

Kingston Hospital Charity Annual Report and Accounts

Trust Board	Item: 17
Date: 5th December 2018	Enclosure: M
Purpose of the Report: To present the Annual Report and Accounts of Kingston Hospital Charity for 2017/18 Financial Year.	
For: Information <input type="checkbox"/> Assurance <input type="checkbox"/> Discussion and input <input type="checkbox"/> Decision/approval <input checked="" type="checkbox"/>	
Sponsor (Executive Lead):	Jo Farrar, Director of Finance
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Risk Implications – Link to Assurance Framework or Corporate Risk Register:	
Legal / Regulatory / Reputation Implications:	
Link to Relevant CQC Domain: Safe <input type="checkbox"/> Effective <input type="checkbox"/> Caring <input type="checkbox"/> Responsive <input type="checkbox"/> Well Led <input checked="" type="checkbox"/>	
Link to Relevant Corporate Objective:	
Document Previously Considered By:	Trust Charity Committee
Recommendations: The Charity's Annual Report and Accounts have been reviewed and approved by the Trust's Charity Committee. The Trust Board is requested to approve the Charity's 2017/18 Annual Report and Accounts.	

Enclosure M



Kingston
Hospital
Charity

Trustee's Annual Report & Accounts

For the year ended 31st March 2018

Registered Charity Number: 1056510

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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:

Sian Bates	Chairman to the Trust Board
Jonathan Guppy	Non-Executive Director (from April 2017)
Dr Nav Chana	Non-Executive Director
Chris Grindal	Non-Executive Director (to March 2018)
Joan Mulcahy	Non-Executive Director
Chris Streater	Non-Executive Director & Senior Independent Director (to May 2017)
Dame Cathy Warwick	Non-Executive Director (from October 2017)
Sylvia Hamilton	Non-Executive Director
Dr Rita Harris	Non-Executive Director
Ann Radmore	Chief Executive
Rachel Williams	Chief Operating Officer (to September 2017)
Mairead McCormick	Chief Operating Officer (from December 2017)
Jo Farrar	Director of Finance
Rachel Benton	Director of Strategic Development
Duncan Burton	Director of Nursing & Patient Experience, Infection Prevention & Control (to September 2017)
Sally Brittain	Director of Nursing & Quality (from October 2017)
Kelvin Cheatle	Director of Workforce and Organisational Development
Jane Wilson	Medical Director

Trust Charitable Funds Committee Membership

Joan Mulcahy	Non-Executive Director (Chairman)
Sian Bates	Chairman of the Trust Board
Ann Radmore	Chief Executive
Jo Farrar	Director of Finance
Rachel Benton	Director of Strategic Development (from December 2017)
Serge Lourie	Non-voting Member

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 UK LLP
30 Finsbury Square
LONDON
EC2A 1AG

Bankers

Barclays Bank plc
Leicester
LE87 2BB

Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

Solicitors

Capsticks
1 St George's House East,
St George's Road
Wimbledon
London
SW19 4DR

Investment Managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria St
London
EC4V 4ET

Fidelity International
Oakhill House
130 Tonbridge Road
Hildenborough,
Tonbridge
Kent
TN11 9DZ

Trustee's Annual Report

The Trustee presents its annual report and accounts of the charity for the year ended 31 March 2018. The Accounts have been prepared in accordance with the accounting policies set out in Note 1 to the Accounts and comply with applicable law and the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102, which came into effect on 1 January 2015.

Constitution

The Kingston Hospital NHS Foundation Trust General Charitable Fund (known as Kingston Hospital Charity) was created as an umbrella charity under a trust deed executed on 29 May 1996 and constituted with a sole Corporate Trustee, the Board of Directors of Kingston Hospital NHS Foundation Trust.

The Charity is constituted of 41 individual funds as at 31 March 2018 (2017: 37) and the notes to the accounts distinguish the types of fund held.

Structure, Governance and Management

The ongoing management and decision-making of the Charity has been delegated by the Board to the Charitable Funds Committee which acts solely in the best interests of the Charity. The Committee meets four times a year and has specific terms of reference. Voting members are appointed by the Board. Membership consists of two Non-Executive Directors (one of whom acts as Chair) and three Executive Directors, normally the Chief Executive, Director of Finance and Director of Strategy.

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

The Head of the Charity reports to the Committee on all fundraising and administrative aspects of the Charity's operations and is also responsible for keeping the Trustees informed about charity and other relevant law and procedures.

A report on the activities of the Committee is presented to the Board at each meeting, and matters requiring consideration by the Board as Corporate Trustee or that the Trustee should be aware of, are reported by the Chair to the next meeting of the Board.

The Committee is responsible for ensuring that charitable funds are spent in accordance with the objectives of each fund. By designating funds, the Committee respects the wishes of donors to benefit patient care. Where funds are received which have specific restrictions set by the donor and a suitable fund is not in existence, a new restricted fund is established.

The Charity has three subsidiary charity registrations and each supports specific aspects of the NHS foundation's work.

The main sources of income are donations, legacies and investment income.

The Chair of the Committee ensures that new Board members of the NHS Foundation Trust are aware of current policies and priorities for the Charity and any additional training that their role(s) as Corporate Trustee may require is also offered.

The Charity does not directly employ any staff. The staffing contracts for the fundraising and administrative staff that run and support the Charity are held by the NHS Foundation Trust with a recharge made to the Charity for their costs. The NHS Foundation Trust also provides general

ANNUAL REPORT AND ACCOUNTS

accounting, procurement and accounts payable services to the Charity, the costs of which are charged back to the Charity. Compliance with the relevant policies and procedures are reviewed as part of the NHS Foundation Trust-wide annual internal audit programme.

Objectives

The object of the Charitable 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 main priority for the Charity is to enhance that which is provided by the NHS Foundation Trust, as it continues on its journey to providing an outstanding level of care across all its services, by:

- Purchasing equipment for improved diagnosis and treatment
- Developing patient friendly amenities and environments
- Funding patient comforts
- Supporting high-quality research to provide newer, better treatments and more efficient models of care
- Enhancing staff training that is focused on providing outstanding care
- Providing for the development of the staff, and their wellbeing more generally.

Grant Making Policy

In awarding grants, the Corporate Trustee requires that the activity falls within the objects of the Charity, that the grant is supported by the NHS Foundation Trust and funds are available to meet that request. Where funds are under the day-to-day management of a fund holder, the fund holder may incur any expenditure, subject to authorised expenditure limits, provided the expenditure falls within the objects of the fund, is a reasonable charge to charitable funds, and is in furtherance of the objects of the Charity.

During the year, the Charitable Funds Committee established the Grants Committee with the purpose of being i) the decision-making body for grant applications of over £5k but which don't exceed £20k and ii) the recommending body for all grants amounting to more than £20k. It also provides the Charitable Funds Committee with advice and oversight of the Charity's grants programme to ensure its proper operation.

The scheme of delegation for Kingston Hospital NHS Foundation Trust General Fund is:

<u>Value of Expenditure:</u>	<u>Authorisation Required By:</u>
£0 - £5,000	Fund holder
£5,001 - £20,000	Grants Committee
£20,001 - £500,000	Charitable Funds Committee
Above £500,000	Board

About Kingston Hospital NHS Foundation Trust

The NHS Foundation Trust is a district general hospital supporting around 350,000 people in the surrounding area including Kingston, Richmond, Roehampton, Putney and East Elmbridge. It has approximately 520 beds and directly employs 2,900 staff. In the financial year 2017-18, the Trust saw over 118,000 patients in A&E, undertook 425,000 outpatient attendances and cared for 66,000 admitted patients.

As well as delivering services from its main site, the trust delivers a number of outpatient clinics at a range of community locations in partnership with GPs and community providers.

Kingston Hospital provides a full range of diagnostic and treatment services and has a national reputation for innovative developments in healthcare, particularly in 'patient-focused' care, including emergency, day surgery and maternity services. Delivering the best possible care and support across all its core services is a strategic imperative - care that would be rated 'outstanding' by the Care Quality Commission, the independent regulator of health and social care in England.

The Trust has strong links with tertiary and specialist hospitals, particularly St George's University Hospitals and the Royal Marsden Hospital who jointly provide cancer services on the Kingston Hospital site. It also has close links with Kingston University and St George's Medical School, and jointly runs the Elective Orthopaedic Centre at Epsom Hospital.

Risk Management

The Trustees consider the major risks that the Charity faces. Systems have been put in place to enable regular reporting each quarter to ensure that any necessary steps can be taken to mitigate these risks.

As part of the risk management process, income and expenditure are monitored and compared with the Charity's annual plan on a quarterly basis to detect trends and to avoid unforeseen calls on reserves.

The level of incoming resource poses the principal risk to the achievement of the objectives of the Charity at the present time. To minimise this risk, the Trustees have put in place plans to grow fundraising income year-on-year from the Charity's key stakeholders, utilising the goodwill that exists towards the NHS Foundation Trust across the local community.

Public Benefit

The Trustees had due regard to the Charity Commission's guidance when exercising any powers or duties to which the guidance is relevant and when reviewing the Charity's objectives and plans for future activities.

The section headed 'Charity Impact' provides examples of charitable expenditure undertaken by the Charity. The Trustees are satisfied that all such activities provide a public benefit, given the relationship the charitable expenditure has to the enhancement of current and future healthcare for patients being cared for by the NHS Foundation Trust.

Financial Review

Income raised was £2,574,000 (2016-17: £494,000). This substantive increase in income was principally due to two grateful patients who left generous gifts in their wills (sometimes referred to as legacies or bequests) to the Charity. During the year a major giving programme was established with a number of significant pledges secured to support the next phase of the NHS Foundation Trust's dementia care programme.

Total expenditure was higher in 2017-18 at £569,386 (2016-17: £461,529). £193,512 (2016-17: £144,856) related to income generation, which reflected the additional investment that had been made in resourcing the team to develop fundraising over the coming years. £375,874 related to charitable activities (2016-17: £316,673). This included £30,098 (2016-17: £56,329) related to audit and financial administration costs charged by the Trust. In 2014-15, the Charity awarded a grant of £1 million for the development of cancer services. This grant commitment was renewed by the Committee at 31st March 2018.

Investment Policy

The Trustee has, to date, taken the decision to maintain its reserves in cash or near cash investments, in order to fulfil the aim of increasing grants in order to put the funds to beneficial use.

In light of its improving financial position and an investment portfolio gifted as a legacy during 2017-18, the Committee is working with its investment managers, CCLA Investment Management Ltd, to finalise the Charity's investment policy going forward with the aim of generating constant earnings in support of annual budgetary needs, whilst at least maintaining the real capital value of the portfolio.

Charity Impact

The Charity continues to support a wide range of activities benefitting the NHS Foundation Trust's patients, their families and carers, as well as staff development and provision for their general wellbeing, including acknowledging their efforts for the high standards of care provided.

The two principal projects that provide the main focus for the Charity currently are:

- Development of an additional floor on the Sir William Rous Unit, the NHS Foundation Trust's main building for cancer services, to accommodate the haematology service. The new unit will be large enough to treat 3,000 patients each year and is scheduled to be completed in December 2018. For the first time it will enable chemotherapy services to be delivered from one building. As well as improving communication and support between the Royal Marsden chemotherapy team and Kingston Hospital's haematology team, this new unit will provide a dedicated space for haematology cancer patients, while improving the patient experience. The Charity's support is largely thanks to a very generous gift left by a past patient in his will.
- Supporting the NHS Foundation Trust to deliver consistently excellent dementia care, as Kingston and Richmond are among the top five boroughs in the country for life expectancy, leading to an elderly, frail population who have frequent contact with their local health service. The NHS Foundation Trust's efforts to deliver consistently excellent dementia care to its patients and their families was recognised when it was shortlisted as one of three organisation's shortlisted as a finalist for the Alzheimer's Society Dementia Friendly Organisation – Large award, at the end of last year. As a finalist the NHS Foundation Trust was recognised as leading a dementia movement that challenges misunderstandings, changes attitudes and raises awareness.

The Charity is committed to supporting the transformation of the NHS Foundation Trust's elderly care wards, so that they are completely dementia friendly – safe, homely and therapeutic environments that facilitate all types of function. Over £600,000 has been committed to date and following the transformation of Derwent Ward at the end of 2016, works on Blyth Ward are to be completed by the autumn of 2018 with the final ward refurbishment planned for 2019. As well as creating a calmer ward environment, Derwent Ward has seen a reduction in both average length of stay and the use of additional health care assistants, as well as fewer falls.

Examples of other projects that have benefitted from charitable support over the year include:

- -80C freezer for research – allowing the NHS Foundation Trust to participate in commercial and non-commercial NHS portfolio studies which require access to -8-C freezing, while increasing its ability to help with Kingston University collaborations.
- A VIVA2 Motomed cycling machine – for use by patients on the medical and elderly care wards to facilitate rehabilitation, improve muscle strength and reduce length of stay.
- Respiratory equipment – the purchase of 25 nebulisers which allow patients to have inhaled antibiotics at home without having to come into the hospital. This equipment also helps

improve patient comfort for people with bronchiectasis. They can also be utilised by pregnant women with asthma during pregnancy and for those patients who cannot use inhalers.

- Video conferencing equipment – this new equipment was acquired for the Sir William Rous Unit's seminar room, where multi-disciplinary cancer meetings take place. This new equipment allows for efficient communication with teams at the Royal Marsden and St George's Hospital, supporting clinical discussions for urology, upper gastrointestinal, haematology and breast patients, allowing staff to visualise radiology and histology images and discuss treatment, as if they were on the same site.
- Electronic reclining chairs – two electronic reclining chairs have been purchased for added comfort for patients using the haematology service. Charitable funds have also allowed for the acquisition of eight riser recliner chairs for use in a number of elderly care wards, where previously there was a critical lack of seating. These new chairs have reduced the incidence of patient falls and pressure ulcers, improved patients' chest clearance and prevented weakening of muscles, facilitating rehabilitation.
- Yoga and wellbeing support – 1-1 yoga sessions and bespoke sessions for teams have been used to help with the mental and physical wellbeing of hospital staff. These sessions help with mind-body connection and to work on strategies to deal with stress, which represents the principal reason for sickness absence across the NHS Foundation Trust.
- Neo-natal intensive care unit - during the year an additional three neo-natal intensive care unit monitors together with a portable monitor were purchased, significantly increasing the neo-natal unit's flexibility to care for more high dependency unit patients. The monitors measure heart rate, blood pressure and temperature. The portable unit ensures premature babies are continuously monitored during transport, when the infant is at their most vulnerable

Reserves

Trustees believe it is prudent to hold a level of free reserves to: i) enable them to take advantage of change and opportunity, as it presents itself and ii) manage financial risk by holding an operating reserve to cover two years' operating costs and a minimum level of grant making. Much of the charity's unrestricted income is received through legacies which is currently an unpredictable source of income. Such a level of reserves enables the charity to be resilient, as it seeks to develop its fundraising programme to grow income and widen its supporter base.

At present, Trustees consider it appropriate to target between £850,000 and £900,000 in free reserves for such purposes. This allows for the uncertainty of both actual receipt and timing of future fundraising income, and meeting the unplanned costs of urgent requirements of the NHS Foundation Trust. Free reserves are unrestricted reserves excluding designated funds and tangible fixed assets.

At 31st March 2018, the Charity held £1,329,000 in free reserves. As this is in excess of the Charity's target, the Trustees' intention is to accelerate the Charity's grant making programme in the next financial year.

The Trustees review the policy on at least an annual basis, to ensure that current reserves arrangements continue to be appropriate in the constantly changing strategic and financial context.

A Big Thank You

On behalf of the patients, their families and carers, and the staff who have benefitted from the improved services and enhanced care provided from donations and legacies, the Charity would like to thank patients, family members and friends, staff, companies and grant-making trusts that have generously supported us during the year. You really have made a difference to Kingston Hospital NHS Foundation Trust.

Plans for the Future

The Charity's future plans are to continue to support the NHS Foundation Trust as it continues on its journey to providing an outstanding level of care across all its services for the benefit of patients and their families and carers now and in the future.

During this year, the Charity has taken steps to ensure it is adequately resourced as it seeks to optimise fundraising over the medium to longer term. It also relaunched the Charity with a new visual identity at the end of November 2017 and sought to raise its profile across the NHS Foundation Trust, making it easier for people to engage with the Charity.

The Charity's plan for the coming financial year is to continue with the support to:

- The patients and their families and carers that are treated at Kingston Hospital NHS Foundation Trust, providing them with access to the best possible treatment and care by purchasing medical equipment, funding projects that improve patient care and improve the NHS Foundation Trust's facilities and environment. Over the next few years, the Charity anticipates playing a significant role realising a number of significant capital developments across the hospital campus.
-
- The NHS Foundation Trust as a research-active organisation, providing newer, better treatments and more efficient models of care.
- Health and well-being activities which support staff morale and welfare more generally.
- The development of staff through a range of activities including conferences, workshops and bespoke training that will enhance the care provided to patients and their families and carers.
- Provide support to fund holders, clinical staff and general staff in order to increase funding support to enhance the care provided to patients and their families and carers.
- Assess the progress and impact achieved through the funding of projects and communicate this to supporters and the wider public.
- The preservation and update of policies, controls and procedures in order to manage efficiently and effectively the Charity's affairs.

To support the development of its fundraising programme, the Charity has committed to the development of a new stand-alone website to help in communicating its role, importance and impact, as well as making it easier for those who wish to engage with it. Working with the NHS foundation trust, the Charity is also working on establishing its office in a prominent and accessible location on the hospital campus.

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 charitable fund procedures. 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



Independent auditor's report to the corporate trustee of Kingston Hospital Charity

Opinion

We have audited the financial statements of Kingston Hospital Charity (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102; 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145¹ of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the charity's corporate 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 corporate trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

¹ If a charity which is below the thresholds where a charity audit is required decides to have its accounts audited, the auditor is appointed under section 145 of the Charities Act 2011.



Independent auditor's report to the corporate trustee of Kingston Hospital Charity (continued)

- the corporate trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the corporate trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The corporate trustee is responsible for the other information. The other information comprises the information included in the Trustees' Annual Report², set out on pages 5 to 10 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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
- the charity has not kept sufficient accounting records; 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.

Responsibilities of the corporate trustee for the financial statements

As explained more fully in the Statement of Trustee's Responsibilities in respect of the Accounts set out on page 11, the corporate trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the corporate trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the corporate trustee either intends to liquidate the charity or to cease



Independent auditor's report to the corporate trustee of Kingston Hospital Charity (continued)

operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

[Signature]

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

30 Finsbury Square

London

EC2A 1AG

[Date]

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

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Statement of Financial Activities for the Year Ended 31 March 2018

	Note	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2017-18 Total £000	2016-17 Total £000
Income and Endowments from:						
Donations and Legacies	2	1,607	933	-	2,540	374
Other Trading Activities	3	4	24	-	28	113
Investments		6	-	-	6	7
Total Income and Endowments		1,617	957	-	2,574	494
Expenditure on:						
Raising Funds	4	(164)	(30)	-	(194)	(145)
Charitable Activities	5	(103)	(272)	-	(375)	(316)
Total Expenditure		(267)	(302)	-	(569)	(461)
Net Gains/(Losses) on Investments		(19)			(19)	-
Net Income/(Expenditure)		1,331	655	-	1,986	33
Transfers Between Funds	9	(7)	7	-	-	-
Net Movement in Funds		1,324	662	-	1,986	33
Total Funds Brought Forward	15	259	1,456	57	1,772	1,739
Total Funds Carried Forward		1,583	2,118	57	3,758	1,772

The notes on pages 17 to 24 form part of these accounts.

All operations are continuing.

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Balance Sheet as at 31 March 2018

		31 March 2018	31 March 2017
	Note	Total £000	Total £000
Total Fixed Assets			
Current Assets			
Stocks and Work-in-Progress		-	-
Debtors	10	75	8
Investments	11	2,101	1,365
Cash at Bank and in Hand	12	2,791	1,530
Total Current Assets		4,968	2,903
Creditors: amounts falling due within one year	13	(1,209)	(1,131)
Net Current Assets		3,758	1,772
Total Assets less Current Liabilities		3,758	1,772
Net Assets		3,758	1,772
Funds of the Charity			
Capital Funds:			
Permanent Endowment	15.1	57	57
Income Funds:			
Restricted	15.2	2,118	1,456
Unrestricted	15.3	1,583	259
Total funds		3,758	1,772

The financial statements and notes on pages 17 to 24 were approved by the Trustees on and signed on its behalf by:

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 'Charities SORP (FRS 102) (effective 1 January 2015)', and the Charities Act 2011.

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 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.

1.3 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:

1.3.1 Gifts in kind

Assets given for distribution by the Fund are included in the Statement of Financial Activities when distributed.

Assets given for use by the Fund are included in the Statement of Financial Activities as incoming resources when receivable.

Gifts made in kind but on trust for conversion into cash and subsequent application by the Fund are included in the accounting period in which the gift is sold.

In all cases, the amount at which gifts in kind are recognised is either a reasonable estimate of their value to the Fund or the amount actually realised.

1.3.2 Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes probable. 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.

1.3.3 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.

1.3.4 Grants and other time-related income

Where grants are related to performance and specific deliverables, these are accounted for as the Fund earns the right to consideration by its performance. Where income is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before income is received the income is accrued.

1.4 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.

1.5 Irrecoverable VAT

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

1.6 Employee Benefits

1.6.1 Short-term employee benefits

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

1.6.2 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.

1.7 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.

1.7.1 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.

1.7.2 Restricted funds

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

1.7.3 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.

1.8 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. Donations and Legacies

	Unrestricted Funds £000		Permanent Endowment Funds £000	2017-18 Total £000	2016-17 Total £000
Donations: Corporate	5	18	-	23	7
Donations: Charitable	-	18	-	18	40
Donations: Personal	95	140	-	235	171
Legacies	1,507	757	-	2,264	156
Total	1,607	933	-	2,540	374

3. Other Trading Activities

	Unrestricted Funds £000		Permanent Endowment Funds £000	2017-18 Total £000	2016-17 Total £000
Special Fundraising Events	3	20	-	23	27
Local Community Fundraising	1	4	-	5	86
Total	4	24	-	28	113

4. Costs of Raising Funds

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2017-18 Total £000	2016-17 Total £000
Salaries and other administrative costs	109	19	-	128	118
Cost of activities for generating funds	55	11	-	66	27
Total	164	30	-	194	145

5. Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2017-18 Total £000	2016-17 Total £000
Expenditure benefiting Patients	2	87	-	89	139
Expenditure benefiting Staff	36	4	-	40	55
Medical equipment	15	32	-	47	13
Capital schemes	-	127	-	127	-
Other activities	1	4	-	5	17
Office Hardware & Software	2	5	-	7	2
Office Equipment & Furniture	27	3	-	30	34
Administration	9	13	-	22	51
Auditor's remuneration	11	(3)	-	8	5
Total	103	272	-	375	316

£30,098 (2016-17: £56,329) related to audit and administration costs charged by the Trust. 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. 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 (2016-17: £NIL).

7. Staff Costs

	2017-18	2016-17
	Total	Total
	£000	£000
Salaries and wages	109	95
Social security costs	8	10
Pension costs	11	13
Total emoluments	128	118

	2017-18	2016-17
	Number	Number
The average number of employees is split as follows:		
Raising Funds	2.7	3.2
Charitable activities	-	-
Other	-	-
Total	2.7	3.2

One member of staff received emoluments in excess of £60,000 in the current year (2016-17: None).

8. Support Costs

	Unrestricted Funds £000	Restricted Funds £000	2017-18 Total £000	2016-17 Total £000
Raising Funds	164	30	194	145
Total	164	30	194	145

9. Gross Transfers Between Funds

A total of £6,844 was transferred from unrestricted funds to restricted funds during 2017/18, due to the reclassification of one fund (2016/17 £0).

10. Debtors

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2017-18 Total £000	2016-17 Total £000
Amounts falling due within one year:-					
Trade Debtors	-	-	-	-	3
Accrued Income	59	16	-	75	5
Total	59	16	-	75	8

Accrued income includes provision for a legacy of £51k receipted on 8th May 2018.

11. Investments

These relate to investments held with CCLA Investment Management Limited totalling £1,365k and a new portfolio of investments with Fidelity International totalling £736k, gifted to the Charity as part of a large legacy.

12. Cash at Bank and in Hand –

Cash in hand and deposits with any financial institution are repayable without penalty on notice of not more than 24 hours. The Charity's cash balance at 31st March 2018 was £2,791k (31st March 2017: £1,530k). This substantive increase was principally due to two grateful patients who left generous gifts in their wills (sometimes referred to as legacies or bequests) to the Charity, and development of its fundraising programme, including major giving.

13. Creditors : amounts falling due within one year

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2017-18 Total £000	2016-17 Total £000
Trade creditors	37	14	-	51	59
Accruals	16	1,142	-	1,158	1,072
Total	53	1,156	-	1,209	1,131

Trade creditors include £51K due to the Trust. The balance due to the Trust was paid in June 2018.

14. 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 £22k (2016-17: £51k) 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.

The Charity recorded a net creditor of £51K due to the Trust at 31st March 2018.

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

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

15. Funds of the Charity

	Balance 31 March 2017 £000	Incoming Resources £000	Resources Expended £000	Transfers Between Funds £000	Balance 31 March 2018 £000
15.1 Permanent endowment funds					
V A W Holton – Research	57	-	-	-	57
Total permanent endowment funds	57	-	-	-	57
15.2 Restricted funds					
Born Too Soon	151	112	(81)	-	182
Cancer Research	10	-	-	-	10
Cancer Unit Appeal	389	50	(120)	-	319
Cancer Unit – Restricted	371	600	-	-	971
Cancer Unit Maintenance	385	-	(55)	-	330
I C Lewis – Nursing Research	4	-	-	-	4
Mrs A B Grubb – Research	14	-	(14)	-	-
Orthopaedic Equipment	56	-	(1)	-	55
Urology Equipment	72	-	-	-	72
Dementia Appeal	-	60	(27)	7	40
Surgery CMG	-	13	-	-	13
Ophthalmology	-	35	-	-	35
Hospital Equipment	-	87	-	-	87
V A W Holton – Research	4	-	(4)	-	-
Total restricted funds	1,456	957	(302)	7	2,118
15.3 Unrestricted funds					
General	26	1,544	(251)	10	1,329
Designated	233	73	(35)	(17)	254
Total unrestricted funds	259	1,617	(286)	(7)	1,583
Total funds	1,772	2,574	(588)	-	3,758

15.4 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
Dementia Appeal	To be used to deliver consistently excellent dementia care
Surgery CMG	To be used to enhance surgical services
Hospital Equipment	To be used to purchase medical equipment
Ophthalmology	To be used to support ophthalmology services provided by the Royal Eye Unit
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 Rous 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