and embraced development and promotion more proactively. As with many charities, the pandemic created a complete change in the fundraising landscape which affected our income as all of our plans for the year were cancelled. We ran one online fundraising campaign which raised just over £6,000 but there was a large decline in the direct donations the charity received.

Thanks to the exceptional generosity of the public to the national NHS Charities Together 'COVID-19' campaign, we were fortunate to benefit from several grants which enabled us to support staff initiatives such as providing additional psychological therapy and providing free meals during the early days of the pandemic.

The charity team shifted their focus from fundraising to managing the coordination of gifts, keeping a log of everything we had received as the local community came together to show their support for our hospital. Our staff were enormously grateful for this kindness and generosity at such a difficult time.

The charity team are now focusing on improving donor development, increasing communication with our supporters and continuing to share the impact donations are having both with patients and staff.

**Grants made** - During the year the charity made grants totalling £210,000. The broad analysis of these can be seen in Note 8.

A large proportion were made to support the hospital's response to the Covid pandemic, with £43,000 being spent on laptop computers to facilitate the dramatically increased level of remote working that was implemented and £37,000 being used to fund free meals for staff working onsite.

In the medical and therapeutic fields the charity provided £16,000 for virtual reality equipment to improve patient experience by the relief of pain and anxiety and £10,000 to assist the purchase of flexible video-endoscopes. Staff training was supported by grants totalling £18,000.

**Fundraising** - The cancellation of most of the charity's planned fundraising initiatives resulted in general donations declining from £162,000 in 2019/20 to £64,000 in 2020/21. However, grants received from NHS Charities Together totalled £179,000 so that total donations increased to £243,000.

**Legacies** - Legacies received in 2020/21 totalled £605,000, of which £209,000 was for general charitable purposes and £396,000 was for restricted purposes.

### **3.2 Financial position**

Largely as a result of the receipt of the legacies noted above, the charity ended the year with a balance of £1,152,000, an increase of £622,000 over the previous year.

The cash balance at the end of the year stood at £892,000, of which £537,000 was available for general purposes. The excess of debtors over creditors stood at £260,000. The unusually high debtor balance resulted from the accrual of a large legacy payment received one day after the end of the financial year.

The charity therefore ended the year in a strong financial position, able to meet all its liabilities and have cash available to continue its charitable work.

## **4 Investment policy**

The charity holds all its cash, other than that needed for day-to-day transactions, in deposit accounts. Keeping cash readily available for use reflects the trustee's policy that funds should be spent rather than held as investments (see Reserves Policy, below). It also avoids risks inherent in the volatility of the stock market and eliminates investment management costs.

The investment income generated by endowment funds is transferred to restricted or unrestricted funds, depending on the terms of the donation, when it is received. It is subsequently spent for purposes which are in accordance with the terms of the original bequests. In 2020/21 there were no endowment funds.

## **5 Reserves policy**

The trustee's policy is that funds other than endowments should be spent when suitable applications arise rather than that they should be retained indefinitely with the intention of generating investment income. This reflects the fact that the charity does not generally enter into on-going commitments and therefore does not need to ensure a steady flow of income. For this reason the trustee also does not consider it appropriate to maintain a target level of reserves.

Where funds need to be accumulated for a particular objective, they may be held in reserve until a sufficient amount has been gathered, but only when there is a reasonable prospect of achieving the objective within two years.

At 31 March 2021 funds available for the general purposes of the charity, that is, excluding restricted funds, stood at £433,000 compared to £120,000 at the end of 2019/20.

## **6 Grant making policy**

The policy of the trustee is to ensure that all grants made are in accordance with the wishes of the donor (where stipulated), the objectives of the charity and the overall strategy of QVH NHSFT.

Applications for grants are approved initially by the senior management appropriate to the nature of the grant. For example, a request for funding of medical equipment would be approved first by the hospital's Medical Devices Committee, Medical Director and Director of Finance and Performance.

The trustee has delegated authority to approve grants up to £20,000 to the Charity Committee. Grants in excess of £20,000 can only be approved by the full board of QVH NHSFT acting in its capacity as corporate trustee. Grants of less than £2,000 can be approved by the Director of Corporate Affairs and the Director of Finance and Performance, and are reported to the Charity Committee.

## **7 Future plans**

The charity has a proud history of supporting key initiatives at the hospital. We will continue to build on this including supporting staff understanding of the charity, engagement with existing supporters, and sharing case studies and impact of how donations are making a difference. As the hospital supports patients from the South of England, we will work to ensure we can reach beyond our local community to highlight the vital support the charity provides to Queen Victoria Hospital and the specialist care it provides in burns and reconstructive surgery across a wider geography.

The charity funds the provision of more and better equipment, above and beyond that funded by the NHS, as well as improving patient environments and supporting other projects to benefit patients and staff. Our ability to continue this vital support for Queen Victoria Hospital is dependent on our ability to maintain and increase donations from the general public. We are therefore grateful for the support from those who not only donate their own money, but who inspire others to donate through their fundraising efforts. We will continue to support an ongoing programme of fundraising today to produce the funds needed to invest in the healthcare of tomorrow.

## **8 COVID-19**

Since the charity does not hold investments and is less dependent on fundraising events for its existence it is not expected that its future will be jeopardised by the virus. However, it is clear that the requirements for social distancing will greatly restrict the scope for popular fundraising initiatives and there will be an inevitable decline in income from donations in certain areas. This will not reduce our efforts to build on our relationships to develop donations where there is scope to do so, as noted in Section 7. However, progress may be slowed by the general effect on the economy.

QVH Charity has benefited from the national fundraising for the NHS through the pandemic with specific grants made early in 2021/22 for free meals for staff on site through the pandemic and for additional psychological support for staff. We anticipate making further grants based on these national funds during 2020/21.

Approved on behalf of the corporate trustee.



Acting Chair of Queen Victoria Hospital NHS Foundation Trust

Date 16/12/2021

## FURTHER INFORMATION ABOUT THE GOVERNANCE OF THE CHARITY

- Charity Name: The Queen Victoria Hospital NHS Trust Charitable Fund
- Registered Charity Number: 1056120
- Registered Address: The Queen Victoria Hospital, Holtye Road, East Grinstead, West Sussex, RH19 3DZ
- Trustee: Queen Victoria Hospital NHS Foundation Trust  
The present voting Directors of the NHS Foundation Trust and those who served during the year to 31 March 2021 are:  
Keith Altman - Medical Director  
Paul Dillon-Robinson - Non-executive Director  
Kevin Gould - Non-executive Director  
Beryl Hobson\* - Chair until 30 September 2021  
Stephen Jenkin - Chief Executive  
Michelle Miles\* - Director of Finance and Performance  
Gary Needle\*\* - Non-executive Director/Acting Chair from 1 October 2021  
Karen Norman - Non-executive Director  
Nicola Reeves\* - Interim Director of Nursing and Quality from 16 November 2020  
Joanne Thomas - Director of Nursing and Quality until 11 November 2020  
  
\* *Member of the Charity Committee.*  
\*\* *Chair of the Charity Committee.*
- Charity Committee: The Corporate Trustee has delegated responsibility for day-to-day management of the charity to the Charity Committee. The members of the committee are:  
*Members of the Charity Committee (with voting rights):*  
Keith Altman Medical Director  
Beryl Hobson Trust Chair  
Michelle Miles Director of Finance and Performance  
Gary Needle Non-Executive Director, Charity Committee Chair  
Kathryn Pank Clinical Specialist, Hand Therapy  
Nicola Reeves Interim Director of Nursing and Quality  
*Invited members of the Charity Committee (without voting rights):*  
Siva Kumar Consultant Plastic Surgeon  
Geraldine Opreshko Director of Workforce and Organisational Development until 30 June 2021  
Clare Pirie Director of Communications and Corporate Affairs  
Camilla Slattery Head of Fundraising and Voluntary Services  
*Ex officio attendees:*  
StJohn Brown Chair, League of Friends until 1 September 2020  
Christine Halloway Public Governor until 30 June 2021  
Carol Lehan Staff Governor until 31 January 2021  
Raman Malhotra Staff Governor from 1 February 2021  
Caroline Migo Public Governor from 1 July 2021
- Banking: Bank accounts are held with:  
a). CafCash Ltd Kings Hill West Malling Kent ME19 4TA  
b). Lloyds Bank Plc 1/3 London Rd East Grinstead West Sussex RH19 1AH
- Legal advice: Bircham Dyson Bell LLP, 50 Broadway, London, SW1H 0BL
- Auditors: KPMG LLP, 15 Canada Square, London E14 5GL

Queries relating to these accounts should be addressed to the Financial Controller, Queen Victoria Hospital NHS Foundation Trust, Holtye Road, East Grinstead, West Sussex, RH19 3DZ.

## Statement of trustee's responsibilities in respect of the Trustee's annual report and the financial statements

Under charity law, the trustee is responsible for preparing a Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The trustee is required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

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

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assesses the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- uses the going concern basis of accounting unless it either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. It is responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustee 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. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

On behalf of the trustee

Signed:



Date

16/12/2021

Acting Chair, Queen Victoria Hospital NHS Foundation Trust

Signed:



Date

16/12/2021

Director, Queen Victoria Hospital NHS Foundation Trust

# Independent auditor's report to the Trustee of The Queen Victoria Hospital NHS Trust Charitable Fund

## Opinion

We have audited the financial statements of Queen Victoria Hospital NHS Trust Charitable Fund ("the charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We have been appointed as auditor under section 149 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The trustee has prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustee's conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the charity's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Charity Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

## **Independent auditor's report to the Trustee of The Queen Victoria Hospital NHS Trust Charitable Fund (cont.)**

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that donations and legacies are recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted at the end of the year and those posted by users that seldom post journals.
- Reviewing the fund's entitlement to a sample of donations and legacies received during the year, including those where cash had not been received at the end of the year.
- Evaluated the business purpose of significant unusual transactions.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

While the charity is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information**

The Corporate Trustee is responsible for the other information, which comprises the Trustee's Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

## **Independent auditor's report to the Trustee of The Queen Victoria Hospital NHS Trust Charitable Fund (cont.)**

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

### **Matters on which we are required to report by exception**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Trustee's responsibilities**

As explained more fully in their statement set out on page 7, the trustee is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charity's trustee as a body, in accordance with section 149 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.



**Dean Gibbs**

**for and on behalf of KPMG LLP**

*Chartered Accountants*

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

15 Canada Square, London, E14 5GL

11 January 2022

## Statement of Financial Activities for the year ended 31 March 2021

	Note	2020-21			2019-20		
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£000	£000	£000	£000	£000	£000
<b>Income and Endowments from:</b>							
Donations and legacies	3	396	479	875	134	41	175
Charitable activities	4	36	-	36	9	1	10
Investments	5	-	-	-	-	1	1
<b>Total income</b>		<b>432</b>	<b>479</b>	<b>911</b>	<b>143</b>	<b>43</b>	<b>186</b>
<b>Expenditure on:</b>							
Raising funds	7	(47)	-	(47)	(46)	-	(46)
Charitable activities	8						
Buildings & Furniture		(9)	-	(9)	(91)	(15)	(106)
Equipment		(43)	(44)	(87)	(33)	(70)	(103)
Patient & Staff amenities		(96)	-	(96)	(1)	(8)	(9)
Research		-	-	-	(29)	(6)	(35)
Other contributions to QVH		(42)	(8)	(50)	(149)	(12)	(161)
Total charitable activities		<b>(190)</b>	<b>(52)</b>	<b>(242)</b>	<b>(303)</b>	<b>(111)</b>	<b>(414)</b>
<b>Total expenditure</b>		<b>(237)</b>	<b>(52)</b>	<b>(289)</b>	<b>(349)</b>	<b>(111)</b>	<b>(460)</b>
<b>Net income/(expenditure)</b>		<b>195</b>	<b>427</b>	<b>622</b>	<b>(206)</b>	<b>(68)</b>	<b>(274)</b>
<b>Transfers between funds</b>	12	118	(118)	-	-	-	-
<b>Net movement in funds</b>		<b>313</b>	<b>309</b>	<b>622</b>	<b>(206)</b>	<b>(68)</b>	<b>(274)</b>
1 April 2020	12	120	410	530	326	478	804
<b>Fund balances carried forward at 31 March 2021</b>		<b>433</b>	<b>719</b>	<b>1,152</b>	<b>120</b>	<b>410</b>	<b>530</b>

## Balance Sheet as at 31 March 2021

	Note	31 March 2021			31 March 2020		
		Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
<b>Current Assets</b>	10						
Debtors		10	390	400	3	1	4
Cash and cash equivalents		537	355	892	279	409	688
<b>Total Current Assets</b>		<b>547</b>	<b>745</b>	<b>1,292</b>	<b>282</b>	<b>410</b>	<b>692</b>
Creditors: Amounts falling due within one year	11	(114)	(26)	(140)	(162)	-	(162)
<b>Total Net Assets</b>		<b>433</b>	<b>719</b>	<b>1,152</b>	<b>120</b>	<b>410</b>	<b>530</b>
<b>Funds of the Charity</b>	12						
Income Funds:							
Restricted		-	719	719	-	410	410
Unrestricted		433	-	433	120	-	120
<b>Total Funds</b>		<b>433</b>	<b>719</b>	<b>1,152</b>	<b>120</b>	<b>410</b>	<b>530</b>

The notes at pages 13 to 20 form part of this account.

Approved on behalf of the corporate trustee



Signed

Acting Chair of Queen Victoria Hospital NHS Foundation Trust

Date 16/12/2021

## Notes to the account

### 1 Accounting Policies

#### 1.1 Basis of preparation

The financial statements have been prepared under the historic cost convention.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

- The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 6.
- The Trustee has reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustee has also considered the implications of COVID-19 on these cash flow forecasts and considers that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.
- Consequently, the Trustee is confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

In future years, the key risk to the charity is a fall in income from donations but the trustee has arrangements in place to mitigate the consequences of this (see the risk management and reserves sections of the annual report for more information).

#### 1.2 Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as a **restricted fund** or as an **endowment fund**.

**Restricted funds** are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. The charity's restricted funds result from bequests, the terms of which specify the purposes to which they must be put.

**Endowment funds** arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub-analysed between those where the trustees have the discretion to spend the capital (expendable endowment) and those where there is no discretion to expend the capital (permanent endowment). The Charity has no expendable or permanent endowment funds.

**Unrestricted funds** - Those funds which are neither restricted income nor endowment funds, are unrestricted income funds, which are sub-analysed between designated (earmarked) funds where the trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are at the trustee's discretion, including the general fund which represents the charity's reserves.

The funds held in each of these categories are disclosed in Note 12.

### 1.3 Incoming resources

- a) 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.

- b) *Donations*

Donations, other than legacies and endowments (see below), are accounted for on receipt.

Non-monetary donations are recorded on receipt and included in the value of donations. Where the actual value is not known they are valued consistently with the general market value of similar items. In some instances during the 2020/21 financial year there was insufficient information to be able to value donations in kind as part of the accounts due to records not being maintained of the nature or quantity of items received. The charity has reviewed these donations and is satisfied that they are not material to the fund, consisting primarily of small quantities of low value consumable items donated for staff, such as food and drink. Each of these items was distributed prior to the end of the financial year and so has no impact on the reported net income.

- c) *Legacies*

Legacies are accounted for as incoming resources either upon receipt or once 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,
- All conditions attached to the legacy have been fulfilled or are within the charity's control.

- d) *Endowment Funds*

The incoming resources received from the invested endowment fund are wholly restricted.

### 1.4 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

### 1.5 Recognition of expenditure and associated liabilities as a result of a 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 funds held on trust.

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 trustee has control over the amount and timing of grant payments and consequently where approval has been given by the trustee 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.

### **1.5 Recognition of expenditure and associated liabilities as a result of a grant (cont.)**

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.

### **1.6 Allocation of support costs**

Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs and IT support. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 6.

### **1.7 Fundraising costs**

The costs of generating funds are all costs associated with generating income for the charity.

### **1.8 Costs of 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 8.

### **1.9 Debtors**

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

### **1.10 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.

### **1.11 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.

## 2 Related party transactions

QVH NHSFT is the principle beneficiary of the charity. The charity has provided funding of £162,000 (2019/20 £370,000) to QVH NHSFT for approved expenditure made on behalf of the charity. This is included in the total charitable activity costs of £195,000 shown on the face of the Statement of Financial Activities and detailed in Note 8.

QVH NHSFT provides the Charity with administrative services for which a fee is charged. This fee is included in the support costs analysed in Note 6.

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

Neither the corporate trustee nor any member of the QVH NHSFT's board of directors has received honoraria, emoluments or expenses in the year and the trustee has not purchased trustee indemnity insurance.

## 3 Income from donations and legacies

	Unrestricted funds £000	Restricted funds £000	2020-21 Total £000	2019-20 Total £000
Donations from individuals	34	-	34	63
Corporate donations	55	-	55	14
Donations from societies, charities etc.	98	83	181	85
Legacies	209	396	605	13
	<u>396</u>	<u>479</u>	<u>875</u>	<u>175</u>

**Material legacies** - During the year the following amounts were received:

Restricted - £390,000 for microsurgery

Restricted - £5,000 for maxillofacial surgery

Restricted - £500 for the treatment of burns

Unrestricted - £209,000 for the general purposes of the charity

£390,000 was received under a legacy agreement of which a further, as yet unquantified, balance is due to the charity but has not yet been received as the executor is awaiting HMRC confirmation of the inheritance tax position. An indemnity agreement has been provided to the executor of the legacy against potential claims made against the funds received; to date the Trust has not been notified of and has no expectation of further claims.

## 4 Income from charitable activities

	Unrestricted funds £000	Restricted funds £000	2020-21 Total £000	2019-20 Total £000
Fundraising activities	36	-	36	10
	<u>36</u>	<u>-</u>	<u>36</u>	<u>10</u>

## 5 Income from investment

Investment income was derived entirely from cash on deposit in the UK.

	Unrestricted funds £000	Restricted funds £000	2020-21 Total £000	2019-20 Total £000
Cash on deposit	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

In 2020/21 interest rates fell to .01%.

## 6 Allocation of support costs and overheads

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs are those support costs which relate to the strategic and day to day management of a charity.

The bases of allocation used are as follows:

- Staff time: based on the cost of time spent by administrative staff of QVH NHSFT.
- Balances: apportioned on the basis of the average balances during the year of each fund.

<b>Allocation and apportionment of support costs</b>	Raising funds	Charitable Activities	<b>2020-21 Total</b>	2019-20 Total	<i>Basis of apportionment</i>
	£000	£000	<b>£000</b>	£000	
Audit	-	5	<b>5</b>	5	<i>Balances</i>
Financial services	-	8	<b>8</b>	8	<i>Staff time</i>
Computer expenses	-	3	<b>3</b>	3	<i>Balances</i>
Other expenses	1	11	<b>12</b>	12	<i>Balances</i>
<b>Total Governance</b>	<b>1</b>	<b>27</b>	<b>28</b>	<b>28</b>	
Financial administration	1	5	<b>6</b>	9	<i>Staff time</i>
<b>Total</b>	<b>2</b>	<b>32</b>	<b>34</b>	<b>37</b>	

<b>Apportionment</b>	Unrestricted Funds	Restricted Funds	<b>2020-21 Total</b>	2019-20 Total
	£000	£000	<b>£000</b>	£000
Raising funds	2	-	<b>2</b>	2
Charitable activities	12	20	<b>32</b>	35
<b>Total</b>	<b>14</b>	<b>20</b>	<b>34</b>	<b>37</b>

## 7 Analysis of expenditure on raising funds

	Unrestricted Funds	Restricted Funds	<b>2020-21 Total</b>	2019-20 Total
	£000	£000	<b>£000</b>	£000
Fundraiser	45	-	<b>45</b>	43
Hire of venue	-	-	<b>-</b>	1
Support costs	2	-	<b>2</b>	2
<b>Total</b>	<b>47</b>	<b>-</b>	<b>47</b>	<b>46</b>

## 8 Analysis of charitable expenditure

The charity made grants to QVH NHSFT for the purposes summarised below:

	<i>Number of grants</i>	Grant funded activity £000	Support costs £000	<b>2020-21 Total £000</b>	2019-20 Total £000
Buildings & furniture	1	8	1	9	106
Equipment	16	65	22	87	103
Patient & staff amenities	6	93	3	96	9
Research	0	-	-	-	35
Other contributions to QVH	6	44	6	50	161
	<u>29</u>	<u>210</u>	<u>32</u>	<u>242</u>	<u>414</u>

## 9 Auditor's remuneration

External audit fees, exclusive of irrecoverable VAT, were £4,000 (2019/20 £4,000) for the statutory audit, with no other additional work being undertaken (2019/20 £nil). It should be noted that the figure of £5,000 (2019/20 £5,000) shown in Note 6 includes VAT.

## 10 Analysis of current assets

	<b>31 March 2021 £000</b>	31 March 2020 £000
<b>Debtors under 1 year</b>		
Accrued income	399	2
Prepayments	<u>1</u>	<u>2</u>
	<u>400</u>	<u>4</u>
<b>Cash and deposits</b>		
CAF deposit account	584	628
Lloyds current account	<u>308</u>	<u>60</u>
	<u>892</u>	<u>688</u>

## 11 Analysis of current liabilities

	<b>31 March 2021 £000</b>	31 March 2020 £000
Trade creditors	54	1
Non-trade creditors	69	0
Accruals	<u>17</u>	<u>161</u>
	<u>140</u>	<u>162</u>

## 12 Analysis of charitable funds

### 12.1 Categories and purposes of funds

<b>Fund type:</b>	<b>Nature and purpose of the fund:</b>
Unrestricted Funds	<p>The <b>General Fund</b> receives unrestricted donations and is used for general charitable purposes. Within the General Fund the trustee has designated the NHS Charities Together, Paediatric and Staff Funds, as shown in Note 12.2 below.</p>
Restricted Funds	<p>Most of these funds arise from legacies which specify particular uses for the funds.</p> <p>The <b>CREW Fund</b> is for the provision of an annual camp for children who are or have been patients in the burns department.</p> <p>The <b>Jenny Dorricott Fund</b> is for charitable purposes relating to burns.</p> <p>The <b>Linda Furminger Fund</b> is for charitable purposes relating to burns.</p> <p>The <b>Margaret Hole Fund</b> is for charitable purposes relating to plastic surgery.</p> <p>The <b>Lottie House Fund</b> is for charitable purposes relating to the treatment of burns.</p> <p>The <b>Derrick Hughes Fund</b> is for charitable purposes relating to the treatment of burns.</p> <p>The <b>Evelyn Humphrey Fund</b> is for the provision of patients' comforts.</p> <p>The <b>JK Fund</b> is for charitable purposes relating to microsurgery.</p> <p>The <b>John McCully Fund</b> is for charitable purposes relating to burns and the provision of x-ray facilities.</p> <p>The <b>NHSCT Stage 1 Distribution 3 Fund</b> is for the support of minority ethnic groups within the hospital.</p> <p>The <b>NHSCT Stage 3 Fund</b> is for psychological therapies in support of the hospital's staff.</p> <p>The <b>Muriel Nicoll Fund</b> is for the benefit of the Eye Bank.</p> <p>The <b>William Pullen Fund</b> is for charitable purposes relating to Peanut Ward.</p> <p>The <b>Thomas Fund</b> is for charitable purposes relating to maxillofacial surgery.</p>

## 12.2 Analysis of fund movements

	Balance 1 April 2020 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Balance 31 March 2021 £000
<b>Unrestricted Funds</b>					
Designated funds within the General Fund:					
General	98	333	( 142)	118	407
NHS Charities Together Fund	-	95	( 95)	-	-
Paediatrics	22	2	-	-	24
Staff	-	2	-	-	2
	<b>120</b>	<b>432</b>	<b>( 237)</b>	<b>118</b>	<b>433</b>
<b>Restricted funds</b>					
CREW Fund	8	-	-	-	8
Jenny Dorricott Fund	32	-	( 19)	-	13
Linda Furminger Fund	-	1	-	-	1
Margaret Hole Fund	134	-	( 8)	-	126
Lottie House Fund	14	-	( 1)	-	13
Derrick Hughes Fund	52	-	( 3)	-	49
E.M.Humphrey Fund	51	-	( 2)	-	49
JK Fund	-	390	( 5)	( 118)	267
John McCully Fund	15	-	( 1)	-	14
Muriel Nicoll Fund	103	-	( 10)	-	93
NHSCT Stage 1 Distribution 3	-	50	( 1)	-	49
NHSCT Stage 3	-	33	( 1)	-	32
William Pullen Fund	1	-	( 1)	-	-
Thomas Fund	-	5	-	-	5
	<b>410</b>	<b>479</b>	<b>( 52)</b>	<b>( 118)</b>	<b>719</b>
<b>Total Funds</b>	<b>530</b>	<b>911</b>	<b>( 289)</b>	<b>-</b>	<b>1,152</b>