

**SURREY AND SUSSEX HEALTHCARE NHS TRUST
CHARITABLE FUNDS**

ANNUAL REPORT AND ACCOUNTS

For the year ended 31 March 2016

Charity Registration number: 1054072

DIRECTORS, MANAGEMENT, PRINCIPAL OFFICE AND ADVISORS

Directors

The Charity has a Corporate Trustee - the Surrey and Sussex Healthcare NHS Trust. The members of the NHS Trust Board who were in post at the date on which the Corporate Trustee's report was signed were:

Alan McCarthy	Chairman	Commenced November 2010
Alexander Hall	Non-Executive Director and Chair of the Charitable Funds Committee	Commenced September 2012; Chair of Charitable Funds from November 2015
Richard Durban	Vice-Chair and Non-Executive Director	Commenced April 2009; Vice-Chair from July 2015
Paul Biddle	Non-Executive Director and member of the Charitable Funds Committee	Commenced July 2014
Pauline Lambert	Non-Executive Director and member of the Charitable Funds Committee	Commenced August 2014
Richard Shaw	Non-Executive Director	Commenced September 2012
Michael Wilson	Chief Executive	Commenced March 2013
Paul Simpson	Chief Finance Officer and member of the Charitable Funds Committee	Commenced December 2007
Ian Mackenzie	Director of Information and Facilities and member of the Charitable Funds Committee	Commenced April 2009
Des Holden	Chief Medical Officer	Commenced March 2012 till February 2014. Re-joined April 2014
Mark Preston	Director of People and Organisational Development	Commenced January 2016
Gillian Francis-Musanu	Director of Corporate Affairs and member of the Charitable Funds Committee	Commenced October 2012
Angela Stevenson	Chief Operating Officer	Commenced September 2015
Fiona Allsop	Chief Nurse and member of the Charitable Funds Committee	Commenced October 2013

Management

The Surrey & Sussex Healthcare NHS Board has devolved responsibility for the on-going management of funds to the Charitable Funds Committee, which administers the fund on behalf of the Corporate Trustee. The Committee acts independently of the Board. The Members of the Committee are:

Alexander Hall	Non-Executive Director and Chair of the Charitable Funds Committee	Commenced September 2012; Chair of Charitable Funds from November 2015
Paul Biddle	Non-Executive Director and member of the Charitable Funds Committee	Commenced July 2014
Pauline Lambert	Non-Executive Director and member of the Charitable Funds Committee	Commenced August 2014
Paul Simpson	Chief Finance Officer and member of the Charitable Funds Committee	Commenced December 2007
Ian Mackenzie	Director of Information and Facilities and member of the Charitable Funds Committee	Commenced April 2009
Gillian Francis-Musanu	Director of Corporate Affairs and member of the Charitable Funds Committee	Commenced October 2012
Fiona Allsop	Chief Nurse and member of the Charitable Funds Committee	Commenced October 2013
Djafer Erdogan	Financial Controller	Commenced June 2014
Laura Warren	Head of Communications	Commenced January 2015
Paul Skelly	Fundraising Co-ordinator	Commenced July 2016

Principal Office

Finance Office
Surrey and Sussex Healthcare NHS Trust
Room AD15, Trust Headquarters
East Surrey Hospital
Canada Avenue
Redhill
Surrey
RH1 5RH

Telephone: 01737 768511 Ext 1781

Principal Advisors:

Bankers

Royal Bank of Scotland
50-54 High Street
Crawley
West Sussex
RH10 1YZ

Bankers (until February 2016)

Citibank
25 Canada Square
Canary Wharf
London
E14 5LB

Bankers (from March 2016)

NatWest
The Royal Bank of Scotland
2nd Floor, 280 Bishopsgate
London
EC2M 4RB

Independent Examiners

Grant Thornton UK LLP
The Explorer Building
Fleming Way, Manor Royal
Gatwick
RH10 9GT

Investment Managers

CCLA Investment
Management Ltd
COIF Charity Funds
80 Cheapside
London EC2V 6DZ

Solicitors

Capsticks
77-83 Upper
Richmond Road
London
SW15 2TT

Internal Auditors

Baker Tilly Business
Services Ltd
25 Farringdon Street
London
EC4A 4AB

REPORT OF THE CORPORATE TRUSTEE

Surrey and Sussex Healthcare NHS Trust, as Corporate Trustee of the Surrey and Sussex Healthcare NHS Trust Charitable Funds, presents their Annual Report and Financial Statements of the Charity for the year ended 31 March 2016.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

They include all the separately established charitable funds for which the Surrey and Sussex Healthcare NHS Trust is the sole beneficiary.

Reference and Administrative details

The Charity is registered with the Charity Commission in accordance with the Charities Act 1993, registered number 1054072. It was entered on the Central Register of Charities on the 26 March 1996 and has 4 subsidiary charities that all share the same registered number. Details of these subsidiary charities are disclosed in the notes to the financial statements set out on page 23.

Charitable funds received by the Charity are accepted, held and administered as funds and property held on trust for purposes relating to the health service in accordance with the National Health Service Act 1977, the National Health Service and Community Care Act 1990, the National Health Service Act 2006. These funds are held on trust by the corporate body.

The Charity's principal place of business is Surrey and Sussex Healthcare NHS Trust, Redhill, Surrey. Its postal address and other contact details set out on page 2.

Structure, Governance and Management

Structure

The Charity's unrestricted fund was established using the model NHS declaration of trust and all funds held on trust as at the date of registration were either part of this unrestricted fund or registered as separate restricted funds under the main Charity. Subsequent donations and gifts received by the Charity that are attributable to the original funds are added to those funds within the existing Charity.

At 31 March 2016 the Charity comprised 67 individual funds. The notes to the accounts distinguish the types of fund held.

Governance

The Trustee

The Surrey and Sussex Healthcare NHS Trust is the Corporate Trustee of the Charity governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Acts 2011.

The NHS Trust Board ("the Board") has devolved responsibility for the on-going management, investment and disbursement of Charitable Funds to the Charitable Funds Committee ("the Committee"), which administers the funds on behalf of the Corporate Trustee and also ensures compliance with the laws governing charitable funds.

The Committee's membership (listed on page 2) comprises non-executive directors, executive directors and other members of staff and is chaired by a non-executive director.

A quorum shall be no fewer than 4 members present comprising of two Non-Executive Directors and two Executive Directors. One of the two Non-Executive Directors must be the Chair of the Charitable Funds Committee and two of the Executive Directors must be the Director of Finance or Deputy and Chief Nurse or Deputy. The Committee meets at least three times a year.

The current members of the Board and of the Committee are set out on page 2. The following were also members of the Board and the Committee at some stage during the period from 1 April 2015 to the point this Corporate Trustee's Report was signed:

Yvette Robbins	Vice Chair & Chair of the Charitable Funds Committee	Left May 2015
Yvonne Parker	Director of Human Resources	Left November 2015
Paul Bostock	Chief Operating Officer	Left August 2015

Recruitment of Board and Committee members

Non-Executive Members of the Trust Board were appointed by the NHS Appointments Commission (and by the TDA as from 1st April 2013). Executive Members of the Board are subject to recruitment by the NHS Trust Board. Members of the Board and the Committee are not individual trustees under charity law but act as agents on behalf of the Corporate Trustee.

Management

Acting for the Corporate Trustee, the Committee is responsible for the overall management of the Charity. The Committee meets at least three times a year. The Committee carried out an annual review of its terms of reference within the 15-16 financial year and changes were approved by the Committee in August 2015. As well as ensuring that the Committee meets its fulfilment of its annual work plan, this review ensures that the stewardship and integrity of charitable funds are maintained. Core duties, within the terms of reference, include the following:

Safe Custody

- To authorise expenditure where an individual item has a value of more than £2,000 in line with the NHS Trust's Scheme of Delegation.
- To review the income and expenditure for all funds and to be satisfied that there is an appropriate and robust system of control over income and expenditure.
- To ensure that policies and procedures are in place to meet the requirements of the Charity Commission and the laws governing charitable funds.

Compliance

- To act on behalf of the NHS Trust in satisfying the duties and responsibilities of the Corporate Trustee in managing the funds.
- To authorise/agree the establishment of new funds and new charities.
- To review legacies received and ensure that the NHS Trust complies with the terms of the legacy.
- To encourage the appropriate use of Charitable Funds and to ensure Fund Managers carefully consider the use of these funds based on the Donor's intentions/wishes.
- To receive and review all audit reports on Charitable Funds and to monitor implementation of audit recommendations.

Investments and fund raising

- To establish an investment strategy and monitor the performance of investments. To oversee the investment strategy of the Charitable Funds as required by the Trustee Investment Act 1961 and the NHS Acts.
- Consider future charitable campaigns including the nature of events and objectives.
- To ensure that donations and investment income or losses are attributed to individual funds appropriately.

Accounts and similar requirements

- To review and adopt the Trustee Annual Report (which includes the financial statements) in line with the requirements of the Charity Commission and the laws governing charitable funds.
- To ensure the online submission of the Charity's Annual Return by 31st January as required by the Charities Commission.

The Charity does not directly employ any staff. The day to day administration as well as the core accounting function is carried out by the NHS Trust Finance Department located at Surrey and Sussex Healthcare NHS Trust, Trust Headquarters, Redhill, Surrey, RH1 5RH. This incorporates the coding and authorisation of income and expenditure; preparation and review of monthly management accounts as well as the year end statutory accounts; review and reorganisation of funds; inter-company reconciliations; liaison with banks; raising cheque schedules; dealing with audit queries and advice and support to the fund holders within the Trust.

Risk and Controls Management

Controls Environment

In 2011/12 the Charity worked through an action plan to improve the operational effectiveness and administration of the Charitable Funds and this has been maintained. However, the Charity continues to review its controls environment so that it can identify areas of risk and take appropriate steps to mitigate that risk. The Committee works to a high level work plan to ensure that governance and stewardship at a strategic level are met.

Expenditure Criteria

The previously prepared rules to clarify the appropriateness of expenditure from charitable funds were reviewed in August 2015. This included a summary of the Charities Commission key criteria used to determine the appropriate use of charitable expenditure, after exhausting available Trust funds, and whether they confer a charitable benefit. The assessment included staff training, gifts provided to staff, purchases of revenue equipment and also capital expenditure. The committee is comfortable with the expenditure guidance in place.

Investment Strategy and Policy

The Charity has an investment policy to outline the criteria within which robust decisions can be made to invest surplus charitable funds. This includes the Charity's aim to earn a return above the rate of inflation whilst maintaining a low risk attitude to its investments. The criteria recognised that within the

current economic climate investments may be required for a longer term. Additionally, any investments needed to be made within an ethical framework. The policy also ensures retention of cash surplus for its immediate working capital requirements and held in reserve to mitigate any risk arising from unexpected overspends. This policy was reviewed in July 2014. The next review will be in November 2016.

Terms of Reference

The terms of reference under which the Charity operates are reviewed annually. During the period of report this was reviewed and approved by the Committee in August 2015. This updated references to the old Charities Act 2006 (now Charities Act 2011) and reaffirmed the governance and compliance arrangements of the Charity ensuring that goals and objectives of the Charity are being met.

Compliance and Committee Workplan

To further manage risk the Charity works within the financial controls operated by the Surrey and Sussex Healthcare NHS Trust Board. This includes compliance with the Standing Orders and Standing Financial Instructions which provide a firm framework for the management of risk.

The Committee agreed a work plan to ensure that the agenda set for the year was met. This provides a useful check on self-appraisal of the Committee in its effectiveness of control and scrutiny over charitable operations, governance and compliance and was reviewed in August 2015.

As a result of the above, the Committee confirms it believes that it has reviewed the major risks to which the Charity is exposed and that systems or procedures have been established to manage those risks.

Professional advisors

From time to time the Committee, on behalf of the Corporate Trustee, may take professional advice. Details of the Charity's principal professional advisors are set out on page 2.

Objectives and Strategy

Charitable object

The Charity's Umbrella Fund has an NHS wide object, expressed in its constitution document as follows:

"The trustees shall hold the trust fund on 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."

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity to support the Trust in providing services and facilities which are for the benefit of the public.

Funds strategy

The Corporate Trustee fulfils its legal duty by ensuring that monies are spent firstly in accordance with the Charity's legal object and secondly, within that object, in accordance with the objects of each of its individual funds. Where monies have been received that have specific restrictions set by the donor, a restricted fund has been established. Where donations are received with no specific restrictions attached to them, they are placed in designated funds set up by the Trustee, to respect the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff.

The restricted and designated funds are allocated to wards or departments within the NHS Trust's management structure. Each fund is managed by appointed Fund-holders who ensure that the fund is used for its agreed purpose. For example there are funds for Diabetes, Cardiac, Children's services and Geriatric services amongst others.

The notes to the accounts on page 13 to 23 list the principle restricted and designated funds held by the Charity and the income and resources expended.

Partnership Working and Networks

The main beneficiary of the Charity is Surrey and Sussex Healthcare NHS Trust and it is a related party by virtue of being Corporate Trustee of the Charity. By working in partnership with the NHS Trust, the Charity's funds are used to best effect. The main activities, objectives, strategies and plans of the NHS Trust are given regard when deciding upon the most beneficial way to use the Charity's funds.

SASH Charity has an agreed fundraising strategy and has recently recruited a substantive fundraising manager to support the delivery of the strategy objectives and raise the profile of the Charity with Trust staff and external audiences. Their focus will include reviewing the options for targeted fundraising campaigns to raise funds for the general fund to support the purchase of substantial items for the benefit of patients and visitors to the hospital.

The Trust receives support from another Charity that of the Friends of East Surrey Hospital which is a separately registered Charity but has similar objects to that of this Charity. SASH Charity works alongside the Friends of East Surrey Hospital.

Our Activities and achievements

Scope of activities

During the year, the Committee has continued to focus the use of the Charity's resources for the benefit of Surrey and Sussex Healthcare NHS Trust.

Governance

The Charity continues to follow the terms of reference that govern its work which were approved by the Charitable Funds Committee.

Charitable expenditure

Charitable activities undertaken by the Surrey and Sussex Healthcare NHS Trust and its employees are reimbursed directly by the Charity.

The Charity has continued to support a wide range of charitable and health related activities benefiting both patients and staff in the Surrey and Sussex Healthcare NHS Trust. In general the charitable donations are used to purchase the very varied additional goods and services that the NHS currently provides. For example charitable funds were used to purchase much needed medical equipment and also to improve the working environment for staff and patients within a shorter timeframe than was possible as part of the NHS Trust capital programme. This includes the funding for Improvement of patient comfort and services in the Radiology Department (£17k), the funding of Annual Staff Award Ceremony (£10k), the approval for funding fresh groceries for elderly patients after discharge (£5k) and the funding of 3 Airvow Optiflow Systems which are oxygen delivery devices for patients (£5k).

The wards received many charitable donations specifically given to thank the nursing staff. These have been placed in the appropriate fund and used for charitable activities that will benefit staff. They also enabled medical staff to attend courses, not funded by the NHS, which updated them on the new ideas and modern techniques in their specialties.

Although the Charity can make funds available to sponsor non-commercial research, it does not do so.

Details of significant donations to the NHS Trust are given in the Financial Review below in the Statement of Financial Activities.

During 2015-16 the Charity supported the Staff Awards Ceremony which recognised individual staff and teams achievements. They were presented with vouchers and other awards for their contributions towards improving patient care and experience provided within the Trust.

Charitable Receipts - Promotion / Fund Raising

The Charity continued its drive to promote the Charity and to increase donations. This included raising prominence of the Charity on the Trust's website with greater visibility of the "donate" option and links to pages with further information on how charitable donations have been spent with pictures of fundraising events, services and items purchased from charitable donations. The Charity secured ongoing support from the communication team and made donation easier for members of public via our website, our new JustGiving page as well as on the wards via donation envelopes and increased awareness of the hospital's need for charitable funds. Future developments include the release of a

press release to raise awareness in the community about the charitable fund, for example, by way of a personal story of a patient who has benefitted from the use of equipment purchased from charitable funds.

Funds

In 2011-12 a large amount of work was completed to streamline the number of funds to ensure more efficient and effective governance of the funds. This work continued during 2015-16 and is now considered part of routine operational activity. After review, 7 funds were closed 2015-16.

In 2012-13 significant work was carried out to review whether funds were correctly designated as restricted or unrestricted funds. This led to a number of funds being reclassified between the two terms as either the restricted or unrestricted intentions of that fund were no longer being met. No funds were reclassified during 2015-16.

Financial Review

Corporate Trustee's responsibilities for the financial statements

The Corporate Trustee is required by charity law 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 surplus or deficit of the Charity as at the end of the financial year.

In preparing those financial statements the Trustee is required to:

- Confirm that suitable accounting policies have been used and applied consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Confirm that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and that the financial statements have been prepared on the going concern basis.

The Trustee is also 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;
- Safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee confirms that it has complied with the above requirements in preparing the financial statements.

Basis of accounting

The annual financial statements of the Charity are attached to this report. They have been prepared using the Statement of Recommended Practice: Accounting and Reporting by Charities SORP FRS 102 issued in August 2014.

As part of the preparation of these financial statements, the Corporate Trustee has reviewed all the Charity's key accounting policies to ensure that they continue to be in accordance with the requirements of the Charity SORP and of best accounting practice.

Review of the year

The Charity continues to rely on donations as the prime source of income. In 2015-16 voluntary income totalled -£19k (£63k 2014-15). The negative figure is due to Cardiac Fund 9831 having total of £75k of its income (from the DVLA) transferred to SaSH Revenue in August 2015. This income is recognised as income for completing medical paper work on patients by SaSH consultants and not donations made to the fund. Any future income from this source will be transferred to the Trust.

Investment income for the year amounted to £1.7k (£2k, 2014-15). This is a small decrease from last year.

Total expenditure was £103k (£144k, 2014-15). An analysis of resources expended on charitable activities is provided in the statement of financial activities.

The Charity's main asset continues to be the Charities Official Investment Fund (COIF) deposit account, amounting to £300k at 31 March 2016 (£384k, 2014-15). The decrease reflects the £85k cash withdrawal made during the year into the Citibank GBS RE Surrey/Sussex HC CF account.

The net assets of the Charity at 31 March 2016 were £542k (£644k, 2014-15), a decrease of £102k in the main.

Reserves

The Charity currently holds the majority of its cash surpluses on an immediate access cash deposit account held with COIF with a smaller balance held in the bank for day to day cash requirements.

The Charity invested £200k of surplus funds into a long term equity based investment fund in February 2013.

Investment policy, powers and performance

In 2011/12 the Committee approved an investment policy and strategy to invest surplus funds into a suitable form of investment and agreed to invest surplus funds into both long term and also short term investments with CCLA Investment Management Ltd.

This comprises of an investment of £200k into COIF which is a long term investment, mainly in equities. The investment revaluation as at 31st March 2016 is £237k (£238k, 2014-15). The decrease is due the Revaluation reserve at 30 September decreased by £10.5k but went back up by £9.5k at the end of March 16 this was due to the fluctuation in mid-market value of one unit.

Cash held in the Royal Bank of Scotland and the Citibank account are to service day to day expenditure. Cash which is not used for day to day expenditure and which is surplus to the investment are held on deposit with COIF.

Our Future Plans

The Charity will continue to review and develop a number of measures, over the next twelve months, in order to improve efficiencies and effectiveness in managing the variety of charitable funds to ensure that their objectives are achieved to benefit both patients and staff.

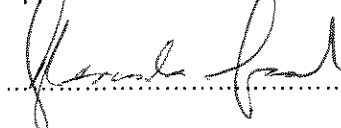
The Charity will continue to improve communications with fund managers through the use of the intranet in displaying fund balances and other key documentation on a monthly basis. Fund managers are encouraged to utilise available funds for the purpose for which the fund has been set up.

A key objective for the Charity is to further its use of the Trust website to improve communications with fund managers as well as developing its page on the Trust internet in order to improve the awareness of the Charity by the public in general. This will include news stories of charitable donations and fundraising events as well as examples of purchases made from funds to encourage further charitable donations.

Acknowledgement

On behalf of the staff and patients who have benefited from improved services due to donations and legacies, the Corporate Trustee would like to thank all patients, relatives and staff who have made charitable donations.

Approved on behalf of the Corporate Trustee



.....

Alexander Hall, Chair of the Charitable Funds Committee

1st November 2016

STATEMENT OF FINANCIAL ACTIVITIES
For the year ending 31 March 2016

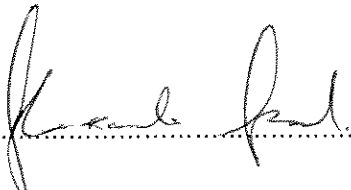
	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2016 £000	Total Funds 2015 £000
Income and endowments from:						
Donations and legacies	4	(7)	7	-	-	63
Charitable activities		-	-	-	-	-
Other trading activities		-	-	-	-	-
Investments	7	2	-	-	2	2
Total incoming resources		(5)	7	-	2	65
Expenditure on:						
Raising funds	8	(26)	(1)	-	(27)	(17)
Charitable Activities	9					
- Medical research						
- Purchase of new equipment		(26)	-	-	(26)	(10)
- Building and refurbishment		-	-	-	-	-
- Staff education and welfare		(19)	(1)	-	(20)	(28)
- Patient education and welfare		(6)	(2)	-	(8)	(2)
- Other resources expended		(22)	-	-	(22)	(87)
		(73)	(3)	-	(76)	(127)
Total expenditure		(99)	(4)	-	(103)	(144)
Net gains/(losses) on investments	16	(1)	-	-	(1)	29
Net income/(expenditure)		(105)	3	-	(102)	(50)
Transfers between funds		7	(7)	-	-	-
Net Movement in funds		(98)	(4)	-	(102)	(50)
Reconciliation of Funds						
Total Funds brought forward		605	39	-	644	694
Total Funds carried forward		507	35	-	542	644

BALANCE SHEET

As at 31 March 2016

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2016 £000	Total Funds 2015 £000
<i>Fixed Assets:</i>						
COIF Investment	16	237	-	-	237	238
Total Fixed Assets		237	-	-	237	238
<i>Currents Assets:</i>						
Debtors	17	10	1	-	11	12
Cash at bank and in hand	18	290	34	-	324	412
Total Current Assets		300	35	-	335	424
<i>Liabilities:</i>						
Creditors falling due within one year	19	(30)	-	-	(30)	(18)
Net Current Assets/(Liabilities)		270	35	-	305	406
Total Assets less Current Liabilities		507	35	-	542	644
Creditors falling due after more than one year		-	-	-	-	-
Total Net Assets or Liabilities		507	35	-	542	644
The Funds of the Charity:						
Endowment funds	22	-	-	-	-	-
Restricted income funds		-	35	-	35	39
Unrestricted income funds		507	-	-	507	605
Total Charity Funds		507	35	-	542	644

The audited financial statements on pages 10 to 12 were approved by the Trustees on 1st November 2016 and signed on their behalf by:

..... Alexander Hall, Chair of the Charitable Funds Committee

..... Paul Simpson, Member of the Charitable Funds Committee

CASHFLOW

For the year ending 31 March 2016

	Note	Total funds 2015/16	Total funds 2014/15
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	20	(90)	(169)
Cash flows from investing activities:			
Dividends, interest and rents from investments	7	2	2
Proceeds from the sale of investments			
Purchase of investments			
Net cash provided by (used in) investing activities		(88)	(167)
Change in cash and cash equivalents in reporting period			
Cash and cash equivalents at the beginning of the reporting period	18	412	579
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	18	324	412

NOTES TO THE FINANCIAL STATEMENTS

For the year to 31 March 2016

1. Accounting policies

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 accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The trustees consider that there are no material uncertainties about the SaSH Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts. In future years, the key risks to the SaSH Charity are a fall in income from donations or investment income but the trustees have arrangements in place to mitigate those risks.

b) Reconciliation with previous generally accepted accounting practice

In preparing these accounts, the trustees have considered whether any restatement of comparatives was required to comply with FRS 102 and the Charities SORP FRS 102. No restatements were required although there has been a change in the analysis of governance costs and cash and cash equivalents.

Governance costs: previously, these had been separately analysed on the face of the statement of financial activity. Governance costs are now classified as a support costs and have therefore been apportioned between fundraising activities and charitable activities. There is no effect on the total expenditure for 2014/15 or 2015/16.

	Expenditure on raising funds	Expenditure on charitable activities	Governance costs	Total expenditure
	£000	£000	£000	£000
2016 expenditure as previously reported	-	71	32	103
Adjustment for the reapportionment of governance costs	32	-	(32)	-
2016 expenditure as restated	32	71	-	103

Cash and cash equivalents: previously investments held in a savings account had been shown separately on the face of the balance sheet. As these are very liquid funds they are classified as cash equivalents and are now shown as part of cash and cash equivalents on the balance sheet. There is no impact on the total funds of the Charity. An analysis of cash and cash equivalents is provided in note 18.

c) 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 capital, it is classified as an expendable endowment.

Unrestricted income funds comprise those funds which the Trustee is 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 preference or where the Trustees, at their discretion, have created a fund for a specific purpose.

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

The Charity does not have an endowment fund.

d) Incoming resources

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

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

e) Incoming resources from legacies

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

Receipt is probable when:

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

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

f) Incoming expended and irrecoverable VAT

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

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

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

g) Recognition of expenditure and associated liabilities as a result of grant

Grants payable are payments made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant.
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant.
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The trustees have control over the amount and timing of grant payments and consequently where approval has been given by the trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

h) Allocation of support costs

Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs and IT support. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 12.

Overhead and support costs are allocated either as a direct cost or apportioned on an appropriate basis between Charitable Activities and Governance Costs. Once allocation and/or apportionment of overhead and support costs have been made between Charitable Activities and Governance Costs, the cost attributable to Charitable Activities is apportioned across those activities in proportion to their opening fund balance.

i) Fundraising costs

The costs of generating funds are those costs attributable to generating income for the Charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the Charity's objects. The costs of generating funds represent fundraising costs together with investment management fees.

j) Charitable Activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 9.

k) Fixed asset investments

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

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

l) Debtors

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

m) Cash and cash equivalents

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

n) Creditors

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

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

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

p) Pensions

The Charity does not employ any staff and therefore no direct pension costs are incurred.

2. Prior year comparatives by type of fund

The primary statements provide prior year comparatives in total; this note provides prior period comparatives for the Statement of Financial Activities and the Balance Sheet for each of the three types of fund that SaSH Charity manages

2a Unrestricted funds – Statement of Financial Activity for the year ended 31 March 2016

	2016 £000	2015 £000
Income and endowments from:		
Donations and legacies	(7)	57
Charitable activities		
Other trading activities		
Investments	2	2
Total incoming resources	(5)	59
Expenditure on:		
Raising funds	(26)	(16)
Charitable activities	(73)	(124)
Total expenditure	(99)	(140)
Net gains/(losses) on investments	(1)	29
Net income/(expenditure)	(105)	(52)
Transfers between funds	7	-
Net Movement in funds	(98)	(52)
Reconciliation of Funds		
Total Funds brought forward	605	657
Total Funds carried forward	507	605

Unrestricted funds – Balance Sheet as at 31 March 2016

	2016 £000	2015 £000
<i>Fixed Assets:</i>		
Investments	237	238
Total Fixed Assets	237	238
<i>Current Assets:</i>		
Debtors	10	12
Cash and cash equivalents	290	373
Total Current Assets	300	385
<i>Liabilities:</i>		
Creditors falling due within one year	(30)	(18)
Net Current Assets/(Liabilities)	270	367
Total Assets less Current Liabilities	507	605
Creditors falling due after more than one year	-	-
Total Net Assets or Liabilities for Unrestricted Funds	507	605
Total Unrestricted Funds	507	605

2b Restricted funds – Statement of Financial Activity for the year ended 31 March 2016

	2016 £000	2015 £000
Income and endowments from:		
Donations and legacies	7	6
Charitable activities	-	-
Other trading activities	-	-
Investments	-	-
Total incoming resources	7	6
Expenditure on:		
Raising funds	(1)	(1)
Charitable activities	(3)	(3)
Total expenditure	(4)	(4)
Net gains/(losses) on investments	-	-
Net income/(expenditure)	3	2
Transfers between funds	(7)	-
Net Movement in funds	(4)	2
Reconciliation of Funds		
Total Funds brought forward	39	37
Total Funds carried forward	35	39

Restricted funds – Balance Sheet as at 31 March 2016

	2016	2015
	£000	£000
<i>Fixed Assets:</i>		
Investments	-	-
Total Fixed Assets		
<i>Current Assets:</i>		
Debtors	1	-
Cash and cash equivalents	34	39
Total Current Assets	35	39
<i>Liabilities:</i>		
Creditors falling due within one year	-	-
Net Current Assets/(Liabilities)	35	39
Total Assets less Current Liabilities	35	39
Creditors falling due after more than one year	-	-
Total Net Assets or Liabilities for Restricted Funds	35	39
Total Restricted Funds	35	39

3. Related Party Transactions

The Surrey and Sussex Healthcare NHS Trust is the sole beneficiary of the Charity. The Charity reimburses the Trust for staff providing financial and administrative services to the Charity, as detailed in note 12.

The Trust accrued charitable expenditure of £11k (£17k, 2014-15) which has been recorded by the Charity.

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. Neither the Corporate Trustee nor any member of the NHS Trust Board has received honoraria, emoluments or expenses in the year and the Trustee has not purchased trustee indemnity insurance.

4. Income from donations and legacies

	Unrestricted	Restricted	Total	Total
	funds	funds	2016	2015
	£000	£000	£000	£000
Donations from individuals	43	6	49	53
Transfer of DVLA income to SaSH	(75)	-	(75)	-
Corporate donations	6	1	7	10
Legacies	19	-	19	-
Grants				
Total	(7)	7	0	63

Donations remain as the prime steady source of income. During the year legacies from the executors of S Evans and GJ Titford was received totalling £19k (£0k, 2014-15 legacy).

5. Analysis of income from other trading activities -

There were no fundraising events in the year organised by the Charity.

6. Role of Volunteers

There were no volunteers directly associated with the Charity.

7. Gross Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Fixed asset equity and similar investments	-	-	-	-
Short term investments and deposits and cash on deposit	2	-	2	2
Total	2	-	2	2

Interest was earned on accounts held with The Royal Bank of Scotland and the Charities Official Investment Fund.

Dividends are return on investment made in the period, from Charities Official Investment Fund.

8. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Fundraising office				
Fundraising events				
Investment management				
Auditors remuneration	3	-	3	3
Support costs	23	1	24	14
Total	26	1	27	17

9. Analysis of charitable expenditure

	Grant funded activity £000	Support costs £000	Total 2016 £000	Total 2015 £000
Medical research		-	-	
Purchase of new equipment	-	(26)	(26)	(10)
Building and refurbishment	-	-	-	-
Staff education and welfare	-	(20)	(20)	(28)
Patient education and welfare	-	(8)	(8)	(2)
Other resources expended		(22)	(22)	(87)
Total	-	(76)	(76)	(127)

The Charity supports Surrey and Sussex Healthcare NHS Trust in providing healthcare for patients through the purchase of a range items for the direct benefit of patients and includes staff training and education.

10. Analysis of grants – not applicable**11. Movements in funding commitments – not applicable**

12. Allocation of support costs and overheads

	Raising funds £000	Charitable activities £000	2016 Total £000	2015 Total £000	Basis
Internal audit	-	-	-	-	
External audit	3	-	3	3	Expenditure
Staff training	-	-	-	-	
Staff recruitment	-	-	-	-	
Other professional fees	1	-	1	-	Expenditure
Governance	4	-	4	3	
Financial administration	-	-	-	-	
Salaries and related costs	21	-	21	13	Salaries
Bank charges	-	-	-	-	
Office rent	-	-	-	-	
Telephone/ postage/ stationery	-	-	-	-	
Computer expenses	2	-	2	1	Expenditure
Insurance	-	-	-	-	
Miscellaneous	-	-	-	-	
Total	27	-	27	17	

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2016 Total £000	2015 Total £000
Raising funds	26	1	-	27	17
Charitable activities	-	-	-	-	-
	26	1	-	27	17

13. Trustees' remuneration, benefits and expenses – not applicable**14. Analysis of staff costs and remuneration of key management personnel**

The Charity does not employ any staff. Only the costs of the Trust's staff that spend a material amount of time on the Charity's affairs are recharged to the Charity. In 2015-16 this charge amounted to £23k (£14k 2014-15).

15. Auditor's remuneration

The auditors' remuneration is the fee chargeable by our external auditors (Grant Thornton LLP) for their independent examination of the 2015-16 annual accounts.

16. Fixed asset investments**Investments**

The Charity invested surplus funds into the Charities Official Investment Fund. This is a long term investment and is made up mainly from equities.

Movement in fixed asset investments

	2016	2015
	£000	£000
Market value brought forward	238	209
Add: additions to investments at cost	-	-
Less disposals at carrying value	-	-
Add net gain (loss) on revaluation	(1)	29
Total	237	238

Fixed asset investments by type

	2016	2015
	£000	£000
COIF Investment Fund	237	238
Total	237	238

17. Analysis of current debtors

	2016	2015
	£'000	£'000
Gift Aid – Accrued Income	3	3
JustGiving – Accrued Income	1	1
Carestream Maintenance - Prepayment	7	8
Total	11	12

JustGiving was activated as the Charity's chosen tool for accepting online donations in December 2014. The amount relates to donation made through the facility due to the Charity.

18. Analysis of cash and cash equivalents

	2016	2015
	£'000	£'000
Cash in hand	23	28
Notice deposits	301	384
Total	324	412

These monies are retained for day to day use. Surplus funds are held on deposit with COIF.

19. Analysis of liabilities

Creditors due in under 1 year	2016	2015
	£'000	£'000
Trade Creditors	19	1
Accruals	11	17
Total	30	18

Accruals are in the main £5k IBD Database admin recharges, £3k Audit fees and £2k SaSH Staff admin recharges. Trade creditors are in the main recharge from Surrey & Sussex Healthcare for purchases made through the Trust (in the main salary recharges including the SaSH Staff).

The Charity makes use of the Trust's purchasing system to procure its supply of goods and services which is maintained and supported under contract with NHS Shared Business Service and provides efficiencies and economies of scale through the Trust's supplier – purchaser relationships as well as the purchasing power of the Trust to dictate favourable terms and conditions.

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

	2016 £000	2015 £000
Net income/(expenditure) for 2015/16 (as per the Statement of Financial Activities)	(102)	(50)
Adjustments for:		
Depreciation charges		
(Gains)/losses on investments	1	(29)
Dividends, interest and rents from investments	(2)	(2)
Loss/(profit) on the sale of fixed assets		
(Increase)/decrease in stocks		
(Increase)/decrease in debtors	1	5
Increase/(decrease) in creditors	12	(93)
Net cash provided by (used in) operating activities	(90)	(169)

21. Transfer between funds

The restricted 'Legacy ESH Med Equipment –OR Edwards' fund was closed and the balance of £6,823 was transferred to the unrestricted 'Surrey & Sussex New General' fund.

22. Analysis of charitable funds

a) Analysis of endowment fund movements – does not apply

b) Analysis of restricted fund movements

Restricted funds comprise the following:

Fund Title	Balance b/fwd £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains & Losses £'000	Fund c/fwd £'000
Dorothy France Legacy	1	-	-	-	-	1
Legacy ESH Med Equipment - OR Edwards	7	-	-	(7)	-	0
Legacy Limpsfield Ward - I L Edwards	23	-	(2)	-	-	21
Premature Baby Fund	8	7	(2)	-	-	13
	39	7	(4)	(7)	-	35

There were no funds transferred from NHS bodies during this financial year 2015-2016

c) Analysis of unrestricted and material designated fund movements

Unrestricted funds comprise the following:

Fund Title	Balance b/fwd £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains & Losses £'000	Fund c/fwd £'000
Clinical Support Services	99	7	(22)	-	-	84
Corporate	117	17	(25)	8	-	117
Medicine	162	(59)	(19)	-	(1)	83
Women's and Children's Health	37	6	(4)	-	-	39
Surgery	157	15	(22)	(1)	-	149
Cancer	33	9	(7)	-	-	35
Total Designated Funds	605	(5)	(99)	7	(1)	507

There were several funds closed during the year with funds mostly being transferred to a larger main fund within their division and there were some fund balances transferred to the *Surrey & Sussex New General Fund* (Corporate Division).

23. Total Return on investment – Not applicable**24. Subsidiary charities**

The Umbrella Charity - Surrey & Sussex Healthcare NHS Trust Charitable Funds – has 4 subsidiary registered charities, as follows:

Name of Charity	Description, nature and purpose of the fund
Surrey and Sussex Healthcare National Health Service Trust (Expendable Funds) Common Investment Fund.	To combine the investments and money belonging to the charities and representing expendable funds into one pooled fund.
The Surrey and Sussex Healthcare Educational, Development and Research Fund	For any charitable purposes, principally but not exclusively at or in connection with Surrey and Sussex healthcare NHS Trust which will further the advancement of scientific and medical education and research.
The Surrey and Sussex Healthcare Equipment Fund	For the relief of sickness by the provision and maintenance of medical and non-medical equipment for the benefit of the Surrey and Sussex Healthcare NHS Trust.
The Surrey and Sussex Healthcare Wards and Departments Fund	For any charitable purpose or purposes relating to the NHS wholly or mainly for the wards and departments of the Surrey and Sussex Healthcare NHS Trust.

Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.