

**The Epsom and St Helier NHS Trust Charitable Fund
Charity Number 1049197**

Annual Report and Accounts 2019/2020

Foreword by the Trustee

Welcome to our annual report for 2019/2020. We are the corporate trustee of the Epsom and St Helier NHS Trust Charitable Fund and work in partnership with the Epsom and St Helier University Hospitals NHS Trust for the benefit of NHS patients and their carers.

We exist to provide resources and facilities to meet the needs of those who use our hospitals. I am delighted to be reviewing another year where we have received £591,000 in income and spent £867,000 in grants to support the care and treatment of our patients and staff.

Daniel Elkeles

Who we are

The Epsom and St Helier NHS Trust Charitable Fund is an independent registered charity (registered number 1049197). We exist to raise funds and receive donations for the benefit of the patients and staff of Epsom and St Helier University Hospitals NHS Trust. The Trust Board is the Corporate Trustee of the Charity. The Trust operates two busy general hospitals and runs a number of outreach clinics and community services, all of which are supported by the Charity. The main hospital sites are:

- St Helier Hospital and Queen Mary's Hospital for Children; and
- Epsom Hospital (which is also home to the South West London Orthopaedic Centre).

What we aim to do: our mission, objectives and activities

Our mission

Our mission is to use funds received to support our hospitals' staff, patients, and carers.

Grants are made in accordance with charity law, our constitution and the wishes and directions of donors. In making grants, we reflect the wishes of patients and staff by directing funds towards areas that they tell us are most in need.

Our objectives

Our overarching objective is set out in the Charity's governing documents. It is to spend money received for any charitable purpose and purposes relating to the National Health Service wholly or mainly for Epsom and St Helier University Hospitals NHS Trust. This translates into the below objectives which underpin our actual spend:

1. To purchase equipment, services and facilities not normally provided by the NHS;
2. To motivate staff, by improving staff facilities and by providing services that improve wellbeing;
3. To support the development and learning of our staff by providing education over and above that normally provided by the Trust.

What we have achieved: highlights from activities undertaken in the year

- The continued support of work done by staff at all our hospitals by paying for extra training courses;
- Contributed to the refurbishment of Renal Services at one of our satellite clinics (£500,000);
- New equipment Queen Mary's Hospital for Children (£22,000);
- New equipment the Cardiology Department at our Epsom site (£7,000);
- New equipment for the IVF Department at St Helier (£16,000);
- New equipment for the Buckley Ward at our Epsom site (£6,000).

Charity governance, structure and management arrangements

At its November 2019 meeting, the Charitable Funds Committee (a sub-committee of the Trustee) received a paper summarising the outcome of a review of charitable funds activity at the Trust.

The Charitable Funds Committee supported the findings in the report and agreed that the recommendations for improving the way that charitable funds are managed and governed within the Trust should progress to January Trust Board.

The January Trust Board approved the proposals for strengthened governance arrangements in relation to charitable funds as below:

- The Corporate Trustee to meet twice yearly to ensure that its role is strengthened in terms of discharging its statutory functions. This will encompass agreeing fundraising plans for the year ahead and reviewing progress against the plan and sign off the annual report and accounts.
- An Executive-led Charitable Funds Steering Group (to be chaired by the Trust CEO) to be established to meet quarterly to undertake a more proactive, operational role in charitable funds activity and delivery of fundraising plans.

Due to operational pressures resulting from the Covid-19 pandemic, the Charitable Funds Steering Group has not met as frequently as anticipated but did meet in November 2020 for a review of charitable funds activity and to review the draft accounts.

Staffing

Epsom and St Helier University Hospitals NHS Trust staff are responsible for the day to day administration of the Charity, for which the NHS Trust charged a fee of £36,000. Other staff who spend significant amounts of time on the Charity's business are largely senior staff who provide their services in their own time.

How we funded our work, our achievements and performance

The following figures are taken from the full accounts reviewed by the Charitable Funds Steering Group on 16th November 2020. The full accounts are available from the Charity Commission's website and expand on the information provided below: <https://www.gov.uk/government/organisations/charity-commission>.

Money received: sources of funds and our new team

The Charity employs a fund raising team. The team consists of two people, one manager and one administrator: they are employed by the Trust and recharged in full to the Charity.

The Trustee has an ambition to transform the Charity into an active fundraising operation to grow income for our staff and patients. This is because (in line with other NHS charitable foundations), the Trustee wish to raise funds and receive donations for projects which cannot be financed by government and normal NHS funding.

The team will both maximise current income streams and create new ones, and heighten the profile of the Charity within the Trust and our local community.

During the year the Charity continued to received donations, legacies, and investment income.

- Donations and legacies. Our largest source of income are donations given by the public via gifts or legacies:
 - Gifts from the public (totalling £378,000 in 2019/2020), from a few pence in collecting boxes to several hundred pounds;

- Legacies and Gifts in Memory (totalling £143,000 in 2019/2020). A gift in a will or a collection in memory of a loved one really is an investment in the future of the trust, and we are fortunate to be remembered by people every year. Where the terms of the gift require the donation to be spent for a specific purpose the Charity makes sure this is adhered to.
- Investment Income (totalling £42,000 in 2019/2020). By prudent management of funds not immediately required we earn interest and dividends for further use.
- This year we received the Transfer of Community based funds totalling £188,000.

Money spent: what we spent the money on

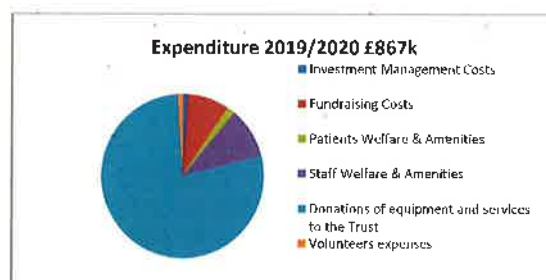
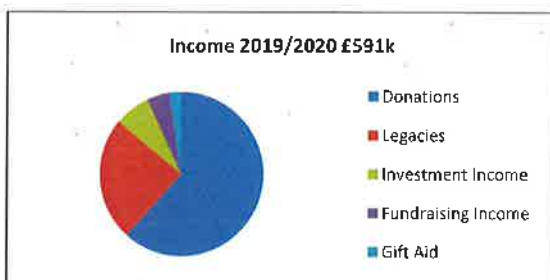
Our charitable work was made up of three core areas:

1. **New equipment.** The NHS buys its own equipment for day to day use and has its own capital programme, but with limited resources, expenditure on non-essential items is restricted. The Charity makes a real difference by purchasing items that the Trust does not believe are core to its requirements but improve the patient experience. Individual purchases during the year over £5,000 were:

£	
16,072	Equipment for IVF Department at St Helier
11,997	Assessment Kits for Queen Marys
10,188	Magic Mobile System for Queen Marys
6,684	Cardiograph for Buckley Ward at Epsom

2. **Staff education and welfare.** We spent £88,000 on initiatives to support those who work in our hospitals. By helping to ensure staff are well trained and supported we improve the quality of care they can deliver to patients;
3. **Patients' welfare and amenities.** We spent £13,000 on providing better facilities for patients and carers when they visit the hospital.

The Charity's income and expenditure's for the year can be seen as follows:



What we plan to do with your donations: our future plans

The Charity plans to continue to support Epsom and St Helier University Hospitals NHS Trust in providing services to patients, purchase new equipment when needed, and facilitate continued improvement in the education and welfare of hospital staff.

Our grant making policy

The Charity makes grants. Grants are made from general funds and designated (earmarked) funds.

- General funds: these funds are received by the Charity with no preference expressed by donors;
- Designated (earmarked) funds: are established for a particular part of the hospital or activity nominated for support by the donor. They are overseen by fund holders who can make recommendations on how to spend the money within the designated area. Fund holders recommendations are generally accepted and these funds can be spent at any time.

Our reserves policy

The Trustee intends that designated funds are spent within a reasonable period of receipt.

The Trustee reviews the balances held in designated funds, in accordance with the provisions of legislation relating to charitable funds, to determine whether these funds are likely to be committed in the near future and the extent to which there is a continuing need identified for any particular designated fund. The Trustee review designated funds to ensure that they are all active. Any inactive funds will be closed and the funds transferred to reserves.

Our financial health

The Charity remains solvent. At the end of March 2020 the Charity had £390,000 of cash, net assets of £2,585,000, and, as the Charity does not enter into long term commitments, future payables and commitments of only £240,000.

About our investments

The investments of the Charity are managed by Cazenove Capital, with the objective to protect the investments from inflation, ensure maximum investment returns with medium risk. The governing documents allow the Trustee to invest in a wide range of shares and investments, provided they are not speculative or include companies involved in distilling, boxing or arms. In addition, the Trustee has decided not to invest in tobacco securities because of the proven link between smoking and poor health which would make such investments contrary to our charitable aims.

The portfolio is structured to permit a range of investments intended to yield a competitive rate of return in difficult market conditions. Investment performance is monitored by the Charitable Funds Committee.

How we organise our affairs: reference and administrative details

The Charity is registered with the Charity Commission under the single Registered Number 1094197. Its objects are *'for any charitable purpose or purposes relating to the National Health Service.'*

The Charitable Funds held by Epsom and St Helier NHS Trust, and known as "Epsom and St Helier NHS Trust Charitable Fund" (Registration No. 1049197), are governed by a Declaration of Trust made on 6 November 1995 and subsequently amended on 6 December 1999. The Charity's Trustee is the Epsom and St Helier University Hospitals NHS Trust as a corporate

entity. Detailed administration of the Charity is carried out by the NHS Trust Board through the Charitable Funds Steering Group.

The Chairman of the Trust chairs the sub-committee.

How to contact us

The Epsom and St Helier NHS Trust Charitable Fund
 Finance Department
 70 East Street
 Epsom
 Surrey
 KT17 1HB

Our Trustee

The Charity has a corporate Trustee. The names of the directors of the body corporate are as shown in the table below:

	Role	Dates in post during 2019/2020
Gillian Norton	Chairman	01/10/2019-31/3/20
Laurence Newman	Chairman	01/4/2019-01/10/19
Patricia Baskerville	Non-Executive	1/4/19 to 31/3/20
Elizabeth Bishop	Non-Executive	1/4/19 to 31/3/20
Dr Iain MacPhee	Non-Executive Director	1/4/19 to 30/5/19
Dr Derek Macallan	Non-Executive Director	1/6/19 to 31/3/20
Richard Noble	Non-Executive Director	1/4/19 to 31/3/20
Aruna Mehta	Non-Executive Director	1/4/19 to 31/3/20
Martin Kirke	Associate Non-Executive Director	1/4/19 to 31/3/20
Chris Elliot	Associate Non-Executive Director	1/4/19 to 31/3/20
Daniel Elkeles	Chief Executive	1/4/19 to 31/3/20
Rakesh Patel	Chief Finance Officer	1/4/19 to 31/3/20
Dr James Marsh	Joint Medical Director	1/4/19 to 31/3/20
Dr Ruth Charlton	Deputy Chief Executive and Joint Medical Director	1/4/19 to 31/3/20
Dan Bradbury	Chief Operating Officer	1/4/19 to 06/10/19
Sue Jones	Joint Chief Operating Officer	14/10/19 to 31/3/20
Philipa Jones	Joint Chief Operating Officer	14/10/19 to 31/3/20
Arlene Wellman	Chief Nurse	1/4/19 to 31/3/20
Debbie Eyitayo	Director of People	1/4/19 to 31/3/20
Peter Davies	Director of Corporate Services	1/4/19 to 31/3/20

The Board of the NHS Trust has established the Charitable Funds Steering Group to support the responsibilities of the Trustee on its behalf. The Charitable Funds Steering Group will manage the affairs of the Charity within the terms of the founding deeds, appropriate legislation and in compliance with the Charity Commission regulations. It is responsible for deciding policy and ensuring that it is implemented and will operate in accordance with its terms of reference. The Trustee does not receive any pay, emoluments or other financial benefit from the Charity.

The Trust Board is comprised of a chairman, five non-executive directors (NEDs), two associate non-executive directors, and five voting executive directors. The voting executive directors are:

- Chief Executive;
- Two Joint Medical Directors (with one shared vote);
- Chief Nurse;
- Chief Operating Officer;
- Chief Finance Officer.

Five other executive directors without voting rights attend each Trust Board meeting:

- Director of Corporate Services;
- Director of Estates, Facilities and Capital Projects;
- Director of Communications and Patient Experience;
- Director of Integrated Care;
- Director of People.

The Trust has a relatively high degree of continuity and stability at Board level, with the following changes in year:

The Chairman, Laurence Newman, retired at the end of September 2019 and was replaced by Gillian Norton

The Chief Operating Officer left in October 2019 as was jointly replaced by Sue Jones and Philippa Jones.

Our advisors

Investment managers:	Auditors:	Internal auditors:	Bankers:
Cazenove Charities 12 Moorgate London EC2R 6DA	KPMG LLP (UK) 15 Canada Square London E14 5GL	BDO LLP Arcadia House Ocean Village Southampton, SO14 3TL	The Royal Bank of Scotland Government Banking CST, 2nd Floor, 80 Bishopsgate London EC2M 4RB

Charity governance, structure and management arrangements

Epsom and St Helier NHS Trust Board is the Corporate Trustee. However, day to day management of charitable funds is delegated to staff of Epsom and St Helier University Hospital NHS Trust who are responsible for carrying out the decisions of the Trustee. In planning activities for the year the Trustee reads and has regard to the Charity Commission's guidance on public benefit.

Trustee recruitment, appointment and induction

Non-executive members of the Trust Board are appointed by the NHS Improvement and executive members of the Board are subject to recruitment by the NHS Trust Board. Members of the Trust Board are not individual Trustees but act as agents on behalf of the Corporate Trustee.

Key management personnel remuneration

The Trustee has given their time freely and no Trustee remuneration was paid in the year.

The Trustee is required to disclose all relevant interests and register them with the Head of Corporate Governance and withdraw from decisions where a conflict of interest arises. No director has informed the Charity of any conflicts of interest.

Risk analysis

As part of their business planning exercises, the Trustee considers the major risks to which the Charity is exposed. They have reviewed the processes and systems that are in place to mitigate the likelihood and potential impact of these risks (should they crystallise) and have concluded that they are reasonable for the Charity's size and complexity.

The major risks have been identified are as follows:

- Future levels of income

The Charity is reliant on donations to allow it to make payments. If income falls then the Charity may not be able to settle future obligations. This risk is mitigated by the Charity never entering into future commitments which are not wholly covered by existing liquid resources (which also avoids the liquidity risk of movements in investment values meaning that what is affordable becomes unaffordable in the future).

- Fall in investment returns

The Charity generates additional income from investing its cash balances. The Trustee considers the loss of investment income to be a major financial risk. The risk is mitigated by retaining expert investment managers, having a diversified investment portfolio and regularly reviewing that portfolio. The Trustee make use of benchmarking information when reviewing the portfolio.

- Unforeseen changes in the operation of the NHS

The NHS is subject to national changes in government policy as well as politically driven decisions locally. There is a risk that these decisions could make it more difficult for the Charity to meet its objectives. This risk is mitigated through the Trustee taking proactive steps, as part of their professional work, to be aware of the trust's direction of travel and then feeding that knowledge into the Charity's decision making and planning processes.

Related parties

The Charity works closely with, and provides the majority of its grants to, Epsom and St Helier University Hospitals NHS Trust, which operates the local hospitals.

Related parties are where the Charitable Fund has transactions with organisations that are controlled by the Fund's Trustee. The Charitable Fund requires Trustee's to make declarations of interest on an annual basis which are held on the Trust's register of interests. Declared interests are managed in line with the Trust's governance procedures, and transactions with related parties are disclosed in the financial statements.

Our relationship with the wider community

The ability of the Charity to continue its support for the Trust is dependent on its ability to maintain and increase donations from the general public. The Charity continues to forge strong relationships with members of staff of the hospitals without whose co-operation the

ability to make an effective contribution would be much diminished. This co-operation will be enhanced with the formation of the Fundraising Department

Volunteers

The Trustee would like to pay tribute to our volunteers for their time, support, and commitment to the Trust and the members of staff who give of their time out of hours in support of the charity.

Having read about us, please consider supporting the work of The Epsom and St Helier NHS Trust Charitable Fund.

If you would like to make a donation or support any of our fundraising activities, please give us a call and speak to our fundraising team.

Signed:



Daniel Elkeles

Date: 8 January 2021

Statement of Trustees' responsibilities in respect of the Trustees' annual report and accounts

Under charity law, the Trustees are responsible for preparing the Trustees' annual report and accounts for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice requires that the trustees:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- State whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use 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.

The trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustee to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. 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 charity and to prevent and detect fraud and other irregularities.

Signed on behalf of the Trustees:

Signed: 

Daniel Elkeles

Date: 8 January 2021

Independent auditor's report to the Trustee of The Epsom and St Helier NHS Trust Charitable Fund

Opinion

We have audited the financial statements of Epsom and St Helier NHS Trust Charitable Fund ("the charity") for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash flows 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 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 149 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. 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. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

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

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

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

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Trustee's responsibilities

As explained more fully in their statement set out on page 10, the trustee is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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

Fleur Nieboer

Fleur Nieboer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square, London, E14 5GL
28 January 2021

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2000

Epsom and St Helier NHS Trust Charitable Funds
Statement of Financial Activities for the year ending 31 March 2020

		2019/2020			2018/19		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from:							
Donations	Note 3	190	188	378	161	0	161
Other trading activities		28	0	28	7	0	7
Legacies	Note 3	143	0	143	452	0	452
Investment Income	Note 5	42	0	42	36	0	36
Total Income		403	188	591	656	0	656
Expenditure on:							
<i>Raising funds</i>							
Investment management costs		(9)	0	(9)	(10)	0	(10)
Fundraising Costs	Note 6	(73)	0	(73)	(80)	0	(80)
<i>Expenditure on charitable activities</i>							
Patients welfare and amenities	Note 7	(13)	0	(13)	(8)	0	(8)
Staff welfare and amenities	Note 7	(88)	0	(88)	(87)	0	(87)
Research Expenditure	Note 7	0	0	0	0	0	0
Donations of equipment and services to the Trust	Note 7	(675)	0	(675)	(170)	0	(170)
Volunteers and miscellaneous expenses	Note 7	(9)	0	(9)	(19)	0	(19)
Total Expenditure		(867)	0	(867)	(374)	0	(374)
Realised and Unrealised Gains (losses) on investment assets		(126)	0	(126)	136	0	136
Net Movement in Funds		(590)	188	(402)	418	0	418
Reconciliation of funds:							
Fund balances brought forward as at 1 April 2018					2,569		2,569
Fund balances brought forward as at 1 April 2019		2,987	0	2,987		0	
Total Funds carried forward	Note 16	2,397	188	2,585	2,987	0	2,987

All gains and losses recognised in the period are included above. All activities relate to continuing operations.

The accompanying notes are an integral part of this Statement of Financial Activities.

**Epsom and St Helier NHS Trust Charitable Fund Funds
Balance Sheet as at 31 March 2020**

		2019/2020			2018/19		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Investments	Note 13	2,413	0	2,413	2,511	0	2,511
Total Fixed Assets		2,413	0	2,413	2,511	0	2,511
Debtors	Note 14	21	0	21	0	0	0
Stock		1	0	1	1	0	1
Cash at bank and in hand		202	188	390	844	0	844
Total Current Assets		224	188	412	845	0	845
Creditors: falling due within one year	Note 15	(240)	0	(240)	(369)	0	(369)
Net Current Assets / (Liabilities)		(16)	188	172	476	0	476
Total net assets		2,397	188	2,585	2,987	0	2,987
Funds of the charity:							
Restricted	Note 16	0	188	188	0	0	0
Unrestricted	Note 16	2,397	0	2,397	2,987	0	2,987
Total Charly Funds		2,397	188	2,585	2,987	0	2,987

The accompanying notes are an integral part of the charity's balance sheet.

Signed: 

Daniel Elkeles

Date: 8 January 2021

Epsom and St Helier NHS Trust Charitable Fund Funds
Statement of Cash Flows for the year ending 31 March 2020

	2019/2020 £'000	2018/19 £'000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(496)	520
Cash flows from investing activities:		
Dividends, interest and rents from investments	42	36
Proceeds from sale of investments	0	0
Purchase of investments	0	0
Net cash provided by (used in) investing activities	<u>42</u>	<u>36</u>
Change in cash and cash equivalents in the reporting period	<u>(454)</u>	<u>556</u>
Cash and cash equivalents at the beginning of the reporting period	844	288
Cash and cash equivalents at the end of the reporting period	390	844
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(402)	418
Adjustments for:		
(Gains)/losses on investments	128	(136)
Dividends, interest and rents from investments	(74)	(62)
(Increase)/decrease in stock	0	(1)
(Increase)/decrease in debtors	(20)	16
Increase/(decrease) in creditors	(128)	285
Net cash provided by (used in) operating activities	<u>(496)</u>	<u>520</u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	390	844

The accompanying notes are an integral part of this cash flow statement.

Notes on the accounts

Note 1 Accounting Policies

Basis of preparation

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.

The Trustee has reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustee has also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustee is confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

The Charity's related Trust is – alongside the majority of the NHS – experiencing financial difficulties and did not breakeven during 2019/2020. These issues do not impact on the Charity which has no long term commitments and has a substantial asset base which can readily be liquidated: any future donations will be carefully matched to expenditures, with adequate reserves retained to meet forecasted spend. For this reason the going concern basis has been adopted in preparing these accounts.

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 does not currently have any restricted funds.

Those funds which are not restricted income funds are unrestricted income funds. These funds are subdivided between designated (earmarked) funds where the Trustee had set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are used at the Trustees' discretion, including the general fund. The major funds held in each of these categories are disclosed in Note 16.

Incoming resources and revenue recognition

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, 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.

Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable. Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted;
- The executors have established that there are sufficient assets in the estate to pay the legacy; and
- All conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

Other trading activities

Income from other trading activities includes income earned from both trading activities to raise funds for the Charity and income from fundraising events.

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 the category of expense shown in the Statement of Financial Activities.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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 audit costs, and external audit fees. Support costs have been apportioned between fundraising costs and charitable activities based on the value of these activities compared to the cost base of the Charity. The analysis of support costs and the bases of apportionment applied are shown in Note 9.

Fundraising costs

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees.

Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of

each category of charitable expenditure include an apportionment of support costs as shown in Note 9.

Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the Balance Sheet at the current market value quoted by the investment analyst, excluding dividend.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Debtors

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

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.

Stock

Stocks are held for sale as part of non-charitable trade and are measured at the lower of the cost and net realisable value.

Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

Critical accounting judgments and sources of estimation uncertainty

In the application of the Charity's accounting policies described above, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance.

The Trust has no material critical accounting judgments and sources of estimation uncertainty.

Note 2 Related party transactions

The Charity is a subsidiary of its corporate Trustee. The total contribution made by the Charity to its parent - Epsom and St Helier University Hospitals NHS Trust – was £673,000 (2018/19: £170,000) £500,000 of this was for the Renal department.

The Trust makes a number of clerical services available to the Charity, by agreement with the Trustee. These include administrative services at a cost of £36,000 (£38,000 in 2018/19); The cost of these services is disclosed in Note 9 below.

These related party transactions take place on an arm's length basis.

Note 3 Income from donations and legacies

	2019/2020			2018/19
	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Total Funds £'000
Voluntary Income:				
Donations	190	188	378	161
Legacies	143	0	143	452
Trading Income	28	0	28	7
Total Voluntary Income:	<u>361</u>	<u>188</u>	<u>549</u>	<u>620</u>

Donations from individuals are gifts from members of the public, relatives of patients and staff. This income is collected through collection boxes around the hospitals, from postal donations or donations received via our Virgin Money or Just Giving online web pages or from the contributions from the Fundraising Department. The above figures include the Transfer of £188,000 from the Funds held by some of the Community Services which transferred to our control in April 2020.

Note 4 Role of volunteers

Volunteers are not used by the Charity to raise funds. The Charity has some volunteers, normally hospital staff, who administer grants made. When undertaking work for the Charity these volunteers are reimbursed for expenses incurred.

Note 5 Gross Investment Income

	2019/2020			2018/19
	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Total Funds £'000
Fixed asset equity and similar investments	42	0	42	36
	<u>42</u>	<u>0</u>	<u>42</u>	<u>36</u>

Note 6 Analysis of expenditure on raising funds

During the year, the Trust employed a Fundraising Team. Fund raising costs incurred in the 2019/2020 were £73,000, £66,000 of which was staff costs. There were two full time

employees in the team. They are substantially employed by the Trust and recharged in full to the Charity. Of the £66,000 payroll cost, £7,600 was employer's pension contributions, and £5,700 employer's National Insurance Contribution. Both employees were members of the NHS Pension Scheme, which is a defined benefit scheme. However, as the schemes liabilities and assets cannot be attributed to each member the Trust (and the Charity) accounts for the scheme as if it was a defined contribution scheme, expensing contributions in the year they are incurred.

Note 7 Analysis of charitable expenditure

All of the charitable expenditure was in the form of grant funding, except for the expenses incurred by the Fundraising Department. Grants were approved to carry out activities that will benefit NHS patients and their families.

	2019/2020			2018/19
	Grant funded activity £'000	Support costs £'000	Total Expenditure £'000	Total Expenditure £'000
Patients welfare and amenities	12	1	13	8
Staff welfare and amenities	84	4	88	79
Research Expenditure	0	0	0	0
Donations of equipment and services to the Trust	642	33	675	178
Volunteers and miscellaneous expenses	8	1	9	19
	746	39	785	284

Note 8 Analysis of grants

The total cost of making grants, including support costs, is disclosed on the face of the Statement of Financial Activities and the actual funds spent on each category of charitable activity.

The Trustee operate a scheme of delegation for the majority of the charitable funds, under which fund advisors manage the day to day disbursements on their projects in accordance with the directions set out by the Trustee in charity standing orders and financial instructions. Funds managed under the scheme of delegation represent ongoing activities and it is not possible to segment these activities into discrete individual grant awards

	2019/2020					2018/19
	Paid to Individuals £'000	Paid to Institutions £'000	Grant funded activity £'000	Support costs £'000	Total Expenditure £'000	Total Expenditure £'000
Patients welfare and amenities	3	9	12	1	13	8
Staff welfare and amenities	48	36	84	4	88	79
Research Expenditure	0	0	0	0	0	0
Donations of equipment and services to the Trust	4	638	642	33	675	178
Volunteers and other expenses	2	6	8	1	9	19
	57	689	746	39	785	284

Note 9 Allocation of support costs and overheads

	Direct expenditure £'000	2019/2020 Support costs £'000	Total Expenditure £'000	Direct expenditure £'000	2018/19 Support costs £'000	Total Expenditure £'000
Patients welfare and amenities	12	1	13	7	1	8
Staff welfare and amenities	84	4	88	68	11	79
Research Expenditure	0	0	0	0	0	0
Donations of equipment and services to the Trust	642	33	675	155	23	178
Volunteers and miscellaneous expenses	8	1	9	17	2	19
	<u>746</u>	<u>39</u>	<u>785</u>	<u>247</u>	<u>37</u>	<u>284</u>

Support costs in 2019/2020 are as follows:

Support costs analysis	£'000
Staff recharge	35
Audit fees	3
Accounts Software	1
Total Costs	<u>39</u>

Supports costs are apportioned to spend based on a simple ratio of that spend to the total charitable spend in the year.

Note 10 Trustees' remuneration, benefits and expenses

The Charity's Trustee gives their time freely and receives no remuneration for the work that they undertake as Trustee.

Note 11 Analysis of staff costs and remuneration of key management personnel

The Charity does not directly employ staff but is recharged for work performed for the Charity by staff employed by Epsom and St Helier University Hospitals NHS Trust. These costs are disclosed in Note 9 above and total £35,000. An analysis of these costs is as follows:

	£'000
Charitable Fund Accountant	32
Cashiers	2
Accounts assistant	1
Total Costs	<u>35</u>

The average number of full time equivalent employees during the year was 1 (2018/19: 1) with all employees involved in providing support services to charitable activities or the governance of the Charity.

Note 12 Auditor's remuneration

The Audit remuneration of £3,000 (2018/19: £3,000) related solely to the audit with no other additional work being undertaken.

Note 13 Fixed asset investments

Reconciliation of movements in investments in the year:

	2019/2020 £'000	2018/19 £'000
Market value brought forward	2,511	2,352
Add: additions to investments at cost	1,649	295
Less: disposals at carrying value	(1,611)	(123)
Add net gain(loss) on revaluation/Other movements	(136)	(13)
Market value as at 31st March	2,413	2,511

Fixed asset investments by type:

	2019/2020 £'000	2018/19 £'000
Investments -		
Fixed Interest	0	0
UK Equities	110	253
Overseas Equities	757	645
UK Bonds	167	172
Property/ Alternatives	205	176
Multi Asset fund	1,023	1,156
Total listed investments	2,262	2,402
Cash held as part of the investment portfolio	151	109
	2,413	2,511

All investments are shown at their market value.

The Charity does not make use of derivatives and similar complex financial instruments.

Note 14 Current debtors

Debtors due in less than a year:

	2019/2020 £'000	2018/19 £'000
Accrued income	21	0
	21	0

There are no debtors due in over a year.

Note 15 Liabilities

Liabilities due in less than a year:

	2019/2020 £'000	2018/19 £'000
Accruals for grants owed to NHS bodies	240	362
Other accruals	0	7
	240	369

There are no liabilities due in over a year.

Note 16 Analysis of charitable funds**Analysis of restricted fund movements**

The restricted fund is for use at the Trust's Surrey Community healthcare premises.

Analysis of unrestricted and material designated fund movements

	Balance brought forward	Income	Expenditure	Transfers	Gains and Losses	Fund carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Epsom Invasive Cardiac	591	8	(11)	0	(28)	560
Renal (Slade legacy)	339	101	(500)	60	0	0
Butterfly Centre	196	9	(12)	0	(9)	184
St Helier Legacy Sadler	149	0	0	(149)	0	0
Molesley Hospital	0	174	(2)	0	(4)	168
General	45	42	(16)	80	(10)	141
Others	1,667	257	(326)	9	(75)	1532
	2,987	591	(867)	0	(126)	2,585

The Trustee set an opening or closing balance of £100,000 or above as the threshold for the separate reporting of material designated (earmarked) funds. In the interests of accountability and transparency a complete breakdown of all such funds is available upon written request.

The St Helier Legacy Sadler was amalgamated into the General Fund during the year.

Molesley Hospital Funds were transferred in as part of the expanded Community Services.

The objects of each of the designated unrestricted funds are as follows:

Epsom Invasive Cardiac Services	Designated to be spent on Cardiac Services at Epsom Hospital
Renal (Slade legacy)	Designated to be spent on Renal Services
Butterfly Centre	Designated to be spent by the Butterfly Centres at both Epsom and St Helier Hospitals
Molesley Hospital	Designated to be spent for Patients and /staff at Molesley Hospital
General Fund	The Charity's general fund to be spent on its objectives
Others	These comprise a number of funds which individually are not significant

The general fund includes all donations for which a donor has not expressed any preference as to how the funds shall be spent and the unrestricted income accruing to the Charity. These funds are applied for any charitable purpose to the benefit of the patients of Epsom and St Helier University Hospital NHS Trust at the absolute discretion of the Trustee.

Note 17 Total return on investment

No investments are held on a total return basis.

Note 18 Transfers between funds

£69,000 was transferred between Unrestricted Funds and the General Fund during 2019/2020 (2018/19 £76,000).