

Annual Report and Financial Statements of Royal Surrey County Hospital Charity 2021/22

Registration No: 1049776

TABLE OF CONTENTS

FOREWORD by Chairs of the Charitable Funds Committee and Corporate Trustee.....	3
OBJECTIVES AND ACTIVITIES	4
The Charity	4
Our Mission	4
Public Benefit Statement	5
ACHIEVEMENTS AND PERFORMANCE	6
Financial Review	9
Income	9
Expenditure	10
Performance Against Objectives	11
FUNDRAISING PERFORMANCE	11
Future Plans	14
Managing the Money	14
Reserves Policy	15
Investment Policy and Performance	16
Structure, Governance and Management	17
Risk Assessment	18
REFERENCE AND ADMINISTRATIVE DETAILS	19
HOW TO SUPPORT THE CHARITY	20
FINANCIAL STATEMENTS	20



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

Two years on from the start of the Covid-19 pandemic and we are still learning how the most devastating public health crisis for a hundred years is challenging the people served by the Royal Surrey Charity. In some ways, year 2 of the pandemic proved even more difficult than year 1. For the general population 'Covid fatigue' – an understandable weariness, and worse, at the continuing, essential, public health restrictions – was added to the physical effects of the virus. For our Royal Surrey staff, Covid continued, and continues, to have a profound impact. Added to this has been the increasingly severe economic outlook, which has inevitably affected the health and wellbeing of our patients and staff – and the ability of our donors to respond to this.

Despite this, we remain optimistic that we can improve lives through the work we fund at the Royal Surrey Charity. Working with the wonderful Royal Surrey staff – admiring their resilience and dedication – this optimism is inevitable; and we are harnessing it more than ever before. As the year ended, we ran our 'Bid for Better' programme, using charity funding to support imaginative and innovative ideas proposed and put together by individuals and teams from around the Trust. More on this in our next annual report, but for now we have to say how impressed we were by the number and quality of applications, a treasure trove of clever, thoughtful ideas generated by staff seeking to benefit the patients in their care.

'Bid for Better' typifies how we plan to develop the charity, in three respects: it centrally involves Royal Surrey staff in developing ideas for using the generous donations of friends and supporters; it enables us to prioritise these brilliant ideas, to ensure maximum benefit; and – for the future – it should create a virtuous circle, with our supporters seeing ever more clearly the impact of donations to the Royal Surrey Charity, and consequently giving ever more generously.

Two other themes emerge from the following pages. First, we recognise that Trust staff are exhausted and drained after the prolonged effort to manage Covid, and that recovering and restoring our usual services has allowed no respite. So we focused much of our grant giving during 2021/22 on staff well-being and support, in line with donors' wishes.

Second, we believe strongly that we can not only make changes locally but can scale this impact up. We are supported by NHS Charities Together, by Surrey Heartlands ICS, and by the efforts of our own staff who, despite the pressures they face and have managed through the pandemic, remain tireless and enthusiastic fund raisers.

Personally, we remain committed to taking part in fund raising activities, baking, running and walking to raise funds for the charity and its beneficiaries. How could we not when we see the efforts of our colleagues, and of former and current patients and their families, many highlighted on the following pages? We are so grateful to them for their support and confidence in the work of the NHS, the Royal Surrey, and the Royal Surrey Charity.



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 Royal Surrey Charity ('the Charity') covering the period 1 April 2021 to 31 March 2022.

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 5,000 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 Trust's patients**

In exceptional cases, funding is provided to support medical/administrative posts for a defined period in which the patient benefit can be assessed and if favourable, 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 the key determinant of those decisions. During 2021/22, grants totaling £730k (2020/21: £779k) 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.

ACHIEVEMENTS AND PERFORMANCE

Royal Surrey Charity raised a total of £967k in 2021/22. Comparatively, the Charity raised over £1.4m in 2020/21, with a significant amount of funding in 202/21 attributed to the direct response to the Covid pandemic.

2021/22 income was further enhanced through an NHS Charities Together grant which has enabled Royal Surrey Charity to lead on a highly effective community health project, alongside other Surrey-based NHS charities, dedicated to supporting 11 local charities that are in turn offering specialist support to patients living in our communities. This project is described below.

A total of £730,399 of charitable funds was spent in 2021/22. The charity continues to work closely with Royal Surrey NHS Foundation staff to ensure that charitable funds offer considerable benefits to Royal Surrey patients. A number of these initiatives are highlighted below.

Highlights of 2021/22 include:

Building and Refurbishment - £152k

- **The Wellbeing Cabin £108.7k**

The cabin was funded thanks to public donations given during the pandemic to ensure NHS frontline keyworkers were supported during a difficult time. The new cabin offers a tranquil setting for a range of staff health and wellbeing initiatives, including free all-staff health checks, 'Working Well' sessions such as managing stress and burnout, staff network meetings, yoga and tai-chi. In December more than 1,000 Royal Surrey staff visited the cabin over five days, during its transformation into a Winter Wonderland.



Staff Education & Welfare - £174k

- **Health & Wellbeing Psychology Service (Working Well Team) - £77k**

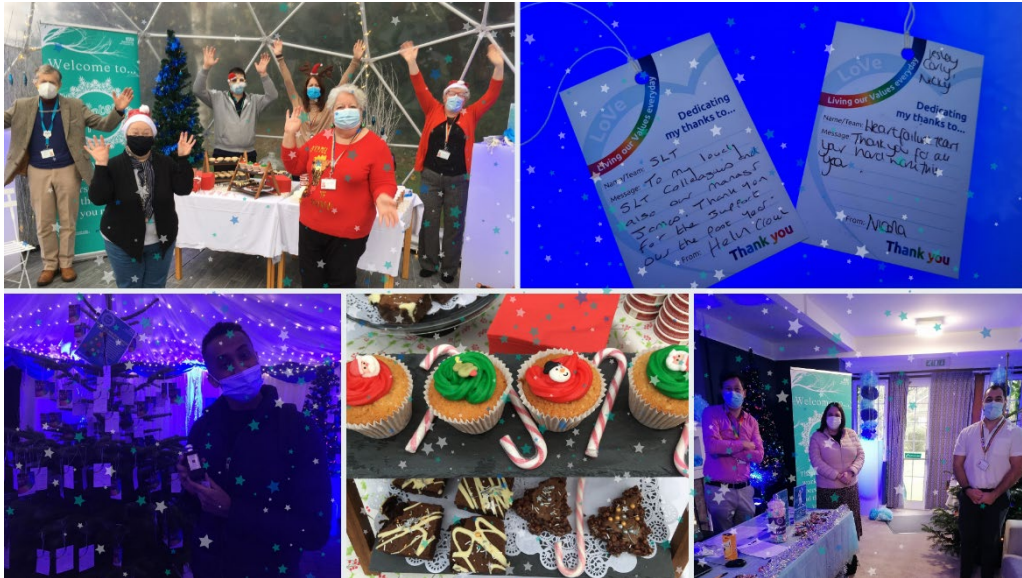
Royal Surrey Charity is delighted to have funded a clinical health psychology service for NHS staff at Royal Surrey. In recent years, recognition of the extraordinary pressures and challenges which staff working in healthcare face and how these extremely stressful situations can affect staff members and patient outcomes has increased. The new service has helped integrate psychologically informed approaches within teams across the Trust to help shield staff from the effects caused by stressful situations, which will ultimately help support staff wellbeing and improve patient care.

- **Health & Wellbeing Counsellor - £10k**

The charity part-funded a counsellor role dedicated to delivering support to ward staff and departments that have experienced a disproportionate amount of pressure throughout the pandemic.

- **Winterfest - £10k**

In December, a socially distanced winter wonderland event for staff was hosted in the new wellbeing cabin in Guildford as well as at separate venues within Milford and Haslemere Community Hospitals. Hardworking NHS staff received festive refreshments, games and thank you gifts.



- **Staff Training Courses - £24k**

The charity continues to support staff with their training and development, with a focus on helping fund opportunities that are above and beyond the responsibility of the NHS but will still offer benefits to our patients.

Patient Treatment, Experience & Welfare - £60k

- **Frailty Academy - £22k**

Over £60,000 has recently been awarded to improve care for older people at Royal Surrey NHS Foundation Trust. Part of the funding will go towards developing a Frailty Academy, which will provide a framework of training and education so that staff working with older patients are able to better understand, identify and assess frailty – a term used in medicine to identify older people who are more vulnerable to sudden health changes. The service aims to prevent the risk of adverse outcomes associated with frailty, such as falls, disability, admission to hospital, or the need for long-term care.

- **Pledge a Present – £4.8k**

- In the week before Christmas, 574 gift bags were delivered to 18 wards at Royal Surrey, as well as to our community hospitals and patients in the community. Our amazing NHS staff then distributed the gifts on Christmas Day, which included: Gloves, socks, hats, individually wrapped chocolates, packets of sweets, puzzle books, pens, packs of cards, shower gel, lip balm, Christmas crackers, hand cream, hairbrushes, cleansing wipes, body sprays, combs and pocket diaries.



Community Grants - £262.4k

- **NHS Charities Together Community Partnerships Grants Programme (year 1)**
Surrey-based projects addressing community health and wellbeing following the pandemic received over £260k in funding, thanks to the NHS Charities Together Community Partnership Grants programme.

A network of six Surrey Heartlands NHS charities, led by Royal Surrey Charity have awarded £483,033 (split over two years) to eleven community projects, run by organisations across the region. The projects selected to receive funding offer specific support to people disproportionately affected by Covid, and address health and wellbeing issues. The following organisations have benefitted from this fantastic initiative:

Be Me Project (£23.3k), East Surrey Domestic Abuse Services (£50k), Emerge Advocacy (£50k), Emmaus Transformation Trust (£46.5k), Family Voice Surrey (£49.9k), Mums and Midwives Awareness Academy (£15.6k), Oakleaf Enterprise (£49.6k), Sight for Surrey (£49.3k), Surrey Coalition of Disabled People (£50k), Westway Community and Well Being Centre (£50k) and Momentum (£48.6k).

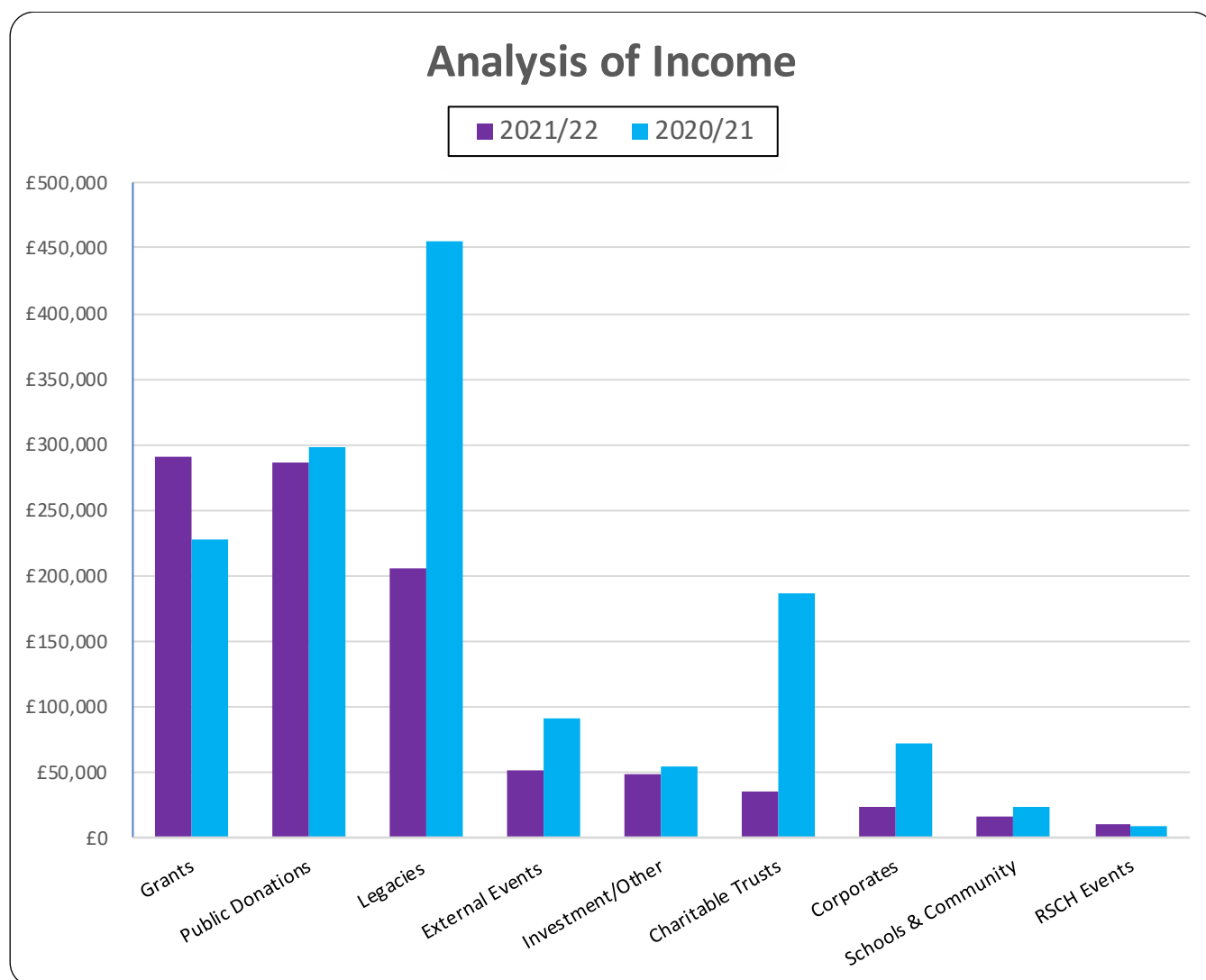


Photos courtesy of Momentum children's Charity and Westway Community and Wellbeing Centre

FINANCIAL REVIEW – INCOME

Total income for the year to 31 March 2022 was £967k (2020/21: £1,414k).

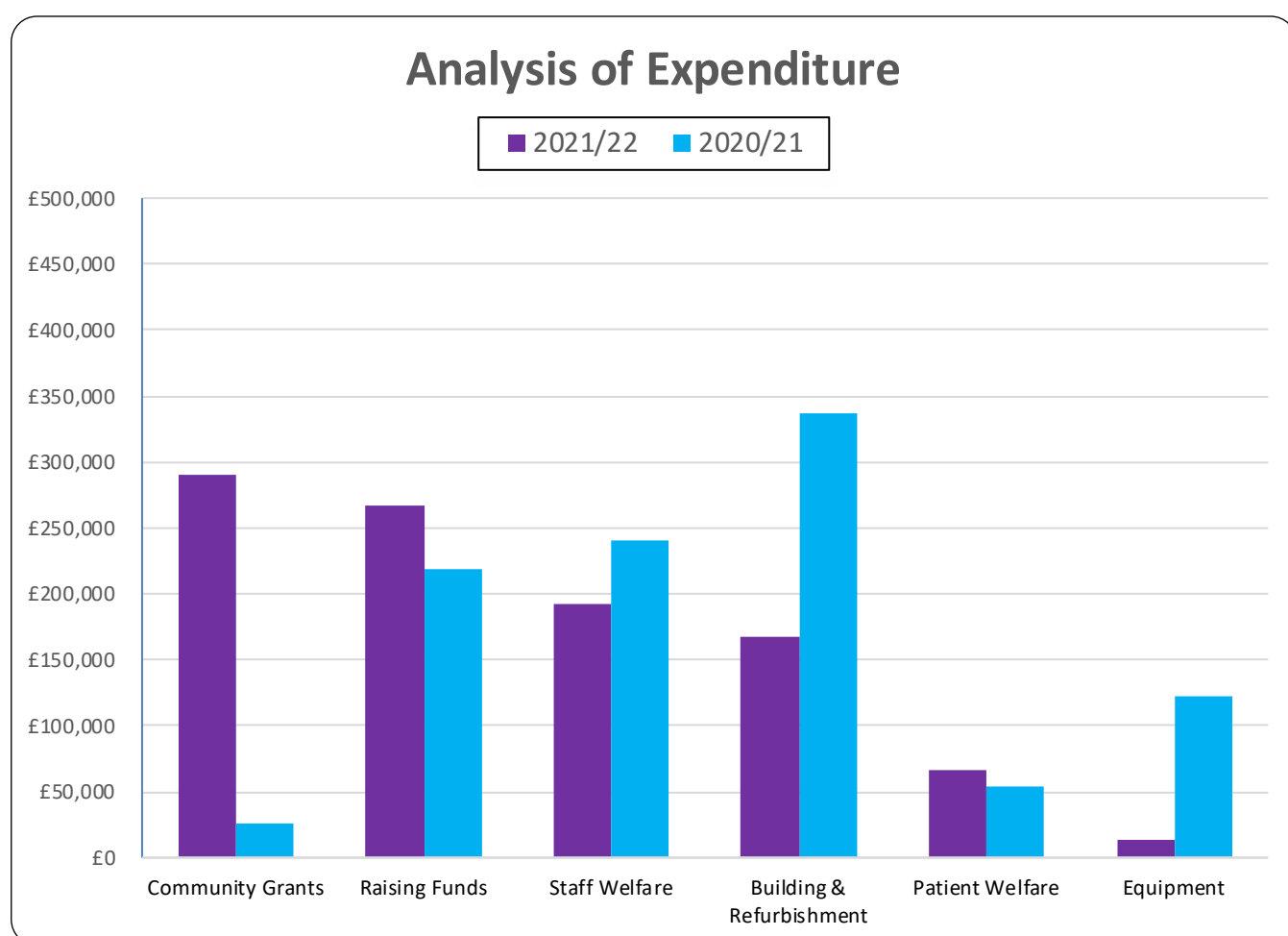
The chart below compares our sources of income from this year and last year. Further details are provided in note 2 of the financial statements. The key observation are that Legacy and Charitable Trust income decreased, and that the continuing effects of the pandemic meant the Charity was still unable to hold many fundraising events, leading to a continued low level of income from this area. Public donations continue to be our largest source of income. We also acted as the lead charity for the NHS Charities Together Stage 2 Community Partnership Grants which involved receiving Grants totaling £262k and distributing these to Charities within the Community (see above).



EXPENDITURE

Expenditure for the year to 31 March 2022 was £998k (2020/21: £998k). Expenditure on raising funds amounted to £268k (2020/21: £219k) whilst expenditure on charitable activities totaled £730k (2020/21: £779k).

As expected, following another year of uncertainty and Covid-19 recovery, the charity continued to focus its spending on Staff Welfare. We were also nominated as the lead charity to receive and distribute the NHS Charities Together Stage 2 Community Partnerships Funding which is reflected in the significant increase in Community Grants expenditure. The pandemic and recovery from it also led to a decrease in time spent on procuring new equipment and refurbishing patient areas. This is expected to increase in the coming financial year.



PERFORMANCE AND OBJECTIVES

A strong finish to the fundraising year helped ensure that the charity was able to raise a total of £967k for the financial year.

This is an especially inspiring given the challenges faced by the charity sector in 2021/22. Legacies (£206K), made up a significant proportion of income while Individual Giving (£250K) also experienced a significant boost due to the Cancer and Surgical Innovation Centre Fundraising Campaign and our Pledge a Present appeal.

The legacy of Covid continued to impact on several areas of fundraising with Corporates, Events and Community all proving relatively challenging throughout the year.

Royal Surrey Charity continues to focus on developing its fundraising function and set the foundations for year on year fundraising growth. Ultimately, this will enable the charity to offer even more support to our patients and communities.

FUNDRAISING PERFORMANCE

Individual Giving - £249.9k

Cancer and Surgical Innovation Centre - An incredible £83.5k has been raised in 2021/22, predominantly through direct mailing activities organised by local MP; Jeremy Hunt, towards a fundraising campaign for our proposed new Cancer and Surgical Innovation Centre. This exciting fundraising campaign is still in its early stages and we are hugely grateful to Jeremy and his team for all their support to date.



Pledge a Present - Our annual Pledge a Present campaign raised over £25k from individual donations.

Community Fundraising - £15.5k

2021/22 continued to be a difficult year for organising community fundraising activities and we are deeply grateful to all our supporters in the community. We'd like to give a special mention



to DJ Scratch (Guildford resident Dave Hitchens) who has been keeping people upbeat throughout the pandemic thanks to his live-streamed DJ sets. His first set played out via Facebook Live, with 500 people watching from the comfort of their own home. Initially Dave raised over £14k for NHS Charities Together. In 2021/22 he turned his focus to Royal Surrey Charity and has now raised over £8k.

Royal Surrey Charity Events - £9.6k

Due to the post-Covid landscape, the charity continued to be limited with regards to charity organised events. Activities such as our virtual run – Run the World – and our table top sales provided much-needed funds for this area. The charity team have focused on developing the events programme for 2022/23.



External Fundraising Events - £48.5k



The year began slowly with supporters still a little tentative in committing to fundraising events, but as the year progressed we saw more activity in this area. We had supporters taking part in the North Downs Way, Vitality Big Half, London to Brighton Cycle Ride, Great North Run, London Marathon and Great South Run, and £9,000 was raised collectively from these events.

As well as organised mass participation challenge events we also had some incredible fundraisers who organised their own events and challenges. These included our own amazing team from St Luke's Cancer Centre who took part in a 15,000ft skydive raising over £6,000 for Chilworth Ward.



An amazing group of fundraisers cycled from Farnham to Hayling Island to raise money for the Neurological Rehabilitation Unit based at Milford Hospital. This was organised by Melissa Brown who raised over £8,500 for the unit, after the wonderful treatment and support that had been given to her sister.

Corporate Fundraising - £24k

Companies have faced a difficult year with external challenges putting pressures on their finances and workforce. Royal Surrey Charity is incredibly grateful to all the companies who have supported us during this period.

Our Christmas appeal, Pledge a Present saw a growth in corporate support with a combined income of £6,000 from companies, including generous support from Peplo Bio and BAE Systems Applied Intelligence Ltd, both companies based on the Surrey Research Park in Guildford.

Fireproof Studio, a Guildford company and longtime supporter, donated £5,000 to Paediatric A&E to help purchase sensory equipment for the benefit of children with learning disabilities and complex needs who come to A&E.

Charitable Trusts - £326k

£262k of charitable Trusts income related to the NHS Charities Together Community Partnerships Grants Programme which Royal Surrey Charity led. The funds were all transferred to support 11 community based projects. The remaining funds came from a variety of Trusts and Foundations.

Legacies - £206k

Legacies continue to have a significant and positive impact on the work of the charity. While Legacy income has dropped considerably compared to previous years, it remains an area of huge importance. This is even more evident during trying times when other traditional fundraising activities are under pressure, as we've seen with community and events over the past two years.

Leaving a gift in a Will for charity remains one of the most valued ways in which a supporter can have a lasting impact for future generations, and we are very thankful to everyone who has considered leaving a legacy for Royal Surrey Charity.

FUTURE PLANS/ DEVELOPMENTS SINCE YEAR END

Royal Surrey Charity is working hard to develop all aspects of the charity's function and to continue to grow our impact on patients and staff at Royal Surrey NHS Foundation Trust. We have set an ambitious strategy for 2022/23 and will be working hard to achieve our goals while working closely with all our supporters and staff across the Royal Surrey.

Our fundraising focus will be to diversify income streams and reach new audiences. We're aware that we need to improve our visibility around the hospitals and ensure patients and visitors are aware of Royal Surrey Charity's work and how they can support.

Royal Surrey Charity's key objectives in 2022/23 will be:

- To increase our generated income year-on-year.
- To use donations quickly and effectively to deliver on donors' wishes.
- To improve the charity's presence both within our hospital settings and within the local community.
- To provide key events and activities for patients, staff and supporters to celebrate St Luke's 25th Anniversary.
- To engage new supporters with the Cancer and Surgical Innovation Centre campaign.
- To lead on the NHS Charities Together Community Partnerships Grants Programme (year 2).
- 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 spent at the discretion of the Trustee, provided The Charity's objectives have been satisfied and;
- Restricted funds - which are only spent 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 £377k in restricted funds during 2021/22, consisting of:
Stage 2 Community Partnership Grants from NHS Charities Together - £291k
Cancer and Surgical Innovation Centre Appeal - £83.5k

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 £2,674k (2020/21: £2,697k). As at March 31st 2022 there were £1,935k (2020/21: £1,436k) 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 and £87k in Restricted Funds.

Building works for the St Luke's Level A refurbishment began in Q2 of 2022-23 and therefore it is expected that the £525k designated for this project will be utilised during this financial year. A 'Bid 4 Better' programme was also launched in 2021-22 which provided staff with an opportunity to present ideas requiring funding that would improve patient treatment and experience. £120k was awarded as a result and will be spent during the 2022-23 year. Other projects including the building of a Counselling Room in the Early Pregnancy Assessment Unit (£24k) and the conclusion of the Chilworth Ward Refurbishment Project (£98k) amongst other exciting refurbishment and equipment purchase plans will also conclude in 2022-23.

The Trustee treats as free reserves those funds that are unrestricted and not designated. Therefore, the level of free reserves as at 31st March 2022 was £652k (2020/21: £1,070k).

During 2021/22 there has been a significant decrease in the level of reserves. A huge amount of time and effort was placed on engaging with fund managers to produce accurate and achievable spending plans and to ensure these plans will be actioned. This has resulted in a number of business cases being produced and presented to the Charity for consideration. A number of big projects/purchases are therefore planned to take place in 2022/23 so it is expected that the Charity's reserves will remain at an appropriate level during the next financial year as designated funds are put to good use. 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 Multi Asset 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 31st March 2022 of +3.0% after all fees and costs and +34.4% over the past five years. This return is a combination of two separate portfolios. The long-term portfolio is invested in the Sarasin Endowments Fund, which produced a total return of 4.9% over twelve months. This was behind the index-based benchmark return of 9.1% and the ARC Steady Growth Charity Peer Group return of 6.3%. The medium-term portfolio is invested in the Sarasin Multi Asset Strategic Fund, which is managed on a more conservative basis with a higher fixed income allocation, and produced a total return of -0.5% over the twelve-month period. This return was also behind its own index based benchmark return of +1.8%.

INVESTMENT PERFORMANCE SUMMARY

The valuation carried out for the financial year ended 31 March 2022 saw the Charity make a gain of £8k on its investments in two common investment funds (2020/21: £292k gain). An analysis of investments is provided in note 5 of the financial statements. Investment income for the year amounted to £49k (2020/21: £54k). All these elements combined result in a value as at 31 March 2022 for the Charity's investments of £1,941k (2020/21: £1,929k).

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:

L Stead - Chief Executive

S Sjuve – Chair

A Prince – Deputy Chair

R Dunworth - Director of Finance

J Mountjoy - Chief Nurse

M Illsley/B Jewsbury - Medical Director

R Peet/N Sands - Chief Operating Officer

L Hall - Director of Human Resources

G Bagley – Senior Non-Executive Director

M Hedley – Non-Executive Director

D Hicks - Non-Executive Director

L Jemmett – Non- Executive Director

H. Webber - Non-Executive Director

J Dutchman-Bailey – Non-Executive Director

B Russell – Non-Executive Director

When a person is appointed to the Board of the Royal Surrey 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 FRS102. The following have been identified as the main risks facing the Charity:

1. Income targets not achieved.
2. Reduced fundraising income due to external economic factors.
3. Financial risk due to investment volatility.
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. Risk of reputational damage due to official communications to deceased donors
9. Breach of GDPR

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.
- 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. Expenditure relating to raising funds saw an increase in 2021/2022 compared to the previous financial year. This represents further investment from the charity towards developing its fundraising functions with a view to increase long-term fundraising support. This is an area that the charity is continuing to invest in and will enable the charity to expand its support for Royal Surrey patients and staff in the future.

HOW TO SUPPORT ROYAL SURREY CHARITY

At Royal Surrey Charity we 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, please get in touch:

Email: rsch.charity@nhs.net
Website: royalsurreycharity.org.uk
Facebook: [@royalsurreycharity](https://www.facebook.com/royalsurreycharity)
Instagram: [@royalsurreycharity](https://www.instagram.com/royalsurreycharity)
Twitter: [@RSCharity](https://twitter.com/RSCharity)

Postal address:

Royal Surrey Charity
Royal Surrey County Hospital
Egerton Road
Guildford
GU2 7XX

Phone: 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



Date 4 January 2023

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

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

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

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

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

The trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustee to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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

By Order of the Trustee

Signed:



04/01/2023

Chairman* Date



04/01/2023

Trustee Date

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

Independent auditor's report to the Trustee of Royal Surrey County Hospital Charitable Fund

Opinion

We have audited the financial statements of Royal Surrey County Hospital Charitable Fund ("the charity") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 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's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of trustee, other management and inspection of policy documentation as to the Charity’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Charitable Funds Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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 there is minimal complexity in revenue recognition or incentives for management to seek to manipulate revenue as commitments are not made in advance of funding being available.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, unusual cash account combinations, journals posted with no description, and material post year end journals.

Identifying and responding to risks of material misstatement related to 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, through discussion with the trustee and other management (as required by auditing standards), and discussed with the trustee and other 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.

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

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.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustee and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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 Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

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

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Trustee's responsibilities

As explained more fully in their statement set out on page 21, the trustee is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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



Ben Lazarus

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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

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

05 January 2023

Statement of Financial Activities for the year ended 31 March 2022

	Note	Unrestricted Funds £000	Restricted Funds £000	2021-22 Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	2020-21 Total Funds £000
Income from:							
Donations & Legacies	2.1	531	86	617	1,125	118	1,243
NHS CT Stage 2 Grants	2.1	0	291	291	0	0	0
Charitable Activities	2.2	0	0	0	0	109	109
Other Trading Activities	2.3	10	0	10	8	0	8
Investments	2.4	49	0	49	52	2	54
Other	2.5	0	0	0	0	0	0
Total Income		590	377	967	1,185	229	1,414
Expenditure on:							
Raising Funds	3.1	266	2	268	219	0	219
Charitable Activities:	3.2	251	217	468	739	16	755
NHS CT Stage 2 Grants	3.2	0	262	262	0	24	24
Total Expenditure		517	481	998	958	40	998
Net Gains/(Losses) on Investments		8	0	8	290	2	292
Net Income/(Expenditure)		81	(104)	(23)	517	191	708
Gross Transfers Between Funds		0	0	0	0	0	0
Net Movement in Funds		81	(104)	(23)	517	191	708
Reconciliation of Funds							
Fund Balances Brought Forward at 1 April		2,506	191	2,697	1,989	0	1,989
Fund Balances Carried Forward at 31 March		2,587	87	2,674	2,506	191	2,697

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 29 to 39 form part of this account.

Balance Sheet as at 31 March 2022

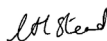
		31 March 2022			31 March 2021		
	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Fixed Assets							
Investments	5	1,939	2	1,941	1,927	2	1,929
Total Fixed Assets		1,939	2	1,941	1,927	2	1,929
Current Assets							
Debtors	6	2	5	7	8	0	8
Cash at Bank and in Hand		692	99	791	732	195	927
Total Current Assets		694	104	798	740	195	935
Liabilities							
Creditors: Amounts falling due within one year	7	46	19	65	161	6	167
Net Current Assets/(Liabilities)		648	85	733	579	189	768
Total Assets less Current Liabilities		2,587	87	2,674	2,506	191	2,697
Total Net Assets		2,587	87	2,674	2,506	191	2,697
The Funds of The Charity							
Restricted Funds		0	87	87	0	191	191
Unrestricted Funds		2,587	0	2,587	2,506	0	2,506
Total Funds		2,587	87	2,674	2,506	191	2,697

The financial statements on pages 26 to 28 and associated notes to the financial statements on pages 29 to 39 were approved by the Trustee on 04 Jan 2022 and signed on their behalf.

Signed:



Trustee



Trustee

04/01/2023

Date:

Statement of Cash Flows for the year ended 31 March 2022

	2021-22 Total Funds £000	2020-21 Total Funds £000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities:	(181)	403
Cash flows from investing activities:		
Investment Income	49	54
Proceeds from sale of investments	0	0
Purchase of Investments	(4)	(4)
Net cash provided by (used in) investing activities	45	50
Change in cash and cash equivalents in the reporting period	(136)	453
Cash and cash equivalents at the beginning of the reporting period	927	474
Cash and cash equivalents at the end of the reporting period	791	927

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

	2021-22 £000	2020-21 £000
Net income/(expenditure) for the year (as per the SoFA)	(23)	708
Adjustments for:		
(Gains)/losses on investments	(8)	(292)
Investment Income	(49)	(54)
(Increase)/decrease in debtors	1	(4)
Increase/(decrease) in creditors	(102)	45
Net cash provided by (used in) operating activities	(181)	403

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 been withdrawn.

The financial Statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons. The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in Note 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 2022 £48k (31 March 2020 £143k) 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 2021/22 and up to the date of the annual report:

L Stead - Chief Executive Officer
S Sjuve - Chair (NED)
A Prince - Deputy Chair (NED)
R Dunworth - Director of Finance
J Mountjoy - Chief Nurse
M Illsley - Medical Director (- October 2021)
B Jewsbury - Medical Director (October 2021)
R Peet - Chief Operating Officer (- November 2021)
N Sands - Chief Operating Officer (November 2021)
L Hall - Director of HR & Organisational Transformation
G Bagley - Senior Non-Executive Director (- October 2021)
L Jemmett - Non_Executive Director
D Hicks - Non-Executive Director (- March 2022)
H Webber - Non-Executive Director
M Hedley - Non-Executive Director
J Dutchman-Bailey - Non-Executive Director (June 2021)
B Russell - Non-Executive Director (May 2021)

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	Restricted Funds	Total Funds	Total Funds
	2021-22	2021-22	2021-22	2020-21
	£000	£000	£000	£000
Donations from Individuals	275	78	353	412
Legacies	206	0	206	455
Corporates	22	1	23	71
Trusts	28	7	35	187
NHS CT Stage 1 Grants	0	0	0	118
NHS CT Stage 2 Grants	0	291	291	0
Total Donations and Legacies	531	377	908	1,243

2.2 Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2021-22	2021-22	2021-22	2020-21
	£000	£000	£000	£000
Stage 3 grant from NHS Charities Together	0	0	0	109
Total NHS CT Stage 3 Grants	0	0	0	109

2.3 Income from other trading activities

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2021-22	2021-22	2021-22	2020-21
	£000	£000	£000	£000
RSCH Fundraising Events	4	0	4	4
RSCH Fundraising Activities	6	0	6	4
Total Other Trading Activities	10	0	10	8

2.4 Income from Investments

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2021-22	2021-22	2021-22	2020-21
	£000	£000	£000	£000
Income from Dividends & Securities	49	0	49	54
Total Income from Investments	49	0	49	54

2.5 Other Income

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2021-22	2021-22	2021-22	2020-21
	£000	£000	£000	£000
Bank Interest	0	0	0	0
Total Other Income	0	0	0	0

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 2021-22 £000	Restricted Funds 2021-22 £000	Total Funds 2021-22 £000	Total Funds 2020-21 £000
Fundraising Salary Costs paid by RSCH	212	2	214	179
Agency Salary Costs	4	0	4	0
Fundraising Events	4	0	4	(3)
Fundraising Office	20	0	20	25
Fundraising Donor Development	11	0	11	10
Support Costs	15	0	15	8
Total Expenditure on Raising Funds	266	2	268	219

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	170
Social Security Costs	17
Contributions to NHS Business Services Authority - Pensions Division	26
Total	213

The number of whole time equivalent staff involved in fundraising for the 2021/22 financial year was 5 (2020/21: 3.6).

3.2 Expenditure on Charitable Activities

	Unrestricted Funds 2021-22 £000	Restricted Funds 2021-22 £000	Total Funds 2021-22 £000	Total Funds 2020-21 £000
Grant to RSCH - Patient Experience, Treatment & Welfare	60	0	60	49
Grant to RSCH - Staff Education & Welfare	66	108	174	221
Grant to RSCH - Equipment	12	0	12	112
Grant to RSCH - Building & Refurbishment	43	109	152	311
Community Welfare Grants (NHS CT Stage 2 Grant)	0	262	262	24
Support Costs	70	0	70	62
Total Charitable Activities	251	479	730	779

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 2021-22 £000	Support Costs 2021-22 £000	Total Funds 2021-22 £000	Total Funds 2020-21 £000
Grant to RSCH - Patient Education & Welfare	60	7	67	53
Grant to RSCH - Staff Education & Welfare	174	18	192	240
Grant to RSCH - Equipment	12	1	13	122
Grant to RSCH - Building & Refurbishment	152	16	168	338
Community Welfare Grants	262	28	290	26
	660	70	730	779

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 2021-22 £000	Charitable Activities 2021-22 £000	Total 2021-22 £000	Basis
External Audit Fee	3	2	5	Apportionment & Time Time
Trustee & Financial Administration	0	31	31	
Governance Total	3	33	36	
Finance	11	35	46	Time
IT Systems	1	1	2	Apportionment & Time
Bank Charges	0	1	1	Direct Allocation
Support Costs Total	15	70	85	

External audit services are provided by KPMG LLP. For the 2021/22 financial year the fee received was £4,500 (2020/21 £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 21/22 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 (2021/22: none)

4. Fixed Assets

The Charity has no tangible fixed assets.

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

	2022	2021
	£000	£000
Fixed Asset Investments:		
Market value at 1 April	1,929	1,633
Add: Additions to investments at cost	4	4
Less: Disposals at carrying value	0	0
Net gain/(loss) on revaluation	8	292
Market value at 31 March	1,941	1,929
Historic cost at 31 March	1,230	1,226

5.2 Market value at 31 March

	Held in UK £000	Held outside UK £000	2022 Total £000	2021 Total £000
Investments listed on Stock Exchange	1,937	0	1,937	1,929
Cash held as part of the investment portfolio	4	0	4	0
	1,941	0	1,941	1,929

5.3 Total gross income from investments

	Held in UK £000	Held outside UK £000	2021-22 Total £000	2020-21 Total £000
Investments listed on Stock Exchange	49	0	49	54
	49	0	49	54

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

	£000
Sarasin Alpha Common Investment Fund for Endowments (Income Units)	1,264
Sarasin Globalsar Strategic - X Inc	673

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 2020/21 and 2021/22 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 2022	31 March 2021
	£000	£000
Amounts falling due within one year:		
Accrued income	7	8
Total debtors falling due within one year	<u>7</u>	<u>8</u>
Total debtors	<u>7</u>	<u>8</u>

7. Analysis of Creditors

	31 March 2022	31 March 2021
	£000	£000
Amounts falling due within one year:		
Amounts due to connected organisations (RSCH)	48	143
Other creditors	2	0
Accruals	15	24
Total creditors falling due within one year	<u>65</u>	<u>167</u>
Total creditors	<u>65</u>	<u>167</u>

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

The Charity has no endowment funds

8.2 Funds Structure

	Balance 1 April 2021	Income	Expenditure	Transfers	Gains and Losses	Balance 31 March 2022
	£000	£000	£000	£000	£000	£000
Material Designated Funds						
Frensham Ward	58	3	(10)	0		51
Covid-19 Acott Foundation	68	1	(11)	0		58
TYAC	80	28	(23)	0		85
Covid-19 Pandemic	112	14	(29)	0		97
Breast Unit	107	10	(14)	0		103
Anthony Gordon Middleton Legacy	267	4	(29)	0	1	243
Piccitto Legacy	400	109	(78)	0	1	432
St Luke's Cancer Centre	451	166	(85)	0	2	534
Other Designated Funds	344	61	(75)	0	2	332
Total Designated Funds	1,887	396	(354)	0	6	1,935
Unrestricted - Non-Designated Funds	619	194	(163)	0	2	652
Restricted Funds						
Covid-19 - NHS Charities Together	191	290	(479)			2
Cancer & Surgical Innovation Centre	0	87	(2)	0	0	85
Total Restricted Funds	191	377	(481)	0	0	87
Total Funds	2,697	967	(998)	0	8	2,674

8.3 Details of Restricted Funds

In 2021/22 the Charity received grants from NHS Charities Together following a Stage 2 Grant application where by the Royal Surrey Charity was nominated to be the Lead Charity. Grants totalling £290k were received and placed in a restricted fund as per the request of the grant giving body. The money was transferred to Community Foundation for Surrey who distributed the grants to the individual community charities who were successful in bidding for support. The Charity also launched an appeal to raise funds for a Cancer & Surgical Innovation Centre which will enhance theatre capacity and improve patient experience. The new centre will allow the Royal Surrey Hospital to expand its specialist cancer capacity as well as dramatically improving its facilities for benign and emergency surgery.

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>Covid-19 Acott Foundation</i>	<i>This fund was established thanks to a very generous donation from the Acott Foundation to initially provide free food and meals to staff during the pandemic and then to provide general on-going support for staff and patients during recovery from Covid-19.</i>
<i>Covid-19 Pandemic</i>	<i>This was established in response to the extraordinary support received from the public during the Covid-19 pandemic. The fund was and continues to be used to support staff health and well-being and patient care.</i>
<i>Anthony Middleton Legacy</i>	<i>This fund has been designated to support the Transformation Team with a Bid4Better Scheme launched this year in which staff are invited to submit project ideas for consideration for Charitable funding; with the intention of improving patient care.</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>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 2021/22 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	2021-22		2020-21	
	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	500,602	778,000	471,652,000	116,000

As at 31 March 2022 £48k (31 March 2021 £143k) 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.