

**Gloucestershire Hospitals NHS Foundation Trust
General Charitable Fund**

(Registered Charity No. 1051606)

**Trustees' Annual Report and Accounts
for the year ended 31 March 2020**

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Trustees' Annual Report for Gloucestershire Hospitals NHS Foundation Trust General Charitable Fund for the year ending 31 March 2020

1. Charity vision and purpose

The Gloucestershire Hospitals NHS Foundation Trust (GHNHSFT) General Charitable Fund is an independent registered charity (registered number 1051606). Cheltenham and Gloucester Hospitals Charity is the registered working name for the charity. The charity exists to raise funds and receive donations and grants for the benefit of our patients. By securing donations, legacies, grants and sponsorship, Cheltenham and Gloucester Hospitals Charity can provide additional funds that make a real difference for our patients, their families, friends and the staff who treat them.

Cheltenham and Gloucester Hospitals Charity has a shared vision with GHNHSFT, "Best care for everyone", with the aim of raising funds to create the best possible experience for patients, their families and staff by funding extra care and equipment over and above that provided by the NHS.

2. Charity objectives

The charity's objectives are such that the area of intended benefit relates to the NHS, patients and staff at large. By virtue of these objectives the public benefit is inherently considered in all activities undertaken.

Our mission:

The charity raises funds, for the public benefit, 'for any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by the Gloucestershire Hospitals NHS Foundation Trust.'

3. Governance

GHNHSFT is the Corporate Trustee of the charity, and the charity is bound by charity law, being regulated by the Charity Commission, as well as NHS legislation. The corporate body is the sole Trustee and acts through its Board of Directors. Individual Directors are "agents" of the Trustee, not individual Trustees. The Trustee retains ultimate legal responsibility for the charity.

The Trustee can and does delegate responsibility for some of the day to day running of the charity to the Charitable Funds Committee under Trust Law. The Trustee retains responsibility for the strategic direction of the charity, budget setting and spending criteria. The Charitable Funds Committee, chaired by a Non-Executive Director, oversees decisions that the Trustee has taken; any function relating to the investment of assets; and any function relating to the raising of funds for the charity. In 2018/19 the Trustee established the Investment Committee, reporting to the Charitable Funds Committee, to oversee the development of an investment strategy and policy, and monitor the charity's investments.

The charity consists of over 120 charitable funds, each dedicated to an individual ward or service, as well as 'general purpose' funds that are available for grant making. Whilst the charitable funds share the same financial systems as GHNHSFT, a separate bank account is maintained for the charity. Each fund is managed by nominated fund advisors who, along with the Director of Fundraising, are responsible for ensuring that expenditure is in accordance with the funds governing documents. Expenditure in excess of £1,000 but below £5,000 on single items requires the authority of the Chief Nurse and Director of Quality and the Director of Fundraising, whilst proposed expenditure in excess of £5,000 requires the approval of the Charitable Funds

Committee once it has been approved by GHNSHFT through the Infrastructure Delivery Group.

Members of staff are encouraged to apply for grant funding for projects that meet the charity's strategic aims, particularly where there are no other charitable funds available. Grants are awarded usually from the Charity's General Purpose Funds. Grant applications are assessed by two members of the charity team against agreed criteria and submitted to the Charitable Funds Committee for decision. Grant awards can be made for the following:

- clinical innovations, services, facilities and technologies
- improvements to the physical environment of the hospital
- support for staff training and development, staff awards and recognition schemes
- support for the hospitals volunteer service
- medical research

The Charitable Funds Committee is responsible for considering the Annual Accounts, fund balances and investment performance together with approving requests for expenditure above the current delegated limit of £5,000.

4. Risk Management

The charity's risk management systems and protocols are to some degree homogenous with that of the Trust itself. Accordingly, the Trust's system has been utilised to track and mitigate risk for the charity. The Charity Risk Register is reviewed by the Charitable Funds Committee twice a year, and a Risk Report tabled at every meeting.

The most significant risk identified is possible losses from a fall in the value of investments and the charity's reserves being insufficient to mitigate the impact of such losses. There are procedures in place to ensure that both spending and financial commitments remain in line with income and these, together with investment performance and the charity's reserves, are reported on to both the Charitable Funds Committee and the Investment Committee. Income and expenditure is monitored together with cash flow by the Charitable Funds Committee every other month, and the Investment Committee reviews the Investment Policy at its six monthly meetings as part of the charity management processes.

5. Strategic Aims

As the charity approached the end of its first strategic plan 2015 – 2020, it undertook a strategic review during 2019/20 as the part of the development of its new strategic plan to 2024. The charity had achieved its key aims from the strategy to achieve annual income of over £2 million by 2020, had established and grown a fundraising team from scratch, and had developed the charity's brand and identity. The new strategy has been developed as a result of patient, colleague and partner engagement.

Going forwards, the charity has three key aims, to:

- Maximise the impact we make for patients and staff in every area of the hospitals by raising sustainable income of over £3 million a year
- Deliver the first major capital appeal, the first phase of the development of the Gloucestershire Cancer Institute
- Establish strong relationships with the hospital's key charity partners, enabling a strategic response to Trust needs by working together.

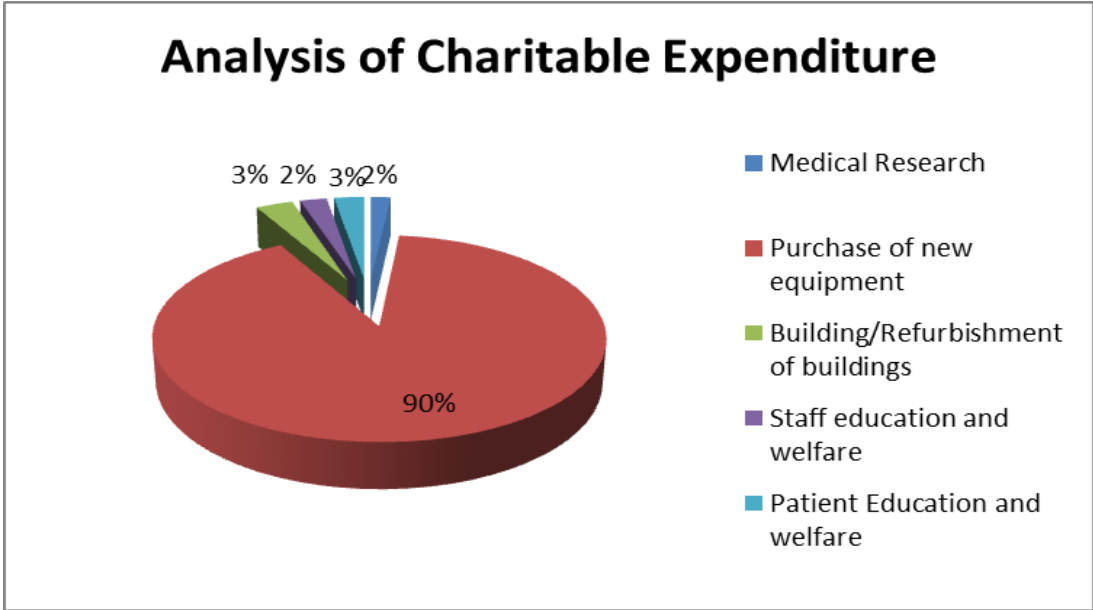
Due to delays caused by the impact of COVID-19, the new strategic plan to 2024 was approved by the Trustee in August 2020.

6. Financial Review

In 2019/20 the charity was in receipt of £2.1 million in voluntary income, including £902k of grant income. A total of £1.7 million was spent on projects including the purchasing of equipment, support for medical research and staff training. This was an increase of £1million over the previous year due to expending funds on 2 CT scanners and 2 digital mobile X-ray machines, the CT scanners being commissioned in Gloucestershire Royal Hospital in June 2019.

The charity expends funds across both the hospitals and on services provided by GHNHSFT in the wider community.

The overall fund balance is £4.3 million, down from £4.4 million in 2018/19. This includes £3.18 million identified for future projects. Some of the more significant amounts are £640,556 in the Charities FOCUS fund, which includes £500,000 towards the Gloucestershire Cancer Institute Appeal Capital Appeal; £271,710 Women's and Children's includes £131,208 for items to be purchased for Special Care Baby equipment; £291,212 Surgical includes £290,392 towards the refurbishment of East Block Outpatients; Medical includes £43,791 for the Dementia service to improve the day rooms; Corporate £1.9 million including £1,277,284 for purchasing the CT scanner in CGH and the enabling works associated with this project and £318,876 reserves.



The charity receives generous donations from grateful patients, their families, friends, people within the local community and staff. The hospitals are also supported by grants from a number of local and national charities, for which we are very grateful and who include LINC, Robocap and community groups such as Rotary Clubs. The League of Friends of Cheltenham Hospital provided generous support to improve the day rooms for patients with dementia, as well as a contribution to the CT scanner appeal. The Gloucestershire Eye Therapy Trust and the Charles Irving Trust together with funding from a legacy bequest are funding a major refurbishment of the East Block Outpatients waiting and clinical areas for ophthalmology and optometry. Pied Piper Appeal has continued to support a wide range of paediatric projects including equipment such as paediatric Arivo's, a paediatric simulation training manikin and electric couches for clinics.

Cobalt Health undertook a fundraising appeal to provide state of the art 3D mammography equipment in the Thirstaine Breast Centre, and Daisychain Benevolent Fund are supporting improvements to the paediatric clinical and waiting areas in the A&E Department at Cheltenham General Hospital. Funding from Gloucestershire Arthritis Trust has supported a pilot project to provide a Rheumatology

Nurse Specialist to support 80 paediatric patients with the provision of home visits and information materials. We are extremely grateful for all of the support that is received.

The charity has provided grants through its FOCUS Fund for the reconfiguration of the Pamington Suite to provide a bespoke space for patients receiving chemotherapy together with scalp cooling treatments to reduce hair loss. Amongst other projects, FOCUS continued the support of the successful Apollo poet-in-residence project within the oncology department for the 11th year. A pilot project to provide a Pharmacy Research Post to support the set-up of local and clinical trials was jointly funded through the FOCUS Fund and from the charity's General Purpose grant fund. Other grants awarded included the purchase of a Spectrophotometer for AMU, AED training provision for clinical staff and support for the annual Staff Awards.

7. Fundraising

The work of the charity would not be possible without the generous support of our donors. The charity is registered with the Fundraising Regulator, as well as the charity being a member of the association of NHS Charities. Our fundraising is undertaken by employees of the charity and we do not engage any third parties to undertake fundraising on our behalf. We do encourage our fantastic supporters to fundraise for the charity using on line giving mechanisms such as Just Giving and Virgin Money Giving or our own web based portal, in order to minimise the likelihood of theft or fraud. The charity uses Gloucestershire Hospitals NHS Trust's educational facilities, training portal and programmes to ensure that our staff are fully aware of the need to protect vulnerable people in the course of our charitable activity.

We aim to provide the best service for our supporters, donors and staff and seek their permission to stay in contact, so that we can update them on where their donations to the charity have been spent, and we do this by personal letters, through printed newsletters and e-newsletters, depending on an individual's preference. We promote our appeals through social media, and within the hospitals using posters and other printed media. We also promote our appeals to local businesses, community groups and other interested organisations, who might consider supporting the appeal. The charity runs one annual mass participation event, Walk for Wards, which usually takes place in early October and is open to anyone to join for free, at which they can raise funds to support a hospital ward or service of their choice. We will occasionally run other participative fundraising events, but these are not a main focus of our fundraising. The charity has never received any complaints about its fundraising practices.

8. 2019/20 Fundraising Highlights

The charity successfully completed the CT Scanner Appeal in June 2019, exceeding the target of raising a further £1.2 million towards the appeal. The total amount raised over two years was £2.5 million. A message of '1.2million Thank You's went out to supporters and in the local press. The appeal has continued as the Scanner Appeal, raising funds for more digital mobile x-ray machines and a foetal scanner.

Staff continued to provide amazing support, with the Chaplaincy team undertaking a static bike ride raising £1,250 towards the scanner appeal, and many staff joined Walk for Wards in October 2019, achieving a fantastic total of £20,000.

Corporate support increased in the year, with the street velodrome event raising £10,000 and Hit Cancer 4 Six in its 4th year at the Cheltenham Cricket Festival raised £13,000 towards the breast cancer Biophotonics Research project. Community fundraising had many highlights during the year including the Farming Females Feeling Fabulous who raised over £17,000 through the sale of a calendar, a fashion show and other fundraising events.

The planned Christmas 2019 Appeal for the Chemotherapy Suite was delayed due to an election being called and Purdah was instated. The appeal launched successfully in

the New Year, but was not completed due to the COVID-19 pandemic and the launch of the Charity's Covid-19 Rapid Response Appeal in March 2020. The introduction of 'lock down' measures in the UK from 25th March 2020 has severely impacted on economic activity in the UK, and it is not known at this time what the long-term effect will be. However NHS Charities have benefitted from a huge swell of support from the nation, nationally through NHS Charities Together, and towards our own local appeal. The charity responded quickly to the crisis, benefitting from the first donations to the appeal at the end of March. Working with front line staff, the charity was able to enhance provision from the NHS with the setting up of additional support for staff including equipping sleep pods and comfort rooms, and the provision of boost boxes containing items such as face and hand creams and other toiletries as well as healthy snacks and meals. This support continued until July 2020, thanks to the many generous donations received from our local community, companies and incredible supporters.

9. Investments

An Investment Committee was established in 2018/19, to oversee investments for the charity. The Investment Committee meets twice a year, and reports to the Charitable Funds Committee, and through them to the Trustee. The charity's investment managers are Brewin Dolphin, and the objective remains to generate some income from investments whilst allowing a degree of capital growth. Since these funds represent unrestricted income funds including reserves, the emphasis is on maintaining a level of liquidity and low to moderate investment risk.

The value of the investments fell by £200,994 over the financial year. This was a result of the extreme market volatility witnessed at the end of the financial year in February and March 2020, due to the onset of the COVID-19 crisis. Markets quickly priced in a forthcoming recession, resulting in one of the sharpest falls in stock market history. Markets have since rebounded well as the economic position has become clearer, and the portfolio has so far recovered much of these losses in the new financial year.

The Charity has a long-term time horizon for its investments and aims to weather short-term volatility in order to meet its long-term objectives. The level of investment risk taken is reviewed regularly and has been appropriately mitigated by apportioning approximately half of the funds in a low risk portfolio, with the other half in a balanced portfolio.

The Investment Policy is the governing document for the Trustee, which was reviewed during 2019/20, and a new Ethical Investment Policy included. This was approved by the Trustee in August 2020. At the time of this report, the decision on ethical investment was not to invest in tobacco, which would make such investments contrary to our charitable aims.

The amount the Charity should hold in cash will vary depending on the cash flow and spending plans. During the year the Charitable Funds Committee approved the holding of donations in excess of £2 million in cash for two CT scanners, rather than being invested. This was because they were due to be purchased within 12 months of the donation being made, and therefore not suitable for investing in equities.

10. Reserves Policy

The Trustees have established a reserves policy as part of their plans to minimise the risk of income reductions and ensure the charity can cover its ongoing operational costs and continue to purchase equipment and support staff and patient welfare.

The Charity holds a reserve created from the realisation of investment gains in 2017. It is agreed that the reserves held by the Charity should be not less than 15% of total investments. This is considered to be a safe level of reserves to cover any potential fall in the value of investments.

Any surplus generated through investments can be realised by the Trustee and used to fund future charitable activities.

As noted above, the charity holds realised investment gains as a reserve. The amount of realised gains held as of 31st March 2020 is £318,876. With total investments of £1.741 million the reserve held is equal to 18% of investments which is within the agreed parameters of 15 – 20%.

Trustees are mindful that donated monies require utilisation and should not be accumulated over time. As a general guide the Trustees aim in any one year is to allocate a sum of expenditure at least equal to the total income received from donations, legacies and investment income.

The Trustees review the balances held in all funds, in accordance with the provision of the NHS Acts relating to charitable funds, to determine whether these funds are likely to be committed in the near future.

Legal, Governance and Administrative Information

1. Full name of Charity Gloucestershire Hospitals NHS Foundation Trust
General Charitable Fund
2. Registered Charity No. 1051606
3. Address Gloucestershire Hospitals NHS Foundation Trust
Trust Headquarters, Alexandra House
Cheltenham, Gloucestershire GL53 7AN
4. Objects For any charitable purpose or purposes relating to the National
Health Service, wholly or mainly for the Service provided by the
Gloucestershire Hospitals NHS Foundation Trust
5. Governing Document Declaration of Trust dated 27 Nov 1995 as amended by
Supplemental Deeds dated 28 July 2003 and 15 Oct 2004.
6. Trustees Gloucestershire Hospitals NHS Foundation Trust (GHNHSFT) as
the Corporate Body
 - * Peter Lachecki GHNHS Foundation Trust Chair
 - Deborah Lee GHNHSFT Chief Executive
 - * Mark Pietroni Director of Safety and Medical Director
 - Sarah Stansfield Director of Finance with effect to 31 October
2019
 - Karen Johnson Director of Finance with effect from January
2020
 - Mark Hutchinson Digital & Chief Information Officer
 - * Steve Hams Director of Quality & Chief Nurse
 - Simon Lanceley Director of Clinical Strategy and
Transformation
 - * Emma Wood Director of Human Resources
 - * Lukasz Bohdan Director of Corporate Governance with effect
to 29 August 2019
 - Rachel De Caux Chief Operating Officer
 - Keith Norton Non Executive Director With effect to 30 April
2019
 - * Elaine Warwicker Non Executive Director with effect from 19
August 2019
 - Claire Feehily Non Executive Director
 - * Alison Moon Non Executive Director
 - Robert Graves Non Executive Director
 - Mike Napier Non Executive Director
 - Balvinder Heran Non Executive Director with effect from 6 May
2019

- * Together with Dr N Reed, Mr P Wathen, Miss C Parker, Ms S Attwood and Ms L Bruce, make up the Charitable Funds Committee (see note 12).

Non-Executive members of the Trust's Board of Directors are appointed by the Foundation Trust's Council of Governors and Executive members are recruited by the Board of Directors. Members of the Trust Board and Charitable Funds Committee are not individual Trustees but act as agents under charity law on behalf of the Corporate Trustee.

All Board members are provided with induction programmes on appointment and are encouraged to participate in relevant training programmes/needs as appropriate.

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|----|---------------------|---|
| 7. | Bankers | Nat West |
| 8. | Auditors | Ernst & Young LLP, Apex Plaza, Forbury Road, Reading , RG1 1YE. |
| 9. | Investment Advisors | Brewin Dolphin Ltd, 12 Smithfield Street, London EC1A 9BD |

Brewin Dolphin operates on a discretionary client basis, i.e. they are permitted to buy and sell investments without the ongoing concurrence of the Charity (subject to annual ongoing review). All investment transactions must be in accordance with the investment policy, (see Page 7). Brewin Dolphin has formally signed up to this policy.

10. Fund Structure

The charity is an umbrella charity for some 120 individual charitable funds, each designated for a specific ward or service within GHNHSFT. Whilst the charity acknowledges the receipt and the intended use for donated monies within a designated fund, this does not place the charity in any legal trust to do so. Trustees have decided that all designated funds are therefore to be classified as unrestricted designated funds. Charitable appeal donations, legacies (where a ward or service is specified), grants and bursary funds are accounted for as restricted funds.

11. Management Arrangements

Whilst the Charitable Funds share the same financial systems as the Gloucestershire Hospitals NHS Foundation Trust, a separate bank account is maintained for the charity.

12. Governance Arrangements

The Charity operates within the overall governance arrangements of the Gloucestershire Hospitals NHS Foundation Trust. From the 1st April 2013 the Charitable Funds were required to be consolidated as part of the Gloucestershire Hospitals NHS Foundation Trust Annual Accounts. Copies of the accounts can be obtained from the Trust HQ address detailed on page 9.

Statement of Trustees' responsibilities in respect of the Trustee annual report and the financial statements

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the 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 income over expenditure for that period. The trustees have elected to prepare the financial statements in accordance with 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 and rules, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

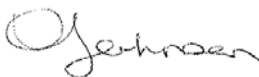
The trustees are required to act in accordance with the trust deed [and the rules] of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that 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 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.

By Order of the Trustees



Peter Lachecki
Chair

21 January 2021



Karen Johnson
Trustee

21 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST GENERAL CHARITABLE FUND

Opinion

We have audited the financial statements of Gloucestershire Hospitals NHS Foundation Trust General Charitable Fund for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its net expenditure and application of resources, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We 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 below. 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.

Emphasis of matter – Effects of COVID-19

We draw attention to Note 1.10 of the financial statements, which describes the potential financial and operational impact the charity is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

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 AUDITOR'S REPORT TO THE TRUSTEES OF GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST GENERAL CHARITABLE FUND (Continued)

Other information

The other information comprises the information included in the Trustee's Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustee's Responsibilities statement set out on page 11, 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 the trustees 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 management either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST GENERAL CHARITABLE FUND (Continued)

Auditor's responsibilities for the audit of the financial statements

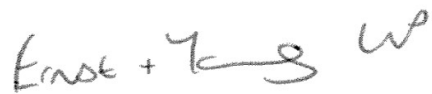
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 <https://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 Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ernst & Young LLP
Statutory Auditor
Newcastle upon Tyne
25 January 2021

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

Gloucestershire Hospitals NHS Foundation Trust Charitable Fund
Statement of Financial Activities
For the year ending 31 March 2020

	Note	Restricted Funds £000	Unrestricted Funds £000	Total Funds 2019-20 £000	Total Funds 2018-19 £000
Incoming Resources					
From :					
Donations & Legacies	2	1,808	258	2,066	1,817
Investment Income	3	0	79	79	74
Total Incoming Resources		<u>1,808</u>	<u>337</u>	<u>2,145</u>	<u>1,891</u>
Expenditure on					
Raising Funds	4	0	-280	-280	-257
Charitable Activities:	5,6				
- Medical research		0	-29	-29	-13
- Purchase of new equipment		-1,318	-168	-1,486	-417
- Building /refurbishment of buildings		-4	-50	-54	-88
- Staff education and welfare		-6	-33	-39	-55
- Patient education and welfare		-18	-98	-116	-173
		<u>-1,346</u>	<u>-378</u>	<u>-1,724</u>	<u>-746</u>
Total expenditure		<u>-1,346</u>	<u>-658</u>	<u>-2,004</u>	<u>-1,003</u>
Net gains/(losses) on investment assets	7	0	-201	-201	82
Net income /(expenditure)		<u>462</u>	<u>-522</u>	<u>-60</u>	<u>970</u>
Net Movements in funds		<u>462</u>	<u>-522</u>	<u>-60</u>	<u>970</u>
Reconciliation of Funds					
Total Funds brought forward		2,295	2,070	4,365	3,395
Total Funds carried forward		<u><u>2,757</u></u>	<u><u>1,548</u></u>	<u><u>4,305</u></u>	<u><u>4,365</u></u>

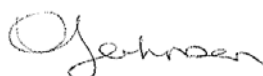
The notes at pages 18 to 24 form part of these financial statements.

Gloucestershire Hospitals NHS Foundation Trust Charitable Fund
Balance Sheet
As at 31 March 2020

	Note	Restricted Fund £000	Unrestricted Fund £000	Total Fund 2019-20 £000	Total Fund 2018-19 £000
Fixed Assets					
Investments	7	0	1,741	1,741	1,953
Total Fixed Assets		<u>0</u>	<u>1,741</u>	<u>1,741</u>	<u>1,953</u>
Current Assets					
Debtors	8	587	9	596	4
Cash at bank and in hand	9	2,170	228	2,398	2,529
Total Current Assets		<u>2,757</u>	<u>237</u>	<u>2,994</u>	<u>2,533</u>
Liabilities					
Creditors falling due within one year	10	0	-430	-430	-121
Net Current Assets		<u>2,757</u>	<u>-193</u>	<u>2,564</u>	<u>2,412</u>
Total assets less current liabilities		<u>2,757</u>	<u>1,548</u>	<u>4,305</u>	<u>4,365</u>
Creditors falling due after more than one year		0	0	0	0
Total net assets		<u>2,757</u>	<u>1,548</u>	<u>4,305</u>	<u>4,365</u>
The Funds of the Charity					
Restricted income funds		2,757	0	2,757	2,295
Unrestricted income funds		0	1,548	1,548	2,070
Total Funds		<u>2,757</u>	<u>1,548</u>	<u>4,305</u>	<u>4,365</u>

The notes at pages 18 to 24 form part of these financial statements.

Signed:



Date: 21 January 2021

Gloucestershire Hospitals NHS Foundation Trust Charitable Fund
Statement of Cash Flow
For the year ending 31 March 2020

	Note	Total Funds 2019-20 £000	Total Funds 2018-19 £000
Cash flow from operating activities:			
Net cash provided by / (used in) operating activities	11	-221	949
Cash flow from investing activities:			
Dividends, interest and rents from investment	3	79	74
Proceeds from sale of investments	7	633	849
Purchases of investments	7	-622	-843
Net cash provided by / (used in) investing activities		90	80
Change in cash and cash equivalents in the reporting period		-131	1,029
Cash and cash equivalents at the beginning of the reporting period	9	2,529	1,500
Cash and cash equivalents at the end of the reporting period	9	<u>2,398</u>	<u>2,529</u>

The notes at pages 18 to 24 form part of these financial statements.

Notes to the Financial Statements

1 Accounting Policies

1.1 Accounting Convention

The financial statements have been prepared under the historic cost convention, as modified for the revaluation of certain investments.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

In future years, the key risk to the Gloucestershire Hospitals Charities is a fall in income from donations or investments income but the Trustee has arrangements in place to mitigate this risk.

1.2 Incoming Resources

The policies followed which deal with income, voluntary assistance and donations, are:

- a) Cash donations and gifts are included in full in the Statement of Financial Activities (SOFA) as soon as they are received. Legacies are accrued for as soon as the conditions for receipt have been met and there is probable assurance of receipt.
- b) Cash collected from fund raising events is included in the SOFA as soon as it is received by the Trustee.
- c) Donations in kind (e.g. donated stock or facilities and voluntary assistance) are not valued for accounting purposes.
- d) Investment income dividends are included in the SOFA when they are received at an amount which includes tax credits recoverable from the Inland Revenue.
- e) Grants income received from grant making organisation for specific items.

1.3 Resources expended

The funds held on 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
The cost of generating funds are the costs associated with generating income for the funds held on trust.
- b) Charitable Activities
Payments are made to third parties (including NHS bodies) in the 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 they will receive the grant. This includes grants paid to NHS bodies where a third party has a reasonable expectation that they will receive the grant.
- c) Support costs
Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration and audit costs. These costs are apportioned on the basis of the level of expenditure on each type of activity. The analysis of support costs and the basis of apportionment applied are shown in note 5.1.

1.4 Structure of funds

Where there is a restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund.

1.5 Fixed Assets

No fixed assets were owned by the charity during the financial year.

1.6 Investment Fixed Assets

Investment fixed assets are shown at market value. Quoted stocks and shares are included in the balance sheet at mid-market price.

1.7 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 market value (or date of purchase if later). Unrealised gains and opening market value or date of purchase (if later) losses are calculated as the difference between market value at the year end.

1.8 Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

1.9 Creditors

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

1.10 Going Concern

The Trustee considers there are no material uncertainties about the Gloucestershire Hospitals NHS Foundation Trust Charitable Fund's ability to continue as a going concern. The Trustee does not commit to expenditure which would exceed reserves or expected income. The reserves of the charity are held either as cash or investments which are managed by Brewin Dolphin. As at 31.03.20, the charity had commitments or plans for expenditure totalling £3,185k. Total funds as at the same date were £4,305k, of which the majority was held as cash or readily realisable investments.

As described in the Trustees' Annual Report, the charity has been impacted by the COVID-19 Pandemic as follows:

- The approval of the new strategic plan was delayed until August 2020.
- The planned appeal for the Chemotherapy Suite was launched successfully in early 2020, however it was not completed due to the COVID-19 pandemic and the launch of the Charity's Covid-19 Rapid Response Appeal in March 2020.
- Working with front line staff, the charity was able to enhance provision from the NHS with the setting up of additional support for staff including equipping sleep pods and comfort rooms, and the provision of boost boxes containing items such as face and hand creams and other toiletries as well as healthy snacks and meals.
- The value of the investments fell by £200,994 over the financial year. This was a result of the extreme market volatility witnessed at the end of the financial year in February and March 2020, due to the onset of the COVID-19 crisis. Markets have since rebounded well as the economic position has become clearer, and the portfolio has so far recovered much of these losses in the new financial year.

2 Analysis of voluntary income

	Restricted Funds	Unrestricted Funds	Total Funds 2019-20	Total Funds 2018-19
	£000	£000	£000	£000
Donations from individuals	107	215	322	1,190
Corporate donations	9	11	20	45
Charities and Non Corporate Bodies	11	32	43	16
Grants	902	0	902	426
Legacies	779	0	779	140
Total	1,808	258	2,066	1,817

Donations from individuals are gifts from members of the public, relatives of patients and staff.

3 Gross investment income

	Restricted Funds	Unrestricted Funds	Total Funds 2019-20	Total Funds 2018-19
	£000	£000	£000	£000
Quoted investments (fixed asset investments)	0	63	63	65
Interest on cash held on deposit (current assets)	0	16	16	9
Total	0	79	79	74

4 Analysis of expenditure on raising funds

	Restricted Funds	Unrestricted Funds	Total Funds 2019-20	Total Funds 2018-19
	£000	£000	£000	£000
Fundraising Office	0	163	163	129
Investment	0	10	10	7
Management	0	104	104	66
Support costs	0	3	3	55
Total	0	280	280	257

5 Analysis of charitable expenditure

	Restricted Funds	Unrestricted Funds	Total Funds 2019-20	Total Funds 2018-19
	£000	£000	£000	£000
Patient education and welfare	18	98	116	173
Staff education and welfare	6	33	39	55
Building /refurbishment of buildings	4	50	54	88
Purchase of new equipment	1,318	168	1,486	417
Medical research	0	29	29	13
Total	1,346	378	1,724	746

The charity did not undertake any direct charitable activities on its own account during the year. All of the charitable expenditure was in the form of grant funding. Grants were approved in favour of the partner organisation, Gloucestershire Hospitals NHS Foundation Trust to carry out activities that will benefit their patients and staff. The charity incurred expenditure with third parties in pursuance of those grants or reimbursed expenditure incurred by them.

5.1 Analysis of support costs

	Investment £'000	Management £'000	Support costs £'000	Total 2019-20 £'000	Total 2018-19 £'000
Patient education and welfare	2	24	1	27	10
Staff education and welfare	1	8	0	9	3
Building /refurbishment of buildings	1	12	0	14	14
Purchase of new equipment	6	58	2	65	71
Medical research	0	2	0	2	1
Total	10	104	3	117	99

Support costs are apportioned on the basis of the level of expenditure of each type of activity.

6 Analysis of staff costs

The charity has no direct employees; staff are employed by the Gloucestershire Hospitals NHSFT which handles all personal tax transactions and HR issues. These are:

3 staff who undertake work for the FOCUS charity
7 staff in the Charity and fundraising team

7 Fixed asset investments

	Total 2019-20 £000	Total 2018-19 £000
Market value brought forward	1,953	1,877
Add additions to investments at cost	622	843
Less disposals at carrying value	-633	-849
Add net gain / (loss) on revaluation	-201	82
Market value as at 31 March	1,741	1,953

Fixed asset investments by type

	Total 2019-20 £000	Total 2018-19 £000
Bond Funds	459	602
UK Equity Funds	319	532
Overseas Equity Funds	410	386
Other Investments	344	278
Property Funds	102	116
Total Listed Investments	1,634	1,914
Cash on interest bearing deposits	107	39
Total	1,741	1,953

The Trustee sets 5% of market value as at 31 March as the threshold for the reporting of material investments. As at 31 March 2020 there were no material investments.

The main risk from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

Gloucestershire Hospitals Charities manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes.

The value of the investments fell by £200,994 over the financial year. This was a result of the extreme market volatility witnessed at the end of the financial year in February and March 2020, due to the onset of the COVID-19 crisis. Markets quickly priced in a forthcoming recession, resulting in one of the sharpest falls in stock market history. Markets have since rebounded well as the economic position has become clearer, and the portfolio has so far recovered much of these losses in the new financial year.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and the market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. Gloucestershire Hospitals Charities investments are mainly traded in markets with good liquidity and high trading volumes. Gloucestershire Hospitals Charities have no material investment holdings in markets subject to exchange controls or trading restrictions.

Gloucestershire Hospitals Charities does not make use of and derivatives or similar complex instruments as it has a long-term time horizon for its investments and aims to weather short-term volatility in order to meet its long-term objectives. The level of investment risk taken is reviewed regularly and has been appropriately mitigated by apportioning approximately half of the funds in a low risk portfolio, with the other half in a balanced portfolio.

8 Analysis of current debtors

	Total 2019-20 £000	Total 2018-19 £000
<u>Debtors under 1 year</u>		
VAT	8	2
Owed by GHNHSFT Exchequer	587	0
Other Debtors	1	2
Total	<u>596</u>	<u>4</u>

a) GHNHSFT Exchequer raises invoices on behalf of the Charitable Funds.

9 Analysis of cash

	Total 2019-20 £000	Total 2018-19 £000
Cash at bank and cash in hand	<u>2,398</u>	<u>2,529</u>
Total	<u>2,398</u>	<u>2,529</u>

10 Analysis of current liabilities

	Total 2019-20 £000	Total 2018-19 £000
Creditors less than one year		
Trade Creditors	19	10
Accruals	<u>411</u>	<u>111</u>
Total	<u>430</u>	<u>121</u>

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

	Total Funds 2019-20 £000	Total Funds 2018-19 £000
Net cash flow from operating activities	-60	970
Net income / (expenditure) as per Statement of Financial Activities:		
(Gains)/ losses on investment	201	-82
Dividends and interest from investment	-79	-74
(Increase)/decrease in debtors	-592	30
Increase/(decrease) in creditors	309	105
Net cash provided by / (used in) operating activities	<u>-221</u>	<u>949</u>

12 Analysis of staff costs and remuneration of key management personnel

	2019-20 £000	2018-19 £000
Salaries and Wages	198	173
Social Security Costs	20	18
Employers Pension Contribution	28	24
Total	<u>246</u>	<u>215</u>

As set out in note 6 Analysis of staff costs, the charity has no direct employees. The above staff costs have been recharged by Gloucestershire Hospitals NHSFT.

Employees Paid over £60k

Pay Band	Number of Employees
£000 60-70	1

13 External audit fee disclosure

External Audit fee including VAT for the year 2019/20 is £3,600 (2018/19 £3,600). The fee comprises the annual audit charge, there were no other services provided .

14 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 transactions with Gloucestershire Hospitals NHS Foundation Trust General Charitable Fund or received any benefit from the charity in payment in kind. The Trustees received no honoraria, emoluments or expenses in the year from the charity.

Board members and other senior staff take decisions both on charity and exchequer matters but endeavour to keep the interests of each discreet 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 Charitable Trust has made capital purchases of £1,352,056 for GHNHSFT where the Trustees are all members of the Trust board.

Staff costs detailed in note 12 are paid by the GHNHSFT and recharged to the charity.

The charity does not have its own debtor system GHNHSFT raises invoices on the charity's behalf. The amount outstanding for these invoices is shown as a debtor in note 8.

15 Analysis of Charitable Funds

	Balance B/fwd 01-Apr-19 £000	Income £000	Expenditure £000	Transfers £000	Fund C/fwd 31-Mar-20 £000
CT Scanner Appeal	1,852	549	-1,210	224	1,415
FOCUS	763	214	-154	-31	792
Realised Gains	319	0	0	0	319
Ophthalmology Equipment	19	296	-10	0	305
Oncology Capital Appeal	201	0	0	0	201
Cardiology 1/2	35	77	0	-2	109
General Purposes	108	98	-20	-27	160
Special Care Baby Unit C/F	5	182	-53	0	134
Edward Jenner Clinic/Haem CF	105	3	0	0	108
Battledown Ward General Purposes	78	25	-4	0	99
Diabetes C/F	4	69	-3	0	70
Neurology Brainwave C/F	64	0	0	-3	60
Optometry	58	0	0	0	58
Surgical Laser C/F	63	1	-5	-3	57
Dementia	3	1	-8	48	44
Medical General Purposes	45	0	0	-2	43
W & C General Purposes	45	5	-10	-2	38
Colorectal Fund	34	1	0	-2	34
M Clarke Breast Cancer Fund	1	0	0	33	34
Palliative Care Team C/F	31	5	-2	-1	33
Maternity Unit C/F	31	21	-22	-1	29
Stroke Services	26	13	-10	-1	28
Fund Management	76	115	-280	107	18
Glos Urology fund	8	9	0	-1	16
Cotswold Dialysis Fund C/F	13	4	0	-1	16
Cardiac Ward	18	1	-2	-1	16
ITU	13	13	-10	-1	14
Paediatric Oncology C/F	18	2	-6	-1	13
Paediatric Epilepsy	13	7	-6	-1	12
Richards Bursary	10	1	0	0	11
Breast Screening	9	2	0	-1	10
Other Designated Funds	300	432	-390	-330	13
Total	4,366	0	2,145	0	4,305

The funds of the Gloucestershire Hospital Charity are held within designated funds at ward or department level. Detailed above are the movements within the funds.

The largest of the funds held is the CT Scanner fund £1,415,000.

£500,000 of the Focus fund has been earmarked as a contribution towards refurbishment of the oncology department.

Transfers between funds are due to reclassification. No transfers have been made between restricted funds.

GLOSSARY

Donations	represent money given by grateful patients or relatives and other third parties.
Investment Income	includes dividend income as well as interest received from cash held on deposit.
Grants Payable	encompasses expenditure on the purchase of medical equipment and provision for expenditure on patients and staff amenities.
Management and Administration	includes the recharge of staff costs involved in the administration of the funds by GHNHSFT staff and the Finance Shared Service.
Carrying Value	the market value of an investment at the beginning of the financial year or at the time of the last revaluation.
Realised gains on investments	on disposal of an investment represents the difference between the sale proceeds and its carrying value.
Unrealised gains/losses on investments	represents the increase/decrease in the value of investments (not disposed in the year), i.e. difference between market values 1 st April to market values 31 st March.
Pooling Scheme	scheme approved by the Charity Commissioners to bring together all of the investments into one "pot" so that any gains/losses and investment income generated is shared equitably amongst all charities. The alternative would be specific investments earmarked against individual charities, resulting in individual charities being totally dependent on the performance of particular investments.
Unrestricted funds	those funds the Trust is free to spend on any charitable purpose covered by the Trust. The charity has adopted the Charity Commissioners model form of receipt, which acknowledges the desire of the donor as to how they wish the donation to be used but does not place a legal trust on the charity to do so.
Restricted funds	those funds where the donor(s) has imposed a restriction on how the Trustees can apply the funds. In using the model form of receipt above the only restricted funds are money donated via a legacy which in itself forms a legal trust or via a grant.
Umbrella Charity	the charity chosen or created with purposes wide enough for all other charities administered by its trustees to be registered as a special charity within the umbrella. Registration as an umbrella charity simplifies the accounting and reporting requirements in that only one set of accounts is required.
Special Purpose Charity	those specific charities registered to fall under the umbrella. Each hospital within GHNHSFT has been registered as a special purpose charity e.g. Cheltenham General Hospital, and Gloucestershire Royal Hospital