

SOMERSET NHS FOUNDATION TRUST CHARITABLE FUNDS

Registered Charity Number: 1059922

**TRUSTEE'S ANNUAL REPORT
And FINANCIAL STATEMENTS
For the year ended 31 March 2022**

Somerset NHS Foundation Trust Charitable Funds
Trustee's Annual Report and Accounts 2021/22



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Somerset NHS Foundation Trust Charitable Funds

Chairman's Introduction

Welcome to the 2021/22 Report and Accounts. We are a Charity that has Somerset NHS Foundation Trust as its trustee and we work for the benefit of NHS patients and their families throughout Somerset.

2021/22 has continued to be a year like no other as for most of the twelve months, Covid 19 continued to affect all our plans and priorities. Nonetheless, we have seen the massive groundswell of support from you continue unabated and I would like to thank everyone who has donated gifts or money. Your donations have made all our work possible and are the key to our continued success. The early months of 2022 have seen us restarting our fundraising events and looking forward to the 25th Anniversary of charitable activities associated with our hospitals and services.

Key Highlights of our year:

- Over £450k of voluntary donations from corporate donors, local groups and individuals
- £403k spent on patient welfare
- £218k spent on staff welfare

Details of some of the projects we supported in 2021/22 are included in this report.

Looking Ahead to 2022/23

In the year ahead, as it seems that the pandemic may be coming under control and we are returning more to fundraising business as usual. We look forward to focussing on the 25th Anniversary Appeal and the marvellous projects that it will enable us to undertake across many of our hospital sites and services. We will continue to focus on helping the population of Somerset to live fulfilling and healthy lives.



Barbara Gregory

Chair of the Charitable Funds Committee
on behalf of the Corporate Trustee

Somerset NHS Foundation Trust Charitable Funds

Somerset NHS Foundation Trust Charitable Funds

Trustee's Annual Report and Financial Statements 2021/22

Who We Are

Somerset NHS Foundation Trust Charitable Funds, (*Love Musgrove*), is a registered charity (registration number 1059922). We were formerly the Taunton and Somerset NHS Foundation Trust General Charitable Funds. The name was changed by Supplemental Deed on 1 April 2020. We exist to raise funds and receive donations for the benefit of the patients of Musgrove Park Hospital, 13 Community Hospitals, and the Mental Health and Learning Disabilities services in Somerset. By securing donations and legacies, *Love Musgrove* can provide the icing on the cake to make a real difference for the patients, their families and the colleagues who look after them.

Our Objectives and Activities

Our Mission

By raising new money and careful management of our existing funds, *Love Musgrove* provides a public benefit by making grants to the NHS organisation it works with in order; ***'To fund provisions above and beyond what the NHS can offer, ensuring our patients get treated more quickly and comfortably.'***

Grants are made in accordance with charity law, our constitution and the wishes and directions of donors. During the year 2021/22, grants totalling £719,974 were made, (see note 6).

When considering where to focus our attention the members of the charitable funds committee have regard to the Charity Commission's guidance on public benefit and what this means for *Love Musgrove*.

Our future plans are to continue to develop our level of fundraising to achieve an annual target of £1,500,000 a year which will help us work with our NHS partners to transform the patient experience in our community and support the staff.

Highlights from the activities undertaken in the year.

The key aim of *Love Musgrove* is to serve the NHS patients of its related constituent bodies for the public benefit. By funding equipment, services and research so we can assist the NHS bodies we work with to provide care to their patients which goes beyond that which they are funded to provide. We put this aim into practice by assisting the patients their families and visitors to the services by;

- Providing any equipment or activity to improve the support of colleagues and patients and their families and friends by creating a comfortable and engaging environment;
- Research into causes of sickness and disability and the prevention, treatment, cures and defeat of sickness and disability in all its forms;
- Making available medical education for colleagues to enhance the patient experience.

We do this through a range of methods funded by you, our generous donors. Over £18,000 in donations have been received in recognition of good care delivered by colleagues across the Trust. Highlights from the main programmes undertaken this year are detailed in the Activities highlights, overleaf, to give you a wider appreciation of the difference that we have made together.

Activities highlights (cont'd)

1. Paxman Scalp Cooling System

Paxman Scalp Cooling Systems are used for patients receiving certain chemotherapy regimens to prevent hair loss. The Beacon Day unit currently has three systems which are fully in use. Over the last two years, there has been a 37% increase in treatments within the Beacon Day Unit and the current units are no longer providing adequate support to meet demand.

A further three Scalp Cooling Systems have been purchased. The latest model includes features such as the Touch Screen Visual Display with System Status Graphics which makes it quite simple to use for nursing staff. Using visual temperature displays and running at a high temperature, along with new style softer-fit caps, all of which contribute to a better, more comfortable scalp cooling experience for our patients and greater efficacy of the treatment with the following benefits:

- Single or dual patient treatments, which are independently controlled;
- Easy to read touch screen visual display with system status graphics;
- One touch switch operation for simple ease of use;
- Scientifically developed, low temperature, non-viscous coolant with ultra-efficient heat transfer properties;
- Instant cooling capability once connected to the system to allow immediate use;
- Rapid pull down in temperature for use within 20 minutes;
- Visual and audible alarms for restricted and no flow coolant conditions;
- Countdown timer with touch screen access and visual display;
- System diagnostics access for operators;
- Coded access for service engineers;
- High ambient warning alarm;
- Small, compact size which is easily manoeuvred;
- Paxmans latest cap: only three sizes required for sizing and fitting – no reported crown hair loss.

These additional systems have been used to extend the Beacon Day Unit into community settings in a sub hub at Wellington which allow patients to be treated closer to home, treating between 250-500 patients a year.

2. Pendulum Camera for use in Urology Theatres

A fixed camera is currently used for all endoscopic urology in main theatres which means that as the camera is rotated, the scope on the camera follows and to ensure the picture seen on screen remains in the appropriate axis, one hand is used to fix the camera and the other hand to move the scope.

A pendulum camera has been purchased which maintains a consistent axis independent of the axis through which the camera moves. By doing so, it keeps the horizon 'horizontal' and as it is gravity dependent means it stays in the correct alignment. The benefit of this is that the surgeon does not need to use a hand to keep correcting the position of the camera, enabling them to stabilise the resectoscope with one hand meaning it is safer for the patients who undergo procedures for transurethral resection of the prostate, resection of a bladder tumour, cystoscopy to look inside the bladder and ureteroscopy to address kidney stones.

Other benefits are:

- Single or dual patient treatments, which are independently controlled;
- Easy to read touch screen visual display with system status graphics;

Activities highlights (cont'd)

- One touch switch operation for simple ease of use;
- Improved time efficiency;
- Improved ergonomics for the surgeon.

3. MX400 Cardiorespiratory Monitor

Neonatal Transitional Care (NCT) is a service that has been developed to enable the provision of special care to a baby at the mother's bedside which avoids separation between mother and baby, thus improving long term outcomes and breastfeeding rates.

NCT is a vital service, delivered in the post-natal ward. Babies require regular observations, including saturation and blood pressure measurement. One monitor was shared between the Somerset Neonatal Intensive Care Unit (SNICU) and the wards, resulting in equipment being moved constantly and observations being delayed at busy times.

A Philips Cardiorespiratory Monitor has been purchased for use in SNICU and in transitional care services and has enabled babies receiving intensive and high dependency care in the Unit to have cardiorespiratory monitoring, including oxygen levels. This is essential to their safe care and ongoing management.

In addition, the monitor has been used on the Labour Ward and Post Natal Ward to monitor the observations and oxygen levels of babies who are receiving additional neonatal care and intravenous antibiotics. In Labour Ward theatre, the monitor has been used to guide the resuscitation of babies who need extra support and treatment immediately after birth.

Up to one hundred babies have benefited from this piece of equipment and it will continue to be of great use for the next 10 years.



4. Early Intervention in Psychosis (EIP) 'Voyage to Recovery' 2021
Psychosis is associated with stigma, fear and limited public understanding. It is often a frightening and isolating experience. The first few years after onset can be particularly upsetting and other problems such as social exclusion, reduced opportunities to return to work or study and difficulties forming new relationships can continue long after distressing experiences of psychosis have subsided. There has been growing interest in developing alternative approaches to working with people who have experienced psychosis to optimise opportunity for emotional, social and occupational recovery. One such area showing promise is developing adjunctive interventions using principles of Adventure Therapy; capturing a range of activities carried out in the natural environment which are rooted in an ethos of experiential education.



Activities highlights (cont'd)

The Somerset Team for Early Psychosis, (STEP), always look for new and innovative ways to support people in their recovery from psychosis. From 19- 25 September 2021, the Team took eight service-users on a 6-day adventure sailing voyage, sailing 265 miles from London to Poole in partnership with the Cirdan Sailing Trust.

Taking part in all aspects of this project offered the opportunity for these service users to develop their confidence and bolster self-esteem, foster new meaningful friendships with peers and develop a range of social and occupational transferrable skills. All services users last year were awarded the Royal Yachting Association's Start Sailing certificate. Other outcomes from this project included service users feeling more confident to try new things e.g. attending Men's Shed, another learnt how to swim and overcame his fear of the water, one was invited back to volunteer for the sailing trust and another secured a paid post in the team as a Peer Support Worker.



The voyage project was filled with highs and lows and many obstacles were faced and overcome and this was all somehow achieved in the context of the COVID pandemic. Feedback from service-users who took part included: "I most enjoyed seeing new places and spending time with interesting people," "being part of a team and bonding with them," "It made me a lot more confident." "It was hard work, but I had great fun!"



The radically different environment helped to develop confidence, self-esteem and a sense of urgency over difficulties, teach new transferrable skills, promote the engagement of physical activity further enhancing overall health and wellbeing and offered a fresh perspective on life.

Charitable funds donated £3,500 towards this voyage. The Cirdan Sailing Trust also matched funded.

5. Paediatric Assessment Unit (PAU)

From a wonderful legacy of £384,000 for the benefit of the Children's Unit, £154,000 has been used to develop the PAU which has been running very successfully and is preventing unnecessary admissions to the unit. The money has been used to develop the training of the team within the environment and to create two new treatment rooms which enhance privacy and dignity for the young people and families that are seen by the PAU. A new bedded area and a staff hub has also been created.

Around 2,000 children per year would access the PAU as the service became more widely known by GPs in the county, the prediction was that this number could rise further. With the development of the PAU, over 1,300 of these patients would avoid admission.

Our Achievements & Performance

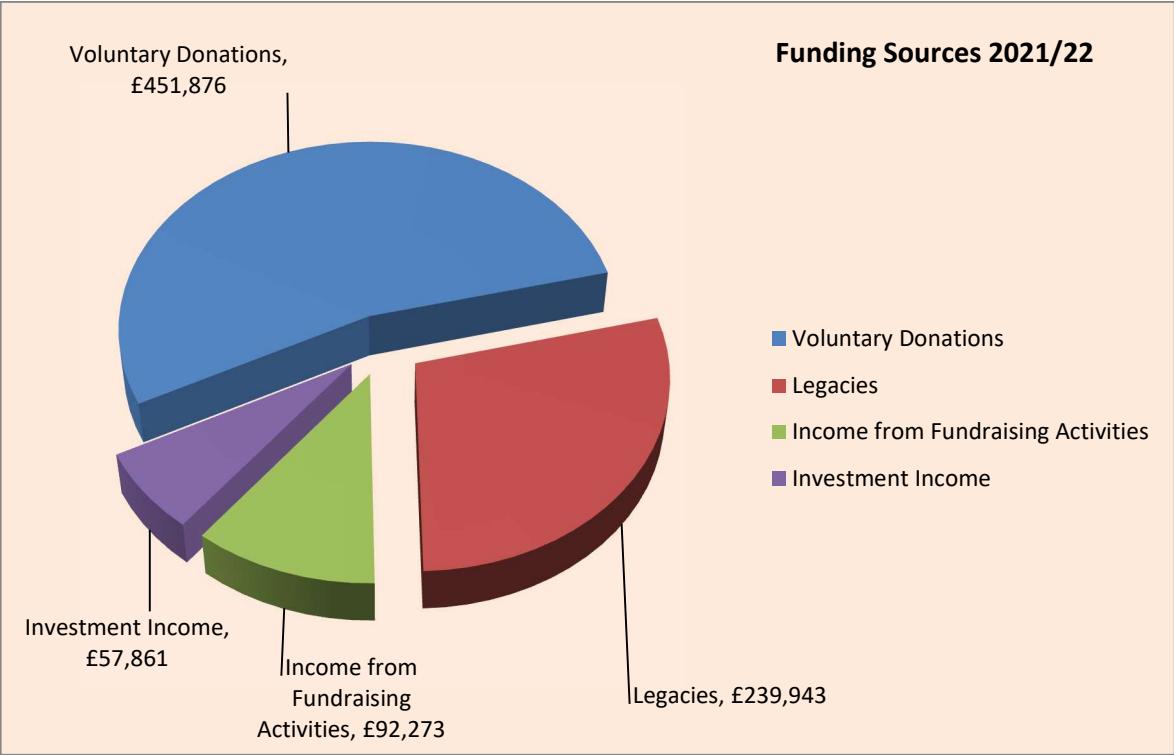
The following figures are taken from the full accounts, approved on 8 June 2022, which carry an unqualified audit report. This part of the trustee's annual report comments on the key features of those accounts. Firstly we explain how we raised the money and then how we spent it.

Money Received - £841,953. Money Spent - £846,645.

Money Received; Sources of Funds

Voluntary Donations (£451,876) ~ the pie chart shows our main sources of income. The largest by far, almost two-thirds of total income, is termed voluntary donations and represents gifts and donations from the public, by local companies and by groups and associations.

- Gifts from the public and local groups, (£275,814) ~ these range from a few pence in a collection tin to several hundred pounds from grateful relatives. We are fortunate to receive thousands of such gifts each year;



- Corporate Donations, (£19,313) ~ *Love Musgrove* is grateful to the companies and local businesses that have donated over the year and to their employees who have given their time and money to maximise the corporate support we receive;
- Gifts in Memory, (£121,758) ~ collections in memory of a loved one are particularly generous and we are fortunate to be remembered by so many people each year;
- Gifts in Kind, (£34,991) ~ the amount of items gifted by personal and corporate entities received in the financial year.

Legacies, (£239,943) ~ we have been most fortunate to benefit from several legacies in the calendar year, details of which may be found in the Note 14 to the Accounts.

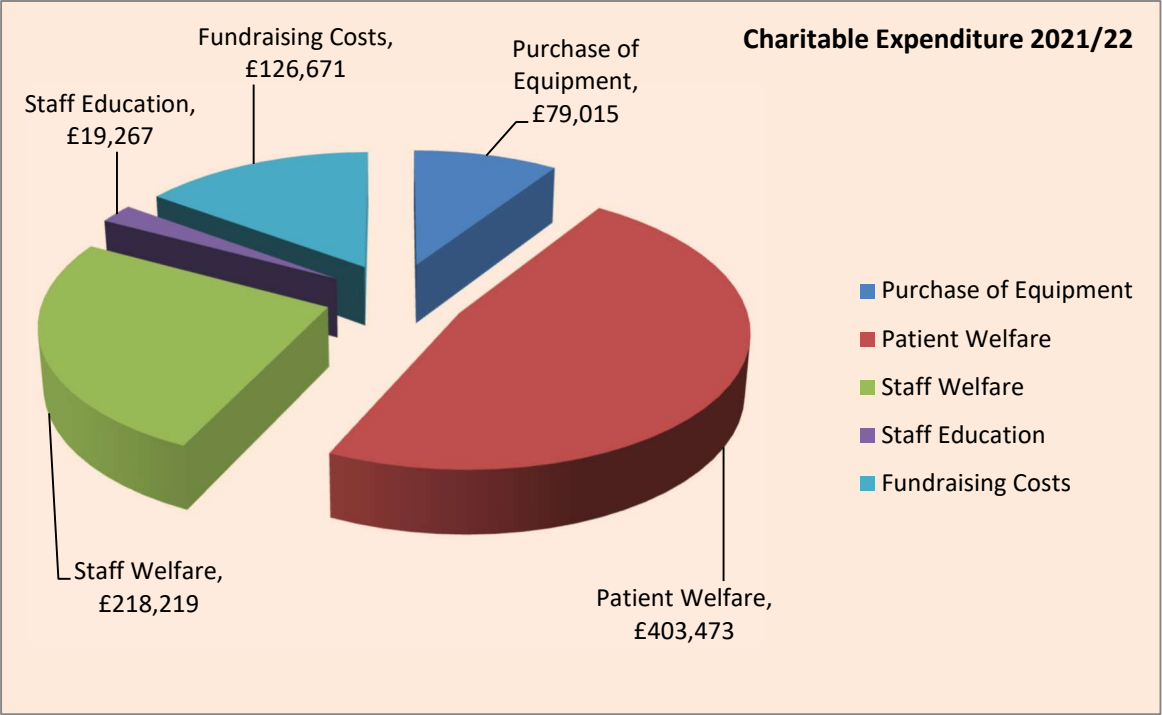
Somerset NHS Foundation Trust Charitable Funds

Our Achievements & Performance (cont'd)

Income from Fundraising Activities (£92,273) the Art for Life project generated £7,355 from its activities. A Lottery run exclusively for colleagues generates a welcome sum each year, £76,701.

Investment Income (£57,861) prudent management of funds not immediately required for use earned interest of £327 and dividends of £57,535.

Money Spent; what we spent the money on



The chart above shows the areas of spend for the Charity in this financial year, (£846,645). The Charitable activities are split into four distinct areas:

- Purchase of Equipment (£79,015). We can increase efficiencies by ensuring colleagues have sufficient quantities of modern equipment to hand when required;
- Patient Welfare and Amenities (£403,473). A broad area of activity encompassing many things from remedial building work to patient toiletries;
- Staff Welfare & Amenities (£218,219). The NHS Charities Together Grant Stages 2 & 3 and donations from the public enabled many examples of improvement to colleague well-being;
- Staff Education & Training (£19,267). Expenditure on Staff Education was severely curtailed in 2020-21 due to the Covid-19 pandemic. There has been a small recovery, this year.

Fundraising Costs of £126,671 complete the Expenditure for the year.

Somerset NHS Foundation Trust Charitable Funds

Our Fundraising practices & Fundraising performance

Love Musgrove is registered with the Fundraising Regulator and complies with all the relevant standards set out in the Code of Fundraising Practice. Since May 2016, we have engaged the services of Compton Fundraising Consultants Ltd, (Compton), to carry out our fundraising operations in a competent and professional manner. They are also signed up to the Fundraising Regulators Code of Fundraising Practice. There have been no complaints about fundraising activity this year.

Policies and procedures have been implemented and reviewed as a set of guiding principles:

- Complaints Policy - a clear process for anyone to follow who wishes to make a complaint and how complaints will be handled and resolved;
- Vulnerable People and Fundraising Policy - outlining specific guidelines around different types of fundraising and what action will be taken if it is suspected someone may/might be vulnerable;
- Privacy Policy - in line with GDPR, a Privacy Policy has been created outlining the way in which personal data is used and ensuring we communicate with our supporters in the manner they prefer and respect their privacy and communication preferences. We do not sell data;
- Supporter promise - outlining our promise; showing we are committed to fundraising in an honest and transparent way;
- Gift handling policy - a comprehensive guide on best practice regarding the handling of donations and acceptance of gifts;
- Stewardship - a clear programme of welcoming, thanking (including Gift Aid and GDPR compliant in the collection of data) and ensuring each supporter has a positive experience, receiving the right communication at the right time.

Direct marketing

All direct marketing is undertaken by the Fundraising Team to ensure that it is not unreasonably intrusive or persistent. A comprehensive mailing schedule is utilised to ensure our messages are segmented and tailored to supporters, providing a bespoke stewardship programme to build and nurture relationships for donor retention.

All marketing materials contain clear instructions on how a person can unsubscribe from mailing lists.

Fundraising undertaken by others

The Fundraising Team organise fundraising events and co-ordinate the activities of our supporters when we are notified both in Musgrove and in the wider community with key touch points with each fundraiser/organisation throughout their fundraising journey, ensuring that fundraising is legal by providing advice and guidance. The supporter journey is recorded on the fundraising database alongside all communication sent.

A significant percentage of our funds are raised from the public and we ensure that is undertaken in a respectful way.

Our campaigns and appeals are organised with the aim of seeking and gathering support by engaging individuals, businesses, organisations, charitable foundations, partner hospital charities and high net worth individuals.

Somerset NHS Foundation Trust Charitable Funds

Fundraising Practices & Performance (cont'd)

A mixture of channels and promotional tools are used both within the community and across Musgrove to raise awareness of the *Love Musgrove*:

- Face to face with identified key individuals;
- Broadcast media;
- Written communication - letters, newsletters, direct mail and e-news;
- Website;
- Social media platforms - Facebook, Twitter, Instagram, LinkedIn and YouTube;
- Hybrid collection points;
- Leaflets - detailing ways to give;
- Event - such as banners, window vinyl wraps indicating ways to give.

We benchmark our fundraising activity with our peers through NHS Charities Together and monitor the comparative success of campaigns.

Fundraising Performance

It has been a relief to be able to get back to our events and fundraise in the way we love and to see supporters. Following the pandemic, we have seen the community spirit across the county with remarkable support from donors, words of encouragement and acts of kindness, including £35,000 of donated items to help staff and patients including face masks, hand cream, food boxes for staff and an X-box for the children's ward.

Our first event following lockdowns and restrictions was a 15,000ft skydive on 17 October. A brilliant and brave team of 8 assembled on the sunny Sunday morning at Dunkeswell Airfield in Honiton. Over the months leading up to the event they galvanised support from families, friends and colleagues, collectively raising over £8,000 for several areas of the hospital including Rowan Suite, Radiology, Ward 9 and for the Better Everywhere Fund which directs money to where it is needed most. Pictured right is Steve Ladd in a superman pose!



On 21 September we were delighted to host our 'Thank You' event at the Castle Hotel, bringing together some of our supporters from the past year with colleagues across the Trust. It was a great opportunity to share the support that came flooding in from the local community and the impact the £650,000 raised made to staff and patients as well as sharing other successes such as completion of the Maternity Appeal and events coming up.

Christmas is the time of celebration and reflection and after the past two years it was important more than ever to remember loved ones and give thanks to those who have made a difference. For the second year we hosted our Tree of Light appeal, inviting our supporters and member of the public to write message in memory or in recognition of someone special on our Tree of Light baubles. The appeal raised £1,650 and each supporter received a thank you card. Many other festive events were planned but were unable to go ahead due to Covid restrictions in welcoming supporters onto site.



Somerset NHS Foundation Trust Charitable Funds

Fundraising Practices & Performance (cont'd)

We were thrilled to announce completion of the Eliot Ward fundraising Appeal in raising £120,000 to transform the ward to make it the perfect environment for patients with dementia. Thanks to the generosity of people in Taunton and across Somerset, as well as businesses, local groups and schools, the Trust will now be able to upgrade the facilities of Eliot Ward to bring them in line with the excellent care delivered by our NHS colleagues who work so hard as part of the ward team.

The refurbishment focuses on six key areas of dementia-friendly design and the money will be spent on:

1. Use of colour for wayfinding and navigation - painting the ward with dementia-friendly colours to identify each bed space and differentiate between different bays and side rooms
2. Lighting - that will mimic the normal frequency of daylight from morning to evening
3. Flooring - dementia-friendly flooring that is a matt, not shiny floor which will also guide where patients can safely be
4. Artwork - working with Art for Life at Musgrove, use of iconic images of the local area in large murals around the ward to help orientate patients to Somerset
5. Social Spaces - creating a quiet room with a wider entrance and large armchairs and sofas will provide a homely feel for patients to sit away from their bedside
6. Declutter/Storage - new storage for handling medicines will not only give the ward a less clinical feel but will also declutter the corridor, making a safe place for patients to walk using the hand rails

1 in 6 people over the age of eighty will develop dementia and Love Musgrove wanted to make sure the hospital space was ready to meet a growing demand. Whilst most of the fundraising took place during the Covid-19 pandemic, the Charity was able to host a Valentine's Fundraising Ball back in February 2020, raising over £5,000 thanks to guests, a brilliant selection of auction prizes and the support of hosts Somerset County Cricket Club.

Celebrating 25 Years of Charitable Funds - 2022 marks the 25th anniversary of fundraising at SFT and in celebration we launched the 25th Anniversary Appeal, to raise funds for projects right across the NHS in Somerset. There is a list of impactful and varied projects from garden spaces at local Community Hospitals, research projects to benefit patients, equipment at Musgrove, the improvement of colleague spaces and providing dementia boxes for over seventy clinical spaces across the Trust.



Credit Pinnacle Photo Agency



The first event of the Anniversary Appeal was the Charity Race Day held on 8 February in partnership with Taunton Racecourse. Over sixty-five guests attended, hearing tips from the Course's resident tipster to pick out the winners. With an auction, raffle and a bucket collection at the end of the day, the event raised nearly £4,000 towards the projects.

Somerset NHS Foundation Trust Charitable Funds

Fundraising Practices & Performance (cont'd)

It was wonderful to see so many of our supporters across the county return to fundraising such as the Wilson family who raised over £4,000 for the Intensive Therapy Unit in memory of husband and father Andrew. Andrew tested positive for coronavirus on New Year's Day and passed away a month later at Musgrove. The hospital received incredible support from Andrew's family, raising money to fund several iPads and donating toiletries for patients.

Bella Wilson, Andrew's daughter, said "We were truly fortunate that the staff at Musgrove did everything they could do to help dad in such awful circumstances. The family liaison team not only helped us to connect with dad, but they helped us as family beyond words." Bella and her family and friends took part in a running challenge. "We had an incredible day celebrating and remembering my phenomenal Dad. We did this event in memory of him but also for the dedicated, selfless and incredible people who looked after him and us. Losing dad during a pandemic and to Covid was honestly heart-breaking. We could not have a normal goodbye; we could not see him in hospital and we could not even meet each other as family because of lockdown. However, the incredible team at Musgrove virtually and physically helped us through and they will forever hold a special place in our hearts. We will never forget them; they still check in with us to this day. The world needs to know how amazing they are."

Grammy nominated DJ, Michael Gray, hosted and performed a brilliant 6-hour DJ set which was live streamed on the website Twitch. Michael performed his marathon mix receiving lots of donations from fans and supporters who tuned in around the world helping the DJ smash his fundraising target, raising over £3,000 for the Beacon Centre. Michael wanted to show his gratitude for the amazing doctors and health professionals at the Beacon Centre, who in recent years treated two of his relatives, by fundraising in a more unique fashion and bringing people together through the power and his love, of music.



The Arts and Creative Theatre School, (ACTS), raised £2,284 for the Children's Ward from a string of fabulous performances of the 'Musical Memories' production. Every year they organise a Charity Show which has been difficult with Covid and they were pleased to be able to perform their show in January.

Pictured left: Alan and Val of ACTS along with members Ella and Alivia presenting the cheque.

Love Musgrove was also supported by many charity of the year partnerships including a Charity Ball with Taunton School on 30 October with 160 guests in attendance. Through the incredible generosity of people on the night, raising funds from the auction lots, the raffle and some very substantial donations, over £9,000 was raised for both *Love Musgrove* and the Taunton School Foundation. The evening concluded with people taking to the dance floor with live music by the swing and party band from, All Jazzed Up.

Somerset NHS Foundation Trust Charitable Funds

Fundraising Practices & Performance (cont'd)

It was a real pleasure to be supported by ex-England International and Exeter Chiefs rugby player, Ben Moon, who chose the Beacon Centre as one of his testimonial year charities, back when the celebrations were due to



start in 2019. Unfortunately, due to the pandemic, the testimonial events were put on hold, however with the easing of restrictions the events continued with several fundraising events, culminating with Ben's testimonial match on Saturday 4 September. At the time of Ben announcing his support of the Beacon Centre, Ben said "My dad, (my hero), was in the Beacon Centre for a short while having his treatment. During the darkest days of his life he still managed to find some happiness in there with a high level of support and care. The staff really do make the difference both to the patients and families alike. I will always be thankful to the

Beacon Centre for the reassurance and help they provided when he and we as a family needed it most." Over £7,000 was raised for the Beacon Centre.

A total of £69,565 was secured from trusts and foundations which includes the first instalment of £50,135 from NHS Charities Together for a recovery grant for Covid to support staff across the Trust. The total amount awarded was £198,000 with the funds released over a 3 year period.

This grant focuses on four projects:

1. **Equality and Inclusion Project.** To level-up inequalities of access to wellbeing offerings, by focussing on Levels 1 and 2 of the SFT 'stepped care wellbeing model' and to provide universal offerings where there may be gaps. This will expand on the engagement work with the multicultural network drop-ins and extend across all SFT inclusion networks, through the development of a dedicated post.
2. **Psychological PPE and 'Wellbeing MOT' Project.** To skill-up all colleagues and increase organisational capability to utilise 'Psychological PPE' as a primary preventative approach to emotional wellbeing, through the development of webinars, self-help modules and sparkol videos and to build on the resources on the SFT intranet.
3. **Compassion Circles Project.** To further spread and sustain the use of Compassion Circles across SFT as a response to stress and burnout experienced within teams, through the development of both a training programme and a train the trainer (TTT) programme of work.
4. **Colleague Support Service (CSS) Level 5 Project.** To develop further the skills and capability of the SFT Colleague Support Service (CSS) for the specialist and highly complex offering at Level 5 of the SFT 'stepped care wellbeing model', ensuring existing posts can be funded and enabling senior clinicians for the service receives Eye Movement Desensitisation and Reprocessing (EMDR) training. (EMDR is an internationally recognised evidence-based intervention for complex trauma and Post Traumatic Stress Disorder (PTSD)).

WPA Benevolent Fund awarded the Children' Unit £9,680 for a new play area in their courtyard. For our littlest patients, being in hospital can be a confusing and scary time. We already have some wonderful initiatives in place to keep a smile on their faces and our play specialists at Musgrove Park do an excellent job of keeping children happy and stimulated through various forms of play and learning - and now they can expand that even further thanks to the renovation of the small outdoor courtyard!

Somerset NHS Foundation Trust Charitable Funds

Fundraising Practices & Performance (cont'd)

A new outdoor play area is attached to the Paediatric Assessment Unit and is for children who come in acutely unwell for assessment and helps with distraction and enjoyment whilst waiting to be seen by doctors/nurses. The play area includes a jungle hut with a shop play panel, a timber log train and carriage, a covered seating area and bespoke benches with planters to brighten up the space.

The paediatric matron, Suzy Mason, said: "We are thrilled with the new play equipment and are incredibly grateful to everyone that has been involved in getting it here. There are so many benefits to the children, who can now relax and enjoy some care-free play time out in the fresh air, without needing to go far from the ward. We look forward to seeing many children enjoying the play equipment during their time with us."



The Foxglove Trust gave £9,500 to the Intensive Care Unit for six Electronic Cuff Manometers and a Laerdal Shock Unit.

Last year we secured £250,000 from Barclay's Covid-19 Community Aid Package to reduce digital poverty in community, mental health and social care across Somerset. This project started on 1 August 2021 and is managed by Spark Somerset who provide information, advice, training and support to the voluntary community sector in Somerset with the co-ordination of the distribution of tablet devices and the provision of an IT helpdesk to support users.

Since the start of the project:

- 109 referrals have been made into the programme (79 are female and 30 male);
- 69 individuals have been helped with Digital Champion support;
- 31 tablet devices have been utilised by individuals and across community hub sites;
- 20 Wi-Fi connectivity devices are out in hub sites and with individuals;
- Community hub sites have been secured within The Nelson Trusts in Bridgwater, Arc, (formerly Taunton Association for the Homeless), in Taunton, Taunton Library, Frome Medical Practice and Yeovil District Hospital;
- Referrals have come from a wide variety of sources such as the Community Council for Somerset, Alzheimer's Society, Wincanton Health Centre, Somerset West and Taunton Council, the Balsam Centre, Village Agents, Queen Camel Health Centre, Open Mental Health, Mind in Somerset, Second Step, Somerset Pain Management Service, Social Prescribers and Somerset Drug and Alcohol Service.

The project will go beyond the end date of 1 August 2022, using the underspend which will enable more individuals to be reached and have a larger impact.

Love Musgrove

Over six years the awareness of *Love Musgrove* has grown considerably within the local community. Recruitment of new and stewardship of existing supporters through tailored communications to build long term rapport and relationships will ensure long-term income generation. Celebrating the 25th Anniversary will enable our reach into the community beyond Musgrove and provide the opportunity to re-engage with past donors.

Somerset NHS Foundation Trust Charitable Funds

Fundraising Practices & Performance (cont'd)

A multichannel approach has been used to engage with supporters through e-news, newsletters, direct mail, appeal letters, social media and telephone calls. To re-engage and thank donors who have not given a gift within a year, a mixture of letters, personalised note cards and calls are made to thank donors for their support and highlight the impact of their gift.

Engagement and collaborative working with colleagues has continued across the Trust in both the delivery of projects such as the Barclay's Community Aid Covid-19 Community Aid Package digital poverty scheme and work to secure the £198,000 from NHS Charities Together.

Social media is a key tool to regularly inform our supporters with fundraising stories, upcoming events and latest stories. #ThankYouThursday posts are extremely popular and receive regular high engagement and traction. All of this continues to increase the profile and awareness of *Love Musgrove*. Local papers and radio interviews have also widened the reach of the Charity further.

The Fundraising Team continues to increase awareness of *Love Musgrove* by supporting fundraisers, ensuring they receive the best possible experience as well as inspiring others to take part in fundraising for the Charity.

Activities by the Fundraising Team include:

- Completion of the Eliot Ward Appeal which raised £120,000;
- Completion of the Maternity video to show the impact the refurbishment has had. The project was completed in 2020;
- Launching the 25th Anniversary Appeal www.lovemusgrove.org.uk/anniversary-appeal/ ;
- Development of new leaflets including the 25th Anniversary brochure and a fundraising pack;
- Implemented a Resources Study to widen our reach into the local community, building upon the momentum from the Covid-19 Response Fund and to identify additional fundraising opportunities and potential supporters;
- Will Month to support the legacy promotion plan. Build upon the relationship with Acorn Solicitors who chose the charity to benefit for their Charity Will Weeks and to increase legacy pledgers including awareness with staff and governors;
- Increased brand awareness and reach of the Charity on all social media platforms;
- Strengthening relationships with local media, such as Tone News and Tone FM;
- Promoting the Staff Lottery across the Trust to increase the number of colleagues participating;
- Supporting wards and departments across the Hospital that require funding;
- Submitting applications to charitable trusts and foundations, from which £69,565 has been received;
- Supporting each fundraiser, ensuring they receive a great experience to inspire continued support of the Charity;
- Ensuring the Charity complies with GDPR in line with the policy of the Trust.

Our plans for future periods

The Charity intends to achieve its long term objectives by working with SFT to develop the facilities needed to provide healthcare of the highest quality to the population it serves.

Somerset NHS Foundation Trust Charitable Funds

Our plans for future periods (cont'd)

- To improve patient care through the provision of 'state of the art' equipment and by promoting and supporting the improvement of staff knowledge and experience;
- To deliver the 25th Anniversary celebration and fundraising for the projects across the Trust;
- To expand our fundraising activities towards achieving a sustainable goal of £1.5 million a year
- To promote effective fundraising across Services;
- To develop the case for support for the Hybrid Theatre in the new surgical build
- Develop and implement a fundraising strategy for Mental Health Services; and
- To pursue an investment policy which provides a balance between income and long-term capital growth and protects fund values.

How we manage the money

Love Musgrove makes grants from both restricted and unrestricted funds. Within the unrestricted funds, grants are made from general funds and designated (earmarked) funds.

General funds - these funds are received by Love Musgrove with no preference expressed by donors. Four times a year, the charitable funds committee invite applications from any member of the Trust and from specialist partner charities, for example Macmillan and patient groups working with the hospital. Based on their knowledge of the Trust, the committee agree funding priorities and score the applications for quality and value for money. Grants are particularly targeted on projects in areas of the Trust that do not have available designated funds to assist them.

Designated (earmarked) funds - are established for a particular part of the Trust or activity nominated for support by the donor. They are overseen by fund advisors who can make recommendations on how to spend the money within the designated area. Fund advisors' recommendations are generally accepted and these funds can be spent at any time.

Financial Review

Reserves Policy

The charitable funds committee have established a reserves policy as part of their plans to provide long term support to our partner Foundation Trusts for new equipment, patient & colleague welfare, education and research.

The charitable funds committee calculate the reserves as that part of the charity's unrestricted income funds that is freely available after taking account of designated funds that have been earmarked for specific building or major equipment purchase, research and other projects. The total reserves currently stand at £2,060,004 and are calculated as follows:

	£
Total Unrestricted funds	2,676,167
Less: Legacies held for specific projects	<u>616,163</u>
Total Reserves	<u>2,060,004</u>

The charitable funds committee intend that designated funds are spent within a reasonable period of receipt and therefore foresee a need only to maintain reserves sufficient to provide certainty of funding for general grant making.

Somerset NHS Foundation Trust Charitable Funds

Reserves Policy (cont'd)

The minimum reserve requirement is calculated as follows:

Requirement for charitable expenditure	1,045,440
Funds committed to future charitable activities	<u>362,546</u>
Total Reserve requirement	<u>1,407,986</u>

The reserves held are currently well above our target requirement.

The charitable funds committee review the balances held in designated funds to determine whether these funds are likely to be committed soon and the extent to which there is a continuing need identified for any particular designated fund(s). The charitable funds committee will be undertaking a review of designated funds to ensure that they are all active. Any inactive funds will be closed and the funds transferred to reserves.

About our Investments

The Investments of *Love Musgrove* are managed by Churches, Charities and Local Authorities Fund Managers Ltd, (CCLA), registered in England No. 8735639. CCLA are authorised and regulated by the Financial Conduct Authority.

The objective of the Charities Investment Fund, managed by the CCLA, is to provide a long-term total return comprising growth in capital and income. The fund is an actively managed, diversified portfolio of assets with an emphasis on equities but also includes property, bonds and other asset classes which may be both liquid and illiquid in nature.

Since our portfolio mostly represents unrestricted income funds, including reserves, the emphasis is on maintaining a high level of liquidity and a low to moderate investment risk. At the balance sheet date, no holding has a market value greater than 4.96% of the total investment. In addition, the charitable funds committee have decided not to invest in tobacco securities because of the proven link between smoking and poor health which would make such investments contrary to our charitable aims.

Any appeal funds or funds intended to be used to pay grants in the near future are held in a higher interest deposit account, also managed by CCLA, for immediate availability and to minimise investment risk. At the balance sheet date this amounted to £768,597.

The Charitable Funds Committee reviews the performance of the external investment manager and ensures that the investment of funds is in accordance with its policy on investments. Investment performance is monitored by the charitable funds committee which receives quarterly investment reports from the CCLA. During the financial year, the total return, including dividends and interest, in the value of the investment portfolio was +11.62%. This compares favourably with the CCLA's composite comparative benchmark, over a similar period, of +11.72%.

Somerset NHS Foundation Trust Charitable Funds

How we organise our affairs: Reference and Administrative details

The Somerset NHS Foundation Trust Charitable Funds are registered with the Charity Commission under the single registration number 1059922.

The charity office and principal address of the Somerset NHS Foundation Trust Charitable Funds is:

The Charitable Funds Accountant,
Finance Department,
Block A, Level 3, Rm 3W 03,
County Hall,
Taunton, TA1 4DY Tel: (01823) 343966.

For Fundraising queries please contact:

The Head of Fundraising,
Fundraising Office,
Old Building,
Musgrove Park Hospital,
Taunton, TA1 5DA. Tel: (01823) 343974.

Structure, Governance and Management

Trustee arrangements

Somerset NHS Foundation Trust, (SFT), is the sole corporate trustee of the charity. The corporate trustee's responsibilities are therefore carried out by the SFT's Board of Directors. The Board is appointed in accordance with the SFT's constitution. Details of the SFT's Board membership can be found in its annual report and accounts and on its website.

As this NHS Charity has a corporate trustee it is, in accounting terms, controlled by SFT and is therefore its subsidiary. Financially, the charity is not material to SFT, so it is not consolidated in the Foundation Trust's financial accounts.

The Board of the Foundation Trust meets annually as corporate trustee to:

- review and approve *Love Musgrove's* strategic plan
- re-appoint or appoint members of the charitable funds committee and,
- approve the trustee's annual report and accounts for the year.

The Board of directors of SFT, delegates responsibility for the day to day management of the charity to the charitable funds committee in accordance with the scheme of delegation and standing financial instructions. They are responsible for fulfilling the corporate trustee's strategic plan and for working with the professional advisors and with the representatives of SFT who provides the financial services to the charity.

The charitable funds committee comprises two executive members of the Board and three non-executive members. Other colleagues of SFT are invited to attend committee meetings but do not have a vote at those meetings. During the year, the committee members were:

Somerset NHS Foundation Trust Charitable Funds

Structure, Governance and Management (cont'd)

Name	Date Appointed (to the committee)	Date resigned	Notes
Barbara Gregory	24/10/19		Non-Executive Director of the SFT Board, Chair of the Charitable Funds.
David Shannon	24/10/17		Director of Strategy and Digital Development of the SFT Board
Pippa Moger	02/10/17		Chief Finance Officer of the SFT Board
Stephen Harrison	24/10/19		Non-Executive Director of the SFT Board
Alexander Priest	01/04/20		Non-Executive Director of the SFT Board

New members of the committee are provided with an induction pack consisting of the governing documents, previous 3 years of trustee's annual report and accounts, policies and procedures of the charity as well as the Charity Commission's guidance; The essential trustee: what you need to know (CC3). NHS Charities Together, (to which we belong), runs regular conferences and symposia for trustees.

Our staff & advisors

The charity has one staff member seconded full time from SFT, Mr Nick Boatwright, who is the Charitable Funds Accountant. The Trust also provides financial systems work on an *ad hoc* basis.

The charitable funds committee is also assisted when required by several professional advisors, as detailed below:

Bankers: National Westminster Bank PLC
26-27, Fore Street,
TAUNTON TA1 1JQ

Investment Managers: CCLA Ltd
Senator House,
85, Queen Victoria Street,
LONDON EC4V 4ET

Somerset NHS Foundation Trust Charitable Funds

Structure, Governance and Management (cont'd)

Independent Auditors:	KPMG LLP 66 Queen Square, BRISTOL BS1 4BE
Legal Advisors:	Bevan Brittan LLP Kings Orchard, 1 Queen Street BRISTOL BS2 0HQ

Key management personnel remuneration

The Board of the corporate trustee and the charitable funds accountant comprise the key management personnel of the charity as they oversee:

- directing and controlling the charity,
- running and operating the charity on a day-to-day basis.

SFT Board members are either executive members, who are employees of Somerset NHS Foundation Trust, or non-executive members who are remunerated in accordance with the Somerset NHS Foundation Trust's constitution. None of the Board members are specifically paid in relation to the charity; they give of their time freely.

Members of SFT's Board are required to disclose all relevant interests, register them and withdraw from decisions where a conflict of interest arises. All related party transactions are disclosed in note 16 to the accounts on page 37.

The charitable funds accountant is employed by SFT on NHS terms and conditions. His remuneration is reviewed annually and is increased in accordance with the nationally agreed increases for his pay scale. The Charity is fully recharged by the Foundation Trust for the employment costs relating to his employment.

No expenses were paid to key management personnel during the financial year.

Risk Analysis

As part of their business planning exercise carried out during the year, the charitable funds committee has considered the major risks to which the charity is exposed. They have reviewed systems and identified steps to mitigate those risks. Three major risks have been identified and arrangements have been put in place to mitigate those risks.

i) Future levels of income

Love Musgrove is heavily reliant on voluntary donations and legacies to allow it to make grants to NHS bodies. If income falls then the trust would not be able to make as many grants or enter longer term commitments with the NHS bodies, we support.

The committee mitigates the risk that income will fall by engaging with the Fundraising Department. That Department comprises dedicated fundraising experts who work with the committee to provide a co-ordinated approach to raising funds. Fundraising activity is regularly benchmarked against our peers and thorough reviews are undertaken after major campaigns and events to understand what worked well and how things could be done better.

Somerset NHS Foundation Trust Charitable Funds

Structure, Governance and Management (cont'd)

ii) Falls in investment returns

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

iii) Unforeseen changes in the operation of the NHS

The NHS is, by its very nature, subject to national changes in government policy as well as local politically driven decisions. The charitable funds committee has identified this as a risk as it may mean initiatives or healthcare activities supported by the charity are no longer delivered in Taunton & wider Somerset area. The committee regularly liaises with NHS partners to understand the changes that they are facing at an early stage.

Wider Networks

The Charity is delighted to maintain close links with the League of Friends of Musgrove Hospital and the League of Friends of the various Community Hospitals in Somerset, the Musgrove Leukaemic Group Somerset and the Somerset Unit for Radiotherapy Equipment. The support provided by these organisations is valued greatly.

The Corporate Trustee is a member of the Healthcare Financial Management Association (HFMA) and the Institute of Charities and receives regular updates and bulletins on matters affecting NHS charity funds from the HFMA Charitable Funds Special Interest Group.

The Somerset NHS Foundation Trust Charitable Fund is one of over 280 NHS linked charities in England and Wales who are members of NHS Charities Together. As a member charity, we have the opportunity to discuss matters of common concern and exchange information and experience. We have been most fortunate to benefit in a share of the National Appeal run by them during the Covid-19 pandemic.

Volunteers

The trustee would like to pay tribute to:

- Our volunteers for their time, support and commitment
- Our colleagues who give of their time out of hours in support of the work of the *Love Musgrove*, in developing ideas for fundraising and working with us to identify how we can help them improve care and wellbeing for the patients.
- Our fundraisers who do so much to encourage others to enrich lives through donations and fundraising activities.

Signed on behalf of the Corporate Trustee: B. Gregory.



Date: 8 June 2022

Statement of Trustee’s Responsibilities

The Trustee is responsible for preparing the Trustee’s Annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2016, the Charity (Accounts and Reports) Regulations 2008 and the provision of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By Order of the Trustee

Signed:



..... Date: 8 June 2022.
Barbara Gregory, Chair of the Charitable Funds Committee on behalf of the Corporate Trustee.



..... Date: 8 June 2022.
Pippa Moger, Chief Finance Officer.

Independent auditor's report to the Trustees of Somerset NHS Foundation Trust Charitable Funds

Opinion

We have audited the financial statements of Somerset NHS Foundation Trust Charitable Funds ("the charity") for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet and 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 properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 149 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have 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 trustees' 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 trustees' 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 trustees' 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 directors 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 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 and the risk of fraudulent revenue recognition.

We did not identify any additional fraud risks

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Charity-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those journals posted to unusual accounts linked to cash, although none were required to be tested

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 discussed with the directors 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), distributable profits legislation and taxation 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.

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 trustees are responsible for the other information, which comprises the Trustees' 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 Trustees' 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.

Trustees' responsibilities

As explained more fully in their statement set out on page 22, the trustees are 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 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 trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

16 December 2022

Somerset NHS Foundation Trust Charitable Funds
Statement of Financial Activities for the year ended 31 March 2022

	Note	Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
		£000	£000	2021/22 £000	2020/21 £000
Income from:					
Voluntary income:					
Donations & legacies	2	53	639	692	1,531
Other trading activities	2	0	91	91	77
Income from investments	2	0	58	58	60
Total income		53	788	841	1,668
Expenditure on:					
Raising funds	3	0	(126)	(126)	(66)
Charitable activities:					
Purchase of new equipment	4	(11)	(69)	(80)	(149)
Patient welfare and amenities	4	(19)	(384)	(403)	(317)
Staff welfare and amenities	4	(109)	(109)	(218)	(590)
Staff education, training and development	4	0	(19)	(19)	0
Total resources expended		(139)	(707)	(846)	(1,122)
Net gains on investments	8	0	165	165	327
Net income		(86)	246	160	873
Transfers between funds	13	0	0	0	0
Net movement in funds		(86)	246	160	873
Reconciliation of Funds:					
Total funds brought forward	15	387	2,430	2,817	1,944
Total funds carried forward	15	301	2,676	2,977	2,817

All gains and losses recognised in the reporting period are included in the Statement of Financial Activities and relate to continuing operations.

There is no material difference between the net incoming / (outgoing) resources for the reporting period stated above and their historical cost equivalents.

The notes on pages 29 to 38 form part of these accounts

Somerset NHS Foundation Trust Charitable Funds
Balance Sheet as at 31 March 2022

	Note	Restricted Funds £000	Unrestricted Funds £000	31 March 2022 £000	31 March 2021 £000
Fixed assets					
Investments	8	209	1,865	2,074	1,909
Total non-current assets		209	1,865	2,074	1,909
Current Assets					
Trade and other receivables	9	2	38	40	58
Cash at bank and in hand	10	90	965	1,055	966
Total current assets		92	1,003	1,095	1,024
Current liabilities					
Trade and other payables falling due within one year	11	0	192	192	116
Total current liabilities		0	192	192	116
Total current assets less current liabilities		92	811	903	908
Total assets employed		301	2,676	2,977	2,817
Funds of the Charity					
Restricted	15	301	0	301	387
Unrestricted	15	0	816	816	636
Designated	15	0	1,860	1,860	1,794
Total Charity Funds		301	2,676	2,977	2,817

The financial statements on pages 29 to 38 were approved by the Corporate Trustee on 8 June 2022 and signed on its behalf by:

Signed:

Name: **Barbara Gregory**
Chair of the Charitable Funds Committee on behalf of the Corporate Trustee
Date: **21 July 2022**

Somerset NHS Foundation Trust Charitable Funds
Statement of Cash Flows for the year ended 31 March 2022

	Note	2021/22 £000	2020/21 £000
Cash Flows from operating activities:			
<i>Net Cash provided by operating activities</i>	(i)	31	438
 Cash Flows from investing activities:			
Dividends and interest from investments		58	60
<i>Net Cash (used in) investing activities</i>		58	60
 <i>Net Cash provided by activities</i>		89	498
 <i>Change in cash & cash equivalents in the reporting period</i>		89	498
Cash and cash equivalents at the beginning of the reporting period		966	468
<i>Cash and cash equivalents at the end of the reporting period</i>	(ii)	1,055	966

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

		2021/22 £000	2020/21 £000
<i>Net (expenditure) / income for the reporting period</i>		(5)	545
Adjustments for:			
Dividends and interest from investments		(58)	(60)
Decrease / (increase) in receivables	9	18	(26)
Increase / (decrease) in payables	11	76	(21)
<i>Net cash provided by operating activities</i>	(i)	31	438

(ii) Analysis of cash & cash equivalents

		2021/22 £000	2020/21 £000
Cash in Hand	10	1,055	966
Total cash & cash equivalents	(ii)	1,055	966

1. Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared under the historic cost convention, except for investments which are included at market value. The financial statements have been prepared in accordance with the charities SORP with additional disclosures as required by FRS102.

The Trustee has prepared the financial statements on a going concern basis which they consider is appropriate for the following reasons. The business model of the charity is such that its charitable activities are limited to those which 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 5.

The Trustee has reviewed 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 acknowledges that the Covid-19 pandemic had an impact on the charity's fundraising income for unrestricted funds although this has been offset by the generous donations made by members of the public in the first and third lockdowns and restricted income from the NHS Charities Together national appeal. As a grant making charity with few ongoing commitments, this will impact on the new grants that can be made in the short term rather than affecting the charity's ability to continue as a going concern. Whilst the amount of grants made in 2021/22 may be reduced, there are no material uncertainties affecting the current year's accounts.

(b) Structure of Funds

Where there is a legal restriction on the purpose to which a fund may be used, the fund is classified as a restricted fund where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

Unrestricted funds are spent or applied at the discretion of the trustees to further any of the charity's purposes.

Trustees may choose to set aside a part of the unrestricted fund to be used for a particular project or commitment. These Designated funds are a part of the unrestricted fund balance of the charity and do not legally restrict the trustee's discretion in how to apply the unrestricted funds that they have earmarked.

The major funds held in each of these categories are disclosed in Note 15.

(c) Incoming Resources

All incoming resources are recognised once the Charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. See Note 14.

Legacies are recognised when it is probable that they will be received. Receipt is normally probable when:

- there has been grant of probate,
- the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- any conditions attached to the legacy are either within the control of the charity or have been met.

(d) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation committing the Charity to the expenditure.

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

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

1. Accounting Policies (cont'd).

(e) Allocation of Direct and Support Costs

Direct and support costs have been allocated between charitable activities and fundraising costs. Direct costs are attributable directly to the activity to which it relates. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the basis of allocations are shown in Note 5.

(f) Fixed Asset Investments

Investments are stated at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Quoted stocks and shares are included in the balance sheet at mid-market price, excluding dividend.

Details of movements in fixed asset investments during the year are shown in Note 8.

(g) Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are those gains/losses arising from increases or decreases in the value of investments that have not been sold (and hence unrealised) at the reporting period end. These are calculated as the difference between the carrying value at the period end and opening market value (or purchase date if later).

(h) Key judgements and Assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The only estimate that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relates to the recognition of legacy and grant income. The estimate is based on historical experience and information gained from correspondence with the executor up to the balance sheet date. See Note 14.

(i) Financial Instruments

The Charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. See Note 17.

(j) Staff Costs and pensions

SFT fully re-charge *Love Musgrove* for the member of staff who works full time for the charity. The staff member belongs to the NHS Pension Scheme which is an unfunded defined benefit scheme which is accounted for as a defined contribution scheme.

The recharge from the SFT includes the employer contributions to that scheme. For more information on the NHS Pension Scheme, please refer to the SFT Annual Report and Accounts.

(k) Gifts in Kind

Gifts in kind, such as foods, toiletries and toys are accounted for quarterly after they are accepted and immediately distributed. Gifts of tangible assets such as white goods are recognised as a donation at fair value on receipt and charitable expenditure when they are distributed. Where gifts in kind are held before distribution to beneficiaries, they are recognised at fair value as stock until they are distributed.

2. Analysis of Income

The primary statements provide prior year comparatives in total; this note provides prior period comparatives for the Statement of Financial Activities, (2a) and the Balance Sheet, (2b), on the next page, for each type of fund that the Somerset NHS Foundation Trust Charitable Funds manages.

2a Unrestricted Funds - Statement of Financial Activity for the year ended 31 March 2022

Note

		Restricted Funds	Unrestricted Funds	2021/22 Total	Restricted Funds	Unrestricted Funds	2020/21 Total
		£000	£000	£000	£000	£000	£000
Income from:							
Voluntary income:							
Donations & legacies		53	639	692	464	1,067	1,531
Other trading activities		0	91	91	0	77	77
Income from investments		0	58	58	0	60	60
Total income		53	788	841	464	1,204	1,668
Expenditure on:							
Raising funds	3	0	(126)	(126)	0	(66)	(66)
Charitable activities:	4	(139)	(581)	(720)	(217)	(839)	(1,056)
Total resources expended		(139)	(707)	(846)	(217)	(905)	(1,122)
Net gains on investments		0	165	165	0	327	327
Net Income		(86)	246	160	247	626	873
Transfers between funds	13	0	0	0	0	0	0
Net movement in funds		(86)	246	160	247	626	873
Reconciliation of Funds:							
Total funds brought forward		387	2,430	2,817	140	1,804	1,944
Total funds carried forward		301	2,676	2,977	387	2,430	2,817

2b Balance Sheet as at 31 March 2022

		Note					
		Restricted Funds	Unrestricted Funds	2021/22 Total	Restricted Funds	Unrestricted Funds	2020/21 Total
		£000	£000	£000	£0	£0	£0
Investments	8	209	1,865	2,074	350	1,559	1,909
Total Fixed Assets		209	1,865	2,074	350	1,559	1,909
Current Assets							
Debtors	9	0	38	38	0	58	58
Cash at bank and in hand	10	90	965	1,055	61	905	966
Total Current Assets		90	1,003	1,093	61	963	1,024
Creditors amounts falling due within one year	11	2	(192)	(190)	(24)	(92)	(116)
		2	(192)	(190)	(24)	(92)	(116)
Net Current Assets		92	811	903	37	871	908
Net Assets		301	2,676	2,977	387	2,430	2,817
Funds of the Charity:							
Restricted Funds	15	301	0	301	387	0	387
Unrestricted & Designated Funds	15	0	2,676	2,676	0	2,430	2,430
Total Charity Funds		301	2,676	2,977	387	2,430	2,817

Notes to the Financial Statements**3. Raising Funds**

	Activities undertaken directly £000	Support Costs £000	2021/22 Total £000	2020/21 Total £000
Expenditure on raising funds				
Fundraising costs	32	39	71	34
Lottery running costs	21	34	55	32
	53	73	126	66

4. Analysis of Charitable Expenditure

	Activities undertaken directly £000	Support Costs £000	2021/22 Total £000	2020/21 Total £000
Purchase of new equipment	71	9	80	149
Patient welfare and amenities	289	114	403	317
Staff welfare and amenities	155	63	218	590
Staff education and training	17	2	19	0
Total	532	188	720	1,056

5. Analysis of Support and Governance Costs across Expenditure

	Administration Costs £000	Finance & Audit £000	Governance £000	Salary & Related £000	2021/22 Total £000	2020/21 Total £000
Raising funds	57	2	2	12	73	23
Purchase of new equipment	7	0	0	2	9	18
Patient welfare and amenities	88	4	3	19	114	29
Staff welfare and amenities	49	2	1	11	63	174
Staff education and training	2	0	0	0	2	0
Total	203	8	6	44	261	244

The support costs of £261,046 (2020/21, £243,537) are, by their very nature, not attributable to a single activity or activities and therefore are apportioned across expenditure based on average value of funds.

6. Analysis of Grants

The Charity does not make grants to individuals. All grants are made to the SFT, or other institutions, to provide for the care of NHS patients in furtherance of our charitable aims. The total cost of making grants, including support costs, is disclosed on the face of the Statement of Financial Activities and the actual funds spent on each category of charitable activity, is disclosed in Note 4.

	Total amount paid 2021/22 £000	Total amount paid 2020/21 £000
Institutions Receiving Grant Support:		
Somerset NHS Foundation Trust	703	954
Spark Somerset	17	102
Total Grants	720	1,056

7. Auditors' Remuneration

The external auditors' remuneration inclusive of VAT of £7,000 (2020/21 £3,300) relates solely to the statutory independent audit with no other additional work undertaken.

8. Investments

Fixed asset investments are measured initially at cost and subsequently at fair value, (their market value), at the balance sheet date. This treatment is in accordance with paragraph 11.14(d) of FRS 102.

	31 March 2022	31 March 2021
	£000	£000
Movement in Fixed Asset Investments		
Market value brought forward	1,909	1,582
Add: net gains on revaluation	165	327
Market value at end of Year	2,074	1,909
Analysis of gains	£000	£000
Unrealised gains	165	327
Total	165	327
Fixed Asset Investments Market Value and Gross Income Receivable	£000	£000
Investments listed on the Stock Exchange	2,074	1,909
Total Value of investments held	2,074	1,909

9. Trade and other receivables

	31 March 2022	31 March 2021
	£000	£000
Trade receivables	2	14
Prepayments	2	3
Accrued income	32	34
Gift aid to be reclaimed	2	7
Total	38	58

10. Cash at Bank and in hand

	31 March 2022	31 March 2021
	£000	£000
Analysis of cash and cash equivalents at bank and in hand.		
Cash in hand	287	198
Funds held at bank	768	768
Total	1,055	966

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes.

11. Trade and other payables falling due within one year

	31 March 2022	31 March 2021
	£000	£000
Trade Creditors	157	87
Accruals	8	4
Other payables	25	25
Total	190	116

12. Provisions for Liabilities and Charges

There were no provisions made in the current or previous year and all the grants payable have been paid or accrued. There were no grants approved by the Trustee on a provisional basis or on an estimated basis where a firm intention had been communicated to any beneficiaries.

13. Transfers between Funds

A new designated fund was opened for the Eliot Ward Refurbishment project which will commence in the next financial year. Donations towards this project were originally received in the Eliot Ward fund and transferred to the Project in the year, £17,908. General purpose legacies totalling £95,781 were also identified as being put towards the project

A new designated fund was opened for the STEP Team following the success of their fundraising for the 2021 voyage and the sum left over, £9,568, was retained in this new fund for a similar event during 2022.

14. Material Legacies

Fifteen legacies to the value of £239,943 (2020/21: £231,050) were received in the financial year to the benefit of twelve different funds, (see below).

Where future receipt of a legacy is certain, and the amount is known or can be reasonably estimated, an accrual is made.

	31 March 2022		31 March 2021	
	Received	Accrued	Received	Accrued
	£	£	£	£
Musgrove Park Hospital, Beacon Centre Fund	2,250	0	25,000	0
Musgrove Park Hospital, General Funds	166,596	0	153,348	15,000
Musgrove Park Hospital, Heart Research	250	0	0	0
Musgrove Park Hospital, SNICU	500	0	0	0
Musgrove Park Hospital, ITU	200	0	0	0
Musgrove Park Hospital, Coronary Care Unit	5,490	0	0	0
Musgrove Park Hospital, Palliative Care Ward	5,490	0	0	0
Musgrove Park Hospital, Respiratory Ward	5,490	0	0	0
Musgrove Park Hospital, Restricted Funds	0	0	3,702	0
Musgrove Park Hospital, Maternity Fund	0	0	25,000	0
Musgrove Park Hospital, Somerset Lung Centre	0	0	5,000	0
Musgrove Park Hospital, Breast Care Centre	0	0	2,000	0
Musgrove Park Hospital, Mendip Ward	0	1,000	0	0
Williton Hospital	20,000	0	0	0
Burnham Community Hospital	18,000	0	0	2,000
Wincanton Community Hospital	7,677	0	0	0
Frome Community Hospital, (Will Trust)	7,000	0	0	0
	238,943	1,000	214,050	17,000

Notes to the Financial Statements**15. Analysis of Charitable Funds**

A closing fund balance of £30,000 or above has been set for separate reporting of material funds. Those funds listed are those with closing balances exceeding £30,000 as at 31 March 2022.

a) Details of Material Restricted Funds

Restricted funds are funds where the donor has placed a legal restriction to either only utilise income generated from the donation (endowment) or to only be spent in furtherance of a specific charitable purpose.

The funds analysed below, are for any charitable purpose or purposes, principally at or in connection with the Somerset NHS Foundation Trust.

	Balance b/fwd 01/04/21 £000	Incoming resources £000	Resources expended £000	Balance c/fwd 31/03/22 £000
Barclays Foundation	120	0	(17)	103
NHS CT Grant Third Wave	0	50	0	50
Other restricted funds	267	3	(122)	148
Total	387	53	(139)	301

NHS Charities together Grant - For improving the wellbeing of NHS Staff due to and because of the Covid-19 pandemic.

Barclays Foundation Grant - Grant bestowed for the purpose of reducing digital poverty in Somerset.

Urological research fund - as per research objectives but specifically for urology research and patient studies.

b) Details of material Designated and Unrestricted Funds

Within the Charity's unrestricted funds are several designated funds relating to specific wards and departments. These designated funds, analysed under(i), are those where the donor has made known their non-binding wishes and where members of the Corporate Trustee have, at their discretion, created a specific fund for a specific purpose. These are wholly unrestricted funds which are designated at the Trustee's discretion and can be reverted to the Unrestricted General Fund at any time.

(i) Analysis of Designated Funds		Balance b/fwd £000	Incoming resources £000	Resources expended £000	Transfers £000	Balance c/fwd £000
	Note					
Beacon Centre		338	87	(35)	0	390
Morse Paediatric		335	24	(169)	0	190
Eliot Ward Refurbishment	13	0	10	0	109	119
Breast Care Unit		119	1	(4)	0	116
Frome Hospital		137	8	(32)	0	113
SNICU		73	5	(9)	0	69
Palliative Care		58	18	(8)	0	68
Henry Bissell Spinal Fund		67	2	(3)	0	66
CCU Dept		30	18	(1)	0	47
Art for Life		37	9	(7)	0	39
Stroke Unit		36	3	(1)	0	38
Sight Fund		35	1	(1)	0	35
Beacon Day Unit		22	10	(2)	0	30
Burnham Hospital		22	20	(12)	0	30
Other Designated Funds		485	111	(73)	(13)	510
Total		£1,794	£327	(£357)	£96	£1,860

All designated funds are for any charitable purpose relating to the National Health Service wholly or mainly for the SFT.

15. Analysis of Charitable Funds

(ii) Analysis of Unrestricted Funds held by Somerset FT Charitable Funds

Unrestricted Funds, analysed below, are those funds where no donors have expressed any specific non-binding wish together with all the unrestricted income accruing to the Charity.

	Balance b/fwd	Incoming resources	Resources expended	Transfers	Unrealised Gains	Balance c/fwd
	£000	£000	£000	£000	£000	£000
SFT General Fund	583	385	(329)	(96)	165	708
SFT Staff Lottery	53	77	(21)	0	0	109
Total	£636	£462	(350)	(96)	£165	£817
Total Unrestricted Funds						
(i) + (ii)	£2,430	£789	(£707)	£0	£165	£2,677

SFT General Fund - for any charitable purpose relating to the National Health Service wholly or mainly at any premises managed by SFT.

SFT Staff Lottery - Raised by staff for the improvement of the working environment at any premises managed by SFT.

16. Related Party Transactions

The SFT is the main beneficiary of the Charity. At the balance sheet date, the Charity owed the Trust £8,142 and was owed £2,317 by the Trust. During the financial year, the Charity provided funding to the SFT of £719,974.

Support costs recharged by the Trust are shown in Note 5 of the financial statements. During the year; neither the members of the Trust or Partnership Boards, senior staff of these organisations or parties related to them, were beneficiaries of the Charity. Support costs recharged by the Trust in 2021/22 amounted to £261,046 (2020/21: £243,537).

Neither the Corporate Trustee nor any member of the NHS Trust Board has received honoraria, emoluments or expenses in the year. The Trustee has not purchased Trustee indemnity insurance from the funds; however indemnity insurance has been provided as part of the corporate policy of The Somerset NHS Foundation Trust.

No key management personnel are employed by the Charity.

17. Financial Instruments

The Charity has the following financial instruments:

	31 March 2022	31 March 2021
	£000	£000
Financial assets that are debt instruments measured at amortised cost		
Trade receivables	2	14
Other receivables	36	44
	38	58
Financial liabilities measured at amortised cost		
Trade creditors	157	64
Other creditors	33	52
	190	116

18. Ultimate Holding Organisation and Registered Address

The ultimate controlling party of the Charity is Somerset NHS Foundation Trust, (SFT). Copies of the 2021/22 Annual Report and Financial Statements of SFT can be obtained by writing to the: Chief Finance Officer, Somerset NHS Foundation Trust, Musgrove Park Hospital, Taunton, Somerset TA1 5DA.

Registered Address of Charity: Musgrove Park Hospital
TAUNTON
Somerset
TA1 5DA

Registered Number of Charity: 1059922

19. Post Balance Sheet Events

Towards the end of April 2022, the Charity received the estate accounts for review of a legacy recently completed. The Charity is to receive one-third of the residue which is approximately £352k. The legacy is in favour of the Coronary Care Unit at Musgrove Park Hospital. Entitlement is likely to be achieved in May or June 2022. The income will be recognised in next year's financial statements.