

Annual Report and Financial Statements of the Royal Surrey County Hospital Charity 2020/21

Registration No: 1049776

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Foreword from the Chair of the Royal Surrey Charity Corporate Trustee and the Chair of the Royal Surrey Charity Charitable Funds Committee

It is essential, but also obvious and inadequate, to write that this past year has been unlike any other in the history of the Royal Surrey Charity.

We wrote our foreword to the 2019/20 charity report between the first and second waves of the Covid-19 pandemic. It was clear then that Covid would have a fundamental effect on the charity, on the whole of the NHS and on all our lives. As the year went on, one small, unexpected side effect of the pandemic became apparent – that NHS charities were developing a new role.

At the Royal Surrey Charity, we have continued to raise money for, and fund, the sort of extras which contribute to the quality of our patients' experience above the NHS 'basics'. But during this uniquely challenging period, more than ever before, we have also been a way for our communities to show their support and gratitude for the work of the Royal Surrey's wonderful staff.

So the following pages reflect two main elements of the charity's year. On the one hand, initiatives with direct benefit for our patients – providing comfortable accommodation for parents to stay overnight next to their babies in the Special Care Bay Unit, upgrading the chemotherapy unit in Chilworth Ward to create a comfortable, welcoming environment for patients who may have to spend many hours receiving treatment there, and many others. On the other, the generosity of our public, of large individual donors, of charity event organisers and of trusts, foundations and local businesses, which has allowed us to support many health and wellbeing initiatives for our staff, with both short and long term benefits for them and the patients they serve.

We pay particular tribute to two elements of the charity 'ecosystem' which have proved beacons of support in this difficult time. The first is our volunteer fundraisers, who have demonstrated skill, ingenuity and imagination in creating virtual fundraising events at a time when there could be no face-to-face events.

The second is our national membership organisation NHS Charities Together. It responded fast and well to the national outpouring of public gratitude for the NHS, and ensured that this led to real improvements at local level, such as our new wellbeing cabin. Charities Together also set up a grant programme which has involved collaboration between NHS charities and many local charities. We will have more to write about this in our next annual report.

On behalf of the Royal Surrey NHS Foundation Trust and the Royal Surrey Charity, we offer a deep and sincere thank you to all our supporters.



Sue Sjuve – Chair, Corporate Trustee, and Chair, Royal Surrey NHS Foundation Trust Board



Howard Webber – Chair, Charitable Funds Committee, and Member, Royal Surrey NHS Foundation Trust Board

OBJECTIVES AND ACTIVITIES

THE CHARITY

This is the annual report of the Royal Surrey County Hospital Charity ('the Charity') covering the period 1 April 2020 to 31 March 2021. With a vision to provide nationally celebrated community focused health and care, the Royal Surrey NHS Foundation Trust ('the Trust') provides district general hospital care to around 500,000 people locally and cancer care and other specialist services to a wider population of around 3m people. There are more than 4,000 staff providing care or supporting others to do so and, more than 2,000 people enter the Trust's hospitals or receive care from us at home or in the community every day. The Trust's mission is to deliver compassionate, safe care every day and is dedicated to keeping patients at the heart of everything it does. We hope that with the Charity's assistance, the Trust will be able to go above and beyond what standard NHS funding provides to transform healthcare for people in South West Surrey and beyond.

We continue to receive donations from patients and their visitors, local businesses, charitable trusts, the local community and event participants. We also receive income from "in memory of" donations and legacy gifts. If you think you may wish to support our cause, please do read this report to learn more about our charity, what we do, why we do it and how you in turn, may help us.

OUR MISSION

The charity is registered with the Charity Commission as a main (or umbrella) charity (registered number 1049776), with a number of designated funds beneath the umbrella registration, specific to various wards and departments of the Trust. The purpose of the Charity is:

'To support services that directly, or have the potential to, benefit patients of the Royal Surrey NHS Foundation Trust, beyond the standard provided by normal NHS funding.'

We put this into practice by making grants to the Trust for use in:

- **Funding advanced, cutting edge equipment.**
- **Enhancing the patient experience by improving the environment in wards and departments through building and refurbishment works.**
- **Investing in the education and welfare of the Trust's staff**
- **Investing in the education and welfare of the patients**

In exceptional cases, funding is provided to support medical/administrative posts for a defined period where the patient benefit can be assessed and a case made for future funding by the Trust, for example trialing a new procedure or contributing to the initial costs of establishing a new service.

Grants are made in accordance with charity law and are structured in a manner that ensures existing funds and money raised are used to best effect in supporting the work of the Trust. The charity aims to do this whilst according with donors' wishes and the Charity's aims and objectives, ensuring public benefit remains at the forefront of those decisions. During 2020/21, grants totaling £779k (2019/20: £693k) were made.

PUBLIC BENEFIT STATEMENT

The Corporate Trustee confirms that the Charity Commission's general guidance on public benefit has been referred to when reviewing the Charity's aims and objectives, planning future activities and setting the grant making policy for the year. As the financial pressures on the NHS continue, so does the increase in requests for the use of the charity's funds. It therefore remains a key role of the Trustee/Charitable Funds Committee to discuss, consider and assess the extent of public benefit that can be achieved from each grant request received from the Trust. The Trustee is satisfied that the aims and objectives of the Charity are in the public benefit and are fully in accordance with Charity Law and Charity Commission guidance.



The Royal Surrey Charity is incredibly grateful to everyone who offered extraordinary support to our staff and patients throughout the pandemic.

ACHIEVEMENTS AND PERFORMANCE

With the arrival of the Covid-19 pandemic and the extreme pressures that this brought to the NHS throughout the whole of 2020/21, the charity had to adapt fundamentally not only its ways of working and fundraising but also its direction for financial support. Due to a rapid and wonderful response from the local community wishing to donate money to benefit front line staff directly, the charity's focus on supporting staff wellbeing initiatives grew substantially during this period.

In March 2020 the Charity launched its Emergency Covid Appeal which saw donations of over £350,000 received to support front line staff. This money not only provided immediate relief to staff but also enabled the charity to fund longer-term initiatives for supporting staff. Additionally, a grant from NHS Charities Together has provided funding for new a Wellbeing Cabin. The cabin will be used to provide vital health and wellbeing sessions, staff counselling, and resilience training. The garden space around the cabin will also be improved to give staff an additional place for much-needed breaks. We continue to work closely with staff to ensure every penny that is spent supports their health and wellbeing, and most importantly, helps them to continue to provide exceptional care to our local communities.

In addition to this focus on staff wellbeing, the Charity continued to support many other initiatives across the Trust.

Highlights of 2020/21 include:

Equipment - £112k

The charity is delighted to have purchased a wide range of exciting new equipment for various areas across the Trust during the last financial year. This new equipment is making a real difference to the treatment and care of our patients:

- **Scalp Cooling System - £90k – Oncology**
The Scalp Cooling System helps reduce or in some cases prevent hair loss during chemotherapy treatment.
- **RITA Machine - £6k – Dementia Care**
The RITA Machine (Reminiscent Interactive Therapeutic Activity) is an innovative, evidence-based, state-of-the-art digital therapy system which allows patients to use apps, games and other leisure activities as part of their hospital recovery. Reported benefits include a reduction in falls, improved patient communication and a reduction in patient agitation.
- **ECG Machine - £5k – Urology**
An electrocardiogram (ECG) is used to check the heart's rhythm and electrical activity. Having additional equipment means patients can be assessed and monitored quicker.
- **Patient Transport Chairs - £3.5k – ICU**
Specialist transport devices offering comfort to individuals with mild to severely limited mobility.

Building and Refurbishment - £311k

- **Frensham Ward Refurbishment - £38k**
Funding has enabled upgrades to the IV Preparation Room, the Assessment Room, bathroom, storage facilities, and staff rest area. This has also helped improve

multidisciplinary team working and communications, ultimately leading to improved working conditions for staff and an improved patient experience.

- **SCBU Build – £200k**

Following a successful fundraising appeal £500k has been raised to enable the completion of the Special Care Baby Unit (SCUBU) Build at the Royal Surrey. The funds were raised over two financial years. The unit is the first of its kind in Surrey and the surrounding area and now offers comfortable overnight accommodation for parents, next to their babies' cots and a new family room, which offers much-needed privacy for families receiving sensitive news. Funding also provided a separate space for siblings to play with toys and for visitors to gather and spend time together.

- **Hascombe Ward Starfish Bathroom Installation- £12.5k**

During the pandemic Hascombe Ward's Starfish bay was identified as an area for Covid positive patients to isolate. While the bay was well-suited for this purpose, it lacked its own bathroom facilities. An urgent project was undertaken to build a new bathroom facility to help ensure infection control standards could be maintained.

- **Chilworth Day Unit Refurbishment – £47k - Chilworth Ward**

The Charity provided £47,000 to fund a stunning refurbishment of the chemotherapy outpatient unit – Chilworth Ward. The unit treats about 500 chemotherapy outpatients a week, some of whom spend up to eight hours a day receiving their intravenous chemotherapy medicine and attend the unit for many years. Putting patients' wellbeing at the heart of the design was a top priority for staff who listened to feedback and came up with some creative ways to make the unit more welcoming and less clinical.

Chilworth unit's makeover includes beautiful flower murals in each of the five bays, a tree canopy frieze at its entrance and the conversion of an old nurses' station into a well-stocked self-service refreshments area, where patients can help themselves to hot and cold drinks and snacks.



Emma Masters, Lead Chemotherapy Nurse for St Luke's Cancer Centre, said:

"If you're sitting in a clinical environment with blank walls to look at, time can pass very slowly and add to feelings of stress. We wanted to break up the monotony and make the experience as pleasant and relaxing as it can be for our patients.

With our help-yourself refreshment area and comfy lounge space, we want to encourage patients to move around, relax and escape from that 'waiting room' atmosphere.

We're also hoping, going forward, to create different zones, such as a quiet area, a TV room and a music room, and to have an aromatherapy diffuser that releases essential oils to add a soothing sensory element. We want to change what has traditionally been a very clinical treatment space to make it more about a patient's holistic needs.

We're extremely grateful to the wonderful supporters who fundraised or donated to Royal Surrey Charity, enabling this refurbishment to happen."

Staff Education & Welfare - £221k

- A grant of £150k provided weeks of food for busy staff – delicious and nutritious meals, snacks, treats, and fruit have been delivered for staff working long shifts and those having to self-isolate away from family at nearby hotels. Support has also been made available to help staff with healthy eating and meal planning during this busy time. A staff BBQ was held after the first wave of the pandemic to thank staff for all their hard work.

NHS Charities Together Grants and our Emergency Covid Appeal was used in:

- Providing rest areas to support wellbeing – six outdoor igloos have been constructed at the hospital to facilitate socially distanced breaks for staff. All igloos include heating and lighting, as well as seating, so they can be used throughout the year.
- Florence Nightingale Leadership Support Sessions – to help those in charge adequately support their staff during the pandemic.
- Improving staff areas – grants have been provided to each ward and department, so that staff areas across the hospital can be enhanced – including the purchase of lockers, fridge/freezers, microwaves, kettles, plants, coffee tables, patio tables, chairs and TVs.
- Thanking staff and volunteers – as well as treats and hampers for those working at Christmas, funding has been given so departments can provide gifts or vouchers as a thank you to staff and volunteers.





- **Staff Training Courses - £21k**

Despite the pandemic, the charity was still able to support staff with their training and development, most of which moved online, providing an opportunity to learn skills and improve knowledge/experience above that which the standard NHS training pathways provide.

Patient Treatment, Experience & Welfare - £49k

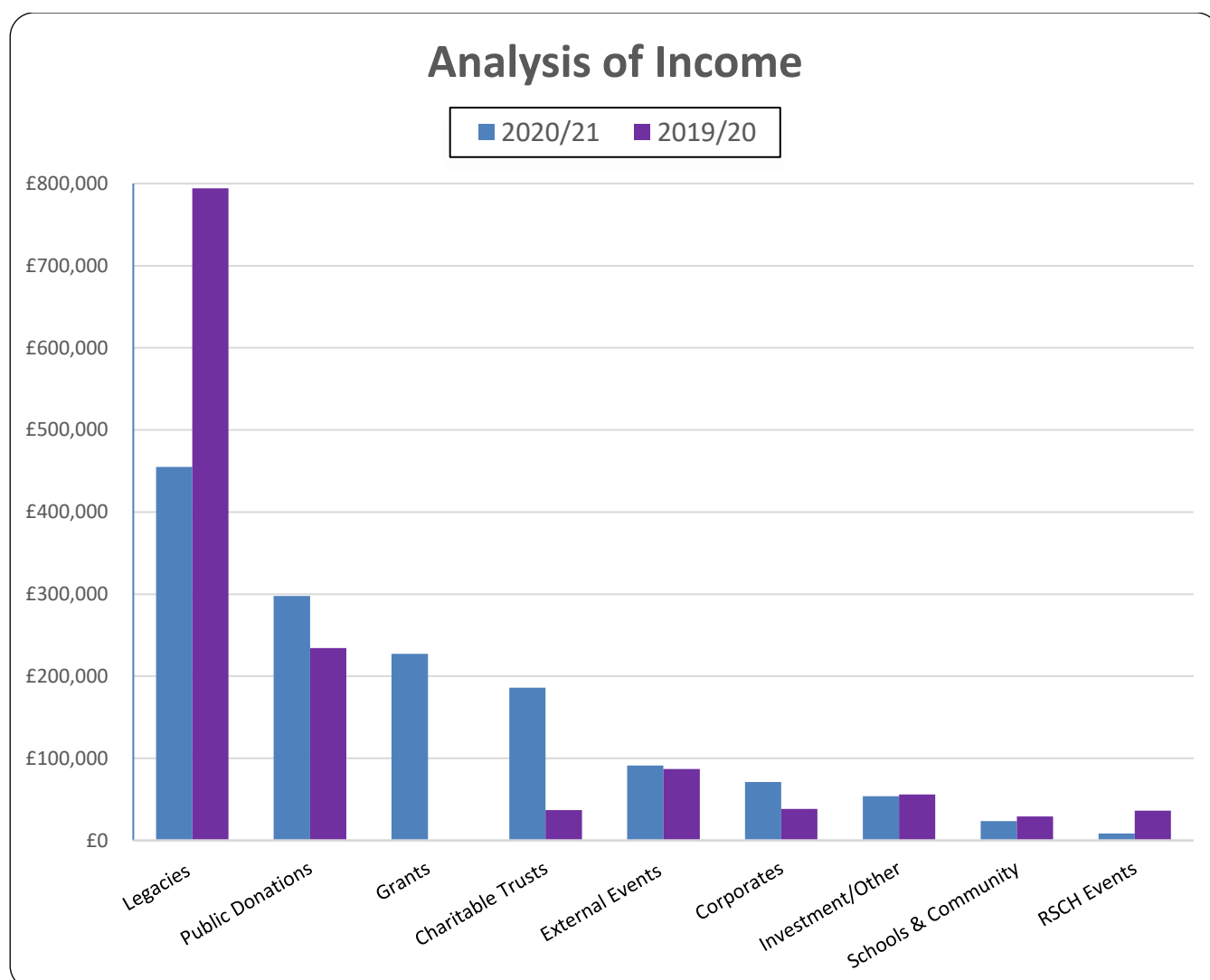
- **Frailty academy furniture** – this is the first stage of a project which will improve the treatment and care of patients with markers of frailty. A grant during 2020/21 enabled the creation of an Older People's Ambulatory Care Bay and the next financial year will see the recruitment of a practitioner to run a frailty academy providing education and training to support the delivery of high quality care for patients with frailty.
- **Connecting patients and staff with loved ones** – through the Covid Emergency Fundraising Appeal we've funded tablets for each ward so that staff and patients are able to stay in contact with loved ones at home. This has been essential when family and friends have not been able to visit patients in isolation.
- **Christmas decorations on wards** - due to significant restrictions on what could be placed around the hospital and in wards, the Charity found a way to still make the hospital festive for the patients with infection control friendly Christmas murals.
- **Pledge a Present** – the charity was able to provide gifts for all inpatients on Christmas Day.



FINANCIAL REVIEW - INCOME

Total income for the year to 31 March 2021 was £1,414k (2019/20: £1,312k).

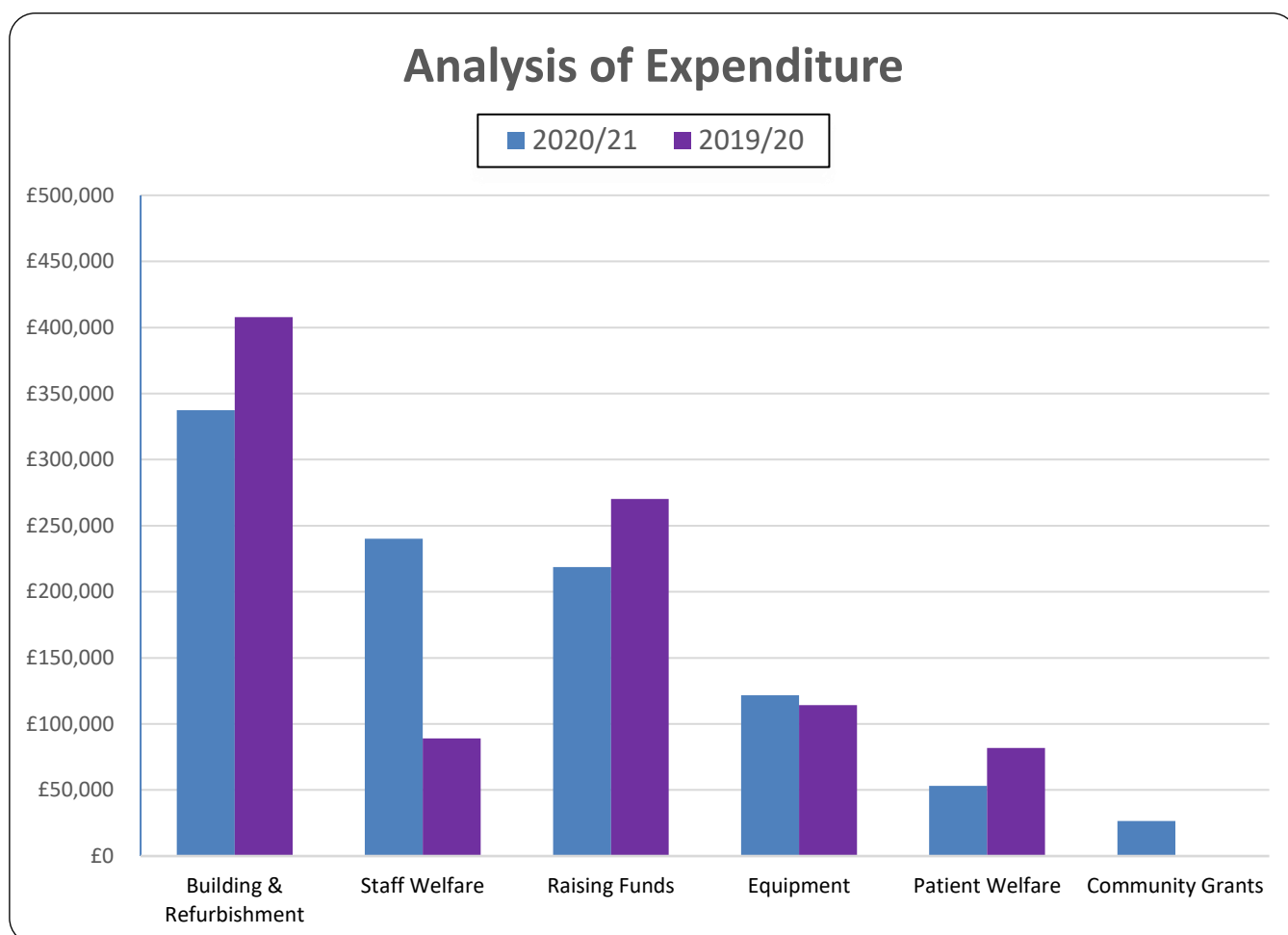
The chart below shows a comparison between our sources of income from this year and last year. Further details are provided in note 2 of the financial statements. The key observation is that Charitable Trust and Grant income greatly increased, whilst the pandemic meant that the charity was unable to hold fundraising events which led to a significant decrease in income from this area. Public donations and legacies continue to be our largest source of income.



EXPENDITURE

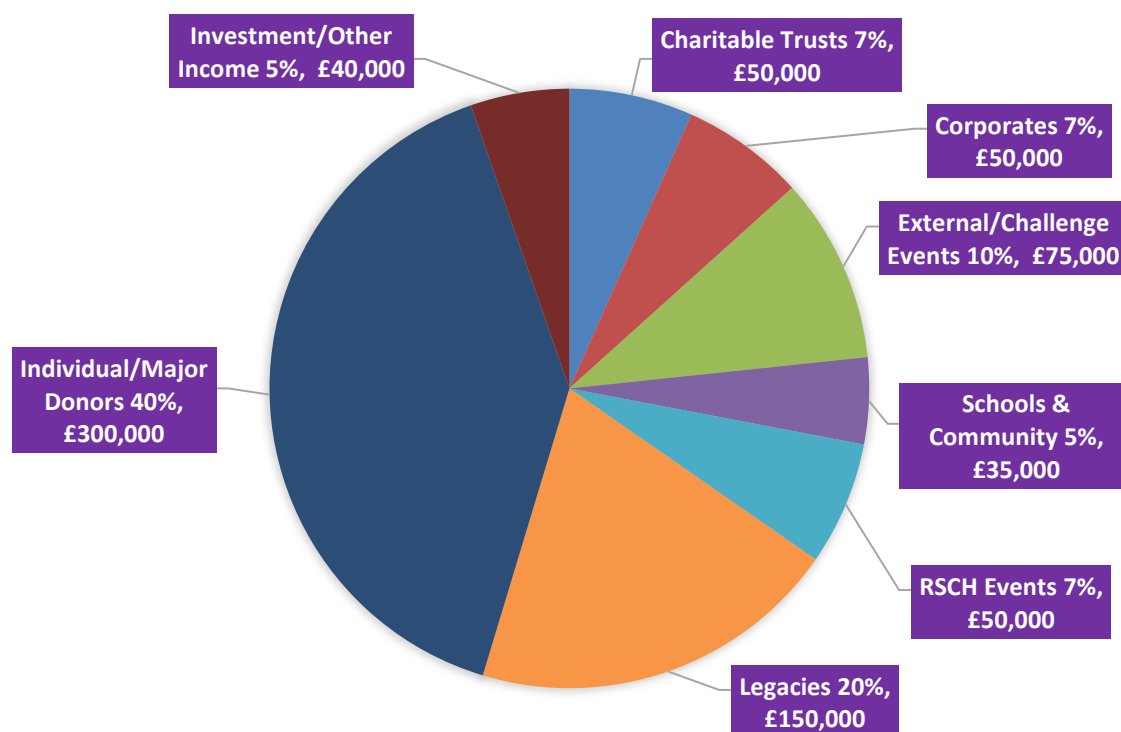
Expenditure for the year to 31 March 2021 was £998k (2019/20: £963k). Expenditure on raising funds amounted to £219k (2019/20: £270k) whilst expenditure on charitable activities totaled £779k (2019/20: £693k).

As expected, following an unprecedented year, the way in which the charity spent money changed. There was a significant increase in staff welfare expenditure as a large number of donations received were specifically for this purpose.



PERFORMANCE AND OBJECTIVES

The 2020/21 financial year income target was set at £750k. This was divided via income stream as below:



The charity raised £1,414k for the financial year against this target with a significant amount of income coming through the Royals Surrey Charity's Covid Appeal as well as a notable legacy donation.

Excluding Legacy support, 2020/21 saw the fundraising team achieve its most successful year of fundraising to date. It's clear that this support reflected the public's appreciation of the incredible efforts of all our NHS staff during the pandemic.

At the same time support through events, schools and community, which are normally core to the charity's fundraising portfolio, understandably saw a significant drop. Individual Giving was buoyed through the amazing public support received through the Covid Appeal, but still fell short of the original target due to a longstanding decline in Regular Giving support. A substantial donation from the Acott Foundation alongside support from NHS Charities Together, both supporting staff welfare initiatives, helped see Charitable Trusts and Grant income increase far beyond what has been achieved in the past.

As in all walks of life 2020/21 was a unique year. The surge in support that we saw during the pandemic is unlikely to be repeated and the fundraising team have a great deal of work to do to ensure that the charity is able to continue to meet the ongoing needs of the Royal Surrey.

As staff across the NHS face the colossal task of 'recovery', NHS charities up and down the country are now needed more than ever. The Royal Surrey Charity will continue to focus on diversifying income, engaging our local communities, individuals and organisations whilst looking to achieve sustainable year on year growth that will help enhance the patient experience across south west Surrey and beyond.

FUNDRAISING PERFORMANCE

ROYAL SURREY CHARITY EVENTS - £8k

Due to Covid restrictions a number of our internal fundraising initiatives were cancelled. However the Charity adapted to create new ways to continue its fundraising. Our internal Christmas card sales were moved online with £4,500 being raised.

In March we were delighted to launch our first ever Virtual Running Challenge - Run the World for Royal Surrey. This saw an incredible 175 people sign up to run or walk to help clock up miles to see how far around the world we could reach in just one month. By the end of March, together the Run the World team had travelled an incredible total distance of 21,084km and raised an incredible £4,444.



EXTERNAL FUNDRAISING EVENTS - £86k

The Charity is extremely grateful to the many supporters who have set up external fundraising events this year, the majority of which have been virtual or socially distanced in adherence with Covid restrictions. They have been incredibly creative and these amazing efforts raised a wonderful £86k during 2020/21. Some examples include:

Sunflower Productions

Just before the first lockdown in early 2020 Sunflower Productions put on 5 performances of The Full Monty – the Musical at the Electric Theatre in Guildford which even included member of staff from the Royal Surrey as Musical Director and cast members. This was an incredible culmination of a full year of fundraising to fund the production which resulted in this fantastic amateur theatre group raising an incredible £18,120 for the Urology Department which were the proceeds from the show.



Co-producer Dave Sillett has a personal reason for supporting the centre after he was treated for prostate cancer at the hospital back in 2018. He said:

"I was the first person to be treated in the state-of-the-art Stokes Centre for Urology when it opened, and so on a personal level, this felt like the right cause. The Full Monty seemed like a great fit for all proceeds to go to the urology department. We are absolutely thrilled with the amount raised and would like to thank everyone who

was involved in making this possible. We're already thinking about our next charity project – watch this space!"

The 2.6 Challenge



When the announcement came that the London Marathon was cancelled, London Marathon Events created a virtual event called the 2.6 Challenge and invited all charities to participate to engage with their supporters to help raise vital funds. The Charity was delighted to offer this event to its supporters which asked them to create a challenge or event around the number 26 or 2.6 or simply donate £26. There were some very imaginative challenges and it gave the charity a chance to engage with some of its younger supporters who

participated in challenges from walking running, cycling to jumping, hopping and even po-going which helped raise just over £3,000.

Simon Merrony Architects

The four directors from Simon Merrony Architects used their lockdown exercise time whilst working from home to create an incredible challenge of climbing the worlds 30 tallest building virtually on their stairs at home. They climbed a different building every day during 30 days of May. By the end of the month they had achieved an incredible 106,191 steps! The daughter of two of the directors is a doctor at the Royal Surrey and that is why they wished to fundraise for the Emergency Covid Appeal to support her and all those working hard throughout the pandemic. They set their initial target at £1,000 and ended us raising an incredible £3,785.



The Charity wishes to thank all its incredible fundraisers for their amazing and continued support throughout the year.

COMMUNITY FUNDRAISING - £24k

The impact of Covid has made it extremely difficult for individuals, schools or community organisations to engage in or organize public-facing fundraising activities and understandably we saw very few Community Fundraising initiatives in 2020/21. As an area of fundraising that not only raises vital funds, but also helps raise awareness within our local communities, Community Fundraising will always be vital to the Royal Surrey Charity. We would like to thank everyone who helped support the Royal Surrey Charity through Community Fundraising initiatives – the difference you make is incredible.



CHARITABLE TRUST FUNDRAISING - £414k

The Acott Family Charitable Foundation

A grant of £150,000 was awarded by the Acott Family Charitable Foundation to provide around 45,000 meals over 16 weeks, for working NHS staff at the Royal Surrey during the Covid-19 pandemic.



Ken and Linda Acott established the Acott Family Charitable Foundation in 2019 with an emphasis placed on supporting charitable organisations in its local area.

Ken Acott said: *"When we created our family foundation, little did we imagine the impact a pandemic would have on society but it has quickly become apparent that our front line NHS staff, and all those who support their incredible, dedicated and selfless work, would emerge as true heroes and the ultimate saviours of us all."*

NHS Charities Together

Support for NHS Charities Together hit unprecedented levels this year when Captain Tom Moore spearheaded a surge in public support for the NHS and all NHS staff. NHS Charities Together, the membership organization for NHS Charities, subsequently offered financial support to its regional and local members through grant schemes focused on supporting the health and wellbeing of staff, volunteers and patients affected by Covid-19. The Royal Surrey Charity were fortunate to have been awarded £227,000. We are immensely grateful to NHS Charities Together and to everyone who has supported NHS charities at a national level.

CORPORATE FUNDRAISING - £71k

There's no doubt that it's been a tough time for local and national businesses and we are very grateful to the companies that were able to support us in 2020/21. These include Savills who donated £15,000 and Apple who donated £7,500.

LEGACY FUNDRAISING - £455k

A gift in a will is a wonderful way to offer support for future generations and help continue to enhance the services provided by the Royal Surrey. In 2020/21 the Charity received £454,791 in Legacy fundraising income, which was predominantly made up from one large legacy of £400,000. We are incredibly grateful to anyone who considers leaving a gift in their will for the Royal Surrey, these are invaluable and go a long way towards allowing us to continue to support our patients and staff.

FUTURE PLANS/ DEVELOPMENTS SINCE YEAR END

Following a year that was both extremely challenging and extremely rewarding, the Charity will be returning its focus on developing its fundraising portfolio and working hard to engage new and old supporters to help meet the Charity's long-term ambitions.

We are carefully monitoring needs across the Royal Surrey Hospital as well as all our community services which include community hospitals in Haslemere, Milford and Cranleigh and ensuring the Charity is able to maximise the impact it can have on all our patients.

The Royal Surrey Charity's key objectives in 2021/22 will be:

- To increase our generated income year-on-year.
- Use donations quickly and effectively to deliver on donors' wishes.
- To provide a professional and efficient fundraising function for the charity.
- To be the charity of choice for staff and the local community.
- To help the Trust deliver its strategic goals and True North Objectives.
- To help to make Royal Surrey a great place to work.

MANAGING THE MONEY

The financial statements have been produced in accordance with the Charities SORP FRS 102 (SORP FRS 102) and the Charities Act 2011.

SORP FRS 102 requires the recognition of three major types of charitable funds:

- Unrestricted funds - which are expendable at the discretion of the Trustee, provided The Charity's objectives have been satisfied and;
- Restricted funds - which are only expendable in accordance with the restrictions imposed by the donor.
- Endowment funds – which are held on trust to be retained for the benefit of The Charity as a capital fund. This Charity does not have any endowment funds.

The Charity received £227k in restricted funds during 2020/21, consisting of the following grants from NHS Charities Together:

Stage 1 Grants - £35k, £31.5k

Second Wave Grant - £50k

Stage 3 Grant - £108,780k

Designated funds are unrestricted funds, set aside for a specific purpose, but in an administrative capacity only so the Trustee has the freedom to change their use if the need arises. This allows the Charity to respond flexibly to changing times and circumstances and make more grants to benefit patients and staff.

SORP FRS102 requires three primary accounting statements:

- Statement of financial activities
- Balance sheet
- Cash flow statement

All three statements have been produced and are supported by notes detailing the accounting policies and any additional information.

RESERVES POLICY

The Charity's reserves policy seeks to balance two requirements: to ensure that funds raised are used promptly to further the Charity's objectives, and to hold sufficient free reserves to allow the fundraising operations of the Charity to continue for at least one year. Total reserves required are estimated at £600k. This covers administration and fundraising costs (£200k) and general grants (£400k), excluding specific appeals, for a one-year period. These reserves protect the Charity from an unexpected fall in income, although this risk is limited as the Charity does not enter into long-term spending commitments and tailors its expenditure to funds available. In addition, expenditure is closely monitored with no fund manager able to spend funds without it first being reviewed by a member of the Finance team.

The Charity ended the year with funds totaling £2,697k (2019/20: £1,989k). As at March 31st 2021 there were £1,436k (2019/20: £1,163k) of designated funds within the Charity's unrestricted funds, including a £400k legacy and various other funds covering specific wards and departments within the hospital.

Designated funds have increased during 2020/21, mainly as a result of the generous £400k legacy. A business case has recently been approved for £525k for the refurbishment of St Luke's Level A and discussions are underway as to how best to use the legacy income.

The Trustee treats as free reserves those funds that are unrestricted and not designated. Therefore, the level of free reserves as at 31st March 2021 was £1,070k (2019/20: £826k).

During 2020/21 there has been an increase in the level of reserves, mainly due to the high level of unrestricted income received as a result of the amazing response from the public to the Covid-19 pandemic. It is therefore important this year that the Trustee focuses energy on engaging fund managers to produce accurate and achievable spending plans and ensure donations received are put to good use. A number of big projects are planned for 2021/22 so it is expected that the Charity's reserves will decrease during the next financial year. The reserves policy is reviewed by the Trustee annually.

INVESTMENTS POLICY AND PERFORMANCE

The Charity's investments are managed on a day to day basis by Sarasin & Partners within parameters laid down by the Trustee through a management agreement. Investment assets are invested with the objective of maximising the total return in a manner consistent with prudent investment in a diversified portfolio of securities. Quarterly reports are provided by Sarasin & Partners and reviewed by the Trustee. Under the terms of the management agreement Sarasin & Partners are not permitted to invest in the securities of companies who have significant involvement in the tobacco industry. They may not advise on or execute transactions directly in options, futures or contracts for difference. Neither are they allowed to underwrite on behalf of The Charity.

The investment objective of the 'Sarasin Endowments Fund' is to achieve long-term capital and income growth, through a broadly diversified global portfolio. The investment objective of the 'Sarasin GlobalSar Strategic Fund' is also to provide growth through an investment in a range of asset classes, but with a more conservative allocation to equities (ranging between 20% and 60%)

The Charity's investments produced a total return for the year to 31 March 2021 of +21.2% after all fees and costs and +50.0% over the past five years. This return is a combination of two separate portfolios.

The Long-Term portfolio is invested in Sarasin Endowments Fund, which produced a total return of 25.2% for the twelve months. This was just behind the index-based benchmark return of 25.5%, but ahead of the ARC Steady Growth Charity Peer Group return of 24.0% and the long-term CPI+4% inflation target of +4.5%. The Medium-Term portfolio is invested in the Sarasin GlobalSar Strategic Fund, which is managed on a more conservative basis and produced a total return of +14.7% over the twelve-month period. This return was just behind the index based benchmark return of +15.2% but ahead of the long term CPI+3% inflation target of +3.5%.

INVESTMENT PERFORMANCE SUMMARY

The valuation carried out for the financial year ended 31 March 2021 saw the Charity make a gain of £292k on its investments in two common investment funds (2019/20: £65k loss). An analysis of investments is provided in note 5 of the financial statements. Investment income for the year amounted to £54k (2019/20: £55k). All these elements combined result in a value as at 31 March 2021 for the Charity's investments of £1,929k (2019/20: £1,633k).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Accounting and Reporting by Charities: Statement of Recommended Practice (Revised 2015), hereafter referred to as SORP FRS 102, requires the Charity to produce an annual report and accounts in accordance with the legislative requirements set out in the Charities Act 2011 (England and Wales). The accounts presented are in the format laid down by the Charity Commission and are in accordance with the SORP FRS 102. The Charity was established on 1st April 1996, through a transfer of property from the West Surrey Health Authority, and is registered under the Charities Act 2011 (registration number 1049776). This transfer was enacted under Statutory Instrument 1996 No. 1708. The Charity was registered with the Charity Commission on 5 March 1998 and includes funds in respect of the Royal Surrey County Hospital NHS Foundation Trust.

The Charity's governing document is a declaration of trust dated 4th August 1995.

OUR TRUSTEE

The Corporate Trustee of the Charity is the Royal Surrey NHS Foundation Trust, whose registered address is Egerton Road, Guildford, Surrey GU2 7XX.

The Trustee consists of a Board of Directors of which every voting member has a vote on all matters affecting the Charity. The Trust's Board aims to meet in its capacity as the Charity Corporate Trustee at least twice a year. The Trustee has been appointed under section 11 of the NHS and Community Care Act 1990 and acts as Corporate Trustee of the funds held on trust under schedule 2, paragraph 16c, of this Act.

During the reporting period and up to the date of this report the voting constitution was as follows:

Mrs. L Stead - Chief Executive

Mrs. S Sjuve – Chair

Mr. A Prince – Deputy Chair

Mr. R Dunworth - Director of Finance

Mrs. J Mountjoy - Chief Nurse

Dr. M Illsley - Medical Director

Mr. R Preet - Chief Operating Officer

Mrs. L Hall - Director of Human Resources

Mrs. G Bagley – Senior Non-Executive Director

Mr. M Hedley – Non-Executive Director

Mr. D Hicks - Non-Executive Director

Mr L Jemmett – Non- Executive Director

Mr. H. Webber - Non-Executive Director

When a person is appointed to the Board of the Royal Surrey County Hospital NHS Foundation Trust, they automatically become part of the voting constitution of the Charity. They are not independently appointed by the Charity. Newly appointed members of the Corporate Trustee normally attend Trustee training and a presentation from the Charity's Investment Manager covering Trustee awareness and responsibilities. Terms of reference for the Trustee have been developed and are reviewed annually which clearly set out the roles and responsibilities of the Corporate Trustee.

RISK ASSESSMENT

The Corporate Trustee has undertaken a risk assessment as required under the SORP FRS 102. The following have been identified as the main risks facing the Charity:

1. Income targets not achieved.
2. Reduced fundraising income due to Covid-19 Pandemic.
3. Investment on the stock market is potentially volatile.
4. Administrators fail to observe authorisation limits delegated by the Trustee.
5. Misrepresentation of the Charity by external fundraisers.
6. Income is not fully recognised by the Charity.
7. Erroneous tax claims under the gift aid legislation.
8. Erroneous communications (direct mail) from the Fundraising Department to people who have changed address or are deceased.

Systems have been put in place to mitigate these risks:

- A detailed income strategy is developed to set out how the income targets are to be achieved. From this strategy, a plan is developed with regular reports provided to the Charitable Funds Committee on progress against plan. This enables corrective action to be taken where appropriate.
- Public support of NHS has increased during the Covid-19 pandemic which has mitigated some of the loss in income due to a lack of fundraising events.
- The investment portfolio is held in two common investment funds. Quarterly reports are received on investment performance from the fund manager. Liquidity levels are constantly reviewed to ensure there is sufficient liquidity within the portfolio to meet future demand. The Investment Manager attends a Trustee meeting annually to explain performance and future strategy of the funds.
- All invoices are reviewed to ensure delegated limits are observed by fund administrators. Mechanisms are in place to escalate authorisation when necessary. Participants in fundraising activities are fully informed of their role and responsibilities towards the Charity when agreeing to participate in a fundraising event. The Charity registration number, logo and merchandise are provided.
- All collection tins are numbered, sealed, registered and signed both out and in by the Fundraising Department. Any stolen tins are notified to the police. Liability insurance has been put in place by a specialist broker to cover this risk.

- Gift Aid declarations are obtained where income is eligible for tax recovery before a claim is submitted to HMRC.
- A full GDPR exercise has been undertaken to ensure supporters on our database want to be contacted and in what format. Contacts with a legitimate interest who have not responded have been contacted separately.

REFERENCE AND ADMINISTRATIVE DETAILS

Finance queries should be directed to:

Charitable Fund Accountant
Finance Department
Royal Surrey County Hospital
Egerton Road
Guildford
Surrey
GU2 7XX

Telephone: 01483 571122 x 2382

OUR ADVISORS

The following professional advisers have been employed during the financial year:

Bankers

The Royal Bank of Scotland Plc
Guildford Branch
10 North Street
Guildford
GU1 4AF

Lloyds Bank
Guildford Branch
147 High Street
Guildford
GU1 3AG

Internal Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Investment Managers

Sarasin & Partners LLP
Juxon House
100 St
Paul's
Churchyard
London
EC4M 8BU

External Auditor

KPMG LLP
Public Sector Audit
15 Canada Square
Canary Wharf
London
E14 5GL

The Charity does not have a dedicated internal audit function as the volume of transactions does not justify the costs associated with such a function. A review of systems and controls is carried out periodically, the last one being carried out during the 2015/16 reporting period by the internal auditor, with the findings and recommendations reported to the Charity.

HOW TO SUPPORT THE ROYAL SURREY CHARITY

The Royal Surrey Charity always love to speak to new and existing supporters and help to ensure your fundraising is a success.

If you would like to support us or share your experience at the Trust, then we would love to hear from you.

Email: rsc-tr.fundraising@nhs.net
Website: www.royalsurreycharity.org.uk
Facebook: www.facebook.com/royalsurreycharity
Twitter: www.twitter.com/RSCHcharity

Postal address:

The Fundraising Team
The Royal Surrey Charity Egerton Road
Guildford GU2 7XX

Telephone: 01483 464146

FINANCIAL STATEMENTS

These are set out on the following pages and show the respective responsibilities of the Trustee and Auditor in relation to the Financial Statements.

Signed on behalf of the Trustee



Chair

Date 4.1.2022

Statement of Trustee's Responsibilities in respect of the Trustee's annual report and financial statements

Under charity law, the Corporate Trustee is responsible for preparing a Trustee's Annual Report and financial statements 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. The trustee has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS2 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

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

The Corporate Trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. It is responsible for keeping 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 Corporate Trustee to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

By Order of the Trustee

Signed:

Chairman*  Date 4.1.2022

Trustee  Date 4.1.2022

*the Board may authorise another trustee to sign in place of the Chairman.

Independent auditor's report to the Corporate Trustee of Royal Surrey County Hospital NHS Foundation Trust Charitable Fund**Opinion**

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

In our opinion the financial statements:

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

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 as to whether they have knowledge of any actual, suspected or alleged fraud; and
- Reading Trust Board minutes.

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 the Charity has no profit motive and is not required by any regulatory body to achieve any specific financial targets. In addition, the majority of income is received in the form of legacies or investment returns informed by a third party, so the opportunity to manipulate the revenue figure is limited.

We did not identify any additional fraud risks

We also performed the following procedure:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all material journals posted after the period end.

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 management (as required by auditing standards) and discussed with management 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.

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

Whilst 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 Annual Review. 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 23, 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 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.



Joanne Lees
for and on behalf of KPMG LLP
Chartered Accountants

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

15 Canada Square
Canary Wharf
London
E14 5GL

28 January 2022

Statement of Financial Activities for the year ended 31 March 2021

	Note	Unrestricted Funds £000	Restricted Funds £000	2020-21 Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	2019-20 Total Funds £000
Income and endowments from:							
Donations & Legacies	2.1	1,125	118	1,243	1,220	0	1,220
Charitable Activities	2.2	0	109	109	0	0	0
Other Trading Activities	2.3	8	0	8	36	0	36
Investments	2.4	52	2	54	55	0	55
Other	2.5	0	0	0	1	0	1
Total Income		1,185	229	1,414	1,312	0	1,312
Expenditure on:							
Raising Funds	3.1	219	0	219	270	0	270
Charitable Activities:	3.2	739	40	779	693	0	693
Total Expenditure		958	40	998	963	0	963
Net Gains/(Losses) on Investments		290	2	292	(65)	0	(65)
Net Income/(Expenditure)		517	191	708	284	0	284
Gross Transfers Between Funds		0	0	0	866	(866)	0
Net Movement in Funds		517	191	708	1,150	(866)	284
Reconciliation of Funds							
Fund Balances Brought Forward at 1 April		1,989	0	1,989	839	866	1,705
Fund Balances Carried Forward at 31 March		2,506	191	2,697	1,989	0	1,989

All incoming resources and resources expended are derived from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year and incorporates an income and expenditure account.

There is no difference between the net incoming/(outgoing) resources for the year stated above and its historical cost equivalent.

The notes at pages 31 to 41 form part of this account.

Balance Sheet as at 31 March 2021

		31 March 2021			31 March 2020		
	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Fixed Assets							
Investments	5	1,927	2	1,929	1,633	0	1,633
Total Fixed Assets		1,927	2	1,929	1,633	0	1,633
Current Assets							
Debtors	6	8	0	8	4	0	4
Cash at Bank and in Hand		732	195	927	474	0	474
Total Current Assets		740	195	935	478	0	478
Liabilities							
Creditors: Amounts falling due within one year	7	161	6	167	122		122
Net Current Assets/(Liabilities)		579	189	768	356	0	356
Total Assets less Current Liabilities		2,506	191	2,697	1,989	0	1,989
Total Net Assets		2,506	191	2,697	1,989	0	1,989
The Funds of The Charity							
Restricted Funds		0	191	191	0	0	0
Unrestricted Funds		2,506	0	2,506	1,989	0	1,989
Total Funds		2,506	191	2,697	1,989	0	1,989

The financial statements on pages 28 to 30 and associated notes to the financial statements on pages 31 to 41 were approved by the Trustee on 09 Dec 2021 and signed on their behalf.

Signed:

Trustee



Trustee



Date:

4.1.2022

Statement of Cash Flows for the year ended 31 March 2021

	2020-21	2019-20
	Total	Total
	Funds	Funds
	£000	£000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities:	<u>403</u>	<u>340</u>
Cash flows from investing activities:		
Investment Income	54	55
Proceeds from sale of investments	0	0
Purchase of Investments	(4)	(3)
Net cash provided by (used in) investing activities	<u>50</u>	<u>52</u>
Change in cash and cash equivalents in the reporting period	453	392
Cash and cash equivalents at the beginning of the reporting period	<u>474</u>	<u>82</u>
Cash and cash equivalents at the end of the reporting period	<u>927</u>	<u>474</u>

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

	2020-21	2019-20
	£000	£000
Net income/(expenditure) for the year (as per the SoFA)	708	284
Adjustments for:		
(Gains)/losses on investments	(292)	65
Investment Income	(54)	(55)
(Increase)/decrease in debtors	(4)	5
Increase/(decrease) in creditors	45	41
Net cash provided by (used in) operating activities	<u>403</u>	<u>340</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

1.1 Accounting Convention

The Charity is a public benefit entity.

These financial statements have been prepared under the historic cost convention, as modified for the revaluation of certain investments, and in accordance with applicable United Kingdom accounting standards and policies for the NHS approved by the Secretary of State and the Statement of Recommended Practice (SORP 2015) "Accounting and Reporting by Charities" issued by the Charities Commissioners in 2019.

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 in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

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 in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since

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 3.4. 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.

1.2 Incoming Resources

a) Donations

Income from non-exchange transactions (gifts) are donations of money, goods, facilities or services which are given freely to The Charity by a donor. All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:

- i) entitlement - arises when a particular resource is receivable or The Charity's right becomes legally enforceable;
- ii) probable - when there is reasonable probability that the incoming resource will be received;
- iii) measurement - when the monetary value of the incoming resources can be measured with sufficient reliability.

Gifts in Kind

- iv) Assets given for distribution by the funds are included in the Statement of Financial Activities only when distributed.
- v) Assets given for use by the funds (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.
- vi) Gifts made in kind but on trust for conversion into cash and subsequent application by the funds are included in the accounting period in which the gift is sold.

In all cases the amount at which gifts in kind are brought into account is either a reasonable estimate of their market value or the amount actually realised.

1.2 Incoming Resources (continued)

b) Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes probable. This will be once confirmation has been received from the representatives of the estate that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

Where a legacy has been made to The Charity but the legacy is subject to a life interest, the income is not recognised in the Statement of Financial Activities until the life interest has come to an end.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be before the income is recognised as the entitlement condition will not be met 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.

c) Other Trading Activities

This income is recognised on sale of goods and for events in line with when they take place.

d) Investment Income

Investment income is recognised when receivable and allocated to funds in accordance with their investment holding.

1.3 Resources Expended

The funds held on trust accounts are prepared in accordance with the accruals concept. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party resulting from a past event. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

a) Raising funds

The cost of raising funds are the costs associated with generating income for the funds held on trust. This will include the costs associated with fundraising activities, including staff directly involved. Staff costs are apportioned on the basis of time spent fundraising for specific funds.

b) Charitable activities

Charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of the beneficiaries. Charitable Grants payable are payments made to the Royal Surrey County Hospital in the furtherance of the funds held on trust's charitable objectives to support the service provided by the hospital. They are accounted for on an accruals basis where the hospital has a reasonable expectation that it will

c) Support costs

Support costs are those costs which do not relate directly to a single activity. These are accounted for on an accruals basis and are the recharges of appropriate proportions of salaries, external audit and internal audit fees (if applicable) incurred by the Royal Surrey County Hospital. Costs are allocated to funds by way of an apportionment of the cost according to the average balance of each respective fund and split between cost of raising funds and charitable activities. The analysis of support costs and the basis of apportionment applied are shown in note 3.

Governance Costs: previously, these had been separately analysed on the face of the statement of financial activity. Governance costs are now classified as a support costs and have therefore been apportioned between fundraising activities and charitable activities.

1.4 Structure of Funds

Where there is a legal restriction on the purpose to which a fund may be used, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Funds which are not legally restricted but which the Trustee has chosen to earmark for set purposes or which reflect the non-binding wishes of donors are classified as designated funds. All other funds are classified as unrestricted funds. The major funds held within these categories are disclosed in note 8.

1.5 Fixed Assets

The Charity does not own any fixed assets.

1.6 Fixed Asset Investments

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. The Charity's investments comprise of two common investment funds, with the underlying investments made up of quoted stocks and shares.

1.7 Realised and Unrealised Gains and Losses

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

1.8 Debtors

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

1.9 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. Cash equivalents are short term, highly liquid investments, usually in 90 day notice interest bearing savings accounts.

1.10 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.

1.11 Change in the Basis of Accounting

There has been no change in the basis of accounting during the year.

1.12 Prior Year Adjustments

There are no prior year adjustments reported in this financial year.

1.13 Irrecoverable VAT

Irrecoverable VAT is included in Resources Expended.

1.14 Related Party Transactions

The Charity made revenue and capital payments to the Royal Surrey County Hospital NHS Foundation Trust, the Corporate Trustee of The Charity. The Royal Surrey County Hospital NHS Foundation Trust provides financial services and fund-raising support to the Charity, which are dealt with as financial recharges and disclosed within note 3 of The Charity's accounts. As at 31 March 2021 £143k (31 March 2020 £103k) was owed by The Charity to the Trust in respect of payments made by the Trust on behalf of The Charity.

Royal Surrey County Hospital Board members during 2020/21 and up to the date of the annual report:

Mrs. L Stead - Chief Executive Officer
Mrs. S Sjuve - Chair (NED)
Mr. A Prince - Deputy Chair (NED)
Mr. R Dunworth - Director of Finance & Informatics
Mrs J Mountjoy - Chief Nurse
Dr M Illsley - Medical Director
Mr. R Peet - Chief Operating Officer
Mrs L Hall - Director of HR & Organisational Transformation
Mrs. G Bagley - Senior Non-Executive Director
Mr. L Jemmett - Non_Executive Director
Mr D Hicks - Non-Executive Director
Mr. H. Webber - Non-Executive Director
Mr. M Hedley - Non-Executive Director

During the year, neither the Trustee or members of the key management staff or parties related to them have undertaken any material transactions with the Royal Surrey County Hospital Charitable Trust.

1.15 Taxation

The Charity is considered to pass the tests set out in Schedule 6, Paragraph 1 of the Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, The Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Charitable Gains Act, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Analysis of Income

2.1 Income from donations and legacies

	Unrestricted Funds 2020-21 £000	Restricted Funds 2020-21 £000	Total Funds 2020-21 £000	Total Funds 2019-20 £000
Donations from Individuals	412	0	412	351
Legacies	455	0	455	794
Corporates	71	0	71	38
Trusts	187	0	187	37
Grants	0	118	118	0
Total Donations and Legacies	1,125	118	1,243	1,220

2.2 Income from charitable activities

	Unrestricted Funds 2020-21 £000	Restricted Funds 2020-21 £000	Total Funds 2020-21 £000	Total Funds 2019-20 £000
Stage 3 grant from NHS Charities Together		109	109	0
Total Other Trading Activities	0	109	109	0

2.3 Income from other trading activities

	Unrestricted Funds 2020-21 £000	Restricted Funds 2020-21 £000	Total Funds 2020-21 £000	Total Funds 2019-20 £000
RSCH Fundraising Events	4	0	4	33
RSCH Fundraising Activities	4	0	4	3
Total Other Trading Activities	8	0	8	36

2.4 Income from Investments

	Unrestricted Funds 2020-21 £000	Restricted Funds 2020-21 £000	Total Funds 2020-21 £000	Total Funds 2019-20 £000
Income from Dividends & Securities	52	2	54	55
Total Income from Investments	52	2	54	55

2.5 Other Income

	Unrestricted Funds 2020-21 £000	Restricted Funds 2020-21 £000	Total Funds 2020-21 £000	Total Funds 2019-20 £000
Bank Interest	0	0	0	1
Total Other Income	0	0	0	1

2.5 Role of volunteers

Fund administrator – there are approximately 100 RSCH FT staff who manage how the Charity's unrestricted and designated funds are spent. Each fund administrator has delegated powers to spend the funds that they manage, in accordance with the donors wishes, up to a value of £5,000. Fund administrators who wish to spend more than £5,000 are required to produce a business case for the Trust's Chief Executive/Charitable Funds Committee/Charity Trustee setting out what impact it will have in terms of furthering the charity's objectives.

Fundraisers - there are about 15 local volunteers who actively support the fundraising team with various fundraising events and activities. The fundraisers also distribute and retrieve collecting tins in the local community. During 2020/21, these arrangements stopped but we have kept in touch with them and hope to resume fundraising activity in the near future.

In accordance with the SORP FRS 102, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

3. Analysis of Expenditure

3.1 Expenditure on Raising Funds

	Unrestricted Funds 2020-21 £000	Restricted Funds 2020-21 £000	Total Funds 2020-21 £000	Total Funds 2019-20 £000
Fundraising Salary Costs paid by RSCH	179	0	179	185
Fundraising Events	(3)	0	(3)	16
Fundraising Office	25	0	25	25
Fundraising Donor Development	10	0	10	30
Support Costs	8	0	8	14
Total Expenditure on Raising Funds	219	0	219	270

Fundraising Salary Costs, which are paid by the Royal Surrey County Hospital and recharged to The Charity, can be further broken down into the following categories:

	£000
Salaries & Wages	149
Social Security Costs	14
Contributions to NHS Business Services Authority - Pensions Division	16
Total	179

The number of whole time equivalent staff involved in fundraising for the 2020/21 financial year was 3.6 (2019/20: 4.6).

3.2 Expenditure on Charitable Activities

	Unrestricted Funds 2020-21 £000	Restricted Funds 2020-21 £000	Total Funds 2020-21 £000	Total Funds 2019-20 £000
Grant to RSCH - Patient Experience, Treatment & Welfare	36	13	49	75
Grant to RSCH - Staff Education & Welfare	194	27	221	81
Grant to RSCH - Equipment	112	0	112	105
Grant to RSCH - Building & Refurbishment	311	0	311	374
Community Welfare Grants	24	0	24	0
Support Costs	62	0	62	58
Total Charitable Activities	739	40	779	693

3.3 Analysis of Grants

The Charity provided grants in favour of the partner organisation, the Royal Surrey County Hospital NHS FT, to carry out activities that will benefit NHS patients and their families in furtherance of our Charitable aims. The total cost of making grants, including support costs, is disclosed on the face of the SoFA and the actual funds spent on each category of charitable activity, including the associated support cost, are disclosed in note 3.3.

	Grant Funded Activity 2020-21 £000	Support Costs 2020-21 £000	Total Funds 2020-21 £000	Total Funds 2019-20 £000
Grant to RSCH - Patient Education & Welfare	49	4	53	82
Grant to RSCH - Staff Education & Welfare	221	19	240	89
Grant to RSCH - Equipment	112	10	122	114
Grant to RSCH - Building & Refurbishment	311	27	338	408
Community Welfare Grants	24	2	26	0
	717	62	779	693

3.4 Allocation of Support Costs

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

The bases of allocation used are as follows:

Apportionment	Based on the average fund balance throughout the financial year
Time	Assessment of actual time spent supporting either the raising of funds or the charitable activities of The Charity
Direct Allocation	Where a cost is wholly attributed to a particular activity

	Raising Funds 2020-21 £000	Charitable Activities 2020-21 £000	Total 2020-21 £000	Basis
External Audit Fee	2	3	5	Apportionment & Time Time
Trustee & Financial Administration	<u>0</u>	<u>18</u>	<u>18</u>	
Governance Total	<u>2</u>	<u>21</u>	<u>23</u>	
Finance	5	38	43	Time
IT Systems	1	2	3	Apportionment & Time
Bank Charges	0	1	1	Direct Allocation
Support Costs Total	<u>8</u>	<u>62</u>	<u>70</u>	

External audit services are provided by KPMG LLP. For the 2020/21 financial year the fee received was £4,500 (2019/20 £4,500) net of VAT. No other services are provided by the Auditor to the Charity.

The Trustee & financial administration charge represents the time spent by both the RSCH Board of Directors and relevant RSCH support staff in the governance of The Charity. During 20/21 no remuneration or expenses were paid to members of the RSCH Board whilst acting in their capacity as Charity Trustee.

The finance service is provided to The Charity by the Finance Department of the RSCH. Costs are identified based upon the actual time spent by the Trust providing the service. This cost is then apportioned to the individual funds based upon an average fund balance and then further sub divided into the reported categories through an analysis of the transactions undertaken.

No Employees had emoluments in excess of £60,000 (2019/20: none)

4. Fixed Assets

The Charity has no tangible fixed assets.

5. Fixed Asset Investments**5.1 Analysis of fixed asset investments**

	2021	2020
	£000	£000
Fixed Asset Investments:		
Market value at 1 April	1,633	1,695
Add: Additions to investments at cost	4	3
Less: Disposals at carrying value	0	0
Net gain/(loss) on revaluation	292	(65)
Market value at 31 March	1,929	1,633
Historic cost at 31 March	1,226	1,222

5.2 Market value at 31 March

	Held in UK £000	Held outside UK £000	2021 Total £000	2020 Total £000
Investments listed on Stock Exchange	1,929	0	1,929	1,630
Cash held as part of the investment portfolio	0	0	0	3
	1,929	0	1,929	1,633

5.3 Total gross income from investments

	Held in UK £000	Held outside UK £000	2020-21 Total £000	2019-20 Total £000
Investments listed on Stock Exchange	52	2	54	55
	52	2	54	55

The Charity's investments are held in the following common investment funds :

	£000
Sarasin Alpha Common Investment Fund for Endowments (Income Units)	1,238
Sarasin Globalsar Strategic - X Inc	691

5.4 Investment Management Costs

The Investment Manager, under the terms of the management agreement, is permitted to charge The Charity an annual fee of 0.75% for the first £3million of investment assets being managed. The fee on the next £2million falls to 0.6%. This fee is reduced by any fees earned by the Investment Manager from the management of Alpha Common Investment Funds. During both the 2019/20 and 2020/21 financial years the value of such fees has exceeded the management fee charge, resulting in a nil management fee to The Charity.

6. Analysis of Debtors

	31 March 2021 £000
Amounts falling due within one year:	
Accrued income	8
Total debtors falling due within one year	<u>8</u>
Total debtors	<u>8</u>

7. Analysis of Creditors

	31 March 2021 £000
Amounts falling due within one year:	
Amounts due to connected organisations (RSCH)	143
Other creditors	0
Accruals	24
Total creditors falling due within one year	<u>167</u>
Total creditors	<u>167</u>

8. Analysis of Funds**8.1 Endowment funds**

The Charity has no endowment funds

8.2 Funds Structure

	Balance 1 April 2020 £000	Income £000	Expenditure £000	Gains and Losses £000	Balance 31 March 2021 £000
Material Designated Funds					
Dementia Fund	31	1	(7)	1	26
Obesity & Biochemistry Fund	26	1	0	0	27
Parkinson's Research Fund	35	0	0	1	36
Cardiac Care Fund	37	5	0	1	43
Radiotherapy Fund	40	8	0	1	49
Frensham Ward	92	3	(38)	1	58
TYAC	22	61	(5)	1	79
Breast Unit	93	12	0	2	107
Piccitto Legacy	0	400	0	0	400
St Luke's Cancer Centre	515	65	(138)	9	451
Other Designated Funds	272	69	(183)	2	160
Total Designated Funds	<u>1,163</u>	<u>625</u>	<u>(371)</u>	<u>19</u>	<u>1,436</u>
Unrestricted - Non-Designated Funds	<u>826</u>	<u>560</u>	<u>(587)</u>	<u>271</u>	<u>1,070</u>
Restricted Funds					
Covid-19 - NHS Charities Together	0	229	(40)	2	191
Total Restricted Funds	<u>0</u>	<u>229</u>	<u>(40)</u>	<u>2</u>	<u>191</u>
Total Funds	<u><u>1,989</u></u>	<u><u>1,414</u></u>	<u><u>(998)</u></u>	<u><u>292</u></u>	<u><u>2,697</u></u>

8.3 Details of Restricted Funds

In 2020/21 the charity received grants from the NHS Charities Together Emergency Covid-19 Appeal which were placed in a restricted fund as per the request of the grant giving body. This consisted of Stage 1 grants totalling £66.5k, a second wave grant of £50k and a Stage 3 recovery grant of £109k. This money was used to support staff welfare during the pandemic and will continue to do so during 2021/22 and the recovery grant will fund a staff well-being cabin which will be operational in Q2 of 2021/22.

8.4 Details of Material Designated Funds

<i>Name of fund</i>	<i>Description of the nature and purpose of each fund</i>
<i>Cancer Fund</i>	<i>Wholly or mainly for the cancer services provided by the Royal Surrey County Hospital.</i>
<i>Obesity & Biochemistry Fund</i>	<i>Wholly or mainly for the Obesity and Biochemistry services provided by the Royal Surrey County Hospital.</i>
<i>Cardiac Care Fund</i>	<i>Wholly or mainly for the heart services provided by the Royal Surrey County Hospital.</i>
<i>Parkinson's Research Fund</i>	<i>The investigation of the causes of Parkinson's disease and the prevention, treatment, cure and defeat of Parkinson's disease in all its forms; the advancement of scientific and medical education and research in topics related to Parkinson's disease provided the useful results of such research be published.</i>
<i>Radiotherapy Fund</i>	<i>Wholly or mainly for the services provided by the Radiotherapy Outpatient Department of the Royal Surrey County Hospital.</i>
<i>Breast Unit</i>	<i>Initially established as an appeal for a Tomosynthesis Machine which was purchased in 2015, this fund is designated to the on-going needs of the Breast Unit patients and staff.</i>
<i>Frensham Ward</i>	<i>Wholly or mainly for the services provided by the Frensham Ward of the Royal Surrey County Hospital including a generous legacy donation designated to this ward which was used to complete a refurbishment of the ward during 2020/21.</i>
<i>TYAC</i>	<i>Wholly or mainly for the services provided by the Teenage & Young Adult Cancer Ward of the Royal Surrey County Hospital.</i>
<i>Dementia Fund</i>	<i>Wholly or mainly for the services provided to the Dementia Patients of the Royal Surrey County Hospital following an appeal specifically for this area of the hospital.</i>
<i>Piccitto Legacy</i>	<i>This was established following a very generous donation where the will made a non-binding wish for it to be used for training Chemotherapy Nurses on Chilworth Ward as well as the general requirements of the hospital.</i>
8.5 Other designated funds	<i>These relate to improving the treatment and experience of patients on wards and departments within the hospital for which donors have indicated their non-binding wishes when making their generous gifts.</i>
8.6 Unrestricted Funds	<i>Includes all donations for which a donor has not expressed any preference to how the funds shall be spent.</i>

9. Contingencies

There are no contingent gains or losses to report.

10. Commitments and Liabilities

The Charity has no commitments being carried forward into the 2020/21 financial year.

The Trustee recognise liabilities in the accounts once they have incurred either a legal or constructive obligation to expend funds.

11. Trustee and Connected Persons Transactions**11.1 Trustee expenses reimbursed**

No expenses were reimbursed to members of the RSCH Trust Board, the corporate Trustee, or any connected persons in either this or the previous financial year.

11.2 Trustee remuneration

No remuneration payments were made to members of the RSCH Trust Board or any connected persons.

11.3 Transactions with Trustees or connected persons

No transactions took place between the charity and either a member of the RSCH Trust Board or a connected person.

11.4 Trustee Indemnity Insurance

Trustee indemnity insurance has not been purchased.

12. Loans or Guarantees Secured Against Assets of the Charity

The Charity has no assets with which it can provide security to a third party.

13. Connected Organisations

Name, nature of connection, description of activities undertaken and details of any qualifications expressed by their auditors	2020-21		2019-20	
	Turnover of Connected Organisation £	Net Profit/(Loss) for the Connected Organisation £	Turnover of Connected Organisation £	Net Profit/(Loss) for the Connected Organisation £
Royal Surrey County Hospital NHS Foundation Trust, beneficiary from the activities of the charity and provider of healthcare to the residents of Guildford and surrounding areas	471,652,000	116,000	431,686,000	6,611,000

As at 31 March 2021 £143k (31 March 2020 £103k) was owed by The Charity to the Royal Surrey County Hospital in respect of payments made by the Trust on behalf of The Charity.

14. Other

On a historic basis donations and legacies cannot be relied upon to meet the financial objectives of the Charity. Expenditure plans from all administrators will be obtained each year and compared against the available funds held by The Charity. Where the funds exceed the budgeted expenditure the Trustee will invest the funds in line with its investment policy. Where the balance of funds exceeds the budgeted expenditure set out in the annual plan, by a significant margin, the Trustee will request a business plan from the administrator of the fund justifying the level of reserves held. The Trustee will consider whether this level of reserve is justified in the light of the proposed business plan and will take appropriate action. The Trustee will review this policy annually and in the light of guidance that may be set by the Charity Commission from time to time.