

Hampshire Hospitals Charity

(Registered Charity number 1060133)

Annual Report and Accounts for the year ended 31 March 2024

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

Contents

Trustee's Report	3
Statement of Trustee's responsibilities.....	11
Independent Auditor's Report.....	12
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the accounts	18

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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 2024.

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 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 bi-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:

Name	Position in Foundation Trust
Steve Erskine	Chairman
Alex Whitfield	Chief Executive Officer
Lara Alloway	Chief Medical Officer (left 13 th August 2023)
Dr Nick Ward	Interim Chief Medical Officer (left 1 st January 2024)
Ruth Williamson	Chief Medical Officer (from 2 nd January 2024)
Steve West	Chief Financial Officer
Julie Dawes	Chief Nurse
Rupert Goodman	Interim Chief People Officer (left 31 st August 2023)
Tim Powell	Chief People Officer (from 4 th September 2023)
Andy Hyett	Chief Operating Officer
Shirlene Oh	Chief Strategy and Population Health Officer
Ruth Williams	Non-Executive Director
Simon Holmes	Non-Executive Director
Jos Creese	Non-Executive Director
Laks Khangura	Non-Executive Director
Stephen Duckworth	Non-Executive Director
Clancy Murphy	Non-Executive Director
John Deverill	Non-Executive Director
Dominic Arthur	Associate Non-Executive Director

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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 Advisors

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 2024

Main Purpose of the Charity

The trustees shall hold the trust fund upon trust to apply the income to enhance patient care, improving hospital environment, and by increasing the knowledge and welfare of staff who provide care to those patients, or purposes related to the National Health Service elevating hospital healthcare and wellbeing of our local community.

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.

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 3rd party commitment.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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 NHS Charities Together (NHSCT) if the Trust does not respond in a timely manner means that correspondence from NHSCT is regularly reviewed and shared.

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

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 £936,000 (2022/23 £915,000) of which donations of £764,000 (2022/23 £561,000), legacies £117,000 (2022/23 £316,000), grants £nil (2022/23 nil), investment income £55,000 (2022/23 £38,000) and income from charitable activities £nil (2022/23 nil).

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, providing staff and equipment to enhance patients welfare and providing learning and education to increase staff knowledge.

Total expenditure, including support costs, was £853,000 (2022/23 £1,120,000). Charitable expenditure on direct charitable activity was £588,000 (2022/23 £1,118,000). Fundraising costs were £191,000 (2022/23 £2,000) and investment management costs were £2,300 (2022/23 nil).

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

Clinical Equipment £105,000 (2022/23 £191,000)

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

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

- New cold cap machines (£41,000) for Chemotherapy Unit based in Winchester hospital. This is a device that prevents hair loss as a side effect of chemotherapy. Many patients choose to use the cold cap machines during their cancer treatment.
- Therapy treadmill (£22,000). The national stroke guidelines strongly recommend treadmill gait training for patients unable to mobilise post stroke.
- Bilycococon phototherapy lights (£12,000) for Winchester Neonatal Unit. The device is used to help jaundiced newborns without the need for them to stay in hospital. This phototherapy units are ideal as they allow babies to be mobile while receiving the treatment. Lights are returned to the hospital once the therapy is completed.
- 4 x ATOM phototherapy units (£11,000) to help recover jaundiced babies in Winchester Neonatal Unit.
- 2x RP-10 sample preparation system OSNA (£18,000) mixing device to prepare tissue samples for diagnostic testing to replace two existing homogenisers. The equipment has been requested by The Cellular Pathology Department.

Enhancing Patients and Staff Environments £107,000 (2022/23 £124,000)

The most expensive (£37,000) project has been completed for Hampshire Heart Centre (Cardiology and Cardiology Education Fund). The decommissioned space has been restored to create a welfare area, bereavement room, quiet space as well as utility room. The refurbishment has significantly improved the usage of floorspace for the patients, their families as well as hospital staff.

£26,000 has been spent on modernisation and expansion of Outpatient Waiting Area in paediatric care in RHCH (Northbrook/Sophies Place). This project was essential to ensure that critical services can continue for the physical and mental health and wellbeing of young patients.

Further £34,000 has been spent on improving restaurant areas at both Basingstoke and Winchester. Charitable funds were used to refurbish the servery at Basingstoke, purchase comfortable sofas, low tables, seating, plants as well as equipment (self-serve coffee and ice cream machines). By making these improvements, the restaurants have been able to increase their offerings to both staff and visitors.

Also new windows and blinds have been installed in Sherbourne Blue Room (£6,000). The replacement was essential for this room to create fit for purpose space for interviews, patient discharge meetings and patient education session.

Enhancing Patients' Welfare £216,000 (2022/23 £378,000)

£35,000 has been spent on providing Patient Partner Programme together with £22,000 speciality focused patient voice partner.

The charity also purchased this year motorised wheelchairs for all sites for the value of £36,000.

To ensure the best service to the patients £30,000 annual subscription fee has been paid to UpToDate online service that provides evidence based clinical information and recommendation for health care professionals.

As part of the Healthier Communities New Models of Care £30,000 has been committed to increase the Community Builder (Animator) employed in Andover to 2 days a week resulting in coverage across Andover and Basingstoke. A Community Builder (Animator) is a paid member of staff (usually from a third sector organisation) and is focused on engaging the skills, knowledge and talents of citizens living in a community.

£16,000 is committed to provide a non-core post for psychological support for 12 months at Winchester Hospice to help support patients at end of life and those in receipt of palliative care.

Maintenance of fountain in Hospice Garden for the value of £13,000.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

£11,000 is committed to 1.2 WTE band 6 Clinical Nurse Specialists for 12 months, to enable continued service provision and management of patients for chemotherapy and any other systemic anti-cancer therapy (SACT).

£7,000 was spend on Virtual Reality Therapy kit, as well as on 2 electric patient trolleys.

Supporting our Staff to be Even Better £160,000 (2022/23 £361,000)

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 £94,000 was used to enable staff to attend educational programmes to expand their skills and knowledge to do their jobs better.

A total of £67,000 was spent or committed on staff welfare this year. This was spent or committed on providing safe spaces for rest and recuperation, facilities that promote and encourage outdoor breaks and activities, improvements to staff rest areas, wellbeing support, reverse mentoring, staff focus week, the annual people's awards, treats for staff, away days, lockers, Christmas treats, bike doctor clinics, hardship payments and fruit boxes.

Our Future Plans

Looking ahead, following this exciting year after supporting dozens of projects that have delivered improved patient care, helped with staff wellbeing and have contributed towards our vision for a happier, healthier Hampshire 2024-2025 will build on these successes. Our team will be looking to increase donations to be able to help and support more staff, more patients and more families.

We'll be hosting large scale, community specific fundraising events, including the second annual Lions Picnic in Winchester, inaugural Colour Run in Andover and inaugural Penguin Walk in Basingstoke to increase awareness of and donations to the charity. We'll be launching specialist business networking events across the region in collaboration with clinicians from the NHS trust to encourage increased business support for Hampshire Hospitals Charity, in the form of gifts in kind, event sponsorship and philanthropic donations.

Throughout our hospitals in Basingstoke, Winchester and Andover we're going to be encouraging more staff to become Charity Champions to be able to increase participation in fundraising and to empower colleagues to talk confidently about the charity with patients and families when they have questions.

Funding will continue to be raised to support some truly inspirational projects in and around areas of research and innovation to save lives, patient support around hardship such as providing family access to onsite accommodation, children's health including enhancing the environment of our Firvale space to better support our younger patients, staff wellbeing such as funding team building activities, and collaboration with external support groups for staff as well as improving staff areas.

A new charity brand including visual style and tone of voice will be developed and launched during 2024/2025 to improve awareness of and provide a distinctive look and personality to Hampshire Hospitals Charity, contributing towards our ambitious vision for a happier, healthier Hampshire.

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.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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

We are guided throughout our fundraising activity by robust governance and reporting, holding ourselves to the highest standards as required by the Charities Commission and Fundraising Regulator.

Income for the Charity is generated through a variety of routes, including, but not exclusive to, direct donations, Charity organised fundraising activity, legacy giving and investments.

There is a large increase of fundraising costs this year £193,000 (2023: £2,000) due to recruitment of fundraising team with skill set focused on income generation for the full spectrum of fundraising methods. This new function has been created as a response to rising importance, size and needs of the charity and is in line with its strategic goals.

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.

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

	Current Year £'000	Previous Year £'000
Unrestricted Fund Reserves	419	291
Designated Fund Reserves	4,009	3,653
Total	4,428	3,944
Ratio of Reserves to Annual Operating Expenditure	5.21	3.52

The ratio is calculated using the total unrestricted funds over expenditure in the current year. This means that with the current reserves can cover 5.21 times of the charity's yearly expenditure. Trustees review the ratio annually. The ratio has increased this year due to lower levels of charitable funds activities, decrease of 41% compared to previous year.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

The restricted fund balances of £443,000 (2022/23 £556,000) 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 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 £4,009,000 as at 31 March 2024 (2022/23 £3,714,000). There is a further remaining investment held by CCLA Investment Management Limited COIF Charities Investment Fund which was valued at £22,000 as at 31 March 2024 (2022/23 - £20,000).

The investment portfolios held with Partners Capital LLP and Sarasin & Partners LLP have increased in year, as the inflation has settled and economy recovered during 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.

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.

**Hampshire Hospitals Charity – Annual Report and Accounts
for the year ended 31 March 2024**

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.



04/12/2024

Steve Erskine (Chairman) Date



04/12/2024

Alex Whitfield (Trustee) Date

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

Independent Auditors' 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 2024 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 2024, 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 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:

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

- 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 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

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud.

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.
- 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: 20th December 2024

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 2024

Statement of Financial Activities for the year ended 31 March 2024

		2024			2023		
	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Income from:							
Donations	2	763	1	764	559	2	561
Legacies	2	122	(5)	117	245	71	316
Grants	2	-	-	-	-	-	-
		885	(4)	881	804	73	877
Other trading activities		-	-	-	-	-	-
Investments	7	55	-	55	30	8	38
Total income		940	(4)	936	834	81	915
Expenditure on:							
<i>Raising funds:</i>							
Other trading costs	3	(191)	-	(191)	(2)	-	(2)
Investment management costs	3	(2)	-	(2)	-	-	-
Charitable activities	4	(551)	(109)	(660)	(696)	(422)	(1,118)
				-			-
Total expenditure		(744)	(109)	(853)	(698)	(422)	(1,120)
Gains on investments	6	288	-	288	(75)	14	(61)
Net movement in funds		484	(113)	371	61	(327)	(266)
Fund balances brought forward		3,944	556	4,500	3,883	883	4,766
Fund balances carried forward		4,428	443	4,871	3,944	556	4,500

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 2024

Balance Sheet as at 31 March 2024

	Note	2024		2023	
		£'000	£'000	£'000	£'000
Fixed Assets					
Investments	6	4,031		3,734	
			4,031		3,734
Current Assets					
Debtors	8	333		616	
Cash at Bank and in Hand	8	1,706		1,203	
		2,038		1,819	
Creditors: Amounts Falling Due Within One Year	9	(1,199)		(1,053)	
Net Current Assets			840		766
Total Assets Less Current Liabilities			4,871		4,500
Total Net Assets			4,871		4,500
Funds of the Charity					
Restricted Income Funds	10		443		556
Designated Income Funds	10		4,017		3,653
General Income Funds	10		411		291
Total Charity Funds			4,871		4,500

The annual accounts on pages 15 to 29 were approved and authorised for issue by the Corporate Trustee and signed on its behalf by Steve Erskine.

Signed:

Date: 4th December 2024

**Hampshire Hospitals Charity – Annual Report and Accounts
for the year ended 31 March 2024**

Statement of Cash Flows for the year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
Cash inflow from operating activities:			
Net cash provided by (used in) operating activities	A	448	76
Cash inflow from investing activities:			
Dividends and interest from investments		55	38
Proceeds from the disposal of investments		63	124
Purchase of investments		(63)	(85)
Net cash provided by (used in) investing activities		55	77
Change in cash and cash equivalents in the year		503	153
Cash and cash equivalents at 1 April 2023	B	1,203	1,050
Cash and cash equivalents at 31 March 2024	B	1,706	1,203

Notes to the cash flow statement for the year to 31 March 2024

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

	2024 £'000	2023 £'000
Net movement in funds (as per the statement of financial activities)	372	(266)
Adjustments for:		
(Gains) losses on investments	(288)	61
Dividends and interest from investments	(55)	(37)
Foreign Exchange Gain	(9)	32
(Increase) decrease in debtors	282	(147)
Increase (decrease) in creditors	146	433
Net cash provided by (used in) operating activities	448	76

B Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	1,706	1,203
Cash held by investment managers	-	-
Total cash and cash equivalents	1,706	1,203

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

Notes to the accounts

1. Accounting Policies

Basis of preparation

These accounts have been prepared for the year to 31 March 2024.

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.

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.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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 been transferred to the Charity.

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.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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.

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

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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 2024

2. Analysis of Donations, Legacies and Grants

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds		Funds	Funds	
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	763	1	764	559	2	561
Legacies	122	(5)	117	244	72	316
	885	(4)	882	803	74	877

A total of £127,000 has been accrued in legacies where the receipt of the legacy is probable and measurable but not yet received. Donations include £192,000 accrued as a donation towards robotic surgery.

No grants were notified or received in the year.

3. Allocation of Support Costs and Overheads

	2024	2023
	Total	Total
	£'000	£'000
Accountancy support	48	48
External audit	13	10
Bank charges	-	1
Software maintenance	7	3
Insurance	3	2
Total support costs	71	64

	2024	2023
	Total	Total
Fundraising costs	191	2
Investment management fee	2	-
Total costs of raising funds	193	2

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

Fundraising costs include a recharge of staff time from HHFT (see note 13), other fundraising expenses and investment management fees. All costs of raising funds are allocated against unrestricted funds.

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.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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.

	2024			2023		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Patients' welfare and amenities	159	57	216	182	196	378
Staff welfare and education	169	(9)	160	153	208	361
Purchase of clinical equipment	82	23	105	185	6	191
Enhancing patient environment	69	38	107	124	-	124
Support costs	71	-	71	52	12	64
Other expenditure	1	-	1	-	-	-
	<u>551</u>	<u>109</u>	<u>660</u>	<u>696</u>	<u>422</u>	<u>1,118</u>

5. Auditor's Remuneration

The independent auditor's remuneration was £12,900 (2022/23 - £10,000) relating solely to the statutory audit with no other additional work undertaken.

6. Investments

Movement in Fixed Asset Investments

	31 March 2024 £'000	31 March 2023 £'000
Listed Investments		
Market value at 1 April	3,734	3,867
Additions to investments at cost	63	96
Disposals at book value	(100)	(135)
Net unrealised investment gains/(losses)	<u>334</u>	<u>(94)</u>
Market value at 31 March	<u>4,031</u>	<u>3,734</u>
Carrying value at 31 March	<u>4,031</u>	<u>3,734</u>
Historic cost of investments at 31 March	<u>2,247</u>	<u>1,893</u>

At 31 March 2024, all funds are held by two investment companies who have invested the funds in Common Investment Funds and Overseas Hedge Funds.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

Investments held at 31 March 2024 comprised the following:

	31 March 2024 £'000	31 March 2023 £'000
UK common investment funds	1,406	1,265
Overseas hedge funds	2,625	2,469
	<u>4,031</u>	<u>3,734</u>

7. Total Gross Income from Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2024 Total £'000	2023 Total £'000
Return on investments held:				
UK common investment funds	37	-	37	35
Bank interest	18	-	18	3
	<u>55</u>	<u>-</u>	<u>55</u>	<u>38</u>

8. Analysis of Current Assets

Debtors

	31 March 2024 £'000	31 March 2023 £'000
Amounts falling due within one year:		
Prepayments and accrued income	319	584
Other debtors	14	32
Total debtors	<u>333</u>	<u>616</u>

The Charity has accrued income of £127,000 relating to legacies of which it had been notified during the year and met the criteria for recognition but had not been received as at 31 March 2024 (2023 - £317,000 accrued legacies). A further £192,000 is accrued relating to a donation from a private donor towards the robotic surgery fund which was notified in the year and received in 2024/25 (2023: £177,000 accrued donations). The prior year also included accrued NHS Charities Together grant income of £90,000.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

Cash at Bank and in Hand

	31 March 2024 £'000	31 March 2023 £'000
Cash at bank and in hand	<u>1,706</u>	<u>1,203</u>

Cash in hand represented petty cash of £200 (2023 - £200).

9. Analysis of Liabilities

Creditors

	31 March 2024 £'000	31 March 2023 £'000
Amounts falling due within one year:		
Amounts due to related parties	497	198
Other creditors	2	2
Grants payable	685	843
Accruals	15	10
	<u>1,199</u>	<u>1053</u>

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.

All liabilities are unsecured.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

10. Analysis of Charitable Funds

	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfer between funds	Gains and Losses £'000	Balance at 31 March 2024 £'000
Restricted						
Arthritis Research - Legacy I H Spain	94	-	-	-	-	94
Stroke Serv Development Charitable Fund RHCH	234	(4)	(32)	-	-	197
RHCH Staff Benefit	125	-	(61)	-	-	64
RHCH Patient Benefit	36	-	(11)	-	-	25
Covid-19	9	-	(4)	-	-	5
BAME Staff Support	35	-	(9)	-	-	26
Healthier Communities New Models of Care	1	-	-	-	-	1
Hospice Equipment and support	23	-	8	-	-	32
Total restricted funds	556	(4)	(109)	-	-	443
Unrestricted						
Designated funds						
RHCH Chapel	134	-	(3)	-	-	131
UNREALISED GAIN RESERVE	484	-	-	-	-	484
Paediatrics RHCH	41	67	(30)	-	-	78
Magic Wand Appeal	56	1	(4)	-	-	53
Liver	232	31	(10)	-	-	253
Orthopaedic Department General Purposes	516	1	(6)	-	-	511
Oncology Unit (Previously EH Unit or Wessex)	201	37	(58)	-	-	180
Ward C2	83	5	-	-	-	88
Cardiology Education Fund	73	1	(19)	-	-	55
Pseudomyxoma/Colorectal Research	291	77	(17)	-	-	351
Winchester Hospice Fund	120	16	(9)	-	-	127
ROBOTIC SURGERY FUND	423	200	-	-	-	623
BDMDS Basingstoke District Medical Dental Society	0	120	(10)	-	-	110
Other designated	999	127	(153)	-	-	973
Total designated funds	3,653	683	(319)	-	-	4,017
General Funds	291	257	(425)	-	288	411
Total unrestricted funds	3,944	940	(744)	-	288	4,428
Total Funds	4,500	936	(853)	-	288	4,871

Individual unrestricted funds with closing balance over £50,000 have been reported in the table above. All smaller funds are included within other designated and 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 2024

10. Analysis of Charitable Funds (continued)

	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfer between funds	Gains and Losses £'000	Balance at 31 March 2023 £'000
Restricted						
Stroke Services Development Charitable Fund RHCH	242	4	(16)	-	4	234
RHCH Staff Benefit	138	37	(52)	-	2	125
Arthritis Research - Legacy I H Spain	93	1	(2)	-	2	94
Covid-19	154	1	(149)	-	2	8
BAME Staff Support	44	-	(10)	-	1	35
RHCH Patient Benefit	-	36	-	-	-	36
Healthier Communities New Models of Care	30	-	(30)	-	1	1
Hospice Equipment and support	182	1	(162)	-	2	23
Total restricted funds	883	80	(421)	-	14	556
Unrestricted						
Designated funds						
Orthopaedic Department General Purposes	534	8	(36)	-	10	516
Oncology Unit (Previously EH Unit or Wessex)	266	26	(95)	-	4	201
Liver Fund	245	3	(20)	-	4	232
Pseudomyxoma/Colorectal Research	242	82	(38)	-	5	291
Robotic Surgery Fund	220	202	(4)	-	5	423
Winchester Hospice Fund	164	29	(76)	-	3	120
RHCH Chapel	132	1	(2)	-	3	134
Cardiology Education Fund	111	4	(43)	-	1	73
Ward C2	74	10	(3)	-	2	83
Winchester Medical Foundation Charitable Fund	66	1	(41)	-	1	27
Magic Wand Appeal	55	1	(1)	-	1	56
Other designated	1,628	187	(202)	-	(116)	1,497
Total designated funds	3,737	554	(561)	-	(77)	3,653
General Funds	146	279	(136)	-	2	291
Total unrestricted funds	3,883	833	(697)	-	(75)	3,944
Total Funds	4,766	913	(1,118)	-	(61)	4,500

Individual unrestricted funds with closing balance over £50,000 have been reported in the table above. All smaller funds are included within other designated and 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 2024

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.

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

RHCH Patient Benefit - for the benefit of all patients at Winchester Hospital.

Healthier Communities New Models of Care - project to improve health and wellbeing at 'neighbourhood' level by reducing health inequalities.

Hospice Equipment and support – from NHS funds (via the CCG) to support revenue and equipment in hospices.

Designated

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

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).

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

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.

Robotic Surgery Fund - provision of robotic surgery at BNH.

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.

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

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

Ward C2 - 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.

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

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

11. Analysis of Net Assets between Funds

Fund balances as at 31 March 2024 are represented by:

	General Funds £'000	Restricted Funds £'000	2024 Total £'000	General Funds £'000	Restricted Funds £'000	2023 Total £'000
Investments	3,861	170	4,031	3,456	278	3,734
Current Assets	1,649	390	2,039	794	1,025	1,819
Creditors: Amounts falling due within one year	(1,082)	(117)	(1,199)	(306)	(747)	(1,053)
	4,428	443	4,871	3,944	556	4,500

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 £1,031,000 (2023 - £433,000) 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 £497,000 at 31 March 2024 (2023 - £198,000), 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 £3,000 during the year (2022/23 - £1,700).

HHFT has provided fundraising and administrative support for the Charity at a cost of £221,323 (2022/23 - £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. No transactions occurred with the Hampshire Medical Fund during the year.

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. No transactions occurred with the Winchester Hospice during the year.

13. Staff costs

The Charity does not directly employ any individuals but is recharged for staff employed by HHFT who have provided services for the Charity. This included the Head of Charity, the fundraising team and a proportion of the costs of other individuals who provided administrative support. There was no team to recharge in 2023. The average monthly headcount of staff included in the recharge over the year to 31 March 2024 was 6 (2023: nil).

The total amount of £173,000 for the year (2023: £nil) represents a recharge covering applicable salaries and other employment costs, including employer's national insurance and pension costs which are not separately identifiable. None of the recharges related to individual staff emoluments of over £60,000.

The key management personnel comprise the directors of the Corporate Trustee. As disclosed in note 12, no remuneration was paid to these individuals by the Charity.

Hampshire Hospitals Charity

(Registered Charity number 1060133)

Annual Report and Accounts for the year ended 31 March 2024

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

Contents

Trustee's Report	3
Statement of Trustee's responsibilities	11
Independent Auditor's Report	12
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the accounts	18

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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 2024.

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 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 bi-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:

Name	Position in Foundation Trust
Steve Erskine	Chairman
Alex Whitfield	Chief Executive Officer
Lara Alloway	Chief Medical Officer (left 13 th August 2023)
Dr Nick Ward	Interim Chief Medical Officer (left 1 st January 2024)
Ruth Williamson	Chief Medical Officer (from 2 nd January 2024)
Steve West	Chief Financial Officer
Julie Dawes	Chief Nurse
Rupert Goodman	Interim Chief People Officer (left 31 st August 2023)
Tim Powell	Chief People Officer (from 4 th September 2023)
Andy Hyett	Chief Operating Officer
Shirlene Oh	Chief Strategy and Population Health Officer
Ruth Williams	Non-Executive Director
Simon Holmes	Non-Executive Director
Jos Creese	Non-Executive Director
Laks Khangura	Non-Executive Director
Stephen Duckworth	Non-Executive Director
Clancy Murphy	Non-Executive Director
John Deverill	Non-Executive Director
Dominic Arthur	Associate Non-Executive Director

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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 Advisors

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 2024

Main Purpose of the Charity

The trustees shall hold the trust fund upon trust to apply the income to enhance patient care, improving hospital environment, and by increasing the knowledge and welfare of staff who provide care to those patients, or purposes related to the National Health Service elevating hospital healthcare and wellbeing of our local community.

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.

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 3rd party commitment.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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 NHS Charities Together (NHSCT) if the Trust does not respond in a timely manner means that correspondence from NHSCT is regularly reviewed and shared.

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

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 £936,000 (2022/23 £915,000) of which donations of £764,000 (2022/23 £561,000), legacies £117,000 (2022/23 £316,000), grants £nil (2022/23 nil), investment income £55,000 (2022/23 £38,000) and income from charitable activities £nil (2022/23 nil).

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, providing staff and equipment to enhance patients welfare and providing learning and education to increase staff knowledge.

Total expenditure, including support costs, was £853,000 (2022/23 £1,120,000). Charitable expenditure on direct charitable activity was £588,000 (2022/23 £1,118,000). Fundraising costs were £191,000 (2022/23 £2,000) and investment management costs were £2,300 (2022/23 nil).

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

Clinical Equipment £105,000 (2022/23 £191,000)

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

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

- New cold cap machines (£41,000) for Chemotherapy Unit based in Winchester hospital. This is a device that prevents hair loss as a side effect of chemotherapy. Many patients choose to use the cold cap machines during their cancer treatment.
- Therapy treadmill (£22,000). The national stroke guidelines strongly recommend treadmill gait training for patients unable to mobilise post stroke.
- Bilycococon phototherapy lights (£12,000) for Winchester Neonatal Unit. The device is used to help jaundiced newborns without the need for them to stay in hospital. This phototherapy units are ideal as they allow babies to be mobile while receiving the treatment. Lights are returned to the hospital once the therapy is completed.
- 4 x ATOM phototherapy units (£11,000) to help recover jaundiced babies in Winchester Neonatal Unit.
- 2x RP-10 sample preparation system OSNA (£18,000) mixing device to prepare tissue samples for diagnostic testing to replace two existing homogenisers. The equipment has been requested by The Cellular Pathology Department.

Enhancing Patients and Staff Environments £107,000 (2022/23 £124,000)

The most expensive (£37,000) project has been completed for Hampshire Heart Centre (Cardiology and Cardiology Education Fund). The decommissioned space has been restored to create a welfare area, bereavement room, quiet space as well as utility room. The refurbishment has significantly improved the usage of floorspace for the patients, their families as well as hospital staff.

£26,000 has been spent on modernisation and expansion of Outpatient Waiting Area in paediatric care in RHCH (Northbrook/Sophies Place). This project was essential to ensure that critical services can continue for the physical and mental health and wellbeing of young patients.

Further £34,000 has been spent on improving restaurant areas at both Basingstoke and Winchester. Charitable funds were used to refurbish the servery at Basingstoke, purchase comfortable sofas, low tables, seating, plants as well as equipment (self-serve coffee and ice cream machines). By making these improvements, the restaurants have been able to increase their offerings to both staff and visitors.

Also new windows and blinds have been installed in Sherbourne Blue Room (£6,000). The replacement was essential for this room to create fit for purpose space for interviews, patient discharge meetings and patient education session.

Enhancing Patients' Welfare £216,000 (2022/23 £378,000)

£35,000 has been spent on providing Patient Partner Programme together with £22,000 speciality focused patient voice partner.

The charity also purchased this year motorised wheelchairs for all sites for the value of £36,000.

To ensure the best service to the patients £30,000 annual subscription fee has been paid to UpToDate online service that provides evidence based clinical information and recommendation for health care professionals.

As part of the Healthier Communities New Models of Care £30,000 has been committed to increase the Community Builder (Animator) employed in Andover to 2 days a week resulting in coverage across Andover and Basingstoke. A Community Builder (Animator) is a paid member of staff (usually from a third sector organisation) and is focused on engaging the skills, knowledge and talents of citizens living in a community.

£16,000 is committed to provide a non-core post for psychological support for 12 months at Winchester Hospice to help support patients at end of life and those in receipt of palliative care.

Maintenance of fountain in Hospice Garden for the value of £13,000.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

£11,000 is committed to 1.2 WTE band 6 Clinical Nurse Specialists for 12 months, to enable continued service provision and management of patients for chemotherapy and any other systemic anti-cancer therapy (SACT).

£7,000 was spend on Virtual Reality Therapy kit, as well as on 2 electric patient trolleys.

Supporting our Staff to be Even Better £160,000 (2022/23 £361,000)

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 £94,000 was used to enable staff to attend educational programmes to expand their skills and knowledge to do their jobs better.

A total of £67,000 was spent or committed on staff welfare this year. This was spent or committed on providing safe spaces for rest and recuperation, facilities that promote and encourage outdoor breaks and activities, improvements to staff rest areas, wellbeing support, reverse mentoring, staff focus week, the annual people's awards, treats for staff, away days, lockers, Christmas treats, bike doctor clinics, hardship payments and fruit boxes.

Our Future Plans

Looking ahead, following this exciting year after supporting dozens of projects that have delivered improved patient care, helped with staff wellbeing and have contributed towards our vision for a happier, healthier Hampshire 2024-2025 will build on these successes. Our team will be looking to increase donations to be able to help and support more staff, more patients and more families.

We'll be hosting large scale, community specific fundraising events, including the second annual Lions Picnic in Winchester, inaugural Colour Run in Andover and inaugural Penguin Walk in Basingstoke to increase awareness of and donations to the charity. We'll be launching specialist business networking events across the region in collaboration with clinicians from the NHS trust to encourage increased business support for Hampshire Hospitals Charity, in the form of gifts in kind, event sponsorship and philanthropic donations.

Throughout our hospitals in Basingstoke, Winchester and Andover we're going to be encouraging more staff to become Charity Champions to be able to increase participation in fundraising and to empower colleagues to talk confidently about the charity with patients and families when they have questions.

Funding will continue to be raised to support some truly inspirational projects in and around areas of research and innovation to save lives, patient support around hardship such as providing family access to onsite accommodation, children's health including enhancing the environment of our Firvale space to better support our younger patients, staff wellbeing such as funding team building activities, and collaboration with external support groups for staff as well as improving staff areas.

A new charity brand including visual style and tone of voice will be developed and launched during 2024/2025 to improve awareness of and provide a distinctive look and personality to Hampshire Hospitals Charity, contributing towards our ambitious vision for a happier, healthier Hampshire.

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.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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

We are guided throughout our fundraising activity by robust governance and reporting, holding ourselves to the highest standards as required by the Charities Commission and Fundraising Regulator.

Income for the Charity is generated through a variety of routes, including, but not exclusive to, direct donations, Charity organised fundraising activity, legacy giving and investments.

There is a large increase of fundraising costs this year £193,000 (2023: £2,000) due to recruitment of fundraising team with skill set focused on income generation for the full spectrum of fundraising methods. This new function has been created as a response to rising importance, size and needs of the charity and is in line with its strategic goals.

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.

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

	Current Year £'000	Previous Year £'000
Unrestricted Fund Reserves	419	291
Designated Fund Reserves	4,009	3,653
Total	4,428	3,944
Ratio of Reserves to Annual Operating Expenditure	5.21	3.52

The ratio is calculated using the total unrestricted funds over expenditure in the current year. This means that with the current reserves can cover 5.21 times of the charity's yearly expenditure. Trustees review the ratio annually. The ratio has increased this year due to lower levels of charitable funds activities, decrease of 41% compared to previous year.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

The restricted fund balances of £443,000 (2022/23 £556,000) 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 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 £4,009,000 as at 31 March 2024 (2022/23 £3,714,000). There is a further remaining investment held by CCLA Investment Management Limited COIF Charities Investment Fund which was valued at £22,000 as at 31 March 2024 (2022/23 - £20,000).

The investment portfolios held with Partners Capital LLP and Sarasin & Partners LLP have increased in year, as the inflation has settled and economy recovered during 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.

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.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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.



04/12/2024

Steve Erskine (Chairman)

Date



04/12/2024

Alex Whitfield (Trustee)

Date

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

Independent Auditors' 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 2024 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 2024, 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 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:

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

- 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 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

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud.

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.
- 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: 20th December 2024

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 2024**

Statement of Financial Activities for the year ended 31 March 2024

		2024			2023		
	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Income from:							
Donations	2	763	1	764	559	2	561
Legacies	2	122	(5)	117	245	71	316
Grants	2	-	-	-	-	-	-
		885	(4)	881	804	73	877
Other trading activities		-	-	-	-	-	-
Investments	7	55	-	55	30	8	38
Total income		940	(4)	936	834	81	915
Expenditure on:							
<i>Raising funds:</i>							
Other trading costs	3	(191)	-	(191)	(2)	-	(2)
Investment management costs	3	(2)	-	(2)	-	-	-
Charitable activities	4	(551)	(109)	(660)	(696)	(422)	(1,118)
				-			-
Total expenditure		(744)	(109)	(853)	(698)	(422)	(1,120)
Gains on investments	6	288	-	288	(75)	14	(61)
Net movement in funds		484	(113)	371	61	(327)	(266)
Fund balances brought forward		3,944	556	4,500	3,883	883	4,766
Fund balances carried forward		4,428	443	4,871	3,944	556	4,500

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 2024

Balance Sheet as at 31 March 2024

	Note	2024		2023	
		£'000	£'000	£'000	£'000
Fixed Assets					
Investments	6	4,031		3,734	
			4,031		3,734
Current Assets					
Debtors	8	333		616	
Cash at Bank and in Hand	8	1,706		1,203	
		2,038		1,819	
Creditors: Amounts Falling Due Within One Year	9	(1,199)		(1,053)	
Net Current Assets			840		766
Total Assets Less Current Liabilities			4,871		4,500
Total Net Assets			4,871		4,500
Funds of the Charity					
Restricted Income Funds	10		443		556
Designated Income Funds	10		4,017		3,653
General Income Funds	10		411		291
Total Charity Funds			4,871		4,500

The annual accounts on pages 15 to 29 were approved and authorised for issue by the Corporate Trustee and signed on its behalf by Steve Erskine.

Signed:



Date: 4th December 2024

**Hampshire Hospitals Charity – Annual Report and Accounts
for the year ended 31 March 2024**

Statement of Cash Flows for the year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
Cash inflow from operating activities:			
Net cash provided by (used in) operating activities	A	448	76
Cash inflow from investing activities:			
Dividends and interest from investments		55	38
Proceeds from the disposal of investments		63	124
Purchase of investments		(63)	(85)
Net cash provided by (used in) investing activities		55	77
Change in cash and cash equivalents in the year		503	153
Cash and cash equivalents at 1 April 2023	B	1,203	1,050
Cash and cash equivalents at 31 March 2024	B	1,706	1,203

Notes to the cash flow statement for the year to 31 March 2024

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

	2024 £'000	2023 £'000
Net movement in funds (as per the statement of financial activities)	372	(266)
Adjustments for:		
(Gains) losses on investments	(288)	61
Dividends and interest from investments	(55)	(37)
Foreign Exchange Gain	(9)	32
(Increase) decrease in debtors	282	(147)
Increase (decrease) in creditors	146	433
Net cash provided by (used in) operating activities	448	76

B Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	1,706	1,203
Cash held by investment managers	-	-
Total cash and cash equivalents	1,706	1,203

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

Notes to the accounts

1. Accounting Policies

Basis of preparation

These accounts have been prepared for the year to 31 March 2024.

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.

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.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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 been transferred to the Charity.

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.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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.

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

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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 2024

2. Analysis of Donations, Legacies and Grants

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds		Funds	Funds	
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	763	1	764	559	2	561
Legacies	122	(5)	117	244	72	316
	<u>885</u>	<u>(4)</u>	<u>882</u>	<u>803</u>	<u>74</u>	<u>877</u>

A total of £127,000 has been accrued in legacies where the receipt of the legacy is probable and measurable but not yet received. Donations include £192,000 accrued as a donation towards robotic surgery.

No grants were notified or received in the year.

3. Allocation of Support Costs and Overheads

	2024	2023
	Total	Total
	£'000	£'000
Accountancy support	48	48
External audit	13	10
Bank charges	-	1
Software maintenance	7	3
Insurance	3	2
Total support costs	<u>71</u>	<u>64</u>

	2024	2023
	Total	Total
Fundraising costs	191	2
Investment management fee	2	-
Total costs of raising funds	<u>193</u>	<u>2</u>

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

Fundraising costs include a recharge of staff time from HHFT (see note 13), other fundraising expenses and investment management fees. All costs of raising funds are allocated against unrestricted funds.

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.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

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.

	2024			2023		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Patients' welfare and amenities	159	57	216	182	196	378
Staff welfare and education	169	(9)	160	153	208	361
Purchase of clinical equipment	82	23	105	185	6	191
Enhancing patient environment	69	38	107	124	-	124
Support costs	71	-	71	52	12	64
Other expenditure	1	-	1	-	-	-
	551	109	660	696	422	1,118

5. Auditor's Remuneration

The independent auditor's remuneration was £12,900 (2022/23 - £10,000) relating solely to the statutory audit with no other additional work undertaken.

6. Investments

Movement in Fixed Asset Investments

	31 March 2024 £'000	31 March 2023 £'000
Listed Investments		
Market value at 1 April	3,734	3,867
Additions to investments at cost	63	96
Disposals at book value	(100)	(135)
Net unrealised investment gains/(losses)	334	(94)
Market value at 31 March	4,031	3,734
Carrying value at 31 March	4,031	3,734
Historic cost of investments at 31 March	2,247	1,893

At 31 March 2024, all funds are held by two investment companies who have invested the funds in Common Investment Funds and Overseas Hedge Funds.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

Investments held at 31 March 2024 comprised the following:

	31 March 2024 £'000	31 March 2023 £'000
UK common investment funds	1,406	1,265
Overseas hedge funds	2,625	2,469
	<u>4,031</u>	<u>3,734</u>

7. Total Gross Income from Investments

	Unrestricted Funds £'000	Restricted Funds £'000	2024 Total £'000	2023 Total £'000
Return on investments held:				
UK common investment funds	37	-	37	35
Bank interest	18	-	18	3
	<u>55</u>	<u>-</u>	<u>55</u>	<u>38</u>

8. Analysis of Current Assets

Debtors

	31 March 2024 £'000	31 March 2023 £'000
Amounts falling due within one year:		
Prepayments and accrued income	319	584
Other debtors	14	32
Total debtors	<u>333</u>	<u>616</u>

The Charity has accrued income of £127,000 relating to legacies of which it had been notified during the year and met the criteria for recognition but had not been received as at 31 March 2024 (2023 - £317,000 accrued legacies). A further £192,000 is accrued relating to a donation from a private donor towards the robotic surgery fund which was notified in the year and received in 2024/25 (2023: £177,000 accrued donations). The prior year also included accrued NHS Charities Together grant income of £90,000.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

Cash at Bank and in Hand

	31 March 2024 £'000	31 March 2023 £'000
Cash at bank and in hand	<u>1,706</u>	<u>1,203</u>

Cash in hand represented petty cash of £200 (2023 - £200).

9. Analysis of Liabilities

Creditors

	31 March 2024 £'000	31 March 2023 £'000
Amounts falling due within one year:		
Amounts due to related parties	497	198
Other creditors	2	2
Grants payable	685	843
Accruals	15	10
	<u>1,199</u>	<u>1053</u>

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.

All liabilities are unsecured.

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

10. Analysis of Charitable Funds

	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfer between funds	Gains and Losses £'000	Balance at 31 March 2024 £'000
Restricted						
Arthritis Research - Legacy I H Spain	94	-	-	-	-	94
Stroke Serv Development Charitable Fund RHCH	234	(4)	(32)	-	-	197
RHCH Staff Benefit	125	-	(61)	-	-	64
RHCH Patient Benefit	36	-	(11)	-	-	25
Covid-19	9	-	(4)	-	-	5
BAME Staff Support	35	-	(9)	-	-	26
Healthier Communities New Models of Care	1	-	-	-	-	1
Hospice Equipment and support	23	-	8	-	-	32
Total restricted funds	556	(4)	(109)	-	-	443
Unrestricted						
Designated funds						
RHCH Chapel	134	-	(3)	-	-	131
UNREALISED GAIN RESERVE	484	-	-	-	-	484
Paediatrics RHCH	41	67	(30)	-	-	78
Magic Wand Appeal	56	1	(4)	-	-	53
Liver	232	31	(10)	-	-	253
Orthopaedic Department General Purposes	516	1	(6)	-	-	511
Oncology Unit (Previously EH Unit or Wessex)	201	37	(58)	-	-	180
Ward C2	83	5	-	-	-	88
Cardiology Education Fund	73	1	(19)	-	-	55
Pseudomyxoma/Colorectal Research	291	77	(17)	-	-	351
Winchester Hospice Fund	120	16	(9)	-	-	127
ROBOTIC SURGERY FUND	423	200	-	-	-	623
BDMDS Basingstoke District Medical Dental Society	0	120	(10)	-	-	110
Other designated	999	127	(153)	-	-	973
Total designated funds	3,653	683	(319)	-	-	4,017
General Funds	291	257	(425)	-	288	411
Total unrestricted funds	3,944	940	(744)	-	288	4,428
Total Funds	4,500	936	(853)	-	288	4,871

Individual unrestricted funds with closing balance over £50,000 have been reported in the table above. All smaller funds are included within other designated and 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 2024

10. Analysis of Charitable Funds (continued)

	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfer between funds	Gains and Losses £'000	Balance at 31 March 2023 £'000
Restricted						
Stroke Services Development Charitable Fund RHCH	242	4	(16)	-	4	234
RHCH Staff Benefit	138	37	(52)	-	2	125
Arthritis Research - Legacy I H Spain	93	1	(2)	-	2	94
Covid-19	154	1	(149)	-	2	8
BAME Staff Support	44	-	(10)	-	1	35
RHCH Patient Benefit	-	36	-	-	-	36
Healthier Communities New Models of Care	30	-	(30)	-	1	1
Hospice Equipment and support	182	1	(162)	-	2	23
Total restricted funds	883	80	(421)	-	14	556
Unrestricted						
Designated funds						
Orthopaedic Department General Purposes	534	8	(36)	-	10	516
Oncology Unit (Previously EH Unit or Wessex)	266	26	(95)	-	4	201
Liver Fund	245	3	(20)	-	4	232
Pseudomyxoma/Colorectal Research	242	82	(38)	-	5	291
Robotic Surgery Fund	220	202	(4)	-	5	423
Winchester Hospice Fund	164	29	(76)	-	3	120
RHCH Chapel	132	1	(2)	-	3	134
Cardiology Education Fund	111	4	(43)	-	1	73
Ward C2	74	10	(3)	-	2	83
Winchester Medical Foundation Charitable Fund	66	1	(41)	-	1	27
Magic Wand Appeal	55	1	(1)	-	1	56
Other designated	1,628	187	(202)	-	(116)	1,497
Total designated funds	3,737	554	(561)	-	(77)	3,653
General Funds	146	279	(136)	-	2	291
Total unrestricted funds	3,883	833	(697)	-	(75)	3,944
Total Funds	4,766	913	(1,118)	-	(61)	4,500

Individual unrestricted funds with closing balance over £50,000 have been reported in the table above. All smaller funds are included within other designated and 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 2024

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.

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

RHCH Patient Benefit - for the benefit of all patients at Winchester Hospital.

Healthier Communities New Models of Care - project to improve health and wellbeing at 'neighbourhood' level by reducing health inequalities.

Hospice Equipment and support – from NHS funds (via the CCG) to support revenue and equipment in hospices.

Designated

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

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).

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

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.

Robotic Surgery Fund - provision of robotic surgery at BNH.

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.

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

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

Ward C2 - 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.

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

Hampshire Hospitals Charity – Annual Report and Accounts for the year ended 31 March 2024

11. Analysis of Net Assets between Funds

Fund balances as at 31 March 2024 are represented by:

	General Funds £'000	Restricted Funds £'000	2024 Total £'000	General Funds £'000	Restricted Funds £'000	2023 Total £'000
Investments	3,861	170	4,031	3,456	278	3,734
Current Assets	1,649	390	2,039	794	1,025	1,819
Creditors: Amounts falling due within one year	(1,082)	(117)	(1,199)	(306)	(747)	(1,053)
	4,428	443	4,871	3,944	556	4,500

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 £1,031,000 (2023 - £433,000) 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 £497,000 at 31 March 2024 (2023 - £198,000), 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 £3,000 during the year (2022/23 - £1,700).

HHFT has provided fundraising and administrative support for the Charity at a cost of £221,323 (2022/23 - £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. No transactions occurred with the Hampshire Medical Fund during the year.

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. No transactions occurred with the Winchester Hospice during the year.

13. Staff costs

The Charity does not directly employ any individuals but is recharged for staff employed by HHFT who have provided services for the Charity. This included the Head of Charity, the fundraising team and a proportion of the costs of other individuals who provided administrative support. There was no team to recharge in 2023. The average monthly headcount of staff included in the recharge over the year to 31 March 2024 was 6 (2023: nil).

The total amount of £173,000 for the year (2023: £nil) represents a recharge covering applicable salaries and other employment costs, including employer's national insurance and pension costs which are not separately identifiable. None of the recharges related to individual staff emoluments of over £60,000.

The key management personnel comprise the directors of the Corporate Trustee. As disclosed in note 12, no remuneration was paid to these individuals by the Charity.



Hampshire Hospitals Charity Key Audit Findings

For the year ended

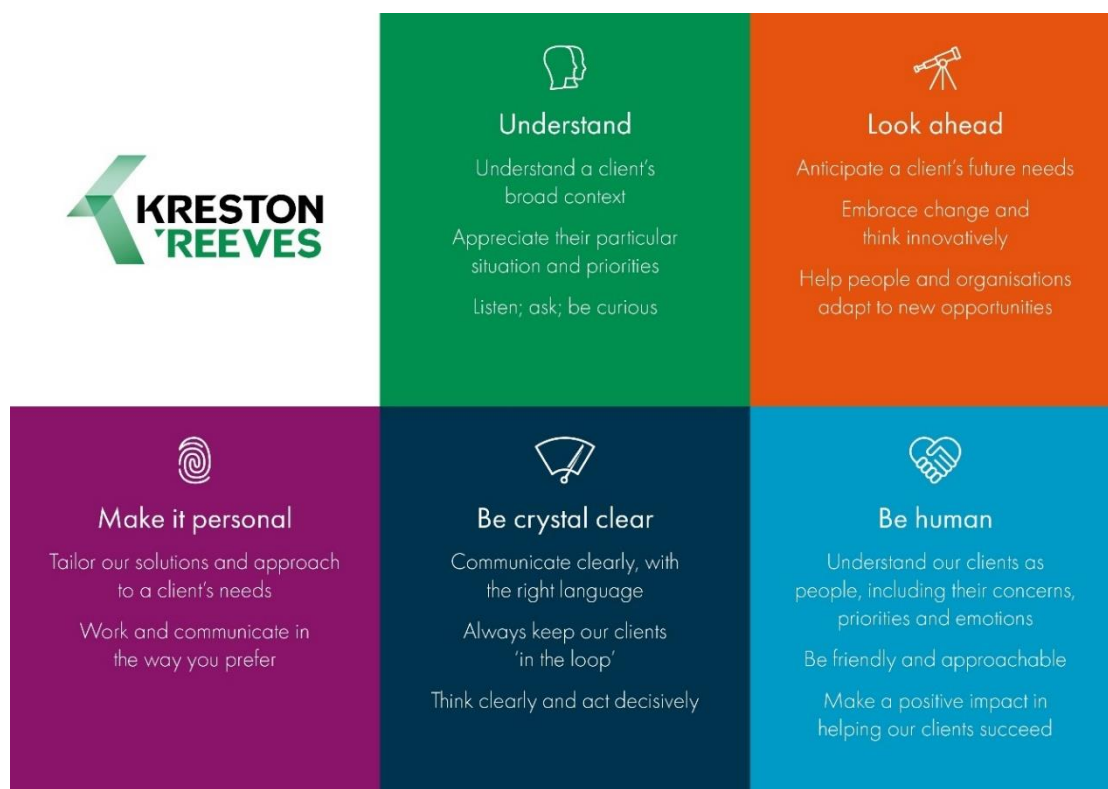
31 March 2024

Our values



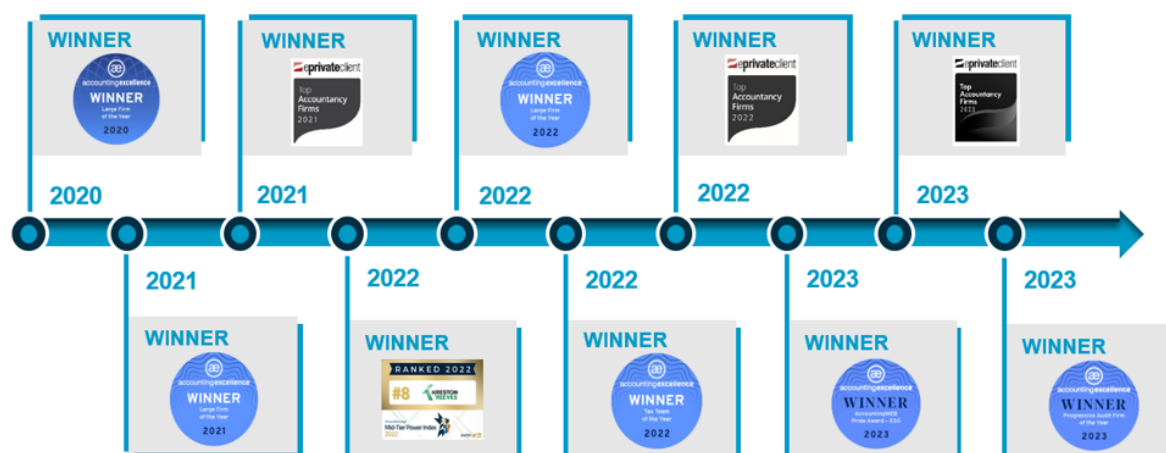
Our values define who we are and how we do things at Kreston Reeves. They reflect our attitudes and behaviours and represent a promise of quality, personal service and commitment to our clients, communities and colleagues.

Collectively and individually we aim to:



Our awards

We are regularly recognised and shortlisted in prestigious national, regional and industry awards. As well as receiving award recognition ourselves, it's important to us to help recognise and award the successes and growth stories of other businesses. We regularly support and sponsor awards such as Kent MegaGrowth and Sussex Top50.



Key Audit Findings For the year ended 31 March 2024

Index

	Page no
1. Introduction and audit summary	1
2. Commentary on results	3
3. Audit report	5
4. Key audit matters	6
5. Misstatements encountered during the audit	6
6. The accounting and internal control systems	7
7. Qualitative aspects of the Charity's accounting practices and financial reporting	9
8. Review of prior year issues	10
9. Other matters relevant to the audit	11

Appendices

Appendix I	- Other matters required by International Standards on Auditing to be communicated to you	13
Appendix II	- Summary of adjusted misstatements	14
Appendix III	- Summary of unadjusted misstatements	15
Appendix IV	- Summary of recommendations regarding the accounting and internal control system	16

Key Audit Findings For the year ended 31 March 2024

1. Introduction and audit summary

The purpose of this report is to bring to your attention our findings from the recent audit carried out on Hampshire Hospitals Charity. We appreciate that you will already be aware of the majority of the matters contained in this report through earlier discussions you will have had with the audit team, but we hope that you will find this report a useful summary of those discussions.

We would like to take this opportunity to thank Magda, Elvira and the rest of your team for the assistance they have provided to us during the course of our audit.

Our audit has given us a unique opportunity to understand your activities and processes. We have used this opportunity to provide you a service that is of real positive benefit to you.

During the course of our audit work this year we have performed the following tasks which we hope that you will have found to have been of benefit.

- We have assisted you with the preparation of the charity's financial statements and the trustees' annual report, ensuring that they comply with all statutory requirements and with accounting standards, including the Statement of Recommended Practice "Accounting and Reporting by Charities". In doing so we have ensured that the Charity has taken advantage of any accounting exemptions available to it so as to avoid any unnecessary over-disclosure of the Charity's affairs that are not required to be published in publicly available financial statements.
- In order to be able to assist you with the preparation of the Charity's financial statements we have highlighted to you misstatements in the accounting records discovered by our audit work, and worked with you to ensure that where material these have been corrected. Further information related to misstatements discovered during our audit are set out in section 5 along with Appendices II and III.
- We have reviewed the accounting policies that you have selected to ensure that they are meeting best practice in accounting for the sector in which the charity operates.
- We have advised you of planned changes in legislation that may be of relevance to you in order that you may prepare for their implementation. These are detailed at Section 7 of this report.
- We have reviewed the Charity's systems of accounting and internal control systems and made recommendations where these can be improved. These are detailed at Section 6 of this report.
- We have considered the Charity's governance and compliance with elements of charity law, suggesting improvements that could be made. These are detailed at Section 9 of this report.

Hampshire Hospitals Charity



Key Audit Findings For the year ended 31 March 2024

Should you have any questions regarding any of the issues raised in this report please contact Simon Webber as the partner responsible for the audit of the charity, or any other member of the audit team, who will be happy to provide further explanations as required.

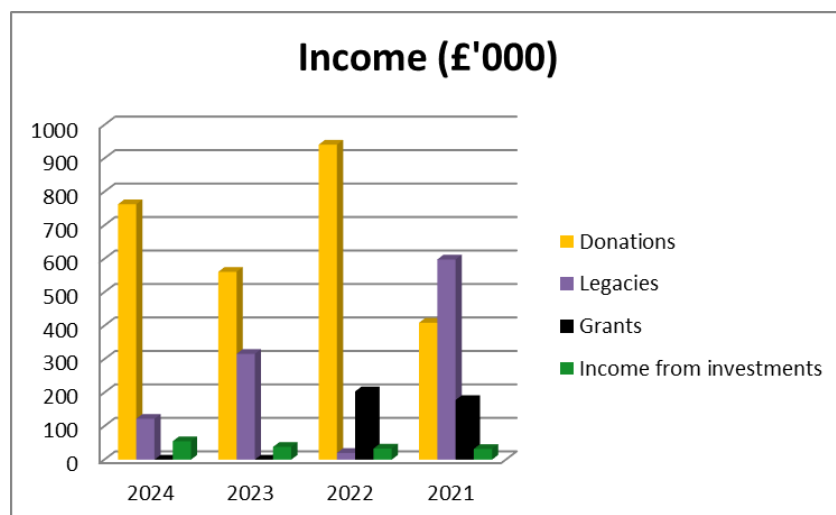
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

October 2024

Key Audit Findings For the year ended 31 March 2024

2. Commentary on results



The Charity's income has increased slightly in the year by £21K from £915K to £936K.

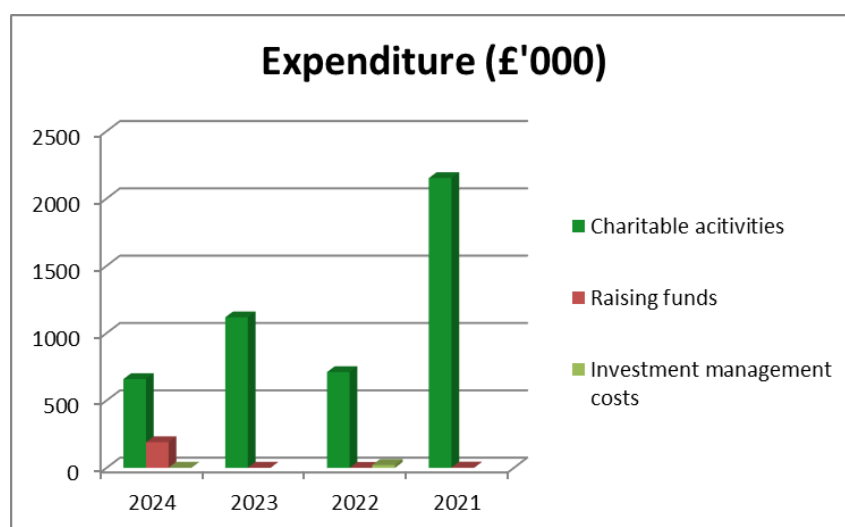
Legacies have fallen significantly from £316K to £117K whilst donations have increased significantly from £561K to £764K. This has resulted in the combined total income from these two streams increasing by £5K from £877K in 2022/23 to £882K in 2023/24, a very small increase.

Legacy income in particular is unpredictable and will fluctuate year on year. The legacy pipeline at the year end was very low with only one significant legacy for £127,000 in accrued income and no other significant bequests notified.

The rise in donations was very strong and reflects the new strategy for the charity to increase its fundraising activity.

There was also a small increase of £25K in income from investments which rose to £55K this year.

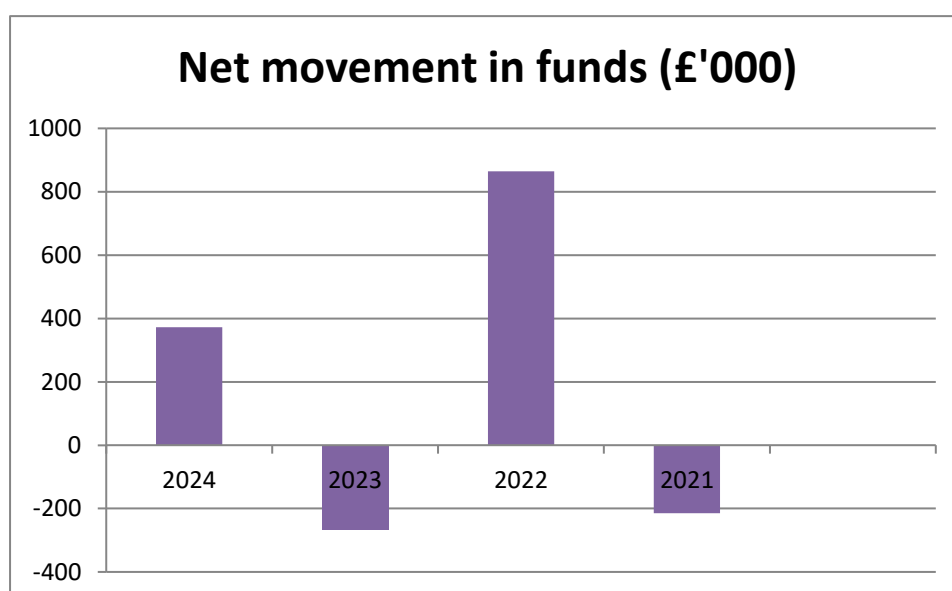
Key Audit Findings For the year ended 31 March 2024



Overall, expenditure has fallen from £1,120K to £852K.

Expenditure on charitable activities at £660K was lower than the prior year spend of £1,118K with grants made across all categories being lower this year. All charitable expenditure categories will fluctuate year on year depending on the grant orders that are received.

Costs of raising funds have significantly increased this year as they now include the recharge of the new Head of Charity and fundraising team from HHFT. These costs are seen as an investment in the new strategy to increase fundraising activity and generate increases across donation and fundraising income streams going forward.



The net movement of funds was a surplus of £372K compared to a deficit in the prior year of £266K. This reflects not only the lower expenditure in the year but also the gains on investments of £288K, compared to the net loss of £61K in the prior year.

Key Audit Findings For the year ended 31 March 2024

3. Audit report

We can confirm that our audit has not revealed any matters which will require modifications to our audit report. Thus at this stage we expect that an unqualified audit opinion will be issued subject to satisfactory resolution of the following:

- Final review of Annual Report and Accounts
- Review of post balance sheet events

Key Audit Findings For the year ended 31 March 2024

4. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of greatest significance in our audit of the financial statements. These include the significant risks of potential material misstatement that we identified during our planning of the audit and had the greatest impact on our overall audit strategy, which we advised you of in the Audit Plan issued to you prior to the commencement of our work.

We can now report to you how our audit addressed these areas of significant risk and the conclusions we formed.

Audit risk identified at the planning stage:	Audit procedures performed:	Assurance gained and issues arising
<ul style="list-style-type: none"> Completeness of income Risk of management override Fund accounting Valuation of Investments Accounting estimates 	<ul style="list-style-type: none"> Income recognition has been tested via substantive testing using a sample. Cut off testing has been performed on legacies. Opening balances and transactions were reviewed for material and unusual items. We tested a sample of donations and legacies to ensure they were correctly designated or restricted in accordance with the donors' wishes. We reviewed the reconciliations between the charity and the investment management reports. For all accounting estimates we considered the level of estimation uncertainty and tested a sample of transactions to ensure the assumptions made are reasonable. 	<ul style="list-style-type: none"> The results of testing enable us to conclude that income is not subject to material misstatement. Cut of testing enabled us to conclude that legacy income is not materially misstated, following the reclassification of a donation from legacies (see section 5) No indication of any issues arising from management override. Our testing showed that income had been allocated to the correct fund per donor's wishes where we were able to confirm this back to documentation. We were able to reconcile management's investment balances to third party reports and can confirm that there are no material variances. Testing completed proved that the balances disclosed within the financial statements are materially correct.

Key Audit Findings For the year ended 31 March 2024

5. Misstatements encountered during the audit

We are required to inform you of any significant misstatements within the financial statements presented for audit that have been discovered during the course of our audit. A number of such misstatements were discovered and following discussions with you and your staff the financial statements have been adjusted accordingly.

Significant misstatements discovered and adjusted for include the following:

- Donation / legacy income classification

A donation was received from Mike Endean and was wrongly classified as a legacy. This has been reclassified as donation income. This does not impact the overall net income position of the charity.

A full summary of adjustments made to the charity's results during the course of the audit, including a reconciliation between your management information and the financial statements, can be found within Appendix II.

You should review these adjustments in order to satisfy yourselves that they have been properly made. Confirmation that you have done so should be communicated to us within the letter of representation.

There were no significant unadjusted misstatements discovered during the course of our audit. This does not include any misstatements discovered during the course of the audit which we consider to be trivial in nature.

Additional disclosures

- Due to the new recharge of staff time in relation to the Head of Charity and fundraising team, we have assisted management in providing the necessary staff costs disclosures required under the Charities SORP where the staff are employed by a related party.

Key Audit Findings For the year ended 31 March 2024

6. The accounting and internal control systems

We can confirm that we have found the charity's accounting and internal control systems to be appropriate to the charity's needs based upon the nature and complexity of your activities and the need for any systems to be cost effective. No matters have come to our attention during our audit to suggest that any serious error has arisen with these systems during the accounting period under review. Thus we believe that the systems can be relied upon to produce financial statements that show a true and fair view.

There is however, one suggestion that we have made regarding the accounting and internal control systems, and this is set out in Appendix IV.

Please note that the purpose of the audit was to enable us to express an opinion on the financial statements. Our audit did include consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in such circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. The matters being reported to you are limited to those deficiencies that we have identified during our audit, which was conducted on a test basis, and that we have concluded are of sufficient importance to merit being reported to you, but this does not represent a comprehensive statement of all weaknesses which may exist in the accounting and internal control systems or of all improvements which may be made. We can only address those matters which have come to our attention as a result of the audit procedures which we have performed.

Key Audit Findings For the year ended 31 March 2024

7. Qualitative aspects of the charity's accounting practices and financial reporting

As part of our audit we have considered and reviewed the Charity's accounting policies with UK Generally Accepted Accounting Practice, including the Statement of Recommended Practice *Accounting and Reporting by Charities* ("the SORP"), and we have not encountered any material departures. In our opinion the accounting policies selected are appropriate to the circumstances of the charity.

Future accounting changes

FRS 102 is subject to a periodic review at least every five years, and the latest periodic review was completed in March 2024. The FRC has published amendments to FRS 102, which details a number of changes and amendments focused on updating accounting requirements to reflect changes in International Financial Reporting Standards ('IFRS'), particularly with respect to revenue and leases.

The key changes are:

- A new Section 23 *Revenue*, based on IFRS 15 *Revenue from Contracts with Customers* and its five-step model for revenue recognition
- A new Section 20 *Leases*, based on IFRS 16 *Leases* which brings most leases onto the balance sheet
- Greater clarity for small entities in the UK applying Section 1A regarding which disclosures need to be provided in order to give a true and fair view

The effective date of these changes is for accounting periods beginning on or after 1 January 2026, with early adoption permissible.

We expect that the Statement of Recommended Practice (SORP) for accounting by Charities will be updated for the same changes, and would take effect from the same date.

These amendments represent significant change, and they will need to be considered in advance of their application. We will be happy to discuss with you, the potential impact on your financial statements.

Key Audit Findings For the year ended 31 March 2024

8. Review of prior year issues

A number of significant issues were reported to you following our audit last year on your financial statements for the year ended 31 March 2023. As part of our audit this year we have reviewed these matters to determine what progress has been made with them and whether they continue to be matters of significance.

Opening balances of Investments

Nature of problem

The opening balances for the Partners Capital Investment nominals had not been posted.

Potential consequences

This had resulted in the nominal ledger not agreeing with the investment reports and hence increases the risk that the accounts are misstated.

Recommendation for corrective action

We recommend that opening balances journals are posted at the beginning of each financial year.

2024 audit response

No issue in the current financial year. RESOLVED

Key Audit Findings For the year ended 31 March 2024

9. Other matters relevant to the audit

Charities Act 2022

The updated Charities Act continues to be implemented. The first tranche of changes came into force on 14 June 2023, which included updates to the following guidance:

- Selling, leasing or otherwise disposing of charity land
- Using permanent endowment
- Charity names

The most recent changes came into force on 7 March 2024 and included updates to the following guidance:

- Making changes to governing documents
- Selling, leasing or otherwise disposing of charity land - additional provisions
- Charity mergers
- Other provisions that have enabled the Commission to authorise a trustee to receive payment for work completed for a charity where it decides it would be inequitable for a trustee not to be paid and for the Commission to confirm defective or potentially defective trustee appointments

If any of these areas impact your charity, we recommend familiarising yourself with the updated guidance to ensure that you remain compliant with the latest Act.

Environmental reporting

Currently, non-large charitable companies (per company size limits) are not required to include environmental reporting within their Trustees' reports, however with a new Charities SORP on the horizon, it is anticipated that this requirement will filter down to smaller charities as part of this update.

The current reporting requirements for those charities caught by the environmental reporting requirements include disclosures in respect of greenhouse gas emissions and energy consumption, along with wider explanations on how the charity impacts the environment and what environmental policies the charity has put in place. In anticipation of these potential changes, charities should start taking action to collate this data, introduce appropriate policies and where possible, limit their environmental impact.

Those charities that act sooner will be the best placed to implement any inevitable changes to the reporting requirements.

Key Audit Findings For the year ended 31 March 2024

Charity governance and financial controls

Trustees are legally required to responsibly manage their charity's resources and ensure accountability at all times. Ultimate responsibility falls on their shoulders, so it's crucial to have clear and robust financial controls in place which are designed and implemented to ensure efficiency and effectiveness. They should give the charity's assets the vital protection they need from both internal and external risk factors.

For all charity trustees there is much to learn and stay on top of. Last year, the Charity Commission published its updated guidance for charities, CC8, which is a good starting point for trustees who need a refresher or for new trustees.

Charities need systems and controls which are reviewed regularly and if your charity hasn't yet carried out a financial systems check, then you can download our checklist to help you to get started [here](#).

Key Audit Findings For the year ended 31 March 2024

Appendix I – Other matters required by International Standards on Auditing to be communicated to you

Audit report – further information

Our audit report contains details of the scope of the audit of the financial statements conducted in accordance with legislative requirements and International Standards on Auditing. Further information on the scope of the audit is set out on the website of the Financial Reporting Council and can be found using the following link:

<https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

The original audit report will be signed by Simon Webber, being the Senior Statutory Auditor for this assignment, for and on behalf of Kreston Reeves LLP. The financial statements incorporating the original audit report should be retained with the Charity's other permanent documents. Copies of the financial statements that require a signed audit report, including for filing with the Charities Commission, will be signed as Kreston Reeves LLP as the statutory auditor.

Our audit report has been drafted in accordance with International Standards on Auditing and the latest guidance from the Financial Reporting Council and our Institute. This involves the inclusion of a paragraph which clarifies what our responsibilities as auditors are. It does not affect our responsibilities to the charity or yourselves, nor does it mean we would be unwilling to accept responsibility to any third parties, providing that our specific agreement to do so is obtained beforehand.

Independence

We can confirm that we have re-evaluated our firm's independence in connection with the audit and can confirm that we are not aware of any factors affecting our independence or objectivity and thus our ability to continue to act as auditor of the charity.

Letter of representation

Before we can complete our audit we require from you a letter of representation on your headed notepaper. A draft version of such a letter accompanies this Memorandum. The letter will provide us with additional evidence in areas where we have relied upon representations from staff members during the audit. We suggest that this letter is signed by a representative member of the Board of Trustees and that you make your own enquiries of staff to verify that you support the representations that have been made.

Liability

This report has been drafted solely to report to you as trustees matters in relation to our audit. It has not been drafted with any third parties in mind and thus must not be disclosed to a third party, or quoted or referred to, without our written consent. We do not accept responsibility to any third party in respect of our audit or this report.

Hampshire Hospitals Charity



Key Audit Findings For the year ended 31 March 2024

Appendix II - Summary of adjusted misstatements

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)
Net Income (Loss) Before Adjustments							371,756
1	31/03/2024	Income	6701			191,875	
1	31/03/2024	Income	6702		191,875		
To reclassify the donation from Mike Endean from legacies to donations					191,875	191,875	371,756
					191,875	191,875	371,756

For further details of the significant adjustments that have been made to the financial statements during the audit see Section 5.

Hampshire Hospitals Charity

Key Audit Findings For the year ended 31 March 2024



Appendix III - Summary of unadjusted misstatements

There were no significant unadjusted misstatements discovered during the audit.

Key Audit Findings For the year ended 31 March 2024

Appendix IV – Summary of recommendations regarding the accounting and internal control system

In order to assist management in using this report, we categorise our recommendations according to their level of importance:

- | | |
|---------------------|--|
| Importance 1 | Major issues for the attention of senior management/potential significant implications for the charity |
| Importance 2 | Other recommendations to be dealt with |
| Importance 3 | Minor points representing best practice |

Recommendation 1

Nature of problem

During our testing of bids recorded on the charitable funds spreadsheet 2024/25, we identified that there were three of these bids which had been accrued into 2023/24.

Whilst the amounts in question were trivial both individually and in aggregate (£679), we would have expected them to have only been accrued if they related to bids approved pre year end and would therefore be included on the 2023/24 charitable funds spreadsheet. It was identified that the two invoices and one hardship application were dated pre year end but only one of the three bid forms were approved pre year end.

Potential consequences

Whilst these items were trivial, recognition of larger bids on invoice before they are approved, could result in an overstatement of accruals and expenditure.

Recommendation for corrective action

We recommend that bids are only accrued when the bid approval date is before the year end and the bid is recorded on the correct charitable funds spreadsheet.

Management response

The charity recognises that the process of receiving and recording approved charitable funds applications is manual and can result in human error. The finance team have introduced additional checks and reviews of the spreadsheet used for recording all approved charitable applications ensuring year end cut off. The charity is also exploring options of implementing automated process for approval of charitable funds applications and accounting of committed funds using a software package. This will allow live tracking of the approval process and ensure accounting entries post application approval.

Hampshire Hospitals Charity

Key Audit Findings

For the year ended 31 March 2024





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