

General Charitable Fund ANNUAL REPORT AND FINANCIAL STATEMENTS



Year Ended: 31 March 2020



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Reference and Administrative Information

Trustee Arrangements

Sherwood Forest Hospitals General Charitable Fund is registered with the Charity Commission, following a 'Deed of Amendment' dated 9 July 2002 with Sherwood Forest Hospitals NHS Foundation Trust as the Corporate Trustee.

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

Mr J. MacDonald	Chair
Mr R Mitchell	Chief Executive Officer
Mr P Robinson	Chief Financial Officer
Dr A. Haynes	Executive Medical Director ¹
Dr D Selwyn	Executive Medical Director ²
Ms J Hogg	Chief Nurse ³
Ms S Banks	Chief Nurse ⁴
Ms S Higginbotham	Director of Corporate Affairs / Company Secretary
Ms J Bacon	Executive Director of Human Resources and Organisational Development ⁴
Mr S Barton	Chief Operating Officer
Ms C Teeney	Director of People ⁵
Ms E Challans	Director of Culture and Improvement ²
Mr R Smith	Head of Communications ⁶
Mr P. Wozencroft	Director of Strategic Planning and Commercial Development ⁷
Ms K Beadling Barron	Head of Communications ⁷
Mr T Reddish	Senior Independent Non-Executive
Ms C Ward	Independent Non-Executive
Mr G Ward	Independent Non-Executive
Mr N Gossage	Independent Non-Executive
Mrs B Brady	Independent Non-Executive
Ms M Gill	Independent Non-Executive

^[1] Left 8 December 2019 ^[2] Commenced 9 December 2019 ^[3] Commenced 9 December 2019

^[4] Left 31 December 2019 ^[5] Commenced 2 December 2019 ^[6] Commenced 1 May 2019

^[7] Seconded in year to the ICS/ICP.

Charitable Fund Committee Membership

Mr T Reddish	Independent Non-Executive Advisor and Chair
Mr G Ward	Independent Non-Executive Advisor
Mrs B Brady	Independent Non-Executive Advisor
Mr P Robinson	Chief Financial Officer
Ms S Higginbotham	Director of Corporate Affairs / Company Secretary
Mr M Powell	Head of Financial Services
Mr P Harper	Head of Strategic Planning

Sherwood Forest Hospitals General Charitable Fund

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Mr A Rosevear	Assistant Chief Operating Officer
Mr R Smith	Head of Communications
Ms K Beadling Barron	Head of Communications
Ms T Brassington	Community Involvement Manager
Mr R. Mills	Deputy Chief Financial Officer
Ms H Hollis	Governor (Observer)
Mr A Mackie	Governor (Observer)
Ms V Bacon	Governor (Observer)
Ms J Thornley	Secretary to Committee

Other non-voting members are in attendance as required.

Registered Office

The registered office of the Trustee is King's Mill Hospital, Mansfield Road, Sutton in Ashfield, Nottinghamshire, NG17 4JL.

Registration Number

The Charity is registered with the Charity Commission – Registered Number 1054086.

Principal Professional Advisors

Internal Auditors 360 Assurance Riverside House Bridge Park Road Thurmaston Leicester LE4 8BL	External Auditors Godfrey Wilson Limited 5 th Floor Mariner House 62 Prince Street Bristol BS1 4QD
Bankers Nottingham Building Society 1 Stockwell Gate Mansfield Nottinghamshire	Investment Advisors Investec Wealth and Investment 2 Gresham Street London EC2V 7QN
Government Banking Services Natwest Bank 2 nd Floor 280 Bishopsgate London EC2M 4RB	Solicitors Kings Orchard 1 Queen Street Bristol BS2 0HQ

Trustee's Annual Report

Foreword

Sherwood Forest Hospitals Charitable Fund (SFH) was formally created on 9 July 2002, replacing the King's Mill General Charitable Fund which had been in existence since 13 March 1996 following the transfer of funds from North Nottingham Health Authority.

The Sherwood Forest Hospitals NHS Foundation Trust is constituted as the sole corporate trustee, and all unrestricted funds are available to be applied for any charitable purpose or purposes relating to hospital and health services.

These accounts have been prepared in line with Financial Reporting Standard 102 (FRS 102).

The Charity's annual report and accounts for the year ending 31 March 2020 have been prepared by the corporate trustee in accordance with the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2005 (Statement of Recommended Practice (SORP) 2015). The Charity's report and accounts include all the separately established funds for which the Trust is the sole beneficiary.

The charitable funds are registered (Number 1054086) in accordance with the Charities Act 2011.

Administrative Details

The main charity is an umbrella charity under which 3 funds are individually registered. There were a total of 40 (2018/19: 33) active individual funds maintained within the accounting records as at 31 March 2020 and the notes to the accounts distinguish the types of fund and disclose separately all material funds.

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

Trustee

The Trust is the corporate trustee of the charitable funds governed by the law applicable to Trusts, principally the Trustee Act 2000 and also the law applicable to Charities, which is governed by the Charities Act 2011.

The Board of Directors devolves responsibility for the on-going management of funds to the Charitable Funds Committee to administer the funds on behalf of the corporate trustee. Details of the trustee and committee members are disclosed on pages 2 and 3.

Key management personnel remuneration

The trustees have concluded that the board of trustees and the charitable fund committee comprise the key management personnel of the charity as they are in charge of:

- Directing and controlling the charity; and
- Running and operating the charity on a day to day basis.

All trustees give of their time freely and no trustee remuneration or expenses were paid in the year.

Trustees are required to disclose all relevant interests and register them with the trust fund director and withdraw from decisions where a conflict of interest arises. All related party transactions are disclosed in note 1.15 to the accounts.

Principal Charitable Fund Advisor to the Board of Directors

Under a scheme of delegated authority approved by the corporate trustee (Board of Directors), the Chief Financial Officer of the NHS Foundation Trust has responsibility for the management of the charitable fund, and the Head of Financial Services is the principal officer overseeing the day-to-day financial management and accounting for the charitable funds during the year.

Professional Advisors

The principal professional advisors to the corporate trustee are detailed on page 3.

Structure, Governance and Management

The charity's unrestricted fund was established using the 'Model Declaration of Trust' and all funds held on trust as at the date of registration were either part of this unrestricted fund or registered as separate restricted funds under the main charity. Subsequent donations and gifts received by the charity that are attributable to the original funds are added to those fund balances within the existing charity. Where funds have been received which have specific restrictions set by the donor, new restricted funds have been established.

The charitable funds available for spending are allocated to specialties. Each allocation is managed by use of a designated fund within the general unrestricted fund. For example there are charitable funds for areas such as Paediatrics, Pathology and Neonatal. In addition there are general funds which mirror the Directorate management structure and funds associated with specific fund raising appeals which are detailed in note 19.

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

Members of the Trust Board of Directors and the Charitable Fund Committee are not individual trustees under Charity Law but act as agents on behalf of the corporate trustee. Since becoming a Foundation Trust on 1 February 2007, the Chair, Non-Executive Directors, Chief Executive and Executive Directors are appointed to the Board of Directors in accordance with section 9 of the Trust's constitution.

The Trust Council of Governors is responsible for appointing the Chair and the Chair and Governors are responsible for appointing the Non-Executive Directors. The Chair and Non-Executive Directors are responsible for appointing the Chief Executive, and the Chair, Chief Executive, and Non-Executive Directors are responsible for appointing the Executive Directors.

The Charitable Fund Committee manages the charitable funds under delegated authority.

To assist the Trustee in fulfilling its role a number of documents are provided including; two years accounts and annual reports, the latest external audit opinion on the annual report and accounts, minutes from previous meetings, the committee terms of reference and fund raising strategy. In addition a number of Charities Commission publications are provided along with copies of the Standing Orders, Standing Financial Instructions and the Scheme of Delegation.

Acting for the corporate trustee, the Charitable Fund Committee is responsible for the overall management of the charitable fund. The committee is required to:

- Ensure the stewardship and effective management of funds which have been donated, bequeathed and given to the Sherwood Forest Hospitals General Charitable Fund for charitable purposes;
- Control, manage and monitor the use of the fund's resources;
- Ensure a fund raising strategy is prepared and monitored which complies with Charity Commission guidance and legislation;
- Provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income;
- Ensure that 'best practice' is followed in the conduct of all its affairs fulfilling all of its legal responsibilities;
- Ensure that the investment policy approved by the NHS Foundation Trust Board of Directors, as corporate trustee, is adhered to and that performance is continually reviewed whilst being aware of ethical considerations; and
- Keep the Trust Board of Directors fully informed on the activity, performance and risks of the charity.

On a quarterly basis (and as required) information is routinely provided to the Charitable Fund Committee on fund, cash and investment balances, expenditure commitments and fundraising, as well as legacy and income updates.

In addition, information is provided regarding changes to legislation, along with updates from our external investment advisors.

The accounting records and the day-to-day administration of the funds are dealt with by the Finance Department located at the principal office: King's Mill Hospital, Mansfield Road, Sutton in Ashfield, Nottinghamshire, NG17 4JL.

In year the committee also reviewed and approved the:

- Terms of Reference;
- Annual Work Plan;
- Committee Health Check;
- Investment and Reserves Policy;
- Charity Risk register; and
- External Audit report.

The committee also

- Completed a self-assessment Committee Health Check; and
- Completed a Governance self-assessment.

The aim of the Committee Health Check and self-assessment is to help committees review their governance arrangements and check that they have appropriate systems in place.

Risk Management

The Trustee has considered the major risks to which the charity is exposed and has reviewed those risks and established systems and procedures to manage those risks. The Trustee considers the variability of investment returns to constitute the charity's only significant financial risk, particularly at present with the on-going fluctuations in the stock market due to Covid 19. The main operational concern is to ensure that both spending and firm financial commitments remain in line with income. This is continually reviewed to ensure that forecast income and commitments, including investment returns, remain in line with planning assumptions which are routinely updated to reflect the latest actual and forecasts.

The Charity's accounts and financial procedures are subject to regular internal and external audit review, reported to the Charitable Fund Committee, along with compliance in implementing any associated recommendations.

Partnership working and networks

The charity continues to participate in the 'Charitable Funds Special Interest Group', run by the Healthcare Finance Management Association, in liaison with the Charity Commission, to help ensure that the Trustee is kept informed and fully updated on all current and developing issues.

Sherwood Forest Hospitals NHS Foundation Trust is the main beneficiary of the charity and is a related party by virtue of being the corporate trustee of the charity. By working in partnership with the Trust, the charitable funds are used to best

effect and so when deciding upon the most beneficial way to use charitable funds the corporate trustee has regard to the main activities, objectives, strategies and plans of the Trust. The corporate trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and by designating funds the Trustee respects the wishes of donors to benefit patient care and advance the good health and welfare of patients, carers and staff.

The Trust remains indebted to the work of our hospital volunteers who support Sherwood Forest Hospitals Foundation Trust and raise substantial funds through refreshments bars, trolley services and their fundraising activities. The League of Friends of Newark Hospital and the League of Hospital Friends (Mansfield & Sutton) continue to raise funds for our hospitals through the work of their volunteers assisting with a wide range of fundraising activities which include coffee mornings, hospital refreshment bars, stalls and raffles.

Objectives and Strategy

The charity's main fund has NHS-wide objectives as follows:

“The trustee shall hold the trust fund upon trust to apply the income, and at its discretion, so far as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service”.

“Specifically the principal objective of the charity is to provide additional support to the patients of the Sherwood Forest Hospitals NHS Foundation Trust. This is achieved by the prioritisation of needs and the granting of expenditure on items such as refurbishment, medical equipment and staff education and welfare”.

Grants are made in accordance with charity law, our constitution and the wishes and directions of donors. In making grants, we endeavour to reflect the wishes of patients and staff by directing funds towards areas they tell us are most in need. During the year 2019/20, grants totalling £0.77m (2018/19 £0.59m) were made.

Our key aim is to serve the NHS patients of Sherwood Forest Hospitals NHS Foundation Trust ensuring all grants made are in line with the Charity Commission guidance on Public Benefit. By working with the NHS we assist people from every walk of life, irrespective of race, creed, ethnicity or personal or family financial circumstances. We put this aim into practice by helping the children, their families and carers, and visitors to the hospital by:

- Enhancing the care our partner hospital can offer through new equipment and building improvements to deliver better facilities;
- Investment in people and in creating a caring environment for the patients receiving care, their families and visitors; and
- Provide direct support to patients by way of information, networking support, better facilities and occasional grants.

We do this through a range of programs funded by your generous donations. Highlights from the main programs undertaken in the year are detailed below to give you a wider understanding of the difference we can make together to young lives today and in the future.

Patients' Expenditure: Purchase of small items of equipment, provision of services and the provision of facilities not normally provided by, or in addition, to the normal NHS provision.

Staff Expenditure: Motivation of staff, by improving staff facilities and providing services that improve staff wellbeing.
Education of staff by providing education over and above what would normally be provided by the NHS.

Capital Equipment: Equipment in addition to that normally provided by the NHS.

All annual expenditure is based on the above objectives, with the primary emphasis being placed on patients' expenditure to improve their quality of care and patient experience.

Making the Trustee vision happen involves all our partners, staff, patients, carers and the community and we invite you to join us to make this a reality. If you want to know more about how to become involved or to take part in the fundraising or to make a donation please contact the Community Involvement Department on 01623 672371.

Just Giving Website / Just Giving Text

Advice on 'Just Giving' regarding fundraising and the ability to donate should be obtained from the Community Involvement Department.

(<http://www.justgiving.com/sherwoodforest>)

Sherwood Forest Hospitals General Charitable Fund

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Annual Review: Our Activities

During the year, the funds continued to support a wide range of charitable and health related activities benefiting both patients and staff. In general they are used to purchase additional goods and services that the NHS is unable to provide, which included the commitment / purchase of much needed medical equipment totalling £550k in year.

Charitable funds receive many donations and these are used for charitable activities that will benefit staff and patients. The charitable funds also enable staff to attend courses, not funded by the NHS, which will update them on the new ideas and modern techniques in their specialty.

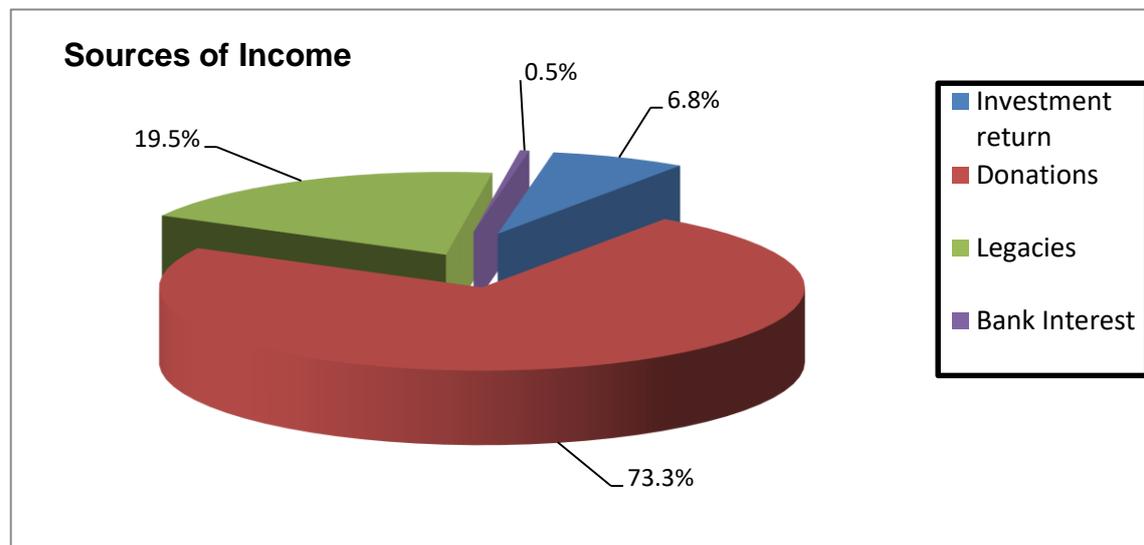
The general purposes fund receives donations and legacies that can be used for any charitable purpose relating to the NHS.

Income of £681k was received during 2019/20 (£589k in 2018/19) of which £132k (£63k in 2018/19) related to legacies. All legacies are reported to the Charitable Fund Committee, which identify the source and proposed application of the bequest, along with any updates on notified legacies which have not yet been received.

The generosity of all those who made a donation is greatly appreciated. An analysis of income follows:

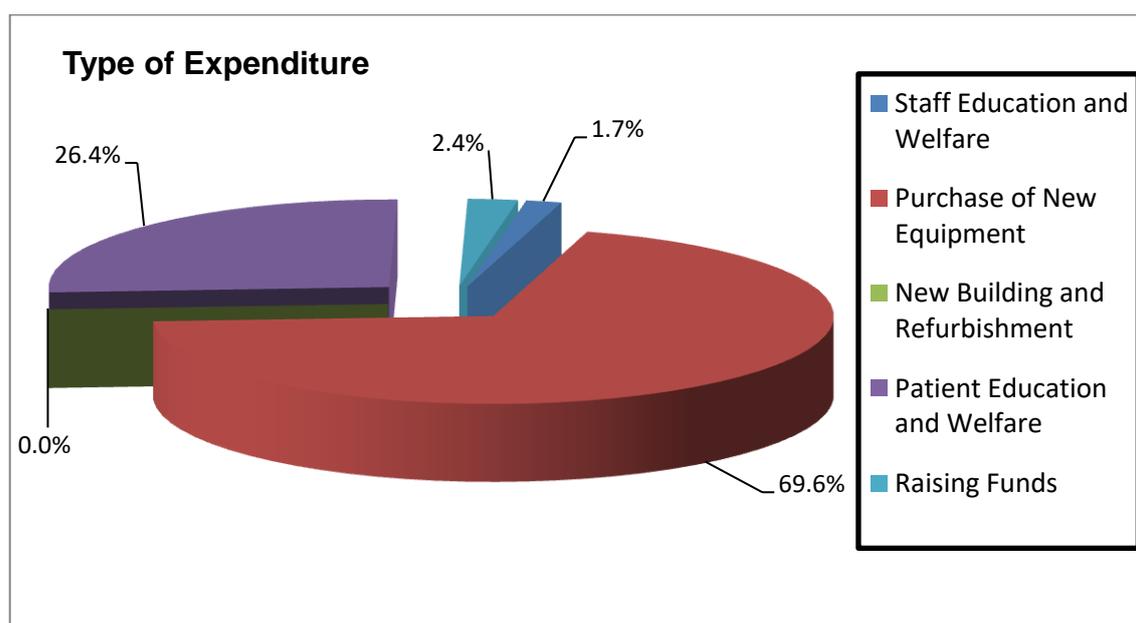
Sources of Income

	2019/20	2018/19
	£	£
Investment return	46,372	37,632
Donations	499,235	485,391
Legacies	132,525	62,994
Bank Interest	3,224	2,814
Total	681,356	588,831



Analysis of Expenditure

	2019/20 £	2018/19 £
Staff Education and Welfare	14,211	24,828
Purchase of New Equipment	585,935	224,954
New Building and Refurbishment	0	206,221
Patient Education and Welfare	222,004	185,907
Raising Funds	20,069	19,323
Total	842,220	661,234



Grant Making Policy

Grants are made from the charity's unrestricted and restricted income funds. These funds comprise three elements:

- **The General Fund**, which is constituted of funds received by the charity with no particular preference expressed by donors. Applications to this fund can be from any staff member of the Trust. Based on their knowledge of the Trust the fund managers and Chief Financial Officer agree expenditure based on the over-riding principle of providing value for money. Grants are targeted on projects in areas of the Trust which do not have available designated funds to pay for them.
- **Designated (Earmarked) Funds**, which contain donations where the donor nominated a particular part of the hospital or activity at the time their donation was made. Whilst their nomination is non-binding on the Trustee, the designated funds reflect these nominations and are overseen by fund managers who can make recommendations on how to spend the money within their designated area.
- **Endowment Funds - Benefit of the Children's Fund**. This fund comprises solely the income derived from the permanent capital endowment and all expenditure relates solely to the Children's Unit at King's Mill Hospital. This fund is overseen by a fund manager who can make recommendations on how to spend the money. These funds can be spent at any time.
- **Restricted Income Funds**, which comprise donations relating to specific fundraising appeals and legacies where a restriction on use has been placed on the funds.



Reserves Policy

Individual budget holders are requested to submit an annual forecast to management setting out how funds are to be spent. Management regularly monitor actual expenditure against these plans and take action in order to ensure that funds are spent in a timely manner and in accordance with donors' wishes.

The charity's reserves policy takes account of both an expendable endowment fund, which is available to spend at the discretion of the Trustee, and unrestricted income funds including designated funds. By taking a broad definition, and by ensuring that fund managers administer their funds within the available allocation, the requirement for wholly unrestricted reserve balances is minimised. The aim of the Trustee is to maintain a working cash balance of £150k, which is the level considered necessary to meet day to day commitments and to cover any potential unforeseen situations, with any excess balance subject to regular review and reporting to the Charitable Funds Committee.

Where it becomes apparent that excessive balances are being held, income and expenditure trends are reviewed, and if appropriate excessive balances are placed on investment following advice from our investment advisors.

The year-end, fund balances of £0.94m equate to approximately eighteen months of expenditure which is considered reasonable based on current income levels.

At the year-end cash balances of £666k were held (£641k in 2018/19) primarily due to the fundraising appeals relating to Gamma Camera. Installation was delayed due to Covid 19, and is now planned for January 2021. Balances will continue to be monitored and reported in 2020/21 as appropriate.

The Trustee intends to maintain the total funds invested at its current level in the short term and use the income generated from these investments to further the charity's objects, as this will mitigate significant fluctuations in the level of donations. The Trustee continues to review balances in order to ensure that they are utilised in an effective and timely manner.

A Review of our Finances, Achievements and Performance

The net assets of the Charitable Funds as at 31 March 2020 were £0.94 million (2018: £1.23 million). Overall net assets decreased by £318k (£14k decrease in 2018/19).

Excluding the unrealised loss, underlying balances reduced by £161k (£122k decrease in 2018/19), reflecting the Trustee's on-going commitment to utilising donations in a timely manner.

The charity continues to rely on donations and legacies and investment income as the main sources of income.

Donations of £500k were received in 2019/20 (£485k in 2018/19) and the Trustee continues to be extremely grateful for all legacies received.

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

The total charitable expenditure on direct charitable activity was £842k (£661k in 2018/19). Sherwood Forest Hospitals NHS Foundation Trust is the main beneficiary for all expenditure incurred.

Purchase of new equipment and building and refurbishment

The total spend on providing new equipment of £585k (£225k in 2018/19) represents a vital and valuable contribution to enhancing the provision of clinical care, and included Gamma camera, breast pumps, Ultrasound probes, and biopsy chairs and numerous smaller purchases which were for less than £10k individually.



Staff Education and Welfare

The charity contributed £14k (£25k in 2018/19) towards the provision of staff education and training for staff undertaking further professional education and training.

The charity remains committed to funding continued professional education and training where insufficient resources exist within Trust revenue funding streams.

Patient education and welfare

Although a significant amount of expenditure £222k (£186k in 2018/19) has been charged under this heading, of this £74k related to items of furniture, £13k to minor medical items, £26k for video conferencing and £9k artwork. The largest individual purchase related to the video conferencing.

Performance management

The charity has no employees and so relies upon its partner the NHS Foundation Trust to review the appropriateness of requests for equipment, training and building related work. For equipment purchases funded by the charity the applicant must advise what difference the proposal will make and what benefit it will provide, and it is the Trustee policy that recurring revenue costs will not be funded.

As in previous years all medical items were also approved by the Equipment Committee, to confirm need and appropriateness. The charity requests all fund managers to provide an annual forecast of expenditure. All significant expenditure

incurred is reported to the Charitable Funds Committee to review for appropriateness.

Expenditure requests require the further approval of the Chief Financial Officer or the Chief Executive, for all expenditure from general purpose funds and for all expenditure over £15k from restricted purpose funds, before expenditure can be incurred.

Investments

The funds of the charity are invested solely with a view to obtaining a higher than average overall return on its investment.

At the end of the year investments valued at £0.98m were held compared to a historic purchase cost of £1.10m and a net loss of £123k was recognised in the accounts (£58k gain in 2018/19). As at 30 June 2020, £83k of this loss has reversed, however, stock markets still remain volatile.

The corporate trustee continues to consider its exposure to the fluctuations in the value of its equity based investment, and received quarterly updates from its external fund advisors on current performance and forecast market trends.

The Trustee has taken a longer term approach to investments and it is expected that values will increase over time and regular discussions are held with the Trust's investment advisors regarding the stock market and potential movements and risks.

The charity has an investment policy that is reviewed and approved by the Charitable Funds Committee on an annual basis. The policy requires that all monies apart from working capital and capital in perpetuity be invested to maximise the overall return consistent with the degree of risk acceptable to the corporate trustee.

In line with the ethos of promoting patient care, the corporate trustee attempts to ensure that all investments are ethically and environmentally sound and are not opposed to the "purpose" of the charity. The performance of the investments are continuously monitored and reported on a quarterly basis.

The Charities Act (Protection and Social Investment) Act 2016

Details of our processes and controls relating to the above legislation are detailed as follows:

Our approach to fundraising is to ensure that any direct fundraising expenditure incurred will maximise a return on investment whilst maintaining excellent relationships with supporters, reflecting best practice within the sector and protecting the vulnerable. We have not employed any fundraisers in year.

We are not a member of any Fundraising Regulations Standard Board; however, we maintain internal policies and procedures to ensure appropriate governance on any external fundraising undertaken in the Charity's name.

Fundraising activities are monitored by the Community Involvement Team and Charitable Fund Committee made up of trustees, which reports to the Board of Trustees.

No complaints have been received or notified in the year. Any complaints notified or received would be managed by the community involvement manager and lessons learnt reported via the Charitable Fund committee.

The Charity does not employ direct fundraisers or external fundraising companies, it does however monitor itself in line with Sherwood Forest Hospitals NHS Foundation Trust policies, such as Information Governance, Safeguarding and Inclusivity and Diversity, in order to protect vulnerable people and others from unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising for the charity.

Our relationship with the wider community

The ability of SFH Charities to continue its vital support for Sherwood Forest Hospitals NHS Foundation Trust is dependent on its ability to maintain and increase donations from the general public. SFH Charities also continues to forge strong relationships with members of staff of the Trust without whose co-operation the ability to make an effective contribution would be much diminished.



Volunteers

The trustees would like to pay tribute to:

- Our volunteers for their time, support, and commitment;
- The members of staff of SFH who give of their time out of hours in support of the work on the committees, in developing ideas for working with us to identify how we can help enhance care; and

- Our fundraisers who do so much to encourage others to enrich the lives of others through donations and fundraising activities.

Our Future Plans

Mindful of the changing NHS, the future direction of the charity will be shaped by the reconfiguration of services and the need to redesign patient care to meet the needs of the future. Income and expenditure plans will be the subject of continual review to ensure that future needs are prioritised and utilised in line with the new service delivery strategy.

Funds and fund structure will continue to be reviewed and refined to ensure appropriate utilisation, whilst retaining appropriate specialty funds as required. This will make the funds more readily manageable and accessible.

The review of achievements, performance and finances should be seen in the context of the Trustee vision to assist the Trust to help its hospitals develop and provide world-class patient centred care.

Another key area remains our commitment to embed the fundraising and publications strategies, and the creation of more cohesive links and relationships with our fundraising partners.

Big Thank You

On behalf of the staff and patients who have benefited from improved services due to donations and legacies, the corporate trustee would like to thank all donors and volunteers and corporate partners for their generous support over the past year. There is no doubt that patients' experiences are greatly enhanced by items such as equipment purchased with charitable funds.

The Trustee looks forward to the coming year and the challenges and opportunities it may bring and hopes it will be as successful as this and previous years in continuing to enhance the welfare of both patients and staff.

If you need any advice on how to support our charitable funds, please contact the Community Involvement Department on 01623 672371.

Signed:

Paul Robinson
Chief Financial Officer on behalf of the Corporate Trustee
3 December 2020

King's Mill Hospital
Mansfield Road
Sutton in Ashfield
Nottinghamshire
NG17 4JL

Statement of Trustee's responsibilities in respect of the Trustees' annual report and accounts

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the trustee and signed on its behalf by

Signed:
John MacDonald (Chair)

Date: 3 December 2020

Signed:
Paul Robinson (Chief Financial Officer)

Date: 3 December 2020

Independent auditors' report

To the trustees of Sherwood Forest Hospitals General Charitable Fund

Opinion

We have audited the financial statements of Sherwood Forest Hospitals General Charitable Fund (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows, and the related notes to the financial statements, 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its income and expenditure 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. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date:

Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

Statement of Financial Activities for the year ended 31 March 2020

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March 2020 £000
Income from:					
Donations	2	309	191	-	500
Legacies	2	132	-	-	132
Income from Investments	12	50	-	-	50
Total incoming resources		491	191	-	682
Expenditure on:					
Raising Funds		(21)	-	-	(21)
<i>Charitable activities:</i>	4				
Purchase of New Equipment		(81)	(504)	-	(585)
New Building and Refurbishment		(10)	10	-	-
Staff Education and Welfare		(14)	-	-	(14)
Patient Education and Welfare		(202)	(20)	-	(222)
Total expenditure		(328)	(514)	-	(842)
Net gains / (losses) on investments	11	(123)	-	-	(123)
Net income / (expenditure)		40	(323)	-	(283)
Fund transfers		(16)	16	-	-
Net movement in funds		24	(307)	-	(283)
<i>Reconciliation of funds</i>					
Total funds brought forward		754	444	28	1,226
Total funds carried forward		778	137	28	943

All results derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

Movements in funds are disclosed in note 19 to the accounts.

The accompanying notes form part of the financial statements.

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

Prior year comparatives

Statement of Financial Activities for the year ended 31 March 2019

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Restated Total at 31 March 2019 £000
Income from:					
Donations	2	215	270	-	485
Legacies	2	13	50	-	63
Income from Investments	12	41	-	-	41
Total incoming resources		269	320	-	589
Expenditure on:					
Raising Funds		(19)	-	-	(19)
<i>Charitable activities:</i>	4				
Purchase of New Equipment		(120)	(105)	-	(225)
New Building and Refurbishment		(206)	-	-	(206)
Staff Education and Welfare		(25)	-	-	(25)
Patient Education and Welfare		(186)	-	-	(186)
Total expenditure		(556)	(105)	-	(661)
Net gains / (losses) on investments	11	58	-	-	58
Net income / (expenditure)		(229)	215	-	(14)
Transfers between funds		(127)	127	-	-
Net movement in funds		(356)	342	-	(14)
<i>Reconciliation of funds</i>					
Total funds brought forward		1,110	102	28	1,240
Total funds carried forward		754	444	28	1,226

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

Balance Sheet as at 31 March 2020

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2020 £000
<i>Fixed assets:</i>					
Investments	11	977	9	-	986
Total Fixed Assets		977	9	-	986
<i>Current assets:</i>					
Debtors	13	42	-	-	42
Cash and cash equivalents	16	(6)	644	28	666
Total Current Assets		36	644	28	708
<i>Liabilities:</i>					
Creditors: amounts falling due within one year	14	(235)	(516)	-	(751)
Net current assets (liabilities)		(199)	128	28	(43)
Total net assets/liabilities		778	137	28	943
The funds of the charity:					
Endowment funds	19	-	-	28	28
Restricted income funds		-	137	-	137
Unrestricted income funds:		743	-	-	743
Legacy Holding Fund		35	-	-	35
Total charity funds		778	137	28	943

The notes on page 32 to 39 form part of these accounts.

Signed:
John MacDonald (Chairman)

Date: 3 December 2020

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

Prior year comparatives

Balance Sheet as at 31 March 2019

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2019 £000
<i>Fixed assets:</i>					
Investments	11	1,100	9	-	1,109
Total Fixed Assets		<u>1,100</u>	<u>9</u>	<u>-</u>	<u>1,109</u>
<i>Current assets:</i>					
Debtors	13	3	50	-	53
Cash and cash equivalents	16	123	490	28	641
Total Current Assets		<u>126</u>	<u>540</u>	<u>28</u>	<u>694</u>
<i>Liabilities:</i>					
Creditors: amounts falling due within one year	14	(472)	(105)	-	(577)
Net current assets (liabilities)		<u>(346)</u>	<u>435</u>	<u>28</u>	<u>117</u>
Total net assets/liabilities		<u>754</u>	<u>444</u>	<u>28</u>	<u>1,226</u>
The funds of the charity:					
Endowment funds	19	-	-	28	28
Restricted income funds		-	444	-	444
Unrestricted income funds:		704	-	-	704
Legacy Holding Fund		50	-	-	50
Total charity funds		<u>754</u>	<u>444</u>	<u>28</u>	<u>1,226</u>

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

Cash Flow

	Note	Total funds 2019-20	Total funds 2018-19
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	17	<u>(32)</u>	<u>285</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments	12	50	41
Proceeds from the sale of investments	11	220	926
Purchase of investments	11	<u>(213)</u>	<u>(920)</u>
Net cash provided by (used in) investing activities		57	47
Change in cash and cash equivalents in the reporting period		25	332
Cash and cash equivalents at the beginning of the reporting period		641	309
Change in cash and cash equivalents due to exchange rate movements		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the reporting period	16	<u><u>666</u></u>	<u><u>641</u></u>

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

Accounting Policies

1.1. Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at fair value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

SFH CF meets the definition of a Public Benefit Entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the COVID-19 pandemic has had a profound impact on the global economy, and has in turn affected the charity. The trustees have considered the impact of this issue on the charity's current and future financial position. The charity has £778k of unrestricted funds and net current assets of £943k, and receives regular advice from our investment advisors relating to financial markets and the risk is appropriately recorded within the Charity risk register.

Allowing for the above the trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. An unrestricted reserve is maintained to cover routine working capital requirements, and approved commitments are immaterial to the overall balance of funds held.

In future years, the key risks are a fall in income from donations or investment income but the trustees have arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

1.2. Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as:

- A restricted fund or
- An endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub analysed between those where the trustees have the discretion to spend the capital, expendable endowment, and those where there is no discretion to expend the capital, permanent endowment.

The charity has two permanent endowment funds, the Benefit of the Children's Fund and Newark Fund and no expendable endowment.

Those funds which are neither endowment nor restricted income funds, are unrestricted income funds which are sub-analysed between designated (earmarked) funds, and wholly unrestricted funds which are wholly at the trustee discretion in line with the Charity's objectives.

The major funds held in each of these categories are disclosed in note 19.

1.3. Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be met until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

Interest receivable on cash and investments is recognised monthly / quarterly in the period it accrues.

1.4. Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted or;
- The executors have established that there are sufficient assets in the estate to pay the legacy; and
- All conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

1.5. Incoming resources from endowment funds

The incoming resources received from the invested endowment fund is wholly restricted.

1.6. Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event
- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- The amount of the obligation can be measured or estimated reliably.

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

The charity does not make grants to individuals. The total costs of making grants is disclosed on the face of the Statement of Financial Activities. The actual disbursement received by the beneficiaries for each category of charitable activity is disclosed in note 4. All grants are made to the Sherwood Forest Hospitals NHS Foundation Trust and the trustee operates a scheme of delegation, through which all grant funded activity is managed by fund holders responsible for the day to day disbursements on their projects, in accordance with the directions set out by the trustees in charity standing orders and financial instructions.

Grants payable are payments made to related party or third party NHS bodies and non-NHS bodies in the furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick. The grants are accounted for on an accruals basis where the conditions for their payment have been met or where the recipient has a reasonable expectation they will receive a grant. Provisions are made where approval has been given by the trustee due to the approval representing a firm intention which is communicated to the recipient.

1.7. Allocation of support costs

Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs and IT support. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 5.

1.8. Fundraising Costs

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. These include:

- i) Donations given by patients and their relatives which are forwarded, currently at nil charge by the Trust;
- ii) Legacies which are encouraged by leaflets throughout the hospital, the cost of which is immaterial;
- iii) Fundraising events; and
- iv) Investment management fees.

1.9. Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 5.

1.10. Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the balance sheet at the current market value quoted by the investment analyst, excluding dividend.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

1.11. Debtors

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

1.12. Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, usually in 90 day notice interest bearing savings accounts.

1.13. 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.

Amounts which are owed in more than a year are shown as long term creditors.

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

1.15. Related party transactions

The Sherwood Forest Hospitals NHS Foundation Trust (SFH FT) is the sole beneficiary of the charity. The charity has reimbursed the SFH FT for approved expenditure made on behalf of the charity. These reimbursements are included in

the analysis of expenditure as detailed in note 4. During the year none of the members of the SFH FT Board of Directors or Senior Sherwood Forest Hospitals NHS Foundation Trust staff or parties related to them were beneficiaries of the charity.

None of the trustees or members of the SFH FT board or parties related to them has undertaken any transactions with the Charitable Trust or received any benefit from the charity in payment or kind. The trustees received no honoraria or emoluments in the year.

The SFH FT makes a number of clerical and transaction services available to the charity, by agreement with the trustees. These include administrative services in support of the charity's grant making activities which are included within support costs as detailed in note 5.

1.16. Accounting Estimates

In the application of the charity's accounting policies, management is required to make judgements and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised and if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Estimates included in this year's financial statements are:

- Accrued income including an estimate related to expected legacy income
- Accrued expenditure based on the best estimate known at the time of the financial statements
- Apportionment of support costs to charitable activities
- Assessment of market value of investments
- Value of commitments and the expected timing of their cash flows

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

NOTES TO THE ACCOUNTS

2.0. Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2020 £000
	£000	£000	
Donations from individuals	309	191	500
Voluntary income: legacies	97	-	97
Legacy Holding Fund	35	-	35
Total	441	191	632
	Unrestricted funds	Restricted funds	Total 2019 £000
	£000	£000	
Donations from individuals	215	270	485
Voluntary income: legacies	13	-	13
Legacy Holding Fund	-	50	50
Total	228	320	548

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

3.0. Analysis of income from other trading activities

There were no incoming resources from other trading activities (2018/19 £nil).

4.0. Analysis of charitable expenditure

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 organisations SFH FT to carry out activities that will benefit NHS patients and their families.

	Grant funded activity	Support costs	Total 2020 £000
	£000	£000	£000
Purchase of New Equipment	550	35	585
New Building and Refurbishment	-	-	-
Staff Education and Welfare	13	1	14
Patient Education and Welfare	208	14	222
Total	771	50	821

Analysis includes support costs and overheads administration which are disclosed in note 5.

Prior Year Comparators	Grant funded activity £000	Support costs £000	Total 2019 £000
Purchase of New Equipment	209	16	225
New Building and Refurbishment	191	15	206
Staff Education and Welfare	23	2	25
Patient Education and Welfare	172	14	186
Total	595	47	642

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

5.0. Allocation of support costs and overheads

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs are those support costs which relate to the strategic and day to day management of a charity.

The bases of allocation used are as follows:

- Direct allocation: where a cost is wholly attributable to a particular activity.
- Expenditure: this is a proportion based on the average fund balance.

	Raising funds £000	Charitable Activities £000	Total 2020 £000	Raising funds £000	Charitable Activities £000	Total 2019 £000	Basis of apportionment
Salary recharge	11	26	37	11	24	35	Expenditure
External Audit	-	6	6	-	6	6	Expenditure
Internal Audit	-	-	-	-	-	-	Expenditure
							Based on fundraising / charitable activities
Governance	4	10	14	4	12	16	percentage costs
Computer Expenses	-	1	1	-	1	1	Expenditure
							Based on fundraising / charitable activities
Investment Management fees	6	6	12	4	4	8	charitable activities
Bank Charges	-	-	-	-	-	-	Expenditure
General Administration Overheads	21	49	70	19	47	66	

6.0. Trustees' remuneration, benefits and expenses

The charity's trustees are corporate trustees and receive no remuneration for the work that they undertake as trustees.

7.0. Analysis of staff costs

No emoluments were paid to employees in 2019/20 (2018/19 £nil), however there was a recharge of £51k in year relating to SFH staff as disclosed in note 5. (2018/19 £50k).

8.0. Auditors remuneration

Auditors remuneration fee of £6,240 including VAT was charged in 2019/20 (2018/19 £6,060). No other additional work was undertaken (2018/19 £nil).

9.0. Analysis of grants

Institution receiving grant support:	Total amount paid	
	2019/20	2018/19
	£000	£000
SFH FT	771	595
Total	771	595

10.0. Role of volunteers

Like all charities, the SFH Charity is reliant on a team of volunteers for our smooth running. Our volunteers perform 2 roles:

- Fund advisors – there are about 58 SFH FT staff who manage how the charity's designated funds should be spent. These funds are designated (or earmarked) by the trustees to be spent for a particular purpose or in a particular ward or department. Each fund advisor has delegated powers to spend the designated funds that they manage in accordance with the trustee's wishes. The trustees determine what each fund can be spent on and the amount that can be spent in a year.
- Fund raisers – a team of hospital volunteers actively fundraise and support the charity by holding stalls, coffee mornings, tombola's and raffles. The team work in partnership with individuals, groups and businesses assisting at events to raise funds for specific appeals and trust funds.

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.

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

11.0. Fixed asset investments:

Movements in fixed asset investment	2020	2019	
	£000	£000	
Market value at 1 April	1,109	1,057	
Less: Disposals at carrying value	(220)	(926)	
Add: Additions to investment at cost	213	920	
Add: Realised gains on disposal	7	64	
Add Net gain / (loss) on revaluation	(123)	(6)	
Market value at 31 March	<u>986</u>	<u>1,109</u>	
Historic purchase cost at 31 March	<u>1,100</u>	<u>1,100</u>	
Fixed asset investment by Type	Held	2020	2019
	in UK	Total	Total
	£000	£000	£000
Investments in a Common Deposit Fund or Common Investment Fund	986	986	1,109
	<u>986</u>	<u>986</u>	<u>1,109</u>

All investments are carried at their fair value.

The significance of financial instruments to the on-going financial sustainability of SFH is considered in the risk analysis section of the trustees' annual report.

The main risk from financial instruments lies in the combination of uncertain investment markets and volatility in income (or yield). Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels.

The default rate on investment grade fixed interest securities due to corporate failures has so far been low. The high current demand for high quality corporate bond and government stock continues to keep yields low.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in most markets. Nearly all the Trust's investments are traded in markets with good liquidity and high trading volumes. The only asset class that is currently illiquid is property. The Trust has investments in two Charity Property Funds which are currently gated. These funds represent 8.5% of the Trust's investments. The funds continue to pay out a good level of income but as more than 20% of their assets cannot be accurately valued the funds are closed to both buyers and sellers. They should reopen once over 80% of the assets can be accurately valued. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust 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 Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

12.0. Gross Investment Income	Unrestricted funds	Restricted funds	2020 Total £000	2019 Total £000
Investments in a Common Deposit Fund or Common Investment Fund	47	-	47	38
Short term investments and cash on deposit	3	-	3	3
Total	50	-	50	41

All investments are held in the UK.

13.0. Analysis of Debtors	2020 £000	2019 £000
Amounts falling due within one year:		
Accrued income	42	3
Other debtors	-	-
Total debtors falling due within one year	42	3
Total debtors	42	3

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

14.0. Analysis of Liabilities	2020 £000	2019 £000
Creditor Amounts falling due within one year:		
Trade creditors	53	253
Accruals	698	324
Total creditors falling due within one year	751	577
Total creditors	751	577

15.0. Financial Instruments at Fair Value	2020 £000	2019 £000
Financial assets measured at fair value	986	1,109
	943	678

Relates to stock market investments.

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

16.0. Cash and cash equivalents	2020	2019
	£000	£000
Cash in hand	£000	£000
Notice deposits (less than 3 months)	666	641
Total cash and cash equivalents	666	641

The notice deposits are sums held on interest bearing deposit and represent funds held to facilitate cash flow and the fulfilment of obligations to make grant payments. The funds are held on a 90 day notice account and are therefore classified as cash and cash equivalent.

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

All of the amounts held on interest bearing deposit are available to spend on charitable activities.

17.0. Reconciliation of net income/(expenditure) to net cash flow from operating activities	2020	2019
	£000	£000
Net income/(expenditure) for 2019/20 (as per the statement of financial activities)	(283)	(14)
Adjustments for:		
(Gains)/losses on investments	123	(58)
Notional cash movement on Investments	(7)	-
Dividends, interest and rents from investments	(50)	(41)
(Increase)/decrease in debtors	11	186
Increase/(decrease) in creditors	174	212
Net cash provided by (used in) operating activities	(32)	285

18.0. Timing of commitments	2020	2019
	£000	£000
Commitments payable in under 1 year	622	268
Total cumulative commitments that remain undischarged as at 31 March	622	268

As described in note 9, the charity awards a number of grants in the year. Many grants are awarded and paid out in the same financial year. However, some grants for funding a specific project are multi-year grants paid over a longer period.

As the charity has control over the award and timing of grants there is little uncertainty around these payments.

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

19.0. Analysis of charitable funds

	Balance at 31 March 2019 c/fwd £000	Balance at 1 April 2019 b/fwd £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Balance at 31 March 2020 £000
Endowment Funds							
Benefit of the Children's Fund ^[1]	28	28	-	-	-	-	28
Endowment Funds Subtotal	28	28	-	-	-	-	28
Restricted Funds							
Benefit of the Children's Fund ^[2]	9	9	-	-	-	-	9
Cancer Appeal ^[3]	-	-	1	-	-	-	1
Dementia Appeals ^[4]	61	61	1	-	-	-	62
Gamma Camera Appeal ^[5]	306	306	164	(486)	21	-	5
Breast Screening ^[6]	18	18	25	(28)	(5)	-	10
Medical Equipment Legacy Fund ^[10]	-	-	-	-	50	-	50
Legacy Holding Fund ^[9]	50	50	-	-	(50)	-	-
Restricted Funds Subtotal	444	444	191	(514)	16	-	137
Unrestricted and Designated Funds							
General Fund ^[7]	70	70	137	(81)	-	(123)	3
Earmarked Funds ^[8]							
Other	55	55	197	(137)	(16)	-	99
Diagnostics and Outpatients	91	91	19	(9)	5	-	106
Urgent and Emergency	28	28	1	(8)	-	-	21
Medicine	265	265	59	(35)	-	-	289
Surgery	90	90	16	(42)	(5)	-	59
Womens and Children's	155	155	27	(16)	-	-	166
Legacy Holding Fund ^[9]	-	-	35	-	-	-	35
	754	754	491	(328)	(16)	(123)	778
Total Balances	1,226	1,226	682	(842)	-	(123)	943

[1] / [2] This is a permanent endowment fund where only the income generated by the investment of this capital can be spent. All income generated is transferred to the Benefit of the Children's restricted fund where it must be used for the benefit of the Children's Unit at Kings Mill Hospital.

[3] This fund is currently inactive.

[4] This relates to specific appeals that were commenced in year to enhance Dementia facilities at Kings Mill and Newark Hospitals.

[5] This relates to a specific appeal that commenced in March 2018 to replace the Gamma camera at Kings Mill Hospital.

[6] This relates to a specific appeal that commenced October 2018 to support the new Breast screening service at Newark Hospital.

[7] The general fund includes all donations for which a donor has not expressed any preference as to how the funds shall be spent and the unrestricted income accruing to the charity. These funds are applied for any charitable purpose to the benefit of the patients of SFH FT at the absolute discretion of the trustees.

[8] Earmarked funds are reported by Division to aid transparency. A complete breakdown of the individual funds within each heading is available upon written request.

[9] The fund exists to hold legacies where we have had notification, but not receipt of monies. These funds are held until receipt and then transferred to the relevant fund, in line with the will. Keeping the funds separate ensures we account correctly for the monies, but also that the funds are not expended prior to receipt.

[10] This relates to a specific legacy which can only be utilised on the purchase of medical equipment.

[11] Movements to Gamma fund were from unrestricted funds to support the fundraising process. The transfer from restricted to unrestricted was in line with the conditions of the use of restricted funds and related to the purchase of seating and artwork to enhance the patient experience.

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2020

19.0. Analysis of charitable funds

Prior year comparatives

	Balance at 31 March 2018 c/fwd £000	Balance at 1 April 2018 b/fwd £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance at 31 March 2019 £000
Endowment funds							
Benefit of the Children's Fund ^[1]	28	28	-	-	-	-	28
Endowment funds subtotal	28	28	-	-	-	-	28
Restricted funds							
Benefit of the Children's Fund ^[2]	9	9	-	-	-	-	9
Cancer Appeal ^[3]	-	-	-	-	-	-	-
Dementia Appeals ^[4]	93	93	18	(100)	50	-	61
Gamma Camera Appeal ^[5]	-	-	234	(5)	77	-	306
Breast Screening ^[6]	-	-	18	-	-	-	18
Legacy Holding Fund ^[9]	-	-	50	-	-	-	50
Restricted funds subtotal	102	102	320	(105)	127	-	444
Unrestricted and designated funds							
General Fund ^[6]	41	41	42	(78)	7	58	70
Earmarked Funds ^[7]							
Other	206	206	127	(151)	(127)	-	55
Diagnostics and Outpatients	92	92	10	(11)	-	-	91
Urgent and Emergency Care	35	35	-	(1)	(6)	-	28
Medicine	288	288	35	(63)	5	-	265
Surgery	110	110	18	(38)	-	-	90
Womens and Children's	108	108	24	(214)	237	-	155
Legacy Holding Fund ^[8]	230	230	13	-	(243)	-	-
	1,110	1,110	269	(556)	(127)	58	754
Total balances	1,240	1,240	589	(661)	-	58	1,226

20.0. Post year-end events

In line with section 32 of FRS102 the Trustees are not aware of any adjusting or non adjusting events since the close of the accounting period, which would affect the position reported, or the assessment of its going concern basis. While Covid remains an issue it has had no adverse impact of overall assets, particularly investments since the year-end.