



SUMMARY REPORT	Meeting Date:	28 November 2019
	Agenda Item:	12.2
	Enclosure Number:	15

Meeting:	Trust Board		
Title:	Charitable Funds Annual Report & Accounts 2018/19		
Author:	Head of Financial Accounting		
Accountable Director:	Sarah Lloyd, Associate Director of Finance		
Other meetings presented to or previously agreed at:	Committee	Date Reviewed	Key Points/Recommendation from that Committee
	Charitable Funds Committee	19 September 2019	Report & accounts were recommended for approval

Purpose of the report				
To request the Trust Board, as the Corporate Trustee, formally approve the 2018/19 Charitable Funds Annual Report and Accounts as recommended by the Charitable Funds Committee on 19 September. Additionally, to note the developments being pursued with regard to funds utilisation which will be developed and monitored by the Committee over the coming months.			Consider for Action	
			Approval	✓
			Assurance	
			Information	
Strategic goals this report relates to:				
To deliver high quality care	To support people to live independently at home	To deliver integrated care	To develop sustainable community services	
✓				
Summary of key points in report				
<p>The Charitable Funds Committee have considered and endorsed the Charitable Funds Annual Report & Accounts 2018/19 on behalf of the Board in line with their delegated responsibility and recommended these for formal approval by the Trust Board.</p> <p>The accounts show an overall decrease in fund balances during the year of £98k from £200k to £102k, consisting of income receipts of £49k and expenditure of £147k.</p> <p>The Charity continues to be grateful to all those who have donated so generously. During 2018/19, income received included donations of £43k, legacies of £5k and bank interest of £1k. In particular the League of Friends of Bridgnorth Hospital donated £15k, the League of Friends of Whitchurch Hospital £7k and the League of Friends of Ludlow Hospital £6k. A legacy of £5k was received from the late MJ Gough for the Bishop Castle Hospital Patient Welfare Fund.</p> <p>Expenditure of £147k included refurbishing the Bridgnorth hospital multi-purpose room on the Agnes Campbell Ward for £66k. Expenditure associated with the above League of Friends donations £26k and expenditure on medical equipment and staff welfare.</p>				

Given the value of the funds, they are not subject to a full external audit, however the Trust's External Auditors carried out an independent examination, resulting in no change in the reported position.

The annual report and accounts, and the draft audit findings report are attached.

The Annual Report and Accounts will be submitted to the Charity Commission as part of the annual return by the end 31st January 2020.

Key Recommendations

The Board is asked to formally adopt the Charitable Funds Annual Report & Accounts for 2018/19, as approved by the Charitable Funds Committee in accordance with their delegated authority.

Is this report relevant to compliance with any key standards? YES OR NO		State specific standard or BAF risk	
CQC	No		
IG Governance Toolkit	No		
Board Assurance Framework	No		
Impacts and Implications?	YES or NO	If yes, what impact or implication	
Patient safety & experience	N		
Financial (revenue & capital)	Y	The Board has overall responsibility for approving the charitable funds annual report & accounts	
OD/Workforce	N		
Legal	N		



Shropshire Community Health

NHS Trust

Charitable Funds

Annual Report & Accounts 2018/19

Charity Registration Number 1056698

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 SORP have been followed, subject to any material departures disclosed and explained in the financial statements
- State whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. The trustees are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by the trustees under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. The trustees have general responsibility for taking such steps as are reasonably open to the trustees to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees confirm that they have met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 4 to 11 have been compiled from and are in accordance with the financial records maintained by the trustees.

Signed on behalf of the trustees:

Chair : Date :

Trustee : Date :

Annual Report

Reference & Administrative Details

In accordance with the Charities Act 2011, the charity is included in the Charity Commission's Register of Charities with the following details:

Name of charity:	Shropshire Community Health NHS Trust General Charitable Fund
Registered charity number:	1056698
Address of charity:	Trust Headquarters, William Farr House, Mytton Oak Road, Shrewsbury, SY3 8XL

There are 16 separate sub-funds registered within the group registration. There are further sub-divisions for the purpose of local management of funds.

The original governing document was a deed dated June 1996, as amended by supplementary deeds due to NHS re-organisations over the years.

Trustee Arrangements

The Trust is the sole corporate trustee of the charity. Since the Trust must act through individuals in order to express its will, trusteeship is assumed by the members of the Trust Board.

During 2018/19 they were as follows:

Jan Ditheridge
Ros Preen
Mahadeva Ganesh (until 30 September 2018)
Jane Povey
Steve Gregory
Julie Thornby (until 22 January 2019)
Sarah Lloyd
Jaki Lowe
Mike Ridley (until 15 February 2019)
Nuala O'Kane
Rolf Levesley (until 24 May 2018)
Peter Phillips
Steve Jones (until 26 July 2018)
Harmesh Darbhanga
Peter Featherstone
Tina Long

Governance & Management

In its role as corporate trustee, the Trust Board takes into account the Charity Commission guidance on independence. A Charitable Funds Committee has therefore been set up with delegated responsibility for managing the charity, ensuring that the use of charitable funds is focussed on the needs of patients. This committee operates within the Terms of Reference and delegated powers as set by the Board.

The committee has responsibility for ensuring that:

- Spending is in line with agreed objects and priorities.
- Devolved decision making and delegation is in accordance with the policies and procedures set out by the Board.
- All legal duties and regulations in relation to charitable funds are complied with.

The charity is accounted for and administered on a day to day basis by the Finance Department of Shropshire Community Health NHS Trust.

Objectives & Activities

The objective of the charity is that the Trustees shall apply the income and, at their discretion, so far as may be permissible, the capital, for any charitable purposes relating to the NHS wholly or mainly for the services provided within Shropshire Community Health NHS Trust.

The charity is funded by donations and legacies received from patients, their relatives, the general public and other organisations. The overall strategy of the charity is to provide support to the above Trust by the following means:

Patients Expenditure

- Purchase of medical equipment and provision of services not normally provided by or in addition to that normally provided by the NHS.
- Improving patient facilities and amenities to improve the environment.

Staff Expenditure

- Motivation of staff, by improving staff facilities and providing services that improve staff wellbeing.
- Education of staff by providing training over and above what would normally be provided.

Relationships with Related Parties/External Bodies

Grants to the related NHS organisation, Shropshire Community Health NHS Trust, are made in accordance with donors' wishes and in line with Charity Commission guidance on the public benefit.

The charity works closely with the Trust. Staff within the organisation identify and advise the charity on local priorities and assist the corporate trustee in monitoring the use of the charitable funds.

The strong relationship with members of staff is particularly valued and enables the charitable funds to be directed to ensure an effective contribution is made in support of local services.

Close links are also maintained with individual hospital League of Friends organisations. The charity is pleased to work with these organisations in the provision of charitable support to the related hospitals and health services.

Review of Finances, Activities, Achievements & Performance

The strategy of the charity is to provide support by providing funds to benefit patients of Shropshire Community Health NHS Trust. It does this by purchasing supplementary and complementary equipment or services for which the Trust is unable to provide funding through exchequer sources.

The charity does not currently actively fundraise and relies upon the generosity of patients and their relatives and other donors who are familiar with, or have experienced the care of the Trust services and hospitals, or who are sympathetic and generous in their support to their local NHS services.

Finances

In the 2018/19 financial year the charity received donations of £43,000, legacies of £5,000, and interest income of £1,000. Total incoming resources for the year were therefore £49,000.

The charity can only continue to support the work of Shropshire Community Health NHS Trust as long as donations and legacies continue to be received. The charity is therefore indebted to the generosity of patients, their families and carers, well-wishers and friends, who have donated so generously to the work of the charity. This includes people who have left legacies in their will, and we are aware that we receive these monies at a sensitive time for the remaining family.

In particular the League of Friends of Bridgnorth Hospital donated £15,000, the League of Friends of Whitchurch Hospital £7,000 and the League of Friends of Ludlow Hospital £6,000 being a total of £28,000 between them towards the equipping of wards and the purchase of medical equipment.

A legacy of £5,000 was received from the late MJ Gough for the Bishop Castle Hospital Patient Welfare Fund.

Patient welfare and amenities

Patients' welfare grants totalled £140,000. The majority of this expenditure was ward redevelopment and medical equipment. The most significant items were:

- £86,000 from the Bridgnorth Hospital Patient Welfare Fund for refurbishing the multi-purpose room on the Agnes Campbell Ward from the legacy of the late R Dudley £66,000, two bladder scanners for £9,000 and blinds, tables and chairs for the multi-purpose room £4,000 from the League of Friends donations.
- £25,000 from the Whitchurch Hospital Patient Welfare Fund mainly for two Maxi Move Hoists for £7,000 from the League of Friends donations, £5,000 for two motorised chairs, £3,000 for Life Cards and £2,000 for patient chairs.
- £8,000 from the Ludlow Hospital Patient Welfare Fund mainly for Digital Reminiscence software from the League of Friends donation £6,000.
- £7,000 from the Bishops Castle Hospital Patient Welfare Fund mainly for toilet improvements £4,000.

Staff welfare and amenities

Staff welfare grants totalled £7,000.

The overall financial performance recorded a net decrease in funds of £98,000.

Future Plans

The trustees do not expect any significant changes in the objectives of the charity in the forthcoming years, and intends to continue to reduce fund balances where suitable projects and schemes can be identified.

Reserves policy

The charity's intention is that funds are spent within a reasonable period of receipt, and therefore reserves should not be built up. Managers are encouraged to spend the funds to continue to reduce the level of funds held.

Statement of Financial Activities for the year ended 31 March 2019

	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
Note	2018/19 £'000	2018/19 £'000	2017/18 £'000	2017/18 £'000
Income from:				
Donations & Legacies	3	48	48	363
Investments (Bank Interest)		1	1	1
Total Incoming Resources		49	49	364
Expenditure on:				
Charitable activities:				
Patient welfare & amenities	4	140	140	426
Staff welfare & amenities	4	7	7	8
Total Expenditure		147	147	434
Net Movement in Funds		-98	-98	-70
Reconciliation of funds				
Total funds brought forward 31 March 2018	10	200	200	270
Total funds carried forward at 31 March 2019		102	102	200

Balance Sheet as at 31 March 2019

	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
Note	2018/19 £'000	2018/19 £'000	2017/18 £'000	2017/18 £'000
Current assets				
Debtors	8	0	305	305
Cash at bank & in hand		109	235	235
Total Current Assets		109	540	540
Liabilities				
Creditors : amounts falling due within 1 year	9	-7	-340	-340
Total Liabilities		-7	-340	-340
Total Net Current Assets/(Liabilities)		102	200	200
Total Net Assets or Liabilities		102	200	200
Funds of the charity				
Unrestricted funds	10	102	200	200
Total Charitable Funds		102	200	200

The notes on pages 6 to 11 form part of these accounts.

The financial statements were approved by the trustees at the Charitable Funds Committee on 19 September 2019 and then subsequently approved by the Trust Board for issue on behalf of the committee on the 28 November 2019

Trustee :

Date :

NOTES TO THE ACCOUNTS

Note 1 : Accounting Policies

a) Basis of preparation

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

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

The accounts (financial statements) have been prepared to give a "true and fair view" and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than Accounting and Reporting by Charities : Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Update Bulletin 1 of the Charities SORP (FRS 102) was implemented in 2015/16.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

b) Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as:

- An endowment fund - where the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent.
- A restricted income fund - where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

The charity currently has no endowment funds or restricted income funds. All the funds are therefore unrestricted income funds.

There are 16 separate sub-funds registered within the group registration with the Charity Commission, with further sub-divisions for the purpose of local management of funds.

c) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received, and the monetary value of the 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.

NOTES TO THE ACCOUNTS

d) 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 all the following conditions are met:

- Confirmation has been received from the estate representatives 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.

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.

e) 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.

f) Recognition of expenditure and associated liabilities as a result of grant

Grants payable are payments made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

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:

- Approval and authorisation have been granted in accordance with the Scheme of Delegation operated by the Trustee.
- Receipt of goods or services have been confirmed as appropriate and payment authorised in accordance with the Trustee's Standing Financial Instructions.

g) Allocation of support costs

Support costs are those costs which do not relate directly to a single activity. These include costs of administration, internal and external audit costs and bank charges. Support costs have been apportioned across the categories of charitable expenditure on an appropriate basis. The analysis of support costs and the basis of apportionment applied are shown in note 5.

h) 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 4.

NOTES TO THE ACCOUNTS

i) Debtors

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

j) Cash and cash equivalents

All cash is held within interest bearing Government Banking Service (GBS) bank accounts.

k) 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.

l) Cash Flow Statement - Exemption

Charities preparing their accounts under FRS 102 must provide a statement of cash flows, except where the disclosure exemptions permitted by SORP have been taken.

Section 7 of FRS102 provides an exemption under the small entity provisions within S1A of FRS 102; small entities that are not subsidiaries can claim exemption from preparing a cash flow statement.

The turnover of the Shropshire Community Health NHS Trust General Charitable Fund is such that it meets the definition of a small entity.

Note 2 : Related Parties

During the year, members of the Charitable Funds Committee, which is empowered by the corporate trustee to act on its behalf in the day-to-day administration of all Funds Held on Trust, were also members of the Shropshire Community Health NHS Trust Board.

The charity has made revenue and capital grant payments to the Trust to the value of £135,000 as detailed in note 4. Other than these payments, there have been no further material transactions between the charity and the listed NHS body.

Board members of Shropshire Community Health NHS Trust, the corporate trustee, and members of the Charitable Funds Committee ensure that the business of the charity is dealt with separately from that associated with exchequer funds for which they are also responsible.

Note 3 : Income from Donations & Legacies

	Unrestricted Funds 2018/19 £'000	Total Funds 2018/19 £'000	Total Funds 2017/18 £'000
Donations	43	43	357
Legacies	5	5	6
Total	48	48	363

Note 4 : Analysis of Charitable Expenditure

The charity does not undertake any direct charitable activities on its own. All the charitable expenditure is in the form of grant funding. Grants are not made to individuals. All grants are made to Shropshire Community Health NHS Trust, to provide for the care of patients in furtherance of the charity's aims.

Support costs are apportioned across the categories of charitable expenditure.

	Grant Funded Activity 2018/19 £'000	Support Costs 2018/19 £'000	Total 2018/19 £'000	Total 2017/18 £'000
Patient welfare & amenities	128	12	140	426
Staff welfare & amenities	7	0	7	8
Total	135	12	147	434

Note 5 : Allocation of Support Costs

Support costs are apportioned across the categories of charitable expenditure based on average monthly fund balances.

	Patient Welfare 2018/19 £'000	Staff Welfare 2018/19 £'000	Total 2018/19 £'000	Total 2017/18 £'000
Governance - internal & external audit fees	1	0	1	1
Financial, administration & bank charges	11	0	11	12
Total	12	0	12	13

Governance costs of £1k are for Audit fees and are covered further in Note 7.

The financial administration costs include £9k of staff costs for staff employed by the Trust.

Note 6 : Trustee Remuneration & Expenses

No trustees were paid any remuneration or expenses from the charity for the work they undertake as trustees.

The only remuneration paid to trustees by a related party related to their employment with the Trust. This information is contained in the Remuneration part of the Trust's annual report which can be found at:

<http://www.shropscommunityhealth.nhs.uk/annual-reports-and-accounts>

Note 7 : Auditor's Remuneration

The external auditor's remuneration of £1,440 (2017/18 : £1,440) related solely to the independent examination of the annual accounts, with no other additional work being undertaken.

Note 8 : Analysis of Current Debtors

	2018/19	2017/18
	£'000	£'000
Accrued income	0	305
Total	0	305

Note 9 : Analysis of Creditors Due Within 1 Year

	2018/19	2017/18
	£'000	£'000
Trade creditors	7	29
Accruals for grants owed to NHS bodies	0	311
Total	7	340

Note 10 : Summary of Fund Movements

	Balance B/Fwd £'000	Income £'000	Expenditure £'000	Balance C/Fwd £'000
Bishops Castle Hospital Patient Welfare	22	7	-7	22
All other funds	178	42	-140	80
Net movement in funds	200	49	-147	102

The above table shows the movements on the significant sub-funds within the group registration, and is based on those funds which have a closing balance at 31 March 2019 in excess of £20,000.

The objects of the listed funds are as follows:

Bishops Castle Hospital Patient Welfare Fund - for patients who are or have been treated by Shropshire Community Health NHS Trust at Bishops Castle Hospital.

The 4 community hospitals are each supported by active Hospital League of Friends who donate money to assist in the purchase of medical equipment and other patient amenities.

Note 11 : Events After the End of the Reporting Period

There were no events after the end of the reporting period.

Independent examiner's report to the corporate trustee of Shropshire Community Health NHS Trust Charitable Fund

I report on the accounts of Shropshire Community Health NHS Trust Charitable Fund (the "charity") for the year ended 31 March 2019, which are set out on pages XX to XX.

Your attention is drawn to the fact that the charity's trustee has prepared the charity's accounts in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)' issued in May 2014 in preference to the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005)' issued in April 2005 which is referred to in the Charities (Accounts and Reports) Regulations 2008 but has been withdrawn. I understand that the charity's trustee has done this in order for the charity's accounts to give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is in respect of an examination carried out under section 149(3) of the Charities Act 2011. This report is made solely to the charity's trustee, as a body, in accordance with the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustee, as a body, for my work, for this report or for the opinions I have formed.

Respective responsibilities of corporate trustee and examiner

The charity's corporate trustee is responsible for the preparation of the accounts. The charity's trustee considers that an audit is not required for this year under section 149(2) of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 149 of the Charities Act 2011;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 149(5) of the Charities Act 2011; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a comparison of the accounts with the accounting records kept by the charity. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act 2011; and
 - to prepare accounts which accord with the accounting records; and
 - to comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008have not been met, or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

XXXXXXXXXXXXXX

Grant Thornton UK LLP
Chartered Accountants

28 November 2019

DRAFT