

**BRIGHTON AND SUSSEX UNIVERSITY
HOSPITALS NHS TRUST CHARITABLE FUNDS**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

BRIGHTON AND SUSSEX UNIVERSITY HOSPITALS

NHS TRUST

FUNDS HELD ON TRUST ANNUAL ACCOUNTS 2013-14

The accounts of the Funds Held on Trust by the Trust.

FOREWORD

These accounts have been prepared by the trustee in accordance with the requirements of the Charities (Accounts and Reports) Regulations 2008.

STATUTORY BACKGROUND

The trustee has been appointed under the NHS Act 2006 s51.

The Brighton and Sussex University Hospitals NHS Trust Charitable Funds held on trust are registered with the Charity Commission and include funds in respect of the Princess Royal, Brighton General, Royal Sussex County, Royal Alexandra and Sussex Eye Hospitals.

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

The main purpose of the charitable funds held on trust is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the Brighton and Sussex University Hospitals NHS Trust.

Statement of trustee's responsibilities

The trustee is responsible for:

- ♦ keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the funds held on trust and to enable it to ensure that the accounts comply with requirements in the Charities Act 2011 and those outlined in the directions issued by the Secretary of State;
- ♦ establishing and monitoring a system of internal control;
- ♦ establishing arrangements for prevention and detection of fraud and corruption; and
- ♦ safeguarding assets and ensuring their proper application under charity law.

The trustee is required under the Charities Act 2011 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the financial position of the funds held on trust, in accordance with the Charities Act 2011. In preparing those accounts, the trustee is required to:

- ♦ apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- ♦ make judgements and estimates which are responsible and prudent;
- ♦ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee confirms that it has met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 3 to 11 attached have been compiled from and are in accordance with the financial records maintained by the trustee.

By Order of the Trustee

Signed:

Trustee Date

Trustee Date

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BRIGHTON AND SUSSEX UNIVERSITY HOSPITALS NHS TRUST CHARITABLE FUND

We have audited the financial statements of Brighton and Sussex University Hospitals NHS Trust Charitable Fund for the year ended 31 March 2014 which comprise the Statement of Financial Activities and the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 trustees, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 1, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charity's affairs as at 31 March 2014, and of its incoming resources and application of resources, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

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

Ernst & Young LLP

Statutory Auditor

Reading

XX January 2015

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Notes:

1. The maintenance and integrity of the Brighton and Sussex University Hospitals NHS Trust Charitable Fund web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 MARCH 2014**

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	2012-13 Total Funds £000
Incoming resources						
Voluntary Income						
Donations		38	634	0	672	672
Legacies		944	162	0	1,106	1,270
Investment Income						
Dividends	8.3	49	215	18	282	176
Interest	8.3	1	4	0	5	4
Other Incoming Resources		14	333	0	347	251
Total incoming resources		1,046	1,348	18	2,412	2,373
Resources expended						
Costs of generating funds						
Investment Management Costs		0	0	0	0	12
Charitable Activities	3	226	1,386	0	1,612	1,432
Governance Costs	4	1	7	0	8	10
Administration Expenses	4	5	23	2	30	30
Total resources expended		232	1,416	2	1,650	1,484
Net incoming/(outgoing) resources before transfers		814	(68)	16	762	889
Transfers						
Internal transfers between funds	5	(18)	103	(85)	0	0
Net incoming/(outgoing) resources before other recognised gains		796	35	(69)	762	889
Other Recognised Gains						
Realised gains on sales of investments		0	0	0	0	872
Unrealised gains on revaluation of investments		70	332	9	411	92
Net movement in funds	6	866	367	(60)	1,173	1,853
Reconciliation of Funds						
Total funds brought forward		1,620	6,733	608	8,961	7,108
Total Funds Carried Forward		2,486	7,100	548	10,134	8,961

The notes at pages 5 to 11 form part of this account.

**BALANCE SHEET AS AT
31 MARCH 2014**

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March 2014 £000	Total at 31 March 2013 £000
Fixed Assets						
Investments	8	2,348	6,707	518	9,573	7,754
Total Fixed Assets		<u>2,348</u>	<u>6,707</u>	<u>518</u>	<u>9,573</u>	<u>7,754</u>
Current Assets						
Debtors	9	283	813	62	1,158	759
Cash at bank and in hand		149	427	33	609	1,064
Total Current Assets		<u>432</u>	<u>1,240</u>	<u>95</u>	<u>1,767</u>	<u>1,823</u>
Creditors: Amounts falling due within one year	10.1	294	847	65	1,206	616
Net Current Assets		<u>138</u>	<u>393</u>	<u>30</u>	<u>561</u>	<u>1,207</u>
Total Assets less Current Liabilities		<u>2,486</u>	<u>7,100</u>	<u>548</u>	<u>10,134</u>	<u>8,961</u>
Creditors: Amounts falling due after more than one year	10.2	0	0	0	0	0
Provisions for liabilities and charges		0	0	0	0	0
Total Net Assets		<u>2,486</u>	<u>7,100</u>	<u>548</u>	<u>10,134</u>	<u>8,961</u>
Funds of the Charity						
Income Funds:						
Unrestricted	11.1	2,486	0	0	2,486	1,620
Restricted	11.3	0	7,100	0	7,100	6,733
Endowment Funds	11.5	0	0	548	548	609
Total Funds		<u>2,486</u>	<u>7,100</u>	<u>548</u>	<u>10,134</u>	<u>8,961</u>

The notes at pages 5 to 11 form part of this account.

Signed: _____ Date _____

Signed: _____ Date _____

Notes to the Accounts

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 2011.

(b) Funds Structure

The funds are classified in the accounts in three categories, Restricted, Unrestricted and Endowment Funds.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by the donor and/or Trustee at the inception of the fund.

Unrestricted funds are those which the Trustee is free to use for any purpose in furtherance of the charitable objectives. Unrestricted funds include designated funds which are not legally restricted but which the Trustee has chosen to earmark for set purposes.

Endowment funds are funds where the capital is held in perpetuity to generate income for charitable purposes and cannot itself be spent. The income earned on these funds will be categorised as restricted or unrestricted according to the restrictions imposed by the donor.

The major funds held in each of these categories are disclosed in note 11.

(c) Incoming Resources

All incoming resources including donations and legacies are recognised once the Charity has entitlement to the resources and it is certain that the resources can be measured with sufficient reliability.

Donated income recorded in the accounts is solely that which has been receipted via the cashier's office or credited directly into the Charity bank account by the donor.

(d) Resources Expended

Expenditure is recognised when a liability is incurred.

(e) Grants

Grants are only made to related NHS bodies and non NHS bodies in furtherance of the charitable activities.

(f) Irrecoverable VAT

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

(g) Allocation of overhead and support costs

Overhead and support costs have been allocated to the funds using an apportionment based on the average monthly fund balance.

(h) Costs of generating funds

The costs of generating funds are the cost of Investment Fund management fees and charges made for the notification of legacies to which the Charity may have a claim.

(i) Charitable Activities

Costs of charitable activities comprise all costs incurred in pursuit of the objects of the charity, including education and training and grant support to Brighton and Sussex University Hospitals NHS Trust in support of a range of charitable activities. These are shown in note 3.1.

(j) Governance Costs and Administration Expenses

Governance costs and administration expenses comprise all costs incurred in the governance of the Charity. These costs include costs related to statutory audit together with the costs related to staff costs equivalent to one whole time equivalent.

(k) Fixed Asset Investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Common Investment Fund Units are included in the balance sheet at the closing dealing price at 31 March 2014.

(l) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities at the year end. Realised gains and losses on investments are calculated as the difference between sale proceeds and book cost. Unrealised gains and losses are calculated as the difference between the market value at the year end and the opening market value (or purchase if later).

(m) Change in the Basis of Accounting

There has been no change in the basis of accounting for the year.

(n) Pooling Scheme

An official pooling scheme is operated for investments relating to Brighton and Sussex University Hospitals NHS Trust Charitable Funds which is regulated by the Declaration of Trust dated 1 February 2005.

2 Related Party Transactions.

The Directors of The Trust also act as agents on behalf of the corporate trustee.

The Brighton and Sussex University Hospitals NHS Trust is the sole beneficiary of the Charity. The Charity has provided funding to the Trust for the approved expenditure made on behalf of the Charity. This funding amounted to £1,612k (2012-13: £1,432k) and is shown as charitable activities in note 3.1

Staff administration costs of £30k (2012-13: £30k) are recharged to the charity from the Trust

During the year none of the members of the NHS Trust Board or senior NHS Trust staff or parties related to them were beneficiaries of the Charity.

Neither the Corporate Trustee nor any member of the NHS Board has received honoraria, emoluments or expenses in the year and the Trustee has not purchased trustee indemnity insurance.

3 Analysis of Resources Expended

3.1 Charitable Activities

Expenditure on charitable activities in furtherance of the charity's objects for the public benefit.

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2014 £000	Total 2013 £000
Patient Welfare	157	566	0	723	369
Staff Welfare	12	67	0	79	183
Staff Training	10	137	0	147	110
Salaries	0	78	0	78	108
Capital Grants	28	423	0	451	630
Miscellaneous	19	115	0	134	32
	226	1,386	0	1,612	1,432

3.2 Capital Grants

All grants are made to the Brighton and Sussex University Hospitals NHS Trust and the corporate trustee operates a scheme of delegation, through which all grant funded activity is managed by fundholders responsible for the day to day administration of their funds. The Charity does not make grants to individuals.

The grants received by the beneficiary were as follows:

Name of fund	Aggregate amount paid £000
Cancer and Radiotherapy Equipment	81
Paediatric ultrasound equipment	61
Paediatric laparoscopic equipment	28
Alterations to the Trevor Mann Baby Unit	64
Other paediatric equipment	13
Cardiac equipment	13
Mobile bladder scanners	83
Improvements to the Rapid Access Medical Unit	73
Prescription Tracking system	9
Video Laryngoscope	8
Other	18
Total	451

4 Analysis of Governance and Administration Costs

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2014 Funds £000	Total 2013 Funds £000
	£000	£000	£000		
External Audit	1	7	0	8	10
Staff Administration Costs	5	23	2	30	30
	<u>6</u>	<u>30</u>	<u>2</u>	<u>38</u>	<u>40</u>

The auditor's remuneration related solely to the audit with no other additional work undertaken (2012-13: nil).

The Average number of full time equivalent employees during the year was 1 (2012-13: 1) with a proportion of employee time involved in providing support services to charitable activities.

No employees received emoluments in excess of £60,000 (2012-13: nil).

No remuneration or expense reimbursements were paid to trustees during the year.

5 Transfers between funds

There were no external transfers during the year.

Internal transfers between funds in the year related to allocations from the General Fund to Staff Welfare Funds and from the Capital Endowment Funds to the relevant restricted funds.

6 Changes in resources available for charity use

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2014 Funds £000	Total 2013 Funds £000
Net movement in funds for the year	866	367	(60)	1,173	1,853
Net movement in tangible fixed assets:	0	0	0	0	0
Net movement in funds available for future activities	<u>866</u>	<u>367</u>	<u>(60)</u>	<u>1,173</u>	<u>1,853</u>

7 Fixed Assets

There are no 'tangible' fixed assets held. Capital grants of £451,000 (2012-13: £630,000) were awarded to Brighton and Sussex University Hospitals NHS Trust to purchase equipment owned by the Trust.

8 Analysis of Fixed Asset Investments**8.1 Fixed Asset Investments**

	2014 £000	2013 £000
Market value at 31 March b/f	7,754	5,418
Less: Disposals at carrying value	(2)	(4,500)
Add: Acquisitions at cost	1,441	6,812
Add: Net gain on revaluation	411	92
Decrease in cash	(31)	(68)
Market value at 31 March c/f	<u>9,573</u>	<u>7,754</u>
Historic cost at 31 March	<u>8,403</u>	<u>7,003</u>

8.2 Market value at 31 March	Held in UK £000	Held outside UK £000	2014 Total £000	2013 Total £000
Investments listed on Stock Exchange	0	0	0	0
Investments in a Common Deposit Fund or Common Investment Fund	9,565	0	9,565	7,715
Cash held as part of the investment portfolio	8	0	8	39
	<u>9,573</u>	<u>0</u>	<u>9,573</u>	<u>7,754</u>

8.3 Analysis of Gross Income from Investments

	Held in UK £000	Held outside UK £000	2013-14 Total £000	2012-13 Total £000
Investments listed on Stock Exchange	0	0	0	106
Investments in a Common Deposit Fund or Common Investment Fund	282	0	282	70
Cash held as part of the investment portfolio	5	0	5	4
Other investments	0	0	0	0
	<u>287</u>	<u>0</u>	<u>287</u>	<u>180</u>

8.4 Other incoming resources

Other income is income received in respect of training courses and miscellaneous goods and services provided.

9 Analysis of Debtors**9.1 Amounts falling due within one year:**

	31 March 2014 £000	31 March 2013 £000
Amounts due from subsidiary and associated undertakings	0	0
Trade debtors	0	0
Prepayments	0	0
Accrued income	1,144	744
Other debtors	14	15
Total debtors falling due within one year	<u>1,158</u>	<u>759</u>

9.2 Amounts falling due over one year

There were no amounts falling due after more than one year.

10 Analysis of Creditors**10.1 Amounts falling due within one year**

	31 March 2014 £000	31 March 2013 £000
Loans and overdrafts	0	0
Trade creditors	0	0
Amounts due to subsidiary and associated undertakings	0	0
Other creditors	104	526
Accruals	1,102	90
Deferred income	0	0
Total creditors falling due within one year	<u>1,206</u>	<u>616</u>

Other creditors represent sums owed at the year end by the charity to a related party, the Brighton and Sussex University Hospitals NHS Trust, for costs incurred by the NHS Trust on behalf of the charity in the furtherance of the charity's objectives.

10.2 Amounts falling due after more than one year

There were no amounts falling due after more than one year.

11 Analysis of Funds**11.1 Material Unrestricted Funds**

	Balance 31 March 2013 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance 31 March 2014 £000
A RACH General Purposes	417	76	(211)	16	17	315
B RSCH General Purposes	387	805	(3)	(18)	12	1,183
C SEH General Purposes	347	96	(4)		14	453
D PRH General Purposes	193	28	(1)		14	234
E Maternity General Fund	115	31	(9)		7	144
F Others	160	10	(3)	(16)	5	156
Total	1,619	1,046	(231)	(18)	69	2,485

11.2 Details of Material Unrestricted Funds

Name of fund	Description of the nature and purpose of each fund
A RACH General Purposes	For the general purposes of the Royal Alexandra Hospital
B RSCH General Purposes	For the general purposes of the Royal Sussex County Hospital
C SEH General Purposes	For the general purposes of the Sussex Eye Hospital
D PRH General Purposes	For the general purposes of the Princess Royal Hospital
E Maternity General Fund	For the general purposes of the Maternity Unit at the Royal Sussex County Hospital

11.3 Material Restricted Funds

	Balance 31 March 2013 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance 31 March 2014 £000
A Park Centre for Breastcare	447	16	(33)		12	442
B Cancer Fund	672	(65)	(135)		2	474
C Haematology Department	280	21	(6)		11	306
D Radiotherapy treatment fund	105	89	(34)		12	172
E Renal Fund	429	93	(48)		15	489
F Renal Research Fund	115	6	(5)		4	120
G Miss Hannington Fund	158	8	(1)	81	18	264
H Trevor Mann Baby Unit	404	108	(207)		(1)	304
I Library Fund	699	24	(24)		61	760
J PGMC Education Fund	735	26	(3)		69	827
K Cardiology	33	129	(64)		11	109
L Dialysis Equipment Fund	333	22	(1)		33	387
M Others	2,322	872	(852)	22	84	2,448
Total	6,732	1,349	(1,413)	103	331	7,102

11.4 Details of Material Restricted Funds

Name of fund	Description of the nature and purpose of each fund
A Park Centre for Breastcare	Help in the treatment and prevention of breast cancer.
B Cancer Fund	Treat cancer by improving hospital facilities and promote research.
C Haematology Department	Improve haematology services for patients and staff, research and equipment.
D Radiotherapy treatment fund	For the development of radiotherapy treatments
E Renal Fund	Improve care of renal patients including purchase of equipment.
F Renal Research Fund	For the purposes of renal research.
G Miss Hannington Fund	For any purpose except for general maintenance of the hospital.
H Trevor Mann Baby Unit	For the general purposes of the Trevor Mann Baby Unit.
I Library Fund	To provide library services, staff and support within the NHS.
J PGMC Education Fund	Provision of education and support for medical and dental professions.
K Cardiology	For the general purposes of the Cardiac Department
L Dialysis Equipment Fund	For the purchase of dialysis machines

11.5 Material Endowment Funds

	Balance 31 March 2013 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance 31 March 2014 £000
A Miss Hannington Capital	580	16	(2)	(80)	8	522
B Others	29	1	0	(5)	1	26
Total	609	17	(2)	(85)	9	548

11.6 Details of Material Endowment Funds

Name of fund	Description of the nature and purpose of each fund
A Miss Hannington	Capital in perpetuity. Income to be used for any purpose other than the general maintenance of the hospital.

12 Contingencies

At 31st March 2014 there were no material legacies notified to the Charity (2012-13 - nil).

13 Commitments and Liabilities

13.1 Commitments

The trusts have the following commitments:	2013-14	2012-13
	£000	£000
Charitable projects	0	0
Capital	0	0
Other	0	0
	<u>0</u>	<u>0</u>

13.2 Liabilities

The trustee recognises liabilities in the accounts once they have incurred either a legal or constructive obligation to expend funds.

No provisions have been included in this set of accounts.

14 Post balance sheet events

One material donation for £1m received in 2013-14 was repaid in August 2014 at the donor's request as the charity was not able to meet the donor's requirements.