

THE QUEEN VICTORIA HOSPITAL NHS TRUST CHARITABLE FUND

Registered Charity No. 1056120

TRUSTEE'S REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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

A handwritten signature in black ink, appearing to be 'Jackie Smith', written in a cursive style.

Jackie Smith
Chair of Queen Victoria Hospital NHS Foundation Trust

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 Foundation 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 core business;
- 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 2023 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.

The directors of QVH NHSFT receive advice as necessary from their legal advisers and employees of the Foundation 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. Further training is scheduled for September 2023

Advisory Committee - The board of the corporate trustee has set up a Charity Committee (CC) chaired by a non-executive director of the Foundation Trust and consisting of one other non-executive director, deputy chief finance officer, deputy medical director, deputy director of nursing and a representative from the allied health professional workforce. 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 Structure, Governance and Management (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. The most recent version was approved by the Foundation Trust Board on 7 July 2022

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 and the challenging financial situation has continued to affect our income in all areas.

We continue to focus on engagement with both patients and staff and improving visibility at the hospital. We are committed to building strong relationships and sharing how important donations are in helping to fund things that are above and beyond core NHS services.

3.1 - Overview of activities (cont)

Grants made - During the year the charity made grants totalling £167,000 (2021/22 £62,000). The broad analysis of these can be seen in Note 8.

This year £60,000 was spent on equipment, building works and furniture and fittings. Items included £12,000 for Virtual Reality Headsets for burns and paediatric patients, £6,000 for a Radforce clinical review display, £6,000 for a specialist intensive care and trauma chair, £5,000 for portable hand held slit lamps, £5,000 for a 'rapid ramp' to improve access, £4,000 for a Hopkins telescope, £4,000 for lockers to be used by staff and £3,000 for a specialist ophthalmology chair. In addition £26,000 purchased services of a clinical psychologist to support our patients.

Staff training was supported by grants totalling £38,000 and an additional £16,000 was spent on a Resusci Annie training mannekin. Further staff support was provided this year with a 'Project Wingman' Lounge £5,000. Staff struggling the the financial crisis could apply for a 'Hardship Grant'. In 2022/23 32 grants were approved totalling £11,000.

Charitable Income

Fundraising - The charity continues to focus on initiatives that drive income through both donations and fundraising. Fundraising income was £23,000 in 2022/23 compared with £27,000 in 2021/22.

Donations - General donations increased from £28,000 in 2021/22, to £82,000 in 2022/23 (including NHSCT donations of £35,000).

Legacies - Legacies received in 2022/23 totalled £2,094,000 for charitable purposes relating to microsurgery (2021/22 £76,000 legacies received for general charitable purposes).

In October 2016 the Charity received notification of a substantial legacy from a former patient who had been treated at Queen Victoria Hospital as a child. The estate was complex and the process of making awards to beneficiaries took some years; final accounts for the estate were received by the Charity in May 2023. The total received by the Charity (net of legal fees) was £2,356,000 and the Charity is working with the Trust to ensure this legacy provides a very real benefit for patients and staff.

Investment Income - As a result of slowly increasing interest rates, an account converted to interest bearing, and increased funds primarily due to the receipt of the legacy, interest on cash deposits for 2022/23 totalled £17,000 compared to £0 in 2021/22.

3.2 Financial position

The charity ended the year with a balance of £3,098,000, an increase of £1,958,000 over the previous year, primarily related to the significant legacy of £2,094,000.

As the Charity has no long term investments, the net current assets at 31st March 2023 were £3,098,000 (31 March 2022 £1,140,000). Included within this value was a cash balance of £3,226,000, of which £392,000 net of creditors was available for general purposes (2021-22 cash balance £1,296,000 of which £458,000 net of creditors was available for general purposes)

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.

5 Reserves policy

The trustee's policy is that funds 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 2023 funds available for the general purposes of the charity, that is, excluding restricted funds, stood at £392,000 compared to £458,000 at the end of 2021/22.

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 or committee 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.

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 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. Income growth is expected to continue to be challenging due to economic conditions, however the Charity will continue to support an ongoing programme of fundraising today, to produce the funds needed to invest in the healthcare of tomorrow.

Approved on behalf of the corporate trustee.



Jackie Smith
Chair of Queen Victoria Hospital NHS FoundationTrust

Date 19/01/2024

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 2023 are:
Tania Cubison - Medical Director
Paul Dillon-Robinson - Non-executive Director
Kevin Gould - Non-executive Director
Anita Donley - Chair from 15 November 2021 until 10 July 2022
Jackie Smith - Chair from 11 July 2022
Stephen Jenkin - Chief Executive until 13 January 2023
Tony Chambers- Interim Chief Executive Officer- from 1 February 2023
Michelle Miles - Director of Finance and Performance until 8 September 2022
James Drury - Director of Finance from 9 September 2022 to 31 January 2023
Stuart Rees- Interim Chief Finance Officer from 01 February 2023 to 30 June 2023
Maria Wheeler - Chief Finance Officer from 03 July 2023
Karen Norman - Non-executive Director
Gary Needle - Non-executive Director and Chair of Charity Committee
Nicola Reeves - Chief Nurse from 16 February 2022, Interim Director of Nursing and Quality until 15 February 2022

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):

Tania Cubison	Medical Director
Gary Needle	Non-Executive Director, Charity Committee Chair
Kathryn Pank	Allied Health Professional Representative
Michelle Miles	Director of Finance and Performance until 8 September 2022
James Drury	Director of Finance from 9 September 2022 until 31 January 2023
Maria Wheeler	Chief Finance Officer from 03 July 2023
Alex Ogilvie	Head of Financial Services from 9 January 2023
Jeremy Satchwell	Deputy Chief Finance Officer from 6 September 2022
Nicola Reeves	Chief Nurse from 16 February 2022, Interim Director of Nursing and Quality until 15 February 2022
Siva Kumar	Consultant Plastic Surgeon until 13 June 2022
Paul Dillon-Robinson	Non-Executive Director from 9 March 2023

Invited members of the Charity Committee (without voting rights):

Clare Pirie	Director of Communications and Corporate Affairs
Camilla Slattery	Head of Fundraising and Voluntary Services
Rachael Fox	Charity Co-ordinator (note taker) until 12 January 2023

Banking: Bank accounts are held with:

a). CafCash Ltd	b). Lloyds Bank Plc
Kings Hill	1/3 London Rd
West Malling	East Grinstead
Kent ME19 4TA	West Sussex RH19 1AH

Legal advice: Bircham Dyson Bell LLP, 50 Broadway, London, SW1H 0BL

Auditor: KPMG LLP, 15 Canada Square, London E14 5GL

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

Statement of Corporate Trustee's responsibilities in respect of the Corporate Trustee's Annual Report and the financial statements

The corporate trustee is responsible for preparing the Corporate Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the corporate trustee to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the corporate trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing these financial statements, the corporate trustee is required to:

- select suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The corporate trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities Act 2011. They are responsible for 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The corporate trustee is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

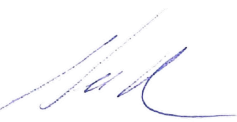
On behalf of the corporate trustee

Signed: 

Jackie Smith

Chair, Queen Victoria Hospital NHS Foundation Trust

Date 19/01/2024

Signed: 

Maria Wheeler

Director, Queen Victoria Hospital NHS Foundation Trust

Date 19/01/2024

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 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 management and inspection of policy documentation 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, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the nature of the income received by the Charity, which is primarily donations and legacies that are recognised at the point the cash is received.

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 unusual postings to cash or revenue.
- 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 trustees (as required by auditing standards) and we also discussed with the trustees 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 Trustee is responsible for the other information, which comprises the Trustee's 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 aspect 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 and for being satisfied that they 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

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 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's 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, Statutory Auditor

Chartered Accountants

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

15 Canada Square, Canary Wharf, London, E14 5GL

26 January 2024

Statement of Financial Activities for the year ended 31 March 2023

	Note	2022-23			2021-22		
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£000	£000	£000	£000	£000	£000
Income and Endowments from:							
Donations and legacies	3	47	2,129	2,176	105	-	105
Charitable activities	4	23	-	23	27	-	27
Investments	5	3	14	17	-	-	-
Total income		73	2,143	2,216	132	-	132
Expenditure on:							
Raising funds	7	(60)	-	(60)	(55)	-	(55)
Charitable activities	8						
Buildings & Furniture		(13)	(8)	(21)	(5)	-	(5)
Equipment		(12)	(27)	(39)	(22)	(27)	(49)
Patient & Staff amenities		(22)	(5)	(27)	(3)	(4)	(7)
Other contributions to QVH		(45)	(66)	(111)	(22)	(6)	(28)
Total charitable activities		(92)	(106)	(198)	(52)	(37)	(89)
Total expenditure		(152)	(106)	(258)	(107)	(37)	(144)
Net income/(expenditure)		(79)	2,037	1,958	25	(37)	(12)
Transfers between funds	12	13	(13)	-	-	-	-
Net movement in funds		(66)	2,024	1,958	25	(37)	(12)
1 April 2022	12	458	682	1,140	433	719	1,152
Fund balances carried forward at 31 March 2023		392	2,706	3,098	458	682	1,140

Balance Sheet as at 31 March 2023

	Note	31 March 2023			31 March 2022		
		Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Current Assets	10						
Debtors		5	-	5	1	-	1
Cash and cash equivalents		511	2,715	3,226	594	702	1,296
Total Current Assets		516	2,715	3,231	595	702	1,297
Creditors: Amounts falling due within one year	11	(124)	(9)	(133)	(137)	(20)	(157)
Total Net Assets		392	2,706	3,098	458	682	1,140
Funds of the Charity	12						
Income Funds:							
Restricted		-	2,706	2,706	-	682	682
Unrestricted		392	-	392	458	-	458
Total Funds		392	2,706	3,098	458	682	1,140

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

Approved on behalf of the corporate trustee

Signed



Jackie Smith
Chair of Queen Victoria Hospital NHS Foundation Trust

Date 19/01/2024

Notes to the account

1 Accounting Policies

1.1 Basis of preparation

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

The financial statements have been prepared in accordance with applicable Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective date 1 January 2019, as per the October 2019 Charities SORP and the Charities Act 2011.

The Queen Victoria Hospital NHS Trust Charitable Fund represents a public benefit entity as defined by FRS 102.

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.
- 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 as a **restricted 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.

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 (see below), are accounted for on receipt.

There were no non-monetary donations received by the charity in 2022/23

- 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.

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 incurred.

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.

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

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.

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 £163,000 (2021/22 £61,000) to QVH NHSFT for approved expenditure made on behalf of the charity. This is included in the total charitable activity costs of £194,000 (2021-22 £89,000) plus allocation of support costs as 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.

At the balance sheet date £129,000 was owed by the Charity to Queen Victoria Hospital NHS Foundation Trust (21/22 £157,000).

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	2022-23 Total £000	2021-22 Total £000
Donations from individuals	35	-	35	19
Corporate donations	9	-	9	8
Donations from societies, charities etc.	3	35	38	2
Legacies	-	2,094	2,094	76
	<u>47</u>	<u>2,129</u>	<u>2,176</u>	<u>105</u>

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

Restricted - £2,094,000 for the purposes of the charity relating to microsurgery

An indemnity agreement ending March 2027, 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	2022-23 Total £000	2021-22 Total £000
Fundraising activities	23	-	23	27
	<u>23</u>	<u>-</u>	<u>23</u>	<u>27</u>

5 Income from investment

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

	Unrestricted funds £000	Restricted funds £000	2022-23 Total £000	2021-22 Total £000
Cash on deposit	3	14	17	-
	<u>3</u>	<u>14</u>	<u>17</u>	<u>-</u>

In 2022/23 Interest rates increased slowly throughout the year which together with increased cash balance due to receipt of legacy resulted in investment income of £17,000 for the year compared with £47.35 interest earned in 2021/22.

The Charity Lloyds bank account was converted to interest bearing in November 2022 which also added to the interest earned.

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.

Allocation and apportionment of support costs	Raising funds	Charitable Activities	2022-23 Total	2021-22 Total	<i>Basis of apportionment</i>
	£000	£000	£000	£000	
Audit	-	5	5	5	<i>Balances</i>
Financial services	-	8	8	8	<i>Staff time</i>
Computer expenses	-	1	1	3	<i>Balances</i>
Other expenses	1	12	13	11	<i>Balances</i>
Total Governance	1	26	27	27	
Financial administration	1	6	7	7	<i>Staff time</i>
Total	2	32	34	34	

Apportionment	Unrestricted Funds	Restricted Funds	2022-23 Total	2021-22 Total
	£000	£000	£000	£000
Raising funds	2	-	2	7
Charitable activities	5	27	32	27
Total	7	27	34	34

7 Analysis of expenditure on raising funds

	Unrestricted Funds	Restricted Funds	2022-23 Total	2021-22 Total
	£000	£000	£000	£000
Fundraiser	57	-	57	48
Support costs	3	-	3	7
Total	60	-	60	55

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	2022-23 Total £000	2021-22 Total £000
Buildings & furniture	16	19	2	21	5
Equipment	21	31	8	39	49
Patient & staff amenities	98	25	2	27	7
Other contributions to QVH *	174	92	19	111	28
	<u>309</u>	<u>167</u>	<u>31</u>	<u>198</u>	<u>89</u>

* Includes staff training courses £38,000, Training mannekin £16,000 and psychological support services for patients £26,000

9 Auditor's remuneration

External audit fees, exclusive of irrecoverable VAT, were £4,000 (2021/22 £4,000) for the statutory audit, with no other additional work being undertaken (2021/22 £nil). It should be noted that the figure of £5,000 (2021/22 £5,000) shown in Note 6 includes VAT.

10 Analysis of current assets

	31 March 2023 £000	31 March 2022 £000
Debtors under 1 year		
Accrued income	-	1
Accrued interest	3	-
Prepayments	<u>2</u>	<u>-</u>
	<u>5</u>	<u>1</u>
Cash and deposits		
CAF deposit account	633	629
Lloyds current account	<u>2,593</u>	<u>667</u>
	<u>3,226</u>	<u>1,296</u>

11 Analysis of current liabilities

	31 March 2023 £000	31 March 2022 £000
Trade creditors	84	73
Accruals	<u>49</u>	<u>84</u>
	<u>133</u>	<u>157</u>

12 Analysis of charitable funds

12.1 Categories and purposes of funds

Fund type:	Nature and purpose of the fund:
Unrestricted Funds	<p>The General Fund 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 CREW Fund is for the provision of an annual camp for children who are or have been patients in the burns department.</p> <p>The Jenny Dorricott Fund is for charitable purposes relating to burns.</p> <p>The Linda Furminger Fund is for charitable purposes relating to burns.</p> <p>The Margaret Hole Fund is for charitable purposes relating to plastic surgery.</p> <p>The Lottie House Fund is for charitable purposes relating to the treatment of burns.</p> <p>The Derrick Hughes Fund is for charitable purposes relating to the treatment of burns.</p> <p>The Evelyn Humphrey Fund is for the provision of patients' comforts.</p> <p>The JK Fund is for charitable purposes relating to microsurgery.</p> <p>The John McCully Fund is for charitable purposes relating to burns and the provision of x-ray facilities.</p> <p>The NHSCT Stage 1 Distribution 3 Fund is for the support of minority ethnic groups within the hospital.</p> <p>The NHSCT Stage 3 Fund is for psychological therapies in support of the hospital's staff.</p> <p>The Muriel Nicoll Fund is for the benefit of the Eye Bank.</p> <p>The Thomas Fund is for charitable purposes relating to maxillofacial surgery.</p>

12.2 Analysis of fund movements

	Balance 1 April 2022 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Balance 31 March 2023 £000
Unrestricted Funds					
Designated funds within the General Fund:					
General	432	67	(151)	13	361
Paediatrics	24	6	(1)	-	29
Staff	2	-	-	-	2
	458	73	(152)	13	392
Restricted funds					
CREW Fund	6	-	(4)	-	2
Jenny Dorricott Fund	12	-	(12)	-	-
Linda Furminger Fund	1	-	-	-	1
Margaret Hole Fund	122	1	(10)	-	113
Lottie House Fund	13	-	-	-	13
Derrick Hughes Fund	47	-	(6)	-	41
E.M.Humphrey Fund	36	-	(1)	-	35
JK Fund	255	2,106	(25)	-	2,336
John McCully Fund	14	-	-	-	14
Muriel Nicoll Fund	90	1	(2)	-	89
NHSCT Stage 1 Distribution 3	49	-	(20)	(13)	16
NHSCT Stage 3	32	-	(26)	-	6
Thomas Fund	5	-	-	-	5
NHSCT Stage 4	-	35	-	-	35
	682	2,143	(106)	(13)	2,706
Total Funds	1,140	2,216	(258)	-	3,098

13 Subsequent Events

There are no subsequent events to disclose for 2022/23

Page heading	The Queen Victoria Hospital NHS Trust Charitable Fund - Annual Report An
This year	2022-23
Last year	2021-22
This year ended	2023
Last year ended	2022
This year beginning	1 April 2022
Last year beginning	1 April 2021
This year ending	31 March 2023
Last year ending	31 March 2022

id Accounts 2022/23

THE QUEEN VICTORIA HOSPITAL NHS TRUST CHARITABLE FUND

Registered Charity No. 1056120

TRUSTEE'S REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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

A handwritten signature in black ink, appearing to be 'Jackie Smith', written in a cursive style.

Jackie Smith
Chair of Queen Victoria Hospital NHS Foundation Trust

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 Foundation 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 core business;
- 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 2023 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.

The directors of QVH NHSFT receive advice as necessary from their legal advisers and employees of the Foundation 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. Further training is scheduled for September 2023

Advisory Committee - The board of the corporate trustee has set up a Charity Committee (CC) chaired by a non-executive director of the Foundation Trust and consisting of one other non-executive director, deputy chief finance officer, deputy medical director, deputy director of nursing and a representative from the allied health professional workforce. 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 Structure, Governance and Management (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. The most recent version was approved by the Foundation Trust Board on 7 July 2022

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 and the challenging financial situation has continued to affect our income in all areas.

We continue to focus on engagement with both patients and staff and improving visibility at the hospital. We are committed to building strong relationships and sharing how important donations are in helping to fund things that are above and beyond core NHS services.

3.1 - Overview of activities (cont)

Grants made - During the year the charity made grants totalling £167,000 (2021/22 £62,000). The broad analysis of these can be seen in Note 8.

This year £60,000 was spent on equipment, building works and furniture and fittings. Items included £12,000 for Virtual Reality Headsets for burns and paediatric patients, £6,000 for a Radforce clinical review display, £6,000 for a specialist intensive care and trauma chair, £5,000 for portable hand held slit lamps, £5,000 for a 'rapid ramp' to improve access, £4,000 for a Hopkins telescope, £4,000 for lockers to be used by staff and £3,000 for a specialist ophthalmology chair. In addition £26,000 purchased services of a clinical psychologist to support our patients.

Staff training was supported by grants totalling £38,000 and an additional £16,000 was spent on a Resusci Annie training mannekin. Further staff support was provided this year with a 'Project Wingman' Lounge £5,000. Staff struggling the the financial crisis could apply for a 'Hardship Grant'. In 2022/23 32 grants were approved totalling £11,000.

Charitable Income

Fundraising - The charity continues to focus on initiatives that drive income through both donations and fundraising. Fundraising income was £23,000 in 2022/23 compared with £27,000 in 2021/22.

Donations - General donations increased from £28,000 in 2021/22, to £82,000 in 2022/23 (including NHSCT donations of £35,000).

Legacies - Legacies received in 2022/23 totalled £2,094,000 for charitable purposes relating to microsurgery (2021/22 £76,000 legacies received for general charitable purposes).

In October 2016 the Charity received notification of a substantial legacy from a former patient who had been treated at Queen Victoria Hospital as a child. The estate was complex and the process of making awards to beneficiaries took some years; final accounts for the estate were received by the Charity in May 2023. The total received by the Charity (net of legal fees) was £2,356,000 and the Charity is working with the Trust to ensure this legacy provides a very real benefit for patients and staff.

Investment Income - As a result of slowly increasing interest rates, an account converted to interest bearing, and increased funds primarily due to the receipt of the legacy, interest on cash deposits for 2022/23 totalled £17,000 compared to £0 in 2021/22.

3.2 Financial position

The charity ended the year with a balance of £3,098,000, an increase of £1,958,000 over the previous year, primarily related to the significant legacy of £2,094,000.

As the Charity has no long term investments, the net current assets at 31st March 2023 were £3,098,000 (31 March 2022 £1,140,000). Included within this value was a cash balance of £3,226,000, of which £392,000 net of creditors was available for general purposes (2021-22 cash balance £1,296,000 of which £458,000 net of creditors was available for general purposes)

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.

5 Reserves policy

The trustee's policy is that funds 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 2023 funds available for the general purposes of the charity, that is, excluding restricted funds, stood at £392,000 compared to £458,000 at the end of 2021/22.

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 or committee 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.

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 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. Income growth is expected to continue to be challenging due to economic conditions, however the Charity will continue to support an ongoing programme of fundraising today, to produce the funds needed to invest in the healthcare of tomorrow.

Approved on behalf of the corporate trustee.



Jackie Smith
Chair of Queen Victoria Hospital NHS FoundationTrust

Date 19/01/2024

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 2023 are:
Tania Cubison - Medical Director
Paul Dillon-Robinson - Non-executive Director
Kevin Gould - Non-executive Director
Anita Donley - Chair from 15 November 2021 until 10 July 2022
Jackie Smith - Chair from 11 July 2022
Stephen Jenkin - Chief Executive until 13 January 2023
Tony Chambers- Interim Chief Executive Officer- from 1 February 2023
Michelle Miles - Director of Finance and Performance until 8 September 2022
James Drury - Director of Finance from 9 September 2022 to 31 January 2023
Stuart Rees- Interim Chief Finance Officer from 01 February 2023 to 30 June 2023
Maria Wheeler - Chief Finance Officer from 03 July 2023
Karen Norman - Non-executive Director
Gary Needle - Non-executive Director and Chair of Charity Committee
Nicola Reeves - Chief Nurse from 16 February 2022, Interim Director of Nursing and Quality until 15 February 2022

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):

Tania Cubison	Medical Director
Gary Needle	Non-Executive Director, Charity Committee Chair
Kathryn Pank	Allied Health Professional Representative
Michelle Miles	Director of Finance and Performance until 8 September 2022
James Drury	Director of Finance from 9 September 2022 until 31 January 2023
Maria Wheeler	Chief Finance Officer from 03 July 2023
Alex Ogilvie	Head of Financial Services from 9 January 2023
Jeremy Satchwell	Deputy Chief Finance Officer from 6 September 2022
Nicola Reeves	Chief Nurse from 16 February 2022, Interim Director of Nursing and Quality until 15 February 2022
Siva Kumar	Consultant Plastic Surgeon until 13 June 2022
Paul Dillon-Robinson	Non-Executive Director from 9 March 2023

Invited members of the Charity Committee (without voting rights):

Clare Pirie	Director of Communications and Corporate Affairs
Camilla Slattery	Head of Fundraising and Voluntary Services
Rachael Fox	Charity Co-ordinator (note taker) until 12 January 2023

Banking: Bank accounts are held with:

a). CafCash Ltd	b). Lloyds Bank Plc
Kings Hill	1/3 London Rd
West Malling	East Grinstead
Kent ME19 4TA	West Sussex RH19 1AH

Legal advice: Bircham Dyson Bell LLP, 50 Broadway, London, SW1H 0BL

Auditor: KPMG LLP, 15 Canada Square, London E14 5GL

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

Statement of Corporate Trustee's responsibilities in respect of the Corporate Trustee's Annual Report and the financial statements

The corporate trustee is responsible for preparing the Corporate Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the corporate trustee to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the corporate trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing these financial statements, the corporate trustee is required to:

- select suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The corporate trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities Act 2011. They are responsible for 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The corporate trustee is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

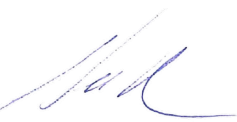
On behalf of the corporate trustee

Signed: 

Jackie Smith

Chair, Queen Victoria Hospital NHS Foundation Trust

Date 19/01/2024

Signed: 

Maria Wheeler

Director, Queen Victoria Hospital NHS Foundation Trust

Date 19/01/2024

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 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 management and inspection of policy documentation 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, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the nature of the income received by the Charity, which is primarily donations and legacies that are recognised at the point the cash is received.

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 unusual postings to cash or revenue.
- 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 trustees (as required by auditing standards) and we also discussed with the trustees 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 Trustee is responsible for the other information, which comprises the Trustee's 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 aspect 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 and for being satisfied that they 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

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 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's 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, Statutory Auditor

Chartered Accountants

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

15 Canada Square, Canary Wharf, London, E14 5GL

26 January 2024

Statement of Financial Activities for the year ended 31 March 2023

	Note	2022-23			2021-22		
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£000	£000	£000	£000	£000	£000
Income and Endowments from:							
Donations and legacies	3	47	2,129	2,176	105	-	105
Charitable activities	4	23	-	23	27	-	27
Investments	5	3	14	17	-	-	-
Total income		73	2,143	2,216	132	-	132
Expenditure on:							
Raising funds	7	(60)	-	(60)	(55)	-	(55)
Charitable activities	8						
Buildings & Furniture		(13)	(8)	(21)	(5)	-	(5)
Equipment		(12)	(27)	(39)	(22)	(27)	(49)
Patient & Staff amenities		(22)	(5)	(27)	(3)	(4)	(7)
Other contributions to QVH		(45)	(66)	(111)	(22)	(6)	(28)
Total charitable activities		(92)	(106)	(198)	(52)	(37)	(89)
Total expenditure		(152)	(106)	(258)	(107)	(37)	(144)
Net income/(expenditure)		(79)	2,037	1,958	25	(37)	(12)
Transfers between funds	12	13	(13)	-	-	-	-
Net movement in funds		(66)	2,024	1,958	25	(37)	(12)
1 April 2022	12	458	682	1,140	433	719	1,152
Fund balances carried forward at 31 March 2023		392	2,706	3,098	458	682	1,140

Balance Sheet as at 31 March 2023

	Note	31 March 2023			31 March 2022		
		Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Current Assets	10						
Debtors		5	-	5	1	-	1
Cash and cash equivalents		511	2,715	3,226	594	702	1,296
Total Current Assets		516	2,715	3,231	595	702	1,297
Creditors: Amounts falling due within one year	11	(124)	(9)	(133)	(137)	(20)	(157)
Total Net Assets		392	2,706	3,098	458	682	1,140
Funds of the Charity	12						
Income Funds:							
Restricted		-	2,706	2,706	-	682	682
Unrestricted		392	-	392	458	-	458
Total Funds		392	2,706	3,098	458	682	1,140

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

Approved on behalf of the corporate trustee

Signed



Date

19/01/2024

Jackie Smith
Chair of Queen Victoria Hospital NHS Foundation Trust

Notes to the account

1 Accounting Policies

1.1 Basis of preparation

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

The financial statements have been prepared in accordance with applicable Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective date 1 January 2019, as per the October 2019 Charities SORP and the Charities Act 2011.

The Queen Victoria Hospital NHS Trust Charitable Fund represents a public benefit entity as defined by FRS 102.

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.
- 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 as a **restricted 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.

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 (see below), are accounted for on receipt.

There were no non-monetary donations received by the charity in 2022/23

- 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.

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 incurred.

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.

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

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.

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 £163,000 (2021/22 £61,000) to QVH NHSFT for approved expenditure made on behalf of the charity. This is included in the total charitable activity costs of £194,000 (2021-22 £89,000) plus allocation of support costs as 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.

At the balance sheet date £129,000 was owed by the Charity to Queen Victoria Hospital NHS Foundation Trust (21/22 £157,000).

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	2022-23 Total £000	2021-22 Total £000
Donations from individuals	35	-	35	19
Corporate donations	9	-	9	8
Donations from societies, charities etc.	3	35	38	2
Legacies	-	2,094	2,094	76
	<u>47</u>	<u>2,129</u>	<u>2,176</u>	<u>105</u>

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

Restricted - £2,094,000 for the purposes of the charity relating to microsurgery

An indemnity agreement ending March 2027, 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	2022-23 Total £000	2021-22 Total £000
Fundraising activities	23	-	23	27
	<u>23</u>	<u>-</u>	<u>23</u>	<u>27</u>

5 Income from investment

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

	Unrestricted funds £000	Restricted funds £000	2022-23 Total £000	2021-22 Total £000
Cash on deposit	3	14	17	-
	<u>3</u>	<u>14</u>	<u>17</u>	<u>-</u>

In 2022/23 Interest rates increased slowly throughout the year which together with increased cash balance due to receipt of legacy resulted in investment income of £17,000 for the year compared with £47.35 interest earned in 2021/22.

The Charity Lloyds bank account was converted to interest bearing in November 2022 which also added to the interest earned.

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.

Allocation and apportionment of support costs	Raising funds	Charitable Activities	2022-23 Total	2021-22 Total	<i>Basis of apportionment</i>
	£000	£000	£000	£000	
Audit	-	5	5	5	<i>Balances</i>
Financial services	-	8	8	8	<i>Staff time</i>
Computer expenses	-	1	1	3	<i>Balances</i>
Other expenses	1	12	13	11	<i>Balances</i>
Total Governance	<u>1</u>	<u>26</u>	<u>27</u>	<u>27</u>	
Financial administration	1	6	7	7	<i>Staff time</i>
Total	<u><u>2</u></u>	<u><u>32</u></u>	<u><u>34</u></u>	<u><u>34</u></u>	

Apportionment	Unrestricted Funds	Restricted Funds	2022-23 Total	2021-22 Total
	£000	£000	£000	£000
Raising funds	2	-	2	7
Charitable activities	5	27	32	27
Total	<u><u>7</u></u>	<u><u>27</u></u>	<u><u>34</u></u>	<u><u>34</u></u>

7 Analysis of expenditure on raising funds

	Unrestricted Funds	Restricted Funds	2022-23 Total	2021-22 Total
	£000	£000	£000	£000
Fundraiser	57	-	57	48
Support costs	3	-	3	7
	<u><u>60</u></u>	<u><u>-</u></u>	<u><u>60</u></u>	<u><u>55</u></u>

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	2022-23 Total £000	2021-22 Total £000
Buildings & furniture	16	19	2	21	5
Equipment	21	31	8	39	49
Patient & staff amenities	98	25	2	27	7
Other contributions to QVH *	174	92	19	111	28
	<u>309</u>	<u>167</u>	<u>31</u>	<u>198</u>	<u>89</u>

* Includes staff training courses £38,000, Training mannekin £16,000 and psychological support services for patients £26,000

9 Auditor's remuneration

External audit fees, exclusive of irrecoverable VAT, were £4,000 (2021/22 £4,000) for the statutory audit, with no other additional work being undertaken (2021/22 £nil). It should be noted that the figure of £5,000 (2021/22 £5,000) shown in Note 6 includes VAT.

10 Analysis of current assets

	31 March 2023 £000	31 March 2022 £000
Debtors under 1 year		
Accrued income	-	1
Accrued interest	3	-
Prepayments	<u>2</u>	<u>-</u>
	<u>5</u>	<u>1</u>
Cash and deposits		
CAF deposit account	633	629
Lloyds current account	<u>2,593</u>	<u>667</u>
	<u>3,226</u>	<u>1,296</u>

11 Analysis of current liabilities

	31 March 2023 £000	31 March 2022 £000
Trade creditors	84	73
Accruals	<u>49</u>	<u>84</u>
	<u>133</u>	<u>157</u>

12 Analysis of charitable funds

12.1 Categories and purposes of funds

Fund type:	Nature and purpose of the fund:
Unrestricted Funds	<p>The General Fund 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 CREW Fund is for the provision of an annual camp for children who are or have been patients in the burns department.</p> <p>The Jenny Dorricott Fund is for charitable purposes relating to burns.</p> <p>The Linda Furminger Fund is for charitable purposes relating to burns.</p> <p>The Margaret Hole Fund is for charitable purposes relating to plastic surgery.</p> <p>The Lottie House Fund is for charitable purposes relating to the treatment of burns.</p> <p>The Derrick Hughes Fund is for charitable purposes relating to the treatment of burns.</p> <p>The Evelyn Humphrey Fund is for the provision of patients' comforts.</p> <p>The JK Fund is for charitable purposes relating to microsurgery.</p> <p>The John McCully Fund is for charitable purposes relating to burns and the provision of x-ray facilities.</p> <p>The NHSCT Stage 1 Distribution 3 Fund is for the support of minority ethnic groups within the hospital.</p> <p>The NHSCT Stage 3 Fund is for psychological therapies in support of the hospital's staff.</p> <p>The Muriel Nicoll Fund is for the benefit of the Eye Bank.</p> <p>The Thomas Fund is for charitable purposes relating to maxillofacial surgery.</p>

12.2 Analysis of fund movements

	Balance 1 April 2022 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Balance 31 March 2023 £000
Unrestricted Funds					
Designated funds within the General Fund:					
General	432	67	(151)	13	361
Paediatrics	24	6	(1)	-	29
Staff	2	-	-	-	2
	458	73	(152)	13	392
Restricted funds					
CREW Fund	6	-	(4)	-	2
Jenny Dorricott Fund	12	-	(12)	-	-
Linda Furminger Fund	1	-	-	-	1
Margaret Hole Fund	122	1	(10)	-	113
Lottie House Fund	13	-	-	-	13
Derrick Hughes Fund	47	-	(6)	-	41
E.M.Humphrey Fund	36	-	(1)	-	35
JK Fund	255	2,106	(25)	-	2,336
John McCully Fund	14	-	-	-	14
Muriel Nicoll Fund	90	1	(2)	-	89
NHSCT Stage 1 Distribution 3	49	-	(20)	(13)	16
NHSCT Stage 3	32	-	(26)	-	6
Thomas Fund	5	-	-	-	5
NHSCT Stage 4	-	35	-	-	35
	682	2,143	(106)	(13)	2,706
Total Funds	1,140	2,216	(258)	-	3,098

13 Subsequent Events

There are no subsequent events to disclose for 2022/23

Page heading	The Queen Victoria Hospital NHS Trust Charitable Fund - Annual Report An
This year	2022-23
Last year	2021-22
This year ended	2023
Last year ended	2022
This year beginning	1 April 2022
Last year beginning	1 April 2021
This year ending	31 March 2023
Last year ending	31 March 2022

id Accounts 2022/23

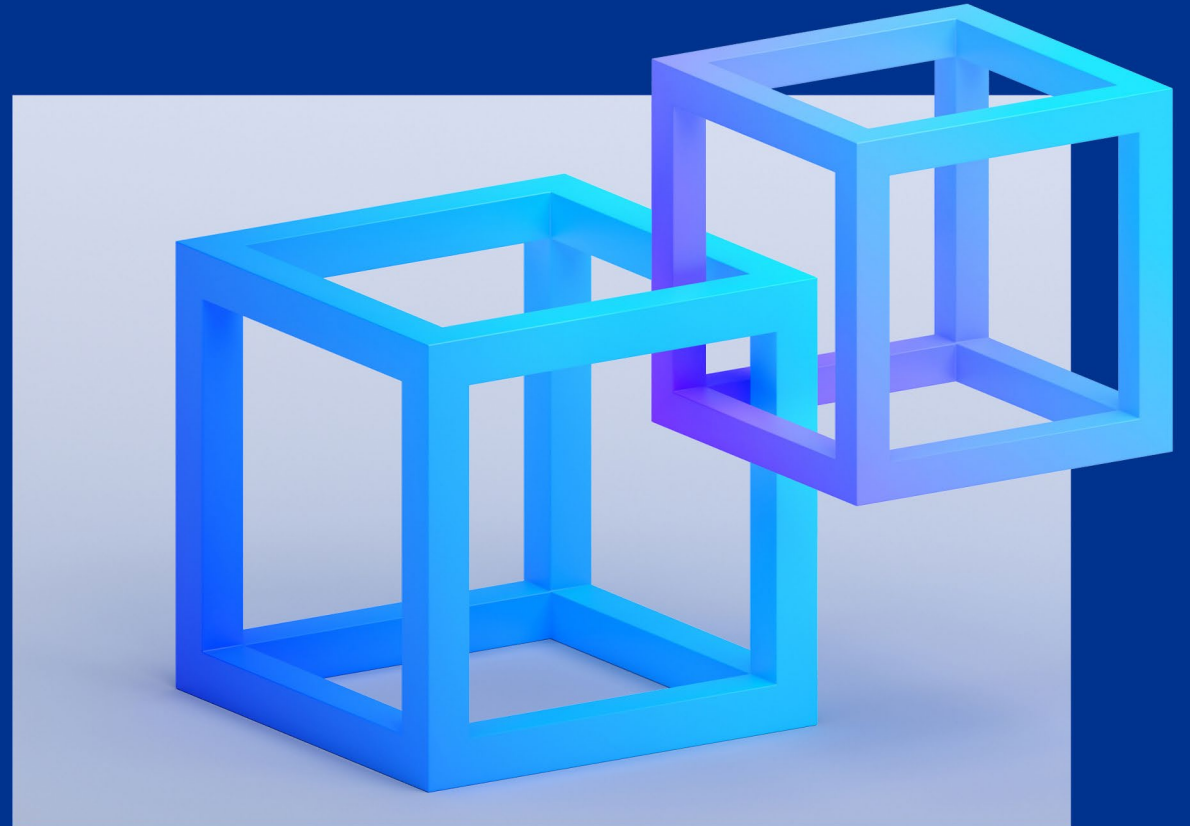


Queen Victoria Hospital NHS Trust Charitable Fund

Report to the Charitable Fund Committee

Financial statements for the year ended 31/03/2023

26 January 2024



Introduction

To the Charitable Fund Committee of Queen Victoria Hospital NHS Trust Charitable Fund

We are pleased to present our report. This report details the results of our audit of the financial statements of Queen Victoria Hospital NHS Trust Charitable fund (the 'Charity'), as at and for the year ended 31st March 2023

The engagement team

Our audit is complete. There were no significant changes to our audit plan and strategy

We expect to issue an unmodified Auditor's Report.

We draw your attention to the important notice on page 3 of this report, which explains:

- The purpose of this report
- Limitations on work performed
- Restrictions on distribution of this report

Yours sincerely,



Dean Gibbs

26 January 2024

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

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Other areas of audit focus	6
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Corrected and uncorrected audit misstatement	8
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Important notice

This report is presented under the terms of our audit engagement letter.

Circulation of this report is restricted.

The content of this report is based solely on the procedures necessary for our audit.

Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of Queen Victoria Hospital NHS Trust Charitable Fund (the 'Charity'), prepared in accordance with the "Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102)" as at and for the year ended 31st March 2023

This Report has been prepared for the Charity's Charitable Fund Committee, a sub-group of those charged with governance, in order to communicate matters that are significant to the responsibility of those charged with oversight of the financial reporting process as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you by written communication.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Charity's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors reporting to the Charity's Trustees in accordance with the Charities Act

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is now complete.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit Committee of the Charity; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.



Our audit findings

Significant audit risks Page 5

Significant audit risks	Risk change	Our findings
Management override of Controls	Stable	We did not identify any instances of management override of controls.

Other areas of audit focus Page 6

Other areas of audit focus	Risk change	Our findings
Provision for legal indemnity relating to Charity legacy	Stable	We requested for management to disclose a contingent liability relating to the indemnity provided. This has been corrected in the final accounts. We are satisfied a provision is not required.

Outstanding matters

Our audit is now complete

Uncorrected Audit Misstatements Page 8

Understatement/ (overstatement)	£	%
Income	-	-
Net income	-	-
Total net assets	-	-
Funds	-	-



Audit risks



1 Management override of controls^(a)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.



Our response and findings

Our Response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Evaluated the selection and application of accounting policies.
- Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the component's normal course of business, or are otherwise unusual.
- Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.

Our Findings

- Analysed all journals through the year and focussed our testing on those with a higher risk, such as journals like Cr rev and Dr other than cash, Unusual combination with cash and borrowings, Journals with no description, Dr Restricted inc Cr Unrestricted Inc, Journals with specified comments (like Fraud, misstatement, misclassification, theft and bribery) and all period 13 Material Journals. We identified 5 journal entries and other adjustments meeting our high-risk criteria. Our examination did not identify any inappropriate entries.
- We did not identify any significant unusual transactions.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Other areas of audit focus



2 Provision for legal indemnity relating to Charity legacy



Other audit risk

Several years ago, the Charity was notified that it had been left a legacy donation in the will of a deceased benefactor, however, the will was contested by the benefactor's children.

A portion of the legacy was transferred to the solicitors of the Charity by the executors of the estate until potential future further claims by the children are resolved and the remaining estate sold. While there is not currently an active further claim from the children it is known that they remain unhappy with the agreed solution.

The Charity have provided an indemnity such that any settlements to the children, in respect of this legacy, in excess of that being held by the executors will be reimbursed by the Charity to the executor to allow the settlement to be paid out.

As a result, we recognise a risk around the completeness of liabilities related to whether the Charity should provide for potential future costs arising from the indemnity.



Our findings

— As at 31 March 2023 all the legacy amount have been received and recognised by the Charity in the financial year.

— We reviewed the bank statements confirmed that material amounts relating to the legacy were received in April and September 2022 and therefore correctly recognised in the 2022/23 financial year.

— As per the inquiry from management the same case is concluded with no further challenge expected. However, management have agreed an indemnity with the solicitors that handled the funds, which continues to be in place at the time of signing the accounts. We have assessed management's determination that it is not probable that there will be a need to repay funds under the indemnity as there is not currently an active claim. As a result we consider that the indemnity represents a contingent liability.

— We have requested from management a contingent liability disclosure in the financials and they present the same Note 3 as footnote.

Other significant matters



Control deficiencies

We obtain an understanding of internal control to design appropriate audit procedures, but not to express an opinion on the effectiveness of the Charity's internal control.

Key:

- These are significant control deficiencies which increase the likelihood and potential magnitude of a material misstatement in the financial statements. We have not identified significant control deficiencies in the current year.
- These are matters of sufficient importance to note such as weaknesses which were subsequently corrected and matters that could be significant in the future if left unaddressed. We have identified one such deficiencies in the current year.
- These are less significant weaknesses but which we considered to be of sufficient importance to merit management's attention. We have not raised any related observations in the current year.

● Review of Cut- off over the subsequent period transaction

- We identified a number of transactions recorded within early periods of 2023-24 that either fully or partially related to the 2022-23 financial year, including receipt of interest income and expenditure that had been agreed to be funded by the charity but invoices had been paid by the Trust prior to 31 March 2023 and not yet recharged to the charitable fund. In these instances accruals had not been made to reflect the income or expenditure within the charity's 2022-23 accounts.
- The Fund should ensure that a review is undertaken of post-year end transactions in order to ensure that all transactions relating to the financial year that have occurred after year end have been completed captured and accrued for within income and expenditure for the relevant period as part of the accounts preparation timetable.

Uncorrected and corrected audit misstatements



Under UK auditing standards (ISA (UK&I) 260) we are required to provide the Charitable Fund Committee with a summary of adjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. There are 2 adjusted audit differences to report

Adjusted audit difference				
No.	Particulars	SOFA	SOFP	Comments
1.	Dr Accrued Income Cr Investment income	(3,000)	3,000	Investment income had not accounted in the charity books for the period from 10 th March 2023 to 31 st March 2023. The same error has been corrected now..
2	Dr Expenses Cr Accruals	4,359	(4,359)	Cut off accruals are not accounted in Charity books. As per management Charity picks up and identifies costs to recharge when they hit the Trust's AP ledger (i.e. when they receive the invoice) These are not booked as accruals in 2022/23 Charity Accounts and would be picked up as part of the June recharge from Trust to Charity.)
	Total Amount	1,359	(1,359)	

Appendix A

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FRC's areas of focus

The FRC released their [Annual Review of Corporate Reporting 2021/22](#) in October 2022, along with a [summary of key matters for the coming year](#), primarily targeted at CEOs, CFOs and Audit Committee chairs. In addition, they have released six thematic reviews during the year which should be considered when preparing reporting for the current financial period.

The reports identify where the FRC believes companies should be improving their reporting. Below is a high level summary of the key topics. We encourage management and those charged with governance to read further on those areas which are significant to the entity.

Reporting in uncertain times

This year's Annual Review of Corporate Reporting from the FRC has been prepared in the context of heightened economic and geopolitical uncertainty. The challenges of the Covid-19 pandemic, Russia's invasion of Ukraine and slowing of global economies has led to inflationary pressure worldwide and rising interest rates.

This makes meaningful disclosure more important than ever, and the FRC has stressed the need for companies to move beyond simply complying with the minimum requirements of the relevant accounting and reporting frameworks. They expect companies to provide high-quality, decision-useful information for investors, with companies continually assessing evolving risks and ensuring these are clearly explained in annual reports.

The potential effects of uncertainty on recognition, measurement and disclosure are numerous, and companies will need to think carefully about the impacts of uncertainty, in particular inflation, on their reporting. The Annual Review gives a number of examples including:

Strategic report: the impact of inflation on the business model, changes to principal risks and uncertainties, and the impact of inflation on stakeholders.

Discount rates: inputs need to follow a consistent approach in incorporating the effects of inflation.

Material assumptions: where inflation assumptions represent a source of significant estimation uncertainty, the FRC expects companies to provide explanation of how these have been calculated and sensitivity disclosures if appropriate.

Pension schemes: explain the effect of uncertainty on investment strategy and associated risks.

Climate-related reporting

Climate-related reporting has advanced significantly this year as premium listed entities are required by the Listing Rules to provide disclosures consistent with the Taskforce on Climate-Related Disclosures (TCFD) recommendations. This follows the expansion of the Streamlined Energy and Carbon Reporting (SECR) rules last year, which require quoted companies and large unquoted companies and LLPs to provide emissions reporting.

Climate has therefore been an area of ongoing focus for the FRC, with a thematic reviews in both 2021 and 2022 on aspects of climate reporting. From reviews of TCFD disclosures in the year, the FRC has highlighted five areas of improvement for companies to consider going forwards:

Granularity and specificity: disclosures should be granular and specific both to the company and the individual disclosure requirement, including a clear link to financial planning.

Balance: discussion of climate-related risks and opportunities should be balanced, and companies should consider any technological dependencies.

Interlinkage with other narrative disclosures: companies should ensure clear links between TCFD disclosures with other narrative disclosures in the annual report.

Materiality: companies should clearly articulate how they have considered materiality in the context of their TCFD disclosures.

Connectivity between TCFD and financial statements disclosures: the FRC may challenge those that disclose significant climate risks or net zero transition plans in narrative reporting, but do not explain how this is taken into account in the financial statements.



FRC's areas of focus (cont.)



Cash flow statements

This continues to be a particular area of concern as it is a recurring source of errors identified by the FRC, with 15 companies restating their cash flow statements in the review period as a result of the FRC's enquiries.

Companies are encouraged to consider the guidance in the 2020 thematic review on this topic, and to ensure that robust pre-issuance reviews of the financial statements have been undertaken.

Cash flows must be classified as operating, investing or reporting in line with the requirements of the standard, and amounts reported should be consistent with disclosures elsewhere in the report and accounts including the elimination of non-cash transactions.

Several errors identified by the FRC related to the parent company cash flow statement, and it should be ensured that this statement also complies with the requirements of the standard.

Financial Instruments

Companies should ensure that disclosure is sufficient to enable users to evaluate the nature and extent of risks arising from financial instruments and the approach taken to risk management.

These disclosures should include the approach and assumptions used in the measurement of expected credit losses, and details of concentrations of risk. In times of economic uncertainty, disclosure of methods used to measure exposure to risks, and details of hedging arrangements put in place for interest rates or inflation are all the more important.

In addition, accounting policies should be provided for all material financing and hedging arrangements and any changes in these arrangements. Where companies have banking covenants, information about these should be provided (unless the likelihood of a breach is considered remote).

Income taxes

Where material deferred tax assets are recognised by historically loss-making entities, disclosures should explain the nature of the evidence supporting their recognition. In addition, any connected significant accounting judgements or sources of estimation uncertainty will also need to be disclosed.

On tax more generally, the FRC expects companies to ensure that tax-related disclosures are consistent throughout the annual report and accounts, and material reconciling items in the effective tax rate reconciliation are adequately explained.

For groups operating in several jurisdictions, effective tax reconciliations may be more meaningful if they aggregate reconciliations prepared using the domestic rate in each individual jurisdiction, with a weighted average tax rate applied to accounting profit.

Strategic report and other Companies Act 2006 matters

The strategic report needs to articulate the effects of economic and other risks facing companies, including inflation, rising interest rates, supply chain issues and labour relations. Mitigation strategies should be explained, with links, where relevant, to information disclosed elsewhere in the annual report.

Business reviews should discuss significant movements in the balance sheet and cash flow statement, and should not be limited to just an explanation of financial performance in the period.

The FRC has also identified instances of companies not complying with legal requirements around distributions, and companies are reminded of the need to file interim accounts to support distributions in excess of the distributable profits shown in the relevant accounts.

Revenue

Accounting policies should be provided for all significant performance obligations and should address the timing of revenue recognition, the basis for over-time recognition, and the methodology applied.

Inflationary features in contracts with customers and suppliers and the accounting for such clauses are under increased focus this year.

Alternative performance measures ('APMs')

APMs should not be presented with more prominence, emphasis or authority than measures stemming directly from the financial statements, and should be reconciled to the relevant financial statements line item.

FRC's areas of focus (cont.)

Provisions and contingencies

Companies should give clear and specific descriptions of the nature and uncertainties for material provisions or contingent liabilities, the expected timeframe and the basis for estimating the probable or possible outflow.

Inputs used in measuring provisions should be consistent in the approach to incorporating the effects of inflation, and details of related assumptions should be provided if material.

Presentation of financial statements and related disclosures

Material accounting policy information should be clearly disclosed, and additional company-specific disclosures should be provided when compliance with IFRS requirements is insufficient to adequately explain transactions.

Judgements and estimates

Economic uncertainty increases the likelihood of companies needing to make significant judgements when preparing financial statements. The FRC highlights two specific examples – going concern assessments and accounting for inflationary features in contracts – where disclosure is key.

More generally, the FRC highlights the need for disclosures to clearly distinguish between estimates with a significant risk of a material adjustment to the carrying amounts of assets/liabilities within the next year, and other sources of estimation uncertainty.

Significant estimates, and the associated disclosures should be updated at the balance sheet date. Sensitivity disclosures should be meaningful for readers, for example by sensitising the most relevant assumptions, and explaining any changes in assumption since the previous year.

Impairment of assets

Economic uncertainty may have a significant impact on impairment assessments, and this is an area where queries raised from the FRC could have been avoided by clearer disclosure.

Companies need to explain the sensitivity of recoverable amounts to changes in assumptions, especially where the range of possible outcomes has widened. This should include explanation of the effect of economic assumptions, such as reduction in customer demand and increased cost.

Inflation should be treated consistently in value in use calculations. Nominal cash flows are discounted at a nominal rate, and real cash flows are discounted at a real rate.

Lastly, the FRC stresses the importance of consistency between impairment reviews/disclosures and other disclosures in the annual report.

Thematic reviews

The FRC has released six thematic reviews on corporate reporting in the current year, and companies are encouraged to consider the guidance in those reviews, where relevant, to enhance their financial reporting. The topics covered this year are:

- [TCFD disclosures and climate in the financial statements](#)
- [Judgements and estimates](#)
- [IFRS 3 Business Combinations](#)
- [Discount rates](#)
- [Deferred Tax Assets \(IAS 12\)](#)
- [Earnings per Share \(IAS 33\)](#)

2022/23 review priorities

The FRC has indicated that its 2022/23 reviews will focus on the extent to which companies' disclosures address risks and uncertainty in the challenging economic environment, including those relating to climate change. Companies need to clearly articulate the impact of these risks on their strategy, business model and viability. In particular, the FRC intends to prioritise reviews of companies operating in the following sectors:

 Travel, hospitality and leisure

 Construction materials

 Retail

 Gas, water and multi-utilities



Required communications with the Charitable Fund Committee



Type	Response
Our draft management representation letter	<input checked="" type="checkbox"/> OK We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2023.
Adjusted audit differences	<input checked="" type="checkbox"/> OK There was 2 adjusted audit differences. See cross reference page 8
Unadjusted audit differences	<input checked="" type="checkbox"/> OK There was no unadjusted audit differences noted
Related parties	<input checked="" type="checkbox"/> OK There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	<input checked="" type="checkbox"/> OK There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	<input checked="" type="checkbox"/> OK We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	<input checked="" type="checkbox"/> OK No actual or suspected fraud involving management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements identified during the audit.

Type	Response
Significant difficulties	<input checked="" type="checkbox"/> OK No significant difficulties were encountered during the audit.
Modifications to auditor's report	<input checked="" type="checkbox"/> OK None.
Disagreements with management or scope limitations	<input checked="" type="checkbox"/> OK The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	<input checked="" type="checkbox"/> OK No material inconsistencies were identified related to other information in the annual report, Strategic and Directors' reports. The Strategic report is fair, balanced and comprehensive, and complies with the law.
Breaches of independence	<input checked="" type="checkbox"/> OK No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices	<input checked="" type="checkbox"/> OK Over the course of our audit, we have evaluated the appropriateness of the Charity's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management	<input checked="" type="checkbox"/> OK No significant matters have arisen from audit work.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Charitable Fund Committee members

Assessment of our objectivity and independence as auditor of Queen Victoria Hospital NHS Trust Charitable Fund (the 'Charity')

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

General procedures to safeguard independence and objectivity;

Independence and objectivity considerations relating to the provision of non-audit services; and

Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard.

As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management

- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity

Independence and objectivity considerations relating to the provision of non-audit services

We have considered the fees charged by us to the Charity and its affiliates for professional services provided by us during the reporting period. Total fees charged by us can be analysed as follows:

	2023	2022
	£'s	£'s
Audit of Charity	4,000	4,000
Total audit	4,000	4,000
Other Assurance Services	-	-
Total non-audit services	-	-
Total Fees	4,000	4,000

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Compliance Committee and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP



KPMG's Audit quality framework



Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight Committee, and accountability is reinforced through the complete chain of command in all our teams.

■ Commitment to continuous improvement

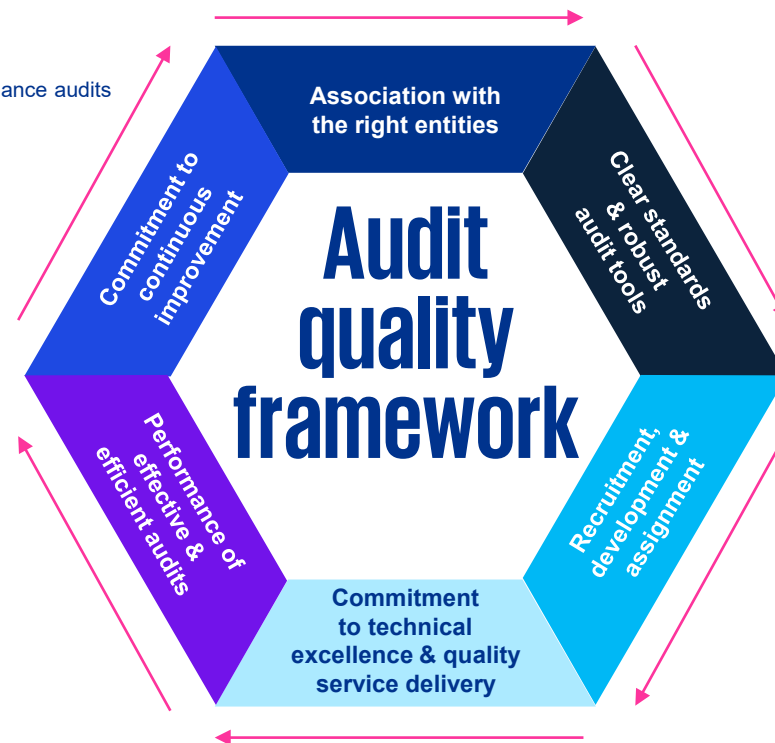
- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members employed KPMG specialists and specific team members

KPMG's quality interventions



The audit team is responsible for the quality of the audit opinion and the audit file. However, increasingly KPMG audit teams are supported by 'quality interventions', as part of our overall Audit Quality Transformation Programme

This page summarises the key interventions in the FY21 audit cycle to support audit teams through the audit cycle – planning, fieldwork and completion. They provide assistance and independent challenge to ensure that the audit team follow our audit methodology; consider emerging regulatory trends; and judgments and estimates are reasonable and evidenced. This page shows the positive influence they have on the overall quality of work performed.

The influence of KPMG's lines of defence in the audit

Review & challenge	Second Line of Defence	EQCR	Audit Risk Panels	Pre-issuance reviews	Going Concern triage
Role	<p>Provide coaching and support to the audit team over the risk assessment, planned audit approach and how audit work is performed and reporting.</p> <p>In-flight reviews of the audit file during each phase of the audit cycle.</p>	<p>An independent audit partner reviews and challenges key audit areas and assesses how these are reflected in the Annual Report, our AC report and LFAR.</p>	<p>The audit risk panel, that is chaired by a member of the Audit Quality leadership team and includes an independent audit field partner and 2LD, challenges the RI and the audit team on the audit strategy and then on the audit conclusions.</p>	<p>Review of the Annual Report by our accounting and reporting specialists, focusing on current areas of regulatory challenge.</p> <p>Independent challenge on narrative included within LFAR.</p>	<p>Completed during the planning phase of the audit cycle, the triage team supports the audit team in identifying potential going concern matters well in advance of the year end audit to enable the audit team to formulate a robust challenge of management's going concern assessment.</p>
FY Impact	<p>The Second Line of Defence team highlighted points following the review of audit file documentation which were addressed by the audit team before the opinion was issued.</p>	<p>Reviewed significant risk areas, Audit Committee memo and Annual Report including LFAR.</p> <p>Involved in key decisions around significant risks.</p>	<p>The audit risk panel challenged our assessment and made suggestions for the wording in the KAMs and the Charitable Fund Committee report</p>	<p>The review of the Annual Report resulted in points which were dealt with by a combination of the audit team and management.</p> <p>The most significant of these points were highlighted as disclosure differences reported to the Charitable Fund Committee at year-end.</p>	<p>Early identification of potential going concern matters and a more robust challenge to management of the key assumptions and inputs in the cash flow forecasts.</p>



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