

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST

REPORT TO: BOARD OF DIRECTORS – 29 AUGUST 2014

SUBJECT: EAST KENT HOSPITALS CHARITY ANNUAL REPORT AND ACCOUNTS

REPORT FROM: DIRECTOR OF FINANCE AND PERFORMANCE MANAGEMENT

PURPOSE: Decision

CONTEXT / REVIEW HISTORY/ STAKEHOLDER ENGAGEMENT

The annual accounts were submitted to KPMG on 09 July 2014; minor amendments have been made as requested by the auditors. A summary of the approvals process is below.

This paper is not relevant to the PSED and does not require an equality Analysis

SUMMARY:

1. The East Kent Hospitals Charity (the Charity) annual report and accounts were presented to the Charitable Funds Committee on 30 May 2014. The Committee approved the unaudited accounts with some minor presentational amendments.
2. KPMG undertook the audit of the Charity accounts and other than some minor production errors no recommendations or issues were reported.
3. KPMG advised its intention to issue an unqualified audit opinion on financial statements.
4. The IAGC were presented with the Charity Accounts and Report, heard from KPMG and discussed any issues.
5. **The IAGC recommend that the Board of Directors approve the Charity Accounts and Report as attached**

IMPACT ON TRUST'S STRATEGIC OBJECTIVES:

Statutory duty

FINANCIAL IMPLICATIONS:**LEGAL IMPLICATIONS/ IMPACT ON THE PUBLIC SECTOR EQUALITY DUTY: :**

Non compliance with regulatory requirements.

PROFESSIONAL ADVICE TAKEN ON ANY NOVEL OR CONTENTIOUS ISSUES

The Annual Report and Accounts were audited by the Trust's External Auditors, KPMG.

BOARD ACTION REQUIRED:

1. **Approve the Charity Accounts and Report as attached**
2. **Sign the Statement of Trustees Responsibility (page 36)**
3. **Sign the Balance Sheet (page 39)**
4. **Sign the letter of representation as attached.**

CONSEQUENCES OF NOT TAKING ACTION:

Non compliance with Charity Law.



East Kent Hospitals Charity

Annual Report & Accounts

Year Ended 31st March 2014

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Chair of Trustees Foreward

Welcome to our 2013/14 Hospital Charity Annual Report. On behalf of the Trustees of East Kent Hospitals Charity, I am delighted to present the Charity's annual report and accounts for the year ending 31st March 2014.

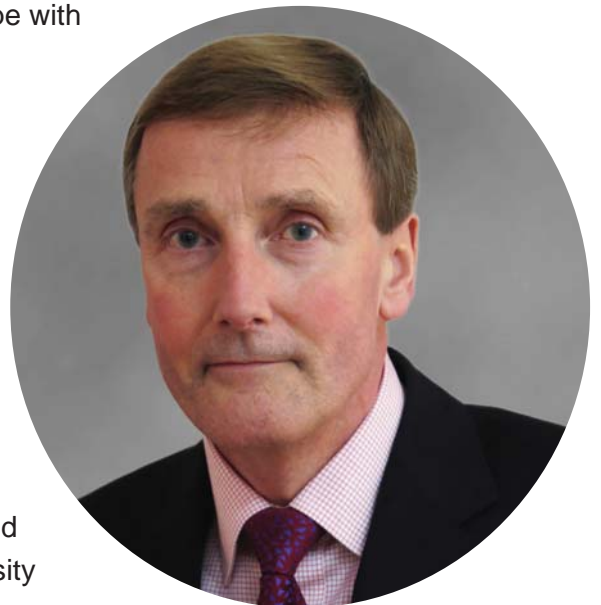
Although the economic climate has been extremely challenging, the Charity has managed to continue to provide substantial grants which have such a positive impact on the treatment, facilities and experience of the patients, relatives and visitors who use the hospitals and community services provided by the East Kent Hospitals University NHS Foundation Trust.

This year saw the completion of the Major Appeal. The East Kent Breast Cancer Appeal was closed in July, having raised just over £1,000,000 with all the original equipment identified in the plans having been purchased. Due to the success of the Appeal additional equipment will be purchased in the coming year to further support Breast Cancer diagnosis and care.

Achieving the aims of the Charity does not always mean bigger and high value medical equipment. Often it is the smaller, non medical items which can improve the patient experience in what can be a difficult and stressful situation in a clinical environment. In addition enabling patient support and educational groups can help patients understand how to cope with an illness and how their loved ones can support them. Funding projects of this nature can play an important role in enhancing the overall experience of patients and their families and is another component of the Charity's mission alongside the financial support for innovative and technologically advanced equipment.

I am delighted that the Charity has achieved it's goal through the hard work and unwavering support of the people of East Kent.

I would like to express my thanks to everyone who has committed to helping us throughout the year. Without the continued generosity of our supporters, the Charity would be unable to make such a significant impact.



Nicholas Wells

Nicholas Wells
Chairman

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1 **Focus on Fundraising**

Introduction from the Fundraising Manager

Once again the people of East Kent have given us great support and undertaken innovative and successful fundraising to support their local hospitals. At the same time there has been lots of fun, laughter and a sense of achievement for all who took part in events.

In this report you will find a snapshot of the kind donations we have had over the last year, and what they have been used for.



The major fundraising event this year was the introduction of the Great Kent Bike Ride. Over 1,000 cyclists of all abilities and styles joined the ride in June taking either the 35 mile or 60 mile route from Ashford around the Romney Marsh in some glorious sunny weather. This event was not a race but some riders turned in some impressive times whilst others enjoyed the scenery and en-route hospitality.

Riders chose to support a particular ward, hospital or the charity's work generally. It is hoped that this will become a regular summer event for the Charity.

We can only continue our support for the Trust's services with the help of patients, carers, staff and local communities who organise fundraising events, and give donations and legacies.

I'd like to take this opportunity to thank everyone who has helped the charity over the last 12 months – your support has really made a difference to the lives of people who need the Trust's services. I hope that you will continue to support the charity in the coming year as we launch new fundraising campaigns and continue to raise money for our hospitals that local people rely on.

THANK YOU!

Rupert Williamson

Rupert Williamson
Fundraising Manager

Community Support

The Charity and the Trust value the links with the local communities highly. Many people have kindly given up their precious free time to help raise funds. We have only been able to feature a brief selection and summary of some of the fundraising that the people of East Kent have undertaken over the past year, but appreciate the efforts of each and every person who have supported our hospitals.

Twin hands over £2,700 for premature baby unit

Regulars from the Red Lion pub, Dunkirk, got behind their friends Karly and John May to raise funds for the Neonatal Intensive Care Unit (NICU) at the William Harvey Hospital. Their twin daughters, Charlotte and Jessica, were born 11 weeks premature and were cared for on the unit. Charlotte sadly lost her battle for life on the unit in November 2012, however her twin sister Jessica continues to thrive and stole the show when she passed over £2,700 to the Charity Fundraising Manager, Rupert Williamson, on behalf of all the fundraisers. Karly, John and the Red Lion regulars raised the money through various creative and fun events including a band night, Dr Who fancy Dress and race night and cake sale. Karly said *"We wanted to say thank you to the NICU for all the hard work and unbelievable support that we had when our daughters were being cared for at the hospital."*

Driven Donation

Thanet Classic Car Club has been driven to donate and support the Special Care Baby Unit at the Queen Elizabeth the Queen Mother Hospital in Margate. The club are voracious over vintage vehicles and following a classic car cruise around the roads of Thanet and a club quiz, organiser Lee Collier was able to present a cheque to the Ward Manager, Anne Savage for £1,000.



Over and under the Rainbow!

The Ladies and Men's sections of Birchington and Westgate Golf Club combined forces in support of Rainbow Ward at the Queen Elizabeth the Queen Mother Hospital during the last year.

This was not a match of chance as for the first time in the clubs 120 year history the two Captains are married to each other! Their combined efforts have meant a fabulous donation of nearly £5,000 to the children's ward.

"From rounds of golf to fines for parking in the Captains parking spaces we have both had a great year supporting the ward. We are really grateful to the supporters of the teams and some local businesses including the Smugglers, Lexus and Hornby" said the two married Captains Frances and Michael Bates.

"Our son was born in the hospital and lost his life at the hospital so have a very personal reason to support the ward and the hospital".

Scent a memory

The employees of the Ashford division of the international company Givaudan raised funds in memory of a close friend and work colleague at the company who was treated at the William Harvey Hospital in Ashford.

The plan is to buy a new bed chair for parents when they are staying with their child in hospital. The fundraising has been so successful we are now able to look at purchasing some additional equipment to support children when they are staying on the

Ward Manager Jayne Monaghan and Frances and Michael Bates being presented with a certificate of thanks under the Rainbow!



Julie Etheridge, Chemotherapy Unit Manager and Sheila Catt, Chemotherapy Rescheduler are presenting a Certificate of Thanks to Andy Renshaw surrounded by colleagues from the fragrance creating company.

Move Over Great Gatsby!

On Sunday 7th July, St Gregory's Music Centre was the venue for a scintillating charity concert entitled "Rags to Riches", performed by Helen Crayford and enjoyed by an appreciative audience. Helen presented a giant piano shaped cheque totalling £1,350 for the East Kent Breast Cancer Appeal to Appeal committee member Dr Stuart Field.



Fundraiser rides to Paris!

Not content to let others do all the work, Rupert Williamson the Charity's Fundraising Manager hopped on his bike to Paris, accompanied by his friend Ian to raise funds for Dermatology.



Early Birth and Great Support

Gower College at the Charles Dickens School has been baking cakes and waxing legs! Some of the male staff and students had their legs waxed in front of pupils who had paid to watch in support of the Special Care Baby Unit at the Queen Elizabeth the Queen Mother Hospital in Margate.

The school college adopted the unit as their charity in 2013 following the excellent care and support given to Science teacher Louise Madle-Jordan and her baby daughter – who are both doing very well! Head Boy, Harry Leer and Head Girl, Amber Fitzgerald were both on hand with their teacher to hand over the donation at the school assembly. They were able to present a cheque to the Fundraising Manager, Rupert Williamson, for £1,225.



Head Boy, Harry Leer and Head Girl, Amber Fitzgerald join with Louise Madle-Jordan to present the cheque to Rupert Williamson for the SCBU.

The Great Kent Bike Ride

The Trust Finance department focused on raising funds for the Charity to give something back to the wards and services of the hospitals for which they work.

This event was the first in what is hoped to become an annual event involving the communities of Kent and further afield. Attracting both serious riders and those who cycle for fun, this event took riders through some beautiful villages and countryside around Ashford and Romney Marsh and raised nearly £9,000 in sponsorship and donations.



Other Fundraising Events

- Spurling Cannon held a Golf Day in September
- Terri Marsh organised a Zombie Walk in October
- Tasha Barnfield rallied colleagues at East Kent College in Broadstairs for fun day in December
- Stevie Morgan celebrated his 70th Birthday in February with family and friends donating to the Charity as birthday gifts
- Craig Hammer arranged a Quiz night in November

If you are thinking of undertaking a fundraising challenge or event, please let us know so that we can provide you with some tips, ideas and information and advertise your event for you.

Contact Rupert Williamson, Fundraising Manager on **01227 868748** or email: **ekh-trfundraising@nhs.net**

Success for the East Kent Breast Cancer Mammography Appeal completed in July 2013



The Appeal, which was launched in June 2010, aimed to raise £1.2 million to purchase digital equipment for Symptomatic Breast Screening. The digital machines give a clearer image of the breast and therefore early and small cancers may be seen far more easily. This will enable the Trust to see more women more quickly, so their minds can be put at rest or their treatments started sooner. The appeal has already changed women's lives. The Appeal was officially closed in July 2013 having achieved its' primary purpose although funds are still being accepted to enable further equipment for Breast Cancer and associated services and facilities to be purchased.

On behalf of the East Kent Breast Cancer mammography Appeal I would like to say a big thank you to everyone who has supported Appeal events over the past three years enabling over £1,010,000 to be raised for symptomatic mammography equipment in East Kent.

The Appeal has brought the Charity and Hospitals into contact with a wide variety of supportive individuals and organisations. Without the help, support, ideas and donations from charities, groups and individuals this Appeal would not have delivered one of the UK's best symptomatic mammography services in the East Kent acute hospitals in Ashford, Canterbury and Margate.



Thank you to everyone.

Jean

Jean Byers MBE
Chairman of the East Kent Breast Cancer Mammography Appeal



Collaborative Partnerships

There are many voluntary organisations across the Trust which support our hospitals, especially the Leagues of Friends, enabling delivery of improved patient care for both small and large projects. The Trust and the charity are very grateful to all these organisations for their tireless work in support of the individual hospitals.

Grants to the Trust from all of the voluntary organisations totalled £1,093,282 in this financial year.

Trust staff can apply for grants from the East Kent Hospitals Charity and any of the voluntary organisations that support the Trust, as well as national charities through the charity application form which follows a single process and provides one point of contact .

The Charities work in partnership to support collaborative projects across the Trust.

Examples of jointly funded projects are:-

- Hoverjacks – KCH League and Friends of WHH Leagues with EKH Charity
- Additional Telemetry Channels – Friends of WHH Leagues with EKH Charity
- Warming systems – KCH and QEQM Leagues and the Friends of WHH Leagues
- Restoration of mosaic in QEQM Cancer Garden – EKH Charity with Cancer Care Appeal

The Trustees are very appreciative of the work that the various groups and Leagues undertake in support of the Trust and take this opportunity to thank each and every volunteer for their gift of time, energy and fundraising to help our hospitals.



How you can help Your Local Hospital

East Kent Hospitals Charity aims to make a huge difference to the experience of patients who need to be cared for by our five hospitals and community services. The role of the charity is not to replace NHS funding but to help provide those little extras over and above what NHS funding can afford. So for example, we help to improve and modernise the facilities, equipment and environments of the Trusts' many hospital services for the benefit of patients, visitors and staff.

When we see the enormous effort staff make in caring for patients and supporting their loved ones, and the determination of the patients, it can inspire us to do something to help them.

There are many ways in which you can achieve this including:-



- Make a donation
- Organise a fundraising event
- Participate in a fundraising challenge
- Sponsor a fundraising event
- Give a gift in memory of a friend or family member
- Leave a bequest in your will to support your local hospital

Fundraising brings together the community in a common aim from which the people of East Kent benefit and promotes the Trust and the work of the Charity.

To make a donation you can use the form at the back of this report, or visit our website www.ekhut.nhs.uk/charity and follow the links to donate on line.

Text your gift from your phone:- “**ekhc01**” and the amount in pounds to **70070** e.g. ekhc01 £5

Join our lottery and you could win up to £25,000 whilst supporting your hospital.

Establish your own fundraising event using Just Giving and set up your own web page on Just Giving www.justgiving.com



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2 **Review of the Year**

The Role of the Charity

The core mission of the Charity is to enhance the care and treatment of patients and visitors accessing NHS services provided by East Kent Hospitals University NHS Foundation Trust, by raising funds to support the purchase of equipment and facilities which are beyond the scope of government funding.

This is an ambitious aim, which the Charity will achieve by:

Approving grants which will make a real difference by:-

- Improving the quality of patient care
- Improving environments for patients and visitors
- Supporting NHS staff development to enable them to provide excellent clinical and patient centred care
- Providing financial support for pioneering research that has the potential to impact on the treatment and well-being of patients

The Trustees confirm that they have referred to the guidance provided by the Charity Commission with regard to the need for public benefit. They are confident that the activities which contribute to the above mission have a clear public benefit. The Trust provides clinical services within the scope of their NHS requirements and the Charity works hard to enhance these services to benefit the patients and visitors (and therefore the public).

Progress to date

The Trustees agreed a three year plan on 30 March 2012 and the Charity has met the majority of it's objectives for the 2013/14 financial year, which is the second completed year of the plan.

The three year plan was to:-

- Generate a sustainable income year on year
- Review Investment management to provide advice, competitive rates and achieve an income within set boundaries as a minimum
- Maximise patient benefit through continually improving the grant making policy, processes and practices and therefore our impact as a charity year on year
- Ensure the charity has access to the competencies and resources required to achieve our strategic aims
- Raise the awareness, visual presence and profile of the work of the charity within and outside of the NHS
- Maintain the highest standards of governance, management and service

To effectively meet these targets, the Charity has:-

1. Engaged key staff in developing new projects through presentations, one to one and group discussion to raise awareness and encourage fundraising
2. Improved its supporter care programme by producing a bi-annual newsletter and completing monthly checks to capture and acknowledge as many donors as possible and issuing achievement/fundraising certificates
3. Continued to work with grant applicants to ensure they clearly demonstrate patient benefit and congruence with Trust policies and plans
4. Increased the range of lifestyle fundraising events that we offer to supporters, including the Great Kent Cycle Ride and the London 2 Brighton Challenge run
5. Continued to develop the partnerships with local Universities to increase funding for research projects that will impact on patient care
6. Undertaken a review of the investment strategy through a tender process
7. Provided courses for new Trustees and the Charity's administrative staff

In order to achieve these aims and to ensure that funds are expended in accordance with donors' wishes for the benefit of the public, the Trustees, Directors and Hospital Managers assess the facilities available to patients and staff to determine how the funds can best be deployed. The applications have to identify how the grant will benefit the public and are assessed on this basis before grants are authorised.



Making a Difference

Our funds have helped patients in many different ways. This year the Charity has awarded grants totalling £632,145 to improve their care and treatment and the environment in which it is given. Some examples of how funds have been used to achieve these goals are included below.

Refurbishment of patio garden in Haemophilia: £11,435

This grant has provided an area close to the treatment rooms which can be used to meet with relatives and friends and have time away from the clinical environment in a pleasant and open space. The addition of a covered arbor has enabled patients to use the garden even in the rain.



Books, CD's, puzzles and sensory activities: £3,887

Patients with dementia or cognitive issues often become bored and agitated in hospital. The specially designed games and sensory activities have a calming influence and lessen anxiety as their attention is distracted and focused away from the clinical environment.

Taking the hospital to the patient – Chemotherapy Bus: £14,500

The Mobile Cancer Outreach Clinic has enabled patients to receive treatment at a location closer to their home. This reduces travel time and difficulties this causes for patients receiving treatment which can be debilitating and take hours to complete.

Bringing the treatment to the patient improves their experience and provides a safe specialist unit whilst away from any 'clinical' institution e.g. GP Surgery, hospital. By being fully equipped with resuscitation equipment, access to data bases (via laptops) and other hospital IT systems the patients are ensured that the mobile unit can deal with any eventuality safely as close to their home base as is practical.

The specially designed 'bus' was donated by the Hope for Tomorrow charity and all the equipment was funded by the East Kent Hospitals Charity. Another example of how working with other organisations benefits our patients.



Thanks for the Lift! - £6,853

Fundraising has reached new heights as the East Kent Hospitals Charity and the League of Friends at Kent and Canterbury Hospital and the Friends of the William Harvey Hospital have supported the purchase of innovative new patient lifting equipment called the Hoverjack on each of the three sites.

The equipment is designed to lift a patient who has fallen on the floor up to bed height. It consists of four connected inflatable mattresses stacked on top of each other. They inflate from the floor upward to the height of a bed. This system replaces using a hoist which can be uncomfortable, time consuming and undignified, ensuring a much better patient experience.



Books for children and families diagnosed with Diabetes Mellitus - £2,340

Providing information to families of newly diagnosed children can aid parents in understanding the issues that may arise. What they can expect their children to achieve and cope with at the time of diagnosis and in the future. Having information can reduce anxiety, enable parents to understand what their children's needs are and will be and how the disease will change over time. Sufficient books have been purchased to provide to over 40 children a year for 3 years.

Cyber Café for dialysis patients - £182

The Charity continues to support access to the internet for patients undergoing dialysis. They are able to find out about their treatment and progress and also to work or communicate with others during treatment. This can help stimulate them and relieve boredom over the long hours of dialysis.

Bed Chairs in Rainbow - £4,224

These chairs enable parents to stay overnight on the ward at their child's bedside. This reduces anxiety for both the child and parent which can aid recovery and enhances the total family experience over a difficult period. Parents are able to get some sleep whilst still being close to comfort their child.

Telemetry Cardiac Monitoring - £55,996

Telemetry monitoring allows patients to be fully monitored whilst still being able to be independently mobile. It also assists cardiologists to formulate treatment plans. 16 additional channels were introduced to the current system to include full arrhythmia detection over a 72 hour period. Funding upgraded the central station and allows medical staff to review electrocardiograph (ecg) tracing for mobile patients and also some patients who need to remain in their speciality base. With more real time analysis the patient experience is enhanced with increased mobility and a more effective assessment and treatment plan helps reduce the patient's length of stay.

Rewards for Bravery - £270

For children coming into hospital it can be a frightening experience. Staff need to be able to assess an often distraught child and distraction can help them to do this successfully. The charity supports the purchase of small toys and crafts to aid parents and staff to calm and distract children whilst they are being assessed and treated. Choosing a bravery sticker, drawing a picture or catching bubbles can help the child relax and distract them to enable treatment to be given.

Talk and Support

Patient Education for those with End Stage Kidney Disease is essential and a key component to supporting shared decision making, for those approaching the point where informed choices need to be made in a timely and appropriate manner.

The Kent Kidney Care centre at Kent and Canterbury Hospital provides 6 educational and support sessions a year for 120 patients and their relatives and/or carers outside of the hospital environment which is less daunting and provides a more relaxed and informal setting for patients facing life decisions.

The format of the talks and the setting has provided a support network for people with kidney disease who no longer feel that they are the only ones who are facing these decisions.



The information Pods – enabling people to move round to different areas and be given information and ask questions to the kidney health care professionals.



The sessions are tailored to give information about kidney disease, the various types of dialysis, diets, medications, access for dialysis, transplantation, not having dialysis and the support services available from the Kent Kidney Care Centre e.g. counselling, social services.

Since these talks have been running patients are more able to make informed decisions about their care and empowered to have a person centred consultation with their kidney doctor in the clinic.

By giving people information about their condition it helps them adjust to the demands of needing specialist diets, numerous medicines and how they can be supported in living with kidney disease.

All patients with advanced kidney disease, who are approaching the time when a decision is required regarding dialysis, transplantation or not having dialysis, are invited to attend these education sessions. Also those who have commenced dialysis sooner than anticipated or unexpectedly are invited to attend.

The benefits of meeting others with the same condition, receiving peer support, having access to expert patients who share their experiences are immense and would not be achieved if these sessions were not supported by the charity.



The expert patient: Dialysis patients discuss what having dialysis is like in real life



Informal chat with one of the specialist nurses

Patient feedback:

"Congratulations on an excellent day. Grateful for all the care you take to inform."

"Glad I came to this session, very informative and will help me to decide my options, when, or if, the time comes."

"Very helpful and a lot of information to take away and think about. Thank you."

Karen Jenkins Consultant Nurse Renal Services, advises that *"all patients are followed up afterwards and their choices discussed more fully to enable shared decision making about their future."*

Similar meetings are supported by the Charity for kidney transplant patients, potential donors and family and friends, giving information from recipients and their live donors.

By supporting this type of event, the Charity and our donors, are making a real difference to peoples' lives.

Researching – the Future

The Charity seeks to encourage and provide financial support for research which has the potential to impact on the treatment and well being of patients. Through the funding of medical research we are seeking new ways to prevent or treat complicated medical conditions or life-threatening illness. The Charity is working closely with the Trusts' Research and Development staff to identify suitable grants to achieve this.

Two projects in connection with heart disease were awarded grants which have been partially spent to undertake the research. The work is ongoing and results will be published at the project conclusion.

Hypertension and CKD in Kent Studies (HyCKS) - Total grant of £22,428

The aim of the project is to describe the prevalence of controlled, uncontrolled and resistant hypertension amongst all hypertensive patients in a community based sample.

Secondary objectives include describing anti-hypertensive medication usage and costs and prevalent co-morbidity in these groups.

There is a very strong association between chronic kidney disease and cardiovascular disease, partly because there are many common risk factors such as hypertension and diabetes. These studies aim to investigate the link between resistant hypertension and blood pressure variability and chronic kidney disease, cardiovascular disease and outcomes.

Heart Research project – Total grant of £132,000 over 3 year period

The aims of this research are to assess the reliability, validity and palatability of a novel self-paced cardio-pulmonary exercise test (CPET) in the:-

- Assessment of patient pre-operative cardiovascular fitness to determine suitability for surgery and help predict post-surgery outcome;
- Prescription of exercise based rehabilitation for patients post myocardial infarction.

Projects are approved by the Research Ethics Group where applicable, and the Charity releases funds when expenditure has been identified and becomes due.



Financial Summary

Financial Review Summary

The net assets of the Charity as at 31st March 2014 are £4,308,307 (£4,553,025 as at 31st March 2013). During the year there was an excess of resources expended over incoming resources of £418,345 and an increase in the value of the charity's investments of £173,627 which reduced the overall net assets by £244,718 in the year.

Where our income came from

The Charity continues to rely on donations, legacies and investment income as its' main sources of income. Over the past 3 years there has been specific fundraising for the East Kent Breast Cancer Mammography Appeal which has generated income of over £28,000 in this concluding year.

Income from all voluntary donations was £288,091 which is £224,836 less than the previous year when the Appeal received some significant contributions.

Total income from all sources reached £437,612 which is £240,301 less than in the previous year.

The graphs below identify where our income came from and provides a comparison for the past five years.

The past year has been challenging and overall donations have declined by 56% from the previous year. However as the East Kent Breast Cancer Mammography Appeal draws to its conclusion in achieving all its identified expenditure, this decline was anticipated.

General donations have decreased from the previous year by 24% and provides a further challenge for the coming year.

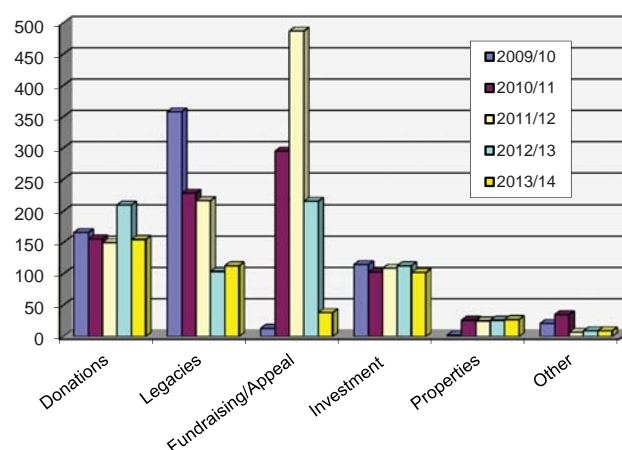
Legacies have provided an income of £106,564 this year. The most significant being for the following purposes:-

- £31,659 - From the estate of John Newport for Viking Day Unit
- £29,123 - From the estate of Harry Hirst for Kent & Canterbury Hospital
- £15,885 - From the estate of Christopher McMahon for William Harvey Hospital
- £13,123 - From the estate of Winifred Sayer for Queen Elizabeth Hospital
- £10,343 - From the estate of Jean Durban for Richard Stevens Stroke Unit

Income from Investments (excluding properties) has achieved the targets set by the Trustees and provided an important cash source. A net income of £68,524 was received. (£86,331 in 2012/13)

£000's

Income Comparison 2009/10 - 2013/14



The Charity holds three properties as an additional investment and currently rents these through a letting agent, to generate a cash income. Repairs and maintenance have been undertaken where required and all three properties have remained occupied throughout the year. The Trustees review income, market conditions and property costs as well as the Charity's cash requirements, to identify whether the option of selling the property would be to the advantage of the Charity, or to continue to rent which provides additional cash income.

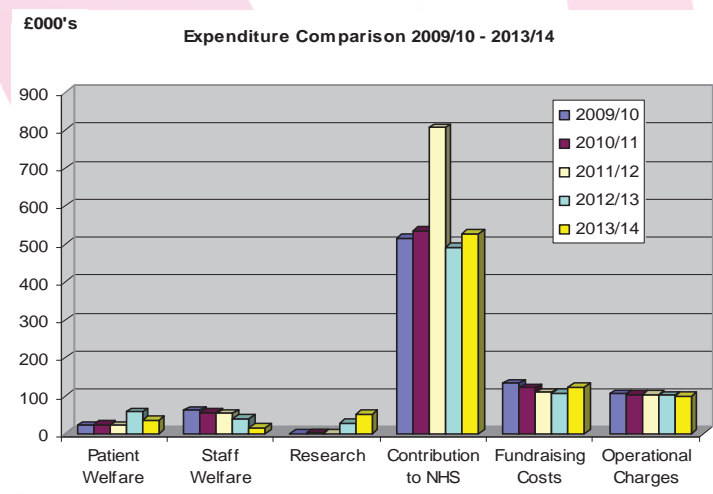
Where we spent our funds

A total of £632,145 was given in grants to the Trust (£618,908 in 2013) of which £155,930 was for equipment for the Appeal.

Expenditure figure for this year includes:- Note: may just give pie chart dependent on pages need/reduce

- Grant for Appeal medical equipment - £155,930
- Grants totalling £342,210 for other medical equipment
- Grants of £36,726 for projects that improve patient welfare and amenities
- Grants of £17,243 for staff training and welfare
- Grants of £52,942 for research

Total resources expended by the Charity were £855,956 of which £632,145 was a direct contribution to the Trust. This represents a 2% increase on last year's contribution. The graph below provides an analysis and comparison over the last five years:-



Looking Forward - our plans for the Future

Over the past year, East Kent Hospitals Charity has made life better for patients receiving treatment in East Kent. This has been achieved through investment in improving the environment of the hospitals; funding cutting edge equipment that improves outcomes for patients; providing financial support for pioneering new research; supporting staff training to ensure patients receive the best possible care and funding a range of support and other projects that improve the experience of patients and their families.

Whilst the financial climate remains difficult, the Trustees are encouraged that many people recognise the importance of helping to deliver worldclass healthcare for people, both now and in the future.

It is highly likely that we will all need to rely on the availability of excellent hospitals in East Kent over our lifetime and the East Kent Hospitals Charity has the potential to support the Trust in making this possible.

The Trustees are encouraged by what has been achieved and will continue to build on the successes of the past years to find new ways of encouraging support from the community to improve patient care.

By reviewing the strategy, developing new fundraising techniques and communications to raise the profile and work of the Charity, the Trustees are determined to understand the needs of the patients and staff to ensure that the Charity maximises the benefits that arise from the generous donations that

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3

Structure, Governance and Management

Overview

The East Kent Hospitals Charity is an independent registered charity, (registered number 1076555) which exists to raise and receive donations for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the East Kent Hospitals University NHS Foundation Trust.

The Charity was established in April 1999 by Declaration of Trust Deed as East Kent Hospitals NHS Trust Charitable Fund and amended by Trustee resolutions and supplemental deeds to incorporate name and structure changes.

The Charity encompasses the funds given to wards, departments and services provided by the East Kent Hospitals University NHS Foundation Trust. The following hospitals are the primary sites although outreach and other units and clinics are supported:-

- William Harvey Hospital (WHH), Ashford
- Queen Elizabeth the Queen Mother Hospital (QEQM), Margate
- Kent & Canterbury Hospital (K&C), Canterbury
- Buckland Hospital (BHD), Dover
- Royal Victoria Hospital (RVH), Folkestone

At the balance sheet date, 31st March 2014, there were a total of 47 individual funds established under this Umbrella registration. Of those funds 22 are restricted, or special purpose funds and some of these are registered under the Umbrella as subsidiary charities governed by separate objects within the Charities Commission guidelines for fund expenditure.

The Charity has one small Endowment fund, which allows only the net income to be spent, whilst the capital remains invested. The remaining 24 funds are Unrestricted or Designated Funds created for donations received for use by hospitals, wards and departments to reflect donors' wishes. These do not form a binding trust. The major funds within these categories are disclosed in Note 8 in the accounts. The total value of funds held at 31st March 2014 was £4,308,307.



The Umbrella registration allows for a single set of consolidated accounts for all the subsidiary charities and funds held under the umbrella. However, separate accounts for each fund are maintained to enable identification of transactions and balances.

The principal office of the Charity is:-

2nd Floor Trust Offices
East Kent Hospitals University NHS Foundation Trust
Kent and Canterbury Hospital
Ethelbert Road
Canterbury
Kent, CT1 3NG
Telephone: 01227 866356
Fax: 01227 866377

The Trustees

East Kent Hospitals University NHS Foundation Trust (the Trust) is the Corporate Trustee, empowered by the NHS Act 2006. The Board of Directors effectively adopts the role of Trustee as defined by the Charity Commission. Individual members of the Board are not trustees under Charity Law, but act as agents on behalf of the Corporate Trustee.

The Council of Governors is responsible for the appointment of the Chairman and Non Executive Directors (NEDs) and approving the appointment of the Chief Executive. The Council of Governors are elected and appointed to post. For further details visit www.ekhuft.nhs.uk

New appointees are given an induction which provides information regarding the Trust and their responsibilities within their role.



The following Trust Directors and Non-Executive Directors are members of the Charitable Funds Committee:-

Executive Directors

Mr Stuart Bain
Chief Executive

Dr Paul Stevens
Medical Director
Appointed June 2013

Mr Jeff Buggle
Director of Finance & Performance Management

Ms Liz Shutler
Director of Strategic Development & Capital Planning

Dr Neil Martin
Medical Director & Deputy Chief Executive
Retired from post May 2013

Non-Executive Directors

Mr Nicholas Wells
Trust Chairman

Ms Valerie Owen
Chair of Charitable Funds Committee

Dr Christopher Corrigan

Mr Steven Tucker

Structure

Administrative Structure

Charitable Funds Committee

Acting for the Corporate Trustee, the Charitable Funds Committee (CFC) to provide a dedicated team to manage the affairs of the Charity independently from the business of the Trust, whilst still linking closely with its strategy and planning. It is responsible for the management of the Charitable Fund under the Terms of Reference which are reviewed annually. The CFC meets routinely quarterly and additional meetings are held if required.

All new members of the Charitable Funds Committee attend an induction course for Charity Trustees within 6 months of appointment and delegated signatories are provided with guidelines and information regarding the Charity to ensure they understand their responsibilities.

The CFC review the Charity's affairs as outlined below:-

- Performance and management of investments
- Financial matters relating to cash management
- Charity Policies and agreements with the Trust
- Management of properties
- Grant allocations to achieve objectives
- Fundraising and strategy
- Administration and audit budget

The proceedings and recommendations of the CFC are recorded and taken to the next available Board of Directors meeting for ratification. Any items for which Board approval is not given will be discussed at the next CFC meeting.

The Charity does not employ any staff but reimburses the Trust for the staff and services provided by the Trust. Staff comprise a Fundraising Manager, Charitable Funds Manager and Assistant.



Other Relevant Organisations

Advisors

Investment Managers

Cazenove Capital
Management Limited
12 Moorgate
London
EC2R 6DA

Bankers

Lloyds Banking Group
2 City Place
Beehive Ring Road
Gatwick
RH6 0PA

Agents

Cooke & Co
Letting Agents
147 Northdown Rd
Cliftonville
Margate
Kent
CT9 2QY

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Valuations (property owned by the Charity)

Damien Cook Msc MNAEA
147 Northdown Road
Cliftonville
Kent
CT9 2QY

Legal Advisors

Clyde & Co
Solicitors
St Boltolph Building
138 Houndsditch
London
EC3A 7AR

Hempsons Solicitors
Hempsons House
40 Villiers Street
London
WC2N 6NJ

Association of NHS Charities

East Kent Hospitals Charity is an active member of the Association of NHS Charities. The Association seeks to support, and to be the voice of all NHS Charities in England and Wales. The principal aim of the Association is to promote the effective working of NHS Charities. Being a member offers our Charity a wide range of support, networking and information services as well as adopting best practice across the sector.

To find out more please visit:

www.assoc-nhs-charities.org.uk

Objectives

Grant making policy

The Charity makes grants from its unrestricted and restricted funds. A Scheme of Delegation is maintained for the authorisation of grants and signatories are approved by the division's Finance Lead. Divisional Directors, senior medical staff and department managers are appointed as fund managers. The staff are made aware of the Trust's Standing Financial Instructions and Orders which are also applicable to the Charitable Funds. All signatories receive a monthly financial statement of all the charity's funds.

Risk statement

During the year the Trustees continued to review the major risks to which the Charity is exposed. Given the financial controls and procedures in place, the significant areas of risk for the Charity have been identified as those associated with investments which are subject to external market influences. These could result in reduction in capital values, dividends and loss of rental income from properties.

In all areas of risk the level of controls have been assessed and enhanced as far as possible. In the Trustees opinion all appropriate action has been taken to ensure the risks are mitigated.

Investment Powers

The investment powers of the charitable fund are stated in the Declaration of Trust registered with the Charity Commission, which provides for the following:

"to invest the trust fund and any part thereof in the purchase of or at interest upon the security of such stocks, funds, securities or other investments of whatsoever nature and where so ever situate as the trustees in their discretion think fit but so that the trustees:

- 1. shall exercise such power with the care that a prudent person of business would in making investments for a person for whom he felt morally obliged to provide;*
- 2. shall not make any speculative or hazardous investment (and, for the avoidance of doubt, this power to invest does not extend to the laying out of money on the acquisition of futures and traded options);*
- 3. shall not have power under this clause to engage in trading ventures; and*
- 4. shall have regard to the need for diversification of investments in the circumstances of the Charity and to the suitability of proposed investments."*

Investment Objective

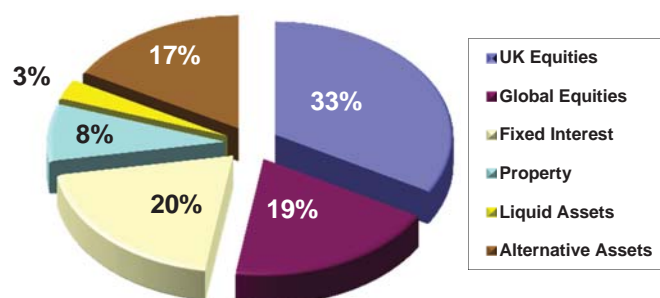
The investment objective is to seek to maximise the total return from the fund consistent with a relatively low degree of risk. Trustees have directed the investment managers to take an ethical approach to the portfolio and that no investments should be made in the shares of tobacco-producing companies and will also avoid investment in companies that have more than 10% of their turnover from the following:-

- Alcohol Manufacture
- Armaments
- Gambling
- Pornography

The ethical restrictions are not considered to be so restrictive as to be likely to impact on long term performance.



Asset Allocation 2013/14



Investment Performance

The Investment Managers were granted discretionary management powers under contract in January 2013. The total value of the investment portfolio at 31 March 2014 was £2,996,671 (including cash held within the portfolio). The performance of the portfolio broadly equalled or exceeded the various benchmarks.

The Investment Managers are required to meet with the Trustees at least once in any one financial year, to explain any deviation from the anticipated rate of return in order that investment opportunities can be maximised. Investment Managers are asked to explain exceptional losses and proposed recovery plans.

After the tender process the newly appointed managers, Cazenove Investment Managers sold the assets transferred from the previous investment managers, Sarasins and Partners LLP to produce a bespoke portfolio in accordance with the Trustee's brief. This change has meant considerable activity within the portfolio this year, which has increased costs and produced a marginal gain in capital value of the overall portfolio.

Gross income from investments has decreased from that achieved in the previous year, although the income has been maintained within the objectives set by the Trustees.

There is an annual review of the investment policy to ensure that returns are maximised at medium to low risk. Unless the donor has expressed a specific request regarding investment, the investment of funds is in accordance with the Trustees Investment Act 1961.

Reserves Policy

The Trustees recognise their obligation to ensure that income received by the Charity should be spent effectively and promptly in accordance with the funds' objects.

It is however considered prudent that a minimum reserve of between £200,000 and £250,000 should be held to cover contingencies, particularly stock market fluctuations. This sum has been identified as being equal to one year's operational costs and estimated outstanding commitments.

Charity Reserves as defined under SORP 2005 (GL51) are those funds which become available to the charity to be spent at the Trustees' discretion in furtherance of the charity's objectives, excluding funds which are spent or committed or could only be realised through the disposal of fixed assets. These are therefore classified as 'free'.

The Trustees have reviewed and revised their Reserves Policy and have determined that it is necessary to retain reserves over the longer term to:-

- Reduce the impact of risks from the external environment should the levels of income reduce significantly
- Continue their programme of support to the Trust
- Hold sufficient reserves to ensure the charity can cover its ongoing operational costs to process outstanding commitments
- Meet the cost of closure or transfer of the charity's affairs should the need ever arise

The Trustees continue to review the balances held in all funds, in accordance with the provisions of the NHS Acts relating to charitable funds, to determine whether these funds are likely to be committed in the near future and the extent to which there is a continuing need identified for any particular fund(s). In the event that there is no identified immediate need the Trustees will bring this to the attention of the Trust to seek a project to which the funds can be applied.

At the 31st March 2014 the reserves were identified as per the table below:-

Breakdown of Reserves	£000,'s
Total Unrestricted funds (incl invest)	1,715
less property funds	(787)
less Major Appeal fund	(130)
Freely available reserves	798

The current level of reserves exceeds the minimum requirement set in the policy with an additional £548,000 being held without firm commitment projects. The Trustees have ensured that Divisions are aware of funds available and have plans for expenditure in the coming year to develop projects to benefit the patient experience.

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4 **Our Funds**

Objects & Fund Structure

Objects

Under the terms of the governing document, the Trustees can use the unrestricted funds to '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 relating to the National Health Service'.

The restricted funds have individual specified purposes that govern their use, in conjunction with the objects of the Umbrella Charity. Some of these are registered with the Charity Commission as subsidiary charities of the Umbrella Charity. See Note 8.3 page 47.



Fund Structure

Where a donation is received under a legally binding trust, for example under the terms of a will, the funds are classified as restricted. Where the restriction is removed, either by the spending of original funds, or where no binding agreement is held, funds are re-classified as unrestricted and placed into general purpose funds or a fund that achieves the donor's wishes.

Restricted General Purpose Funds

The charity holds funds for general purposes for specific hospitals received through legacies and other binding agreements. The hospitals covered are:-

- Buckland Hospital – Dover
- Kent & Canterbury Hospital – Canterbury
- Queen Elizabeth the Queen Mother Hospital – Margate
- Royal Victoria Hospital – Folkestone
- William Harvey Hospital – Ashford

Divisional Funds

The following funds are held as general purpose funds for the wards and services managed under the clinical division and are classified as unrestricted.

Urgent Care and Long Term Conditions - incorporates the following specialties:-

- Health Care of Older People
- Diabetes
- Rheumatology
- General Medicine
- A&E
- Neurological Services
- Cardiology
- Stroke
- Gastroenterology
- Respiratory

Surgical Services - incorporates the following specialties:-

- Anaesthetics
- Critical Care
- Pain Services
- General Surgery
- Urology
- Head and Neck
- Trauma and Orthopaedics
- Vascular and Interventional Radiology

Specialist Services - incorporates the following specialties:-

- Cancer and Oncology
- Haemophilia
- Clinical Haematology
- Renal
- Dermatology
- Womens Services
- Childrens Services

Clinical Support Services - incorporates the following specialties:-

- Laboratory Medicine
- Pharmacy
- Radiology
- Therapies
- Outpatients



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5 **Financial Statements**

Statement of Trustees Responsibility

The following pages show the financial accounts for the year ended 31st March 2014.

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

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the Charity and of the financial position at the end of the year.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:-

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- State whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

As far as the trustees are aware, there is no relevant audit information of which the charity's auditors are unaware and the trustees confirm that they have met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 38 - 39 attached have been compiled from and are in accordance with the financial records maintained by the trustees.

By Order of the Trustees
Signed:

Chairman:

Date:

Trustee:

Date:

Independent Auditor's Report

We have audited the financial statements of East Kent Hospitals Charity for the year ended 31st March 2014. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 36 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 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2014 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Statement of Financial Activities

Statement of Financial Activities for the year ended 31 March 2014

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	2013/14 Total Funds £000	2012/13 Total Funds £000
Incoming resources	2	£000	£000	£000	£000	£000
Donations		139	42	0	181	409
Legacies		1	106	0	107	104
Total Donations and Legacies		140	148	0	288	513
Activities for generating funds		12	0	0	12	17
Investment income		49	79	1	129	139
Other incoming resources		0	9	0	9	9
Total incoming resources		201	236	1	438	678
Resources expended	3					
Costs of generating funds	3.1	29	94	0	123	109
Charitable Activities						
Activities in furtherance of charity's objectives	3.2	334	298	0	632	619
Governance and administration	3.3	27	73	1	101	102
Total resources expended		390	465	1	856	830
Net inc/(outgoing) resources before Transfers		(189)	(229)	0	(418)	(152)
Gross transfer between funds		0	0	0	0	0
Net incoming/(outgoing) resources		(189)	(229)	0	(418)	(152)
Gains/(losses) on revaluation and acquisition	5	114	59	0	173	372
Net movement in funds	4	(75)	(170)	0	(245)	220
Fund balances brought forward at 31 March 2013		1,790	2,739	24	4,553	4,333
Fund balances carried forward at 31 March 2014		1,715	2,569	24	4,308	4,553

The notes at pages 40 to 48 form part of these financial statements.

Balance Sheet

Balance Sheet as at 31 March 2014

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 Mar 2014 £000	Total at 31 March 2013 £000
Fixed Assets						
Investments - Cazenove portfolio	5	678	2,224	21	2,923	2,940
Properties	5	787	0	0	787	693
Total Fixed Assets		1,465	2,224	21	3,710	3,633
Debtors due over one year	6	12	0	0	12	10
Current Assets						
Debtors due within one year	6	2	18	0	20	85
Cash held in investment portfolio		17	56	0	73	0
Cash at bank and in hand		230	326	3	559	919
Total Current Assets		249	400	3	652	1,004
Creditors: Amounts falling due within one year	7	(11)	(55)	0	(66)	(94)
Net Current Assets/(Liabilities)		238	345	3	586	910
Total Net Assets		1,715	2,569	24	4,308	4,553
Funds of the Charity						
Capital Funds:	8					
Endowment Funds		-	-	24	24	24
Income Funds:						
Restricted		-	2,569	-	2,569	2,739
Unrestricted		1,715	-	-	1,715	1,790
Total Funds		1,715	2,569	24	4,308	4,553

The notes at pages 40 to 48 form part of this account.

Signed:

Date:

Notes to the financial statements for the year ended 31 March 2014

Principal accounting policies

1.1 Accounting Convention

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005 and the Charities Act 2011. A summary of the principal accounting policies, which have been applied consistently, are set out below.

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except for Investments, which are included at market value. During the year, the Charity reviewed its accounting policies and made no changes.

1.2 Incoming Resources

Donations, grants, legacies and gifts in kind

Donations and grants are credited to revenue on a receivable basis. It is not the Charity's policy to defer income even where a pre-condition for use is imposed. Legacies are accounted for either upon receipt or where confirmation has been received from the personal representatives of the estate that payment of the legacy will be made or property transferred when all conditions attached to the legacy have been fulfilled.

Incoming resources from Capital Endowments are placed into an income fund when received. Income will be placed into funds in accordance with donors' wishes, but without forming a binding trust, unless a signed document is received and approved by Trustees. Gifts in kind are valued at a reasonable estimate of their value to the Charity. Gifts donated for resale are included as income when they are sold.

Intangible Income

Intangible income, which comprises donated services or use of Trust property, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is material, quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

1.3 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Overheads have been allocated pro rata to the value of the individual funds on a monthly basis.

Costs of generating funds

The costs of generating funds are the costs associated with generating income for the funds held on trust. This will include the costs associated with Investment Managers, administration costs for management of investment properties and other promotional and fundraising events including any trading activities.

Charitable Activities

Expenditures are given as grants made to third parties (including NHS bodies) in furtherance of the charitable objectives of the funds. They are accounted for on an accruals basis, in full, as liabilities of the Charity when approved by the Trustees and accepted by the beneficiaries.

Governance and administration

These are accounted for on an accruals basis and are recharges of appropriate proportions of the staff costs and overheads from East Kent Hospitals University NHS Foundation Trust. These are calculated on an average fund balance of the individual funds and allocated on a monthly basis. Governance costs include audit fees.

Recognition of liabilities

Liabilities are recognised as and when an obligation arises to transfer economic benefits as a result of past transactions or events.

1.4 Structure of funds

Unrestricted funds are general funds, which are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity. Funds which are not legally restricted but which the Trustees have chosen to earmark for set purposes are designated funds.

Where there is a legal restriction or a binding agreement with a donor, on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund.

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds.

The major funds held within these categories are disclosed in note 8.

Transfers between funds are made at the discretion of the Trustees, taking account of any restrictions imposed by the donor. Please refer to the Fund Structure on page 32 within the Trustees report.

1.5 Fixed Assets

Investments Fixed Assets

Investments held by the Trustees' investment advisers are included at closing market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposal are combined in the Statement of Financial Activities.

Investment properties

Property assets are not depreciated but are shown at market value. Valuations are carried out annually by an appropriate professional. Valuation gains and losses are recorded in the Statement of Financial Activities with the balance sheet reflecting the market value at 31st March 2014.

Income and expenditure in respect of investment properties are reflected in the appropriate category in the Statement of Financial Activities. See note 3.1.

1.6 Realised gains and losses

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

Investment income and gains/losses are allocated quarterly and monthly respectively according to the average fund balance, to the appropriate fund and included within the Statement of Financial Activities.

1.7 Cash flow

The Charitable Fund qualifies as a small entity and as a consequence, it is exempt from the requirement to publish a cash flow statement under Financial Reporting standard 1 (revised) Cash Flow Statements.

1.8 Prior Year Adjustments

There has been no change to the accounts of the prior years.

1.9 Pensions

The Charity has no employees.

1.10 Irrecoverable VAT

Any irrecoverable VAT is charged to the Statement of Financial Activities.

2 Incoming Resources

2 Incoming Resources

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2013/14 Total Funds £000	2012/13 Total Funds £000
Voluntary Income					
Donations	139	42	0	181	409
Legacies	1	106	0	107	104
Total Donations and Legacies	140	148	0	288	513
Operating Activities					
Activities for generating funds-events	12	0	0	12	17
	12	0	0	12	17
Investment income					
Dividends from investment portfolio	20	76	1	97	107
Interest from investment portfolio	0	0	0	0	0
Bank Interest	2	3	0	5	6
Rent from Investment properties	25	0	0	25	26
Interest from Loan	2	0	0	2	0
Total Investment income	49	79	1	129	139
Other incoming resources-Staff Ball Tickets	0	9	0	9	9
Total Other income	0	9	0	9	9
Total incoming resources	201	236	1	438	678

3 Resources Expended

3.1

Cost of generating funds

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2013/14 Total Funds £000	2012/13 Total Funds £000
Fundraising events - insurance	0	2	0	2	2
Fundraising events	10	(4)	0	6	11
Fundraising - Just Giving	1	1	0	2	3
Fundraising - Marketing and promotional material(inc Database)	1	9	0	10	3
Fundraiser and support - Salaries	0	64	0	64	64
Total cost of Fundraising	12	72	0	84	83
Management of rented property					
Legal Fees/Valuations of investment property	0	0	0	0	0
Administration	3	0	0	3	3
Maintenance	6	0	0	6	1
Insurance	2	0	0	2	2
Total cost of property management	11	0	0	11	6
Investment managers fees	6	22	0	28	20
Total cost of generating funds	29	94	0	123	109

3.2	Unrestricted	Restricted	Endowment	2013/14	2012/13
Charitable Activities	Funds	Funds	Funds	Total	Total
	£000	£000	£000	Funds	Funds
				£000	£000
Patients welfare and amenities					
Medical & Rehabilitation Equipment & Patient Information	3	6	0	9	8
Furniture & Fittings	9	6	0	15	35
Building, Garden & Refurbishments	0	0	0	0	4
Hospitality	0	4	0	4	2
Miscellaneous- Incl toys & Christmas Gifts	8	1	0	9	9
Total patients welfare & amenities	20	17	0	37	58
Staff welfare and amenities					
Furniture & Fittings	0	0	0	0	0
Christmas Events	0	14	0	14	15
Long Service & other Awards	0	2	0	2	26
Total staff welfare & amenities	0	16	0	16	41
Research	0	53	0	53	28
Contributions to NHS					
Medical & Rehabilitation Equipment	309	189	0	498	353
Bed Purchase Total	0	0	0	0	73
Furniture & fittings	0	8	0	8	7
IT Equipment	3	1	0	4	10
Training	0	1	0	1	16
Building, Garden & Refurbishments	2	13	0	15	33
Total contribution East Kent Hospitals Trust	314	212	0	526	492
Total grants payable to East Kent Hospitals Trust	334	298	0	632	619

3.3	Unrestricted	Restricted	Endowment	2013/14	2012/13
Governance & Support Costs	Funds	Funds	Funds	Total	Total
	£000	£000	£000	Funds	Funds
				£000	£000
Support Costs - Salaries	13	36	1	50	63
Support Costs - Non pay	3	8	0	11	9
Governance - Salaries	8	21	0	29	19
Governance - Non pay (Trustee training)	1	1	0	2	0
Governance - Audit fees (internal)	0	2	0	2	4
Governance - Audit fees (external-Annual Report & Accounts)	2	5	0	7	7
Total management & administration costs	27	73	1	101	102
Total resources expended	390	465	1	856	830

3.4 Costs for WTE Staff

The Charity does not employ any staff directly, but two administrative staff are employed on a full time basis by the East Kent Hospitals University NHS Foundation Trust to work on the Charity. Their costs have been included in note 3.3.

A Fundraiser is also employed, the costs of which have been included in note 3.1.

4 Net Movements in Funds

4				2013/14	2012/13
Net Movement in funds	Unrestricted	Restricted	Endowment	Total	Total
Available for Charity Use	Funds	Funds	Funds	Funds	Funds
	£000	£000	£000	£000	£000
Net resources before transfers	(221)	(287)	(1)	(509)	(269)
Net gain from fundraising-events	2	1	0	3	4
Net gain from investment properties	14	0	0	14	20
Net gain from investment portfolio/bank	16	57	1	74	93
Gross transfer between funds	0	0	0	0	0
Sub total of net incoming/outgoing resources	(189)	(229)	0	(418)	(152)
Gains & Losses on investment assets	114	59	0	173	372
Net movement in funds available for future activities	(75)	(170)	0	(245)	220

5 Fixed Asset Investments

5				
Analysis of Fixed Asset Investments				
	Cazenove £000's	Investment properties £000's	Total Fixed Assets £000's	
Market value at 1st April 2013	b/fwd	2,940	693	3633
Less: Disposals at carrying value		(2,921)	0	(2,921)
add: Acquisitions		2,847	0	2847
Net gain/loss on revaluation and sale		79	94	173
Charges applied to capital		(22)	0	(22)
Market value at 31 Mar 14		2,923	787	3,710
Historic cost at 31 Mar 2014		2,570		
Historic (purchase) costs properties		283		
		2,853		

6 Debtors

6				
Analysis of Debtors			31 March 2014	31 March 2013
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£000	£000	£000	£000
Amounts falling due within one year:				
Accrued income				
Tax claim HMRC	2	0	2	0
Investment Divs & Interest	0	2	2	0
Legacies	0	16	16	85
Amounts falling due over one year				
Loan for property maintenance	12	0	12	10
Total debtors	14	18	32	95

7 Creditors

7	Unrestricted	Restricted	31 March 2014	31 March 2013
Analysis of Creditors	Funds	Funds	2014	2013
Amounts falling due within one year:	£000	£000	£000	£000
Trade creditors (Trade Accruals)	0	5	5	57
Audit (KPMG LLP) 13/14 accs (Trade)	2	5	7	7
East Kent Hospitals University NHS Foundation Trust	9	45	54	30
Total creditors falling due within one year	11	55	66	94

8 Details of Funds

8.1						
Analysis of Funds						
Endowment Funds						
Name of fund	Balance 31 March 2013 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains & Losses £000	Balance 31 Mar 2014 £000
KCH Longbotham	24	1	(1)	0	0	24
Total	24	1	(1)	0	0	24
8.2						
Restricted Funds						
Material funds						
Name of fund	Balance 31 March 2013 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains & Losses £000	Balance 31 Mar 2014 £000
KCH Gen Purpose	710	58	(45)	0	19	742
QEQM General Purposes	629	74	(159)	0	14	558
KCH Heart Research	220	6	(60)	0	5	171
QEQM Coronary Care Unit - CCU	171	5	(15)	0	4	165
WHH Gen Purpose	130	30	(27)	0	3	136
BHD Gen Purpose	175	4	(47)	0	4	136
WHH Special Care Baby Unit	125	31	(30)	0	3	129
RVH Gen Purpose	135	3	(28)	0	3	113
KCH Renal Unit Fund	102	5	(11)	0	2	98
Others	342	20	(43)	0	2	321
Total	2,739	236	(465)	0	59	2,569

8.3

Details of material Funds

Description of the nature and purpose of each fund

Endowment

Name of fund

KCH Longbotham Fund

Promoting any Charitable purpose relating to Kent & Canterbury Hospital services as Trustees see fit

Restricted

KCH Gen Purpose

Charitable purposes relating to NHS wholly or mainly for Kent & Canterbury Hospital

QEQM General Purpose

Any Charitable purpose relating to NHS wholly or mainly for Queen Elizabeth Hospital

KCH Heart Research

Charitable purposes relating to NHS to further Heart Research

QEQM Coronary Care Unit - CCU

Charitable purposes relating to Coronary Care Unit

WHH Gen Purpose

Any Charitable Purpose relating to NHS wholly or mainly for William Harvey Hospital

BHD Gen Purpose

Any Charitable Purpose relating to NHS wholly or mainly for Buckland Hospital

WHH Special Care Baby Unit

Charitable purposes relating to NHS & provision of additional equip & staff training

RVH Gen Purpose

Any Charitable Purpose relating to NHS wholly or mainly for Royal Victoria Hospital

KCH Renal Unit Fund

Charitable purposes relating to NHS & provision of additional equip & staff training for Renal Services

Designated

QEQM Property Fund

Any Charitable purpose relating to NHS wholly or mainly for Queen Elizabeth Hospital

EKHT Digital Mammo Appeal Fund

For the provision of digital equipment. Staff training and other equipment related to breast cancer

QEQM Diabetes Fund

Any Charitable purpose relating to NHS & purchase of equipment & staff training

EKHT Urgent & Long Term Care Services Fund

Any Charitable purpose relating to NHS & purchase of equipment & staff training

KCH Coronary Care Fund

Any Charitable purpose relating to NHS & purchase of equipment & staff training

EKHT Specialist Services Fund

Any Charitable purpose relating to NHS & purchase of equipment & staff training

9 Related party transactions

During the year none of the Trustees or members of the key management staff or parties related to them has undertaken any material transactions with the East Kent Hospitals Charity.

The Charitable Trust has made revenue and capital payments to the East Kent Hospitals University NHS Foundation Trust where the Trustees are also members of the Trust Board.

10 Charity Tax

East Kent Hospitals Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

11 Contingent Assets

The Charity has been made aware of an estate in which they are a 25% residual beneficiary but which is currently being held in Trust where the interest is paid to an individual beneficiary for her lifetime. The Trust is significant (estimated to be in the region of £429k at 31st March 2014), but this sum is subject to the markets and expertise of the investment manager. The Charity cannot at this time consider this as an assured income and has therefore not recognised the potential legacy of £100k for the Cancer Services in the accounts.

The Trustees have been advised of two further legacies which are subject to claims by the families and therefore receipt of monies are uncertain and have not been recognised in the accounts.

The two legacies and potential income are noted as:-

A disputed legacy under terms of capacity has resulted in a settlement agreement with the family after a mediation process. Probate has yet to be granted and the estate includes a property and therefore income is not certain at this time but the estimated income to the Charity is anticipated to be in the region of between £100k - £150k.

Legacy subject to dispute under Provision for Family and Dependents Act 1975 estimated income to the Charity £85k - £90k.

Donation Form



East Kent Hospitals Charity

Full Name:

Home Address:

Post code: Telephone:

Email:

giftaid it

Increase the value of your donation by 25%

Gift Aid allows the Charity to claim back tax on your donation. For every £1 donated the Government will add an extra 25p from your taxes.

If you would like to Gift Aid your donation simply tick the box and provide us your full names, home address and postcode. You must pay an amount of Income Tax and/or Capital Gains Tax at least equal to the amount of tax that all the charities you donate to will reclaim on your gifts for that tax year. Other taxes such as VAT and Council Tax do not qualify.

If you would like to gift aid your donation, please tick this box ☐

I wish to donate the sum of £ to East Kent Hospitals Charity.

I request that the donation be used for: (please tick)

☐ Wherever it will be most useful

☐ Patients and staff at the (please specify) Hospital

☐ The following specific purpose/department: (please specify)

Method of payment

☐ Credit card ☐ Cheque ☐ Cash ☐ Other (e.g. CAF voucher)

(Make cheques payable to East Kent Hospitals Charity)

Cardholder

Card No

Three digit Security No

Start Date/Issue No

Expiry Date

**Please send to: East Kent Hospitals Charity, 2nd Floor, The Trust Offices,
Kent and Canterbury Hospital, Ethelbert Road, Canterbury, Kent CT1 3NG**

We would like to be able to contact you about future events and appeals. The Charity will not pass on your details to any third party. If you do not wish to receive this information, please tick the box ☐



East Kent Hospitals Charity

East Kent Hospitals University NHS Foundation Trust
2nd Floor Trust Offices
Kent and Canterbury Hospital
Ethelbert Road
Canterbury,
Kent CT1 3NG

Telephone: 01227 866356

Fax: 01227 866377

E-Mail: ekh-tr.fundraising@nhs.net

Charity Registration No. 1076555

Report Designed by EKHUFT MedPhoto

East Kent Hospitals University

NHS Foundation Trust

Finance Directorate

Kent & Canterbury Hospital
Ethelbert Road
Canterbury
Kent
CT1 3NG



Mr Philip Johnstone
KPMG UK LLP
12th Floor
15 Canada Square
Canary Wharf
London
E14 5GL

14th August 2014

Dear Philip

This representation letter is provided in connection with your audit of the financial statements of East Kent Hospitals Charity ("the Charity"), for the year ended 31 March 2014, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Charity's affairs as at 31 March 2014 and of its surplus or deficit for the financial year then ended;
- ii. whether the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- iii. whether the financial statements have been prepared in accordance with the Charities Act 2011.

These financial statements comprise the Balance sheet, the Statement of Financial Activities and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Trustees confirm that the representations they make in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Trustees confirm that, to the best of their knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing themselves:



Financial statements

1. The Trustees have fulfilled their responsibilities, as set out in the terms of the audit engagement dated 12 August 2013, for the preparation of financial statements that:
 - give a true and fair view of the state of the Charity's affairs as at the end of its financial year and of its surplus or deficit for that financial year;
 - have been properly prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"); and
 - have been prepared in accordance with the Charities Act 2011.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Trustees in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which FRS 21 *Events after the balance sheet date* requires adjustment or disclosure have been adjusted or disclosed.

Information provided

4. The Trustees have provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Trustees for the purpose of the audit; and
 - unrestricted access to persons within the Charity from whom you determined it necessary to obtain audit evidence.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. The Trustees acknowledge their responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Trustees acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

The Trustees have disclosed to you the results of their assessment of the risk that the financial statements may be materially misstated as a result of fraud.

7. The Trustees have disclosed to you all information in relation to:
- (a) Fraud or suspected fraud that it is aware of and that affects the Charity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - (b) allegations of fraud, or suspected fraud, affecting the Charity's financial statements communicated by employees, former employees, analysts, regulators or others.
8. The Trustees have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Trustees have disclosed to you and have appropriately accounted for and/or disclosed in the financial statements, in accordance with FRS 12 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
10. The Trustees have disclosed to you the identity of the Charity's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with FRS 8 *Related party disclosures*.
11. The Trustees confirm that:
- (a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the charity's ability to continue as a going concern as required to provide a true and fair view.
 - (b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Charity to continue as a going concern.

This letter was tabled and agreed at the meeting of the Integrated Audit and Governance Committee on 14th August 2014.

Yours faithfully,

Jeff Buggle
Director of Finance and Performance
Management

Stuart Bain
Chief Executive



Appendix to the Trustees' Representation Letter of East Kent Hospitals Charity: Definitions

Financial Statements

A complete set of financial statements comprises:

- a Balance Sheet as at the end of the period;
- a Statement of Financial Activities for the period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

The ASB's *Statement of Principles for Financial Reporting* states that:

"An item of information is material to the financial statements if its misstatement or omission might reasonably be expected to influence the economic decisions of users of those financial statements, including their assessments of management's stewardship"

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

Related party

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 8 *Related Party Disclosures* as the “reporting entity”).

- (a) A person or close member of that person's family is related to a reporting entity if that person:
 - (i) Has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a retirement benefit scheme for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a scheme, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transaction

A transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a price is charged.