

**Trustee's Annual report for Brighton and Sussex University Hospitals NHS Trust  
Charitable Fund for the year ending 31<sup>st</sup> March 2014**

**Foreword**

The Corporate Trustee presents the Charitable Funds Annual Report together with the Audited Financial Statements for the year ended 31 March 2014.

The Charity's annual report and accounts for the year ended 31 March 2014 have been prepared by the Corporate Trustee in accordance with the Charities Act 2011 and regulations made under section 154 of that Act. The Charity's report and accounts include all the separately established funds for which the Brighton and Sussex University Hospitals NHS Trust is the sole beneficiary.

The members of the NHS Trust Board who served during the year were as follows:

Julian Lee	-	Chairman
Chris Adcock	-	Chief Executive (until 11 <sup>th</sup> August 2013)
Matthew Kershaw	-	Chief Executive (from 1 <sup>st</sup> April 2013)
Karen Geoghegan	-	Chief Financial Officer (until 31 <sup>st</sup> January 2014)
Spencer Prosser	-	Chief Financial Officer (from 6 <sup>th</sup> January 2014)
Stephen Holmberg	-	Medical Director
Sherree Fagge	-	Director of Nursing
Nikki Luffingham	-	Chief Operating Officer
Julie Nerney	-	Non-Executive Director (until 30 <sup>th</sup> September 14)
Richard Hawkins	-	Non-Executive Director (until 30 <sup>th</sup> June 2014)
Michael Farthing	-	Non-Executive Director
Lewis Doyle	-	Non-Executive Director
Craig Jones	-	Non-Executive Director
Stephen Woodford	-	Non-Executive Director (from 5 <sup>th</sup> August 2013)
Anthony Kildare	-	Non-Executive Director (from 5 <sup>th</sup> August 2013)
Christine Farnish	-	Non-Executive Director (from 5 <sup>th</sup> August 2013)

The Charitable Funds are registered with the Charity Commission (no. 1050864) in accordance with the Charities Act 2011.

**Reference and Administrative details**

Brighton and Sussex University Hospitals NHS Trust Charitable Funds are registered as an umbrella charity, the governing document being a trust deed dated 8 September 1995 as amended by Statutory Instrument 2003/866.

The charity is constituted of 253 individual funds as at 31 March 2014 (2013:251) and the notes to the accounts distinguish the types of fund held and disclose separately all material funds.

Charitable funds received by the charity are accepted, held and administered as funds and property held on trust for purposes relating to the health service in accordance with the National Health Service Act 2006 and these funds are held on trust by the corporate body.

### **Trustee**

The Board of Directors of Brighton and Sussex University Hospitals NHS Trust is the Corporate Trustee of the Charitable Funds governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2011.

### **Management of Funds**

Brighton and Sussex University Hospitals NHS Trust Charitable Fund is governed by a Trust deed. Its Trustee is the Board of Directors of Brighton and Sussex University Hospitals NHS Trust. The Executive and Non Executive Directors of Brighton and Sussex University Hospitals NHS Trust act as agents on behalf of the Corporate Trustee and they hold their office by virtue of their appointment to the Trust Board. The Trust Board, whilst retaining overall responsibility for the management of the funds in its capacity as trustee, delegates the day to day responsibility of the management of the charitable funds to individual fund managers.

The Financial Services Department of Brighton & Sussex University Hospitals NHS Trust, which is located in Brighton General Hospital, Elm Grove, Brighton BN2 3EW, is responsible for the day to day financial management and accounting for the charitable funds during the year.

### **Principal Office**

The principal office for the charity is:

Brighton and Sussex University Hospitals NHS Charitable Funds  
Royal Sussex County Hospital  
Eastern Road  
Brighton  
East Sussex  
BN2 5BE

### **Principal Professional Advisors**

The principal professional advisors for the charity are:

#### **Bankers**

Nat West  
Government Banking Services Branch  
Premier Place  
2 ½ Devonshire Square  
London  
EC2M 4BA

#### **Auditors**

Ernst & Young LLP  
Apex Plaza  
Forbury Road  
Reading  
RG1 1YE

#### **Investment Fund Managers**

Newton Investment Management Limited  
160 Queen Victoria Street  
London  
EC4V 4DR

### **Structure, Governance and Management**

Members of the Trust Board fulfil their legal duty by ensuring that funds are spent in accordance with the objectives of each fund. By designating funds the trustee respects the wishes of donors to benefit patient care and advance good health and welfare of patients, carers and staff.

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 holds three endowment funds which are capital in perpetuity, the income from which may be used for any purpose other than general maintenance of the hospitals.

Non-Executive members of the Trust Board are appointed by the NHS Trust Development Authority and Executive members of the Board are subject to recruitment by the Trust Board. Members of the Trust Board are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

The charity produces an induction pack for newly appointed members of the Trust Board. This pack provides information about the charity, including the Trustee's annual report and accounts, budgets, policies and minutes, and information about trusteeship, including Charity Commission booklet CC3, *The Essential Trustee*.

### **Risk Management**

The major risk to which the Charity is exposed is the possible losses from a fall in the value of the investments and the level of reserves available to mitigate the impact of such losses.

The value of the investments is regularly monitored with the assistance of the Charity's investment advisers and there are procedures in place to ensure that both spending and firm financial commitments remain in line with income.

### **Objectives and Activities**

The principal objective of the Charitable Fund is for any charitable purpose or purposes relating to the National Health Service. The Charitable Fund provides continued support of the activities of Brighton and Sussex University Hospitals NHS Trust which incorporates the Princess Royal Hospital, the Brighton General Hospital, the Royal Sussex County Hospital, the Royal Alexandra Hospital and the Sussex Eye Hospital. The Charity does not engage directly in fund raising but relies upon funds generated from appeals, legacies, donations and income from investments.

During the year the funds continued to support a wide range of health related activities benefiting both patients and staff. In general they are used to purchase additional goods and services that the NHS is unable to provide, for example much needed medical equipment. The funds also enable consultants and other medical staff to attend training courses not funded by the NHS. Specific research is also funded.

### **Reserves Policy**

It is the Charity's intention to commit income in the year that it is received. It may do this by designation of resources to long term projects or by the allocation of monies to grants. Monies not needed for immediate use are 'pooled' and invested in line with the Charity's investment policy.

Members of the Trust Board receive information on commitments against various funds and review the detail on the level of reserves and the reason for their retention on a half yearly basis. The day to day monitoring of the policy is the responsibility of the delegated fund managers who are expected to bring any issues to the attention of the members of the Trust Board.

### **Investment Policy**

The investment portfolio is managed on a full discretionary basis by Newton Investment Management Limited, who acts as the Trustee's nominee.

The Trustee's overall investment objective is to maintain capital in real terms and maximise income. It is the Trustee's policy that no investments shall be made in tobacco related shares, in companies listed under alcoholic beverages or anything which does not comply with the aims and ideals of the NHS.

## Brighton and Sussex University Hospitals NHS Trust Charitable Funds – 2013-14

The Charity's reserves have increased to £10.1M of which £6.7M were restricted funds, £1.6M unrestricted and £0.6M endowment. The level of reserves and expenditure plans are to be reviewed in the next financial year to ensure that the Charity increases expenditure in line with income and reduces the level of reserves held.

### **A Review of our Finances, Achievements and Performance**

The net assets of the Charitable Funds as at 31<sup>st</sup> March 2014 were £10,134,000 (2012-13: £8,961,000). Net assets increased by £1,173,000 after an overall gain on investments of £411,000.

The charity continues to rely on donations, legacies and investment income as the main sources of income. Total incoming resources in 2013-14 were £2,412,000 (2012-13: £2,373,000).

Of the total expenditure of £1,650,000 (2012-13: £1,484,000) charitable expenditure on direct charitable activity amounted to £1,612,000 (2012-13: £1,432,000) which included staff and patient welfare, training, salaries and capital grants.

The charity requires the Fund Holders for each fund with an annual income or expenditure exceeding £10,000 to provide a commitment forecast for the year to assist the Trust with its overall financial plans.

### **Staff Training and Welfare**

Expenditure relating to staff welfare decreased by £104,000 to £79,000 in 2013/14 whilst staff training costs increased by £37,000 to £147,000. Training costs are attributed to external training courses, training related travel and attendance at conferences which the Trust would not normally provide.

### **Patient Welfare**

Expenditure on items for patient's welfare was £723,000, (2012-13: £369,000). Patient welfare includes the provision of counselling services and aromatherapy to breast care patients, patient's travel expenses and items of furniture and medical equipment.

### **Salaries**

Salaries were funded for fixed term research posts and other short term contracts in 2013-14 totalling £78,000 (2012-13: £108,000).

### **Capital Grants**

For all building or equipment purchases costing more than £5,000 the applicant must detail what benefit it will provide and it must be approved by the Trust's Investment Prioritisation Group.

Expenditure on capital projects was £451,000 in 2013-14 (2012-13: £630,000). Additional equipment was purchased for cancer and radiotherapy, paediatric and urology scanners as well as various monitoring and therapy equipment across the Trust.

### **Investments**

The Trustee invests its charitable funds with Newton Investment Management Limited with the objective of achieving a balance between income and capital growth.

