

General Charitable Fund

ANNUAL REPORT AND FINANCIAL STATEMENTS



Year Ended : 31 March 2014



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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 9th 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 C. Mellor	Chair ¹
Mr S. Lyons	Chair ²
Mr E. Morton	Chief Executive Officer ³
Mr P O'Connor	Chief Executive Officer ⁴
Mrs F. Steele	Chief Financial Officer
Dr N. Ali	Executive Medical Director ⁵
Dr A. Haynes	Executive Medical Director ⁶
Ms K. Fisher	Executive Director of Human Resources
Mrs S. Bowler	Executive Director of Nursing
Ms L. Dadge	Non-Voting Commercial Director ⁷
Ms J. Tuffnell	Non-Voting Interim Director of Operations ⁸
Mr I. Greenwood	Non-Voting Interim Director of Strategic Planning and Commercial Development ⁹
Mr P. Wozencroft	Director of Strategic Planning and Commercial Development ¹⁰
Ms K. Rogers	Director of Corporate Services / Company Secretary ¹¹
Mr D. Leah	Independent Non-Executive Director ¹²
Mr S. Grasar	Independent Non-Executive Director ¹²
Mr C. Bellringer	Independent Non-Executive Director ¹³
Mr M. Obhrai	Independent Non-Executive Director ¹³
Ms L. Barnett	Independent Non-Executive Advisor ¹⁴
Mr J. Chivers	Independent Non-Executive Advisor ¹⁷
Mr P Marks	Independent Non-Executive Advisor ¹⁵
Dr J McSorley	Independent Non-Executive Advisor ¹⁵
Ms C Ward	Independent Non-Executive Advisor ¹⁵
Mr R Dawson	Independent Non-Executive Advisor ¹⁶
Mr T Reddish	Independent Non-Executive Advisor ¹⁷

^[1] Left 9 June 2013.	^[10] Appointed 2 December 2013.
^[2] Appointed 10 June 2013.	^[11] Appointed 27 August 2013.
^[3] Left 9 June 2013.	^[12] Left 31 October 2013.
^[4] From 10 June 2013.	^[13] Left 31 May 2013.
^[5] Left 30 September 2013.	^[14] Non Executive advisor from 15 January 2013.
^[6] From 1 October 2013.	^[15] From 1 May 2013.
^[7] On secondment from January 2013, left 30 June 2013.	^[16] From 1 June 2013.
^[8] Appointed interim from January 2013 and substantively from May 2013.	^[17] From 8 July 2013.
^[9] Appointed 18 January 2013, left 1 December 2013.	

Charitable Fund Committee Membership

Mr T Reddish	Independent Non-Executive Director and Chair (from January 2014)
Mrs C.Ward	Independent Non-Executive Director (from October 2013)
Ms Fran Steele	Chief Financial Officer
Ms K Rogers	Director of Corporate Services / Company Secretary (from January 2014)
Mr S Graser	Independent Non-Executive Director and Chair (to 31 October 2013)
Mr D Leah	Independent Non-Executive Director (to 31 October 2013)

Other non- voting members are in attendance.

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 East Midlands NHS Audit Service Riverside House Bridge Park Road Thurmaston Leicester LE4 8BL	External Auditors KPMG LLP One Snowhill Snowhill Queensway Birmingham B4 6GH
Bankers Nottingham Building Society 1 Stockwell Gate Mansfield Nottinghamshire	Investment Advisors Black Rock Investment Management (UK) 33 King William Street London EC4R 9ASB
Citibank 25 Canada Square Canary Wharf London E14 5LB	Solicitors Kings Orchard 1 Queen Street Bristol BS2 0HQ



Trustee's Annual Report

Foreword

Sherwood Forest Hospitals Charitable Fund was formally created on 9th July 2002, replacing the Kings 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.

The Charity's annual report and accounts for the year ending 31st March 2014 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) 2005). 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 59 (2012/13: 56) active individual funds maintained within the accounting records as at the 31 March 2014 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 Finance and Performance 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.



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 within the NHS Trust's Directorate management structure. 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, Rheumatology, Radiology, Neonatal, Cardiology, Oncology and Pathology.

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 1st February 2007, "The Chairman, 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 Board of Governors is responsible for appointing the chairman and the chairman and governors are responsible for appointing the non-executive directors. The Chairman and Non-Executive Directors are responsible for appointing the Chief Executive, and the Chairman, Chief Executive, and Non-Executive Directors are responsible for appointing the Executive Directors".

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



The Trustee is provided with a number of Charities Commission publications to assist it in fulfilling its role, along with three years accounts and annual reports, minutes for the previous year's meetings, the committee terms of reference. In addition copies of the Standing Orders, Standing Financial Instructions and the Scheme of Delegation are provided.

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 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.
- 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, and expenditure commitments, as well as legacy and income updates. In addition, information is provided of proposed in-year expenditure, investments, updates on changes to legislation and fundraising.

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.

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. The main operational concern is to ensure that both spending and firm financial commitments remain in line with income, and 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.



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 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, Friends of Ashfield 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.

The trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and consideration is first given to the public benefit that will be generated from the expenditure as this is the core value within the activities.



The charity is funded by donations and / or legacies received from patients, relatives, general public and other external organisations. The charity achieves its objectives by: -

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 by 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.

Annual expenditure plans are produced to detail planned expenditure. However, all annual expenditure is based on the above objectives, with the primary emphasis being placed on patient's 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 Customer Services Department on 01623 672371.

Just Giving Website

Advice on 'Just Giving' regarding fundraising and the ability to donate via the Charities Just Giving website should be obtained from the Customer Services Office. (<http://www.justgiving.com/sherwoodforest>)



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. For example, charitable funds were used to purchase much needed medical equipment.

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 £319,000 was received during 2013/14 (£844,000 in 2012/13) of which £107,000 (£159,000 in 2012/13) related to legacies. The reduction in income primarily relates to a major fundraising campaign that was undertaken to purchase a new MRI scanner in 2012/13.

A dementia appeal was launched in January 2014 and all monies raised will be used to enhance dementia care services at King's Mill Hospital.

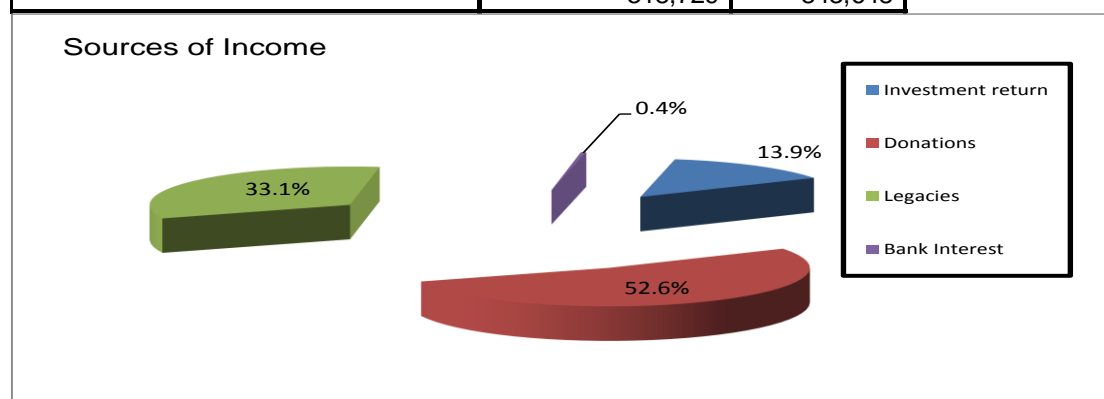
The generosity of all those who made a donation is greatly appreciated. An analysis of income is given on the next page:

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2014

Sources of Income

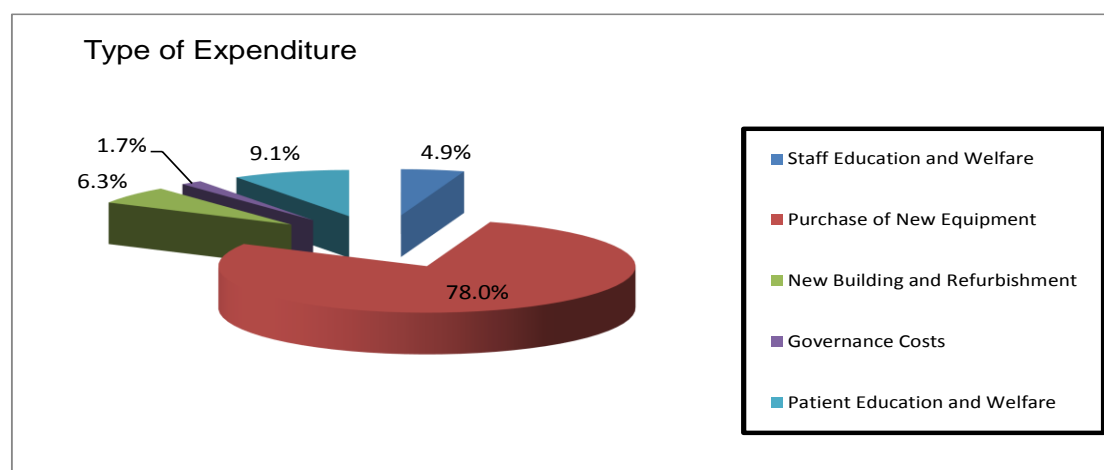
	2013/14 £	2012/13 £
Investment return	44,342	43,073
Donations	167,507	640,700
Legacies	105,500	158,678
Bank Interest	1,380	1,197
	318,729	843,648



Total expenditure in 2013/14 was £834,000 (£834,000 in 2012/13). An analysis is given below:

Analysis of Expenditure

	2013/14 £	2012/13 £
Staff Education and Welfare	40,688	90,944
Purchase of New Equipment	645,706	421,714
New Building and Refurbishment	51,749	120,599
Governance Costs	14,009	15,968
Patient Education and Welfare	75,444	184,583
	827,596	833,809



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 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.
- **Restricted Income – 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.



Reserves Policy

Individual budget holders submit annual plans 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 £150,000, 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 placed on investment following advice from our investment advisors. No additional funds were transferred to or redeemed from investment in 2013/14.

At the year-end working cash balances of £249,000 were held (£567,000 in 2012/13), however this includes an outstanding transfer of funds relating to the MRI appeal. Once this is transacted, working cash balances are lower than would be held as per the reserve policy and this will necessitate some realisation of investments. Balances will continue to be monitored and reported in 2014/15 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 2014 were £1.31 million (2013: £1.78 million). Overall net assets decreased by £466,000 (£131,000 increase in 2012/13).

Excluding the unrealised gain on investments of £43,000 (£121,000 gain in 2012/13) underlying balances decreased by £509,000. The charity continues to rely on donations and legacies and investment income as the main sources of income.

Donations of £166,000 were received in 2013/14 (£641,000 in 2012/13) and the trustee continues to be extremely grateful for all legacies received.



The total charitable expenditure on direct charitable activity including support costs was £828,000 across a range of programmes (£834,000 in 2012/13). 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 £646,000 (£422,000 in 2012/13) represents a vital and valuable contribution to enhancing the provision of clinical care ranging from purchases of equipment costing less than £10,000 individually through to items such as the purchase of foetal monitors (£26,500), MRI appeal (£539,000), HemoCue Analyser (£11,600)

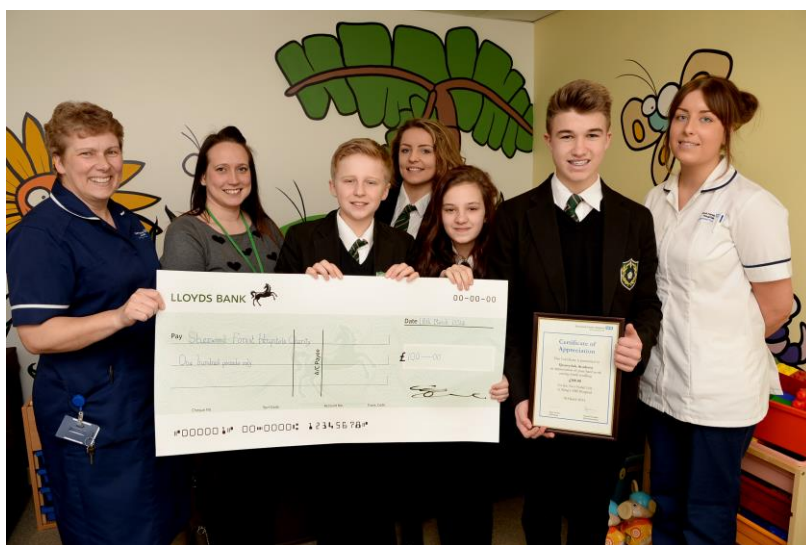
Staff Education and Welfare

The charity contributed £41,000 (£91,000 in 2012/13) towards the provision of staff education and training for NHS Foundation Trust 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 of £75,000 (£184,000 in 2012/13) has been charged under this heading in-year, there were only a small number of transactions which amounted to more than £10,000. These related to Prism Module upgrade (£21,000) chairs, furniture (£19,000).



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. For 2013/14 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 and the Chief Executive for all expenditure from general purpose funds and for all expenditure over £7,500 from restricted purpose funds before expenditure can be incurred.

Investments

The corporate trustee invests the funds of the charity with Black Rock Investment Managers (UK) Limited in their Common Investment Funds with a view to obtaining a higher than average overall return on its investment. At the year-end, 83% (2013:81%) was invested in Charishare Tobacco Restricted

Investment Fund which is an equity based investment and 17% (2012: 19%) was invested in Charinco Common Investment Fund which is an investment in longer fixed interest bearing government and other securities. This is in line with the investment policy which requires an 80:20% split between equities and fixed interest investments.



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

During the year an unrealised gain of £43,000 (£121,000 unrealised gain in 2012/13) was recognised in the accounts.

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.

In year approval was given in line with the investment policy to tender for investment advice, this exercise will be completed in quarter 2 of the 2014/15 Financial year.

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.

Our Future Plans

Mindful of the many changes still ongoing in the 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. The fund structure reflects the service management arrangements within the Trust, whilst retaining the specialty mix for which the funds were received.

This makes the funds more readily manageable and accessible for fund monitors.

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.

The key areas remaining under review for 2014/15 are improving the fundraising and publications strategies, and ensuring clearer and more cohesive relationships with our fundraising partners.



A 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 that it may bring and hopes that 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 Customer Services Department on 01623 672371.

Signed:

Margaret Ashworth, Interim Chief Financial Officer on behalf of the Corporate Trustee
27 November 2014



Statement of trustee's responsibilities in respect of the trustee Annual Report and the Financial Statements

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

Charity law requires the directors to prepare financial statements for each financial year in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the income and resources expended for that period.

In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in its activities.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that its financial statements comply with the Charities Act 2011. It has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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

The trustee confirms that it has met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 19 to 29 attached have been compiled from and are in accordance with the financial records maintained by the trustee.

By Order of the trustee

Signed:
Sean Lyons (Chairman)

Date: 27 November 2014

Signed:
Margaret Ashworth (Interim Chief Financial Officer)



Independent auditor's report to the Trustee of Sherwood Forest Hospitals General Charitable Fund

We have audited the financial statements of Sherwood Forest Hospitals General Charitable Fund for the year ended 31 March 2014 set out on pages 19 to 29 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17 the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2014 and of its incoming resources and application of resources for the year then ended;

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2014



- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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
- the charity has not kept sufficient accounting records; 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.

Andrew Bostock for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

27 November 2014

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

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2014

Statement of Financial Activities for the year ended 31 March 2014

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March 2014 £000	Total at 31 March 2013 £000
Incoming resources						
Voluntary income:	2					
Donations		162	4	-	166	641
Legacies		107	-	-	107	159
Sub total voluntary income:		<u>269</u>	<u>4</u>	<u>-</u>	<u>273</u>	<u>800</u>
Investment Income	9	46	-	-	46	44
Total incoming resources		<u><u>315</u></u>	<u><u>4</u></u>	<u><u>-</u></u>	<u><u>319</u></u>	<u><u>844</u></u>
Net incoming resources available for charitable application		<u>315</u>	<u>4</u>	<u>-</u>	<u>319</u>	<u>844</u>
<i>Charitable activities:</i>						
	3					
Purchase of New Equipment		646	-	-	646	422
New Building and Refurbishment		52	-	-	52	120
Staff Education and Welfare		41	-	-	41	92
Patient Education and Welfare		75	-	-	75	184
Direct charitable expenditure		<u>814</u>	<u>-</u>	<u>-</u>	<u>814</u>	<u>818</u>
Governance costs	4	14	-	-	14	16
Total resources expended		<u><u>828</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>828</u></u>	<u><u>834</u></u>
Net outgoing resources before transfers and other recognised gains and losses		<u>(513)</u>	<u>4</u>	<u>-</u>	<u>(509)</u>	<u>10</u>
Transfers		-	-	-	-	-
Net outgoing resources before other recognised gains and losses		<u>(513)</u>	<u>4</u>	<u>-</u>	<u>(509)</u>	<u>10</u>
Other recognised gains and losses:						
Realised and unrealised (losses) / gains on investment assets	8	43	-	-	43	121
Net movement in funds		<u>(470)</u>	<u>4</u>	<u>-</u>	<u>(466)</u>	<u>131</u>
<i>Reconciliation of funds</i>						
Total funds brought forward		1,742	7	28	1,777	1,646
Total funds carried forward		<u><u>1,272</u></u>	<u><u>11</u></u>	<u><u>28</u></u>	<u><u>1,311</u></u>	<u><u>1,777</u></u>

All income and expenditure relates to continuing activities and there are no gains or losses other than those recognised above.

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2014



Balance Sheet as at 31 March 2014

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2014 Total Funds £000	2013 Total Funds £000
Investments	8	1,334	-	-	1,334	1,291
Total Fixed Assets		<u>1,334</u>	<u>-</u>	<u>-</u>	<u>1,334</u>	<u>1,291</u>
<i>Current assets:</i>						
Debtors	10	3	-	-	3	77
Cash at bank and in hand		210	11	28	249	567
Total Current Assets		<u>213</u>	<u>11</u>	<u>28</u>	<u>252</u>	<u>644</u>
<i>Liabilities:</i>						
Creditors: amounts falling due within one year	11	(275)	-	-	(275)	(158)
Net current assets or liabilities		<u>(62)</u>	<u>11</u>	<u>28</u>	<u>(23)</u>	<u>486</u>
Total net assets/liabilities		<u>1,272</u>	<u>11</u>	<u>28</u>	<u>1,311</u>	<u>1,777</u>
The funds of the charity:						
Endowment funds	13	-	-	28	28	28
Restricted income funds - Childrens fund		-	11	-	11	7
Unrestricted income funds:		1,272	-	-	1,272	1,742
Designated Reserves		-	-	-	-	-
Total charity funds		<u>1,272</u>	<u>11</u>	<u>28</u>	<u>1,311</u>	<u>1,777</u>

The notes on pages 25 to 29 form part of these accounts.

Signed:
Sean Lyons (Chairman)

Date: 27 November 2014



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 market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice by Charities (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 2011 and have been determined under the guidance of FRS 18.

1.2. Funds structure

- a) Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as an endowment fund, where the donor has expressly provided that only the income of the fund may be applied, or as a restricted income fund where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose or expendable endowment where the gift provides for the funds to be invested to produce income and the trustees have the power to spend the capital.
- b) Those funds which are neither endowment nor restricted income funds are unrestricted income funds which are sub-analysed between designated funds, and wholly unrestricted funds which are utilised at the trustee discretion in line with the charity's objectives.

The major funds held in each of these categories are disclosed in note 13.

1.3. Incoming resources

All incoming resources, with the exception of legacies, are included in the Statement of Financial Activities as soon as all three of the following factors are met:

- i) Entitlement - arises when a particular resource is receivable or the charity's right becomes legally enforceable;
- ii) Certainty - when there is a reasonable certainty that the incoming resources will be received the charity is legally entitled to the income; and
- iii) Measurement - when the monetary value of incoming resources can be measured with sufficient reliability.

1.4. Incoming resources from legacies

- a) Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is reasonably certain; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.
- b) Legacies which have been notified but not recognised as incoming resources and therefore have not been included in the Statement of Financial Activities, where material, are disclosed in a separate note to the financial statements with an estimate of the amount receivable.



1.5. Resources expended and irrecoverable VAT

- a) Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. A liability is recognised where the charity is under a constructive obligation to make a transfer of value to a third party as a result of past transactions or events. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.
- b) Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6. Allocation of overhead and support costs

Overhead and support costs have been allocated between Charitable Activities and Governance Costs. Once allocation and / or apportionment of overhead and support costs has been made to restricted income funds, the balance is allocated and / or apportioned between Governance Costs and Charitable Activities in proportion to total spend. Although a transaction cost approach may be more accurate, the trustee takes the view that the difference in approaches is not currently material and the total expenditure approach favours the smaller designated funds with comparatively high transaction volumes but low value. The allocation of overhead and support costs is analysed in note 4.

1.7. Costs of generating funds

The costs of generating funds includes:

- 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) A derived value for the cost of investment management fees.

1.8. Charitable activities

Costs of charitable activities comprise all costs identified as wholly or mainly incurred in the pursuit of the charitable objects of the charity. These costs, which are direct costs together with an apportionment of overhead and support costs, are shown in note 4.

1.9. Governance costs

Governance costs comprise all costs identifiable as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.

1.10. Fixed asset investments

- a) Investments are stated at 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.
- b) The Common Investment Fund Units are included in the balance sheet at the closing dealing price at 31 March 2014.



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

NOTES TO THE ACCOUNTS

2.0. Analysis of voluntary income

	2014	2013
	Total	Total
	£000	£000
	£0	£0
Donations from individuals	166	641
Voluntary income: legacies	107	159
Total	<u>273</u>	<u>800</u>

3.0. Analysis of charitable expenditure

	Grant funded activity	Support costs	2014 Total	2013 Total
	£000	£000	£000	£000
Purchase of New Equipment	619	27	646	422
New Building and Refurbishment	52	-	52	120
Staff Education and Welfare	39	2	41	92
Patient Education and Welfare	72	3	75	184
Total	<u>782</u>	<u>32</u>	<u>814</u>	<u>818</u>

Analysis includes support costs and overheads administration which are disclosed in note 4.

4.0. Allocation of support costs and overheads

Overhead and support costs have been allocated between Charitable Activities and Governance Costs. Costs which are not wholly attributable to an expenditure category have been apportioned. Once the allocation and/or apportionment of overhead and support costs has been made to Governance Costs, the balance is apportioned across Charitable Activities using the same apportionment basis identified in note 4.1

4.1. Allocation and apportionment to Governance Costs and bases applied for apportionment

	Governance £000	Support Costs £000	2014 £000	2013 £000	
Financial Services	8	32	40	48	Allocated by time Governance / Support Costs
External Audit	6	0	6	6	
Total	14	32	46	54	

4.2. Apportionment of Support Costs across Charitable Activities Fund Movements

	Purchase of new equipment £000	Staff education and welfare £000	New building and refurbishment £000	Patient education and welfare £000	Total allocated £000
Financial Services	27	2	0	3	32
Total	27	2	0	3	32

Sherwood Forest Hospitals General Charitable Fund

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5.0. Analysis of grants

5.1. The charity does not make grants to individuals. The total cost of making grants is disclosed on the face of the Statement of Activities. The actual disbursement received by the beneficiaries for each category of charitable activity is disclosed in note 3. 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.

5.2. 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.

6.0. Analysis of staff costs

6.1. No emoluments were paid to employees in 2013/14 (2012/13 £nil).

7.0. Auditors remuneration

The auditor's remuneration of £6,150 (2012/13 £6,150) related solely to the audit with no other additional work undertaken (2012/13 £nil).


8.0. Fixed asset investments:

Movements in fixed asset investment

	2014 £000	2013 £000
Market value at 1 April	1,291	1,170
Add: additions to investment at cost	-	-
Net (loss) / gain on revaluation	43	121
Market value at 31st March	<u>1,334</u>	<u>1,291</u>
Historic purchase cost at 31 March	<u>1,199</u>	<u>1,199</u>
Market value at 31 March :	2014 £000	2013 £000
Investments in a Common Deposit Fund or Common Investment Fund	<u>1,334</u> <u>1,291</u>	<u>1,291</u> <u>1,291</u>

Sherwood Forest Hospitals General Charitable Fund

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9.0. Total gross income from investments	2014	2013
	£000	£000
Investments in a Common Deposit Fund or Common Investment Fund	44	43
Other investments	2	1
	<u>46</u>	<u>44</u>

All investments are held in the UK.

10.0. Debtors	2014	2013
	£000	£000
Amounts falling due within one year:		
Accrued income	2	75
Other debtors	1	2
Total debtors	<u>3</u>	<u>77</u>

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

11.0. Creditors	2014	2013
	£000	£000
Amounts falling due within one year:		
Trade creditors	52	152
Accruals	223	6
Total creditors	<u>275</u>	<u>158</u>

There are no creditors falling due after more than one year

12.0. Commitments

12.1. Timing of commitments	2014	2013
	£000	£000
Commitments payable in under 1 year	65	89
Total cumulative commitments that remain undischarged as at 31 March	<u>65</u>	<u>89</u>

The trustee only approves chargeable commitments where funds are already in place to meet the cost. None of the above commitments as at the balance sheet which all relate to Patient Education and Welfare had resulted in an external liability being created.

12.2. Designated Reserves

There are no designated reserves as at 31 March 2014.

Sherwood Forest Hospitals General Charitable Fund

Annual Report and Accounts for the Year Ended 31 March 2014

13.0. Analysis of charitable funds

	Balance at 1 April b/fwd £000	Incoming resources £000	Resources expended £000	Gains and losses £000	Balance at 31 March c/fwd £000
Endowment Funds					
Benefit of the Children's Fund ^[1]	28	-	-	-	28
Endowment Funds Subtotal	28	-	-	-	28
Restricted Funds					
Benefit of the Children's Fund ^[2]	7	4	-	-	11
Restricted Funds Subtotal	7	4	-	-	11
Unrestricted and Designated Funds					
General Purposes Fund	57	28	(5)	-	80
Other earmarked funds ^[3]	1,685	287	(823)	43	1,192
	1,742	315	(828)	43	1,272
Total Balances	1,777	319	(828)	43	1,311

[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 relates to general funds held at service level.

14.0. Related party transactions

14.1. The Sherwood Forest Hospitals NHS Foundation Trust is the sole beneficiary of the charity. The charity has reimbursed the Sherwood Forest Hospitals Foundation Trust for approved expenditure made on behalf of the charity. These reimbursements amounted to £275,007 (2011/12 £779,353) and are included in the analysis of expenditure as detailed in note 3. During the year none of the members of the Sherwood Forest Hospitals NHS Foundation Trust Board of Directors or Senior Sherwood Forest Hospitals NHS Foundation Trust staff or parties related to them were beneficiaries of the charity.

14.2. Neither the trustee nor any member of the Sherwood Forest Hospitals NHS Foundation Trust Board of Directors have received honoraria, emoluments or expenses in the year and the trustee has not purchased trustee indemnity insurance.