

# **Hampshire Hospitals Charity**

(Registered Charity number 1060133)

**Annual Report and Accounts for the year ended 31 March 2021**

# Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021

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# **Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021**

## **Trustee's Report**

### **Foreword**

The Trustee presents the Charity's Annual Report and the audited Accounts of the Charity for the year ended 31 March 2021.

These accounts have been prepared by the Trustee under the Charities Act 2011, in the form set out in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **Statutory Background**

Hampshire Hospitals Charity administers funds for the benefit of patients and staff of the Basingstoke and North Hampshire Hospital (BNHH), the Royal Hampshire County Hospital (RHCH) in Winchester, and the Andover War Memorial Hospital (AWMH).

Throughout these accounts the word Charity refers to the Hampshire Hospitals Charity. HHFT refers to Hampshire Hospitals NHS Foundation Trust. Hampshire Hospitals Charity is registered with the Charity Commission (registration number 1060133).

### **Trustee**

The Charity has a single corporate trustee, HHFT, which administers funds in the interests of beneficiaries. The Trustee meets monthly to monitor progress with managing the Charity's resources, ensuring they are used for the public benefit, and having regard for the guidance issued by the Charity Commission.

Directors of HHFT who held office during the year and up to the date of signing the Annual Report and Accounts were:

| <b>Name</b>     | <b>Position in Foundation Trust</b>                       |
|-----------------|---|
| Steve Erskine   | Chairman  |
| Alex Whitfield  | Chief Executive Officer                                   |
| Lara Alloway    | Chief Medical Officer                                     |
| Malcolm Ace     | Chief Financial Officer                                   |
| Julie Dawes     | Chief Nurse   |
| Julie Maskery   | Chief Operating Officer                                   |
| Kieron Galloway | Chief People Officer (from July 2021)                     |
| Shirlene Oh     | Director of Strategy (from 1 <sup>st</sup> November 2020) |
| Gary McRae      | Non-Executive Director                                    |
| Jane Tabor      | Non-Executive Director                                    |
| Paul Musson     | Non-Executive Director                                    |
| Ruth Williams   | Non-Executive Director                                    |
| Simon Holmes    | Non-Executive Director                                    |
| Jos Creese      | Non-Executive Director                                    |
| Laks Khangura   | Non-Executive Director                                    |

# **Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021**

## **Administration**

The principal office for the Charity is:

Finance Department  
Basingstoke and North Hampshire Hospital  
Aldermaston Road  
Basingstoke  
RG24 9NA

## **Professional Advisers and Agents**

During the year the Charity employed the following agents:

### **Bankers**

Lloyds Bank plc  
2 Winchester Street  
Basingstoke  
Hampshire  
RG21 7EB

### **Investment Advisers**

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

Partners Capital LLP  
5th Floor  
5 Young Street  
London W8 5EH

### **Independent Auditor**

Kreston Reeves LLP  
9 Donnington Park  
85 Birdham Road  
Chichester  
West Sussex  
PO20 7AJ

## **Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021**

### **Main Purpose of the Funds held on Trust**

The main purpose of the Charity is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by Hampshire Hospitals NHS Foundation Trust (HHFT).

### **Structure, Governance and Management**

The main Charity, being an unrestricted fund, was established using the model declaration of trust, with special trusts being registered for the restricted funds. All funds that were held on trust at the date of registration were either part of the unrestricted fund or restricted funds held registered under the main Charity. Subsequent donations and gifts received by the Charity that are for the benefit of the original funds have been added to those fund balances.

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the fund objectives by designating funds to benefiting patient care, promoting good health and welfare for both patients and staff, thereby respecting donors' wishes.

The charitable funds are allocated to specialities, wards and departments within HHFT's divisional management structure. These allocations are known as funds and have fund managers appointed to them, who are responsible for ensuring they are correctly managed.

The accounting records and day to day administration of the funds are dealt with by the finance department of HHFT. To keep the administrative costs to a minimum, the Charity relies on HHFT to identify the appropriateness of funding requests, ensuring they are of a charitable nature, the funds are available and if required a VAT zero rating certificate is completed when the order is raised.

Key management personnel consist of the directors of the Corporate Trustee. The directors undergo charity training as part of their induction. No remuneration was paid to these persons by the Charity in the year.

### **Risk Management**

A risk register is maintained by the Corporate Trustee and is regularly reviewed. Risks are prioritised according to their probability and potential impact. The Corporate Trustee has considered the major risks to which the charity is exposed and they have satisfied themselves that systems and procedures are in place to manage and mitigate those risks.

Significant areas of risk continue to be reviewed and are deemed to include:

#### **Governance Risk**

Hampshire Hospitals NHS Foundation Trust is the Corporate Trustee of the Charity and its Executive and Non-executive Directors are responsible for the governance of the Charity. Papers are sent out in advance of the regular Trustees meetings for prior consideration, then discussed at the meeting following which decisions taken are minuted and communicated to the fund holders. The Trustee maintains a register of interests and ensures that there are no conflicts of interest with third parties.

The Company Secretary (or delegated assistant) of the Trustee is in attendance at all meetings to ensure that the charity is managed in line with Charity Law guidelines.

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### **Risk to Reputation**

The reputation risk that the Charity is not acting in accordance with its donors' wishes is managed by continually checking that all expenditure is in line with the objectives of the individual funds. The fund signatories receive regular reporting of their fund balances and are continually educated on appropriate spending. HHFT Finance review all transactions prior to 3<sup>rd</sup> party commitment.

### **Covid-19 Risk**

The risk on the income and expenditure of the Charity due to Covid-19 has been relatively small. The charity's income risk of being affected because of the volatility in the values of listed investments as global stock markets react to the pandemic, is reduced by the increased cash balances due to the grants received in year, including from NHS Charities Together (NHSCT) and the decision to maintain a relatively liquid balance of funds to meet the financing needs of the Winchester Hospice project. The restrictions introduced to reduce the Covid infection rate in society have restricted community fundraising opportunities, but this is a relatively small share of the Charity's annual income. In terms of expenditure, the charity's grant-giving can be reduced if necessary and there are adequate reserves to cover fixed costs. The Trustee continues to keep both income and expenditure under review.

It is not anticipated at the current time that the overall financial position of the Charity will be adversely affected in a significant manner or its financial solvency threatened.

### **Financial Risk**

Monthly accounts are prepared by the finance department of the Corporate Trustee, and a quarterly report is presented to its directors to highlight the performance of the Charity over the previous three months.

The risk that the Charity might suffer a financial loss if the investment portfolio is not appropriately managed is mitigated by the investment sub-committee who meet on a regular basis to review the portfolio risk and fund manager performance. The fund managers produce quarterly reports of performance which are considered by the investment sub-committee.

The risk of loss of opportunity to apply for grants from NHSCT if the Trust does not respond in a timely manner means that correspondence from NHSCT is regularly reviewed and shared.

If Covid-19 continues to restrict social gatherings this could impact on community fundraising however the roll out of the vaccine gives greater hope of return to social interaction.

If the Winchester Hospice project overspends there is a risk of excess funding will be needed within Charity accounts, this is mitigated by change control on the project and regular liaison with Winchester Hospice Fundraising Charity. This risk has significantly reduced over the year as the project nears completion.

If legacies intended for our hospitals do not match the legal title of the Charity there is a risk of delayed or non receipt of funds but if notified merger documents can be provided.

The Charity takes out an annual insurance policy to cover the Trustee Liability.

The Trustees make a regular assessment as to whether the reserves are sufficient to meet their on-going financial obligations.

## **Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021**

### **Partnership Working**

Patients and staff of HHFT are the main beneficiaries of the Charity and HHFT is a related party by the virtue of being the Corporate Trustee of the Charity. By working closely with the Trust, the Charity ensures that funds are used to best effect, after taking into account the main activities, objectives, strategies and plans of HHFT over the short, medium and long term.

### **Annual Review**

Hampshire Hospitals Charity receives the majority of its income from donations, legacies and investment income and gains. Trustees of the Charity are extremely grateful to all donors for the funds received over the year as these make a significant difference to the care and treatment provided to the patients of Hampshire Hospitals NHS Foundation Trust.

Total income for the year was £1,217,000 (2019/20 - £547,000) of which £409,000 was from donations, £598,000 was from legacies, £178,000 from grants and £32,000 was from investment income.

The Charity's funds continued to support a wide range of activities which greatly enhance the service offered to patients and/or supported the staff of HHFT. Individual purchases were varied but all added to the quality of patient care or the staff experience by supporting developments that are not possible through NHS funding alone. This included, for example, the purchase of leading-edge clinical equipment and improvements to the environment in which patients are treated. Due to the Covid-19 pandemic spend on staff welfare increased this year.

Total expenditure, including support costs, was £2,156,000 (2019/20 - £1,052,000). Charitable expenditure on direct charitable activity was £2,153,000 (2019/20 - £1,002,000).

A summary of the major items purchased during the year is shown below:

#### **Clinical Equipment £458,000 (2019/20 - £163,000)**

The Charity purchased many pieces of clinical equipment which enabled the hospitals' teams to provide leading edge technology for their patients' treatment. The most significant of those purchases included:

- Replacement of the gamma camera (nuclear medicine service) (£195,000) with a modern SPECT-CT scanner. This significantly improves patient care, avoids some patients travelling to Southampton for care and increases the resilience of the Southampton-HHFT network. The total cost of the scanner was £470,000, Hampshire Medical Fund charity contributed the additional £275,000.
- 100 x Surface Go2s to support new Emergency Department system (£140,000) has been committed. Moving ED on to hand-held tablets will support focused bedside management, improve infection control and provide stronger patient data governance using new paperless system.
- Digital pathology slide scanner and slide management software solution (£68,000) has been committed. This will retain specialist diagnostic knowledge and increase hematopathology service resilience and will enable outsourcing of bone marrow trephine reporting. The total cost of the scanner was £136,000, Hampshire Medical Fund contributed the additional £68,000.

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### **Enhancing Patients' Environment £1,279,000 (2019/20 – £409,000)**

Several patient areas were refurbished as a result of funding through the charity. This included spending £1,346,000 on the project of converting of Burrell House into Winchester Hospice and £29,000 on refurbishing Ward D1. An accrual of £98,000 for the reconfiguration and refurbishment of the Orthopaedic elective ward was released in year as phases 2 and 3 were not undertaken. If the department come back with proposals for Phases 2 and 3, a new application will be required to be submitted to the trustees.

### **Enhancing Patients' Welfare £91,000 (2019/20 - £205,000)**

£51,000 is committed to a 1 year secondment from University Hospitals Southampton Foundation Trust for a Stroke Nurse Specialist. The purpose of this role is to improve the hyper-acute stroke patient journey from the Emergency Department through to the hyper-acute stroke service.

£47,000 is committed for an 18 month post of a Paediatric Diabetes Educator. The purpose of this role is to work alongside the paediatric diabetes nursing and medical teams in providing education about diabetes to children, young people and their families, with a particular role in supporting the increasing number of young people who are using digital technology to assist in the management of their diabetes.

£10,000 is committed to purchase 8 Richmond Recliner Chairs. Reclining chairs are used to encourage patients to move from their beds and sit more comfortably.

An accrual for £28,000 for a Clinical Fellow Radiology post was released in year as the post was not required.

### **Supporting our Staff to be Even Better £224,000 (2019/20 - £118,000)**

Many grateful patients offer donations for the direct benefit of the ward team who have looked after them. These donations are used in two main ways; either to provide additional education to enhance the skills of the team so they can offer even better care to their patients; or to enable team development activities which help improve staff morale and retention both of which are key aspects in delivering high quality healthcare.

A total of £26,000 was used to enable staff to attend educational programmes to expand their skills and knowledge to do their jobs better.

A total of £197,000 was spent on staff welfare this year. This was spent on staff free meals, a thank you metal water bottle for every staff member, staff wellness centres, outdoor furniture, providing a marquee for staff to use for breaks which allowed social distancing, Christmas cards, pens and pin badges for every staff member and weekly yoga sessions for staff wellbeing. The funding for these expenditures was mostly provided by direct grants from NHSCT.

### **Research £39,000 (2019/20 - £40,000)**

£39,000 was committed (£15,000 spent in year) to a pilot project to understand the ecosystem of Pseudomyxoma Peritonei at single cell resolution. Basingstoke and North Hampshire Hospital is one of the largest peritoneal malignancy centres in the world undertaking over 300 cytoreductive surgeries with Hyperthermic Intraperitoneal Chemotherapy (HIPEC) per year.

### **Covid-19 Gifts**

The Trust was overwhelmed during the first lockdown with the generosity of gifts from the general public, either donated to the Trust as a whole or to specific departments. Whilst there was no formal relaxation of the policy it was very difficult to keep up with the flow of donations due to the sheer



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volume of the gifts. NHSE guidance on donations during the pandemic was issued and the Company Secretariat provided written guidance to the central team co-ordinating donations on what they needed to do. A separate register of 'Covid donations' was set up and maintained, which was then reviewed periodically by both the Company Secretary and Chief Executive. These gifts included food, toiletries, beauty products, flowers, masks, gloves, Easter eggs, coffee, tea, newspapers and soft drinks. These donations were not material and were immediately distributed to and consumed by staff and patients, they have not been included in the accounts although disclosure has been made in the annual report.

### **Our Future Plans**

Like the rest of the NHS, HHFT is facing significant change and the Charity recognises that its future plans should reflect this changing landscape. The vision for HHFT includes re-developing services and the environment for services in the general hospitals in Basingstoke and Winchester, as well as seeking ways to deliver some services even closer to home.

The Charity's vision therefore is to support this exciting strategy through funding new technology, enhancing service development and facilitating staff to deliver the highest quality treatment and care.

Future grant support provided will focus on supporting the wider NHS and voluntary community dealing with COVID-19 and enhancing the well-being of NHS Staff, volunteers and patients impacted by COVID-19, as part of our Trust's COVID-19 response.

At the April 2021 meeting the Board of Trustees approved in principle a staffing structure and a fundraising strategy named as the HHFT Charity Team. The ambition, and purpose, of the HHFT Charity Team will be to increase awareness of, and raise funds for, Hampshire Hospitals Charity, Winchester Hospice Fundraising Charity, and Ark Cancer Centre Charity. In relation to Hampshire Hospitals Charity, the goal is that the return on investment in the fundraising team will deliver tangible results in terms of enhanced welfare and amenities for patients and staff, and improvements to the general fabric of the Hampshire Hospitals NHS Foundation Trust environment.

### **NHS CHARITIES TOGETHER**

In April 2020 Hampshire Hospitals Charity became a member of NHS Charities Together (NHSCT) and in 2020/2021 HHC received grants totalling £178,000.

|  |         |
|--|---------|
| • Stage 1 grant 1 <sup>st</sup> payment received in April 2020 | £32,000 |
| • Stage 1 grant 2 <sup>nd</sup> payment received in May 2020   | £46,000 |
| • BAME grant received August 2020                              | £50,000 |
| • Second wave funding payment received in December 2020        | £50,000 |

The stage 1 and second wave funding has been spent on free meals for staff, staff wellness centres, staff wellbeing initiatives, metal drinking bottles for staff, hire of a marquee for staff to take breaks, purchase of outdoor furniture to enable social distancing, staff Christmas cards, pin badges, pens, lockers and weekly yoga sessions for staff.

The BAME grant has been spent or committed on a reverse mentoring programme, a HHFT Inclusivity Conference, a second cohort of the reverse mentoring programme, guest speakers/workshops for Black History Month, a BAME Champions Group, leadership programme for our BAME staff and 'Civility in the workplace' training.

### **Stage 2 Strategic integrated community and social care pathway Grants**

In May 2021 NHS CT paused the Stage 2 grant applications to enable time for the Grants Team to review Stage 2 and provide clearer guidance and support to members. These grants are to support

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community partnerships in recognition of the impact of COVID-19 on the wider community. The guidance will be issued in June and the submission deadlines are between July 2021 and January 2022.

Stage 2 community partnership grant allocations are based on population figures for ICS/STP “footprints” in England, Health Boards in Wales and Scotland and ICP areas in Northern Ireland.

Grants received from NHS Charities Together are treated as restricted income and should be spent on enhancing the well-being of NHS Staff, volunteers and patients impacted by COVID-19.

### **Grant Making Policy**

All staff employed by Hampshire Hospitals NHS Foundation Trust can apply for grants from charitable funds to enhance the care and treatment of patients.

Charitable funds can potentially be used for a wide range of costs, including medical research, professional staff development and medical equipment, which the trust cannot acquire through ordinary sources.

The directors have discretionary powers to delegate their authority to agree grant applications. Currently, Fund Managers can make decisions on items totalling up to and including £1,000 subject to there being sufficient monies in the fund to cover the total requested.

Requests for grants between £1,000 and £5,000 must be approved by both a Fund Manager and the Chief Executive and reported to the full trust board at their next monthly meeting.

For all grants over £5,000, a paper must be completed which includes detailed information to support the grant application. The paper is submitted to the full trust board for approval, who meet monthly.

Any request to Fund Advisors should be in writing and should include details of the name and number of the fund to be charged, the amount, purpose and benefits of request and should be supported with documentation e.g. invoices/receipts.

Details of Fund Managers currently acting for a particular fund can be obtained upon request.

### **Fundraising**

The Charity has voluntarily subscribed to the Code of Practice set out by the Fundraising Regulator.

The Charity does not carry out significant fundraising activities.

There have been no failures by the charity to comply with the Code of Practice, nor complaints received by the Charity about fundraising activity.

### **Reserves Policy**

The Corporate Trustee has a general legal duty to apply the charitable funds within a reasonable amount of time of receiving them, so with this in mind the Corporate Trustee reviews the funds it holds.

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The Charity's reserves and its policy are set out as follows:

|  | Current Year<br>£'000 | Previous Year<br>Restated<br>£'000 |
|--|-----------------------|------------------------------------|
| <b>Unrestricted Fund Reserves</b>                            | 86                    | 42                                 |
| <b>Designated Fund Reserves</b>                              | 3,174                 | 3,529                              |
| <b>Total</b>   | 3,260                 | 3,571                              |
| <b>Ratio of Reserves to Annual<br/>Operating Expenditure</b> | <b>1.51</b>           | <b>3.39</b>                        |

Historically the reserves have been calculated using the average annual operating expenditure. The comparison of the operating expenditure and the balance has now been changed to an annual calculation as the Trustees consider it annually. The ratio has decreased due to the spend on the Winchester Hospice and more efforts to spend generally. The prior year has been restated.

The restricted fund balances of £642,000 (2019/20 £546,000) are not part of the reserves policy as the Corporate Trustee has no discretion over these. Restricted funds are carried forward in the current year to comply with our donors' specific requirements.

In the Corporate Trustee's view, the reserves should provide the Charity with adequate financial stability and the means for it to meet its charitable objectives in the medium term i.e. for next 3 to 5 years. The Corporate Trustee was made aware that the expenditure in 2020/21 was likely to be more than 1/3 of the opening balance of funds because of the high level of spending on the Winchester Hospice.

The Corporate Trustee maintains the Charity's reserves at a level which is at least equivalent to two years operational expenditure having regards to the unpredictability of the funding streams, and therefore discounting any legacy income which, by its nature, cannot be relied upon. The Corporate Trustee also maintains sufficient cover for any reasonable investment losses.

The Corporate Trustee reviews the amount of reserves that are required to ensure that they are adequate to fulfil the charity's continuing obligations on a quarterly basis at their finance meeting.

### Investments and Performance Management

The Charity complies with the investment powers detailed in its governing document in addition to the powers given to it by the Trustee Act 2000. During the year, the Corporate Trustee invested its charitable funds with Sarasin and Partners LLP and Partners Capital LLP. Investments were valued at £3,478,000 as at 31 March 2021 (2019/20 - £3,424,000). There is a further remaining investment held by CCLA Investment Management Limited COIF Charities Investment Fund which was valued at £19,000 as at 31 March 2021 (2019/20 - £16,000).

The performance of the funds has been very satisfactory and fund values have been maintained despite cash withdrawals over the year.

The Charity's current investment policy has a restriction, stated within the mandate, preventing investment in companies whose main business is the processing of tobacco.

The Corporate Trustee performs regular reviews of the performance, structure and financial management arrangements of the funds.

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### **Conclusion**

We would like to say a heart-felt thank you to all of the patients, families, carers, staff and the wider community for their continued, generous support. Without this generosity the Charity could not have achieved all of the improvements it has supported during the year.

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## Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Annual Report and the accounts 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 accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period.

In preparing these accounts, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 the Trustee to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Charity's trust deed. The Trustee is 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 Trustee is 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 accounts may differ from legislation in other jurisdictions.

Chairman ..... *Stavros* .....

Date ..... 5/10/2021 .....

Trustee ..... *Alex Mitchell* ..... Date ..... 5/10/21 .....

# **Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021**

## **Independent Auditor's Report**

### **Independent auditor's report to the Trustee of Hampshire Hospitals Charity**

#### **Opinion**

We have audited the financial statements of Hampshire Hospitals Charity ("the charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Trustee's Annual Report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in

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the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient accounting records have not been kept; 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.

### **Responsibilities of trustees**

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for 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 the Trustee either intends to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### *Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the Charity and industry, and through discussion with the Trustee and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety and anti-bribery. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Charities Statement of

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Recommended Practice (FRS 102) 2019. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.

Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.



## Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021

### Independent Auditor's Report (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the Charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
Chichester

Date: 14<sup>th</sup> October 2021

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**Hampshire Hospitals Charity – Annual Report and Accounts  
for the year ended 31 March 2021**

**Statement of Financial Activities for the year ended 31 March 2021**

|                                      |      | 2021                           |                              |                | 2020                           |                              |                |
|--------------------------------------|------|--------------------------------|------------------------------|----------------|--------------------------------|------------------------------|----------------|
|                                      | Note | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Total<br>£'000 | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Total<br>£'000 |
| <b>Income from:</b>                  |      |                                |                              |                |                                |                              |                |
| Donations                            | 2    | 312                            | 97                           | 409            | 482                            | 2                            | 484            |
| Legacies                             | 2    | 335                            | 263                          | 598            | 9                              | -                            | 9              |
| Grants                               | 2    | -                              | 178                          | 178            | -                              | -                            | -              |
|                                      |      | 647                            | 538                          | 1,185          | 491                            | 2                            | 493            |
| Investments                          | 7    | 26                             | 6                            | 32             | 48                             | 6                            | 54             |
| <b>Total income</b>                  |      | <b>673</b>                     | <b>544</b>                   | <b>1,217</b>   | <b>539</b>                     | <b>8</b>                     | <b>547</b>     |
| <b>Expenditure on:</b>               |      |                                |                              |                |                                |                              |                |
| <i>Raising funds:</i>                |      |                                |                              |                |                                |                              |                |
| Other trading costs                  |      | (3)                            | -                            | (3)            | (44)                           | -                            | (44)           |
| Investment management costs          |      | -                              | -                            | -              | (5)                            | (1)                          | (6)            |
| Charitable activities                | 4    | (1,639)                        | (514)                        | (2,153)        | (975)                          | (27)                         | (1,002)        |
|                                      |      | -                              | -                            | -              | -                              | -                            | -              |
| <b>Total expenditure</b>             |      | <b>(1,642)</b>                 | <b>(514)</b>                 | <b>(2,156)</b> | <b>(1,024)</b>                 | <b>(28)</b>                  | <b>(1,052)</b> |
| Gains on investments                 | 6    | 658                            | 66                           | 724            | (18)                           | 21                           | 3              |
| <b>Net movement in funds</b>         |      | <b>(311)</b>                   | <b>96</b>                    | <b>(215)</b>   | <b>(503)</b>                   | <b>1</b>                     | <b>(502)</b>   |
| Fund balances brought forward        |      | 3,571                          | 546                          | 4,117          | 4,074                          | 545                          | 4,619          |
| <b>Fund balances carried forward</b> |      | <b>3,260</b>                   | <b>642</b>                   | <b>3,902</b>   | <b>3,571</b>                   | <b>546</b>                   | <b>4,117</b>   |

All results derive from continuing operations.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

**Hampshire Hospitals Charity – Annual Report and Accounts  
for the year ended 31 March 2021**

**Balance Sheet as at 31 March 2021**

|   | Note | 2021  |       | 2020  |       |
|---|------|-------|-------|-------|-------|
|   |      | £'000 | £'000 | £'000 | £'000 |
| <b>Fixed Assets</b>                                   |      |       |       |       |       |
| Investments   | 6    | 3,497 |       | 3,440 |       |
|   |      |       | 3,497 |       | 3,440 |
| <b>Current Assets</b>                                 |      |       |       |       |       |
| Debtors   | 8    | 323   |       | 9     |       |
| Cash at Bank and in Hand                              | 8    | 768   |       | 1,445 |       |
|   |      | 1,091 |       | 1,454 |       |
| <b>Creditors: Amounts Falling Due Within One Year</b> | 9    | (686) |       | (777) |       |
| <b>Net Current Assets</b>                             |      |       | 405   |       | 677   |
| <b>Total Assets Less Current Liabilities</b>          |      |       | 3,902 |       | 4,117 |
| <b>Total Net Assets</b>                               |      |       | 3,902 |       | 4,117 |
| <b>Funds of the Charity</b>                           |      |       |       |       |       |
| Restricted Income Funds                               | 10   |       | 642   |       | 546   |
| Designated Income Funds                               | 10   |       | 3,174 |       | 3,529 |
| General Income Funds                                  | 10   |       | 86    |       | 42    |
| <b>Total Charity Funds</b>                            |      |       | 3,902 |       | 4,117 |

The annual accounts on pages 18 to 32 were approved by the Corporate Trustee and signed on its behalf by Steve Erskine.

Signed: 

Date: 5/10/2021

**Hampshire Hospitals Charity – Annual Report and Accounts  
for the year ended 31 March 2021**

**Statement of Cash Flows for the year ended 31 March 2021**

|  | Notes | 2021<br>£'000 | 2020<br>£'000 |
|--|-------|---------------|---------------|
| <b>Cash inflow from operating activities:</b>          |       |               |               |
| Net cash provided by (used in) operating activities    | A     | (1,376)       | (70)          |
| <b>Cash inflow from investing activities:</b>          |       |               |               |
| Dividends and interest from investments                |       | 32            | 54            |
| Proceeds from the disposal of investments              |       | 751           | 793           |
| Purchase of investments                                |       | (84)          | (87)          |
| Net cash provided by (used in) investing activities    |       | 699           | 760           |
| <b>Change in cash and cash equivalents in the year</b> |       | (677)         | 690           |
| <b>Cash and cash equivalents at 1 April 2020</b>       | B     | 1,445         | 755           |
| <b>Cash and cash equivalents at 31 March 2021</b>      | B     | 768           | 1,445         |

**Notes to the cash flow statement for the year to 31 March 2021**

**A Reconciliation of net movement in funds to net cash flow from operating activities**

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Net movement in funds (as per the statement of financial activities) | (215)         | (502)         |
| <b>Adjustments for:</b>  |               |               |
| (Gains) losses on investments  | (724)         | (3)           |
| Dividends and interest from investments                              | (32)          | (54)          |
| (Increase) decrease in debtors                                       | (314)         | 306           |
| Increase (decrease) in creditors                                     | (91)          | 183           |
| Net cash provided by (used in) operating activities                  | (1,376)       | (70)          |

**B Analysis of cash and cash equivalents**

|  | 2020<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Cash at bank and in hand               | 268           | 1,445         |
| Cash held by investment managers       | 500           | -             |
| <b>Total cash and cash equivalents</b> | <b>768</b>    | <b>1,445</b>  |

# **Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021**

## **Notes to the accounts**

### **1. Accounting Policies**

#### **Basis of preparation**

These accounts have been prepared for the year to 31 March 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice 2019 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

#### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the Trustee to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

#### **Estimating amounts to be accrued as legacies**

The Trustee has considered all legal correspondence received in the year in order to assess whether a legacy should be recognised in the accounts based on the entitlement of the charity to receive it, the probability of receipt, and the reasonable certainty of the amount which includes making enquiries of the executors of the wills in question.

#### **Assessment of going concern**

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustee has made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustee of the charity has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

In making this decision, the Trustee has taken into consideration the risks and uncertainties arising from the Coronavirus pandemic and conclude that the charity can sustain its operations for a period of at least twelve months from date of signing these accounts.

## **Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021**

### **Funds structure**

Unrestricted general funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Charity's charitable objects.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by the donor or the result of a specific appeal. Where a preference is indicated by a donor as to the application of funds, they are unrestricted, and then designated by the Trustee in line with this. The Charity follows the Charity Commission guidance for NHS charities when allocating to funds.

Where the restriction requires the gift to be invested to produce income which may be spent but the capital must be protected, then it is an endowment fund. If the Trustee also has the power to spend the capital in addition to the income, then the fund is an expendable endowment fund.

The Charity has a combination of restricted and unrestricted funds and no endowment or expendable endowment funds.

The Charity has some designated funds which have been set aside out of unrestricted funds for specific purposes.

### **Income recognition**

Income is recognised in the period in which the Charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, grants, legacies and investment income.

### **Donations and grants**

Donations and grants are recognised when the Charity has confirmation of both the amount and settlement date. In the event of donations or grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

### **Legacies**

Legacies are included in the statement of financial activities when the Charity is entitled to the legacy, it is probable that the legacy will be received, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the Charity.

## **Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021**

### **Taxation**

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises grants and donations, and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds are those costs attributable to generating income for the Charity, other than those costs incurred in undertaking charitable activities, and represent fundraising costs together with investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Such costs include charitable grants and donations and support costs in respect to the charitable activity including governance costs.

Charitable grants and donations are made after the Trustee has considered an application for funds. Grants and donations are included in the statement of financial activities when approved for payment.

Charitable expenditure is authorised and allocated for each individual fund rather than allocated across multiple funds.

### **Allocation of overheads and support costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

All support costs have been allocated to expenditure on charitable activities because any apportionment across the expenditure categories would be immaterial.

## **Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021**

### **Fixed Asset Investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the financial year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

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

### **Gains and losses on investments**

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

At each quarter end 50% of unrealised gains are allocated across the funds and the remainder is recorded as an unrealised gain reserve.

All unrealised losses are allocated across the funds at each quarter end.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.



## Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021

### 2. Analysis of Donations, Legacies and Grants

|                   | 2021           |                |              | 2020           |                |            |
|-------------------|----------------|----------------|--------------|----------------|----------------|------------|
|                   | Unrestricted   | Restricted     | Total        | Unrestricted   | Restricted     | Total      |
|                   | Funds<br>£'000 | Funds<br>£'000 | £'000        | Funds<br>£'000 | Funds<br>£'000 | £'000      |
| Donations         | 312            | 97             | 409          | 482            | 2              | 484        |
| Legacies          | 335            | 263            | 598          | 9              | -              | 9          |
| Grants receivable | -              | 178            | 178          | -              | -              | -          |
|                   | <b>647</b>     | <b>538</b>     | <b>1,185</b> | <b>491</b>     | <b>2</b>       | <b>493</b> |

A total of £314,000 has been included in legacies where the receipt of the legacy is probable but not yet received.

2020/21, the charity received grants from the NHS Charities Together Covid-19 emergency appeal.

|                                 | 2021           |                |            | 2020           |                |          |
|---------------------------------|----------------|----------------|------------|----------------|----------------|----------|
|                                 | Unrestricted   | Restricted     | Total      | Unrestricted   | Restricted     | Total    |
|                                 | Funds<br>£'000 | Funds<br>£'000 | £'000      | Funds<br>£'000 | Funds<br>£'000 | £'000    |
| NHSCT stage 1 grant 1st payment | -              | 32             | 32         | -              | -              | -        |
| NHSCT stage 1 grant 2nd payment | -              | 46             | 46         | -              | -              | -        |
| NHSCT BAME grant                | -              | 50             | 50         | -              | -              | -        |
| NHSCT second wave funding       | -              | 50             | 50         | -              | -              | -        |
|                                 | <b>-</b>       | <b>178</b>     | <b>178</b> | <b>-</b>       | <b>-</b>       | <b>-</b> |

### 3. Allocation of Support Costs and Overheads

|                      | 2021<br>Total<br>£'000 | 2020<br>Total<br>£'000 |
|----------------------|------------------------|------------------------|
| Accountancy support  | 49                     | 48                     |
| External audit       | 9                      | 12                     |
| Bank charges         | 1                      | 2                      |
| Software maintenance | 3                      | 4                      |
|                      | <b>62</b>              | <b>66</b>              |

Support costs and overheads are apportioned across restricted and unrestricted funds. All support costs have been allocated to charitable expenditure (note 4) because any apportionment between the categories of expenditure would be immaterial.

## Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021

### 4. Analysis of Charitable Expenditure (Grant Support Provided)

The charitable expenditure incurred is for grant support provided, rather than for direct charitable activities undertaken by the Charity. The Charity does not provide grant support to individuals, but makes the support solely available to HHFT.

The Corporate Trustee operates a scheme of delegation, whereby fund holders manage the day to day disbursements for their programme in line with the directions set by the Corporate Trustee, and the Charity's procedures.

The table below shows the categories of programmes that the Charity has supported during the financial year under review.

|                                 | 2021               |                  |              | 2020               |                  |              |
|---------------------------------|--------------------|------------------|--------------|--------------------|------------------|--------------|
|                                 | Unrestricted Funds | Restricted Funds | Total        | Unrestricted Funds | Restricted Funds | Total        |
|                                 | £'000              | £'000            | £'000        | £'000              | £'000            | £'000        |
| Patients' welfare and amenities | 39                 | 52               | 91           | 205                | -                | 205          |
| Staff welfare and education     | 54                 | 170              | 224          | 113                | 5                | 118          |
| Purchase of clinical equipment  | 458                | -                | 458          | 148                | 15               | 163          |
| Enhancing patient environment   | 998                | 281              | 1,279        | 409                | -                | 409          |
| Patient education               | -                  | -                | -            | 1                  | -                | 1            |
| Research                        | 39                 | -                | 39           | 40                 | -                | 40           |
| Support costs                   | 51                 | 11               | 62           | 59                 | 7                | 66           |
|                                 | <u>1,639</u>       | <u>514</u>       | <u>2,153</u> | <u>975</u>         | <u>27</u>        | <u>1,002</u> |

### 5. Auditor's Remuneration

The independent auditor's remuneration was £9,600 (2019/20 - £12,000) relating solely to the statutory audit with no other additional work undertaken.

### 6. Investments

#### Movement in Fixed Asset Investments

|   | 31 March<br>2021<br>£'000 | 31 March<br>2020<br>£'000 |
|---|---------------------------|---------------------------|
| <b>Listed Investments</b>                                 |                           |                           |
| Market value at 1 April                                   | 3,440                     | 4,143                     |
| Additions to investments at cost                          | 84                        | 87                        |
| Disposals at book value                                   | (751)                     | (720)                     |
| Net unrealised investment gains/(losses)                  | 724                       | (70)                      |
| Market value at 31 March                                  | <u>3,497</u>              | <u>3,440</u>              |
| <b>Cash held by investment managers for re-investment</b> | <u>-</u>                  | <u>-</u>                  |
| Carrying value at 31 March                                | <u>3,497</u>              | <u>3,440</u>              |
| <br>Historic cost of investments at 31 March              | <br><u>2,854</u>          | <br><u>2,727</u>          |

## Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021

At 31 March 2021, all funds are held by two investment companies who have invested the funds in Common Investment Funds and Overseas Hedge Funds.

Investments held at 31 March comprised the following:

|                            | 31 March<br>2021<br>£'000 | 31 March<br>2020<br>£'000 |
|----------------------------|---------------------------|---------------------------|
| UK common investment funds | 1,042                     | 825                       |
| Overseas hedge funds       | 2,455                     | 2,615                     |
|                            | <u>3,497</u>              | <u>3,440</u>              |

### 7. Total Gross Income from Investments

|                             | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | 2021<br>Total<br>£'000 |
|-----------------------------|--------------------------------|------------------------------|------------------------|
| Return on investments held: |                                |                              |                        |
| UK common investment funds  | 25                             | 6                            | 31                     |
| Overseas hedge funds        | -                              | -                            | -                      |
| Bank interest               | 1                              | -                            | 1                      |
|                             | <u>26</u>                      | <u>6</u>                     | <u>32</u>              |

|                             | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | 2020<br>Total<br>£'000 |
|-----------------------------|--------------------------------|------------------------------|------------------------|
| Return on investments held: |                                |                              |                        |
| UK common investment funds  | 27                             | 4                            | 31                     |
| Overseas hedge funds        | 14                             | 2                            | 16                     |
| Bank interest               | 7                              | -                            | 7                      |
|                             | <u>48</u>                      | <u>6</u>                     | <u>54</u>              |

**Hampshire Hospitals Charity – Annual Report and Accounts  
for the year ended 31 March 2021**

**8. Analysis of Current Assets**

**Debtors**

|                                      | <b>31 March<br/>2021<br/>£'000</b> | <b>31 March<br/>2020<br/>£'000</b> |
|--------------------------------------|------------------------------------|------------------------------------|
| Amounts falling due within one year: |                                    |                                    |
| Prepayments and accrued income       | 314                                | 3                                  |
| Other debtors                        | 9                                  | 6                                  |
| <b>Total debtors</b>                 | <b><u>323</u></b>                  | <b><u>9</u></b>                    |

The Charity had accrued income of £314,000 relating to legacies of which it had been notified during the year but had not been received at 31 March 2021 (2020 - £250).

**Cash at Bank and in Hand**

|                          | <b>31<br/>March<br/>2021<br/>£'000</b> | <b>31<br/>March<br/>2020<br/>£'000</b> |
|--------------------------|--|--|
| Cash at bank and in hand | <u>768</u>                             | <u>1,445</u>                           |

Cash in hand represented petty cash of £200 (2020 - £200).

**9. Analysis of Liabilities**

**Creditors**

|                                      | <b>31 March<br/>2021<br/>£'000</b> | <b>31 March<br/>2020<br/>£'000</b> |
|--------------------------------------|------------------------------------|------------------------------------|
| Amounts falling due within one year: |                                    |                                    |
| Amounts due to related parties       | 191                                | 3                                  |
| Other creditors                      | 3                                  | 2                                  |
| Grants payable                       | 483                                | 760                                |
| Accruals                             | 9                                  | 12                                 |
|                                      | <b><u>686</u></b>                  | <b><u>777</u></b>                  |

Amounts owed to related parties represent amounts owed to HHFT for costs incurred on behalf of the Charity in furtherance of the Charity's objects.

# Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021

All liabilities are unsecured.

## 10. Analysis of Charitable Funds

|  | Balance at<br>1 April<br>2020<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Gains and<br>Losses<br>£'000 | Balance at<br>31 March<br>2021<br>£'000 |
|--|--|-----------------|----------------------|------------------------------|---|
| <b>Restricted</b>                                |  |                 |                      |                              |   |
| Stroke Services Development Charitable Fund RHCH | 24                                     | 267             | (67)                 | 9                            | 233                                     |
| Winchester Hospice Fund                          | 263                                    | 2               | (283)                | 18                           | -                                       |
| RHCH Staff Benefit                               | 178                                    | 7               | (3)                  | 18                           | 200                                     |
| Arthritis Research - Legacy I H Spain            | 81                                     | 1               | (2)                  | 8                            | 88                                      |
| Covid-19   | -                                      | 217             | (150)                | 10                           | 77                                      |
| BAME Staff Support                               | -                                      | 50              | (9)                  | 3                            | 44                                      |
| RHCH Patient Benefit                             | -                                      | -               | -                    | -                            | -                                       |
| <b>Total restricted funds</b>                    | <b>546</b>                             | <b>544</b>      | <b>(514)</b>         | <b>66</b>                    | <b>642</b>                              |
| <b>Unrestricted</b>                              |  |                 |                      |                              |   |
| <b>Designated funds</b>                          |  |                 |                      |                              |   |
| Magic Wand Appeal                                | 52                                     | 1               | (12)                 | 5                            | 46                                      |
| Orthopaedic Department General Purposes          | 480                                    | 4               | 14                   | 46                           | 544                                     |
| RHCH Chapel                                      | 125                                    | 2               | (6)                  | 11                           | 132                                     |
| Pseudomyxoma/Colorectal Research                 | 173                                    | 47              | (31)                 | 16                           | 205                                     |
| Clinical Haematology                             | 71                                     | 1               | (51)                 | 6                            | 27                                      |
| Liver Fund                                       | 157                                    | 4               | (14)                 | 16                           | 163                                     |
| Oncology Unit (Previously EH Unit or Wessex)     | 146                                    | 84              | (25)                 | 17                           | 222                                     |
| Ward C2  | 51                                     | 4               | (1)                  | 6                            | 60                                      |
| Cardiology Education Fund                        | 99                                     | 1               | (4)                  | 10                           | 106                                     |
| Paediatric Wards NHH                             | 77                                     | 3               | (37)                 | 8                            | 51                                      |
| Coronary Care Unit                               | 71                                     | 2               | (5)                  | 7                            | 75                                      |
| Winchester Medical Foundation Charitable Fund    | 317                                    | -               | (275)                | 22                           | 64                                      |
| Winchester Hospice Fund                          | 777                                    | 152             | (902)                | 31                           | 58                                      |
| Other designated                                 | 933                                    | 125             | (83)                 | 446                          | 1,421                                   |
| <b>Total designated funds</b>                    | <b>3,529</b>                           | <b>430</b>      | <b>(1,432)</b>       | <b>647</b>                   | <b>3,174</b>                            |
| <b>General Funds</b>                             | <b>42</b>                              | <b>243</b>      | <b>(210)</b>         | <b>11</b>                    | <b>86</b>                               |
| <b>Total unrestricted funds</b>                  | <b>3,571</b>                           | <b>673</b>      | <b>(1,642)</b>       | <b>658</b>                   | <b>3,260</b>                            |
| <b>Total Funds</b>                               | <b>4,117</b>                           | <b>1,217</b>    | <b>(2,156)</b>       | <b>724</b>                   | <b>3,902</b>                            |

Individual unrestricted funds have been included in the analysis of charitable funds if one of the opening balance, income for the year, expenditure during the year or the closing balance exceeded £50,000. All smaller funds are included within other designated or general funds. There are no endowment funds held by the Charity.

The Trustee considers that sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

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## 10. Analysis of Charitable Funds (continued)

|  | Balance at<br>1 April<br>2019<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Gains and<br>Losses<br>£'000 | Balance at<br>31 March<br>2020<br>£'000 |
|--|--|-----------------|----------------------|------------------------------|---|
| <b>Restricted</b>                                |  |                 |                      |                              |   |
| Stroke Services Development Charitable Fund RHCH | 31                                     | 2               | (9)                  | -                            | 24                                      |
| Winchester Hospice Fund                          | 250                                    | 3               | (4)                  | 14                           | 263                                     |
| RHCH Staff Benefit                               | 177                                    | 2               | (6)                  | 5                            | 178                                     |
| Arthritis Research - Legacy I H Spain            | 79                                     | 1               | (1)                  | 2                            | 81                                      |
| RHCH Patient Benefit                             | 8                                      | -               | (8)                  | -                            | -                                       |
| <b>Total restricted funds</b>                    | <b>545</b>                             | <b>8</b>        | <b>(28)</b>          | <b>21</b>                    | <b>546</b>                              |
| <b>Unrestricted</b>                              |  |                 |                      |                              |   |
| <b>Designated funds</b>                          |  |                 |                      |                              |   |
| Magic Wand Appeal                                | 71                                     | 2               | (23)                 | 2                            | 52                                      |
| Orthopaedic Department General Purposes          | 524                                    | 7               | (64)                 | 13                           | 480                                     |
| RHCH Chapel                                      | 136                                    | 3               | (16)                 | 2                            | 125                                     |
| Pseudomyxoma/Colorectal Research                 | 156                                    | 25              | (12)                 | 4                            | 173                                     |
| Clinical Haematology                             | 87                                     | 21              | (39)                 | 2                            | 71                                      |
| Liver Fund                                       | 178                                    | 21              | (47)                 | 5                            | 157                                     |
| Oncology Unit (Previously EH Unit or Wessex)     | 133                                    | 17              | (9)                  | 5                            | 146                                     |
| Ward C2  | 31                                     | 22              | (3)                  | 1                            | 51                                      |
| Cardiology Education Fund                        | 130                                    | 2               | (36)                 | 3                            | 99                                      |
| Paediatric Wards NHH                             | 91                                     | 8               | (24)                 | 2                            | 77                                      |
| Coronary Care Unit                               | 75                                     | 3               | (9)                  | 2                            | 71                                      |
| Winchester Medical Foundation Charitable Fund    | 654                                    | 21              | (375)                | 17                           | 317                                     |
| Winchester Hospice Fund                          | 615                                    | 196             | (54)                 | 20                           | 777                                     |
| Other designated                                 | 1,131                                  | 175             | (276)                | (97)                         | 933                                     |
| <b>Total designated funds</b>                    | <b>4,012</b>                           | <b>523</b>      | <b>(987)</b>         | <b>(19)</b>                  | <b>3,529</b>                            |
| <b>General Funds</b>                             | <b>62</b>                              | <b>16</b>       | <b>(37)</b>          | <b>1</b>                     | <b>42</b>                               |
| <b>Total unrestricted funds</b>                  | <b>4,074</b>                           | <b>539</b>      | <b>(1,024)</b>       | <b>(18)</b>                  | <b>3,571</b>                            |
| <b>Total Funds</b>                               | <b>4,619</b>                           | <b>547</b>      | <b>(1,052)</b>       | <b>3</b>                     | <b>4,117</b>                            |

Individual unrestricted funds have been included in the analysis of charitable funds if one of the opening balance, income for the year, expenditure during the year or the closing balance exceeded £50,000. All smaller funds are included within other designated or general funds. There are no endowment funds held by the Charity.

The Trustee considers that sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

## **Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021**

### **10. Analysis of Charitable Funds (continued)**

The purposes of the funds analysed are as follows:

#### ***Restricted***

Stroke Services – to provide a new ward for stroke patients and to aid in their rehabilitation.

RHCH Staff Benefit – for the benefit of all staff members at Winchester Hospital.

Arthritis Research – Legacy I H Spain – to fund research of arthritis treatments.

Covid-19 – to enhance the well-being of NHS Staff, volunteers and patients impacted by COVID-19.

BAME Staff Support - To increase and improve our support for our BAME staff.

#### ***Designated***

Magic Wand Appeal – to design, reconfigure and refurbish the paediatric unit.

Orthopaedic General Purposes Fund – to provide staff and patients amenities within the Orthopaedic Department.

RHCH Chapel – for the preservation and upkeep of the Chapel at Winchester Hospital.

Pseudomyxoma/Colorectal Research – the relief of patients suffering from pseudomyxoma peritonei, colorectal cancer and related diseases. Promotion and understanding of research into causes, treatment and prevention of pseudomyxoma peritonei, colorectal cancer and related diseases and publications in any form of the results of such research. To provide amenities for staff in the pseudomyxoma and colorectal units.

Clinical Haematology Fund – to enhance the clinical haematology service including the provision of equipment for patients, study leave and books for staff.

Liver Fund – to fund research and development within the Hepato-Biliary unit.

Oncology Unit (Formerly Elizabeth Hall Unit) – to provide welfare and amenities for patients and staff and to fund enhancements to the fabric of the unit (Haematology/Oncology).

Ward C2 - to provide welfare and amenities for patients and staff and to fund enhancements to the fabric of the unit.

Cardiology Education Fund – to support education and research within the Cardiology Unit and to provide staff amenities within the unit.

Paediatric Wards NHH – to provide welfare and amenities for patients and staff and to fund enhancements to the fabric of the unit.

Coronary Care Unit– to provide welfare and amenities for patients and staff and to fund enhancements to the fabric of the unit.

Winchester Medical Foundation Charitable Fund – for the benefit of all staff and patients, equipment and training/research.

Winchester Hospice Fund – to support the development of hospice services for the population of Winchester and surrounding areas, including the development of a hospice building, staffing and staff development.

Hampshire Hospitals NHS Foundation Trust – For the welfare of patients and staff and general fabric of the Hampshire Hospitals NHS Foundation Trust.

# Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2021

## 11. Analysis of Net Assets between Funds

Fund balances as at 31 March 2021 are represented by:

|  | General Funds | Restricted Funds | 2021 Total   | General Funds | Restricted Funds | 2020 Total   |
|--|---------------|------------------|--------------|---------------|------------------|--------------|
|  | £'000         | £'000            | £'000        | £'000         | £'000            | £'000        |
| Investments                                    | 3,337         | 160              | 3,497        | 3,073         | 367              | 3,440        |
| Current Assets                                 | 350           | 741              | 1,091        | 1,242         | 212              | 1,454        |
| Creditors: Amounts falling due within one year | (427)         | (259)            | (686)        | (744)         | (33)             | (777)        |
|  | <u>3,260</u>  | <u>642</u>       | <u>3,902</u> | <u>3,571</u>  | <u>546</u>       | <u>4,117</u> |

## 12. Related Party Transactions

HHFT receives grants and delivers services on behalf of the Charity. The Charity has reimbursed HHFT for approved expenditure made on behalf of the Charity. This reimbursement amounted to £2,228,000 (2020 - £790,000) and is included within total expenditure in the Statement of Financial Activities. During the year none of the members of HHFT's Board or their senior staff or parties related to them were beneficiaries of the Charity.

The Charity owed HHFT £191,000 at 31 March 2021 (2020 - £3,000), as shown in note 9.

Neither HHFT nor any member of the Board received honoraria, emoluments or expenses in the year.

HHFT purchased trustee indemnity insurance costing £896 during the year (2020 - £896).

HHFT has provided administrative support and accommodation for the Charity at a cost of £49,000 (2020 - £48,000) for the year.

The Hampshire Medical Fund is considered a related party because Dr Alloway who is the Chief Medical Officer and member of the Trust Board is a Trustee of the Hampshire Medical Fund. Hampshire Medical Fund contributed £343,000 to joint projects with the Charity.

The Winchester Hospice Fundraising Charity is considered a related party because Dr Alloway who is the Chief Medical Officer and member of the Trust Board is a Trustee of the Winchester Hospice Fundraising Charity. Winchester Hospice Fundraising Charity contributed £910,000 towards the building of Burrell House Hospice which is a joint project between the charities.

## 13. Staff costs

The Charity does not directly employ any individuals, but is recharged a proportion of the costs, of certain individuals employed by HHFT. The key management personnel comprise the directors of the Corporate Trustee. As disclosed above, no remuneration was paid to these individuals by the Charity.

## 14. Post Balance Sheet events

At the May 2021 Trustees meeting it was decided that the Charity would invest a further £200,000 with Sarasin & Partners. The source of the funds are charitable gifts to the Hampshire Hospitals Charity for the furtherance of the charitable aims of the charity. The Charity have rebalanced the fund holdings, and previously these gifts had been invested with Partners Capital. £100,000 was paid and credited to the portfolio on the 3<sup>rd</sup> June 2021. The remaining £100,000 was paid in July 2021.