

<b>Trust Board</b>	<b>Item: 18</b>
<b>Date: 27<sup>th</sup> November 2019</b>	<b>Enclosure: 0</b>
<b>Purpose of the Report:</b> To present the Annual Report and Accounts for Kinston Hospital Charity for the financial year 2018/19.	
<b>For: Information</b> <input type="checkbox"/> <b>Assurance</b> <input type="checkbox"/> <b>Discussion and input</b> <input type="checkbox"/> <b>Decision/approval</b> <input checked="" type="checkbox"/>	
<b>Sponsor (Executive Lead):</b>	Tracey Cotterill – Interim Director of Finance
<b>Author:</b>	Martin Linton
<b>Author Contact Details:</b>	Martin.linton2@nhs.net
<b>Risk Implications – Link to Assurance Framework or Corporate Risk Register:</b>	
<b>Legal / Regulatory / Reputation Implications:</b>	
<b>Link to Relevant CQC Domain:</b> <b>Safe</b> <input type="checkbox"/> <b>Effective</b> <input type="checkbox"/> <b>Caring</b> <input type="checkbox"/> <b>Responsive</b> <input type="checkbox"/> <b>Well Led</b> <input checked="" type="checkbox"/>	
<b>Link to Relevant Corporate Objective:</b>	
<b>Document Previously Considered By:</b>	Trust Charity Committee – November 2019 Audit Committee members - November 2019
<b>Recommendations:</b> The Charity's Annual Report and Accounts have been reviewed and approved by the Trust's Charity Committee. Members of the Audit Committee have endorsed the Charity's Accounts in correspondence with the Audit Committee Chairman.  The Trust's Board is asked to approve the Charity's Annual Report and Accounts.	



**Kingston**  
Hospital  
Charity

---

**Trustee's Annual Report & Accounts  
For the year ended 31 March 2019  
Registered Charity Number: 1056510**

---

# Contents

Reference & Administrative Information .....	3
Corporate Trustee.....	3
Directors of the Corporate Trustee .....	3
Trust & Charitable Funds Committee Membership .....	3
Charity Number.....	3
Principal Office.....	4
Constituent Charity Registrations .....	4
Auditors.....	4
Bankers.....	4
Solicitors .....	4
Investment Managers .....	4
TRUSTEE'S ANNUAL REPORT.....	5
Constitution.....	5
Structure, Governance and Management.....	5
Objectives and Activities.....	6
About Kingston Hospital NHS Foundation Trust.....	6
Risk Management.....	7
Financial Review.....	7
Investment Policy.....	7
Achievements and Performance.....	7
Reserves.....	9
Plans for the Future .....	10
Statement of Trustee's Responsibilities in respect of the Accounts .....	11
Independent Auditor's Opinion to the Trustee of Kingston Hospital NHS Trust General Charitable Fund .....	12
Statement of Financial Activities for the Year Ended 31 March 2019.....	15
Balance Sheet as at 31 March 2019 .....	16
Notes to the Accounts.....	17

---

## Reference & Administrative Information

### Corporate Trustee

The Corporate Trustee is Kingston Hospital NHS Foundation Trust ('The Trustee')

### 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
Dr Nav Chana	Non-Executive Director
Joan Mulcahy	Non-Executive Director
Dame Cathy Warwick	Non-Executive Director
Sylvia Hamilton	Non-Executive Director
Dr Rita Harris	Non-Executive Director
Ann Radmore	Chief Executive Officer (to 31st March 2019)
Mairead McCormick	Chief Operating Officer
Jo Farrar *	Director of Finance / Interim Chief Executive Officer
Rachel Benton	Director of Strategic Development (to 30 <sup>th</sup> April 2019)
Sally Brittain	Director of Nursing & Quality
Kelvin Cheatle	Director of Workforce & Organisational Development
Jane Wilson	Medical Director
Tracey Cotterill	Interim Director of Finance (from 1 <sup>st</sup> April 2019)

\*Director of Finance Jo Farrar was appointed as Interim Chief Executive Officer effective from 1<sup>st</sup> April 2019

### Trust Charitable Funds Committee Membership

Joan Mulcahy	Non-Executive Director (Chairman) (to 31 <sup>st</sup> May 2019)
Sylvia Hamilton	Non-Executive Director (Chairman) (from 1 <sup>st</sup> June 2019)
Sian Bates	Chairman of the Trust Board
Ann Radmore	Chief Executive Officer (to 31 <sup>st</sup> March 2019)
Jo Farrar	Director of Finance / Interim Chief Executive Officer
Rachel Benton	Director of Strategic Development (to 30 <sup>th</sup> April 2019)
Sally Brittain	Director of Nursing & Quality (from 1 <sup>st</sup> May 2019)
Tracey Cotterill	Interim Director of Finance (from 1 <sup>st</sup> April 2019)
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: Kingston Hospital NHS Trust General Charitable Fund

1056510-1: V A W Holton Research Fund

1056510-2: Kingston Hospital Born Too Soon Fund

1056510-3: Kingston Can

## **Auditors**

Grant Thornton UK LLP  
30 Finsbury Square  
LONDON  
EC2A 1AG

## **Bankers**

Barclays Bank plc  
Leicester  
LE87 2BB

Royal Bank of Scotland  
PO Box 2027 Parklands  
De Havilland Way  
Horwich  
BL6 4YU

## **Solicitors**

Bates Wells  
10 Queen Street Place  
London  
EC4R 1BE

## **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 Kingston Hospital NHS Foundation Trust General Charitable Fund (known as Kingston Hospital Charity) for the year ended 31 March 2019. 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

Kingston Hospital Charity (the '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 38 individual funds as at 31 March 2019 (2018: 41) 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 (the '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 including the Chief Executive Officer and Director of Finance.

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 Trustee 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 of which the Trustee should be aware, 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 Kingston Hospital's work.

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

The Chair of the Committee ensures that new Board members of Kingston Hospital NHS Foundation Trust are aware of current policies and priorities for the Charity and any additional training that their role(s) as Trustees 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 Kingston Hospital NHS Foundation

Trust with a recharge made to the Charity for their costs. Kingston Hospital also provides general 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 Kingston Hospital-wide annual internal audit programme.

## Objectives and Activities

The object of the Kingston Hospital NHS Foundation Trust General 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 Charity’s mission is to work together with colleagues from across Kingston Hospital NHS Foundation Trust, as well as key partners and stakeholders, to help deliver exceptional, compassionate care, providing benefits for patients and their families/carers that are over and above those that can be achieved through NHS funding alone.

Philanthropic support is focused on adding value to the NHS service by raising the vital extra funds to: purchase cutting-edge equipment and fund high quality clinical research; help create the best possible patient environments; and support the development and wellbeing of staff to help ensure exceptional and compassionate care is consistently delivered across all Kingston Hospital services now and in the future.

In awarding grants, the Trustee requires that the activity falls within the objects of the Charity, that the grant is supported by Kingston Hospital 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.

A Grants Committee has been established by the Charitable Funds Committee with the purpose of being: i) the decision-making body for grant applications of over £5k but which don’t exceed £20k, in accordance with the budget set by the Committee annually; and ii) the recommending body for all grants amounting to more than £20k. It also provides the Committee with advice and oversight of the Charity’s grants programme to ensure its proper operation. The Grants Committee meets quarterly.

The scheme of delegation for the Charity 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

The Trustee has 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 ‘Achievements and Performance’ provides examples of charitable expenditure undertaken by the Charity. The Trustee is 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 Kingston Hospital.

## About Kingston Hospital NHS Foundation Trust

Kingston Hospital 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 350 beds and directly employs approximately 2,900 staff. As well as delivering services from its main site, the hospital delivers a number of outpatient clinics at a range of community locations in partnership with GPs and community providers. In the financial year 2018-19, Kingston Hospital saw

# ANNUAL REPORT AND ACCOUNTS

---

over 127,000 patients in A&E, delivered 4,976 babies, undertook nearly 445,500 outpatient appointments and cared for approximately 67,000 admitted patients.

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.

In August 2018, the Care Quality Commission (CQC) rated the overall quality of care provided at Kingston Hospital as 'Outstanding', following its latest inspection.

## Risk Management

The Trustee considers 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 Trustee has put in place plans to grow fundraising income year-on-year from the Charity's key stakeholders, utilising the goodwill that exists towards Kingston Hospital across the local community.

## Financial Review

Income raised was £1,648,000 (2017-18: £2,574,000). Although down on the previous year, efforts to develop a more robust fundraising programme continue, following investment in growing the team over the last two years.

Total expenditure in 2018-19 was £1,573,000 (2017-18: £569,000). £214,000 (2017-18: £194,000) related to income generation, which reflected the additional investment that had been made in resourcing the team to develop fundraising over the coming years. £1,359,000 related to charitable activities (2017-18: £376,000). This included £ 63,000 (2017-18: £30,000) related to audit, financial and administration costs charged by the Trust and amounts spent directly by the Charity on its strategic management and governance.

## Investment Policy

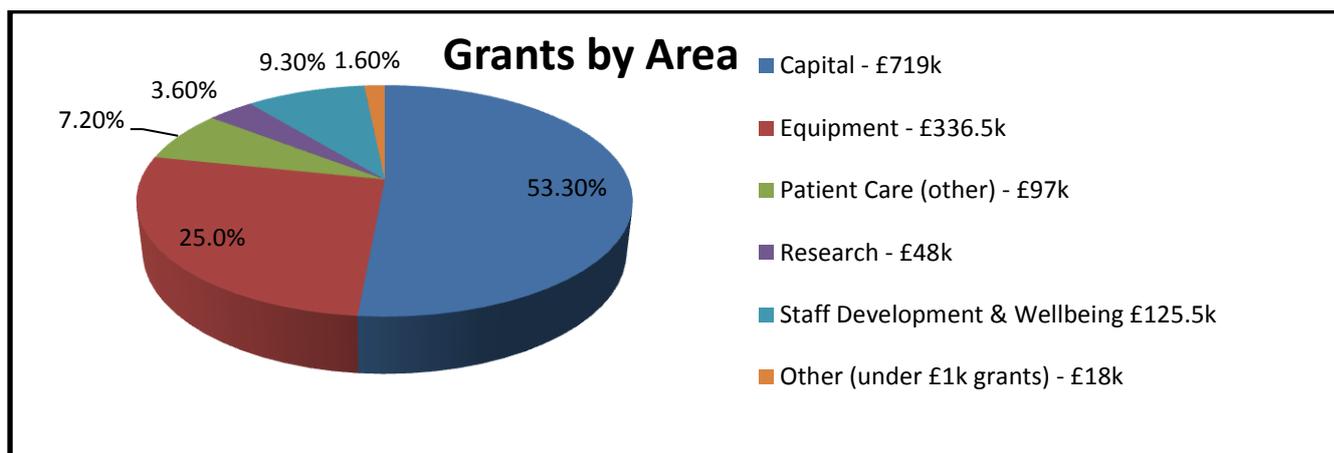
During the year, the Charity has invested assets that are not required to meet immediate expenditure needs in the COIF Charities Ethical Investment Fund, managed by CCLA Fund Managers Limited. The Charity's investment objectives are to maintain capital in real terms, whilst generating a relatively predictable income to support its ongoing activities.

The Charity has a policy that states that there should be no direct or indirect investment in companies that generate more than 10% of revenues from tobacco or alcohol, as this would conflict with its aims, tobacco and excessive alcohol being injurious to health and thereby creating an additional burden on NHS resources.

## Achievements and Performance

The Charity continues to support a wide range of activities benefitting Kingston Hospital's patients and their loved ones, as well as staff development and provision for their general wellbeing, including acknowledging their efforts in striving to deliver exceptional, compassionate care.

New grant commitments during 2018-19 totalled £1.344m, whilst the Charity recouped £48k of grant commitments made in previous financial years which had not been utilised.



The two major projects successfully completed during the year related to:

- The Maxwell Thorne Haematology Day Unit which was officially opened on 21 March 2019. With the Charity's support, a third floor has been successfully added onto the Sir William Rous Unit, the building that provides cancer services at Kingston Hospital, to allow a new haematology day unit to be housed there. The new unit is large enough to accommodate 3,000 patients per year and comprises 12 treatment chairs, a 'Quiet Room' for patients, a new waiting area and a roof garden for patients to sit outside after their treatment. The new unit opened its doors to patients receiving chemotherapy on 9 April 2019.
- The transformation of Kingston Hospital's second elderly care ward, as part of its efforts to deliver consistently excellent dementia care. The dementia-friendly Blyth Ward reopened in November 2018, having been designed to ensure better, safer, calmer and shorter stays for patients with dementia, whilst enhancing their welfare. The Care Quality Commission, in its August 2018 report, highlighted examples of outstanding practice which included Kingston Hospital's significant emphasis 'on meeting the needs of people living with dementia' which included its refurbishment of its elderly care wards to make them dementia-friendly.

Other projects for which charitable funds were committed included:

- Purchasing, jointly with the Kingston Cardiac Support Trust, a digital echocardiography reporting and archiving system which will allow the cardiology service to see an improvement in the diagnostic image quality, reducing the need for patients to have repeated tests, as well as to improve reporting. It will also reduce the time taken to create the echocardiogram reports, increasing the number of echocardiograms performed on a daily basis, reducing waiting times and expediting further treatment for the patient. Additionally, this new system will provide enhanced opportunities for education of specialist registrars, junior doctors in training and cardiac physiologists.

Echocardiograms are requested by virtually every clinical specialty including oncology services, surgical pre-assessment services and maternity services. Prompt access to reports will improve patient experience and facilitate clinical care across the hospital.

- Funding a research study to establish whether a protein called mechano-growth factor (MGP), which helps regenerate muscle and nerves, is more or less present in people with overactive bladder. Led by the hospital's Consultant Urogynaecologist, this basic research project has

the potential to inform new treatments for the management of overactive bladder. This is a condition characterised by urinary urgency with frequency, night-time toilet trips and incontinence. It affects 17% of women, reaching a prevalence of 50-60% in the frail elderly. The project is a collaboration between Kingston Hospital and Kingston University.

- Supporting the Royal Eye Unit's eye clinic liaison officer (ECLO) jointly with the RNIB from 1 April 2019 for three years. The ECLO is integral to delivering a high quality of care to patients. Supporting those recently diagnosed with a serious eye condition, the ECLO provides them with practical and emotional support which they need to understand their diagnosis, deal with their sight loss and maintain their independence. Most importantly the ECLO has the time to dedicate to patients following consultation, so that they can discuss the impact that their condition may have on their life.
- Following the conclusion of a successful trial, the gastroenterology department was awarded funding to purchase seven transnasal endoscopes. The endoscopy service aims to emulate the Japanese by converting 80% of its upper gastrointestinal endoscopy activity, from traditional transnasal, to the patient-friendly transnasal endoscopes by 2021.

The trial, which began in 2017, has demonstrated significant benefits of transnasal procedures over those of transnasal, the standard diagnostic method used to visualise the upper part of the gastrointestinal tract including the duodenum. These benefits include a significant reduction in not only the duration of the procedure, but also the level of discomfort experienced by the patient. As no sedation is required, it also eliminates risk for patients over 75. This shift to transnasal procedures also facilitates one-stop clinics, which rapidly reduce waiting times and further contribute to improved patient outcomes.

- Parathyroid blood hormone levels are measured during surgery to remove parathyroid glands to help ensure all tissue is safely removed. Traditionally the turnaround time for processing these blood samples via the cellular laboratory was up to 60 minutes. During this time patients would be kept anaesthetised in a fully staffed theatre.

With charitable support, a new piece of equipment has been purchased that allows the blood samples to be processed far more rapidly in theatre, reducing the turnaround time to around 15 minutes. This means that patients recover from surgery more quickly, while theatre utilisation is improved.

## Reserves

The Charity's total reserves at 31<sup>st</sup> March 2019 were £3,897,000. Of these, the Charity held £1,915,000 in free reserves. Free reserves are unrestricted reserves excluding designated funds (see Note 15).

The Trustee believes it is prudent to hold a level of free reserves to: i) enable them to take advantage of the emerging opportunities, and ii) manage financial risk by holding an operating reserve suitable to meet the anticipated level of grant-making and to cover administrative costs. Much of the Charity's unrestricted income is received through legacies which is currently an unpredictable source of income.

At present, the Trustee considers it appropriate to target between £850,000 and £900,000 in free reserves. This enables the Charity to be resilient as it seeks to develop its fundraising programme to grow income and widen its supporter base, allows for the uncertainty of both actual receipt and timing of future fundraising income, and ensures that the Charity is able to meet the unplanned costs of

urgent requirements of Kingston Hospital. Free reserves are unrestricted reserves excluding designated funds.

Whilst the Charity's level of free reserves, at £1,915,000, are in excess of the Charity's target, the Trustee's intention is to utilise these additional funds to support key projects that form part of Kingston Hospital's estates strategy. Approximately £500,000 of these funds are to be committed to support a major development to extend the Royal Eye Unit at ground floor level, while creating a dedicated paediatric oncology day care unit at first floor level.

The Trustee reviews 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

The Charity would like to thank patients, family members and friends, staff, grant-making trusts, local companies and other organisations that have generously supported us during the year.

When Kingston Hospital was awarded a rating of 'Outstanding' by the Care Quality Commission in August 2018, it was the first acute trust in the London region to achieve this for 'Overall Quality' and 'Leadership'. This not only reflected the total dedication and caring commitment of the staff but also highlighted the Charity's key role in so much of what Kingston Hospital is able to achieve.

## Plans for the Future

The Charity's future plans are to continue to support Kingston Hospital, as it strives to deliver exceptional, compassionate care to patients and their families or carers.

For the coming financial year, the Charity plans to continue providing support to:

- Patients and their families or carers that are treated at Kingston Hospital, providing them with access to the best possible treatment and care by purchasing medical equipment, funding projects that improve patient care and improve the hospital's facilities and environment. A key priority is to secure the funds needed to extend the Royal Eye Unit at ground floor level, while building a dedicated paediatric oncology day care unit at first floor level.
- Ensure Kingston Hospital remains a research-active organisation, providing newer, better treatments and more efficient models of care.
- Health and well-being activities which benefit staff morale and welfare more generally.
- Develop staff through a range of activities including conferences, workshops and bespoke training that will enhance the care provided to patients and their families or carers.
- Assist fund holders, clinical staff and general staff with fundraising to enhance the care provided to patients and their families or carers.
- Stimulate and facilitate the local community to get involved, while raising its profile across Kingston, Richmond and the surrounding areas.
- Assess the progress and impact achieved through the funding of projects and communicate this to supporters and the wider public.
- Review and update policies, controls and procedures in order to manage efficiently and effectively the Charity's affairs.

## 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 Kingston Hospital's 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's finances and any published information.

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 2019 which comprise the Statement of Financial Activities, the Balance Sheet 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 2019 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 145 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:

- 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 Report, set out on pages 5 to 10 of 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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants

30 Finsbury Square  
London  
EC2A 1AG

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

# ANNUAL REPORT AND ACCOUNTS

## Statement of Financial Activities for the Year Ended 31 March 2019

	Note	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2018-19 Total £000	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2017-18 Total £000
<b>Income and Endowments from:</b>									
Donations and Legacies	2	1,018	578	-	<b>1,596</b>	1,607	933	-	2,540
Other Trading Activities	3	13	11	-	<b>24</b>	4	24	-	28
Investments		28	-	-	<b>28</b>	6	-	-	6
<b>Total Income and Endowments</b>		<b>1,059</b>	<b>589</b>	<b>-</b>	<b>1,648</b>	<b>1,617</b>	<b>957</b>	<b>-</b>	<b>2,574</b>
<b>Expenditure on:</b>									
Raising Funds	4	(197)	(17)	-	<b>(214)</b>	(164)	(30)	-	(194)
Charitable Activities	5	(379)	(980)	-	<b>(1,359)</b>	(103)	(272)	-	(375)
<b>Total Expenditure</b>		<b>(576)</b>	<b>(997)</b>	<b>-</b>	<b>(1,573)</b>	<b>(267)</b>	<b>(302)</b>	<b>-</b>	<b>(569)</b>
Net Gains/(Losses) on Investments		64	-	-	<b>64</b>	(19)	-	-	(19)
<b>Net Income/(Expenditure)</b>		<b>547</b>	<b>(408)</b>	<b>-</b>	<b>139</b>	<b>1,331</b>	<b>655</b>	<b>-</b>	<b>1,986</b>
Transfers Between Funds	9	4	(4)	-	-	(7)	7	-	-
<b>Net Movement in Funds</b>		<b>551</b>	<b>(412)</b>	<b>-</b>	<b>139</b>	<b>1,324</b>	<b>662</b>	<b>-</b>	<b>1,986</b>
Total Funds Brought Forward	15	1,583	2,118	57	<b>3,758</b>	259	1,456	57	1,772
<b>Total Funds Carried Forward</b>		<b>2,134</b>	<b>1,706</b>	<b>57</b>	<b>3,897</b>	<b>1,583</b>	<b>2,118</b>	<b>57</b>	<b>3,758</b>

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

All operations are continuing.

# ANNUAL REPORT AND ACCOUNTS

## Balance Sheet as at 31 March 2019

	Note	31 March 2019 Total £000	31 March 2018 Total £000
<b>Current Assets</b>			
Debtors	10	31	75
Investments	11	2,172	2,101
Cash at Bank and in Hand	12	2,247	2,791
<b>Total Current Assets</b>		<b>4,450</b>	4,968
Creditors: amounts falling due within one year	13	(553)	(1,209)
<b>Net Current Assets</b>		<b>3,897</b>	3,758
<b>Total Assets less Current Liabilities</b>		<b>3,897</b>	3,758
<b>Net Assets</b>		<b>3,897</b>	3,758
<b>Funds of the Charity</b>			
Capital Funds:			
Permanent Endowment	15.1	57	57
Income Funds:			
Restricted	15.2	1,706	2,118
Unrestricted	15.3	2,134	1,583
<b>Total funds</b>		<b>3,897</b>	3,758

The financial statements and notes on pages 17 to 23 were approved by the Trustee 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 Charity.

### 1.1 Accounting convention

The Charity is a public benefit entity and the functional currency is Pounds Sterling (£).

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 Charity'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, including expectations of future events that are believed to be reasonable under the circumstances. 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. At 31<sup>st</sup> March 2019, there are no estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income, when receipt is probable 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 Charity are included in the Statement of Financial Activities when distributed.

Assets given for use by the Charity 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 Charity 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 Charity 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.

### **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 Charity 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 Charity which relate to the general running of the Charity, 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 Charity commits itself to the retirement, regardless of the method of payment.

## **1.7 Charity 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 Trustee 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. No significant judgement or estimates were used or required in ascertaining the Charity's cash balance at 31<sup>st</sup> March 2019.

## 2. Donations and Legacies

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2018-19 Total £000	2017-18 Total £000
Donations: Corporate	6	3	-	9	23
Donations: Charitable Trusts	6	164	-	170	18
Donations: Personal	137	110	-	247	235
Legacies	869	301	-	1,170	2,264
<b>Total</b>	<b>1,018</b>	<b>578</b>	<b>-</b>	<b>1,596</b>	<b>2,540</b>

At 31<sup>st</sup> March 2019, in addition to legacy income included in the accounts, Kingston Hospital Charity expected to benefit from a legacy from an estate for which the final estate accounts had not been approved. Kingston Hospital Charity's future income from this legacy was £134k, which was received in June 2019.

## 3. Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2018-19 Total £000	2017-18 Total £000
Special Fundraising Events	11	5	-	16	23
Local Community Fundraising	2	6	-	8	5
<b>Total</b>	<b>13</b>	<b>11</b>	<b>-</b>	<b>24</b>	<b>28</b>

## 4. Costs of Raising Funds

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2018-19 Total £000	2017-18 Total £000
Salaries and other administrative costs	128	11	-	139	128
Cost of activities for generating funds	69	6	-	75	66
<b>Total</b>	<b>197</b>	<b>17</b>	<b>-</b>	<b>214</b>	<b>194</b>

# ANNUAL REPORT AND ACCOUNTS

## 5. Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2018-19 Total £000	2017-18 Total £000
Expenditure benefiting Patients	36	60	-	96	89
Expenditure benefiting Staff	120	4	-	124	40
Medical equipment	74	230	-	304	47
Capital schemes	25	673	-	698	127
Other activities	49	17	-	66	5
Office Hardware & Software	1	(10)*	-	(9)	7
Office Equipment & Furniture	14	3	-	17	30
Administration & Governance	54	3	-	57	22
Auditor's remuneration	6	-	-	6	8
<b>Total</b>	<b>379</b>	<b>980</b>	<b>-</b>	<b>1,359</b>	<b>375</b>

£62,843 (2017-18: £30,098) related to both internal and external audit costs in addition to administration, management and governance costs. Auditor's remuneration relates to statutory audit fees only.

\* represents an overestimation in prior year provision for a grant

## 6. Trustee Remuneration

No member of the Board of the Corporate Trustee received any remuneration or benefits in kind from the Charity in the current year (2017-18: £NIL).

## 7. Staff Costs

	2018-19 Total £000	2017-18 Total £000
Salaries and wages	147	109
Social security costs	7	8
Pension costs	6	11
<b>Total emoluments</b>	<b>160</b>	<b>128</b>

	2018-19 Number	2017-18 Number
The average number of employees is split as follows:		
Raising Funds	2.7	2.7
Charitable activities	0.2	-
Other	-	-
<b>Total</b>	<b>2.9</b>	<b>2.7</b>

One member of staff received emoluments between £80k and £90k in the current year (2017-18: one member of staff received emoluments of between £70k and £80k). Key management personnel, which are considered to be the Leadership Team, consisted of one member of staff - Head of Charity.

## 8. Support Costs

	Unrestricted Funds £000	Restricted Funds £000	2018-19 Total £000	2017-18 Total £000
Raising Funds	197	17	214	194
<b>Total</b>	197	17	214	194

Support costs are the costs of raising funds for the Charity, including the cost of salaries, special fundraising events, printing and sending mailshots, appeal clothing and other merchandise, marketing, online donation platform commission and maintaining fundraising information systems.

There are no support costs to Charitable Activities, which comprise grant-giving. Administrative, governance and audit costs are also included in Charitable Activities, in accordance with the Statement of Recommended Practice 'Charities SORP (FRS 102)' Section 4.52.

## 9. Gross Transfers Between Funds

A total of £4,496 was transferred from unrestricted funds to restricted funds during 2018/19, due to the reclassification of two funds (2017/18 £6,844).

## 10. Debtors

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2018-19 Total £000	2017-18 Total £000
Amounts falling due within one year:-					
Trade Debtors	10	10	-	20	-
Accrued Income	7	4	-	11	75
<b>Total</b>	17	14	-	31	75

## 11. Investments

These relate to investments held with CCLA Investment Management Limited totalling £1,809k and the residue of a portfolio of investments with Fidelity International totalling £363k, which had been 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 31<sup>st</sup> March 2019 was £2,247k (31<sup>st</sup> March 2018: £2,791k).

# ANNUAL REPORT AND ACCOUNTS

## 13. Creditors : amounts falling due within one year

	Unrestricted Funds £000	Restricted Funds £000	Permanent Endowment Funds £000	2018-19 Total £000	2017-18 Total £000
Trade creditors	56	21	-	77	51
Accruals	173	303	-	476	1,158
<b>Total</b>	229	324	-	553	1,209

Trade creditors include £77K due to Kingston Hospital. The balance due to Kingston Hospital was paid in August 2019.

## 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 £25k (2017-18: £22k) was charged in the year. In addition Kingston Hospital pays all bills and employees on behalf of the Charity and recharges the costs to the Charity.

The Charity recorded a net creditor of £77k due to Kingston Hospital at 31 March 2019 (2017-18: £51k).

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 Charity (2017-18: none)

## 15. Funds of the Charity

	Balance 31 March 2018 £000	Incoming Resources £000	Resources Expended £000	Transfers Between Funds £000	Balance 31 March 2019 £000
<b>15.1 Permanent endowment funds</b>					
V A W Holton Research – Registered 1056510-1	57	-	-	-	57
<b>Total permanent endowment funds</b>	57	-	-	-	57
<b>15.2 Restricted funds</b>					
Born Too Soon – Registered 1056510-2	182	106	(47)	-	241
Kingston Can – Registered 1056510-3	319	271	(326)	867	1,131
Registered 1056510:-					
Cancer Research	10	-	-	-	10
Cancer Services – Legacies	971	7	-	(971)	7
Cancer Unit Maintenance	330	-	(330)	-	-
I C Lewis – Nursing Research	4	-	-	-	4
Orthopaedic Equipment	55	-	(5)	-	50
Urology Equipment	72	-	(1)	-	71
Dementia Care Programme	40	161	(223)	100	78
General Surgery	13	22	-	-	35
Ophthalmology Services	35	22	(31)	-	26
Hospital Equipment	87	-	(34)	-	53
<b>Total restricted funds</b>	2,118	589	(997)	(4)	1,706

	Balance 31 March 2018 £000	Incoming Resources £000	Resources Expended £000	Transfers Between Funds £000	Balance 31 March 2019 £000
<b>15.3 Unrestricted funds</b>					
General	1,329	985	(400)	1	<b>1,915</b>
Designated	254	74	(112)	3	<b>219</b>
<b>Total unrestricted funds</b>	<b>1,583</b>	<b>1,059</b>	<b>(512)</b>	<b>4</b>	<b>2,134</b>
<b>Total funds</b>	<b>3,758</b>	<b>1,648</b>	<b>(1,509)</b>	<b>-</b>	<b>3,897</b>

#### 15.4 Nature and purpose of each fund

Name of fund	Description of the nature and purpose of each fund
<b>Permanent endowment funds</b>	
V A W Holton – Research	Capital to be held in perpetuity. Income to be used for any research activity undertaken by the Hospital
<b>Restricted funds</b>	
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 Care Programme	To be used to deliver consistently excellent dementia care
General Surgery	To be used to enhance surgical services
Hospital Equipment	To be used to purchase medical equipment
Ophthalmology Services	To be used to support ophthalmology services provided by the Royal Eye Unit
Kingston Can	To relieve sickness and advance the health of patients of Kingston Hospital NHS Foundation Trust who are (a) suffering from chronic or critical illness (with a particular emphasis on those suffering from cancer) or (b) suffering from a disability or illness attributable to old age: including, but not limited to, by provision of facilities, equipment and services and the provision of support and information to their families and carers.
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
Orthopaedic Equipment	To be used to purchase orthopaedic equipment
Urology Equipment	To be used to purchase urology equipment
Cancer Services Legacies	To be used to support the treatment of cancer at Kingston Hospital
<b>Unrestricted funds</b>	
General Fund & Designated Funds	The unrestricted funds are available to be spent for any of the purposes of the Charity