

**Barking, Havering and Redbridge University  
Hospitals NHS Trust Charity**

**Working Title:**

**King George & Queen's**

**Hospitals Charity**

# **Annual Report and Accounts**

**2018 - 2019**

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## The Chair of Trustees report



It gives me great pleasure to present the Charity Annual Report for the year 2018/19 on behalf of the charity team, the trustees and the charity committee. This document provides an overview for stakeholders and interested parties on our activities and achievements over the last twelve months.

Making our hospitals even better is our charity aspiration and fulfilling that statement is at the heart of everything we do. We listen to ideas on how we can best support and complement our NHS services from those who know the service best, our staff, our patients and our visitors.

At a time when many in the charity industry are reporting challenges our charity has gone from strength to strength. Our ambitious five year strategy of growing 18% year on year was not only achieved but exceeded once again.

While keeping investments secure our fundraising team raised £826k up 29% on the previous year. This has meant we have been able to approve more requests by way of innovative medical equipment, technology, additional training and much improved hospital comfort for both patients and staff. Improved income has meant an increase in benefits to patients of an extra £100k during 2018/19.

As promised last year we have this year completed our vision for our elderly care wards by installing the second phase of RITA Reminiscence Interactive Therapy Activity Screens. RITA is now available in all nine of our elderly care wards and has become a regular daily aid for our Dementia teams to assess patients' cognitive needs.

I am immensely proud of what our charity has achieved this year but we are not complacent. We want to move on and deliver even bigger projects. We are ready for the coming year and confident that we have what we need to succeed. I hope you enjoy reading the following report and learning more about our projects and how we raise the funds to support them.

Of course we know our success is linked to the continued friendship and interest of our supporters. I would like to acknowledge the generosity of our community and offer an enormous thank you to all the individuals, corporates, associations and our volunteers for their continued support and belief in our charity and our aims. I would also like to take this opportunity to thank our friends at King George Hospital League of Friends for their outstanding support and for being such a big part of our success story.

## Our Charity vision

King George & Queen's Hospitals Charity is a local NHS Charity supporting two local hospitals King George Hospital in Ilford and Queen's Hospital in Romford. Our focus is clear – we work alongside and in support of Barking Havering & Redbridge University Hospitals NHS Trust and the Trust's staff and clinical teams to make our hospitals even better for our patients and their families.

Our charity does not subsidise the core responsibilities of the NHS but we enhance the essential services provided by them to make the hospital journey the best it can be for everyone.

Our charitable donations will all fall into one of four categories:

- **Medical Equipment**
- **Information & Technology**
- **Comfort and the Environment**
- **Research & Training**

We actively create events, challenges and campaigns to encourage our community to help us raise funds and we are the custodians of all voluntary donations and charity investments. We take pride in assuring our supporters their donations will be wisely spent and restricted to the specific area requested.

Our role is to listen to the concerns, ideas and innovations of both our patients and our staff and to help turn their great ideas into reality - making the hospital experience better for all.

Charity begins at home and our charity vision is to support our hospitals and make them better equipped and more comfortable for all who need our care both now and in the future.



## The Charity Team

George Wood, Chairman of the Charity Finance Committee

Carol Madeley, Member of the Charity Finance Committee

Sandra Binion, Member of the Charity Finance Committee

Jackie Nugent, Member of the Charity Finance Committee

Nick Swift, Director of Finance

Bev Thomas, Director of Nursing

Lynda Head, Head of Fundraising

Marina Sherriff, Fundraising Office Manager

Ellen Kyriacou, Charitable Accountant

Torren Mahmut, Community Fundraiser

Stacey English, Events Coordinator

Lorraine Dengel, Fundraising Office Assistant





## A word from the Head of Fundraising



I have been delighted with the progress our charity has made over the last twelve months. Our name is more widely recognised and our regular supporter base is growing steadily. Our increased activity has meant an upturn of 30% in charitable donations over the previous year.

Our charity continues to provide invaluable support, raising funds to enhance the hospital journey for all. We meet regularly as a committee to discuss requests and ideas that are put forward by the people who know our hospitals best, our staff and patients. A request could be for anything from a piece of innovative medical equipment, extra training or research, technology and information or a refurbishment to enhance the comfort of both patients and their families.

The charity actively creates events for the public to participate in throughout the year, including sportive events such as Pedal4Patients – a home grown sponsored cycle ride which was launched in 2018. The event that took place in May 2018 saw 56 riders sponsored to clock up between 45 – 69 miles. Riders collectively cycled over 3,000 miles and raised over £8,000 to support charity projects.

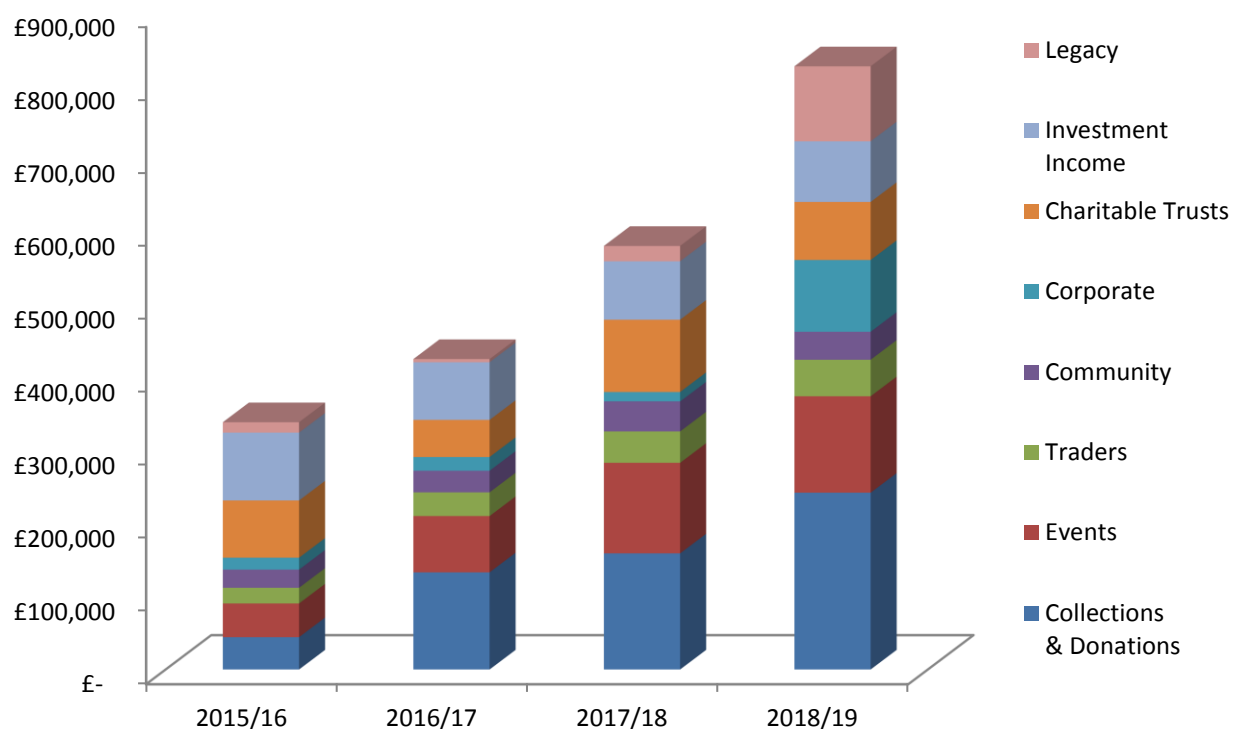
Donations come from far and wide and for many reasons. The local community has taken the Charity into their hearts and we have built many new relationships. Local businesses, clubs, schools and individuals also run their own events in support for our charity. Retail stands in the hospitals bring in a further contribution and people remember our hospitals by donating in appreciation of great care, in memory or by leaving a legacy.

We are a dedicated and passionate team who are always up for a challenge. We are looking forward to the new adventures and successes that the next twelve months will bring.



## Sources of Income and how we raised our funds

Charity income for the past 4 years

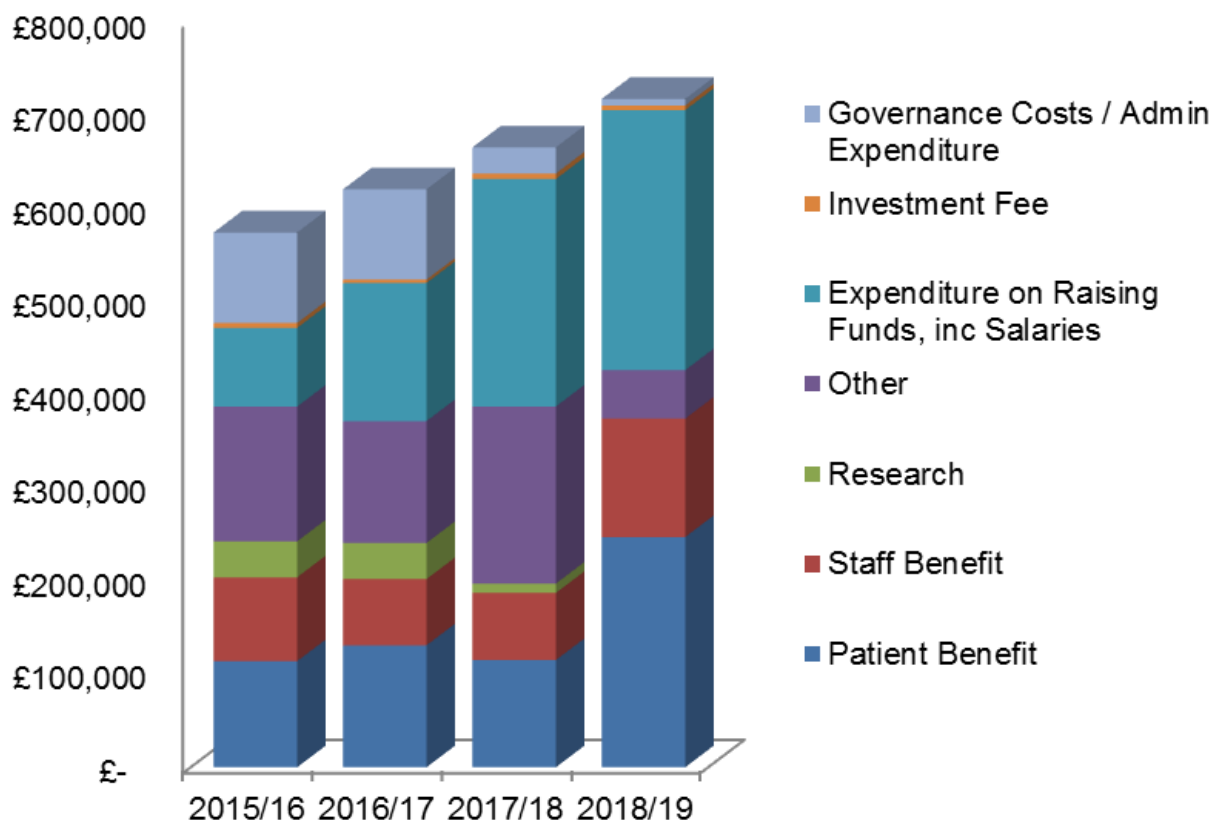


We are a small charity team covering a large remit and two acute hospital sites. The catchment area is wide and multi-cultural. There are many avenues of income generation available but with a small team we cannot cover every fundraising opportunity. Each year as we grow we add to our fundraising strategy and this year we agreed to add two extra dates to our events program and we extended our campaigns to cover a wider audience with various ways for people of all ages from every corner of our community to get involved.

We have dedicated certain days of the week to work with our local corporates which has been lucrative as well as increasing regular support from both the businesses and their clientele. Donations on the above chart show a marked increase in collections and donations. We note that these donations come from a mixture of in memory donations, collection boxes and corporate donations and sponsorship. This validates our work in the community and proves the penetration of our brand and our charity cause. Our promotional brand is now much more widely recognised.

## Sources of Expenditure

Charity expenditure for the past 4 years



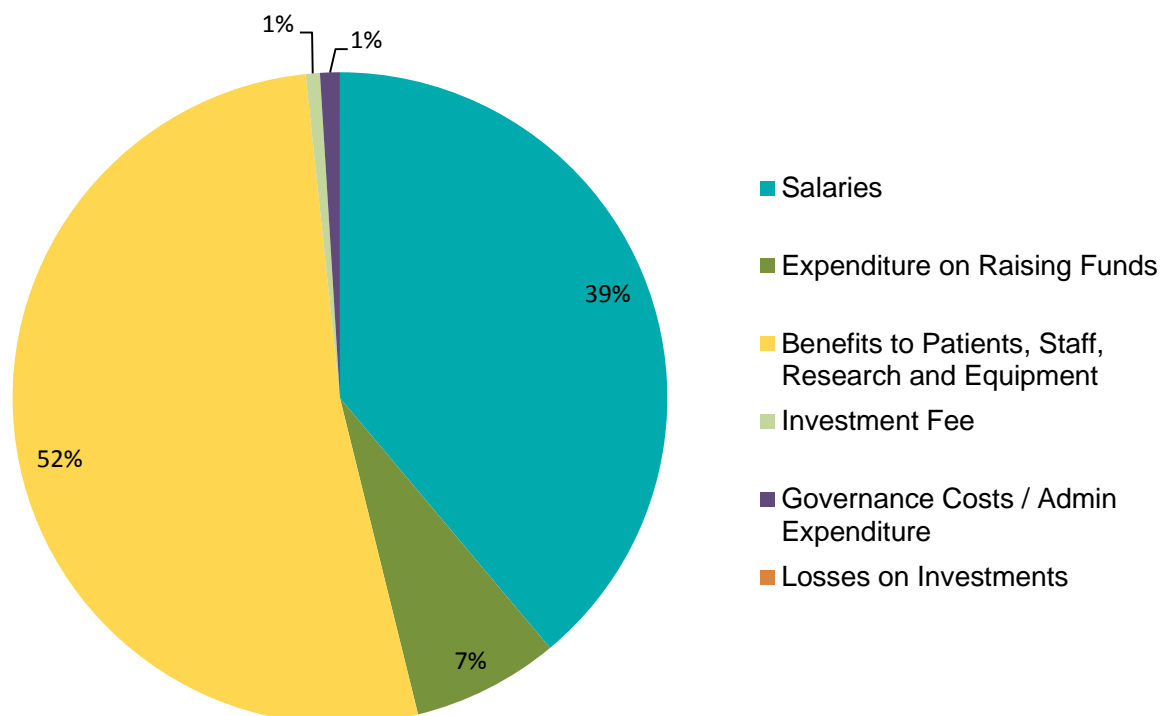
Our expenditure on staff and admin is almost unchanged from last year with a 1% saving although our income line has grown considerably. Our increase in income has meant that we have been able to spend an additional £100k/19% more on benefits for patients and hospital staff. We have run more events with greater income and yet have spent 13% less on delivering them.





## Breakdown of expenditure

Breakdown of expenditure as a % of £722k total spent



## Our supporters

Support in all areas of our community is growing fast...

Some of our wonderful supporters and the events and challenges that helped us grow.



Cycle Rides



Golf Days



Ladies Golf Days



Hair Cuts



Muddy Runs



Magic Nights



Half Marathons



## The Golden Quarter

Throughout December our charity runs some form of entertainment every day for the public and staff to enjoy in the atrium. This year we had greater support than ever before with amazing groups of musicians and singers of all ages from schools and groups across the community.

We ran our biggest Christmas market yet at Queens Hospital and a second at King George Hospital selling Christmas merchandise, gifts, scrumptious home baked



cakes and delicious Indian cuisine lovingly prepared by the ladies of the Gurdwara Karamasar Temple.

We also coordinate and distribute gifts received from the public for children's services as well acting as chaperones for supporters wishing to donate to the wards personally. The work the public doesn't see is the time we spend as a team shopping, wrapping and delivering a Christmas gift for every patient in hospital on Christmas Day.

This year once again we set up our Reindeer Run campaign. Local schools were provided with a pack for children to make their own Reindeer headband. The schools have told us they love this campaign as it fits their curriculum and is easy to run but above all the children love taking part. This campaign raised £11,000.





## The Masquerade Christmas Charity Ball



December saw the return of the annual charity ball and this year's theme was 'masquerade'. Our guests took the theme to heart and truly came dressed to impress. The evening was catered once again in brilliant style by Milsoms of Dedham who served a delicious menu with a twist of Italian flavours.

Opera singing waiters Contempo Productions appeared from the crowds and wowed our audience with their amazing harmony of classical voices and DJ Dance Factors kept the dance floor full until the early hours. A wonderful time was had by all and the evening raised in excess of £60,000.



## How we use our funds

### Medical equipment

With amazing support from King George League of Friends and one of our own senior theatre nurse Pippa Ward, we have eventually after many years of fundraising finally purchased a Faxitron analysis computer for the breast care theatre at King George Hospital. Pippa has run countless events and continues to astound us with her fundraising skills. She has personally raised over £30k towards this project. League of Friends generously supported the project with £45k.

This equipment will allow a surgeon to analyse a sample biopsy in the theatre itself negating the need for a patient to be recalled and saving valuable staff and theatre time. Read more about this on page 20.

### Research, people and training

Pride awards – Each year the Trust invites staff to celebrate their service and innovation in the workplace. Our charity funds the awards given to both long service staff and volunteers and staff that have gone above and beyond the call of duty. This year the event was held in our own lecture theatre. A Caribbean theme was chosen with fresh fruit mock-tails and a personal speech of thank from our CEO Chris Bown.

We also funded the Trust in-house nursing awards and annual shield. This event is held annually and recognises the outstanding work of individual nurses. The Charity provides vouchers to the value of £5,125.

### Technology & information

#### RITA second instalment



Last year we started a project to equip all of our elderly care wards with RITA Reminiscence Interactive Activity Screens. We funded half in 2017/18 and we were delighted in the early part of 2018 to be able to fund phase two. Now all elderly care wards have at least two sets. These were funded by ASDA and Abridge (ladies section) Golf Club.





### Comfort & the environment

Snowdrop Suite - we heard a heart-breaking story from a supporter who had lost a baby due to pre-eclampsia. The baby was delivered at Queen's Hospital. Our supporters were so grateful for the kind treatment given during that terrible time that they decided to raise sponsorship from a sponsored bike ride to better equip the maternity bereavement suite at Queens. When we heard his very sad story and learned that the bereavement suite really needed a makeover as a charity we set out to completely refurbish it. Together we turned a bland and clinical room into a peaceful and tranquil environment for a bereaved family to stay and say their final farewells. The room and the new decoration in the labour rooms in general have been much appreciated by all who use them.

## Case studies

### Mobile Heart Monitors Cardiology



Mr Afzal Sohaib demonstrates a mobile heart monitor to Zippers' member Jeff Long

Cardiology patients have benefited hugely after a request was made by consultant Afzal Sohaib for digital heart monitors.

These nifty devices allow patients to monitor their own heart rhythms, by attaching to their smart phones. They're really helpful to enable patients to stay on top of their condition, and they're invaluable for our clinicians in terms of monitoring and keeping an eye on patients' progress.

The Charity received funds to complete this project from The League of Friends at King George Hospital along with the Zippers' Bowling Association – an 'exclusive' club which you can only join if you've had open heart surgery (the name 'Zipper' relates to their surgery scar!)

### Dennis's Den Palliative Care



Dennis's Den

Our Palliative care team were desperate to find a private place for families dealing with end of life care. Treasured memory boxes are given from charitable funds so that end of life care patients can hand over letters, photos and tapes to the young families they will sadly leave behind. These exchanges were given from behind a curtain on a four bedded ward and were overheard by other patients which upset all concerned.

Our charity found a room within the hospital and paid for all the necessary building and decorating works to make the room a tranquil and private area where a whole family could spend quality time together. This is now used regularly and has been much appreciated by staff, patients and families.

The room was officially opened by the family of beloved grandfather Dennis Sullivan, who helped fundraise for it. Additional funding for the room was provided by the Harold Wood Hospital League of Friends.

## BSL Interpreted Videos Trust Wide



A screen shot of the Trust  
video

We were more than happy to help when Patient Experience asked us to fund a British Sign Language video. Ensuring that deaf or hearing impaired patients have access to information, in the correct format, is vital.

Ten BSL translated videos were commissioned and 'Welcome to our hospitals' can be seen on the Trust website, you tube and is played on internal televisions.



## Barkey Blood Plasma Thawers Blood Transfusion Lab



We ordered two Barkey Blood Plasma Thawers to thaw and warm a variety of bagged blood or infusion product for the Blood Transfusion Lab at Queen's and King George Hospitals. These improve the turnaround time for the provision of blood products either routinely or in an emergency situation.



## The Ambassador's Group

Our Charity Ambassadors help us to raise awareness of our aims and our work and encourage others to get involved in fundraising activities. They are such an important group as they enable us to reach new people, advise us with some of our decision making, and volunteer for us when we need them most. Some of our Ambassadors also find the time to organise their own events or make donations of raffle prizes.

We meet with the group four times a year to keep them up to date with our successes and to talk about what we have coming up. At some meetings we also have demonstrations and examples of equipment we've purchased and the difference it has made to the patient journey within our hospitals.

In July last year we said goodbye to one of our most loyal and prolific supporters. A friend of the charity for many years Lesley Allsuch was inspired by the work we were doing with our Care for the Elderly wards. Our aim was to raise funds to purchase RITA Dementia screens for every ward. We needed £50k. Lesley was a member of the Abridge Golf & Country Club (Ladies section) Lesley and best friend Pam Levine persuaded the club to take on our charity cause for the year.

Shortly after Christmas 2017, Lesley confided in us that she had been diagnosed with incurable lung cancer. Although the prognosis was dreadful Lesley fought back with amazing strength and never gave up. Until just weeks before she died Lesley was giving fundraising orders from her bed in Queens Hospital. She desperately wanted to be part of the Charity Golf day and lunch at the club raising funds for RITA held at the club in July. Sadly that wish did not come true and she passed away at home with her family shortly before the event.

Lesley will always be remembered as an amazing friend and supporter and will be greatly missed by all of us at King George & Queen's Hospitals Charity.



If you'd like to join this elite group please get in touch. We would love to hear from you so please call us on 01708 504335.



## Thanks to our supporters

### Donation from grateful family

Little Alfie Filtness paid our Neonatal Intensive Care Unit (NICU) at Queen's Hospital a



visit with his parents, David and Goldie, to thank our staff for caring for him so well, and hand over a donation of £250 from David's employer, Axiom Underwriting.

The money was raised via a Christmas jumper day at the company, and through giving donations rather than sending Christmas cards. David, 37, was overwhelmed when his boss told him that they wanted to give the money to the hospital which cared for Alfie.

### Fundraisers pop along to see their sleeper chair in action!



Friends and relatives of Alexandra 'Rose' Sumbler banded together to fund a sleeper chair for the comfort of relatives on our Mandarin wards in her memory.

They visited our hospital to see the chair in place, and hear about how it was making a difference to patients and their families on the ward. Among the fundraisers was Rose's daughter,

Anette, pictured sitting on the chair.



## Our corporate supporters



Dutton Recruitment



The Railway Hotel



Mazda



ASDA



Tesco

## League of Friends

After many years of amazing support for local charity the Harold Wood Hospital League of Friends finally closed their charity trust which was made up of funds donated to the former Harold Wood Hospital. We are very grateful to trustees Jim Haines and John Kent for the generous support they have given to our hospitals over the years. The final donation made was spent creating Dennis's Den a dedicated room where patients approaching end of life can spend precious quality time with their families in privacy and comfort.

King George League of Friends continues to raise funds for King George Hospital through sales from their shop run by volunteers in King George Hospital. They support our Charity by purchasing items requested by our staff which are solely for use at King George Hospital. After hearing about the fundraising campaign that senior theatre nurse Pippa Ward had taken on to fund a Faxitron machine, they generously agreed to fund £45k towards the project. Faxitron is a digital surgical specimen imaging system. The system allows the surgical team in the breast theatre to analyse tissue to determine that enough of a biopsy specimen has been taken to give a clear margin.

This year the League of Friends has welcomed Sue Fisher as their new chair. Sue recently retired from teaching and was looking for a fresh challenge where she could still be involved in supporting our community. We wish Sue all the best with her new role.





## Future plans...

We are entering the penultimate year of our fundraising strategy and so far we have followed our plans and delivered above target.

In 2019/20 we intend to spend more time promoting the areas of in-memory, legacy and regular giving. We hope to expand our promotion in both hospital spaces and in the community with regular promotion in friendly corporate spaces.

This year we have agreed to fund a larger project that will benefit a core area of hospital life and showcase what our charity is capable of providing with the support of our local community.



## Administrative Details

**Registered address:**

Barking, Havering and Redbridge University  
Hospitals NHS Trust Charity Fund  
Queen's Hospital  
Rom Valley Way  
Romford RM7 0AG  
01708 435000 x2913

**Office address:**

King George & Queen's Hospitals  
Charity  
Queen's Hospital  
Rom Valley Way  
Romford  
RM7 0AG  
01708 435000 x2922

Charity registered in England and Wales. Registration number: 1059455.

### Trust Board Membership during 2018-19

MEMBERSHIP AND QUORACY OF TRUST BOARD MEETINGS	
<b>Chair</b>	
Joe Fielder	Chairman
<b>Non-Executive Directors</b>	
Ms Jackie Westaway	Non-Executive Director & Vice Chair
Mr Tom Phillips	Chair, Audit Committee
Miss Joan Saddler	Non-Executive Director
Professor Anthony Warrens	Non-Executive Director , Chair Quality & Safety
<b>Executive Directors</b>	
Mr Matthew Hopkins	Chief Executive – left 13.01.2019
Mr Chris Bown	Interim Chief Executive – started Aug 2018
Ms Shelagh Smith	Chief Operating Officer
Mr Ian O'Connor	Interim Director of Financial Operations – left Sept 2018
Mr Nick Swift	Director of Finance & Investment Started Sept 2018
Ms Kathryn Halford OBE	Chief Nurse
Dr Nadeem Moghal	Medical Director – left within 2018
Dr Magda Smith	Chief Medical Officer
Mr Peter Hunt	Director of Communications & Engagement
Mr David Amos	Interim Director of People & Organisational Development

## **Charitable Funds Committee Members during 2018-19**

George Wood	Chair
Sandra Binion	Member
Carole Madeley	Member
Ian O'Connor	Interim Director of Finance & Investments (left within 2018)
Nick Swift	Director of Finance & investments
Jackie Nugent	Member

## **Charitable Funds Committee membership during 2018-19**

George Wood	Chair
Ian O'Connor	Interim Director of Finance & Investments (left within 2018)
Nick Swift	Director of Finance & Investments
Bev Thomas	Specialty Matron for Critical Care
Lynda Head	Head of Fundraising
Ellen Kyriacou	Charitable Accountant
Marina Sherriff	Fundraising & Marketing Officer
Torren Mahmut	Community Fundraiser
Lorraine Dengel	Fundraising Office Assistant
Stacey English	Events Co-Ordinator

### **Bankers:**

Barclays Bank plc  
P O Box 3735  
Bank House  
Chelmsford  
Essex  
CM1 1DS

### **Investment Managers**

Cazenove Capital  
12 Moorgate  
London  
EC2R 6DA

### **External Auditors:**

KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

### **Internal Auditors**

RSM Risk Assurance  
Services  
25 Farringdon Street  
London  
EC4A 4AB



## Trustees' Report

This report seeks to provide the public with an overview of the charity, commencing with the activity of investments followed in pages 28 to 51 with a reference and structure of the charity and its governance and management, then concluding with risk management, policies and the charity's going concern.

### Unrealised losses on Investment Assets 2018-19 £3,254 (2017-87 - £57,131)

There were no investment sales during the year 2018-2019, and the charity reported a realised loss within this period.

The unrealised loss for the year has been calculated as follows: -

	Market	Disposals Unrealised Gains 31/03/2018 31/03/2019	Purchases Value	Market	Value
	£000	£000	£000	£000	£000
Investments	1,966	0	0	1,966	(3)
Cash Balances	40	0	0	40	38
	<u>2,006</u>	<u>0</u>	<u>0</u>	<u>2,006</u>	<u>35</u>

### Investment Income

The sources of investment received, or receivable, during the year were: -

	2018-19 £000	2017-18 £000
Dividends and interest from quoted stock and shares	83	81
Bank interest	<u>0</u>	<u>0</u>
	83	81

The Trustee Act 2000 specifies that trustees should implement the same duty of care as if they were investing for themselves and, in order to ensure that the requirements of the Act are met, our investment managers, Schroders (operating under Cazenove), are authorised to freely buy and sell stocks and shares quoted on a recognised Stock Exchange. The performance of the investments is monitored regularly and reported on a monthly basis. This can also be accessed on-line on a daily basis as required.

The balance in the investment portfolio has decreased, due to the fall in the market value of the shares held as at 31 March 2019 and the charity carried forward unrealised losses on shares still held of £3,254.

The Annual Report and Accounts for the year ended 31 March 2019 have been prepared by the **Corporate Trustee** in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS102)) and the Financial Reporting Standard 102 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. The accounts for 2018-2019 follows the Charities SORP (FRS102) issued on 18 July 2014 which was effective from 1<sup>st</sup> April 2015. In order to assist the reader, the notes to the accounts accompany the Statement of Recommended Practice and the Balance Sheet and show further detailed information. The Statement of Financial Activities incorporate the investment managers' cost within the Raising Funds heading and governance costs are incorporated within the Expenditure on Charitable Activities heading, but are identified clearly in the notes accompanying the financial statements.

The financial statements include all the separately established funds within the Barking, Havering and Redbridge University Hospitals NHS Trust Charity Fund. Both the Annual Report and Accounts are prepared with the intention of informing the reader about the charity and, in particular, the financial activities which are consistent with the Annual Accounts that are prepared from the records maintained.

## **Reference and Structure of the Charity**

Barking, Havering and Redbridge University Hospitals NHS Trust is one of the largest acute hospital trusts in England and has under its administration King George and Queen's Hospitals, as well as services within Barking Hospital and other satellites. The breast care services originally provided from Victoria Hospital have now moved to our newly refurbished areas in Elm Ward at King George Hospital and service our community trust wide. The charity, registered charity number 1059455 and entered on the Central Register of Charities on 27 November 1996, has the working title of King George and Queen's Hospitals' Charity - rebranded from BHR Hospitals Charity - in order to increase public awareness, and is an umbrella charity under which there were six subsidiary charities, reducing to five subsidiaries due to the movement of all our services from Victoria Hospital to King George Hospital.

The Charity maintains two general unrestricted funds that were established "for any charitable purpose or purposes relating to the NHS" and benefits any one of our hospitals in numerous ways. The various subsidiaries are restricted by income and expenditure to enhance the services of their relevant hospital or speciality as follows:

- Barking, Havering and Redbridge University Hospitals NHS Trust General Purpose Charity Fund
- Queen's Hospital General Purposes Charity Fund
- King George Hospital General Purposes Charity Fund
- Barking Hospital General Purposes Charity Fund

- Victoria Hospital General Purposes Charity Fund – now closed
- Romford Cardiovascular Research Fund.

Within each of the subsidiaries are held a number of individual funds that represent specific wards, departments and specialist areas. There also exists a pooling scheme that combines the investments and monies belonging to the above funds to maximise income for the charity.

The income of the charity is made up of voluntary income including donations and legacies, fundraising activities and investment income. These monies are applied to enhance the services provided within the NHS Trust for patient welfare, staff welfare, research and general charitable hospital purposes, in accordance with the objects of the charity. The Trust has a policy of issuing an official receipt and letter of acknowledgement to all known donors irrespective of the value; unless the donor requests otherwise.

## **Structure, Governance and Management**

Non-Executive Members of the Trust Board are appointed by NHS Improvements, and Executive Members of the Board are subject to recruitment by the NHS Trust Board. Members of the Trust Board and the Charitable Funds Committee are not individual trustees under charity law, but act as agents on behalf of the corporate trustee.

Newly appointed members of the NHS Trust Board are supplied with an induction pack, and the charity follows the guidance of the Charity Commission for the production of an induction pack for newly recruited members of the Charitable Funds Committee. The pack includes copies of the charity's annual report and accounts, minutes of previous meetings, a copy of the charity's Model Declaration of Trust and a copy of the Charity Commission's publication CC3 – "The Essential Trustee: what you need to know", as well as other leaflets, website and intranet references. A guided tour of the NHS Trust's facilities and any additional training that their role, or roles, may require is also offered.

We are also members of the Association of NHS Charities which runs regular conferences for trustees, fundraisers and accountants. The accounting records and day-to-day administration of the funds are handled by the Charitable Funds Accountant, King George and Queen's Hospitals Charity, Finance Department, Queen's Hospital, Rom Valley Way, Romford, Essex RM7 0AG.

Key personnel and staff within the charity, follow a remuneration package set by the government for NHS staff, and are placed on a banded pay scale according to their role and responsibilities.

## **Trustees**

The Charity has a corporate trustee: the Barking, Havering and Redbridge University Hospitals NHS Trust. The members of the NHS Trust Board who served during the financial year are noted on page 22. The NHS Trust Board devolved responsibility

for on-going management of funds to the Charitable Funds Committee that administers the funds on behalf of the corporate trustee. The names of members who served during the financial year are also noted on page 23 of the Annual Report and Accounts.

The Charitable Funds Committee includes four external trustees (one being the Chair) who have been enlisted by the corporate trustee. Members are enlisted to give a good mix of appropriate professional skills e.g. medical, finance, fundraising and investment. Three of the four members give their time freely and only one member received paid remuneration in the year. There has also been minimal member expenses incurred within this period.

Charity Finance Committee members are required to disclose all relevant interests and register them with the corporate trustee and withdraw from decisions where a conflict of interest arises. All related parties, if applicable, are disclosed in note 16 to the accounts.

### **Key Management Personnel**

Along with the members and trustees attending the Charitable Funds Committee, other members consist of staff representatives (in accordance with the charity's Terms of Reference), the charitable funds accountant and head of fundraising. Three of the four members give freely of their time and receive no salary. However, the fundraising and administrative staff are employed by the Barking, Havering & Redbridge University Hospitals NHS Trust and their salaries are recharged to the charity. Remuneration is reviewed annually and is increased in accordance with the nationally agreed increases to their pay scale. Staff management costs can be found in note 19 to the accounts.

### **Risk Management**

The members have considered the major risks to which King George and Queen's Hospitals' charity is exposed and identified two major risks that have been acknowledged and arrangements have been put in place to mitigate those risks.

#### ***Risk 1: Fall in investment returns***

The most significant risk to which the charity is exposed is the possible loss arising from the fall in value of investments and the level of reserves affected by such losses. The Charitable Funds Committee have reviewed the system and agreed that unrealised gains are not distributed to account level in the event of future market instability and to ensure they are not spent by fund holders without careful consideration by the Charitable Funds Committee. These cumulative unrealised gains are safeguarded at top level in each relevant subsidiary's fund. Risks are further mitigated by retaining expert investment managers and having a diversified portfolio and making use of benchmarking information when reviewing the portfolio.

#### ***Risk 2: Future levels of income***

Another risk is a reduction in the levels of income. King George and Queen's Hospitals Charity is reliant on donations in order to be able to make grants to our

NHS body, to enhance the services provided by the NHS. The members recognise the impact of a recession and higher cost of living on the level of donated income (and the value of legacies reducing as a result of a fall in the housing market and increases in challenges).

In consideration of these risk factors, the funds and individual accounts are carefully monitored and expenditure is only permitted when it is seen that an account has sufficient funds to support expenditure in accordance with its objectives. Authority spending levels are strictly set with an account manager requisitioning orders of no more than £250. Any expenditure exceeding this amount requires the approval of a Divisional Director, Manager or equivalent, with any outgoings greater than £1,000 sanctioned by the Charitable Funds Committee.

The Charitable Funds Committee receive income and expenditure reports together with the latest Statement of Financial Activities and Balance Sheet during their bi-monthly meetings in order to review the charity's performance and to detect trends as part of the risk management process, so as to ensure there are no unforeseen calls on reserves. Where accounts have been shown to be inactive, the committee make a decision to close these accounts and transfer the funds to reserves.

The corporate trustees have sought to further mitigate the risk that income will fall by increasing the fundraising team comprising of a dedicated fundraising expert, a marketing and fundraising officer, an events organiser, a community fundraiser and an fundraising office assistant, in order to provide a co-ordinated approach to raising funds.

## **Financial Review**

King George & Queen's Hospitals Charity had an excellent year surpassing our aspirational goals.

Total income increased by £246k (42%) from £580k (2017/18) to £826k (2018/19) largely due to an increase in Charitable Trust Donations (from £99k 2017/18 to £242k 2018/19, up 144%).

There was a small fall in investment assets of £3k to £1,966k (down 1% from last year) which is a minor loss than in previous years, considering the volatility of the current funds markets, and Brexit.

Total expenditure increased by £57k (8%) from £665k (2017/18) to £722k (2018/19). This can be attributed to an increase spend in Benefits to Patients, from £115k 2017/18, to £246k in 2018/19, a rise of £131k (54%).

On the balance sheet, total funds increased by £101k to £2,120k. This increase was largely due to the cash held at the bank and in hand. Our general unrestricted funds closed at £134k, following a reallocation of the fund accounts held, and correctly proportioning the unrestricted deposits.

Following the charity's continued growth, it has reviewed its' current policies, and following SORP guidelines, these have been updated for validity.

It should be noted that a minimum of £80k will now be kept with the charity's main bankers as reserves, which equates to 3 months operational working.



The corporate trustees continue to monitor the factors which could have a broader implication on the charity's growth, by holding bi-monthly board meetings, and discussing the political, economic, social and technical aspects that are current concerns.

## **Investment Policy**

The Trustee's investment objectives are to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year, with due proper consideration for future needs, and if possible, enhancement of the value of the invested funds whilst they are retained.

The Trustees aim to support a strong future by assisting in the long term prospects of Barking, Havering and Redbridge University Hospitals NHS Trust by supporting research, education, new equipment, staff and patient benefits, and environmental improvements.

"The aim of the charity is not to subsidise the NHS Core Services, but to listen to the concerns, ideas and innovations from the hospital user, including staff and patients. Our aim is to make the hospitals the best they can be."

The objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a Recognised Investment Exchange and Unit Trusts, which are authorised under the Financial Services and Markets Act 2000. The trustees reserve the right to exclude companies that carry out activities contrary to their aims, or from holding particular investments which damage the charity's reputation and aim to minimise investment in tobacco or alcohol. As defined by companies with more than 20% of their turnover in these activities.

The investment policy requires that all investment income be retained as cash in order for this to be made available without the risk of having to sell shares at a time when shares might be volatile.

## **Objectives and Activities & Strategic Plan**

The objectives of the charity is '*not to subsidise the core responsibilities of the NHS, but to enhance the essential services provided by them to make the hospital journey the best it can be.*'

### Aims and what the charity seeks to tackle through its activities:

The Trustees have agreed key objectives for the management of the charity towards achieving its goals:

- Annual Accounts should be independently audited and reported
- Investment performance should be regularly reviewed
- Charity Commission returns must be submitted by the required date
- All expenditure of the charity should support the aims of BHR University Hospitals NHS Trust
- The charity will commit any unallocated reserves to support any additional developments, where appropriate
- The charity will invest in fundraising to proactively seek new income

- The charity will set realistic fundraising targets – at present 18% growth per year

#### Achievements of aims to further its legal purposes:

To hold the trust fund upon faith to apply the income, and at their discretion, so far as may be permissible, the capital for any charitable purpose relating to the National Health Service.

In order to further achievement of this legal purpose, the charity undertakes a number of activities. These include the establishment and support for any activities that would improve patient care and achieve the charity's aim through application for funding and subsequent approvals. The charity also employs staff to engage in various fund raising activities to ensure funds are available to pursue the charity's legal purpose both to the hospital and the Charity Commission guidelines. The charity also engages, through the use of experts in the field, investments to create sufficient income and capital growth to enable the charity to carry out its purpose.

#### Strategies for achieving its stated aims and objectives

Within the next five years, (2021) the charity's strategic plan and main aim is to become a well-recognised, professional and successful charity of choice for local people in Barking, Havering and Redbridge. In line with the hospital's core PRIDE values, we aim to have a responsible presence, effective process, outstanding management and grow and retain our donors.

The charity aims to have well-supported annual, innovative, successful and inspirational events and campaigns, to engage people of all ages and from all areas of the community.

#### The charity aims to undertake a number of activities to fulfil its aims and objectives. Specifically, it will:

- Increase level of awareness through promotion both internally, externally and on social media;
- Engage staff and volunteers willing to promote the charity as fund holders and ambassadors across the Trust;
- Proactively identifying, defining and managing how charitable funds are spent in accordance with Trust and charity objectives and priorities;
- To maintain a strong relationship with associated fundraising Trusts i.e. League of Friends.

The charity actively creates events, challenges and campaigns to encourage the local community to help raise funds, and support its local hospitals. One step towards this was the introduction of an 'Ambassadors Group' in 2017/18, consisting of local individuals and businesses who have adopted us as their charity of choice. They work collaboratively to raise funds at their own events, and include local banks, associations, businesses and groups. – see 'Special Thanks' at the end of the annual report for a list of names.

### Criteria or measures for assessing success

The measure for the charity's success will be proven from the statistics produced year on year, showing improvements in its performance and fundraising accomplishments.

The charity has a number of metrics it uses in measuring the success or otherwise of its fund raising and expenditure activities. These are included in quarterly management information reports which are discussed at the quarterly Charitable Funding Committee meetings. The key metrics are:

- Measurement of operational staff costs against income generated;
- Income target/budget against actual income (monthly, quarterly and yearly);
- Various lines of expenditure (including pay and non- pay) reports and comparisons to previous periods;
- Investment reports on fluctuations on the stock market for gains and losses every quarter;
- Monitoring cash and working capital balances on quarterly basis, and also compared to previous years.

### Details of significant activities undertaken

This is adequately covered under the 'how we raise our funds' and 'case studies' sections of this report.

### Short term and longer term aims and objectives

Following a year of growth and evolvment, the charity has yet to set short and long term objectives. This will be addressed in the current financial year.

### Social Investment

The charity does not undertake any social investment.

### Grant making

The charity does not apply for grants which make a material or significant contribution to its aims and objectives.

### Volunteers

All volunteers are managed and serviced by the hospital's Volunteer Services, which the charity uses from time to time.

In setting the objectives and activities of the charity, the trustees and Board members have given due consideration to the Charity Commission's published guidance on public benefit.

## Achievements and Performance

The charity finance committee members have paid due regard in deciding what activities the charity has undertaken during the year, and have continued to support a wide range of charitable purposes. The charity identified four key areas where they considered funds should be spent, they are the support of medical equipment, research and training, technology and information, comfort and the environment.

- Some of the items bought are as follows:

Medical Equipment	Faxitron Machine, Bladder Scanner, Plasma Thawer, Readybed Sleeper Chairs, Accuvein
Research and Training	ACA Course in Fundraising for Staff, CIRSE Course, FRCS Course, ATLS Course, Airways Management Course
Technology and Information	2 x RITA packages – 22” PC & 10” Tablet – bought to improve and stimulate the patient’s experience whilst in the Dementia Wards, RFID Gun
Comfort and the Environment	Refurbishment of Dennis’s Den, Refurbishment of Maternity, refurbishment of Treasured Memories Room

Please refer to ‘How we used our Funds’ for more detailed information on the above.

The charity also continues to support the staff PRIDE Awards ceremony, an annual celebration of individuals who have been awarded an honour for long service and excellence in service at King George and Queens hospitals.

During 2018/19, the charity increased its patient, staff and research contribution to the Trust by 109%, from £177k in 2017/18 to £370k in 2018/19, (including £80k in staff costs.)

The 5 year strategy begun in 2017, also aims to increase the charity’s income by 18% year on year, with the aim of achieving £1 million by 2021. This has been exceeded in 2018/19 by £176k.

## Reserves Policy

The corporate trustees have a policy of wisely spending the charitable funds entrusted to their care. The policy is that the funds must be spent for the purposes for which they were received and which is most beneficial to the recipients. Funds should not be accumulated, unless for a specific purpose.

Our target for reserves this year is to retain the cash equivalent of at least 3 month’s operational expenditure, (£80k) to cover the relevant period’s support costs, and the requisitioning of any equipment or service. The reserve is made up of cash already held with the charity’s banker, Barclays Bank, and have been noted within cash and cash equivalents. Further funds can be released from investments if necessary.

## **Future Plans**

The Charitable Funds Committee requests Directorate fund holders to provide spending plans for each speciality charitable fund. The fund holders have delegated authority to use the funds in the most beneficial way for their specialism.

Plans for the next twelve months will be determined by the equipping needs of the hospital, and will include the following areas of spend:

- Enhancement of patient experience
- Staff training and conferences
- Purchase of enhanced medical equipment
- Support research projects

The members continue to support the on-going commitment to purchase a £65,000 Faxitron Biovision, which provides immediate verification of excised breast tissue, and raises the standard of care for patients undergoing surgical procedures.

## **Going Concern**

The corporate trustees consider that there are no material uncertainties regarding the King George and Queen's Hospitals Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts. In future years, the trustees recognise the key risks to the charity, but arrangements are in place to mitigate these risks.

Signed By Order of the Corporate Trustees

Trustee

Date



## Statement of Trustee Responsibilities in respect of the Trustee Annual Report and the Financial Statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Trustee

Date

## Independent auditor's report to the Trustees of Barking, Havering and Redbridge University Hospitals NHS Trust Charitable Fund

### Opinion

We have audited the financial statements of Barking, Havering and Redbridge University Hospital NHS Trust Charitable Fund ("the charity") for the year ended 31 March 2019 which comprise the Statement of Financial Activities for the year ended 31 March 2019, Balance Sheet as at 31 March 2019 and Statement of Cash flows for the year ending 31 March 2019 and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We have been appointed as auditor under section 149 of the Charities Act 2011 (or its predecessors) 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of

at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model, including the impact of Brexit, and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

### **Other information**

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

### **Matters on which we are required to report by exception**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 34, the trustees are responsible for: the preparation of financial statements which give a true and fair view; 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; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charity's trustees as a body, in accordance with section 149 of the Charities Act 2011 (or its predecessors) 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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Neil Thomas**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

January 2020

*KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*

## Statement of Financial Activities for the year ended 31 March 2019

	Note	2018-19 Unrestricted Funds £000	2018-19 Restricted Funds £000	2018-19 Total Funds £000	2017-2018 Total Funds £000
<b>Income From:</b>					
Donations and legacies		131	368	<b>499</b>	280
Income from investments	2&3	83	0	<b>83</b>	80
Income from Charitable Activities	2	0	113	<b>113</b>	144
Income from Non-Charitable Activities	2	0	131	<b>131</b>	76
<b>Total income and endowments</b>		<u>214</u>	<u>612</u>	<u><b>826</b></u>	<u>580</u>
<b>Expenditure On:</b>					
Expenditure on raising funds	3&5	(183)	(13)	<b>(196)</b>	(47)
Expenditure on charitable activities	4	(114)	(412)	<b>(526)</b>	(561)
Net gains(losses) on investments		(3)	0	<b>(3)</b>	(57)
<b>Total resources expended</b>		<u>(300)</u>	<u>(425)</u>	<u><b>(725)</b></u>	<u><b>(665)</b></u>
<b>Net income(expenditure)</b>		(86)	187	<b>101</b>	(85)
Transfers between funds	13	0	0	<b>0</b>	0
<b>Net movement in funds</b>	6	<u>(86)</u>	<u>187</u>	<u><b>101</b></u>	<u>(85)</u>
<b>Reconciliation of funds</b>					
Fund balances brought forward	12.1	136	1,883	<b>2,019</b>	2,104
<b>Fund balances carried forward</b>	12.1	<u>50</u>	<u>2,070</u>	<u><b>2,120</b></u>	<u>2,019</u>

The notes at pages 40 to 49 form part of these accounts.



## Balance Sheet as at 31 March 2019

	Note	31 March 2019 £000	31 March 2018 £000
<b>Fixed assets:</b>			
Investments	8	<u>1,966</u>	<u>1,971</u>
<b>Total fixed assets</b>		<b>1,966</b>	<b>1,971</b>
<b>Current assets</b>			
Debtors	9	23	0
Cash and cash equivalents	10	318	163
		<u>341</u>	<u>163</u>
<b>Total Current Assets</b>			
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	11	(187)	(115)
<b>Net current assets</b>		<u>154</u>	<u>48</u>
<b>Total assets less current liabilities</b>	12.1	<b>2, 120</b>	<b>2,019</b>
<b>Total Net assets</b>		<u><b>2,120</b></u>	<u><b>2,019</b></u>
<b>The funds of the charity:</b>			
Restricted income funds		1,986	1,117
Unrestricted income funds		134	902
<b>Total charity funds</b>	12.1	<u><b>2,120</b></u>	<u><b>2,019</b></u>

The notes at pages 41 to 50 form part of these accounts.

Signed:

Director of Finance and Investment

Date:

## Statement of cash flows for the year ending 31 March 2019

Reconciliation of net income(expenditure) to net cash flow from operating activities	Note	2018-19 Total Funds £000	2017-18 Total Funds £000
<b>Net Income/(expenditure)</b>		<b>102</b>	<b>(85)</b>
<b>Adjustments for:</b>			
(Gains)/losses on investments		<b>3</b>	<b>57</b>
Dividends and interest from investments	2&3	<b>(83)</b>	<b>(80)</b>
(Increase)/decrease in debtors	9	<b>(23)</b>	<b>3</b>
Increase/(decrease) in creditors	11	<b>72</b>	<b>17</b>
<b>Net cash used in operating activities</b>		<b>71</b>	<b>(88)</b>
Cash flows from investing activities:			
Dividends and interest from investments	2&3	<b>83</b>	<b>80</b>
Proceeds from the sale of investments	8.1	<b>0</b>	<b>0</b>
Purchase of investments	8.1	<b>0</b>	<b>0</b>
<b>Net cash provided by investing activities</b>		<b>83</b>	<b>80</b>
Change in cash and cash equivalents in the reporting period	10	<b>154</b>	<b>(8)</b>
Cash and cash equivalents at the beginning of the reporting period		<b>164</b>	<b>172</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	10	<b>318</b>	<b>164</b>

## Notes to the Accounts

### Notes to the Accounts

#### 1 Accounting Policies

##### 1.1 Basis of preparation

The Charity is a public benefit entity, and the financial statements have been prepared under the historic cost convention, with the exception of investments which are included at mid-market value ex dividend. The financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS102) and the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS102) issued on 16 July 2015 rather than the preceding Charities SORP (SORP 2005) which was effective from 1 April 2005 and has since been withdrawn.

In preparing these accounts, the trustees have considered whether any restatement of comparatives was required to comply with FRS102 and the Charities SORP FRS102. No restatements were required.

**Governance costs:** previously, these had been separately analysed on the face of the Statement of Financial Activities but Governance costs are now classified under Expenditure on Raising Funds on the SOFA. The analysis of support costs, including governance costs, is shown in note 4.

**Cash and cash equivalents:** previously investments held in short term accounts were shown within the investments section on the face of the balance sheet. As these are liquid funds and require no period of notice, they are now classified as cash and cash equivalents and have been shown as part of cash and cash equivalents on the balance sheet since 1<sup>st</sup> April 2015. There is no impact on the total funds of the charity. An analysis of cash and cash equivalents is provided in note 10.

## **1.2 Incoming Resources (*Stated as 'Income From' on the SOFA*)**

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) Probable – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity.
- iii) Measurement – when the monetary value of the incoming resources can be measured with sufficient reliability.

### **Incoming resources from legacies**

Legacies are accounted for as incoming resources either upon receipt or when the point of recognition is probable. 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.

Material legacies which have been notified, but not recognised, as incoming resources in the Statement of Financial Activities are disclosed in a separate note to the accounts with the estimate of the amount receivable (Contingencies Note 14).

## **1.3 Resources Expended (*Stated as 'Expenditure On' in the SOFA*)**

The funds held in trust accounts 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 (*Expenditure on Raising Funds within the SOFA*)

The cost of generating funds is the costs associated with generating income for the funds held on trust. This will include the costs associated with expenses payable for fundraising and investment managers' fees.

b) Grants payable (*Expenditure on Charitable Activities within the SOFA*)

Grants payable are payments, made to third parties (including NHS bodies) in furtherance of the funds held on trust's charitable objectives to relieve those who are sick. They are accounted for on an accruals basis where the conditions for their payment have been met or where a third party has reasonable expectation that they will receive the grant. This includes grants paid to NHS bodies.

c) Governance costs

These are accounted for on an accruals basis and consist of recharges of support staff salary costs from Barking, Havering and Redbridge University Hospitals NHS Trust in addition to:

software consultants' annual maintenance costs

cost of producing the Annual Report and Accounts  
Internal and external audit fees and bank administration charges.

The governance costs are incorporated within expenditure on charitable activities in the Statement of Recommended Practice, but identified clearly in the notes accompanying the accounts.

#### **1.4 Structure of Funds**

Unrestricted income funds comprise of those funds where the donor has not issued a specific request for which the funds should be used. These funds may then be used for any purpose in furtherance of the charitable objects. Unrestricted funds can include designated funds where a donor may have made a non-binding request, or the Trustees have created a fund for a specific purpose.

Where there is a legal restriction or one imposed by the donor on the purpose to which funds may be put, they are treated as restricted funds.

Funds where the capital is held to generate income for charitable purposes and cannot themselves be spent are accounted for as endowment funds. The charity had no endowment funds during the financial year to 31 March 2019. Other funds are classified as unrestricted funds.

Funds which are not legally restricted but which the Trustees have chosen to earmark for set purposes are classified funds. The major funds held within these categories are disclosed on note 12.1.

#### **1.5 Fixed asset investments**

Investment of quoted stocks and shares are included in the balance sheet at mid-market price, ex-dividend.

#### **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 on the difference between sale proceeds and opening market value (or date of purchase if later). Unrealised gains and losses on investments are calculated as the difference between market value at the year-end and opening market value (or date of purchase if later). The charity processes all losses and gains against unrestricted funds, for general purpose uses.

In accordance with the new SORP 2015 (FRS102), The net gains and losses are shown under the heading for expenditure.

#### **1.7 Pooling Scheme**

An official pooling scheme is operated for investments relating to the following funds:

Barking, Havering and Redbridge University Hospitals NHS Trust General



Purposes Charity Fund  
 Barking Hospital General Purpose Charity Fund  
 King George Hospital General Purpose Charity Fund  
 Victoria Hospital General Purpose Charity Fund  
 Romford Cardiovascular Research Fund  
 Queen's Hospital General Purpose Charity Fund (Registered 14.03.2007)

The Scheme was registered with the Charity Commission on 17 March 1999.

## 2 Details of incoming resources

	Unrestricted Funds £000	Restricted Funds £000	Total 2018-19 Funds £000	Total 2017-18 Funds £000
<b>Material incoming resources:</b>				
<b>Donations and Legacies</b>				
Donations				
General donations	47	196	243	147
Sponsorship	2	18	20	13
Trusts	71	62	133	99
Legacies	11	92	103	21
	<u>131</u>	<u>368</u>	<u>499</u>	<u>280</u>
<b>Income from Charitable Activities</b>				
Corporates	0	25	25	12
Community Fundraising	0	88	88	132
	<u>0</u>	<u>113</u>	<u>113</u>	<u>144</u>
<b>Income from Non-Charitable Activities</b>				
Charity Fundraising	0	131	131	76
Investment Income	83	0	83	80
<b>Total other incoming resources</b>	<u>214</u>	<u>612</u>	<u>826</u>	<u>580</u>

## 3 Incoming Resources against Expenditure on raising funds

	Total 2018-19 Costs £000	Total 2017-18 Costs £000	Total 2018-19 Funds Raised £000	Total 2017-18 Funds Raised £000
Fund raising – funds raised & costs during the year	720	303	743	500
Investment Managers' fee & Dividends	5	5	83	80
	<u>725</u>	<u>308</u>	<u>826</u>	<u>580</u>

#### 4 Details of Expenditure on Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018-19 Funds £000	Total 2017-18 Funds £000
<b>Grants:</b>				
Patients education and welfare	(98)	157	59	115
Staff education and welfare	34	32	66	72
Research	0	0	0	10
Contribution to NHS Trust	62	223	285	177

#### Governance:

Salaries	99	0	99	154
Internal Audit fee	0	0	0	0
External Audit (Statutory Compliance) fee	10	0	10	5
Miscellaneous (system support)*	7	0	7	28
	<b>114</b>	<b>412</b>	<b>526</b>	<b>561</b>

Included in miscellaneous costs are nil  
(2018-19) Trustee expenses

#### 5 Analysis of Total Resources Expended excluding net gains (losses) on investments

	Cost of Generating Funds £000	Direct Charitable Expenditure £000	Governance Costs £000	Total 2018-19 Funds £000	Total 2017-18 Funds £000
Auditors remuneration:					
Audit fee	0	0	10	10	5
Other fees	0	0	0	0	0
Other (see Notes 3 & 4)	52	374	286	712	603
	<b>52</b>	<b>374</b>	<b>296</b>	<b>722</b>	<b>608</b>

#### 6 Changes in Resources Available for Charity Use

	Unrestricted Funds £000	Restricted Funds £000	Total 2018-19 Funds £000	Total 2017-18 Funds £000
Net movement in funds for the year	(86)	187	101	(85)
Net movement in funds available for future activities	<b>(86)</b>	<b>187</b>	<b>101</b>	<b>(85)</b>

#### 7 Analysis of Net Assets Between Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2018-19 Funds £000	Total 2017-18 Funds £000
Tangible fixed assets	0	0	0	
Investments	40	1,966	2,006	1972

Current Assets	106	195	<b>301</b>	162
Current liabilities	(182)	(5)	<b>(187)</b>	(115)
	<u>(36)</u>	<u>2156</u>	<u><b>2,120</b></u>	<u>2,019</u>

## 8 Analysis of Fixed Asset Investments

### 8.1 Movement in Fixed Asset Investments:

	2018-19	2017-18
	£000	£000
Market value at 1 April	<b>1,969</b>	2,027
Less: Disposals at carrying value	<b>0</b>	0
Add: Acquisitions at cost	<b>0</b>	0
Net gain (loss) on revaluation	<b>(3)</b>	(57)
Market value at 31 March	<u><b>1,966</b></u>	<u>1,969</u>
<i>Historic cost at 31 March</i>	<u><b>1,969</b></u>	<u>1,771</u>

### 8.2 Market value at 31 March 2018

	2018-19 Total £000	2017-18 Total £000
Investments listed In:		
UK Equities	<b>482</b>	605
Global Equities	<b>267</b>	315
European Equities	<b>63</b>	77
Absolute Return	<b>240</b>	319
Property Funds	<b>147</b>	193
Other Overseas Equities	<b>444</b>	238
Fixed Income- Cash	<b>121</b>	96
Other Investments	<b>202</b>	126
	<u><b>1966</b></u>	<u>1,969</u>
Cash on interest bearing deposit (shown within cash and cash equivalents in balance sheet –included in Note 10	<u><b>40</b></u>	<u>2</u>

## 9 Analysis of Debtors

	2018-19 £000	2017-18 £000
Amounts falling due within one year:		
Accrued income	<b>0</b>	0
Total debtors falling due within one year	<u><b>23</b></u>	<u>0</u>

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

## 10 Cash and Cash Equivalents

	2018-19 £000	2017-18 £000
Cash in hand	<b>1</b>	3
Cash held at bank not requiring notice for withdrawal	<b>317</b>	162
<b>Total Cash and Cash Equivalents</b>	<u><b>318</b></u>	<u>165</u>

The funds held at the bank are in interest bearing accounts that require no fixed notice for withdrawal and are held to facilitate cash flow and the fulfilment of obligations to make grant payments.

No cash or cash equivalents or current asset investments were held in non-cash investments or outside of the UK.

## 11 Analysis of Creditors

	2018-19 £000	2017-18 £000
Amounts falling due within one year:		
Accrual for grants owed to NHS body	(177)	(111)
Accrued Expenditure	(10)	(4)
Total creditors falling due within one year	<u>(187)</u>	<u>(115)</u>

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

## 12 Analysis of Funds

### 12.1 Restricted Funds & Unrestricted Funds

Material Funds	Balance 1 April 2018 £000	Incoming Resources £000	Resources Expended £000	Transfers between funds £000	Gains and (Losses) £000	Balance 31 March 2019 £000
<b>Restricted funds</b>						
A. Barking Hospital General Purpose	19	0	0	(6)	0	13
B. King George Hospital General Purpose	383	10	(27)	(154)	0	212
C. Queen's Hospital General Purpose	620	225	(57)	195	0	983
D. Romford Cardiovascular Research Fund	95	0	0	0	0	95
E. Victoria Hospital General Purpose	0	0	0	0	0	0
F. Barking Havering & Redbridge Hospitals	0	176	(149)	656	0	683



Sub-total	<u>1,117</u>	<u>411</u>	<u>(233)</u>	<u>691</u>	<u>0</u>	<u>1,986</u>
Unrestricted funds	902	415	(489)	(691)	(3)	134
Total	<u>2,019</u>	<u>826</u>	<u>(722)</u>	<u>0</u>	<u>(3)</u>	<u>2,120</u>

### 13 Details of transfers between funds

The Trustees agreed to continue the process of merging funds within their own specialty area or site e.g. Funds belonging to a closed ward at King George Hospital would be transferred into the General Purpose Fund at King George Hospital. Small balances in dormant accounts were transferred to relevant General Purpose Funds. As a result of the need to increase the General Purpose funds to benefit the many services that have approached the charity for funding support,

it was decided that prior years' retained gains would be transferred to an appropriate general purpose fund by site where applicable.

### 14 Contingencies

	<b>2018-19 £000</b>	2017-18 £000
The Trust has the following contingency:		
Residual Income from legacies	<u>11</u>	<u>21</u>
Total	<u>11</u>	<u>21</u>

All expected income, including legacy income noted in the accounts for 2018-19, was duly recorded and included in debtors. All monies will be allocated according to the instructions stated on the deceased's will, therefore restricted, however, if no instructions are left, all monies will be allocated to a Queens General Purpose account. This follows the policy on legacies.

### 15 Commitments, Liabilities and Provisions

	<b>2018-19 £000</b>	2017-18 £000
The Trust has the following commitments:		
Other	<b>80</b>	50

The above commitments identified on Note 14 relate to £79,958 worth of estimated expenditure on orders and services raised or approved, but where the goods or services were not received or invoiced by the supplier as at 31 March 2019. There was no capital allocation expenditure included in these. However, the major commitments included 'Withdrawal At Home', A & E & Maternity refurbishments, environmental improvements and bravery awards. There are no capital commitments (2017-18: £nil)

### 16 Related Party Transactions

During the year none of the Trustees or members of the key management staff or parties related to them has undertaken any material transactions with the Barking, Havering and Redbridge University Hospitals NHS Charitable Trust. Board Members take decisions both on Charity and Exchequer matters, but endeavour to keep the interests of each and do not seek to benefit personally from such decisions. Declarations of personal interest have been made in both capacities and are available to be inspected by the public.

The charity has one related party which is Barking, Havering and Redbridge University Hospitals NHS Trust. The charitable contributions towards capital expenditure to the NHS amounted to £369,524. (£176,970 2017-18).

## 17 Trustee Indemnity Insurance

Barking, Havering and Redbridge University Hospitals NHS Trust Directors' Indemnity Insurance provides cover for the full range of duties including those of trustees. No financial split is made in the premium paid by the Trust.

## 18 The Role of Volunteers

Like all charities, King George and Queen's Hospitals Charity is reliant on a team of volunteers to assist in the smooth running of the charity, by helping out on the monthly bookstall, and assisting in general administration. These volunteers provide a valuable service for us by promoting the charity and informing the public of the work we do to enhance the services that the trust provides.

In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

## 19 Key Management Personnel

The gross costs of key management personnel are listed below:

	2018-19 £000	2017/18 £000
Head of Fundraising costs	68	59
Charitable Funds Accountant	53	47
Fundraising and Accounts assistants	31	50
Fundraising and Marketing officer & Events Co-ordinator	82	56
Community Fundraiser	33	32
<b>TOTAL</b>	<b>267</b>	<b>244</b>
<b>Average Number of Employees</b>	<b>6.6</b>	<b>7.2</b>

All the above salaries, including pension costs, Er's NIC are paid by the main trust and then charged across to the charity.

- 19.1 There was only 1 employee that received employee benefits (excluding employer pension costs) of more than £60k.

Amounts	2018-19	2017-18
£60,000-£70,000	1	1
£70,000-£80,000	0	0

## 20 Connected Organisations

Name, nature of connection, description of activities undertaken and details of any qualifications expressed by their auditors	2018-19		2017-18	
	Turnover of Connected Organisation £000	Net Deficit for the Connected Organisation £000	Turnover of Connected Organisation £000	Net Deficit for the Connected Organisation £000
Barking, Havering & Redbridge University Hospitals NHS Trust was the beneficiary of the charitable expenditure of <b>£369,524 during 2018-19</b> (£176,970 2016-17)	<b>550,077</b>	<b>(60,334)</b>	569,607	(48,977)

## 21. Initial application of IFRS 9

IFRS 9 Financial Instruments as interpreted, has been applied by the Charity from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities a new forward-looking expected loss impairment model and a revised approach to hedge accounting.

Reassessment of allowances for credit losses under the expected loss model resulted in a £0k decrease in the carrying value of receivables

## 22 IFRS 16 - Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted: early adoption is not therefore permitted.

This Report is a Public Document. Additional copies may be obtained from Ellen Kyriacou, Charitable Funds Accountant - 01708 435000 Ext 2913.

## Glossary of Terms used in this Report

Term	Definition
<b>Carrying Value</b>	The value at which the investment asset is recorded in the books of account. This will be either the market value at the last revaluation or the cost of the investment if it was acquired after the last revaluation.
<b>Charitable Funds</b>	Funds for which the purpose (objects) are deemed to be charitable and to which the use of the funds complies. Charitable purposes relate to meeting a general public good e.g. healthcare.
<b>Charity SORP</b>	A <b>Statement Of Recommended (Accounting) Practice</b> for charities. A guide to good accounting practice by the Charity Commission. Not mandatory.
<b>Corporate Trustee</b>	A body created under statute, having powers to hold and use funds on trust, where the powers, responsibilities and accountability are specified in the statute or in related delegated legislation.
<b>Endowment Fund</b>	A fund where the donor has specified that the capital may not be spent at all ( <b>Permanent Endowment</b> ) or only after the completion of a particular object and/or elapse of time ( <b>Expendable Endowment</b> ). Note: - there are no Endowment Funds at present.
<b>Grant Making</b>	A charity which provides funds to other persons and bodies for them to spend on charitable objects. The majority of NHS charities are grant making and should not be showing direct charitable expenditure on the SoFA other than as grants provided.
<b>Incoming Resources</b>	The term now used to replace income. The term embraces the receipt of capital resources as well as income.
<b>Realised Gains/Losses</b>	Gains and losses arising from the difference between sale proceeds of an investment asset and the carrying value of that investment at the date of sale.
<b>Reserves</b>	Accumulated income for which a future purpose has been identified and designated. Income funds should not be hoarded without good purpose.
<b>Restricted Funds</b>	Funds where the income is only expendable in accordance with restrictions imposed by the donor(s)
<b>SoFA</b>	<b>Statement Of Financial Activity</b> which shows all resources made available in the year, all expenditure incurred in the year and a reconciliation of all changes in the funds.
<b>Special Purpose Funds</b>	Funds which are trusts in their own right which have been registered under an umbrella trust.
<b>Trust</b>	A legal relationship between Settlers/Donors, Trustees and Beneficiaries. In the report the use of the capital <b>T</b> denotes an NHS Body and a small <b>t</b> a holding of funds on trust.
<b>Trustee</b>	A person or body corporate having accepted responsibility for funds to be held on trust to be used in compliance with the donors' wishes
<b>Umbrella Trust</b>	A legal device to allow the Charity Commission to register a number of funds as a single fund for the purposes of maintaining the Register and for annual accounting and reporting. It does not remove the individual trust status of special funds for other purposes.
<b>Unrealised Gains/Losses</b>	Gains and losses arising from the revaluation of investments at market value at the year end and compared to the market value of investments at the beginning of the year, after allowing for realised gains/losses.
<b>Unrestricted Funds</b>	Funds where the income is expendable at the discretion of the Trustees on the charity's objectives.



## With special thanks to

Barclays Bank	Lyndare Medical
Halifax	Baxter Healthcare
NatWest Bank	Abridge Golf & Country Club (Ladies Section)
Lloyds Bank	Le Talbooth
Mark Stack, Rowallan House	Diamond Clear Balloons
Catalyst Healthcare (Romford) Ltd	Time Radio
Albany	Wilco
Sodexo Healthcare	Lennox
Georgia's Teenage Cancer Appeal	Enzo Daniele, PSTG
St James Place Charitable Foundation	Philippa Ward
Sikh Welfare Society	Crystal Windows
Stacey Solomon	Stuart Wilks
Fisher & Paykel Healthcare Ltd	Inner Wheel of Havering
The Railway Hotel	Amanda Corcoran
Dutton Recruitment	XCEL Aerospace
Jimmy Jones	Walk the Walk
The Executors of the estate of Emily Pemberton-Barnes	
Joe O'Sullivan	IMS
Gerald & Margaret McCarthy	Omincel Services
King George Hospital League of Friends	Mick Berry
Harold Wood Hospital League of Friends	Mr & Mrs J Griffith
The Executors of the estate of Maurice William Lindsay	
Susan Asser	Tolhurst Fisher LLP
Sysmex	Sanders Solicitors
Essex & Kent Medical Aid Club	Varian Medical Ltd
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Pam Levine	
Lesley & Brian Allsuch	

and to all those suppliers, businesses and individuals who have supported and fundraised for us. And we couldn't have done it without our wonderful volunteers Anita, Pauline, Anne, Pam, Margaret and Brian.

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