

Charitable Fund Accounts

Trust Board Meeting - Part 1	Item: 10.2
29th January 2014	Enclosure: S
Purpose of the Report:	
To seek the Board's approval of the Charitable Trust Funds Annual Report and Accounts and associated documents.	
FOR: Information <input type="checkbox"/> Assurance <input type="checkbox"/> Discussion and input <input type="checkbox"/> Decision/approval <input checked="" type="checkbox"/>	
Sponsor (Executive Lead):	Simon Milligan, Director of Finance and Information
Author:	Simon Milligan, Director of Finance and Information
Author Contact Details:	simon.milligan@kingstonhospital.nhs.uk
Risk Implications – Link to Assurance Framework or Corporate Risk Register:	None
Link to Relevant Corporate Objective:	Compliance with statutory duty to submit a Trustee's Annual Report & Accounts and Annual Return to the Charity Commission by 31 January 2014.
Document Previously Considered By:	Charitable Trust Funds Committee on the 22 October 2013
Recommendation & Action required by the Trust Board :	
The Board acting as Corporate Trustee is asked to approve the appendices below:	
<ul style="list-style-type: none"> • Appendix 1 - Trustee's Annual Report & Accounts 2012-13 • Appendix 2 - Audit opinion • Appendix 3 - ISA 240: Fraud Arrangements & ISA 250: Laws & Regulations 2012-13 • Appendix 4 - Going Concern Declaration 2012-13 • Appendix 5 – Letter of Representation 	

Kingston Hospital NHS Trust General Charitable Fund – Trustee’s Annual Report & Accounts 2012-13

Background

The Trust Board acts as corporate trustee for the Kingston Hospital NHS Foundation Trust General Charitable Fund Audit. This paper presents the Annual Report and Accounts and related documents which require adoption by the Trust Board. Grant Thornton has advised that because of the level of income in the year the Fund requires a full audit for 2012-13.

At the time of writing the draft Auditors’ Report has been received and no concerns have been raised that would stop the signing of the Report.

The Annual Report and Accounts were reviewed at the Charitable Funds Committee on 22 October. Since then the Audit took place as planned and Grant Thornton have issued an audit opinion. There are no unadjusted audit recommendations. However, we have made changes to the value of £195k to adjust expenditure. Accrued expenditure on the Statement of Financial Activities was misstated by £189k (charitable activities). In addition, the cost of generating voluntary income was misstated by £6k. As a result, the Net Incoming Resources before Transfers increased to £1,129k and the Total Funds Carried Forward increased to £3,166k.

The Going Concern Declaration 2012-13 and paper on ISA 240: Fraud Arrangements & ISA 250: Laws & Regulations 2012-13 are also included for formal approval. The annual accounts have been prepared on the going concern basis.

A meeting is set up for 22 January with Michael Jennings (Chair of the Charitable Funds Committee) to review the papers. A review of the papers with Joan Mulcahy (Chair of the Audit Committee) is also planned. The documents that need to be approved are set out in the appendices below:

- Appendix 1 - Trustee’s Annual Report & Accounts 2012-13
- Appendix 2 - Audit opinion
- Appendix 3 - ISA 240: Fraud Arrangements & ISA 250: Laws & Regulations 2012-13
- Appendix 4 - Going Concern Declaration 2012-13
- Appendix 5 – Letter of Representation

Once approved by Trust Board, the various documents will be signed and the Trustee’s Annual Report & Accounts 2012-13 submitted to the Audit Commission by the statutory deadline of 31 January 2014.

Recommendations

The Board acting as Corporate Trustee is asked to approve the appendices above.



Trustee's Annual Report & Accounts 2012-13



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Reference & Administrative Information

Corporate Trustee

The Corporate Trustee is Kingston Hospital NHS Foundation Trust

Directors of the Corporate Trustee

The Directors of the Corporate Trustee during the financial year were as follows:

Adrian Clark	Non-Executive Director (from September 2012)
Duncan Burton	Director of Nursing & Patient Experience (from February 2013)
Rachel Benton	Commercial Director (now Director of Strategic Development)
David Grantham	Director of Workforce & Organisational Development
Kate Grimes	Chief Executive
Nicola Hunt	Productivity Director (from February 2013)
Candace Imison	Non-Executive Director
Michael Jennings	Non-Executive Director
Simon Milligan	Director of Finance
Joan Mulcahy	Non-Executive Director
Jenny Parr	Director of Nursing & Patient Experience (to 29 January 2013)
Ian Reynolds	Chairman
Jon Schick	Productivity Director (to January 2013)
Cherill Scott	Non-Executive Director (to 30 April 2012)
Sarah Tedford	Chief Operating Officer
Jacqueline Unsworth	Non-Executive Director
Jane Wilson	Medical Director

Trust & Charitable Funds Committee Membership

Kate Grimes	Chief Executive
Michael Jennings	Non-Executive Director – Chair of the Committee
Serge Lourie	Non-voting Member
Simon Milligan	Director of Finance
Ian Reynolds	Chairman of the Trust Board (to 31 August 2013)
Sian Bates	Chairman of the Trust Board (from 01 September 2013)

Charity Number

1056510

Principal Office

Kingston Hospital NHS Foundation Trust
Galsworthy Road
Kingston upon Thames
Surrey
KT2 7QB

Constituent Charity Registrations

1056510-1: V A W Holton Research Fund

1056510-2: Kingston Hospital Born Too Soon Fund

1056510-3: Kingston Hospital Cancer Unit Appeal

Auditors

Grant Thornton

Grant Thornton House

Melton Street, Euston

LONDON

NW1 2EP

Bankers

Barclays Bank plc

Kingston & Wimbledon Business Centre

PO Box 385

Onslow Hall

The Little Green

Richmond

Surrey

TW9 1WB

Citibank N.A.

London Branch

25 Canada Square

Canary Wharf

London

E14 5LB

Solicitors

Capsticks

1 St George's Road

Wimbledon

London

SW19 4DR

Investment Managers

CCLA Investment Management Limited

80 Cheapside

London

EC2V 6DZ



The Trustee presents its annual report and accounts of the charity for the year ended 31 March 2013. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2005.

Structure, Governance and Management

The General Charitable Fund is a registered charity, number 1056510, and is constituted under a trust deed dated 29 May 1996.

The Fund has three Constituent Charity Registrations with the Charity Commission, as follows:

- 1056510-1: V A W Holton Research Fund – governed by a will dated 10 September 1979;
- 1056510-2: Kingston Hospital Born To Soon Fund – governed by a declaration of trust dated 12 November 1996; and,
- 1056510-3: Kingston Hospital Cancer Unit Appeal – governed by a declaration of trust dated 29 June 2000 as amended by resolution dated 4 October 2000.

The Corporate Trustee was granted Foundation Trust status on the 1st of May 2013, its new official name changed to Kingston Hospital NHS Foundation Trust. As a corporate trustee the duties of the trustee are discharged by the Board of Kingston Hospital NHS Foundation Trust acting as a Board.

The Board delegates operational decisions to a sub-committee of the Board, the Trust & Charitable Funds Committee, which meets four times a year. Voting members of the Committee are appointed by the Board from the membership of the Board and consist of:

- A Non Executive Director or Associate Non Executive Director as Chair;
- The Trust Chief Executive;
- The Trust Director of Finance; and,

- One other Non Executive Director.

The Committee may appoint up to two non-voting members with charitable funds experience. The Committee may invite any hospital manager or fund-holder or professional advisor to attend a Committee meeting, as it sees fit.

The approved minutes of the Committee are presented to the Trust Board, and matters requiring consideration by the Trust Board as Corporate Trustee or that the Trustee should be aware of, are reported by the Chair to the next meeting of the Trust Board.

Each sub-fund within the overall fund has a designated fund-holder, who has authority to sign off expenditure up to a defined limit. The Charitable Fund Committee makes all decisions on purchases or grants requiring a business case.

The day to day policies and procedures for the operation of the Fund are the same as those for Kingston Hospital NHS Foundation Trust. The Trust provides general accounting, procurement and accounts payable services to the Fund, as well as a payroll and human resources services for directly employed staff. Compliance with those policies and procedures is reviewed as part of the trust wide annual internal audit programme.

Risk Management

The Trustee is legally required to minimise any risks to the Fund. It is required to ensure that activities undertaken do not jeopardise the reputation of either the Fund or the Trust. All potential risks are formally identified, recorded and reviewed in accordance with the risk management policy and procedures in place across the Trust.

Objectives and Activities

The Trustee confirms it has complied with the duty in Section 4 of the Charities Act 2006 to have due regard for the Charity Commission's general guidance on public benefit.

The objective of the Fund is: *'for any charitable purpose or purposes relating to the National Health Service, wholly or mainly for the service provided by Kingston Hospital NHS Foundation Trust'*.

The Trustee ensures that this objective is carried out for the public benefit by undertaking the following activities:

- The provision of facilities and purchase of medical and/or clinical equipment for use by Kingston Hospital NHS Foundation Trust;
- Supporting research into, and development of, treatments; and,
- Expenditure for the benefit of patients, their families and staff of the hospital.

The Fund also has three Constituent Charity Registrations, each of which has a restricted set of objectives, as follows:

- V A W Holton Research Fund: *'for the purposes of any research carried on at the Kingston upon Thames hospital'*;
- Kingston Hospital Born Too Soon Fund: *'for any charitable purpose or purposes to provide facilities for treatment of premature babies'*; and,
- Kingston Hospital Cancer Unit Appeal: *'for the relief of sickness by the provision of a new cancer unit at Kingston Hospital NHS Foundation Trust and the upkeep and maintenance of this unit'*.

The Fund is set up to benefit the patients, families and staff of Kingston Hospital. Expenditure is structured to ensure that the money raised is used to best effect to support the hospital's work and is in line with donor's wishes and the Fund's objective.

The Fund does not provide facilities or equipment direct to the public but provides facilities and equipment for the hospital and, in so doing, for the patients, their families and staff of the hospital.

Grants made to the hospital do not focus on the income of patients or their families but provide a benefit to any patient requiring the service of the hospital, which are available to all entitled to NHS treatment based on need.

Achievements and Performance

The Fund is set up to benefit patients, their families and carers, and staff development at Kingston Hospital. Using donations and legacies gratefully received, the Fund makes grants for extra equipment, facilities, and training to improve treatment and care of patients in the Hospital, in line with donors' wishes.

Following approval at the end of 2010-11, the Fund spent £502,000 in 2011-12 on the redevelopment of the Maple Centre to provide an enlarged and improved staff nursery facility, and £17,000 for equipment for the expanded nursery. In addition the nursery now has facilities for 0 to 2 year olds, something that was not possible to provide previously. As a result of this substantial charitable funds investment the Trust is able to attract and retain staff which helps maintain the quality of care for patients. This facility currently benefits staff returning from maternity leave.

- The Fund also made a grant of £22,000 for medical simulation training equipment for junior doctors and other clinical staff, and another grant of £64,000 for the Releasing Time to Care programme.

This has more than doubled the amount of time nurses are able to spend on direct patient care, provided better information at the bedside and for the ward as a whole, and improved patient dignity and privacy.

Other grants included ones for Obstetrics Ultrasound, and additional equipment in Maternity, Radiology, and Anaesthetics. It has also provided the remainder of the pump-priming funding of Domestic Violence Service run by Victim Support.

The Fund has also financed TV screens to be put up in all the main public waiting areas in the Hospital, to provide information for patients, families and carers; and has plans to fund improved seating in patients' areas and visitors' rooms.

Finally the Fund has decided to start active fund-raising again, and plans to appoint a charitable fund-raiser to attract new donations and legacies to finance more enhancements to the Hospital and improve further the experience of all those who come to Kingston for treatment.

Born Too Soon

Through the year Born Too Soon continued to actively fundraise and provide support to families with small preterm babies and unwell new-born infants cared for on the Neonatal Unit, together with purchasing equipment for the Unit.

The charity continues to have a high profile in the local community, and during the year was the chosen charity of:

- Hinchley Wood Secondary School;
- Lowther School;
- Milbourne Lodge;
- Morris Dancers Kingston;
- Sainsbury's Eden Street, Kingston;
- The Lady's and Men's Captains of The Richmond Golf Club;
- The Mayor of The Royal Borough of Kingston upon Thames;
- The staff of Nikon (UK) head office;
- The Stage Golfing Society, based at Richmond Golf Club. (We have been the chosen charity for the past 27 years); and,
- London Wasps – John Hart Richard Birkett Testimonial Year

Donations continue to be the largest source of receipts, many as the result of individual fundraising activities undertaken by families who have benefitted from the facilities of the Unit. In total fundraising and donations generated £104,000 of income in the year.

Regular annual events such as The Graduates party, The Dragonboat Race on the River Thames and the Celebrity Golf Day at The Richmond Golf Club continue to raise the profile of the charity in the local community.

Talks and presentations to local businesses, schools, colleges and universities about the roles of the Neonatal Unit and the support offered by Born Too Soon promotes the important work provided by the charity.

Support to families was provided through the work of the full time member of staff employed by the fund and through the provision of clothing, photographs and other items, which often parents don't have time to think about or obtain when a child is critically ill.

Equipment purchased and commitments to purchase for the Unit included pulseoximeters, baby bed-warmers, paediatric ventilators and a range of smaller items.

Cancer Unit Appeal

The appeal continued to raise money in support of the Sir William Rous Cancer Unit.

The largest source of income continues to be donations received as a result of the twice yearly newsletter. Over 6,000 supporters of the original campaign receive the newsletter, which generated just over £60,000 of donations in the year. In addition, just over £11,000 was raised by local fundraising, and £11,000 from personal donations. Together with legacies totalling £15,000, and other donations and fundraising, total income for the year was just under £99,000.

Financial Review

Incoming resources increased significantly this year to £1,858,000 (2011-12: £336,000). This

was largely driven by a number of legacies received by the Trust.

Expenditure on running costs and income generation was slightly lower in 2012-13, at £618,000 (2011-12: £793,000). £82,000 (2011-12: £81,000) related to income generation and £29,000 (2011-12: £29,000) related to administration and audit costs.

As described above, expenditure on charitable activities was lower than last year at £618,000 (2011-12: £793,000). The funding of the redevelopment of the Maple Centre as a staff nursery was a major commitment for the Fund. It will benefit staff (and as a result patients), for years to come.

Investment Policy

Investment income continued at a very low level, due to the Bank of England base rates remaining at record low levels. The Trustee has, for the time being, taken the decision, having suffered capital losses in the past due to volatility in investment markets, to maintain all its reserves in cash or near cash investments, aiming to maximise investment returns whilst protecting the capital value

Funds and Reserves

The Trustee reviews the level of free reserves required on an annual basis, in line with the guidance issued by the Charity Commission. The Trustee recognises the need to ensure that the reserves held enable financial stability, are adequate to meet working capital requirements and can safeguard the Fund's current commitments against fluctuations in income levels. Specifically, the Trustee wishes to ensure that sufficient unrestricted reserves are available to ensure that operations can continue over the short term, particularly in the current uncertain climate. The aim is to allow adequate time for a revised strategy to be put in place should the need arise.

For 2012-13 the target was to maintain unrestricted reserves of no less than £250,000, taking account of agreed funding commitments. Unrestricted cash reserves at the end of the year totalled £451,000.

The Fund has a number of types of fund available to deliver its activities:

Permanent Endowment

These are funds where the capital amount is protected, and may not be spent. The revenue generated from investing the capital can be utilised for the purposes of the charity, subject to any restrictions placed by the original bequest. The Fund has one such fund:

- V A W Holton Research Fund.

Restricted

These are funds subject to specific restrictions imposed by donors which fall within the wider objectives of the charity. At the start of the financial year the Fund had ten such funds:

- Cancer Unit Maintenance Fund: a single donation to establish a maintenance fund for the Sir William Rous Cancer Unit;
- Cancer Research: 'to be used for research into cancer';
- I C Lewis – Nursing Research: 'to provide bursaries for awards to encourage research and training by nurses';
- Mrs A B Grubb – Research: 'capital and income to be used for research purposes';
- Orthopaedic Equipment: 'to be used to purchase orthopaedic equipment';
- Urology Equipment: 'to be spent on urology equipment'; and,
- V A W Holton – Research: 'income derived from the permanent endowment to be used for research'.
- Kingston Hospital Born Too Soon Fund: 'for any charitable purpose or purposes to provide facilities for treatment of premature babies'; and,

- Kingston Hospital Cancer Unit Appeal: 'for the relief of sickness by the provision of a new cancer unit at Kingston Hospital NHS Foundation Trust and the upkeep and maintenance of this unit'.
- Kingston Hospital Cancer Legacy Fund: 'for the relief of sickness by the provision of a new cancer unit at Kingston Hospital NHS Foundation Trust and the upkeep and maintenance of this unit using substantial legacies received'.

Unrestricted

Unrestricted funds are expendable at the discretion of the Trustee in furtherance of the charitable objective. If part of an unrestricted fund is earmarked for a particular project or purpose it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the Trustee's discretion to apply the fund.

At the year end the Fund had 20 designated funds, besides the general (unrestricted) fund.

Plans for Future Periods

The Fund is continuing to investigate how it can best support the Trust in its development plans and aspirations to achieve Foundation Trust status (subsequently achieved on 1 May 2013) and continues to support requests for equipment purchases both large and small.

Following a number of years building up available funds a programme of equipment purchases in support of the Neonatal Unit was agreed to commence in 2012-13, utilising available funds within the Born Too Soon fund. Active fundraising continues to replenish the fund, so that further support can be provided in future years.

It is the intention of the Trustee to decrease over time the level of funds held, by identifying appropriate expenditure across the hospital that the Fund can support.

Following consideration of the HM Treasury appointed Review Group reports and discussions at the Financial Reporting Advisory Board, the Relevant Authorities within central government and the NHS have decided to apply IAS 27 to NHS Organisations in respect of linked charitable trusts from 1 April 2013.

The requirement to prepare group accounts by an NHS body, which consolidates a related NHS charity, is a separate and distinct duty from those of the corporate body when acting as managing trustee. As managing trustee, the corporate trustee is subject to the separate reporting requirements of the Charities Act 2011 and the charities SORP.



Annual Accounts

Statement of Trustee's Responsibilities in respect of the Accounts

The Trustee is responsible for preparing the Trustee's Annual Report and 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 incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;
- Make judgements and estimates which 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 business.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It 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(s).

The Trustee confirms to the best of its knowledge and belief it has complied with the above requirements in preparing the accounts.

By order of the Trustee

Sian Bates

Chairman

29 January 2014

Simon Milligan

Director of Finance

29 January 2014

Independent auditor's report to the trustee of Kingston Hospital NHS Trust General Charitable Fund

We have audited the financial statements of Kingston Hospital NHS Trust General Charitable Fund for the year ended 31 March 2013 which comprise the statement of financial activities, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 149 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2013, 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.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Grant Thornton House, Melton Street, Euston Square, London, NW1 2EP

Date:

Statement of Financial Activities for the Year Ended 31 March 2013

	Note	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2012-13 Total £000	2011-12 Total £000
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary Income	2.1	267	1,552	0	1,819	327
Activities for Generating Funds	2.2	3	24	0	27	27
Investment Income		6	6	0	12	12
Total Incoming Resources from Generating Funds		276	1,582	0	1,858	366
Incoming Resources from Charitable Activities		0	0	0	0	0
Total Incoming Resources		276	1,582	0	1,858	336
Resources Expended						
Costs of Generating Funds						
Costs of Generating Voluntary Income	3.1	(1)	(25)	0	(26)	(27)
Costs of Activities for Generating Funds	3.2	(0)	(56)	0	(56)	(54)
Fundraising Trading: Cost of Goods Sold and Other Costs		0	0	0	0	0
Investment Management Costs		0	0	0	0	0
Total Costs of Generating Funds		(1)	(81)	0	(82)	(81)
Charitable Activities	4	(511)	(107)	0	(618)	(793)
Governance Costs	5	(22)	(7)	0	(29)	(29)
Other Resources Expended		0	0	0	0	0
Total Resources Expended		(534)	(195)	0	(729)	(903)
Net Incoming Resources before Transfers		(258)	1,387	0	1,129	(537)
Net Incoming Resources before Other Recognised Gains and Losses		(258)	1,387	0	1,129	(537)
Other Recognised Gains and Losses						
Gains on Revaluation of Fixed Assets for Own Use		0	0	0	0	0
Gains/Losses on Investment Assets		0	0	0	0	0
Net Movement in Funds	12	(258)	1,387	0	1,129	(537)
Total Funds Brought Forward	12	988	992	57	2,037	2,574
Total Funds Carried Forward	12	730	2,379	57	3,166	2,037

The notes on pages 17 to 23 form part of these accounts.

Note: All operations are continuing

ANNUAL ACCOUNTS

Balance Sheet as at 31 March 2013

	Note	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2012-13 Total £000	2011-12 Total £000
Fixed Assets						
Intangible Assets		0	0	0	0	0
Tangible Assets		0	0	0	0	0
Heritage Assets		0	0	0	0	0
Investments		0	0	0	0	0
Total Fixed Assets		0	0	0	0	0
Current Assets						
Stocks and Work-in-Progress		0	0	0	0	0
Debtors	9	27	1,121	0	1,148	122
Investments		515	793	57	1,365	1,365
Cash at Bank and in Hand		451	495	0	946	782
Total Current Assets		993	2,409	57	3,459	2,269
Creditors: amounts falling due within one year	10	(263)	(30)	0	(293)	(232)
Net Current Assets		730	2,379	57	3,166	2,037
Total Assets less Current Liabilities		730	2,379	57	3,166	2,037
Creditors: amounts falling due after more than one year		0	0	0	0	0
Provisions for Liabilities and Charges		0	0	0	0	0
Net Assets excluding Pension Asset/Liability		730	2,379	57	3,166	2,037
Defined Benefit Pension Scheme Asset/Liability		0	0	0	0	0
Net Assets Including Pension Asset/Liability		730	2,379	57	3,166	2,037
Funds of the Charity						
Capital Funds:						
Permanent Endowment	12.1	0	0	57	57	57
Income Funds:						
Restricted	12.2	0	2,379	0	2,379	992
Unrestricted	12.3	730	0	0	730	988
Total funds		730	2,379	57	3,166	2,037

The financial statements on pages 15 to 23 were approved by the Trustee on 29 January 2014 and signed on its behalf by:

Sian Bates (Chairman)

Notes to the Accounts

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the Fund.

1.1 Accounting convention

The financial statements have been prepared under the historic cost convention, as modified for the revaluation of certain investments and properties, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice: Accounting and Reporting by Charities, published in 2005, and the Charities Act.

The Trustee has a reasonable expectation that it has adequate resources to continue activities for the foreseeable future, as stated within their annual report. Accordingly it continues to adopt the going concern basis in preparing the financial statements.

1.2 Accounting Standards issued but not yet adopted

Neither the HM Treasury Financial Reporting Manual nor the 2012-13 NHS Trusts Manual for Accounts, issued by the Department of Health, require the following Standards and Interpretations to be applied in 2012-13:

- IAS 27 Separate Financial Statements – effective 2013-14;

The application of the Standards as revised would not have a material impact on the Fund financial statements if they were applied in the year being reported on.

1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Accruals. Accruals are measured at the Directors' best estimate of the expenditure required to settle the obligation for goods and services acquired at the balance sheet date. There is no other a critical estimate or judgements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Fund is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

1.4.1 Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes reasonably certain. This occurs once the final estate accounts have been approved by all parties. This approval provides confirmation that payment of the legacy will be made or property transferred, and confirms that all conditions attached to the legacy have been fulfilled. Legacies are included as incoming resources if the approval happened before 31 March. Legacies are disclosed under voluntary income in the Statement of Financial Activities.

Where the Fund has been notified of a legacy, but the criteria for recognition as incoming resources are not met, details of the legacy are included under contingent assets.

1.4.2 Income from fundraising activities

General donations and Gift Aid are disclosed under voluntary income in the Statement of Financial Activities. Tickets, auction and sponsorship income from fundraising events are disclosed under activities for generating funds.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'costs of generating funds' and 'charitable activities'. These classifications comprise direct expenditure attributable to the activity.

Governance costs are those costs attributable to the governance arrangements of the Fund which relate to the general running of the Fund, as opposed to those associated with charitable or fundraising activity. These include internal and external audit, legal advice for the Trustee and indemnity insurance.

1.6 Irrecoverable VAT

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

1.7 Employee Benefits

1.7.1 Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees.

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.7.2 Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Fund commits itself to the retirement, regardless of the method of payment.

1.8 Funds structure

Incoming resources and resources expended are allocated to particular funds according to their purpose.

Transfers between funds may arise where there is an authorised release of restricted or endowment funds, or when charges are made from unrestricted to other funds.

1.8.1 Permanent endowment funds

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent, are accounted for as permanent endowment funds.

1.8.2 Restricted funds

Restricted funds include those receipts which are subject to specific restrictions imposed by the donor or trust deed, usually in writing.

1.8.3 Unrestricted funds

Unrestricted funds include income received without restriction. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. The Trustee may earmark unrestricted funds for a particular purpose without restricting or committing the funds legally. Such amounts are known as designated funds.

1.9 Cash at bank and in hand

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours.

2. Incoming Resources from Generated Funds

2.1 Voluntary income

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2012-13 Total £000	2011-12 Total £000
Donations: Corporate	6	15	0	21	27
Donations: Charitable	0	16	0	16	8
Donations: Personal	16	131	0	147	156
Legacies	245	1,390	0	1,635	136
Total	267	1,552	0	1,819	327

2.2 Activities for generating funds

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2012-13 Total £000	2011-12 Total £000
Fundraising: Born Too Soon	0	18	0	18	12
Fundraising: Cancer Unit Appeal	0	6	0	6	3
Fundraising: Other	3	0	0	3	5
Other Income	0	0	0	0	7
Total	3	24	0	27	27

3. Costs of Generating Funds

3.1 Costs of generating voluntary income

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2012-13 Total £000	2011-12 Total £000
Salaries and other administrative costs	1	25	0	26	27

All costs are associated with the solicitation of donations, primarily to the Kingston Hospital Cancer Unit Appeal.

ANNUAL ACCOUNTS

3.2 Cost of activities for generating funds

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2012-13 Total £000	2011-12 Total £000
Fundraising: Born Too Soon	0	36	0	36	19
Fundraising: Cancer Unit Appeal	0	20	0	20	5
Fundraising: Other	0	0	0	0	2
Other costs	0	0	0	0	28
Total	0	56	0	56	54

4. Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2012-13 Total £000	2011-12 Total £000
Expenditure benefiting Patients	374	17	0	391	81
Expenditure benefiting Staff	7	4	0	11	31
Research	0	0	0	0	0
Medical equipment	129	86	0	215	133
Capital schemes	0	0	0	0	502
Other activities	1	0	0	1	46
Total	511	107	0	618	793

5. Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2012-13 Total £000	2011-12 Total £000
Administration	17	7	0	24	24
Auditor's remuneration	5	0	0	5	5
Total	22	7	0	29	29

Auditor's remuneration relates to statutory audit fees. No non-audit work was undertaken by the external auditor in the current or prior year.

6. Staff Costs

	2012-13 Total £000	2011-12 Total £000
Salaries and wages	47	45
Social security costs	3	3
Pension costs	6	6
Total emoluments of employees	56	54
Agency & Self-employed staff	0	0
Total emoluments	56	54

No staff received emoluments in excess of £60,000 in the current year (2011-12: None).

7. Trustee Remuneration

No member of the Board of the Corporate Trustee received any remuneration or benefits in kind from the Fund in the current year (2011-12: £NIL).

8. Support Costs

	Staff Costs £000	Other £000	2012-13 Total £000	2011-12 Total £000
Costs of generating voluntary income	0	26	26	27
Costs of activities for generating funds	56	0	56	54
Charitable activities	10	0	10	31
Governance costs	0	29	29	29
Total	66	55	121	141

9. Debtors

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2012-13 Total £000	2011-12 Total £000
Amounts falling due within one year					
Accrued income	27	1,121	0	1,148	122
Total	27	1,121	0	1,148	122

10. Creditors: amounts falling due within one year

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2012-13 Total £000	2011-12 Total £000
Trade creditors	0	0	0	0	0
Amounts due to associated undertaking	94	30	0	124	24
Accruals	169	0	0	169	208
Total	263	30	0	293	232

ANNUAL ACCOUNTS

11. Related Party Transactions

Kingston Hospital NHS Foundation Trust, the Corporate Trustee, provides accounting and related services to the Fund for which an administration charge of £24k (2011-12: £24k) was charged in the year. In addition the Trust pays all bills and employees on behalf of the Fund and recharges the costs to the Fund.

Payments for capital schemes and medical equipment provided equipment and facilities for the benefit of the Trust.

No Director of the Corporate Trust received any payment from the Fund.

12. Funds of the Charity

	Balance 31 March 2012 £000	Incoming Resources £000	Resources Expended £000	Transfers Between Funds £000	Balance 31 March 2013 £000
12.1 Permanent endowment funds					
V A W Holton – Research	57	0	0	0	57
Total permanent endowment funds	57	0	0	0	57
12.2 Restricted funds					
Born Too Soon	81	104	(156)	0	29
Cancer Research	10	0	(0)	0	10
Cancer Unit Appeal	250	99	(39)	0	310
Cancer Unit - Restricted	0	1,374	(0)	0	1,374
Cancer Unit Maintenance	391	2	(0)	0	393
I C Lewis – Nursing Research	4	0	(0)	0	4
Mrs A B Grubb – Research	14	0	(0)	0	14
Orthopaedic Equipment	107	1	(0)	0	108
Urology Equipment	116	2	(0)	0	118
V A W Holton – Research	19	0	(0)	0	19
Total restricted funds	992	1,582	(195)	0	2,379
12.3 Unrestricted funds					
General	686	251	(496)	14	455
Designated	302	25	(38)	(14)	275
Total unrestricted funds	988	276	(534)	0	730
Total funds	2,037	1,858	(729)	0	3,166

12.4 Nature and purpose of each fund

Name of fund	Description of the nature and purpose of each fund
Permanent endowment funds	
V A W Holton – Research	Capital to be held in perpetuity. Income to be used for any research activity undertaken by the Hospital
Restricted funds	
Born Too Soon	To be used for any charitable purpose or purposes to provide facilities for treatment of premature babies
Cancer Research	To be used for research into cancer
Cancer Unit Appeal	To be used for the relief of sickness by the provision of a new cancer unit at Kingston Hospital NHS Trust and the upkeep and maintenance of this unit
Cancer Unit Maintenance	To be used to fund ongoing maintenance of the Sir William Rouse Cancer Unit
I C Lewis – Nursing Research	To provide bursaries for awards to encourage research and training by nurses
Mrs A B Grubb – Research	Capital and income to be used for research purposes
Orthopaedic Equipment	To be used to purchase orthopaedic equipment
Urology Equipment	To be used to purchase urology equipment
V A W Holton – Research	Income derived from the permanent endowment to be used for any research activity undertaken by the Hospital

Unrestricted funds

The unrestricted funds are available to be spent for any of the purposes of the charity



The Audit Findings for Kingston Hospital NHS Trust General Charitable Fund

Year ended 31 March 2013

January 2014

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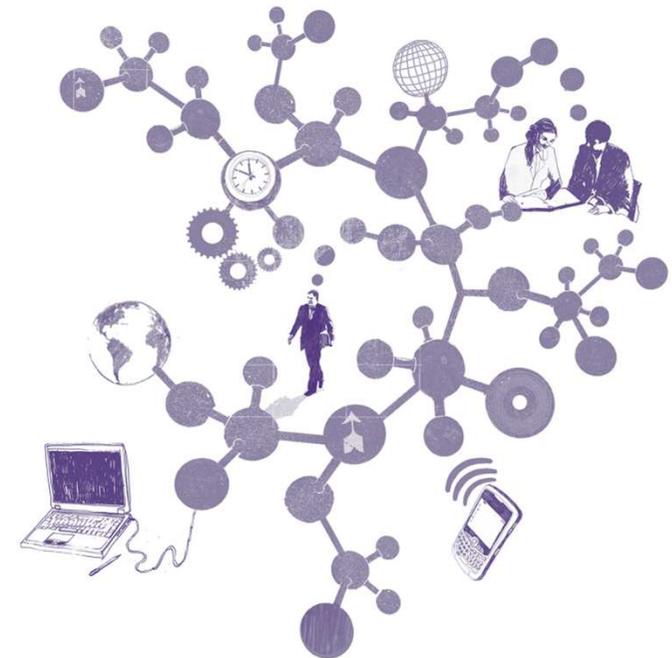
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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify.

We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Section 1: Executive summary

01. Executive summary

02. Audit findings

03. Fees, non audit services and independence

04. Communication of audit matters

Executive summary

Purpose of this report

This report highlights the key issues arising from the audit of the Kingston Hospital NHS Trust General Charitable Fund (the Charity) and the preparation of the Charity's financial statements for the year ended 31 March 2013. It also reports our audit findings to management and those charged with governance in accordance with the requirements of International Standard on Auditing (UK & Ireland) 260.

We have agreed with the Charity that the communications required under ISA 260 are discharged through a report to the Board of Trustees, which acts as those charged with governance on behalf of the Charity.

Introduction

Our audit is substantially complete, subject to the following:

- receipt and review of the final version of the amended financial statements and the Trustees' Annual Report;
- review of the management letter of representation; and
- updating our post balance sheet events review, to the date of signing the opinion.

We agreed with management that we would start our review in June 2013 on the assumption that there were no significant audit risks and you have in place a sound control environment to support the production of complete and materially accurate financial statements and the accompanying annual report. However, the draft accounts and supporting working papers were not available for the agreed timeframe and management requested we defer the start of the audit to later in the year to accommodate the transfer of fund data from the old Harlequin system to the new general ledger system Integra.

The audit was rescheduled for November 2013. Prior to the start of the audit, we received working papers supporting the accounts, but identified issues requiring follow up which management were not able to resolve during the planned audit

visit.

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An additional audit visit was scheduled in January 2014 to complete our testing on operating expenses and accruals, voluntary income, equity funds, journals, annual report, going concern and management representations. Gaps in working papers contributed to delays and increased costs to the audit.

We have not had to alter or change our audit plan, which we previously communicated to the Deputy Director of Finance and Information on behalf of the Board of Trustees. However, the quality of the accounts and annual report presented for audit, along with the quality and completeness of the evidence supporting the Fund transactions, needs improvement if audit costs are to be constrained. As a result of our audit, changes were required to key sections of the draft accounts and annual report.

Key audit and financial reporting issues

Financial statements opinion

During our audit we identified the accounts were misstated. Accrued expenditure totalling £195k was either incorrectly allocated to the wrong period or could not be supported by audit evidence.

We also agreed adjustments to improve the presentation of the Charity's accounts and annual report.

The draft financial statements recorded a Total Funds carried forward of £2,971k. The post audit position is £3,166k; an increase of £195k as a result of the correction of the accrued amount.

Subject to the satisfactory completion of our closing procedures, we anticipate providing an unqualified opinion on the Charity's financial statements. Further details are set out in section two of this report.

Controls

Roles and responsibilities

The Charity's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Charity. We have one such finding relating to a control issue.

Finding

We identified internal control weaknesses relating to documentation and classification of your year end accruals. In particular, we identified accrued expenditure that was not adequately supported or that was incorrectly allocated to the wrong accounting period. We have made recommendations for improvement which have been agreed with management.

Further details are provided within section two of this report.

The way forward

Matters arising from the financial statements audit have been discussed and agreed with the Director of Finance and Information.

We have made recommendations which are set out in the action plan. These recommendations have been discussed and agreed with the Director of Finance and Information and his team.

Acknowledgement

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team during our audit.

Grant Thornton UK LLP
January 2014

Section 2: *Audit findings*

01. Executive summary

02. Audit findings

03. Fees, non audit services and independence

04. Communication of audit matters

Overview of audit findings

In this section we present our findings in respect of matters and risks identified at the planning stage of the audit, and any additional matters that arose during the course of our work.

Changes to Audit Plan

We have not had to alter or change the Audit Plan we previously communicated to you.

Account	Transaction cycle	Material misstatement risk?	Description of risk	Audit findings
Voluntary Income	Voluntary Income	Medium	Recorded debtors not valid	None
Activities for generating income	Other Revenue	Low		None
Investment Income	Investments	Low		None
Costs of generating funds	Operating Expenses	Low		Yes – refer Page 12
Charitable activities	Operating Expenses	Low		Yes – refer Page 12
Governance	Operating Expenses	Low		None
Current Asset Investments	Cash & Bank	Low		None
Debtors	Other Revenue	Low		None
Cash	Cash & Bank	Low		None
Creditors	Operating Expenses	Low		Yes – refer Page 12
Permanent endowment	Equity	Low		None
Unrestricted fund	Equity	Low		Yes – refer Page 12
Restricted Income funds	Equity	Low		Yes – refer Page 12

Audit findings against significant risks

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to their size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA 315).

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards.

	Risks identified in our audit plan	Work completed	Assurance gained and issues arising
1.	<p>Improper revenue recognition</p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p>	<ul style="list-style-type: none"> We reviewed and tested your revenue recognition policies. We formed an expectation of revenue and obtained and corroborated explanations for significant variations from our expectations. We tested a sample of income recorded from donations and legacies to supporting evidence to ensure it was correctly accounted for and credited to the correct fund. We reviewed legacies received after year end to ensure they were recorded in the correct year. We reviewed listings of income to identify unusual significant transactions. 	<p>Our audit work has not identified any significant issues in respect of revenue recognition.</p>
2.	<p>Management override of controls</p> <p>Under ISA 240 there is a presumed risk that the risk of management override of controls is present in all entities.</p>	<ul style="list-style-type: none"> We reviewed significant accounting estimates, judgements and decisions made by management. We performed testing of journal entries. We reviewed listings of expenditure to identify and test unusual significant transactions. 	<p>Our audit work has not identified any evidence of management override of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.</p> <p>We set out later in this section of the report (page 11) our work and findings on key accounting estimates and judgements.</p>
3.	<p>Implementation of new general ledger system (January 2013)</p> <p>The data was migrated across from Harlequin to Integra mid year and there is a presumed risk that not all data was transferred accurately. The data was transferred via journals.</p>	<ul style="list-style-type: none"> Testing the completeness of data migration to the new systems. Testing of journal entries. 	<p>Our audit work has not identified any significant issues in respect of your data migration or journals.</p>

Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan.

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
<p>Voluntary income</p>	<p>Recorded debtors not valid</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • Documentation of our understanding of processes and key controls over the transaction cycle • Walkthrough of the key controls to assess the whether those controls are designed effectively • Testing of key controls • Substantive testing of voluntary income including testing a sample of your income to supporting records. 	<p>Our audit work has not identified any significant issues in respect of your voluntary income.</p>

Accounting policies, estimates & judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Trust's financial statements.

Accounting area	Summary of policy	Comments	Assessment
Revenue recognition	Donations and legacies are credited to revenue on a receivable basis. Legacies are accounted for as incoming resources once the receipt of the legacy becomes reasonably certain. This is once confirmation has been received from the representatives of the estates that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.	<ul style="list-style-type: none"> The Charity's policy is appropriate and consistent with the Charities SORP. The level of judgement does not give rise to material uncertainty and our testing of legacies has not identified any which were accounted for incorrectly. The Charity has disclosed its policy appropriately. 	 Green
Judgements and estimates	The key judgement and estimate in the financial statements is that accruals are measured at the Directors' best estimate of the expenditure required to settle the obligation for goods and services acquired at the balance sheet date.	<ul style="list-style-type: none"> Our sample testing of your accruals found they were not always in accordance with your key judgement and estimate as disclosed in your Accounting policy note. Details of the agreed amendments are set out on page 12. We have made recommendations to strengthen your arrangements for identifying and accounting for accruals in the Action Plan. 	 Red
Other accounting policies	The Charity has adopted standard accounting policies following the Charities SORP.	<ul style="list-style-type: none"> We reviewed the accounting policies and recommended that the Charity tailor the policies to those applicable. The Charity has updated its accounting policies accordingly. 	 Amber

Assessment

 Marginal accounting policy which could potentially attract attention from regulators

 Accounting policy appropriate but scope for improved disclosure

 Accounting policy appropriate and disclosures sufficient

Adjusted misstatements

A number of adjustments to the draft accounts have been identified during the audit process. We are required to report all misstatements to those charged with governance, whether or not the accounts have been adjusted by management. The table below summarises the adjustments arising from the audit which management has agreed to correct.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported movement in funds.

Detail	Statement of Financial Activities £'000	Balance Sheet £'000	Impact on net movement in funds £'000
1 Accrued expenditure was incorrectly classified or could not be supported by audit evidence.	(6) (cost of generating voluntary income) (189) (charitable activities)	195 (debit creditors: amount falling due within one year) (162) (credit unrestricted funds) (33) (credit restricted funds)	(195)
Overall impact	(195)	Nil	(195)

Misclassifications & disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which management has agreed to correct in the final set of financial statements.

Adjustment type	Value £'000	Account balance	Impact on the financial statements
1 Total Current Assets	2,649	Balance Sheet	2011/12 balance in the prior year comparators was incorrectly recorded as £2,649k rather than £2,269k. Management has agreed to correct the prior year balance.
2 Notes to the Accounts	n/a	Accounting policies note 1	The accounting policy note included policies which were not relevant to the Fund. Management has agreed to tailor the note to include only relevant policies.
3 Trustee's annual report	n/a	Annual Report	Management has agreed to update the annual report to include: <ul style="list-style-type: none"> ● reference to the Trust achieving Foundation Trust status on 1 May 2013; ● application of IAS 27 to prepare group accounts from 1 April 2013; and ● minor corrections to text disclosures.

Internal controls

- The purpose of an audit is to express an opinion on the financial statements.
- Our audit included consideration of internal control relevant to the preparation of the financial statements 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 internal control. The matter reported here is limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.
- These and other recommendations, together with management responses, are included in the action plan attached at appendix A.

	Assessment	Issue and risk	Recommendations
1.	 Significant Deficiency	<ul style="list-style-type: none"> • We found a significant proportion of your accruals were either incorrectly classified to the wrong accounting period or could not be supported by evidence. 	<ul style="list-style-type: none"> • Ensure accruals are only identified and accounted for in line with your stated accounting policy and key estimates and judgements. • Ensure documentation is available to support all accrued expenditure (including year end accruals) and support its classification to the correct accounting period. • Process journals in relation to accrued amendments to ensure the audited 2012/13 accounts are consistent with the opening 2013/14 ledger balance.

Assessment

- Significant deficiency – risk of significant misstatement
- Deficiency – risk of inconsequential misstatement

Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards to communicate to those charged with governance.

	Issue	Commentary
1.	Matters in relation to fraud	<ul style="list-style-type: none"> We have previously discussed the risk of fraud with the Charity and been made aware of attempted fraud against the Charity. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
2.	Matters in relation to related parties	<ul style="list-style-type: none"> We have not identified from our audit procedures any related party transactions which have not been disclosed.
3.	Matters in relation to laws and regulations	<ul style="list-style-type: none"> We are not aware of any significant incidences of non-compliance with relevant laws and regulations.
4.	Written representations	<ul style="list-style-type: none"> A standard letter of representation has been requested from the Charity's Corporate Trustee.
5.	Disclosures	<ul style="list-style-type: none"> Our review found no material omissions from the financial statements. We identified some areas where disclosure was improved in line with the SORP, and some inconsistencies between the Trustees' report and the financial statements, which the Charity has agreed to amend.
6.	Going Concern	<ul style="list-style-type: none"> Our audit work has not identified any matters which indicate that preparation of the accounts under the going concern assumption would not be appropriate.

Section 3: Fees, non audit services and independence

01. Executive summary

02. Audit findings

03. Fees, non audit services and independence

04. Communication of audit matters

Fees, non audit services and independence

We confirm there were no fees for the provision of non audit services. As set out in this report, delays to the audit and material inaccuracies in the accounts have increased the cost of the audit. We will discuss the impact on the fee with the Chief Executive and the Director of Finance and Information.

Fees

	£
Planned audit fee	5,000
Actual audit fee	TBC
Variance	TBC

Fees for other services

Service	Fees £
None	Nil

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Section 4: Communication of audit matters

01. Executive summary

02. Audit findings

03. Value for Money

04. Communication of audit matters

Communication of audit matters to those charged with governance

International Standards on Auditing (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while this Audit Findings report presents the key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).

We have been appointed as the Charity independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Charity's key risks when reaching our conclusions under the Code.

It is the responsibility of the charity to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Charity is fulfilling these responsibilities.

	Audit Plan	Audit Findings
Our communication plan		
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Compliance with laws and regulations		✓
Expected unmodified auditor's report		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

Appendices

Appendix A: Action plan

Priority

High - Significant effect on control system

Medium - Effect on control system

Low - Best practice

Rec No.	Recommendations	Priority	Management response	Implementation date & responsibility
1	<p>Accruals</p> <ul style="list-style-type: none"> Ensure accruals are only identified and accounted for in line with your stated accounting policy and key estimates and judgements Ensure documentation is available to support all accrued expenditure (including year end accruals) and support its classification to the correct accounting period. 	High	Agreed. There is a new team that is overseeing the 2013/14 charitable fund accounts process. They have put controls in place around estimation and judgments that need to be made for the accounts. Furthermore the documentation process has also been strengthened.	29 January 2014 Assistant Director of Finance - Financial Services
2	<p>Accrued adjustments & 2013 Opening balance</p> <p>Process journals in relation to accrued amendments to ensure the audited 2012/13 accounts are consistent with the opening 2013/14 ledger balance.</p>	Medium	Agreed.	Immediate Assistant Director of Finance - Financial Services

Appendix B: Audit opinion

We anticipate we will provide the Charity with an unmodified audit report

Independent auditor's report to the trustee of Kingston Hospital NHS Trust General Charitable Fund

We have audited the financial statements of Kingston Hospital NHS Trust General Charitable Fund for the year ended 31 March 2013 which comprise the statement of financial activities, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 149 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2013, 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.

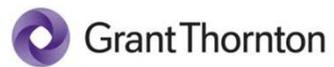
Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Grant Thornton House, Melton Street, Euston Square, London, NW1 2EP

Date:



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Finance Directorate

Consideration of ISA 240: Fraud Arrangements &
ISA 250: Laws & Regulations 2012-13

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Introduction

As part of the 2012-13 audit of the Kingston Hospital Foundation Trust Charitable Fund's Annual Report & Accounts the Grant Thornton, as the Trust's external auditors, require a formal response from management to the questions posed in Section 2 and Section 3.

The response is from Kingston Hospital Foundation Trust Charitable Fund's Trust Management, to which end the paper will be presented to the Trust Board on Wednesday 29 January 2014, as part of recommending the Annual Report & Accounts to the Trustee Board for approval and signature.

The response provided covers the Kingston Hospital NHS Trust General Charitable Fund.

Views on Fraud

Question	Management Response
<p>Has the Charity assessed the risk of material misstatement in the financial statements due to fraud? What are the results of this process?</p>	<p>Yes. The Charity's financial processes and internal controls are shared with Kingston NHS Foundation Trust which is evaluated on an annual basis by Internal Audit.</p> <p>They have not identified any material misstatement.</p>
<p>What processes does the Trust have in place to identify and respond to risks of fraud?</p>	<p>The Local Counter Fraud Service (LCFS) reviews key policies and procedures as part of their annual work plan to ensure they are fraud proof and therefore reducing the risk of fraud.</p> <p>Further to this potential frauds are reported to the LCFS or identified through their proactive work (e.g. NFI matches) for investigation. The LCFS reports the status of all allegations, investigations and recommendations to the Audit Committee on a regular basis. All relevant investigations are reported to the Charitable Funds</p>
<p>Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks</p>	<p>No fraud risks have been identified.</p>
<p>Are internal controls, including segregation of duties, in place and operating effectively? If not, where are the risk areas and what mitigating actions have been taken?</p>	<p>Kingston NHS Foundation Trust's Internal audit review all core financial systems annually including Charitable Funds. Their work in 2012-13 confirmed controls are generally appropriate and working as designed. The Head of Internal Audit has issued a Substantial Assurance Opinion on</p>
<p>Are there any areas where there is a potential for</p>	<p>No.</p>

Question	Management Response
override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)?	
Are there any areas where there is a potential for misreporting override of controls or inappropriate influence over the financial reporting process?	No.
How does the Charitable Funds Committee exercise oversight over management's processes for identifying and responding to risks of fraud? What arrangements are in place to report fraud issues and risks to the Charitable Funds Committee?	LCFS reports and internal audit reports are discussed in detail at each Kingston NHS Foundation Trust Audit Committee meeting. Any relevant recommendations and issues are then discussed at the Charitable Funds Committee (CFC). An annual report is also presented after the year end to the CFC.
How does the Charity communicate and encourage ethical behavior of its staff and Fund Holders?	The Charity shares it's staff with Kingston NHS Foundation Trust. The Trust gains assurance of its staff's ethical behaviors in the following ways: Senior managers are subject to the NHS Managers' Code of Conduct, whilst nurses are governed by Professional Standards, and all other employees by standards set by their manager. SFIs and SOs are provided to all senior staff of Band 8 and above on an annual basis.
How do you encourage staff to report their concerns about fraud? Have any significant	The Charity's policies combined with the NHS Trust's standing orders, standing financial instructions, scheme of delegation

Question	Management Response
issues been reported?	and "Raising Concerns at Work Policy (whistleblowing) outline the governance for business practice and ethical behavior and encourage reporting where staff have concerns on any issue.
Are you aware of any related party relationships or transactions that could rise to risks of fraud?	<p>The Charity in conjunction with Kingston NHS Trust, requires all staff to declare business interests and hospitality on the register of interest and hospitality. Global emails have been circulated to notify staff of this requirement.</p> <p>A register of interests of Corporate Trustees is maintained and publically available.</p> <p>No relationships have been identified from declarations of interests that could raise concerns.</p>
Are you aware of any instances of actual, suspected or alleged, fraud, either within the Charity as a whole or within specific departments since 1 April 2012.	No.

Views on Laws and Regulations

Question	Management Response
<p>What arrangements does the Charity have in place to prevent and detect non-compliance with laws and regulations?</p>	<p>All policies and procedures are updated if laws and regulations change to prevent non-compliance with laws and regulations.</p> <p>Internal and external audit are reviewing the Charity's processes against these policies and procedures to detect any non-compliance.</p>
<p>How does management gain assurance that all relevant laws and regulations have been complied with?</p>	<p>All policies and procedures refer to the appropriate laws and regulations. All policies must be updated if law and regulations change.</p> <p>The Charity has access to the Trust's legal advisors to support this.</p> <p>Furthermore any issues are reported to the Charitable Funds Committee.</p>
<p>How is the Charitable Funds Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>Internal and external audit are reviewing the Trust's processes which are shared with the Charity.</p> <p>Internal audit report at the Trusts Audit Committee on the compliance with all relevant laws and regulations. All Relevant recommendations are reported to the Charitable Funds Committee.</p>
<p>Have there been any instances of non-compliance or suspected non-compliance with law and regulation since 1 April 2012, or earlier with an on-going impact on the 2012/13 financial statements?</p>	<p>Management is not aware of any instances of non-compliance in 2012-13.</p>
<p>What arrangements does the Charity have in place to identify, evaluate and account for litigation or claims?</p>	<p>The Charity depends on the Kingston NHS Trust's Claims Department who liaises with the NHS LA to secure and mitigate claims.</p>
<p>Is there any actual or potential litigation or claims that would affect the financial statements?</p>	<p>There are no known claims that would affect the financial statements.</p>

Consideration of ISA 240: Fraud Arrangements & ISA 250: Laws & Regulations 2012-13

Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	No.
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Charitable Funds Committee Representations

Question	Management Response
<p>1. How does the Charitable Funds Committee oversee management's processes in relation to:</p> <ul style="list-style-type: none"> • Carrying out an assessment of the risk the financial statements may be materially misstated due to fraud or error • Identifying and responding to the risk of breaches of internal control • Identifying and responding to risks of fraud in the organisation (including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist) • Communicating to employees its view on appropriate business practice and ethical behaviour (for example by updating, communicating, and monitoring against the codes of conduct)? 	<p>The Charitable Funds Committee relies on the Trust's governance framework to be able to oversee management's processes.</p> <p>A progress report from the LCFS is reported to the Trust's Audit Committee and any relevant matters relating to the Charity are discussed at the Charitable Funds Committee. An annual report is also presented to the Charitable Funds committee after the year-end.</p> <p>The annual work plans, fees fraud response policy updates, annual fraud risk assessment exercises are all presented to the Trust's Audit Committee for approval.</p> <p>In addition to this, internal audit reports are discussed in detail at each Audit Committee.</p> <p>The Risk Management Committee has responsibility for management of risk and compliance with process on a day to day basis, and reports to the Committee where necessary.</p>
<p>Do you have knowledge of any actual, suspected or alleged frauds? If so, please provide details.</p>	<p>All potential instances of fraud were reported through the Trust's fraud reporting procedures, which included whistle-blowing, either directly or indirectly, to the Trust's LCFS.</p> <p>Under the procedure, serious cases are reported to the Corporate Trustee.</p> <p>All cases are investigated by the LCFS and</p>

Question	Management Response
	reported to the Audit Committee. With relevant ones being reported to the Charitable Funds Committee. .
How does the Charitable Funds Committee gain assurance that all relevant laws and regulations have been complied with?	The Committee gains assurance from a variety of sources, both direct and indirect in their capacity as Board members. There is a wide range of controls and cross checks in place.
Are you aware of any actual or potential litigation or claims that would affect the financial statements?	No. Management is not aware of any actual or potential litigation or claims that would affect the financial statements.

Finance Directorate

Going Concern Declaration 2012-13

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1 Introduction

- 1.1 This paper sets out the key issues in relation to the going concern assumption. These issues should be considered at the year end when making certain assertions in relation to the financial statements.
- 1.2 The Auditors will be asking that the Letter of Representation reflects the view of the Trustee Board – in addition to any specific assertions required as a result of the audit work carried on the financial statements.

2 Going Concern

- 2.1 'Going concern' is a key concept in the preparation of the financial statements for the Charity.
- 2.2 The accounting concept of going concern refers to the basis of measurement of an entity's assets and liabilities in its accounts (that is, the basis on which those assets and liabilities are recorded and included in the accounts).
- 2.3 The going concern assumption is a fundamental principle in the preparation of financial statements, under which an entity is ordinarily viewed as continuing in business for the foreseeable future. Accordingly, assets and liabilities are recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of business. If the entity could not continue as a going concern, assets and liabilities would need to be recorded in the accounts on a different basis, reflecting their value on the winding up of the entity. Consequently, assets would be likely to be recorded at a much lower break-up value and medium and long-term liabilities would become short-term liabilities.
- 2.4 The Auditors have issued detailed guidance to Charity in considering the Going Concern assumption. This guidance states that they, as external auditors to the Trust, will consider what the Trustees have done to satisfy themselves that the accounts should be prepared on a going concern basis. How they do this is set out in the International Standard on Auditing 570 (United Kingdom and Ireland) (ISA 570 (UK&I)): Going Concern.
- 2.5 The Auditors have therefore discussed the going concern assumption with key officers at the Trust and have reviewed the financial and operating performance of the Trust for this year, and that expected for the next year.
- 2.6 The Auditors checklist for Trustees is attached as an appendix to this report. Those charged with governance should consider the questions and management's responses.

3 Responsibilities of Management

- 3.1 To comply with accounting standards, management must, in preparing the annual statement of accounts, undertake an assessment of the Charity's ability to continue as a going concern. Paragraph 5 of International Standard for Auditing 570 (UK&I) states:

'There may be no explicit requirement for management to make a specific assessment of the entity's ability to continue as a going concern. Nevertheless, since the going concern assumption is a fundamental principle in the preparation of the financial statements, management has a responsibility to assess the entity's ability to continue as a going concern even if the financial reporting framework does not include an explicit responsibility to do so.'

- 3.2 In making this assessment, management should take into account all information about the future that is available at the time at which the judgement is made. As minimum, this assessment should cover at least a 12 month period from the date of approval of the accounts, although this period will need to be extended where management is aware of events and related business risks further in the future that may cast doubt on the going concern assumption. If the assessment covers a shorter period, this should be disclosed in the financial statements. The degree of consideration will depend on the facts in each case. ISA 570 (UK&I) states:

'When an entity has a history of profitable operations and ready access to financial resources, a conclusion that the going concern basis of accounting is appropriate may be reached without detailed analysis. In other cases, management may need to consider a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate.'

4 Responsibilities of Those Charged with Governance

- 4.1 When approving the accounts, those charged with governance will need to consider which of the following three basic scenarios is the most appropriate:
- 4.1.1 The body is clearly a going concern and it is appropriate for the accounts to be prepared on the going concern basis;
 - 4.1.2 The body is a going concern but there are uncertainties regarding future issues which should be disclosed in the accounts to ensure the true and fair view;
 - 4.1.3 The body is not a going concern and the accounts will need to be prepared on an appropriate alternative basis.
- 4.2 To enable those charged with governance to do this, management will need to report to them the process it has followed in forming a view on going concern and the assumptions on which that view is based. Those charged with governance should, where appropriate, challenge those assumptions, particularly where they are aware of any significant issues that do not appear to have been taken into account, to ensure that the financial statements have been prepared on an appropriate basis.
- 4.3 To help them form a view on the appropriateness of the going concern assumption, those charged with governance may wish to consider the questions detailed in the checklist at Appendix 1, together with management's responses.

Appendix 1: Checklist

Question	Management Response
<p>1. Does the Charity have procedures in place to assess its ability to continue as a going concern?</p>	<p>Yes. The Charity is Linked to Kingston Hospital Foundation Trust which has produced a five year business plan as part of its application for Foundation Trust status against which the performance has been assessed throughout the year. The Trust has been awarded its Foundation Trust licence from 1 May 2013.</p> <p>The Charity's is considered as a subsidiary of the Trust from the 1st of April 2013 and its accounts are being consolidated with the Trust accounts from 2013/14.</p>
<p>2. Is management aware of the existence of other events or conditions that may cast doubt on the Charity's ability to continue as a going concern?</p>	<p>Management is not aware of any significant events or conditions that may cast doubt on the Charity's ability to continue as a going concern. Additionally no concerns have been raised by either internal or external audit.</p>
<p>3. Are arrangements in place to report the going concern assessment to the Trustees?</p>	<p>Yes. The going concern assessment is being reported to the Corporate Trustees on 29 January 2014.</p>
<p>4. Are the financial assumptions in that report (e.g. future levels of income and expenditure) consistent with the Charity's Objectives and the financial information provided to the Trust throughout the year?</p>	<p>Yes. The financial assumptions in the going concern report are consistent with the financial information provided to the Charitable Funds Committee throughout the year.</p>

<p>5. Are the implications of statutory or policy changes appropriately reflected in the Business Plan, financial forecasts and report on going concern?</p>	<p>Yes. Implications of statutory or policy changes are appropriately reflected in the Annual Report. Annual Accounts and the report on going concern.</p> <p>Kingston NHS Trust has been awarded its Foundation Trust licence from 1 May 2013. AS a result The Charity previously linked to Kingston Trust is now linked to Kingston NHS Foundation Trust from 1st May 2013.</p> <p>The change in Corporate Trustees from NHS Trust to Foundation Trust is not expected to have any implications on the report on going concern.</p> <p>No further significant changes as a result of IFRS are known at this stage.</p>
<p>6. Have there been any significant issues raised with the Trustees during the year which could cast doubt on the assumptions made? (Examples include adverse comments raised by internal and external audit regarding financial performance or significant weaknesses in systems of financial control).</p>	<p>No significant issues have been raised by either internal or external audit during 2012-13.</p> <p>In addition, no fraud cases have come to light that would cast doubt on the integrity of the system of financial control.</p>

<p>7. Does a review of available financial information identify any adverse financial indicators including negative cash flow? If so, what action is being taken to improve financial performance?</p>	<p>Financial information does not highlight any adverse indicators.</p> <p>There is a program to increase fundraising and spend the funds already available.</p>
<p>8. Does the Charity have sufficient staff in post, with the appropriate skills and experience, particularly at senior manager level, to ensure the delivery of its objectives? If not, what action is being taken to obtain those skills?</p>	<p>Yes and the Charity has a Trustees Board and senior staff succession plan.</p>

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29 January 2014

Dear Sirs

Kingston Hospital NHS Trust General Charitable Fund Financial Statements for the Year Ended 31 March 2013

This representation letter is provided in connection with the audit of the financial statements of Kingston Hospital NHS Trust General Charitable Fund for the year ended 31 March 2013 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with Section 154 of the Charities Act 2011.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 3 August 2013, for the preparation of the financial statements in accordance with the Charities Act 2011, and the Statement of Recommended Practice 'Accounting and Reporting by Charities (revised 2005) ('SORP'), issued by the Charity Commission for England and Wales and any subsequent amendments or variations to this statement, in particular the financial statements give a true and fair view in accordance therewith.
- ii We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
- iii Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- iv Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Statement of Recommended Practice 'Accounting and Reporting by Charities (revised 2005) ('SORP'), issued by the Charity Commission for England and Wales and any subsequent amendments or variations to this statement.
- v All events subsequent to the date of the financial statements and for which Statement of Recommended Practice 'Accounting and Reporting by Charities (revised 2005) ('SORP'), issued by the Charity Commission for England and Wales and any subsequent amendments or variations to this statement require adjustment or disclosure have been adjusted or disclosed.

- vi The financial statements are free of material misstatements, including omissions.
- vii We can confirm that:
 - a. all income has been recorded;
 - b. the restricted funds have been properly applied;
 - c. constructive obligations for grants have been recognized; and
 - d. the trustee consider there to be appropriate controls in place to ensure overseas payments are applied for charitable purposes.

Information Provided

- viii We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- ix We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- x All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xi We have disclosed to you our knowledge of fraud or suspected fraud affecting the entity involving:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xii We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- xiii We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xiv We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- xv We confirm that we have reviewed all correspondence with regulators, which has also been made available to you, including, in England and Wales, the serious incident report guidelines issued by the Charity Commission (updated in 2010). We also confirm that no serious incident reports have been submitted to the Charity Commission, nor any events considered for submission, during the year or in the period to the signing of the balance sheet.

Yours faithfully

Signed on behalf of the Board:

Name:.....

Position:

Date.....

Name:.....

Position:

Date.....