

## PUBLIC BOARD MEETING 31 January 2018

### Details of the Paper

<b>Title</b>	Charity's Annual Trustees Report and Financial Statements
<b>Responsible Director</b>	Rajiv Jaitly, Non-Executive Director / Charitable Funds Committee Chair James Drury, Director of Finance
<b>Purpose of the paper</b>	To ask the Board to <b>APPROVE</b> the Charity's Annual Trustees Report and Financial Statements as at 31 <sup>st</sup> March 2017.
<b>Action / decision required (e.g., approve, support, endorse)</b>	<ol style="list-style-type: none"> <li>1. To Note this paper.</li> <li>2. To approve Charity's Annual Trustees Report and Financial Statements.</li> </ol>

### IMPLICATIONS AND ISSUES TO WHICH THE PAPER RELATES (PLEASE MARK IN BOLD)

<i>Patient Quality</i>	<b>Financial Performance</b>	<i>Operational Performance</i>	<i>Strategy</i>	<i>Workforce performance</i>	<i>New or elevated risk</i>
<i>Legal</i>	<b>Regulatory / Compliance</b>	<i>Public Engagement /Reputation</i>	<i>Equality &amp; Diversity</i>	<i>Partnership Working</i>	<i>Information Technology / Property Services</i>

### ANNUAL OBJECTIVE

Which Strategic Objective/s does this paper link to?  
Supporting the Board in the governance of the Trust's associated Charity.

Please summarise the potential benefit or value arising from this paper:

### RISK

Are there any specific risks associated with this paper? If so, please summarise here.

*Non-Financial Risk:*

*Financial Risk:*

### LINK TO CARE QUALITY COMMISSION ESSENTIAL STANDARDS OF SAFETY AND QUALITY

Which CQC standard/s does this paper relate to?  
*(if you need advice on completing this box please contact the Director for Governance)*

**Author of paper:** Arnold Obierne, Interim Charitable Funds Head of Finance

**Presenter of Paper:** Rajiv Jaitly, Non-Executive Director / Charitable Funds Committee Chair

**Other committees / groups where this paper / item has been considered:** Charitable Funds Committee

**Date of Paper:** 24/1/2018

**COMMITTEE DETAILS:**

Name of Committee: Charitable Funds Committee (CFC)

Meeting date: 19<sup>th</sup> January 2018

Was the meeting quorate? Yes

There were no conflicts of interests declared by members or attendees on the Agenda items due to be discussed. However, Rajiv Jaitly stated a declaration of interest related to personal investments that he possesses.

Apologies were received from Sue Smith (Charitable Funds Officer) and from Rachel Devonshire, Non-Executive Director

**KEY AREAS OF DISCUSSION:****1. Trustees Annual Report and External Audit Report 2016-2017.**

Mr Neil Harris from Ernst Young thanked everyone who had worked hard to complete the audit testing. Timings had not been easy due to staffing issues from the Trust perspective but everyone had pulled together to ensure the accounts and audit were completed.

The Committee reviewed and commented on the Audit Results Report on a page by page basis.

The Letter of representation was reviewed and the following corrections requested:

C3 - provision of minutes to auditors throughout the year: the auditors have not had sight of the minutes from the 14th September 2017 Charitable Funds Committee. These minutes had not been approved as the Committee had not met since. A draft of the minutes would be sent to the auditors to ensure that they had had sight of all relevant documents ahead of signing.

I1 Allocation of expenditure: change from 'resources of each restricted fund' to 'details of each restricted fund'.

Subject to these amendments and confirmation that the letter was the same as previous years the Chair was happy to agree the letter and recommend it to board for approval.

**Charitable Funds Accounts**

The Accounts were reviewed by the Committee and with a number of amendments were recommended for approval by the Board.

The Chair formally thanked the retiring auditors for their help and expressed his hope that the handover would go well and wished the Ernst Young team all the best. This was reciprocated by the auditors.

The Board is asked to APPROVE the Charity's Annual Trustees Report and Financial Statements.

**KEY ACTIONS:**

1. To **RATIFY** Charity's Trustees Report and Financial Statements as at 31<sup>st</sup> March 2017.

**AREAS OF RISK TO BRING TO THE ATTENTION OF THE BOARD:**

None identified.

**ANY EXAMPLES OF OUTSTANDING PRACTICE OR INNOVATION:**

# BUCKINGHAMSHIRE HEALTHCARE NHS TRUST CHARITABLE FUND

## ANNUAL REPORT

For the Financial Year Ended  
31 March 2017

Registered Charity Number 1053113

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## PART 1 - ABOUT THE CHARITY

### 1. - Buckinghamshire Healthcare NHS Trust Charitable Fund Reference and Administrative details.

The Trustee presents its Annual Report and Accounts for the year ended 31 March 2017. This Trustee's report and its Financial Statements have been prepared in accordance with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Statement of Recommended Practice on Accounting and Reporting for Charities (SORP FRS 102), the Charity Commission's general guidance, the Charity's Trust Deed, and applicable United Kingdom accounting standards.

They include all the separately established funds of Buckinghamshire Healthcare NHS Trust Charitable Fund which became the registered name of the charity on 12 October 2012. The charity was formerly known as South Buckinghamshire Hospitals NHS Trust Charitable Funds. The Annual Report and Accounts are prepared with the intention of informing the reader about the charity and its financial activities. They are consistent with the Annual Accounts that are prepared from the records maintained.

The Governing Document of the Charitable Fund was registered with the Charity Commission on the 5 March 2007. This document encompasses the main objectives of the charity for the provision of patient care, staff welfare, research and general charitable hospital purposes at the Buckinghamshire Healthcare NHS Trust, with the Board of Directors acting as the Trustee.

The Trustees are given the authority to efficiently & effectively manage the Charitable Fund.

The Charity will continue to review its governance arrangements to ensure that they are appropriate and fit for purpose.

### 2. - Reference and administration details.

The Buckinghamshire Healthcare NHS Trust Charitable Fund is a registered charity with the Charity Commission

Registration Charity Number: **1053113**

Charity Correspondence Address:

Neil Dardis

Chief Executive

Buckinghamshire Healthcare NHS Trust

Whielden Street

Amersham

Buckinghamshire

HP7 0JD

Telephone: 01494 734783

Website: <http://www.buckshealthcare.nhs.uk/charitable-fund/>

**3. - The Corporate Trustee, the Board of Buckinghamshire Healthcare NHS Trust,** comprised the following on the date of the Financial Statements approval and during this financial year

Trustees

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Names	Trust Position Title
Mrs Hattie Llewelyn- Davies	Chairman and Non-Executive Director
Dr Dipti Amin	Non-Executive Director
Mr Rajiv Jaitly	Non-Executive Director
Mr Graeme Johnston	Non-Executive Director
Professor Mary Lovegrove	Non-Executive Director
Mr Les Broude <sup>1</sup>	Non-Executive Director
Mr David Garmon-Jones <sup>2</sup>	Non-Executive Director
Rachel Devonshire	Non-Executive Director
Tom Roche <sup>8</sup>	Non-Executive Director
Professor David Sines <sup>8</sup>	Associate Non-Executive Director

#### Executive Board

Names	Trust Position Title
Mr Neil Dardis	Chief Executive
Mr James Drury <sup>3</sup>	Director of Finance
Mr Wayne Preston <sup>4</sup>	Interim Director of Finance
Mr Dominic Tkaczyk <sup>5</sup>	Interim Director of Finance
Mrs Carolyn Morrice	Chief Nurse
Dr Tina Kenny	Medical Director
Mr Neil McDonald	Chief Operating Officer

#### Executive Directors

Names	Trust Position Title
Mr David Williams <sup>8</sup>	Director of Strategy and Business Development
Bridget O'Kelly <sup>6,8</sup>	Director of HR
Ian Anderson <sup>7,8</sup>	Director of HR

1. Mr Les Broude (from May 2007 to April 2016)
2. Mr David Garmon-Jones (from June 2015 to February 2017)
3. Mr James Drury (from September 2016)
4. Mr Wayne Preston (from June 2016 to August 2016)
5. Mr Dominic Tkaczyk (from January 2016 to May 2016)
6. Bridget O'Kelly (from September 2017)
7. Ian Anderson (from to April 2015 to August 2017)
8. Non-Voting member

#### 4. - Professional Advisors:

##### Bankers Details:

- **HSBC plc**, 1 Cornmarket, High Wycombe, Bucks, HP11 2 AY
- **HSBC plc**, 2 Walton Road, Aylesbury, Bucks, HP21 7SS
- **Government Banking Services**, Sutherland House, Russell Way, Crawley / W. Sussex, RH10 1UH
- **CAF Bank**, 25, Kings Hill Ave, Kings Hill, West Malling, Kent, ME19 4JQ

##### Investment Manager Details:

Cazenove Capital Management Ltd, 12 Moorgate, London, EC2R 6DA

##### Auditors:

Ernst & Young LLP, 400 Capability Green, Luton / Bedfordshire, LU1 3LU

##### Solicitors:

Capsticks, 1, St George's Road, Wimbledon, SW19 4DR



## PART 2 – ROLES AND RESPONSABILITIES

### 1. Structure, Governance and Management of the Charitable Fund

The Charitable Fund was set up with a Declaration of Trust dated 29<sup>th</sup> January 1996 and was entered onto the Central Register of Charities on 21<sup>st</sup> February 1996. On 1 April 2011, by Statutory Instrument 2011 No. 253, the charity officially accepted responsibility for activities formerly the responsibility of the Buckinghamshire Primary Care Trust Charitable Fund (number 1118390). The change of the charity's name to Buckinghamshire Healthcare NHS Trust Charitable Fund reflects the extension of responsibilities of both the NHS Trust and the charity.

The Charity is known as 'an umbrella charity', which means that it is made up from a number of Charity subsidiaries and smaller charitable funds. Each of the subsidiary charities and smaller funds has its own objectives and fund holders but is subject to the overall governance of the main umbrella fund.

Details of the registered link charities within the group, their individual governing documents and objectives can be found on the Charity Commission website <https://www.gov.uk/government/organisations/charity-commission>

The main sources of income are donations, legacies and investment income. These monies are applied to enhance the services provided within the NHS Trust for patients' welfare, staff welfare, research and general charitable hospital purposes, in accordance with the objectives of the charity and the wishes of the donors. The policy on income and expenditure is detailed in the financial procedure for the charitable funds.

The accounting records and day-to-day administration are handled by the charitable fund office within the Financial Services

Department located at the charity's principal address shown on page 4.

The Charity has a single Corporate Trustee; The Buckinghamshire Healthcare NHS Trust Board. The Trust Board, as Corporate Trustee is ultimately accountable for charitable funds donated to the charity.

Trustees of Buckinghamshire Healthcare NHS Trust Charitable Fund are responsible for controlling the management and administration of the Charity and have a collective responsibility for the Charity. The duties of a Trustee are;

- Ensuring compliance
- Duty of prudence
- Duty of care

The Trustees have been appointed under section 11 of the NHS and Community Care Act 1990.

The members of the NHS Trust Board who served during the financial year and on the date of the Financial Statements approval are noted on page 4 of this Annual Report.

The recruitment and induction of Executive Directors to the Board is undertaken in accordance with the policies of Buckinghamshire Healthcare NHS Trust, which is also responsible for remuneration. Non-Executive Directors are appointed, and their level of remuneration set, by the NHSi. During the financial year 2016/17, no director was paid any remuneration or expenses from the Charity in relation to the activities undertaken as the Charity's Trustee.

The NHS Trust Board has devolved responsibility for on-going management of funds to the Charitable Fund Committee that administers the funds on behalf of the corporate trustee and provides advice and recommendations to the Board. The Committee must approve, on behalf of the corporate trustee, all income and expenditure over £50,000 with an upper limit

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of £100,000. The corporate trustee approves sums exceeding this limit. The membership of the committee consists of two Non-Executive Directors (one of whom acts as the Chair) and the Director of Finance.

The Charitable Fund Committee members, who served during this financial year and on the date of the Financial Statements approval, are the following

Charitable Funds Committee	
Names	Trust Position Title
Mr Rajiv Jaitly	CFC Chair / Non-Executive Director
David Garmon-Jones <sup>2</sup>	Non-Executive Director
Mr James Drury <sup>3</sup>	Director of Finance
Mr Wayne Preston <sup>4</sup>	Acting Director of Finance

Refer to the index on page 5 for more information

The Charitable Fund Committee may delegate authority to commit expenditure but cannot delegate accountability.

This committee is responsible for ensuring that charitable funds are administered in accordance with donors' wishes and legislation. This involves the preparation of policies and procedures for the control of charitable income, investments and expenditure, and ensuring compliance with these policies. Trust staff provides the management and administration of the charity's activities and an appropriate management charge is made. The Charitable Fund Committee has responsibility for reviewing planned and actual expenditure on an on-going basis. The Trustee also confirms that it has paid due regard to the Charity Commission's guidance on public benefit and the objectives of the charity, as explained on page 10, in deciding what activities the charity should undertake

The Executive Director of Finance and Information is responsible for the day to day management and control of the administration of the charitable funds and reports to the Charitable Fund Committee. The Executive Director of Finance and Information has particular responsibility to ensure that the spending is in accordance with the objectives and priorities agreed by the Charitable Fund Committee and the Board; that the criteria for spending charitable monies are fully met; that full accounting records are maintained and that devolved decision making or delegated arrangements are in accordance within the policies and procedures set out by the Board as the Corporate Trustees.

Within the charity there are a number of designated funds relating to particular areas. The charity manages spending through the divisional and individual fund holders who are allocated part of the total budget to spend in accordance with agreed authorisation limits. Fund holders for each of the designated funds manage these funds on a day-to-day basis within the Trust's Standing Orders and Standing Financial Instructions and powers of delegated authority set by the Corporate Trustee (The Board of Buckinghamshire Healthcare NHS Trust). The Trustee oversees the work of the fund holders and has the power to revoke a fund holder's remit and/or direct the use of funds, subject to any specific donor restriction.

The charity ensures that its governance arrangements are appropriate and effective by:

- Putting in place Board measures to ensure that decisions are made solely in the best interest of the charity. The Corporate Trustee allocates separate time for charitable activities and there is a dedicated subcommittee for the charity, chaired by a non-executive director.

- The charity's activities are governed by a specific policy, which is regularly reviewed and communicated widely.
- The committee and fund managers are advised by dedicated staff who take advice from industry bodies as appropriate.
- Annual external audit reviews to certify compliance with regulatory reporting and governance.
- An internal audit review which takes place regularly and at least twice in a three-yearly period. The internal controls and operations of the charity are scrutinised and assurances reported.

On the 31 March 2017 the charity was constituted of 192 funds (2016: 202). Where 4 of the funds in the year or at year-end were endowments, 113 unrestricted and 75 restricted.

Additional details on the material funds are provided in note 12.

## 2. Trustee Induction and Training

Directors' and Non-Executive Directors' training and performance review is undertaken with reference to their role within the NHS Trust and also by attending various NHS Charities events.

As part of their induction programme new Executive Directors and Independent Members of Buckinghamshire Healthcare NHS Trust are made aware of their responsibilities as Board Members of Buckinghamshire Healthcare NHS Trust and as Corporate Trustees of Buckinghamshire Healthcare NHS Trust Charitable Fund. On-going updates and information will be addressed via Board development days and receipt of the annual reports and accounts in relation to the charity.

The Charity has no specific requirement or procedure in place for the induction or

training of Directors on Charitable Fund issues. However, The Board is informed regarding the activity of the Charitable Fund Committee in each Board meeting and the Charitable Fund Committee is updated regarding any regulation, guidance, policy or procedure during each meeting.

As part of the Governance; a "Board Induction Pack" with general information and guidance suggested by the Charity Commission was developed and is presented to the Board members when they start their engagement with the Trust and the necessary updates are provided during the annual induction day. Additionally, as part of the Trust Board's planning cycle, a charity's Trustees training day has been agreed.

## 3. Charitable Funds Risk Management Policy

The Trust Board as Corporate Trustee is responsible for the Charity's risk management and the effectiveness of internal control systems and reviewed this policy during the year. The Trust Board and Charitable Fund Committee reviews major risks and the Audit Committee works to ensure that reasonable measures are taken to manage these risks.

The Charity risk assessment was completed using the Charity Commission Charities and Risk Management' guide. The assessed risks were included in the Charity's risk register. No risks were assessed to be greater than high.

The Charitable Fund's strategy for managing its risk is to:

- ❖ Adopt an integrated approach to risk management through its policies, internal control and procedures.
- ❖ Manage risk as part of normal line management responsibilities.

- ❖ Ensure that the Committee reviews the significant risks identified periodically.
- ❖ Utilise internal and external audit and other assessments to provide assurance that the risk is being managed appropriately.

The Charitable Funds Committee and the Audit Committee reviews reports on internal audit undertaken across key operations of the Charity and its risks.

The internal audit review takes place regularly and at least twice in a three-yearly cycle.

The Audit Committee and Charitable Fund Committee meet with the external auditor on a regular basis to discuss findings and risks that the charity could face. This information and recommended actions are presented to the Trust Board. These processes provide the Trust Board with the assurance that internal controls and risks are monitored by management.

#### **4. Financial Risk Management**

The Organisation's activities expose the Charity to credit risk, market risk and liquidity risk.

The organisation's financial activities are governed by policies approved by The Charitable Fund Committee and the Trust Board and these activities are directly supervised by the Executive Finance Director, Senior Finance Managers and the Procurement team.

The principal financial assets are bank balances, investments, and receivables. Liquidity risk is mainly attributable to bank balances and these are well controlled.

A number of our investments are subject to market activities. In order to mitigate the risk of fluctuating asset values the charity adopts a well-defined investment policy which

establishes a well-diversified investment portfolio. The charity uses a professional investment manager, Cazenove Capital Management Ltd, to manage the portfolio. Gains and losses, both realised and unrealised, are allocated to the individual funds. This allows the fund holders to use the funds to maximum advantage, while preventing them from being over-committed due to a fall in market conditions. The investment policy defines the approach to unethical investments and, periodically, the charity reviews the extent of such stocks within the portfolio and the impact of the policy on valuation.

The funds, and individual accounts, are carefully monitored and expenditure is only permitted when it is seen that an account has sufficient funds to support expenditure in accordance with its objectives.

The financial risk management for the charity including the risk of fraud is included within the overall risk management embedded within Buckinghamshire Healthcare NHS Trust.

The charity states in its policy's detailed expenditure rules how funds can and should be used. These are subject to regular review.

The Trustees have considered the risks that the charity faces and confirms that systems, procedures and policies are in place to ensure that risk is managed.

#### **5. Relationships with Related Parties / External Bodies**

During the financial year none of the Trustees or members of the key management staff or parties related to them has undertaken any material transactions with the Buckinghamshire Healthcare NHS Trust Charitable Fund.

Board Members (and other senior staff) take decisions both on charity and exchequer matters but endeavour to keep the interests

of each discrete and do not seek to benefit personally from such decisions.

All grants made are to Buckinghamshire Healthcare NHS Trust to support the activities relating to Buckinghamshire Healthcare NHS Trust in line with the objectives of the charity.

The charity has made payments to the Buckinghamshire Healthcare NHS Trust amounting to £1,410,000 in 2016/17.

## 6. The Role and Contribution of Volunteers

Buckinghamshire Healthcare NHS Trust is fortunate to receive support from a number of both individual and group volunteers.

The charity contributes in order to support “The Volunteers’ Thank you day” that is organised by the Trust in order to emphasise all the benefits to the patients and staff that volunteers bring to our organisation.

### PART 3 – OBJECTIVES, PUBLIC BENEFIT, MISSION, AIMS AND STRATEGY

**1. The objectives of the charity** fall within the category of ‘the advancement of health or saving lives’ as defined within the Charities Act 2011.

The objective of the Buckinghamshire Healthcare NHS Trust’s main charity fund is listed in its governing documents as ‘The Trustee shall hold the trust fund upon trust to apply the income and, at their discretion, so far as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service’.

**2. The charity’s public benefit** is to support patients and their families that are/were treated at Buckinghamshire Healthcare NHS Trust and additionally to support Buckinghamshire Healthcare NHS

Trust’s staff and their research projects in order to improve health care.

The Trustees had due regard to the Charity Commission’s public benefit guidance when exercising any powers or duties to which the guidance is relevant and when reviewing Buckinghamshire Healthcare NHS Trust Charitable Fund’s objectives and aims. The Charitable fund’s objectives have a direct relationship to this public benefit. Therefore, the Trustees are satisfied that these aims do not have an unfavourable effect outside of the charity’s activities and comply with the public benefit parameters established by the Charity Commission.

The needs of patients are evaluated through the assessment of Trust staff, ward and departmental managers.

**3. The Trust defines its Mission** as: “**Safe and Compassionate Care, Every Time**” and its **Vision** as: “**To be one of the safest healthcare systems in the country**” and describes its **values** as:

Collaborate  
Aspire  
Respect  
Enable

The Trust has a set of three strategic priorities, which are embedded into the strategies and objectives pursued by the Trust.

• **Quality**, we will offer high quality, safe and compassionate care in patients’ homes, the community or one of our hospitals by:

- Empowering patients to manage their own health and care
- Joined up working between hospital, community, GP, social care and voluntary sector.
- Delivering patient outcomes and experience that’s amongst the best in the country.
- Being recognised nationally as a high performing organisation.

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• **People**, we will be a great place to work where our people have the right skills and values to deliver excellent care by:

- Developing Inspirational leaders and strong teams.
- Attracting and retaining high calibre and engaged people.
- Enabling teams to innovate and develop their services.
- Pioneering new ways of working across sites, services and organisations.

• **Money**, we will be financially sustainable, will make the best use of our buildings and be at the forefront of innovation and technology by:

- Improving productivity to ensure spending stays within the income we receive.
- Becoming an IT-enabled “paperless” organisation.
- Having specialist services at the forefront of research and innovation.
- Delivering health and care hubs supporting more people in their communities.

The Charity supports the Trust in achieving its mission, vision and strategic aims to the extent that the Charity formally adopts them, as appropriate and allowed, within its own objectives. The charity supports projects and purchases which focus on these priorities.

**4. The charity’s aims** seek to maximise its contribution to the NHS Trust by funding additional equipment, sponsoring research or innovative projects and to make the hospitals more comfortable and welcoming. It also supports the staff of the NHS Trust by providing financial support to staff amenities and health and wellbeing projects.

**5. The charity’s overall strategy** is to continue to provide enhancement to the Trust’s strategic priorities for the medium to long term. To be able to achieve this aim it

retains sufficient resources to provide financial support on a sustainable basis and works closely with the Trust staff so that patient priorities are understood.

It offers support in three broad areas. It provides medical equipment that will have a direct impact on patient care and that would otherwise not be available. It also invests in the facilities that make a difference to the delivery of patient care within the Trust’s premises. It will continue to support development of staff and processes to improve productivity and to assist the Trust to provide a well-trained and well-motivated workforce.

The charity supports the success of this strategy by selecting the right projects to prioritise these objectives.

Apart from low value expenditure below a set threshold, expenditure is subject to a formal bid process which establishes the benefits clearly and the elements for successful delivery. Projects are reviewed at Trustees meetings to ensure benefits have been delivered.

**PART 4 – ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

A variety of projects benefiting Trust patients, visitors and staff have been funded by the charity. Some of the main projects of the year under review include:

**1. - Patient Welfare and Amenities**

A total of **£656,000** has been invested in Patient Welfare and Amenities.

Making grants and sponsoring projects related to enhancing patient wellbeing and care is the most direct way the charity can fulfil its charitable objectives and the Trustees have prioritised expenditure in this area. This category of charitable expenditure covers the purchase of medical equipment, the cost of projects which

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improve patient care and monitoring and improving the hospital facilities and furnishings.

Funds were invested in new medical equipment during the year for the benefit of patients. Some of the equipment provided were:

- ❖ Roche Lightcycler 480, this Instrument is designed for general laboratory use. It provides various methods for gene detection, gene expression analysis, genetic variation analysis, and array data validation. Microbiology Department. Stock Mandeville Hospital.

- ❖ Xion Endoscopic system, This swallowing diagnostic system meet the needs of a wide range of applications – from the acute examination at the patient's bedside to comprehensive examinations with video-endoscopic and video-fluoroscopic methods. Speech and Language Therapy. Amersham Hospital.

- ❖ RISE Stimulator FES System, a new development in the area of electrical stimulation. Unlike the traditional FES system, the RISE Stimulator can be used in a flaccid (non-spastic) paralysis, better known as a low transverse lesion. NSIC. Stock Mandeville Hospital.

- ❖ Dual Use Ventilators, these are auto-regulated pressure-controlled modes of mechanical ventilation with a user-selected tidal volume target. The ventilator adjusts the pressure limit of the next breath as necessary according to the previous breath's measured exhaled tidal volume. Peak airway pressure varies from breath to breath according to changes in the patient's airway resistance and lung compliance. NSIC. Stock Mandeville Hospital.

- ❖ Activity Based Therapy Equipment - St Francis Ward. This equipment will provide additional therapeutic intervention, complement the therapy provision and enhance the quality of treatment received by

children and young person with spinal cord injury admitted for rehabilitation on St Francis Ward

The charity also invested in different projects established to enhance the care provided to the patients of Buckinghamshire Healthcare NHS Trust and improve performance. Some of the highlights include:

- ❖ National Spinal Injury Centre - Reception Refurbishment. The refurbishment will be designed to provide a far less intimidating and a more welcoming environment for the paediatric and adult patients visiting the unit, enhance the services that are provided to the patients and provide art gallery space for spinal patient's to display artwork.

- ❖ Pastoral Staff Support – The charity supported a number of chaplains who are managed within the Specialist Palliative Care SDU who provide a multi-faith service to all patients within the Trust across all wards and divisions. Spiritual support and pastoral care is proven to promote the health and well-being in the patients and their families.

- ❖ Refurbishment of Patients Quiet Room in the Cancer Care and Haematology Unit. The refurbishment was designed to provide an appropriate environment for the patients and relatives who are usually very emotional and distressed after receiving bad news.

## 2. - Staff Welfare and Amenities

A total of **£183,000** has been spent on Staff Welfare and Amenities.

The Trustees fully support the view that a healthy and motivated workforce is a more effective workforce and there is a real benefit to patient care. Therefore they have continued to support “the Health and Wellbeing project” which is achieving benefits to staff morale and health through the provision of counselling and physiotherapy programmes.

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In addition, the charity has supported activities aimed at improving individual and team morale, through trust-wide and departmental staff awards for excellent patient care. The charity also funds long service awards to staff.

### 3. - Training and Education

A total of **£95,000** has been spent on staff training and development.

The charity plays a significant role in the development of the staff within the Buckinghamshire Healthcare NHS Trust. Support is provided to a variety of activities including conferences, workshops and individual training. Support has both enhanced broad personal development and has improved skills directly related to patient care. Some of these training activities included:

- ❖ St George's Cardiology Clinical Academic Group. 22<sup>nd</sup> Annual Transoesophageal Echocardiography Course at St George's University London.
- ❖ ECS Congress 2016 in Rome, Italy.
- ❖ American Spinal Injury Association (ASIA). 2016 Annual Scientific Meeting in Philadelphia, USA.
- ❖ Equatability Training Ltd. Independent Living Programme in Harrow.
- ❖ The 55<sup>th</sup> ISCoS Annual Scientific Meeting in Vienna, Austria.
- ❖ American Society of Haematology. 58<sup>th</sup> Annual Meeting and Exposition in San Diego, USA.
- ❖ GovNet Communications. Effective Information Sharing training in Manchester.
- ❖ 42<sup>nd</sup> Hospital Optometrist's Annual Conference in Stratford-upon Avon.

- ❖ Stroke Association. UK Stroke Forum in Liverpool.

- ❖ Trend UK - Diabetes Nursing Conference in London.

### 4. - Research

A total of **£350,000** has been invested in research during 2016/17.

The active research studies are aimed to improve patients' quality of life. Some of the research studies of the year under review include:

- ❖ Aging, life expectancy and causes of death in patients with spinal cord injury studies.
- ❖ Research project manager for next step for becoming world leading in paediatric spinal cord injury research.
- ❖ The Ann Masson Research Fellowship to support the development of research initiatives within the National Spinal Injury Centre.

Additional details about these projects are shown in note 19.

### 5. - Other activities

A total of **£1,000** has been spent on other charitable activities. This category includes small miscellaneous transactions.

### 6. - Charity's performance

The following table summarises the charity's performance in the last year:



Activity that were planned for 2016-2017	Results
<b>Patients Wellbeing</b> To support patients and their families that are treated at Buckinghamshire Healthcare NHS Trust, ensuring that they have access to the best possible treatment and care.	Achieved and Ongoing
<b>Staff Health and Wellbeing</b> The charity planned to support the Trust with Health and Wellbeing activities which have been shown to improve staff morale and lower levels of sickness.	Achieved and Ongoing
<b>Staff Training</b> The charity planned to support the training and development of staff.	Achieved and Ongoing
<b>Research Programmes</b> Continue with the development of the charity's research programmes, its activities and medical staff in order to improve the scope of successful treatments.	Achieved and Ongoing
<b>Governance</b> Assess the progress achieved through the funding of projects and communicate this efficiently to the public	Achieved and Ongoing
<b>Governance</b> Development and update of Governance, Policies, Internal Controls and Procedures.	Achieved and Ongoing
<b>Governance</b> Provide training to Fund Holders, Medical Staff, Financial Officers and General Staff in policies and procedures.	Achieved and Ongoing

Activity that were planned for 2016-2017	Results
<b>Governance</b> Restructuring and Consolidating the Trust Charitable Funds in order to make its use more effective and efficient.	Achieved and Ongoing
<b>Governance</b> Streamline and update the information about the Charitable Fund's activities, governance and fundraising events on the charity's website.	Achieved and Ongoing

## 7. – Legacies

We have been very fortunate to have people remembering Buckinghamshire Healthcare NHS Trust by leaving a gift in their will; legacies income is a vital source of funding to continue with actual and future activities in order to benefit patients, staff and research.

The Trustees are extremely grateful for everyone who has thought of Buckinghamshire Healthcare NHS Trust Charitable fund, contributing **£2,363,000**.

If you would like to consider leaving Buckinghamshire Healthcare NHS Trust a gift in your will, please get in touch with the Charitable Fund Head of Finance and Governance at Buckinghamshire Healthcare NHS Trust, Finance Department, Whielden Street, Amersham, Buckinghamshire, HP7 0JD. Telephone: 01494 734 777

## PART 5 – FINANCIAL SUMMARY 2016-2017

### 1. - Review of the Finances

The following financial statements have been prepared in accordance with the requirements of the Charities Commission Statement of Recommended Practice (FRS

102 SORP) – Accounting and Reporting by Charities.

The statement of financial activities shows that Buckinghamshire Healthcare NHS Trust Charitable Fund received income from donations, legacies, investments and other income amounting to **£2,848,000** in 2016/2017. Expenditure on charitable activities amounted to **£1,410,000** of which £350,000 was used to fund research, £656,000 for patients' welfare and amenities, £183,000 for staff's welfare and amenities and £95,000 for staff's training and development. Expenditure relating to Support and Governance costs amounted to £125,000 or 9% of total expenditure (2015/16 10%)

## 2. - Investment Policy and Performance

The Trustees invest the charitable funds donated to them whilst proposals to utilise and expend these funds are formulated and executed. It is not the Trustee's primary aim to accumulate funds. Accordingly, a portion of the total funds are held back as working capital with the rest constituting the portfolio invested, which is the subject of the Investment policy. The policy is available from the Trust board on request.

The individual charitable funds are 'pooled' so that each fund is not separately invested and no specific policy is applied to each fund. The rate of return allocated to each fund is a proportion of the total return achieved on the investments, based on the total value of the funds. This minimises the risk to each fund as the investment portfolio is well diversified, rather than individual funds being exposed to the volatility of returns on individual investments.

Since April 2008, Cazenove Capital Management, the investment manager, has been appointed to manage and advise on the portfolio. The charity has agreed a portfolio categorised as discretionary with a strategic asset allocation with Cazenove, and invests in holdings of Cazenove's

investment funds and other investment funds for that asset type e.g. Equities, Fixed Interest Bonds and so on, in proportions that match those main headings. However tactical positions may be taken within a range agreed by the Trustee. The charity has an ethical investment strategy which seeks to keep investment in tobacco, alcohol and firearm related companies to a minimal level. Periodically, the Trustees review the extent of such investments.

The strategic asset allocation at 31 March 2017 was as per note 7 of notes to the accounts on page 35.

67.0% Investments listed under Equities.  
5.9% Investments listed under UK Bonds.  
11.1% Multi-Asset Portfolio Funds.  
1.3% Hedge Funds.  
11.0% Property Funds.  
2.1% Other Alternative Funds  
1.7% Cash held as part of investment portfolio.

The Investment projected annual Income and the projected annual yield at the end of this financial year adhered to the performance and the thresholds established in the Investment Policy.

## 3. - Reserves and Accumulated Funds

Reserves are that part of a charity's unrestricted funds that are available to spend on any of the charity's purposes. Reserves need to be maintained at a level which is sufficient to meet planned commitments and any unforeseen or unexpected expenditure in advance of the receipt of investment income and charitable donations. This assessment of the required level of reserves excludes those funds classified as restricted as they are only available for a specified purpose.

The Trustees consider that reserves should be set at a level which is equivalent to estimated planned commitments' in the next financial year covering a period of **three** months. At this level, and in the event of a

significant reduction in charitable funding, Trustees feel that they would be able to continue with the current programme of activity for such time as is necessary to allow for a properly planned and managed change in the activity programme and/or the generation of additional income streams.

In the light of the above, a reserves target has been set at **£771,000** which is some **25%** of the balance shown in the Unrestricted Charitable Funds Accounts as at 31 March 2016 of **£3,085,000**. Whilst the Charity has met its reserves policy it will continue to monitor its future funding strategies and detailed expenditure and commitment plans yearly to ensure this continues. The reserves are maintained in a readily realisable form within the Portfolio Investments.

It is the policy of the Trustees that income should be spent as quickly as deserving causes can be identified; unspent funds are invested so as to grow in value and yield further income. The funds are invested in approved pools.

As at 31 March 2017 the Fund investments, representing most of its unspent income, were valued at **£8,353,000**. The investments, objectives and level of reserve are reviewed by the Trustee annually. During 2016/17 the value of the invested funds experienced an increase by £973,000. This overall performance of the portfolio market value represents a gain of 13.18% in the last twelve months. At the balance sheet date the charity held a level of cash, at **£1,880,000**.

The Trustee directors aim to maintain the real term value of the capital over the medium term, although they will be prepared to realise capital gains if achieved and if there is a bona fide charitable purpose for them. Funds available for normal charitable expenditure will, therefore, be drawn from on-going donations, interest from investments that is surplus to administrative expenditure and modest realisation of

capital gains. One-off reductions in investment capital can, on a case-by-case basis, fund eligible major capital projects needing charitable funding.

#### **4. - Grant Making Policy**

All grants made are to Buckinghamshire Healthcare NHS Trust to support the activities relating to Buckinghamshire Healthcare NHS Trust in line with objectives of the charity. For example, the Charitable Fund does not directly employ the staff working on Charitable Funded activity; Grants are made to Buckinghamshire Healthcare NHS Trust to employ those staff.

The charity has considered each bid for funding on its own merits, and has worked independently of the Trust decision-making.

The charity does not enter into any contractual arrangement for the approved grants. The grants approved have been recognised on the Balance Sheet and/or SOFA to the extent to which the project has been delivered and the commitments for these grant are shown in note 19.

#### **5. – The Charity’s Financial Health**

There are ever-increasing demands on the resources of the charity as patient numbers and their expectations increase, technology requirements develop rapidly and the NHS resources become increasingly challenged. However, the charity remains in a strong financial position due to its level of funds to continue its on-going support to the Buckinghamshire Healthcare NHS Trust in achieving its mission, vision and objectives by funding additional equipment, sponsoring research or innovative projects, supporting staff and making the hospital more comfortable and welcoming.

#### **6. – Consolidation of accounts**

HM Treasury has concluded that in compliance with international Accounting Standard 27, the financial position and

results of NHS charities should be consolidated into the accounts of the related NHS body. Wherever that NHS body is the corporate trustee of the charity and therefore has the power to control and benefit from the charity which it administers as corporate trustee. NHS Charities remain independent and charity law requires that trustees act in accordance with the charity's purposes and in the best interests of the charity and its beneficiaries and do not act on the policies or directions of any other body. Therefore, when the Corporate Trustee considers the affairs of the charity, although it does have control over those affairs, it is required to make decisions solely in the interest of the charity and its beneficiaries and not in the interests of the NHS Trust.

Consolidation is only required where the figures are material to the accounts of the NHS body. In the case of Buckinghamshire Healthcare NHS Trust, the NHS body is the corporate trustee of the charity, and the financial result from the charity during this financial period was considered to be material to the accounts of the NHS body, and therefore the charity figures were consolidated within the account of this body.

It remains the case that the funds of the charity can only be used for charitable purposes.

## PART 6 – PLANS FOR THE FUTURE

As a result of growing funding pressures on the NHS nationwide, the Charity is expecting an increase in demand upon funds.

The Charity will support the Trust as far as it can in order to provide the best service possible to its patients.

The overall strategy remains unchanged. The Charitable Fund retains sufficient resources to provide financial support on a

on-going basis; therefore the Charity will continue to provide enhancement to the Trust's strategic priorities for the medium to long term and work closely with Trust staff so that patient priorities are understood.

The Charitable Funds Committee has already authorised funding towards the cost of projects in line with the objectives of the Charity which are expected to start in 2017. These projects are shown in note 19. The Committee agreed these projects will bring a direct benefit to the patients and allow the Charity to support the Trust in achieving its mission, strategy and objectives.

The charity's plan for the coming financial year is to continue with the support to:

1. the patients and their families that are treated at Buckinghamshire Healthcare NHS Trust, providing them with access to the best possible treatment and care by purchasing medical equipment, funding projects which improve patient care and monitoring and improving the hospital facilities and furnishings.
2. the Trust with Health and Wellbeing activities which have shown to improve staff morale and lower levels of sickness.
3. the development of the staff within the Trust through a variety of activities including conferences, workshops and individual training.
4. the development of the charity's research programmes, its activities and medical staff in order to improve the scope of successful treatments.
5. assess the progress achieved through the funding of projects and communicate this to the public
6. the preservation and update of the adequate Governance, Policies, Internal

Controls and Procedures in order to manage efficiently and effectively the charity's affairs.

7. provide support to Fund Holders, Medical Staff, Financial Officers and General Staff in order to seek funding to enhance the services provided to the patients.

The Trust Board and Charitable Funds Committee considered that the fulfilment during the short and medium term of all these targets should allow the Charitable Funds to continue to be in a position to comply with the Public Benefit requirement with its Charitable Activities. Additionally, it would ensure the on-going effectiveness of the systems of internal control.

Neither The Buckinghamshire Healthcare Charitable Funds nor its Trustees are acting as Custodian Trustees of behalf of other Trusts.

**Signed on behalf of the Buckinghamshire Healthcare NHS Trust**

Signed:  
Neil Dardis  
Chief Executive  
Date:

Signed:  
Rajiv Jaitly  
Chair of the Charitable Funds Committee  
Date

Signed:  
James Drury  
Director of Finance  
Date

**PART 7 – FUNDS HELD ON BEHALF OF OTHER TRUST**

Safe & compassionate care,

every time

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**Buckinghamshire Healthcare NHS Trust Charitable Fund 2016-2017****STATEMENT OF TRUSTEES RESPONSIBILITIES****IN RESPECT OF THE ACCOUNTS**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, Financial Reporting Standard 102 (FRS 102-SORP) issued by the Financial Reporting Council and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**By order of the Trustees**

Signed:  
Neil Dardis, Chief Executive  
Date:

Signed:  
James Drury, Director of Finance  
Date:

Signed:  
Rajiv Jaitly, Chair of the Charitable Funds Committee  
Date:

## Buckinghamshire Healthcare NHS Trust Charitable Fund 2016-2017

### STATEMENT OF FINANCIAL TRUSTEE'S RESPONSIBILITIES

As Financial Trustee of the Funds Held on Trust I am responsible for:

- The maintenance of financial records appropriate to the activities of the funds.
- The establishment and monitoring of a system of internal controls
- The establishment of arrangement for the prevention of fraud and corruption.
- The preparation of annual financial statements which give a true and fair view of the funds held on trust and the results of their operations.

In fulfilment of these responsibilities I confirm that the financial statements set out on pages 23 to 25 attached, have been compiled from and are in accordance with the financial records maintained by the Trustees and with accounting standards and policies for the NHS approved by the HM Treasury.

#### By order of the Trustees

Signed:  
Neil Dardis  
Chief Executive  
Date:

Signed:  
Rajiv Jaitly  
Chair of the Charitable Funds Committee  
Date

Signed:  
James Drury  
Director of Finance  
Date

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BUCKINGHAMSHIRE HEALTHCARE NHS TRUST CHARITABLE FUND**

We have audited the financial statements of Buckinghamshire Healthcare NHS Trust Charitable Fund for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

This report is made solely to the Trustees, as a body, in accordance with section 144 of the Charities Act 2011 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees, 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 Trustees' Responsibilities Statement set out on page 19, 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 144 of the Charities Act 2011 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 31 March 2017, and of its net income and application of resources, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; and
- ▶ have been 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
- ▶ sufficient accounting records have not been kept; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ we have not received all the information and explanations we require for our audit.

### **Ernst & Young LLP**

Luton

31<sup>st</sup> January 2018

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

### **Notes:**

1. The maintenance and integrity of the Buckinghamshire Healthcare NHS Trust Charitable Fund web site is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

## Buckinghamshire Healthcare NHS Trust Charitable Fund 2016-2017

### Statement of Financial Activities for the year ended 31 March 2017

	Note	Unrestricted Funds £000	Restricted Funds £000	Endow ment Funds £000	Total at 31 March 2017 £000	Total at 31 March 2016 £000
<b>Incoming resources from:</b>						
Donations	2.1	46	122	-	168	164
Legacies	2.1	607	1,756	-	2,363	777
Charitable activities	2.2	-	-	-	-	3
Other incoming resources	2.2	25	23	-	48	44
Investment Income	2.3	90	176	3	269	272
<b>Total incoming resources</b>		<b>768</b>	<b>2,077</b>	<b>3</b>	<b>2,848</b>	<b>1,260</b>
<b>Expenditure on:</b>						
Patient's welfare and amenities	5	283	437	-	720	870
Staff welfare and amenities	5	187	13	-	200	221
Research	5	14	371	-	385	103
Training and Development	5	54	49	-	103	87
Other	5	-	1	1	2	8
<b>Total expenditure</b>		<b>538</b>	<b>871</b>	<b>1</b>	<b>1,410</b>	<b>1,289</b>
<b>Net incoming/(outgoing) resources before Transfers</b>		<b>230</b>	<b>1,206</b>	<b>2</b>	<b>1,438</b>	<b>(29)</b>
Transfer between funds		-	-	-	-	-
Net gains/(losses) on investments	7	326	641	9	976	(358)
<b>Net movement in funds.</b>		<b>556</b>	<b>1,847</b>	<b>11</b>	<b>2,414</b>	<b>(387)</b>
<b>Reconciliation of Funds</b>						
Total fund balances brought forward at 1st April 2016		3,085	5,543	84	8,712	9,099
<b>Total Fund balances carried forward at 31 March 2017</b>		<b>3,641</b>	<b>7,390</b>	<b>95</b>	<b>11,126</b>	<b>8,712</b>

- All income and expenditure resources relate to continuing operations.
- The Charity has not recognised gains or losses other than those dealt with in the Statements of Financial Activities.
- The notes at pages 26 to 42 form part of these accounts.

**Buckinghamshire Healthcare NHS Trust Charitable Fund 2016-2017**

**Balance Sheet as at 31 March 2017**

	Note	Unrestricted Funds £000	Restricted Funds £000	Endow ment Funds £000	Total at 31 March 2017 £000	Total at 31 March 2016 £000
<b>Fixed Assets</b>						
Investments	7	2,914	5,439	-	8,353	7,380
<b>Total Fixed Assets</b>		<u>2,914</u>	<u>5,439</u>	<u>-</u>	<u>8,353</u>	<u>7,380</u>
<b>Current Assets</b>						
Stocks	8	1	-	-	1	2
Debtors	9	580	621	-	1,201	717
Cash at bank and in hand	10	284	1,501	95	1,880	850
<b>Total Current Assets</b>		<u>865</u>	<u>2,122</u>	<u>95</u>	<u>3,082</u>	<u>1,569</u>
<b>Liabilities</b>						
Creditors: Amounts falling due within 1 year	11	(138)	(171)	-	(309)	(237)
<b>Net Current Assets</b>		<u>727</u>	<u>1,951</u>	<u>95</u>	<u>2,773</u>	<u>1,332</u>
<b>Total Net Assets</b>		<u>3,641</u>	<u>7,390</u>	<u>95</u>	<u>11,126</u>	<u>8,712</u>
<b>Funds of the Charity</b>						
Endow ment Funds	12	-	-	95	95	84
Restricted Income Funds	12	-	7,390	-	7,390	5,543
Unrestricted Income Funds	12	3,641	-	-	3,641	3,085
<b>Total Charity Funds</b>		<u>3,641</u>	<u>7,390</u>	<u>95</u>	<u>11,126</u>	<u>8,712</u>

The notes at pages 26 to 42 form part of these accounts

These accounts (Register Charity number 1053113) were approved by the Trustees and signed on their behalf by:

Signed:  
Neil Dardis  
Chief Executive  
Date:

Signed:  
Rajiv Jaitly  
Chair of the Charitable Funds Committee  
Date:

Signed:  
James Drury  
Director of Finance  
Date:

**Buckinghamshire Healthcare NHS Trust Charitable Fund 2016-2017**
**Statement of Cash Flows for the year ending 31 March 2017**

	Notes	<b>2016/2017</b>	2015/2016
		<b>Funds</b>	Funds
		<b>£000</b>	£000
<b>Cash flows from operating activities</b>		<b>758</b>	(960)
<b>Net cash provided by (used in) operating activities</b>	14	<b>758</b>	<b>(960)</b>
<b>Cash flows from investing activities:</b>			
Dividends and interest		269	272
Purchase of furniture and equipment		-	-
Proceeds from sale of investments		435	1,628
Purchase of Investment		(432)	(1,328)
<b>Net cash provided by (used in) investing activities</b>		<b>272</b>	572
<b>Cash flows from financing activities</b>			
receipt of expendable endow ment		-	-
<b>Net cash provided by financing activities</b>		-	-
<b>Change in cash and cash equivalents in the year</b>		<b>1,030</b>	<b>(388)</b>
Cash and cash equivalent brought forward		850	1,238
<b>Cash and cash equivalents carried forward</b>		<b>1,880</b>	<b>850</b>

The notes at pages 26 to 42 form part of these accounts

## Notes to the Account

### 1. Accounting Policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Buckinghamshire Healthcare NHS Trust Charitable Fund (the Charity's) financial statements.

#### 1.1 Accounting Convention

##### a) 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 Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102 – effective 1<sup>st</sup> January 2015 / Charities SORP - FRS 102) and applicable UK Accounting and Financial Reporting Standards and the Charities Act 1993 and 2011.

The accounts have been prepared **on the going concern basis** which assumes the Charity will continue for the foreseeable future. The Trustees believe that **there are no material uncertainties** that call into doubt the Charity's ability to continue in operation.

##### b) Funds Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Where the restriction requires the gift to be invested to produce income but the trustees have the power to spend the capital, it is classed as expendable endowment.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the donor has made known their non-binding wishes or where the trustees, at their discretion, have created a fund for a specific purpose.

The Charity has four expendable endowments.

Further details of each fund are disclosed in note 12.

#### 1.2 Income

a) All incoming resources are included in full in the statement of Financial Activities as soon as the following three factors are met:

i) Entitlement – control over the rights or other access to the economic benefit has passed to the charity (In the case of a donations, entitlement usually arises immediately on its receipt; and

ii) Probable - when it is more likely than not, that the economic benefits associated with the transaction or gift will flow to the charity and

iii) Measurement - when the monetary value, or amount of income, can be measured reliably and the costs incurred for the transactions and the costs to complete the transaction can be measured reliably.

**b) Income from Donations**

Donations are received from individuals.

**c) Legacies**

Legacies are recognised and accounted for when it is probable that it will be received. This will be once

i) There has been grant of probate

ii) The executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and

iii) Any conditions attached to the legacy are either within the control of the charity or have been met.

The Charity adopted a policy of discounting the value of legacies where:

i) The expected receipt date is more than 12 months after the balances sheet date

ii) AND the expected nominal value of the legacy is over £1 million or the expected receipt date is more than 3 years after the balance sheet date

iii) AND the effect of discounting is material.

Material legacies which have been notified but not recognised as incoming resources in the Statement of Financial Activities are disclosed in note 15.

**d) Gifts in Kind**

i) Assets given for distribution by the funds are included in the Statement of Financial Activities when distributed.

ii) Assets given for use by the funds (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.

iii) Gifts made in kind but on trust for conversion into cash and subsequent application by the funds are included in the accounting period in which the gift is sold.

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

**e) Intangible income**

Intangible income (e.g. the provision of free accommodation) is included in the accounts with an equivalent amount in outgoing resources, if there is a financial cost by another party.

The value placed on such income is the financial cost of the third party providing the resources.

**f) Charitable Activities****Grants**

There are no corresponding items for 2016/17 (2015/16 £3,124.45)

**g) Other Trading Activities**

There are no corresponding items for 2016/17 (2015/16 £0.00)

**1.3 Expenditure****a) Expenditure is recognised when all of the following criteria are met:**

i) Obligation – a present legal or constructive obligation exists at the reporting date as a result of a past event.

ii) Probable – it is more likely than not that a transfer of economic benefits, often cash, will be required in settlement.

iii) Measurement – the amount of the obligation can be measured or estimated reliably.

When the charity enters into a contract for the supply of goods or services, expenditure is recognised once the supplier of the goods or services has performed their part of the contract and the goods and services have been received by the charity.

Grants are only made to related or third party NHS bodies and non NHS bodies in furtherance of the charitable objects of the funds held by the trust, primarily the relief of sickness. Liability for unconditional grants is recognised when approval has been given by the Trustee. Where the Trustee pledges support for the cost of an on-going project, the costs are accrued within the charity as the costs are incurred on the project.

All expenditure is accounted for on an accrual basis and it is allocated to the appropriate charitable activity.

**b) Irrecoverable VAT**

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

**c) Allocation of Support Costs and Overheads**

Overhead and support costs have been allocated as a direct cost or apportioned on an appropriate basis (refer to note 5 and 6) between Charitable Activities. Once allocation, and/or apportionment of overhead and support costs including governance, has been made between Charitable Activities, the cost attributable to Charitable Activities is apportioned across those activities in proportion to total spend.

**d) Charitable Activities**

Costs of charitable activities comprise of all costs incurred in the pursuit of the Charity's objectives and in line with SORP 2015 (FRS 102), also include governance costs for the Charity. Expenditure on charitable activities will be for the benefit of Patients, Staff, Research or Education. Throughout these accounts the term 'patients' refers to patients and service users. The costs include the direct costs of the charitable activities together with governance support costs that enable them to be undertaken.

These costs comprise direct costs and apportionment of overhead and support costs as shown in note 5, and 6.

#### **e) Governance and Support Costs**

Governance costs comprise of all costs incurred in the governance of the charity. These costs include costs related to statutory audit together with an apportionment of overhead and support costs as shown in note 6.

Both governance and support costs are accounted for on an accrual basis and included within the direct costs of charitable activities and further details provided on the notes to the accounts. These governance and support costs are apportioned across the individual funds within the Charity on an average balance basis (so as to avoid disadvantaging funds with high volume, low value transactions).

#### **1.4 Fixed Asset Investments**

Fixed asset investments comprise Common Investment Funds and cash and are managed by Cazenove Capital Management Limited.

Investment fixed assets are shown at market value as at the balance sheet date.

- i) Quoted stocks and shares are included in the balance sheet at mid-market price on 31<sup>st</sup> March 2017 as supplied by the investment managers, excluding dividends.
- ii) The Statement of Financial Activities includes the net gains (or losses) arising on revaluation and disposals of investments throughout the year
- iii) Other investment fixed assets are included at trustees' best estimate of market value.

#### **1.5 Stocks**

Stocks are valued at their face-value, which is their monetary value.

#### **1.6 Realised gains and losses**

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

#### **1.7 Changes in the Basis of Accounting**

There has been no change in the basis of accounting during the year.

#### **1.8 Cash Flow Statement**



Large charities preparing their accounts under FRS102 – SORP 2015 must provide a statement of cash flows, which has been provided.

## **1.9 Income and Expenditure Allocation**

Incoming resources and expenditure are allocated directly to individual funds. Each fund is classified as restricted or unrestricted and the balances accounted for accordingly. Where costs and income arise across all funds generally they have been allocated to each fund proportionate to the average fund balance at each month end. This method has applied to Investment Income, Unrealised Gains, Governance and Administrative Costs.

## **1.10 Post Balance Sheet Events / Prior Year Adjustments**

There are no post balance sheet events or prior year adjustments to be disclosed.

## **1.11 Pooling Scheme**

The Charity has an official pooling scheme [N215(S)/98] for investments. This scheme was registered with the Charity Commission on the 10th June 1998.

## **1.12 Related Party Transactions**

Buckinghamshire Healthcare NHS Trust is the main beneficiary of Buckinghamshire Healthcare NHS Trust Charitable Fund. The remainder of expenditure goes to provide welfare and recreational facilities for its staff. Total funding paid to the Trust and its staff amounted to £1,410,000 in 2016/17 (2015/16 £1,289,000). During the year, none of the members of the NHS Trust Board or Senior NHS Trust Staff or parties related to them were beneficiaries of the Charity.

During the year Trustee members attended the Care Awards ceremony that are supported by both the charitable funds and other sponsors of the evening.

No member of the NHS Trust Board has been paid or received any remuneration or other benefits in the year from the charitable fund and the Trustees have not purchased trustee indemnity insurance because their activities are covered under the general indemnity to the board of the trust.

No member of the NHS Trust Board or the Trustees has incurred expenditure in the year on behalf of charitable funds.

Details of Trust salaries & expenses reimbursed (Audit fees, overheads costs, and rent) from the charitable fund are provided in note 4.

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## Buckinghamshire Healthcare NHS Trust Charitable Fund 2016-2017

### 2 Incoming resources

2.1 Income from donations and legacies	Unrestricted	Restricted	Endow ment	<b>Total 2016/17</b>	Total 2015/16
	£000	£000	£000	<b>£000</b>	£000
Donations	46	122	-	<b>168</b>	164
Legacies	607	1,756	-	<b>2,363</b>	777
	<u>653</u>	<u>1,878</u>	<u>-</u>	<u><b>2,531</b></u>	<u>941</u>
<b>2.2 Other income</b>	Unrestricted	Restricted	Endow ment	<b>Total 2016/17</b>	Total 2015/16
	£000	£000	£000	£000	£000
Charitable activities	-	-	-	-	3
Other	25	23	-	<b>48</b>	44
	<u>25</u>	<u>23</u>	<u>-</u>	<u><b>48</b></u>	<u>47</u>
<b>2.3 Investment income</b>	Unrestricted	Restricted	Endow ment	<b>Total 2016/17</b>	<b>Total 2015/16</b>
	£000	£000	£000	£000	£000
Investments and cash deposits	90	176	3	<b>269</b>	272
	<u>90</u>	<u>176</u>	<u>3</u>	<u><b>269</b></u>	<u>272</u>
<b>Total income</b>	<u><u>768</u></u>	<u><u>2,077</u></u>	<u><u>3</u></u>	<u><u><b>2,848</b></u></u>	<u><u>1,260</u></u>

**Buckinghamshire Healthcare NHS Trust Charitable Fund 2016-2017**
**3 Charitable expenditure**

<b>3.1 Charitable activities</b>	Unrestricted	Restricted	Endow ment	<b>Total 2016/17</b>	Total 2015/16
	£000	£000	£000	<b>£000</b>	£000
Patient's welfare and amenities	259	397	-	<b>656</b>	782
Staff welfare and amenities	171	12	-	<b>183</b>	204
Research	13	337	-	<b>350</b>	91
Training and Development	50	45	-	<b>95</b>	78
Other	-	1	-	<b>1</b>	7
<b>Total charitable activities</b>	<b>493</b>	<b>792</b>	<b>-</b>	<b>1,285</b>	<b>1,162</b>

  

<b>3.2 Support and governance</b>	Unrestricted	Restricted	Endow ment	<b>Total 2016/17</b>	Total 2015/16
	£000	£000	£000	<b>£000</b>	£000
Salaries and wages	37	71	1	<b>109</b>	108
External audit fee	2	3	-	<b>5</b>	7
Professional fees and establishment costs	6	5	-	<b>11</b>	12
<b>Total support and governance</b>	<b>45</b>	<b>79</b>	<b>1</b>	<b>125</b>	<b>127</b>
<b>Total expenditure</b>	<b>538</b>	<b>871</b>	<b>1</b>	<b>1,410</b>	<b>1,289</b>

The auditor's remuneration comprises of external audit fee of £2,924 related to this financial year (2015/16: £4,468), and internal audit cost of £2,304 (2015/16: £2,304). The external audit fee is related to the statutory audit.

#### 4 Trust salaries and expenses reimbursed

	Unrestricted	Restricted	Endow ment	<b>Total 2016/17</b>	Total 2015/16
	£000	£000	£000	<b>£000</b>	£000
Management and administration charge	39	77	1	<b>117</b>	116
	<u>39</u>	<u>77</u>	<u>1</u>	<u><b>117</b></u>	<u>116</u>

The Charity does not directly employ staff members. There are two members of staff (2015/16, 2) who provide support services to charitable activities who are employed by Buckinghamshire Healthcare NHS Trust and are recharged via an administration charge. The charity fulfils its charitable objectives by providing financial support to projects, which are run by the NHS Trust. Therefore, the Trust employs staffs who deliver the projects.

There are no employees earning over £60,000 who are recharged to the Charity.

#### 5 Analysis of charitable expenditure

<b>Charitable activities</b>	Activities undertaken directly	Grant funded activities	Support and governance costs	<b>Total 2016/17</b>	Total 2015/16
	£000	£000	£000	<b>£000</b>	£000
Patient's welfare and amenities	-	656	64	<b>720</b>	870
Staff welfare and amenities	-	183	17	<b>200</b>	221
Research	-	350	35	<b>385</b>	103
Training and Development	-	95	8	<b>103</b>	87
Other	-	1	1	<b>2</b>	8
	<u>-</u>	<u>1,285</u>	<u>125</u>	<u><b>1,410</b></u>	<u>1,289</u>

The only activity of the charity is that of providing grants. All grants made are to Buckinghamshire Healthcare NHS Trust to support the activities relating to Buckinghamshire Healthcare NHS Trust in line with objectives of the charity. The support costs are attributable to all the grants and not to a single activity.

## 6 Apportionment and allocation of support and governance costs

Unrestricted	Unrestricted funds	Support and governance costs	Unrestricted Total 2016/17	Unrestricted Total 2016/17
	£000	£000	£000	£000
Patient's welfare and amenities	259	24	283	351
Staff welfare and amenities	171	16	187	206
Research	13	1	14	-
Training and Development	50	4	54	38
Other	-	-	-	6
	<u>493</u>	<u>45</u>	<u>538</u>	<u>601</u>
Restricted	Restricted funds	Support and governance costs	Restricted Total 2016/17	Restricted Total 2016/17
	£000	£000	£000	£000
Patient's welfare and amenities	397	40	437	519
Staff welfare and amenities	12	1	13	15
Research	337	34	371	103
Training and Development	45	4	49	49
Other	1	-	1	-
	<u>792</u>	<u>79</u>	<u>871</u>	<u>686</u>
Endowment	Endowment funds	Support and governance costs	Endowment Total 2016/17	Endowment Total 2016/17
	£000	£000	£000	£000
Other	-	1	1	2
	<u>-</u>	<u>1</u>	<u>1</u>	<u>2</u>
Total	Total	Support and governance costs	Total Total 2016/17	Endowment Total 2016/17
	£000	£000	£000	£000
Patient's welfare and amenities	656	64	720	870
Staff welfare and amenities	183	17	200	221
Research	350	35	385	103
Training and Development	95	8	103	87
Other	1	1	2	8
	<u>1,285</u>	<u>125</u>	<u>1,410</u>	<u>1,289</u>

Support cost including governance activities, are allocated to expenditure on charitable activities based on the purposes of each fund across the main charitable activities of the charity.

## 7 Fixed asset investments

### 7.1 Movement in fixed asset investments

	<b>Total 2016/17 £000</b>	Total 2015/16 £000
Fixed Asset Investments		
Market value at 1 April 2016	<b>7,380</b>	8,038
Less: Disposals at carrying value	<b>(349)</b>	(1,141)
Add: Acquisitions at cost	<b>432</b>	1,328
Net Gains & (losses) on revaluation	<b>890</b>	(845)
<b>Market value at 31 March 2017</b>	<b><u>8,353</u></b>	<u>7,380</u>
	<b>£000</b>	£000
<b>Historic cost at 31 March</b>	<b><u>6,352</u></b>	<u>6,241</u>

The gain made on investments in 2016/17 was £976,000 (2015/16, loss £-358,000). The realised gain in year is £68,000 (2015/16 gain £114,000). Unrealised gain was £908,000 (2015/16, loss -£472,000) which, when added to unrealised gains brought forward of £961,000; gives cumulative unrealised gains of £1,869,000.

### 7.2 Market value at 31 March 2017

	Held in UK £000	Held outside UK £000	<b>Total 2016/17 £000</b>	Total 2015/16 £000
Investments listed under Equities	3,922	1,672	<b>5,594</b>	4,754
Investments listed under UK Bonds	490	-	<b>490</b>	475
Portfolio Fund	-	-	-	-
Multi-Asset Funds	789	142	<b>931</b>	844
Hedge Funds	106	-	<b>106</b>	100
Property Funds	920	-	<b>920</b>	915
Other	172	-	<b>172</b>	111
Cash held as part of the investment portfolio	140	-	<b>140</b>	178
Other Investments CAF	-	-	-	3
	<u>6,539</u>	<u>1,814</u>	<b><u>8,353</u></b>	<u>7,380</u>

The charity does not hold Individual investments, such as a particular equity, bond or property. Through its portfolio, which is administered by its investment manager, it purchases a share of the equity, bond and property funds. The Charity has agreed a strategic asset allocation with the investment manager, but tactical positions are taken within the range agreed by the Trustees.

Investments within the portfolio are not linked to individual funds held within the charity. The total return achieved in year is apportioned to the individual funds.

The charity does not pay an explicit professional fee to the Investment manager; the investment valuation is reported to the net value after including it. The investments are pooled funds and the rate of return on those funds is adjusted by the percentage return to the investment manager, dependent on the specific fund.

### 7.3 Analysis of gross income from investments and cash on deposit

	Held in UK	Held outside UK	Total 2016/17	Total 2015/16
	£000	£000	£000	£000
Investments listed under Equities	143	44	187	197
Investments listed under UK Bonds	23	-	23	24
Portfolio Fund	-	-	-	-
Hedge Funds	-	-	-	-
Property Funds	45	-	45	42
Interest on cash held on deposit	2	-	2	3
Multi-Asset Funds	7	-	7	6
Other	5	-	5	-
	<u>225</u>	<u>44</u>	<u>269</u>	<u>272</u>

## 8 Stocks

	Unrestricted	Restricted	Endow ment	Total 2016/17	Total 2015/16
	£000	£000	£000	£000	£000
Stocks	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>2</u>
	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>2</u>

Stocks comprise John Lewis vouchers held by the charity. The vouchers are distributed as part of the Care Awards and Refer a Friend schemes.

## 9 Analysis of current debtors

	Unrestricted	Restricted	Endow ment	Total 2016/17	Total 2015/16
	£000	£000	£000	£000	£000
<b>Debtors under 1 year</b>					
Accrued income	18	115	-	133	317
Other debtors	<u>562</u>	<u>506</u>	<u>-</u>	<u>1,068</u>	<u>400</u>
	<u>580</u>	<u>621</u>	<u>-</u>	<u>1,201</u>	<u>717</u>

Current debtors are in relation to income due from associated charities such as Scanappeal and various Legacies.

## 10 Analysis of cash and cash equivalents

	Unrestricted	Restricted	Endow ment	Total 2016/17	Total 2015/16
	£000	£000	£000	£000	£000
<b>Cash and cash equivalents</b>					
Bank	<u>284</u>	<u>1,501</u>	<u>95</u>	<u>1,880</u>	<u>850</u>

## 11 Analysis of current creditors

	Unrestricted	Restricted	Endow ment	<b>Total</b>	Total
	£000	£000	£000	<b>2016/17</b>	2015/16
<b>Creditors under 1 year</b>				<b>£000</b>	£000
Accruals	138	171	-	<b>309</b>	237
	<u>138</u>	<u>171</u>	<u>-</u>	<u><b>309</b></u>	<u>237</u>

Current creditors are in relation to the Dimensions upgrade and various bids to enhance the services provided within the NHS Trust for patients' welfare, staff welfare, research and general charitable hospital purposes, in accordance with the objectives of the charity and the wishes of the donors.

## 12 Analysis of Funds

### 12.1 Endowment Funds

	Balance	Incoming	Resources	Transfers	Investment	Balance
	31 March 2016	Resources	Expended		Gains/(Losses)	31 March 2017
	£000	£000	£000	£000	£000	£000
<b>Material Funds</b>						
A DM Piercy	33	1	(1)	-	3	<b>36</b>
B Kemp	19	1	-	-	4	<b>24</b>
C Biggins	26	1	-	-	1	<b>28</b>
D Raven	6	-	-	-	1	<b>7</b>
<b>Total</b>	<b>84</b>	<b>3</b>	<b>(1)</b>	<b>-</b>	<b>9</b>	<b>95</b>

#### Name of Fund

- A DM Piercy
- B Kemp
- C Biggins
- D Raven

#### Description of the nature and purpose of each fund

- Capital Fund, the Interest to be donated to Scannappeal
- Capital Fund, the income from which can be used for any purpose
- Capital Fund, the income from which can be used for any purpose
- Capital Fund, the income from which can be used for prizes for Nurses



**12.2 Restricted Funds**

	Balance 31 March 2016	Incoming Resources	Resources Expended	Transfers	Investment Gains/(Losses)	Balance 31 March 2017
	£000	£000	£000	£000	£000	£000
<b>Material Funds</b>						
A Spinal Amenity	474	1,706	(277)	-	99	<b>2,002</b>
B Spinal Injuries Children	1,480	46	(85)	-	160	<b>1,601</b>
C Masson Legacy For Spinal Research	1,401	36	(324)	-	137	<b>1,250</b>
D Diabetes Centre	343	16	(6)	-	38	<b>391</b>
E MRI Scanner	295	9	(10)	-	33	<b>327</b>
F Breast Cancer Research	251	8	(3)	-	28	<b>284</b>
G Coronary Research	176	5	(3)	-	20	<b>198</b>
H Intensive Therapy Unit	27	153	(4)	-	11	<b>187</b>
I Plastic Surgery	111	10	(2)	-	13	<b>132</b>
J Spinal Injuries Research	115	1	(2)	-	13	<b>127</b>
K Medtronic Export Research Fund	103	3	(6)	-	11	<b>111</b>
L Spinal - Powered Wheelchairs	95	3	(3)	-	11	<b>106</b>
M Chest and Heart	46	1	(1)	-	5	<b>51</b>
N Pharmacy Research & Equipment Fund	41	5	(1)	-	5	<b>50</b>
O Carl Todd Oncology	41	1	(1)	-	5	<b>46</b>
P Burns Unit	39	8	(5)	-	5	<b>47</b>
Q Haematology	39	1	(2)	-	4	<b>42</b>
Others Other funds	466	68	(141)	-	45	<b>438</b>
<b>Total</b>	<b>5,543</b>	<b>2,080</b>	<b>(876)</b>	<b>-</b>	<b>643</b>	<b>7,390</b>

**Name of Fund**
**Description of the nature and purpose of each fund**

A Spinal Amenity	To benefit the activities related to the Hospital's National Spinal Injuries Centre
B Spinal Injuries Children	To benefit the activities related to the Hospital's Spinal Children Injuries
C Masson Legacy For Spinal Research	For the provision of research related to Spinal Injuries
D Diabetes Centre	Investigation of causes and treatment of Diabetes
E MRI Scanner	For the provision and upkeep of an MRI scanner at Radiology
F Breast Cancer Research	Research into the furtherance of knowledge of breast cancer
G Coronary Research	To benefit the activities related to the Hospital's coronary care services
H Intensive Therapy Unit	For any charitable purpose related to the hospitals intensive therapy unit
I Plastic Surgery	To benefit the activities related to the Hospital's Plastic Surgery activities
J Spinal Injuries Research	To benefit the research activities related to the Hospital's National Spinal Injuries Centre
K Medtronic Export Research Fund	To benefit the activities related to the Hospital's coronary research
L Spinal - Powered Wheelchairs	For the provision of powered wheelchairs at NSIC
M Chest and Heart	To benefit the activities related to the Hospital's Chest and Heart services
N Pharmacy Research & Equipment Fund	For the Pharmacy department in connection with research and equipment
O Carl Todd Oncology	To benefit the activities related to the Hospital's Oncology services
P Burns Unit	To benefit the activities related to the Hospital's Burns Unit
Q Haematology	To benefit the activities related to the Hospital's Haematology services

Material fund are those with closing fund balances of over £40k.

**12.3 Unrestricted Funds**

	Balance 31 March 2016	Incoming Resources	Resources Expended	Transfers	Investment Gains/(Losses)	Balance 31 March 2017
	£000	£000	£000	£000	£000	£000
<b>Total</b>	<b>3,085</b>	<b>766</b>	<b>(533)</b>	<b>-</b>	<b>323</b>	<b>3,641</b>
<b>Grand Total</b>	<b>8,712</b>	<b>2,849</b>	<b>(1,410)</b>	<b>-</b>	<b>975</b>	<b>11,126</b>

### 13 Transfers between funds

	Unrestricted	Restricted	Total 2016/17	Total 2015/16
	£000	£000	£000	£000
Transfer between funds				
Fund 2127 - Therapy Charitable Fund	-	-	-	(193)
Fund 5157 - Physiotherapy BHT General Fund	-	-	-	193
Fund 5815 - Geoff Shirley Leukamia Research Fund	-	-	-	(142)
Fund 5857 - WGH Laurie Wakefield - Haemathology Fund	-	-	-	(2)
Fund 5706 - Haematology General Amenity Fund	-	-	-	144
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Transfers are executed in order to pursue the consolidation of funds with the view to enhance the patient's benefits. There were no material transfers during the year.

### 14 Reconciliation of net movement in funds to net cash flows from operating activities

	Total 2016/17	Total 2015/16
	£000	£000
Net movement in funds	2,414	(387)
Deduct gift of endowment	-	-
Add back depreciation charge	-	-
Deduct interest income shown in investing activities	(269)	(272)
Deduct gains / add back losses on investments	(976)	358
Decrease (increase) in stocks	1	5
Decrease (increase) in debtors	(484)	(447)
Increase (decrease) in creditors	72	(217)
<b>Net cash used in operating activities</b>	<u>758</u>	<u>(960)</u>

### 15 Material Legacies

Legacy income is only included in incoming resources where receipt is probable that it will be received and the amount is known with certainty, or the legacy has been received. There has been no notification of further legacies other than those recognised in note 2.

**16 Connected Organisations**

Name of party involved, a description of the transaction and a description of the nature of the relationship	2016/17		2015/16	
	Turnover of Connected Organisation £'000	Surplus/(Deficit) of the Connected Organisation £'000	Turnover of Connected Organisation £'000	Net Surplus/(Deficit) of the Connected Organisation £'000
The Board of Buckinghamshire Healthcare NHS Trust is the corporate trustee of the charitable funds. The Trust's employees provide all management and administrative support to the funds and a recharge is made for these. A charge is also made to cover audit fees, rent and other minor expenses incurred. Buckinghamshire Healthcare NHS Trust was the beneficiary of Charitable expenditure of <b>£1,410,000</b> in the year (2015/16: £1,289,000 as restated)	<b>391,843</b>	<b>(617)</b>	<b>370,225</b>	<b>(24,608)</b>

Buckinghamshire Healthcare NHS Trust Charitable Fund has been consolidated into the Buckinghamshire Healthcare NHS Trust's accounts in accordance with the International Accounting Standard (IAS) 27. This is because Buckinghamshire Healthcare NHS Trust Board is the Corporate Trustee of the Buckinghamshire Healthcare NHS Trust Charitable Fund and under the provision of IAS 27 those charitable funds that fall under common control with NHS bodies should be consolidated. However, the charity and its assets remain independent.

The group annual report and accounts from Buckinghamshire Healthcare NHS Trust 2016/2017 can be obtained at <http://www.buckshealthcare.nhs.uk/About/trust-publications.htm>

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**17 Contingencies**

There were no contingencies at 31 March 2017

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**18 Material Guarantees**

There were no material guarantees at 31 March 2017

**19 Commitments, Liabilities and Provisions**

The Charity has the following commitments

	Items relating to these projects included within SOFA for Year Ended March	Items Not Included within SOFA or Balance Sheet	
		31 March 2017 £000	31 March 2016 £000
<b>Capital</b>			
Angiography/AV System	-	456	
Vision Image Intensifier	-	93	
Entropy Modules	-	65	65
VIVID IQ 4D	-	43	
Ultrapulse Laser	-	43	
Departmental Server	-	20	
Vscan	-	17	
NSIC Arts Programme	19	14	33
Lead Free Aprons	-	12	
Array Sector Probe	-	9	
Other	372	-	353
	392	772	451
<b>Other</b>			
Compulsory Reserve	-	695	-
Upper Limb Studio	-	520	-
Stoke Mandeville/Masson Research Awards	126	121	247
The Ann Masson Research Fellowship	33	114	147
Horatio's Garden	-	85	-
Ageing, Life Expectancy and Cause of Death in Spinal Patients Research	84	39	123
Paediatric Spinal Cord injury Research	32	34	67
Membership Services	-	20	20
Haematology Specialist Nurse	13	14	27
Skype & Global Planning	-	9	-
Refurbishment of Bereavement Offices	-	9	-
Medisoft Ophthalmology Licence	-	6	6
Seating	-	6	-
CCHU Decoration of Patient Waiting Area	-	2	-
Ophthalmic Patient Chairs	2	2	-
Breastpumps & Nipple Shields	-	1	-
TV's & Wall Brackets	-	1	-
Furniture	-	1	-
Parallel Bars	-	1	-
Other	394	-	285
	684	1,680	922
<b>Total Commitments</b>	1,076	2,452	1,373

\* Project closed / Total expenditure less than requested and authorised.

The Charity has not entered into any contractual arrangement for the approved expenditure above. The items have been recognised on the Balance Sheet and/or SOFA to the extent to which the project has been delivered.

## 20 Key Assumptions and Judgements

The charity accrues for items of expenditure which relate to the previous year where invoices have not been processed or received before the year end. However, should it be necessary, estimates are made in some instances where invoices have not been received based on activity and/or expenditure for the year to date. During this financial year no estimates in expenditure accruals have been made.

No significant judgements have been made in preparing the accounts. No key assumptions have been made regarding any sources of estimation uncertainty with a significant risk of causing a future material adjustment.

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## **21 Disputes with other parties**

There were no disputes, litigations or claims with other parties to report at 31 March 2017.

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## **22 Taxation**

Buckinghamshire Healthcare NHS Trust Charitable Funds is a registered charity and as such benefit from certain exemptions from taxation on income and gains, to the extent that they are applied for charitable purposes.

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## **23 Post Balance Sheet Events Activities**

Following the significant profit warning issued by the contractor Carillion the investment manager Cazenove in July 2017 sold the position held in the relevant UK equity fund.

The investment manager believes that any exposure in its investments to the subsequent insolvency of this company is within the volatility range of the fund's investment policy and is not material. This is not considered by management to be an adjusting event.

**Charitable Funds a Registered Charity 1053113**

Directorate of Finance & Information

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31 January 2018

**Representation Letter Audit of Buckinghamshire Healthcare NHS Trust  
Charitable Fund for the year ended 31 March 2017**

Dear Neil,

This letter of representation is provided in connection with your audit of the financial statements of Buckinghamshire Healthcare NHS Trust Charitable Funds for the year ended 31 March 2017. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of Buckinghamshire Healthcare NHS Trust Charitable Funds as of 31 March 2017 and of its financial performance and its cash flows for the year then ended in accordance with the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 2015.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**A. Financial Statements and Financial Records**

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 2015.
2. We acknowledge our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Charity in accordance with the Charities Act

2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 2015 and are free of material misstatements, including omissions. We have approved the financial statements.

3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Charity, we believe that the Charity has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 2015 that are free from material misstatement, whether due to fraud or error.<sup>1</sup>
5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

## **B. Non-compliance with laws and regulations, including fraud**

1. We have disclosed to you all identified or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.<sup>2</sup>
2. We acknowledge that we are responsible for the design,<sup>3</sup> implementation and maintenance of internal controls to prevent and detect fraud.<sup>3</sup>
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.<sup>4</sup>
4. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Charity's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Charity.<sup>5</sup>

## **C. Information Provided and Completeness of Information and Transactions**

1. We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

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<sup>1</sup> ISA (UK and Ireland) 210.6(b)(ii)

<sup>2</sup> ISA (UK and Ireland) 250A.16

<sup>3</sup> ISA (UK and Ireland) 239(a)

<sup>4</sup> ISA (UK and Ireland) 240.39(b)

<sup>5</sup> ISA (UK and Ireland) 240.39(c),(d)

- Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.<sup>6</sup>
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.<sup>7</sup>
  3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: *17<sup>th</sup> January 2018*.
  4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Charity's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.<sup>8</sup>
  5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.<sup>9</sup>
  6. We have disclosed to you, and the Charity has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

#### **D. Liabilities and Contingencies**

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.<sup>10</sup>
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 21 to the financial statements all guarantees that we have given to third parties.<sup>11</sup>

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<sup>6</sup> ISA (UK and Ireland) 580.11(a), ISA (UK and Ireland) 210.6(b)(iii)

<sup>7</sup> ISA (UK and Ireland) 580.11(b)

<sup>8</sup> ISA (UK and Ireland) 550.26

<sup>9</sup> ISA (UK and Ireland) 540.22

<sup>10</sup> ISA (UK and Ireland) 501.12

<sup>11</sup> ISA (UK and Ireland) 501.12



## **E. Subsequent Events**

1. Following the significant profit warning issued by the contractor Carillion the investment manager Cazenove in July 2017 sold the position held in the relevant UK equity fund. The investment manager believes that any exposure in its investments to the subsequent insolvency of this company is within the volatility range of the fund's investment policy and is not material. The correspondence with the investment manager in this respect has been shared with you. This is not considered by management to be an adjusting event.<sup>12</sup>

## **F. Estimates**

In respect of accounting estimates recognised or disclosed in the financial statements:

- We believe the measurement processes, including related assumptions and models, we used in determining accounting estimates is appropriate and the application of these processes is consistent.
- The disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
- The assumptions we used in making accounting estimates appropriately reflects our intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
- No subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

## **G. Other information<sup>13</sup>**

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Trustees' Annual Report.
2. We confirm that the content contained within the other information is consistent with the financial statements.

## **H. Transactions with Trustees**

1. We have disclosed all transactions with Trustees, both in relation to remuneration and related party transactions.

## **I. Allocation of expenditure**

- 1 The details of each restricted fund are held and maintained separately from other funds. This is in recognition of the circumstances in which the resources

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<sup>12</sup> ISA (UK and Ireland) 560.9

<sup>13</sup> Other information is financial and non-financial information (other than the financial statements and the auditor's report thereon) included in an entity's annual report.

were originally received and/or the restrictions on that fund that determine the way the resources are expended. We confirm that all income has been properly classified as restricted, unrestricted or endowed and that only appropriate expenditure has been met from restricted funds.

*Yours faithfully,*

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James Drury

Director of Finance

I confirm that this letter has been discussed and agreed at the Charitable Funds Committee on 17th January 2018

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Rajiv Jaitly

Chairman of Charitable Funds Committee



# Buckinghamshire Healthcare NHS Trust Charitable Funds

## Trust Board Summary

For the year ended 31 March 2017

Audit Results Report – ISA (UK and Ireland) 260

31st January 2018



Neil Harris  
Executive Director  
[NHarris2@uk.ey.com](mailto:NHarris2@uk.ey.com)

Oksana Lukinova  
Senior  
[OLukinova@uk.ey.com](mailto:OLukinova@uk.ey.com)



Building a better  
working world

# Contents

- ▶ Executive summary
- ▶ Scope of our work
- ▶ Addressing audit risks
- ▶ Outstanding matters
- ▶ Internal control
- ▶ Independence and audit fees

This report contains our findings related to the areas of audit emphasis, our views on the Charity's accounting policies and judgments and significant deficiencies in internal control.

This report is intended solely for the information and use of the Charity. It is not intended to be and should not be used by anyone other than this specified party.

# Executive summary – key findings

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## Status of the audit

We have undertaken the 2017 audit according to the scope set out on pages 3 and 4.

Our audit procedures are complete. We propose to issue an unqualified opinion.

This report is an update to the report presented to the Charitable Fund Committee on 17<sup>th</sup> January 2018.

## Significant audit and accounting issues

On page 4 we set out our findings in the areas of audit focus, there are no material issues arising.

## Summary of audit differences

There are no unadjusted audit differences have been identified.

We have shared with management some minor comments on accounting disclosures and the Trustees' Annual report which we understand will be corrected.

## Internal control findings

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although we did not perform an audit of internal control over financial reporting, we are required to communicate to you material weaknesses in the design or operation of accounting and internal control systems which were identified during the course of our audit.

We have not identified in the course of our audit procedures any matters in relation to the design or operation of internal control systems which we feel merit reporting.

# Scope of our work

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## The Charity's responsibilities

- ▶ The Charity is responsible for preparing and publishing its Statement of Accounts, accompanied by the Trustee Annual Report.

## Purpose of our work

- ▶ Our audit was designed to
  - ▶ Express an opinion on the 2016/17 financial statements; and
  - ▶ the consistency of information given in the Trustee's annual report with the financial statements



# Addressing audit risks – significant audit risks

We identified the following significant audit risks during the planning phase of our audit, and report these to you in the table below. Here, we set out how we have gained audit assurance over those issues.

Audit risk identified	Audit procedures performed	Conclusion
Significant audit risks (including fraud risks)		
<p><b>Risk of management override</b></p> <p>1. As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p>	<p>Our approach focused on:</p> <ul style="list-style-type: none"> <li>▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements</li> <li>▶ Reviewing accounting estimates for evidence of management bias</li> <li>▶ Evaluating the business rationale for any significant unusual transactions.</li> </ul>	<p>▶ There were no issues arising from our work</p>
<p><b>Risk of fraud in revenue recognition.</b></p> <p>2. Under ISA240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue. In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p>	<p>Our approach focused on:</p> <ul style="list-style-type: none"> <li>▶ Reviewing and testing revenue and expenditure recognition policies</li> <li>▶ Reviewing and testing revenue cut-off at the period end date</li> <li>▶ Developing a testing strategy to test material revenue and expenditure streams.</li> </ul>	<p>▶ There were no issues arising from our work</p>

# Internal control

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- ▶ It is the responsibility of the Charity to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Charity has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.
- ▶ We have adopted a fully substantive approach and have therefore not tested the operation of controls.
- ▶ We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.



# Independence and audit fees

## Independence

- ▶ We confirm there are no changes in our assessment of independence.
- ▶ We complied with the Auditing Practices Board's Ethical Standards for Auditors and the requirements of the Public Sector Audit Appointments Ltd (PSAA)'s Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.
- ▶ We confirm that we are not aware of any relationships that may affect the independence and objectivity of the firm that we are required by auditing and ethical standards to report to you.
- ▶ We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Charitable Fund Committee.

- ▶ We confirm that we have met the reporting requirements to the Charitable Fund Committee, as 'those charged with governance' under International Standards on Auditing (UK and Ireland) 260 – Communication with those charged with governance.

## Audit fees

- ▶ The table below sets out the scale fee and our final proposed audit fees.

Proposed final fee 2016/17	
£	
Total Audit Fee – Code work	2,924

- ▶ Our actual fee is in line with the agreed fee at this point in time, subject to the satisfactory clearance of the outstanding audit work.
- ▶ We confirm that we have not undertaken any non-audit work outside of the PSAA's requirements.

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## Ernst & Young LLP

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ED None

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies 2015-16". It is available from the Chief Executive of each audited body and via the PSAA website ([www.psaa.co.uk](http://www.psaa.co.uk))

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment from 1 April 2015' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Audit Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute