

# **SOUTHERN HEALTH NHS FOUNDATION TRUST GENERAL FUND**

## **Annual Report and Financial Statements for the Year Ended 31 March 2019**

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## **INTRODUCTION**

This is the Charity's Annual Report together with the audited Financial Statements for the year ended 31 March 2019.

The Charity's annual report and financial statements for the year ended 31 March 2019 have been prepared on behalf of the Corporate Trustee in accordance with Section 130 of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. The Charity's annual report and financial statements include all the separately established funds for which Southern Health NHS Foundation Trust is the main beneficiary.

The Charity is registered as Southern Health NHS Foundation Trust General Fund with the working name of "brighterway", registration number 1089307, with its registered and principal offices at Tatchbury Mount, Calmore, Southampton, SO40 2RZ.

## **PURPOSE OF THE CHARITY:**

*'To support in providing an enhanced experience for patients and staff which contributes to improving health and wellbeing.'*

## **THE CHARITY'S ACTIVITIES DURING 2018/19**

During 2018/19, the Charity received donations totalling £91,000 made by individuals, companies and League of Friends. The focus of fundraising and grant making activity continued at the Trust's community hospitals, donations were made for the purchase of a number of items of specialist equipment at Hythe Hospital and the refurbishment of the Friends Café at Gosport War Memorial Hospital. Fundraising events included marathon runs participated in by staff and patients and a Christmas card design competition.

The Charity did not receive any new legacies during 2018/19 however an adjustment on prior year assumptions have resulted in a reduction this year.

Charitable funds were used to contribute towards among other items, funding a dementia clinical research champion, equipment for a Frailty car initiative, all inpatient wards were each offered £1,000 to enhance local facilities for patients and clients, a SaeboGlove for patients at Lymington Hospital, pressure ulcer education materials, a frailty public awareness campaign, musical instruments for the Bluebird music academy, numerous leg ulcer treatment chairs for locations around the Trust, standing frames, a graphic facilitation course for learning disability staff and improvements to the sensory garden at Leigh House.

The Charity also gave education and training grants to provide staff with greater knowledge and skills to deliver better outcomes for patients, over and above their standard NHS training.

## **REVIEW OF FINANCES, ACHIEVEMENTS AND PERFORMANCE**

The net assets of the Charity at 31 March 2019 were £856,000 (2017/18: £931,000) an overall decrease of £75,000.

The Charity's donations and investment income totalled £117,000 compared with £554,000 in 2017/18. The main difference being the legacies received in 2017/18 for £498,000.

The investment portfolio made an overall gain of £15,000 in 2018/19 (2017/18: £9,000 loss). The portfolio's performance fluctuated throughout the year reacting to volatile general market conditions.

Total expenditure in the year was £207,000 (2017/18: £270,000). This comprised expenditure on direct charitable activities of £146,000 (2017/18: £235,000) and £61,000 of management and administrative costs (2017/18: £35,000). The increase in management and administrative costs is due to the strategic decision to reappoint a Head of Charity during the year with a view of raising the profile throughout the staff and patients of the Trust.

## **THE CHARITY'S BALANCE SHEET**

Net assets of £856,000 of the Charity (2017/18: £931,000) comprise the following items:

	£'000
Investments with the investment manager	768
Debtors	25
Cash held in Trust's charitable fund bank accounts	96
Creditors	(33)
Total	856

The creditors figure includes the fee for the audit of the financial statements by Knight Goodhead Ltd of £5,000. In addition the Charity owed £28,000 to the Trust for purchases.

## **INVESTMENTS**

The Charity complies with the investment powers detailed in its governing document, in addition to the powers given to it by the Trustee Act 2000.

The Corporate Trustee continued to invest all its surplus funds with Sarasins and Partners LLP. An additional £200,000 was invested during the year to keep the cash in hand at an operational optimum level. Investments held as at 31 March 2019 were valued at £768,000 (2017/18: £553,000).

## FUTURE PLANS

The charity continues to engage both patients and its staff to identify areas of greatest need for potential charitable fund support which go above and beyond what the NHS is able to provide.

The charity has agreed a new strategic plan which states the following:

Our Vision: Helping those cared for by Southern Health lead the best life they can.

Our Mission: To improve and enhance the patient and staff experience of care received and to work in partnership with others to advance, develop and innovate the care we deliver.

We will do this by grant making and funding towards projects, improvements and initiatives brought forward for our service users and staff volunteers.

Our Work: During 2019 and 2020 we will be building capacity within our NHS services to go above and beyond what is expected and work with our patients to identify actions to help those cared for by Southern Health lead the best life they can by:

1. Enhancing the patient and family's experience and care.
2. Tackling the stigma and discrimination experienced in mental health and learning disability
3. Empowering people and families to live the best life they can by investing in ideas and projects identified by our patients and staff including; creative therapeutic activities, music, craft and exercise. Young people's engagement and roadshows. The £1000 per ward initiative and numerous garden projects across the Trust. Purchasing specialized equipment and specialized training which will enhance the patient experience.
4. Equipping and supporting our staff provide the best care.

The charity will continue to raise funds with the local community and League of Friends partners to support local care. The charity also wants to expand its income generation efforts by creating larger and more thematic initiatives that will develop the care we are to provide to our local residents. The charity would like to think more creatively, using new methods, practices, partners and collaborators who are able to help us achieve our vision and mission.

## TRUSTEES AND RELATED PARTIES

The Southern Health NHS Foundation Trust is the Corporate Trustee of the fund, governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2011. The directors who acted on behalf of the Corporate Trustee from 1 April 2018 within the Trust were:



<b>Trustee</b>	<b>Period of Office</b>
Lynne Hunt	Appointed 3 July 2017
David Kelham Chair	Appointed 14 July 2017
David Monk	Appointed 14 July 2017
Jennifer Bremner	Appointed 14 July 2017
Dr David Hicks	Appointed 1 January 2018
Robert Goldsmith	Appointed 1 October 2018
Dr Nick Broughton	Appointed 6 November 2017
Julie Dawes	Appointed 1 May 2016, Resigned 27 July 2018
Paula Anderson	Appointed 1 June 2016
Mark Morgan	Appointed 1 August 2015, Resigned 18 May 2018
Paula Hull	Appointed 1 July 2017
Dr Sarah Constantine	Appointed 26 June 2017, Resigned 8 April 2018
Paul Draycott	Appointed 1 January 2018
Karl Marlowe	Appointed 9 April 2018
Barry Day	Appointed 9 July 2018, Resigned 12 July 2019
Debbie Robinson	Appointed 11 May 2018 to 8 July 2018
Kate Fitzgerald	Appointed 14 May 2019
Michael Bernard	Appointed 14 May 2019
Heather Mitchell	Appointed 5 August 2019

The Directors act on behalf of the Corporate Trustee by virtue of being on the Trust's Board. The Chair and Non-Executive Directors are appointed by the Council of Governors. The Chief Executive is appointed by the Non-Executive Directors and this decision is approved by the Council of Governors. Executive Directors are appointed by the Board.

Neither the Corporate Trustee, the directors acting on its behalf, nor their connected persons have received remuneration or expenses from the Charity in either this year or prior years.

As the Trust is the Corporate Trustee of the Charity, the Southern Health NHS Foundation Trust itself is classified as a related party.

## **DAY TO DAY MANAGEMENT**

The directors, on behalf of the Corporate Trustee, have approved a policy for the day to day management of the Charity covering income and expenditure arrangements.

The Trust Board has devolved responsibility for the on-going management of funds to a sub-committee of the Board (the Charitable Funds Committee) which administers the funds on behalf of the Corporate Trustee and monitors the expenditure and investments of the Charity. The policy delegates day-to-day management of the Charity to specified officers of the Southern Health NHS Foundation Trust, unless expenditure on a particular project is in excess of £25,000, when approval by the Charitable Funds Committee acting on behalf of the Trust Board is also required.

The Committee has clearly defined terms of reference which were agreed by the Trust Board – these include monitoring the changing requirements stemming from charities legislation, supervision of the investments arrangements and consideration and mitigation of risk. Its members during 2018/19 were two non-executive directors, one of whom chairs the Committee; the Director of Finance and the Director of Nursing & Allied Health Professionals. Attendees being David Kelham; David Monk, Paula Anderson and Paula Hull.

Under the Trust's Scheme of Delegation the Southern Health NHS Foundation Trust's Director of Nursing & Allied Health Professionals is responsible for the day-to-day management of the Charity. The address for correspondence is 7 Sterne Road, Tatchbury Mount Hospital, Calmore, Southampton SO40 2RZ. Expenditure can be approved according to the limits specified in the section entitled Grant Making Policy below.

Administrative services for the fund are provided by officers of the Southern Health NHS Foundation Trust. This ensures that advice and support are given to account managers and the Charitable Funds Committee is consistent. Further detail is in Note 4 of the Annual Accounts.

The Trust Board, on behalf of the Corporate Trustee, employed the following professional advisers during the financial year:

- **Bankers**

Government Banking Service  
Southern House  
7<sup>th</sup> Floor  
Wellesley Grove  
Croydon  
Surrey  
CR9 1WW

National Westminster Bank PLC  
Southampton High Street Branch  
12 High Street  
Southampton  
SO14 2BF

- **Investment Advisers**

Sarasins & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London  
EC4M 8BU

- **Independent Auditors**

Knight Goodhead Ltd  
7 Bournemouth Road  
Chandler's Ford  
Eastleigh  
Hampshire  
SO53 3DA

- **Legal Advisors**

Withers LLP  
16 Old Bailey  
London  
EC4M 7EG

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Charity was established using the Charity Commissioners for England and Wales model declaration of trust.

The Corporate Trustee fulfils its legal duty by having due regard to Charity Commission guidance on public benefit as given in Section 17 of the Charities Act 2011 and by ensuring that funds are spent in accordance with the fund objectives by designating funds, thereby respecting donors' wishes and expectations.

The funds are predominantly the general fund plus specific restricted funds which comply with the donors' wishes. The previously individual designated funds were amalgamated during the year to allow a wider use of the funds across all services of the Trust.

When Leagues of Friends, or other registered charities which raise funds for the benefit of people who use local NHS services, make donations for the purchase of equipment or to fund specific projects these are given and the corresponding expenditure made from the appropriate restricted fund.

If services are transferred to a new provider, the funds are also transferred for the continued benefit of the patients or users of that service.

New executive and non-executive directors are made aware of their responsibilities as Board members on behalf of the Corporate Trustee by means of the Trust's charitable funds policy which is published on the Trust's website.

## **RISK MANAGEMENT**

A risk register is maintained by the Trust and is regularly reviewed. The Corporate Trustee is not aware of any major risks to which the Charity is exposed. The only areas of risk that it has identified are related to:

### **Financial Risk**

The Trust's investment policy and the need for clear financial procedures to be followed by staff within the Southern Health NHS Foundation Trust. The Corporate Trustee considers that it has mitigated these risks through its Charitable Funds Investment Policy and the issue of Financial Procedures guidelines.

One of the investment risks identified is that which can occur when the Corporate Trustee invests a proportion of surplus funds in the stock market which can result in losses if the market is falling. The Corporate Trustee mitigates this risk by using firms of investment managers to give professional advice and who are expected to take appropriate action in such circumstances. In addition, the Trust mitigates risk by recognising and accounting for unrealised losses as and when they arise.

### **Governance Risk**

Southern Health NHS Foundation Trust is the Corporate Trustee of the Charity and its Executive and Non-executive Directors are responsible for the governance of the Charity. Papers are sent out in advance of Charitable Funds Committee meetings, then discussed at the meeting, following which decisions are minuted and communicated to the fund holders.

### **Reputation Risk**

The investment managers are obliged to operate according to the Trust's investment policy which states that no investments are made in tobacco stocks, nor companies that derive more than 10% of their turnover from alcohol, arms manufacture and trading, gambling and pornography.

## **PARTNERSHIP WORKING**

Southern Health NHS Foundation Trust is the Charity's beneficiary and is a related party by virtue of being Corporate Trustee of the Charity. By working closely with the Trust, the Charity ensures that funds are used to best effect, after taking into account the main activities, objectives, strategies and plans of the Trust over the short, medium and long term.

## **GRANT MAKING POLICY**

Grants are made in accordance with charity law, the stated objectives of the Charity and the wishes of donors.

A policy on charitable funds together with the Corporate Trustee's Scheme of Delegation is published which requires all proposed expenditure to be reviewed

and approved at the appropriate level. The following limits are currently specified:

Expenditure/grants up to £1,000	Head of Charity or Nominated Senior Accountant
Expenditure/grants £1,001-£10,000	Board Director
Expenditure/grants £10,001-£25,000	Chief Executive
Expenditure/grants over £25,000	Charitable Funds Committee acting on behalf of the Southern Health NHS Foundation Trust Board.

All charitable expenditure incurred in 2018/19 was approved in accordance with this protocol.

## RESERVES POLICY

The Corporate Trustee has a policy that reserves should not be held as a matter of course beyond four years and that their specific approval has to be obtained if an officer feels that a case may be justified. To date no such case has been made. This policy is regularly reviewed.

Reserves are only held in order to finance charitable fund expenditure plans for the next four years. Directors across the Trust are charged with formulating expenditure plans for the funds in conjunction with their services.

## OTHER

In the 2012/13 annual report the Charity forewarned that it was likely that the Charity's financial statements would be consolidated with the Southern Health NHS Foundation Trust's financial statements as required by International Accounting Standard 27 Consolidated and Separate Financial Statements. In previous years the Government had granted the NHS a dispensation from complying with IAS27 but this was removed in 2013/14. However, and in agreement with both the Charity's and Southern Health NHS Foundation Trust's then auditors, PricewaterhouseCoopers LLP, based on International Accounting Standard 1, Presentation of Financial Statements, it was determined by the Corporate Trustee that a consolidation of the two entities was not required because the Charity was not material in value compared with Southern Health NHS Foundation Trust. This is not a decision made in perpetuity, because Southern Health NHS Foundation Trust remains the immediate and ultimate parent, but is rather a judgement that will need to be made annually based on the relative values of the two entities. Based on the above Southern Health NHS Foundation Trust took the decision not to consolidate the Financial Statements for 2018/19.

## FINALLY

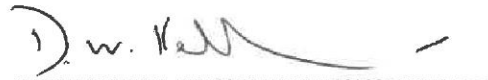
The Corporate Trustee would like to sincerely thank the League of Friends, service users, patients, relatives, carers, staff and the wider community for their kind generosity. Without their continued support it would not have been possible for the Charity to have achieved what it has to benefit service users, patients and staff.

Signed:



Paula Anderson  
Finance Director  
Southern Health NHS  
Foundation Trust

Date 29.10.19



David Kelham  
Chair, Charitable Funds Committee  
Southern Health NHS  
Foundation Trust

Date 29/10/19



## **NATIONAL HEALTH SERVICE**

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### **SOUTHERN HEALTH NHS FOUNDATION TRUST GENERAL FUND**

#### **FUNDS HELD ON TRUST FINANCIAL STATEMENTS 2018/19**

#### **FOREWORD TO THE FINANCIAL STATEMENTS**

The Corporate Trustee presents the Charitable Fund Annual Report together with the financial statements for the year ended 31 March 2019, prepared in accordance with Section 130 of the Charities Act 2011 and The Charities (Accounts and Reports) Regulations 2008.

#### **STATUTORY BACKGROUND**

Southern Health NHS Foundation Trust is the Corporate Trustee of the Southern Health NHS Foundation Trust General Fund under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990.

The Southern Health NHS Foundation Trust General Fund is registered with the Charity Commission, registration number 1089307.

#### **MAIN PURPOSE OF THE SOUTHERN HEALTH NHS FOUNDATION TRUST GENERAL FUND**

The main purpose of the Southern Health NHS Foundation Trust General Fund is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the Southern Health NHS Foundation Trust.

## Statement of Trustee's Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with Charities SORP Financial Reporting Standard 102 (FRS 102). Under that law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by the Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom (FRS 102);
- 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provision of the trust deed. They are 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 trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The financial statements on pages 16 to 29 were approved on behalf of the Corporate Trustee on 29th October 2019 and signed on its behalf by:

Signed:

  
\_\_\_\_\_  
David Kelham  
Chair, Charitable Funds Committee

Date:

29 October 2019

**Independent Auditors' Report to the Trustees of Southern Health NHS Foundation Trust General Fund for the year ended 31 March 2019**

**Opinion**

We have audited the financial statements of Southern Health NHS Foundation Trust General Fund for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Balance Sheet, Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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.

**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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have 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.

**Independent Auditors' Report to the Trustees of Southern Health NHS Foundation Trust General Fund for the year ended 31 March 2019**

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report 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**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine 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 trustees are 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 trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

# SOUTHERN HEALTH NHS FOUNDATION TRUST GENERAL FUND ANNUAL REPORT AND ACCOUNTS FOR 2018/19

## Independent Auditors' Report to the Trustees of Southern Health NHS Foundation Trust General Fund for the year ended 31 March 2019

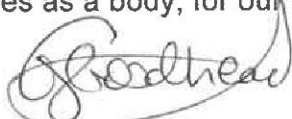
### Our responsibilities for the audit of the financial statements

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.

### Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the 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 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**CJ Goodhead FCA**

Senior Statutory Auditor

For and on behalf of:

**KNIGHT GOODHEAD LIMITED**

Statutory Auditor and

Chartered Accountants

7 Bournemouth Road

Chandler's Ford, Eastleigh

Hampshire, SO53 3DA

**Date:** 4 November 2019

Statement of Financial Activities for the Year Ended 31st March 2019					
	Note	Unrestricted Funds	Restricted Funds	2018/19 Total Funds	2017/18 Total Funds
		£000s	£000s	£000s	£000s
<b>Income and Endowments from:</b>					
Donations and legacies					
Legacies	2	0	(3)	(3)	498
Donations		69	22	91	32
Total Donations and Legacies	2	69	19	88	530
Investment income		13	16	29	24
<b>Total Incoming Resources</b>		<b>82</b>	<b>35</b>	<b>117</b>	<b>554</b>
<b>Expenditure:</b>					
Charitable activities:					
Grants payable	3	(144)	(2)	(146)	(235)
Management and administration	4	(27)	(34)	(61)	(35)
<b>Total Expenditure</b>	4	<b>(171)</b>	<b>(36)</b>	<b>(207)</b>	<b>(270)</b>
Net Gains / (Losses) on Investments	7	13	2	15	(9)
<b>Net Income / (Expenditure) before Transfers</b>		<b>(76)</b>	<b>1</b>	<b>(75)</b>	<b>275</b>
Transfer of funds to other NHS charities	5	0	0	0	(24)
<b>Net Movement in Funds</b>	6	<b>(76)</b>	<b>1</b>	<b>(75)</b>	<b>251</b>
<b>Reconciliation of Funds:</b>					
Fund balances brought forward at 1 April		389	542	931	680
<b>Fund Balances Carried Forward at 31 March</b>		<b>313</b>	<b>543</b>	<b>856</b>	<b>931</b>

The notes at pages 20 to 29 form part of the financial statements.

All results derive from continuing operations. All gains and losses recognised in the year are included in the Statement of Financial Activities. There is no material difference between the net movement in funds stated above and their historical cost equivalents.




<b>Comparative Statement of Financial Activities for the Year Ended 31st March 2018</b>				
	Note	Unrestricted Funds	Restricted Funds	2017/18 Total Funds
		£000s	£000s	£000s
<b>Income and Endowments from:</b>				
Donations and legacies				
Legacies		5	493	498
Donations		32	0	32
Total Donations and Legacies	2	37	493	530
Investment income		23	1	24
<b>Total Incoming Resources</b>		<b>60</b>	<b>494</b>	<b>554</b>
<b>Expenditure:</b>				
Charitable activities:				
Grants payable	3	(234)	(1)	(235)
Management and administration	4	(21)	(14)	(35)
<b>Total Expenditure</b>	4	<b>(255)</b>	<b>(15)</b>	<b>(270)</b>
Net Gains / (Losses) on Investments	7	(11)	2	(9)
<b>Net Income / (Expenditure) before Transfers</b>		<b>(206)</b>	<b>481</b>	<b>275</b>
Transfer of funds to other NHS charities	5	(24)	0	(24)
<b>Net Movement in Funds</b>	6	<b>(230)</b>	<b>481</b>	<b>251</b>
<b>Reconciliation of Funds:</b>				
Fund balances brought forward at 1 April		619	61	680
Fund Balances Carried Forward at 31 March		<b>389</b>	<b>542</b>	<b>931</b>

Balance Sheet as at 31st March 2019					
	Note	Unrestricted Funds £000s	Restricted Funds £000s	31/3/2019 Total Funds £000s	31/3/2018 Total Funds £000s
<b>Fixed Assets</b>					
Investments	7	281	487	768	553
<b>Total Fixed Assets</b>		<b>281</b>	<b>487</b>	<b>768</b>	<b>553</b>
<b>Current Assets</b>					
Debtors	8	0	25	25	293
Cash at bank and in hand		44	52	96	128
<b>Total Current Assets</b>		<b>44</b>	<b>77</b>	<b>121</b>	<b>421</b>
Creditors: Amounts falling due within one year	9	(12)	(21)	(33)	(43)
<b>Net Current Assets</b>		<b>32</b>	<b>56</b>	<b>88</b>	<b>378</b>
<b>Total Assets Less Current Liabilities</b>		<b>313</b>	<b>543</b>	<b>856</b>	<b>931</b>
<b>Net Assets</b>		<b>313</b>	<b>543</b>	<b>856</b>	<b>931</b>
The Funds of the Charity:	10				
Restricted income funds			543	543	542
Unrestricted income funds		313		313	389
<b>Total Charity Funds</b>		<b>313</b>	<b>543</b>	<b>856</b>	<b>931</b>

The notes at pages 20 to 29 form part of the financial statements.

The financial statements on pages 16 to 29 were approved by on behalf of the Trust Board on

Signed:   
 David Kelham  
 Chair, Charitable Funds Committee

Date: 29 October 2019

**Statement of Cash Flows for the year ended 31 March 2019**

	Note	2018/19 £000	2017/18 £000
<b>Cash flows from operating activities:</b>			
<i>Net cash provided by (used in) operating activities</i>	<b>See below</b>	<b>139</b>	<b>(32)</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		29	24
Purchase of Investments		(200)	(592)
Proceeds from sale of investments	7	-	592
<i>Net cash provided by (used in) investing activities</i>		<b>(171)</b>	<b>24</b>
<b>Cash flows from financial activities:</b>			
<i>Net cash provided by (used in) financing activities</i>		-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(32)</b>	<b>(8)</b>
Cash and cash equivalents at the beginning of the reporting period		128	136
<b><i>Cash and cash equivalents at the end of the reporting period</i></b>		<b>96</b>	<b>128</b>

**Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	Note	2018/19 £000	2017/18 £000
<b><i>Net income (expenditure) for the reporting period (as per the Income Statement)</i></b>	6	(75)	251
<b>Adjustments for:</b>			
Realised (Gains)/losses on investments	7	-	(2)
Dividends, interest and rents from investments		(29)	(24)
(Profit)/loss on the unrealised loss/gain	7	(15)	11
Decrease/(Increase) in debtors	8	268	(293)
(Decrease)/increase in creditors	9	(10)	25
<b><i>Net cash provided by (used in) operating activities</i></b>		<b>139</b>	<b>(32)</b>

**Analysis of cash and cash equivalents**

	2018/19 £000	2017/18 £000
<b>Total cash and cash equivalents</b>	<b>96</b>	<b>128</b>

## Notes to the Financial Statements

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of Preparation

These accounts have been prepared for the year to 31 March 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

#### 1.2 Income

- a) All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:
  - i) entitlement - arises when a particular resource is receivable or the Charity's right becomes legally enforceable;
  - ii) certainty - when there is reasonable certainty that the incoming resource will be received;
  - iii) measurement - when the monetary value of the incoming resources can be measured with sufficient reliability.
- b) Gifts in kind
  - i) Assets given for distribution by the funds are included in the Income Statement only when distributed.
  - ii) Assets given for use by the funds (eg property for its own occupation) are included in the Income Statement as incoming resources when receivable.
  - iii) Gifts made in kind but on trust for conversion into cash and subsequent application by the funds are included in the accounting period in which the gift is sold.

In all cases the amount at which gifts in kind are brought into account is either a reasonable estimate of their value to the funds or the amount actually realised.

## **1. ACCOUNTING POLICIES (continued)**

### **1.2 Income (continued)**

#### **c) Intangible Income**

Intangible income (e.g. the provision of free accommodation) is included in the financial statements with an equivalent amount in outgoing resources, if there is a financial cost borne by another party. The value placed on such income is the financial cost of the third party providing the resources.

#### **d) Legacies**

Legacies are accounted for as incoming resources once the receipt of the legacy becomes reasonably certain. This will be once confirmation has been received from the representatives of the estates that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

#### **e) Grants receivable**

Grants receivable are receipts from third parties (including NHS bodies) in the furtherance of the Trust's charitable objectives. They are accounted for on an accruals basis where the conditions for their receipt have been met or where a third party has given reasonable assurance that they will make the grant, and they are recognised in the Income Statement.

### **1.3 Expenditure**

The Trust financial statements are prepared in accordance with the accruals concept. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party.

#### **a) Cost of generating funds**

The cost of generating funds are the costs associated with generating income for the funds held on trust.

#### **b) Grants payable**

Grants payable are payments made to third parties (including NHS bodies) in the furtherance of the Trust's charitable objectives. They are accounted for on an accruals basis where the conditions for their payment have been met or where a third party has a reasonable expectation that they will receive the grant.

#### **c) Management and administrative costs**

These are accounted for on an accruals basis and are recharges of appropriate proportions of a number of relevant administrative costs.

**1. ACCOUNTING POLICIES (continued)****1.4 Structure of funds**

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the financial statements as a restricted fund. Funds which are not legally restricted but have been designated for use for set purposes at the discretion of the trustees are classified as unrestricted funds.

All transfers between funds are made on the basis of Charity Commission guidance found in the Statement of Recommended Practice in accordance with Financial Reporting Standard in the United Kingdom (Charities SORP FRS 102).

**1.5 Investment Fixed Assets**

Investment fixed assets are shown at Fair value. Quoted stocks and shares are included in the Balance Sheet at mid Fair price, ex-div.

**1.6 Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening fair value (or date of purchase if later). Unrealised gains and losses are calculated as the difference between Fair value at the year end and the opening fair value (or date of purchase if later).

**1.7 Transfers from other NHS Charities**

No funds were received from other NHS Charities in 2018/19 (2017/18, none).

**1.8 Reserves**

The Charity has a policy that reserves should not be held as a matter of course beyond four years without specific agreement. This policy is regularly reviewed.

**1.9 Statement of cash flows**

A Statement of cash flows, reconciliation of net income / (expenditure) to net cash flow from operating activities and analysis of cash and cash equivalents has been included as required in the Statement of Recommended Practice in accordance with Financial Reporting Standard in the United Kingdom (Charities SORP FRS 102).

**1.10 Taxation**

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.



## 2. Total donations and legacies

### Material incoming resources received by category

Description of the sources of any material incoming resources by category	2018/19 Amount received in aggregate £000s	2017/18 Amount received in aggregate £000s
Legacies	-3	498
Donations received by the Charity	91	32
<b>Total</b>	<b>88</b>	<b>530</b>

The Charity did not receive any legacies during the 2018/19 and the negative value relates to an estimate in the prior year which was higher than the actual amount received this year.

The Charity received numerous donations throughout the year. Notable donations were £21k received from Rowans Hospice for use by the specialist palliative care team, £26k received from the League of Friends of Gosport War Memorial Hospital which was used for the refurbishment of the Friends Cafe at Gosport War Memorial Hospital, £6k received from League of Friends of Hythe Hospital for equipment for the wound clinic at Hythe Hospital.

## 3. Grants payable

	Unrestricted Funds £000s	Restricted Funds £000s	2018/19 Total Funds £000s	2017/18 Total Funds £000s
Patient's welfare and amenities	103	1	104	186
Staff salaries, welfare and amenities	41	1	42	49
<b>Total</b>	<b>144</b>	<b>2</b>	<b>146</b>	<b>235</b>

The Charity made numerous grants and purchases during the financial year, the most notable in value terms being:

- Dementia Clinical Research Champion
- Three podiatry chairs at Romsey Hospital
- Treatment chair and equipment at Hythe Hospital wound clinic funded by Hythe Hospital League of Friends
- Treatment chair Avalon House wound clinic
- Frailty equipment for frailty car service
- Three Phlebotomy chairs at Lymington New Forest Hospital
- A treadmill at Ravenswood House
- Saebo Glove at Lymington Hospital
- An electric stander/walker for Deerleap Ward at Lymington Hospital

**4. Total Resources Expended**

	Unrestricted Funds £000s	Restricted Funds £000s	2018/19 Total Funds £000s	2017/18 Total Funds £000s
<b>Costs of Charitable Activities</b>				
Staff costs:				
Salaries and wages	0	0	0	0
Social security costs	0	0	0	0
Pension costs	0	0	0	0
Other grants	144	2	146	235
<b>Total Grants Payable</b>	<b>144</b>	<b>2</b>	<b>146</b>	<b>235</b>
<b>Management and Administrative Costs</b>				
Auditor's remuneration	2	3	5	5
Investment Manager's fee	2	3	5	4
Insurance/other fees	1	5	6	16
Administration fee	22	23	45	10
<b>Total Management Costs</b>	<b>27</b>	<b>34</b>	<b>61</b>	<b>35</b>
<b>Total Resources Expended</b>	<b>171</b>	<b>36</b>	<b>207</b>	<b>270</b>

The increase in management and administrative costs is due to the strategic decision to appoint a Head of Charity during the year.

No staff or Trustees are employed by the Charity.

**5. Transfer of funds to other NHS charities**

	Unrestricted Funds £000s	Restricted Funds £000s	2018/19 Total Funds £000s	2017/18 Total Funds £000s
Transfer of Funds	0	0	0	24
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>

There were no fund transfers to NHS charities during 2018/19.

**6. Net movement in funds**

	Unrestricted Funds £000s	Restricted Funds £000s	<b>2018/19 Total Funds £000s</b>	<b>2017/18 Total Funds £000s</b>
Net movement in funds for the year	(76)	1	(75)	251

**7. Investments**

	<b>31/3/2019 £000s</b>	<b>31/3/2018 £000s</b>
Fair value at 1 April	553	562
Disposals at carrying value	0	(590)
Acquisitions at cost	200	592
Net gain/(loss) on revaluation	15	(11)
<b>Fair value at 31st March</b>	<b>768</b>	<b>553</b>
<b>Historic cost at 31st March</b>	<b>721</b>	<b>521</b>
Realised gain/(loss) on disposal	0	2
Unrealised gain/(loss) on revaluation	15	(11)
<b>Net gain/(loss)</b>	<b>15</b>	<b>(9)</b>

The Charity does not hold any other fixed assets other than the investments shown in the table above.

The portfolios with Sarasin and Partners were valued at £768k at the balance sheet date (2017/18: £553k).

## 7. Investments (continued)

The Corporate Trustee considers that the value of the investments are supported by the detailed underlying assets. Quarterly valuations are provided by the investment managers which are applied to the funds as and when gains and losses arise.

Within the revised portfolio with Sarasins & Partners LLP, two investment vehicles are valued at over 5% of total investments. These comprise 100% of the overall investment value.

Investment Vehicle	No of Units	31/3/2019 Fair Value £000	Percentage of Total Investment
Sarasins Endowments Fund Class A Inc	595,046	616	80%
Sarasins Income and Reserves Fund Class A Inc	138,410	152	20%
<b>TOTAL</b>		<b>768</b>	<b>100</b>

### Fair value at 31st March 2019

	Held in UK £000s	Held outside UK £000	31/3/2019 Total £000s	31/3/2018 Total £000s
Sarasins Fund Class A	382	386	768	553

### Analysis of gross income from investments

	Held in UK £000s	Held outside UK £000	31/3/2019 Total £000s	31/3/2018 Total £000s
Sarasins Fund Class A	14	15	29	19

## 8. Debtors

	31/3/2019 £000s	31/3/2018 £000s
Amounts owed to the Charity:		
Lymington Scanning Equipment Legacy	25	293
<b>Total debtors due within one year</b>	<b>25</b>	<b>293</b>

At the balance sheet date, the value of the one third share of the legacy property could be reliably estimated using the executor's information.

**9. Creditors: amounts falling due within one year**

	31/3/2019 £000s	31/3/2018 £000s
Audit fee due to Knight Goodhead Ltd (including VAT)	5	5
Owed to Southern Health NHS Foundation Trust (Exchequer)	28	24
Legal fee to Withers LLP relating to Lymington Scanning Equipment legacy	0	14
<b>Total creditors falling due within one year</b>	<b>33</b>	<b>43</b>

There are no creditors falling due after more than one year.

**10. The Funds of the Charity**

	Balance 31/3/2018 £000s	Incoming Resources 2018/19 £000s	Resources Expended 2018/19 £000s	Transfers 2018/19 £000s	Gains and Losses 2018/19 £000s	Balance 31/3/2019 £000s
Unrestricted funds	389	82	(171)	0	13	313
Restricted funds	542	35	(36)	0	2	543
<b>Total</b>	<b>931</b>	<b>117</b>	<b>(207)</b>	<b>0</b>	<b>15</b>	<b>856</b>

As at 31 March 2019 the Charity comprises 5 restricted funds (2017/18: 5), and 1 unrestricted funds (2017/18: 11).

	Balance 31/3/2018 £000s	Incoming Resources 2018/19 £000s	Resources Expended 2018/19 £000s	Gains and Losses 2018/19 £000s	Balance 31/3/2019 £000s	% of Total Fund
General Charitable Fund	389	82	(171)	13	313	37%
Lymington Hosp Scanning Equip - R	283	5	(18)	2	272	32%
Petersfield Hospital Legacy -R	202	6	(12)	0	196	23%
Fordingbridge Hospital - R	30	1	(2)	0	29	3%
St Clements Partnership Fund -R	25	1	(1)	0	25	3%
Palliative Care Team -R	0	22	(1)	0	21	2%
Other Funds (now extinguished) - R	2	0	(2)	0	0	0%
<b>TOTAL</b>	<b>931</b>	<b>117</b>	<b>(207)</b>	<b>15</b>	<b>856</b>	<b>100%</b>

The restricted funds are indicated by the "R" at the end of the fund title.

During 2018/19 the Trustees consolidated the designated funds into a single General Fund to allow easier access for future grant making across all services and locations.

**11. Contingencies**

No contingent losses or gains have been included in the financial statements (2017/18: nil).

**12. Commitments**

Southern Health NHS Foundation Trust General Fund had no commitments at the Statement of Financial Position date (2017/18: nil).

**13. Liabilities and provisions**

No provisions have been included in this set of financial statements (2017/18: nil).

**14. Corporate Trustee and connected persons transactions**

Board members of the NHS Foundation Trust have not received any emoluments in respect of their services to the Charity on behalf of the Corporate Trustee.

No expenses have been paid to or on behalf of board members of the NHS Foundation Trust acting on behalf of the Corporate Trustee.

**15. Post Balance Sheet events**

For the 2018/19 financial year there are no post Balance Sheet events having a material effect on the financial statements.

**16. Related party transactions**

Southern Health NHS Foundation Trust General Fund has made revenue payments to the Southern Health NHS Foundation Trust where the Trust Board acts on behalf of the Corporate Trustee. This is because charitable expenditure is initially incurred by Southern Health NHS Foundation Trust, then reimbursed from the charitable fund bank account. At the Statement of Financial Position date, due to a timing difference between the receipt of a donation in the Southern Health NHS Foundation Trust's bank account on behalf of the Charity and the purchase of equipment, reimbursements from the Charity to Southern Health NHS Foundation Trust exceeded expenditure, resulting in the Charity owing Southern Health NHS Foundation Trust £28k (2017/18: £24k).

Details of all Southern Health NHS Foundation Trust General Fund's related party transactions are below:

During the year 2018/19 £207k (2017/18: £270k) direct charitable expenditure was made via grants to Southern Health NHS Foundation Trust.



**17. Consolidation of the Charity's financial statements with its parent's financial statements**

The immediate and ultimate parent undertaking is Southern Health NHS Foundation Trust. The Charity's financial statements have not been consolidated with the parent's financial statements on the basis of materiality.