



Southampton
Hospitals
Charity

Charity Registration Number: 1051543



University Hospital
Southampton
NHS Foundation Trust

let's
enhance
care, **together**



Annual Report 2021-22

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Introduction

from the Chair of the Charity Committee

The hospital charity is proud to support the world class care provided at University Hospital Southampton (UHS) and continues to raise funds and invest in areas which have real impact at UHS. We are extremely proud of the Charity's contribution to the fight against COVID-19 and we remain committed to supporting the Trust's most urgent and immediate needs as the hospital enters a phase of recovery, most notably in tackling some of the most acute challenges posed by longer waiting lists and resultant delays in treatment.

During the first wave of the global COVID-19 pandemic, The Game Changer by Banksy was unveiled at UHS and the Charity was incredibly honoured to be gifted the artwork. The original canvas was auctioned in March 2021 and proceeds will support the Trust's plans to improve staff facilities across its sites. Projects include staff room refurbishments and updates, a destination wellbeing space as well as a rooftop garden at Princess Anne Hospital so all our staff have a place to rest, contemplate and recharge.

Driving innovation through research has been a priority for the Charity this year with the launch of our research appeal and we are delighted to be supporting three projects that aim to understand the impact on families being transferred to our neonatal intensive care, life beyond cancer treatment in young people and the impact of neonatal brain injury on families



so that our healthcare professionals can better support them.

Thanks to the generous support from our donors, fundraisers, local businesses and trusts and foundations we have secured funding to refurbish two playrooms in the Children's Hospital and four garden spaces within the grounds of UHS. We are also proud to have worked alongside the Trust to fund the upgrade and refurbishment of Meller House, a unique facility that provides comfortable accommodation for the relatives of patients at UHS who have travelled long distances from home or in emergency situations. It is in these projects that we see some of the real impact the Charity has.

I would like to take the opportunity to thank the members of the Charitable Funds Committee for their continued commitment and support to the Charity, the Charity team who remain dedicated and committed to our work and to all of the Trust's staff members who have worked so hard over the past year in what are perhaps the most challenging conditions the health service has yet faced.

Dave Bennett

Welcome

from the Charity Director

Where to begin when looking back at a year that has continued to deliver some of the most pressing and challenging conditions both the NHS and charity sector has faced?

I will start by thanking the amazing Charity team who have continued to prove themselves adaptable, tirelessly enthusiastic and dedicated to continuing to ensure that charitable funds are used to make the biggest difference to patients, families and staff at UHS. The Trust, as our corporate trustee, has faced huge challenges but remained committed to supporting our charitable work, enabling us to invest further in our fundraising and projects resources while also signing off on our ambitious new strategy.

Our strategy recognises that we are in the midst of unprecedented times and looking ahead, it is hard to see a respite from pressures on the NHS, on the economy and on the charitable sector as a whole. Our strategy identifies an urgent need to ensure we achieve long-term sustainability through both diversifying our income streams and also investing in existing fundraising areas that we know can be successful.

The COVID-19 pandemic highlighted areas of vital importance that are central to our new strategy and includes staff wellbeing, patient care and experience, community engagement and the need to tackle health inequalities in our local communities. To ensure that we are



delivering the greatest benefit for patients, this past year saw us introduce a new impact and evaluation framework to help us measure the results of our funding and guide how and where we direct future funds.

None of this is possible without the continued support and enthusiasm from our donors, our patients and the fantastic staff at UHS. The next few years promise to be tough for everyone but we remain determined to continue to deliver on our commitment to improving the care and experience of patients and staff.

One of the best parts of working for an NHS charity is seeing how invested our donors and supporters are in their local NHS. Many of our donations come accompanied with personal messages of thanks and support, remembering the care our supporters or their families received and it is impossible not to be touched by these messages of thanks and appreciation. Southampton Hospitals Charity offers our community the opportunity to support local services – the services that are there for them and their families when they most need help. This, ultimately, is why the Charity exists.

Ellis Banfield

Looking back on 2021-22

April 2021 Meller House

Thanks to a generous donation, the Charity has worked with the Trust to refurbish Meller House. This is a unique facility that provides comfortable accommodation for the relatives of patients at UHS in emergency situations.



May 2021 V Create

Funding for this digital project was secured for the third year. Allowing parents of neonatal babies who may at times, be away from baby's side to have video and photo updates.

June 2021 GICU Research Project

Thanks to the generosity of one of our supporters, this project is aimed to support frontline staff who may have experienced stress, anxiety and PTSD from caring for the sickest patients during COVID-19.



Summer 2021 APS Equipment Library



The Charity have been able to support the UHS team to build up an equipment library for Atypical Parkinsonian Syndrome (APS) patients. Meaning the team can lend items such as walking frames to patients.

Oct 2021 Anxiety & Worry Kit

Thanks to the generous support of our donors, we funded an anxiety and worry kit for our play therapy team to use for children with autism.



Jan 2022 MOP Gym

Thanks to a £15,000 grant, work on our rehabilitation gym for elderly patients started. The new purpose-built specialist gym will be a place for elderly patients to exercise both their bodies and minds, with equipment such as plasma screens and WiiFit technology, parallel bars and a stair master.

March 2022 Paediatric Intensive Care Unit (PICU) staff room

Thanks to donations from two grateful families, the staff room in PICU underwent a refurbishment, and now provides a comfortable and safe space for staff to rest.

Dec 2021 Research Projects

We partnered with the UHS Research and Development team to fund innovative research projects totalling £100,000 to benefit patients.



Feb 2022 Urology

The Urology team were in receipt of a generous donation of £20,000 to fund new equipment including specialist chairs and equipment to improve the care of patients with bladder cancer.



Our aims and purpose

Our objectives for 2021/22

Our main objectives for 2021/22 were:

1. Raise an annual income of at least £3m

The COVID-19 pandemic continued to impact some of our fundraising activities, but overall, we were successful in meeting and exceeding our income target by raising £9.5m (which includes the £4.9m from the proceeds of the Game Change sale).

2. Aim to be consistent in its cost to income ratio, comparable other NHS charities

Towards the end of 2021/22, we undertook a benchmarking exercise against other NHS charities and identified areas for growth and investment that kept the Charity within an efficient cost-to-income ratio. This has enabled us to invest further in income channels that offer potential for growth and development.

3. Be accountable and transparent for how we spend our income and the impact it makes

We have continued to produce our Charity Matters newsletters for our supporters and UHS staff to communicate what projects and initiatives we have supported. At the end of 2021/22 we appointed our first impact officer to implement an impact framework for improved tracking of the impact of our charitable activities.

We recognised that 2021/22 was going to be a year of transition from the crisis of the pandemic to a recovery phase and have alongside our main organisational objectives continued to support the Trust in its COVID-19 recovery phase. Our new long-term strategy sets out how we will grow and develop in this new phase.

The Charity seeks to benefit the patients, families, carers, and staff of UHS, as well as contributing to the wider community. UHS provides hospital services for 1.9 million people living in Southampton and southern Hampshire and specialist services - including neurosciences, respiratory medicine, cancer, cardiovascular, obstetrics and children's services - to more than 3.7 million people in central southern England and the Channel Islands.

The largest of UHS's hospitals is Southampton General Hospital. UHS also runs the Princess Anne Hospital (maternity and related services), the New Forest Birth Centre, and a small number of services at other hospitals in the area with a combined staff force of 13,000.

Banksy's Game Changer

In April 2021 Southampton Hospitals Charity received the proceeds of the sale of the Game Changer painting. 30% of the proceeds were allocated to fund initiatives the Charity supports for the benefit of the NHS. This money has been assigned to capital projects for the benefit of UHS staff and their wellbeing, with the works taking place across 2022/23 and amounts to £4.9m. The remaining 70% of the funds are hosted and disbursed by Southampton Hospitals Charity to charities that support the wider NHS.



6 hospitals

- Southampton General Hospital
- Princess Anne Hospital
- Southampton Children's Hospital
- New Forest Birth Centre
- Royal South Hants Hospital
- Lymington New Forest Hospital



13,000
members
of staff



1.9 million
patient contacts
every year

Our Strategy

Our ambitious three year strategy sets Southampton Hospitals Charity on a path to significantly grow our income, enhance care for our patients and staff, and also enables us to invest in areas that can have a greater impact at University Hospital Southampton.

Building on the foundations we've worked hard to establish, our focus over the past two years has been to respond to the needs of our people and patients through the most difficult period the NHS has ever faced.

The pandemic further highlighted areas of vital importance that are central to this strategy: staff wellbeing, patient care and experience; community engagement; partnerships and collaboration, and the need to tackle health inequalities of our region.

Throughout this challenging time, we've successfully maintained our income, built closer relationships with a collaborative spirit with our donors, and have built up a brand and reputation that conveys how passionate the team are about making the hospital experience better for all. We're excited about the future.

Here, we confidently lay out our bold and ambitious three year strategy.

Ellis Banfield, Charity Director

The Charity's three objectives are:

1

Improving patient care and experience through grants that go over and above NHS provision.

2

Supporting world-class patient outcomes through advancing research and funding state-of-the-art equipment.

3

Raising funds in support of capital projects that improve the hospital environment for patients.

Our Goals

These goals support our strategic focus over the next three years and ensures that we can support our patients and staff now and in the future.



Goal one

Increase charitable income within a changing and challenging external environment through investment.



Growing income through diversification and investment

Our ambitious new fundraising strategy will deliver sustainable, incremental growth through diversifying our income streams and bringing together all areas of income generation into our new charitable giving team.

In an uncertain, challenging, and complex external fundraising environment, it is vital we create capacity, agility, and opportunity to reinforce what we are good at while exploring new income streams to ensure continued growth in income.



Our income focus

This year the Charity will look to expand and invest in key growth areas, including legacies, corporates, and the lottery. We will also assess the feasibility of investing in new income generating opportunities, such as expanding into the charity retail market. Our ambition is to secure sustainable sources of income through a diversity of channels and approaches.



Challenges

We recognise that the next few years will be challenging for charities to fundraise in. With the effects of the pandemic coupled with economic uncertainty domestically and political uncertainty in Europe, we need to be agile and maximise our capacity to be flexible.



Goal two

Make a difference through grants and funds that deliver effective projects with demonstrable impact.



Grant and fund giving

Our grant giving and funding processes will ensure that we fund ideas, initiatives, and innovations that deliver on our charitable objectives. Within our charitable objectives, we've defined key impact areas that we will need to prioritise.



Impact areas



Patient care and experience

- Proactive projects that tackle and remove health inequalities.
- Supporting our staff to deliver exceptional care and experience.
- Ensuring carers and families are looked after and involved in care.



World-class patient outcomes

- Supporting cutting-edge research to improve clinical care and treatments.
- Funding state-of-the-art equipment to deliver world-class outcomes.
- Supporting staff to transform our services for the benefit of patients.



Hospital environment

- Supporting capital build projects, providing the extras that make a difference.
- Improve existing clinical environments through supporting refurbishments.
- Providing appropriate facilities for families and carers.



What we will do

We will spend more than £3million a year for the next three years, supporting projects and initiatives that deliver on our charitable objectives by making an impact on our key identified areas of priority.



Goal three

Increase recognition of the Charity brand and reputation through collaboration and partnership.



Evolving how we're seen by UHS colleagues, our community and our corporate partners

As a priority, we will engage with every level of UHS to ensure that the Charity is regarded as a valued and respected strategic partner. With a workforce of 13,000 our people are our very best advocates and ambassadors who see the real impact of what we do and how we support patients.

Nurturing and elevating our brand and shared values is crucial when engaging with our audiences, and we can only do this by implementing an effective strategy that is underpinned by an engaging and inspiring brand.



Our aim

- Systematically build and strengthen our relationships with our beneficiaries and our communities, proactively communicating our purpose and impact, building long-term loyalty and increasing our brand reach and awareness.



How are we going to do this?

- Curate and produce a high-quality arts and cultural programme to transform our hospital communities, ensuring that patients, their families and staff have a positive experience of being in hospital.
- Invest in services that directly support patients and staff e.g. Patient Support Hub, volunteers, specialist support services which will help our audiences understand the impact we're having.
- **Patient Experience Improvement Programme.** Involve staff, patients and our community in the process of suggesting and delivering charity-funded projects through opening funding applications. This will increase engagement, improve our reputation as a strategic partner and also ensures funds are used appropriately, in line with charitable objectives, for a proven benefit to patients and their families.
- Develop an effective long-term strategy with our corporate partners that enables us to collaboratively deliver high-impact projects, aligning the aims of our partners with the needs of our patients.
- Build an integrated donor-centered engagement blueprint that is relevant, personalised and offers the best giving experience to increase retention rates.

Goal four



Ensure effective governance that interacts at all levels.



To achieve our vision and objectives we need to ensure the Charity is run in the most effective way.

Our governance enables us to be confident that what we do is driven by, and underpinned with our principles and values that focus on integrity, professionalism and collaboration.



Who we are determines what we do

It is our people who will deliver this strategy and as a charity we will ensure we put them in the best position to do so. That means making sure we are run, managed, and governed appropriately.



Our team

We have introduced a new Charity structure at the end of 2021/22, bringing together all income generating functions and team members into one charitable giving team. This will enable us to take a collective and agile approach to an increasingly uncertain and complex external environment and look at maximising all opportunities for income generation.



Fund reduction and consolidation

We will increase our ability to fund new and innovative projects by aligning our spending plans with the need to reduce the number of funds currently in use. An increase in unrestricted funds will enable the Charity to target its funding where it is most needed.



Impact and evaluation

As we increase our commitment to fund projects and initiatives, we will implement an impact and evaluation framework to ensure all of our funded projects are reviewed and evaluated to measure the benefit for patients and families. This will enable us to scale up and maximise our investments, celebrate success, and turn good practice into increased income streams – enabling further funding for successful initiatives.



Collaboration

By working with the Trust's Experience of Care Team, we will ensure that patients, families, and carers, those for whose benefit we work for, are included in our decision-making, are involved in our planning, and help support the evaluation of our work. Only through engaging with patients and families will we be able to use our funds for maximum impact.

Looking ahead

In the early part of 2021/22, Southampton Hospitals Charity was fortunate to receive a portion of the proceeds from the auction of the Game Changer painting, at a total amount of £4.9m to be used for the wellbeing and welfare of staff. These funds will be used for capital projects to improve the facilities available for our staff. The projects are scheduled to start and complete in 2022/23, and will transform many of our staff rooms, install improved green spaces for staff, and provide a staff wellbeing hub with centralised facilities for staff activities.

In 2022/23 we will further progress our strategic plan, looking to respond to a challenging external environment by effective fundraising planning and diversification, while ensuring a continuing focus on delivering impactful projects and initiatives. In our fundraising activities, we will be investing in our legacies campaign to increase the profile of the Charity for potential donors, while also seeking to enhance our activities across major gifts and philanthropy.

We have also launched a new arts programme that will both work to improve the hospital environment by utilising artwork around our buildings but also establish connections with the artistic community and bring arts activities into our wards for the benefit of our patients. This will be a major component of our work over the next few years as we seek to enhance the care environment through a variety of arts.



We will also be working on a new capital campaign, subject to Trust approvals, and continue to proactively seek out new projects to support. As identified in our new strategy, we will be seeking to make an impact across:

- Patient care and experience, including projects that tackle health inequalities and enhance support for families and carers
- Support cutting-edge research through grants and funding that improve clinical care and outcomes
- Improve the hospital environment through supporting capital projects and our arts programme

In 2022/23 we commenced a new programme of work looking to introduce an impact and evaluation framework to better measure the impact of our activities and projects we have funded, and this will enable us in the medium term to make more strategic decisions about how and where we use our funds.



List of trustees

The Charity was established by Declaration of Trust dated 10 November 1995. The sole trustee of the Charity is University Hospital Southampton NHS Foundation Trust (“UHS”), a corporate body whose current Board of Directors (or those who have acted on behalf of the Sole Corporate Trustee during the year except where indicated) are:

Name and Role	Changes since 01/04/21	Charitable Funds Membership
Jane Bailey, Interim UHS chair, Non-Executive Director (NED), Senior Independent Director/ Deputy Chair		
* Dave Bennett (NED)		Charitable Funds Committee Chair
Gail Byrne, Chief Nursing Officer		
Cyrus Cooper (NED)		
Keith Evans (NED)		
David French, Chief Executive Officer (CEO)	Appointed CEO 27/04/21	
Paul Grundy, Chief Medical Officer (CMO)	Appointed CMO 17/05/21	
* Steve Harris, Chief People Officer (CPO)		Charitable Funds Executive Lead
* Jane Harwood (NED)		Member
Peter Hollins, Chair	Left the Trust 31/03/22	

* Board members who are also members of the CFC

Name and Role	Changes since 01/04/21	Charitable Funds Membership
* Ian Howard, Chief Financial Officer (CFO)	Appointed CFO 14/03/22	Member
Femi Macaulay, Associate Non-Executive Director	Appointed 17/01/22	
Tim Peachey (NED), Senior Independent Director and Deputy Chair	Appointed 01/04/22	
Joe Teape (COO)		

Charitable fund committee attendees

Name and Role	Changes since 01/04/21	Charitable Funds Membership
Alison Keen, Head of Cancer Nursing		Charitable Funds Committee attendee
David Jones, Director of Estates		Charitable Funds Committee attendee
Louisa Green, Divisional Head of Nursing		Charitable Funds Committee attendee
Ellis Banfield, Associate Director of Patient Experience	Appointed Charity Director 01/09/21	
Jay Self, Associate Professor, Paediatric Ophthalmology		Charitable Funds Committee attendee
Rob Stockbridge, Emergency Medicine Care Group Manager		Charitable Funds Committee attendee

Governance and administration

Legal structure

Southampton Hospitals Charity was established by Declaration of Trust dated 10 November 1995. The sole trustee of the Charity is University Hospital Southampton NHS Foundation Trust ("UHS"). It is registered with the Charity Commission for England and Wales (no. 1051543) and the Charity's governing document is its declaration of trust.

Charitable purpose and objects

The Charity's objects are for any charitable purpose or purposes relating to the NHS.

Governance and management

University Hospital Southampton NHS Foundation Trust is the Charity's sole trustee. The corporate trustee is legally responsible for the governance and leadership of the Charity. The members of the UHS board act collectively as the sole trustee. There is no recruitment of trustees: new members of the UHS board form part of the corporate trustee.

The UHS board has established a Charitable Funds Committee ("the CFC") to which the Board delegates oversight of the management and administration of the Charity and is central to the growth of the Charity's income. The Chair and members are responsible for the leadership and engagement of key individuals who are able to play a critical role in the growth of the fundraised income of the Charity. The CFC's terms of reference, which set out its delegated authority from the Board, are publicly available.

In practice the CFC operates very much as would a board of individual trustees: meeting at least four times a year, it monitors the Charity's progress against income and expenditure targets; ensures the Charity's

compliance with legal requirements and its own policies and procedures; and agrees strategies, budgets, targets and any changes in policy for the future.

Membership of the CFC consists of those Board members shown with * on pages 22/23 together with a number of staff drawn from across UHS who also serve as ambassadors for the Charity promoting its cause and mission where appropriate and identifying opportunities for fundraising and awareness raising.

In accordance with its terms of reference the CFC has an annual business programme which includes a review of the Charity's policies, major risks and governance, and an annual self-assessment of its own effectiveness.

The Trust appoints a director of the charity who is responsible for the delivery and implementation of the Charity's strategy and all day-to-day running of activities, policies, and procedures.

Membership

The Charity is also a member of NHS Charities Together (formerly the Association of NHS Charities), a national umbrella body that provides a collective voice for NHS Charities and a forum for discussion of matters of mutual interest to NHS Charities.

Statement of Public Benefit

We provide public benefit by helping to improve the quality of care and experience for patients, families, and staff at University Hospital Southampton NHS Trust. In reviewing our aims and objectives and planning future activities, our trustees have taken into account the Charity Commission's general guidance on public benefit and always ensure that our activities are in line with our charitable purpose and objects.

Charity senior management team

The senior management team are responsible for the day-to-day leadership and management of the Charity, including management of staff, fundraising, expenditure, communications, and adherence to policies and procedures.

During 2021/22 the team comprised:

Ellis Banfield

Director

Beth Hall

Head of Charity Operations

Catherine Jordan

Head of Charity Marketing & Communications

Jeneen Thomsen

Head of Charitable Giving

The Charity's addresses are:

- **Postal:** Mailpoint 135, Southampton General Hospital, Tremona Road, Southampton SO16 6YD
- **Email:** charity@uhs.nhs.uk
- **Website:** southamptonhospitalscharity.org

Remuneration

Remuneration and other terms and conditions are determined by pay band within the NHS's Agenda for Change national pay framework, which also includes an objective job evaluation system to ensure that posts are placed into appropriate pay bands. The employment costs of the staff are reimbursed to UHS out of the Charity's funds.





How we raise **and** spend funds

The Charity supports all our hospitals by raising funds for projects, wards, departments, and research initiatives. Projects are either proposed directly by the services and departments or proactively sought by the Charity. All projects are subject to a review process that is signed off using Standing Financial Institutions (SFI's).

The Charity's spending policies are:

- to use funds to benefit patients by supplementing and enhancing provision made by UHS out of its statutory funds
- in setting spending priorities, to have regard to the priorities of UHS for its patients
- in planning spending, to balance the needs of current and future patients
- in spending unrestricted funds, to respect donors' wishes for the use of their donations within the needs of patient services. The great majority of donors who

give money express a wish that the money be spent to benefit the patients of a specific ward, department or service. Money given by such donors is placed into designated funds which reflect donors' wishes and is spent accordingly. Money given by donors who express no specific wish as to the use of the funds is placed into the Charity's Priority Appeal Fund.

The Fundraising Regulator (FR) was officially launched in July 2016 as the successor body to the Fundraising Standards Board (FRSB). As a former member of the FRSB, we are committed to operating to the highest standards of fundraising practice, the Charity joined the FR at the earliest opportunity and continued its membership this year.

As in previous years we are able to report that we and the Fundraising Regulator received no complaint during the year about any aspect of our fundraising activities.

Investments

The Charity's investments in the Schroder Multi-Asset Fund, managed by Cazenove Capital, were valued at £3,351k at the year end. The Charity's investment objective is to generate a total return that at least preserves the real value of the funds, net of any investment management fees and transaction charges.

The "real" value of the funds is to be measured by reference to changes in the Medical and Surgical Equipment component of the Health Services Cost Index over any rolling three-year period. During the year, the value of the Charity's investments increased by £176k and the investments generated income of £127k, giving a gain of £303k.

The Charity has a policy not to make any direct investment in companies primarily involved in the production or sale of tobacco products.

The Charity's only other investment asset is a 50% share in a residential property in Lymington, Hampshire. The property is subject to a protected tenancy. The Charity's 50% share has been valued subject to the tenancy at £286k.

The Charity intends to sell the property once it becomes vacant and to spend the proceeds of sale for the benefit of breast cancer patients, in accordance with the Will under which the Charity received the property.

Principal risks and uncertainties

The Charity maintains a robust risk management process, including local risk register and risk assurance framework that identifies principal risks to our charitable objectives.

Our principal risks and key mitigations are:

• Financial performance

As a Charity, we are dependent on meeting our income targets to continue our charitable activities. In an uncertain external economic environment, there is a risk that we fail to meet our targets and that this impacts our ability to operate.

Our strategy outlines our approach to mitigating this risk by focusing on diversifying our income streams, and investing across short, medium, and long-term prospective income channels.

• Reputational risks

As a Charity associated with the NHS, there are risks to our reputation caused by events beyond our immediate control: negative media coverage in other parts of the NHS or charitable sectors. Reputational risks may also arise from our own activities: fundraising or grant-giving.

To avoid reputational harm, our grant-giving processes adhere to clearly defined standing financial instructions and all proposals are subject to review and scrutiny to make sure they adhere to our charitable purpose. We are also registered with the Fundraising Regulator and adhere to its code of conduct.



Statement of trustee's responsibilities in respect of the trustee's annual report and the financial statements.

For the year ended 31 March 2022

Under the trust deed and charity law, the trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The trustee has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

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

- Selects suitable accounting policies and then applies them consistently; makes judgements and estimates that are reasonable and prudent;
- States whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;

States whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements; and assesses the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and uses the going concern basis of accounting unless they either

intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

The trustee is 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 trustee 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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Approved by the trustee on 20 December 2022 and signed on its behalf by;

David Bennett

David Bennett
Chair, Charitable Funds Committee
Non-executive Director, UHS

Financial review **and** policies

The Charity is able to hold and administer funds for any purpose relating to hospital services, including research. The Trust comprises 6 hospitals, and also provides Community Services:

- **Southampton General Hospital**
- **Princess Anne Hospital**
- **Southampton Children's Hospital**
- **New Forest Birth Centre**
- **Royal South Hants Hospital**
- **Lymington New Forest Hospital**

In order to ensure that donations are used in accordance with the donors' wishes, but without creating a separate trust, the Charity has funds that are managed by a member of UHS's staff, medical or non-medical, who is well-placed to recommend how the money in the fund should be spent to best effect for the benefit of patients.

Designated funds:

Designated funds allow the Trustees to ensure that the funds are applied in harmony with donor wishes and are administered by operational managers through the policies and procedures set by the Trustee.

Unrestricted funds:

Unrestricted funds are defined as the part of a Charity's funds that are freely available to fund its general operations and so are not subject to commitments, planned expenditure or other restrictions. Consequently, unrestricted funds do not include endowment funds, restricted funds and designated funds if they are earmarked or designated for essential future spending.

Restricted funds:

Monies which have been specifically restricted for a particular project, ward, department or area are subject to a legally-binding restriction on the purpose for which they may be spent.

At the start of the year the Charity's total funds stood at £6,682k of which £1,564k were restricted funds (i.e. funds subject to a legally-binding restriction on the purpose for which they may be spent).

In 2021/22 the Charity's income exceeded its expenditure of £2,589k by £6,940k. Taking into account an unrealised gains of £217k in the value of its investments the Charity's funds increased over the year from £6,682k to £13,839k, of which £7,644k were restricted funds, £6,195k were unrestricted funds.

For 2021/22 the Charity's reserves policy, which is reviewed each year, was to:

- **retain an amount of unrestricted reserves which was enough to cover one year's governance, management, fundraising and administration salaried costs, which in 2022/23 are budgeted to be £917k**
- **spend income within 12 months of receipt**
- **where sums are set aside towards the cost of a project or piece of equipment, retain those sums in a designated fund until enough money is available to meet the full cost of the project**
- **avoid realising any fixed assets held for the Charity's use (although the Charity holds no such assets at present).**

The Charity's free reserves – i.e. the amount of uncommitted funds freely available for spending on any or all of the Charity's purposes – were £5,909k at the end of the year. The Charity is content to earmark these funds – reducing the value of its free reserves at the balance sheet date to a value below that stated in its reserve's policy – because it is confident through the receipt of unrestricted legacy funds that the value of free reserves can be maintained in line with the reserves policy.



Statement of financial activities for the year ended 31 March 2022

		Unrestricted Funds	Restricted Funds	2021/22 Total Funds	Unrestricted Funds	Restricted Funds	2020/21 Total Funds
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	3	2,189	7,195	9,384	2,701	752	3,453
Other trading activities		18	–	18	20	–	20
Investments	11	127	–	127	94	27	121
Total		2,334	7,195	9,529	2,815	779	3,594
Expenditure on:							
Raising funds		177	–	177	175	13	188
Charitable activities	5	1,219	1,193	2,412	1,763	1,181	2,944
Total		1,396	1,193	2,589	1,938	1,194	3,132
Net Income/(Expenditure)		938	6,002	6,940	877	(415)	462
Transfers between funds	16	(78)	78	–	(92)	92	–
Other recognised gains/ (losses)							
Gains/(losses) on revaluation:							
Fixed asset investments	9	176	–	176	436	107	543
Fixed asset property	10	41	–	41	94	–	94
Total		139	78	217	438	199	637
Net movement in funds		1,077	6,080	7,157	1,315	(216)	1,099
Reconciliation of funds:							
Total funds brought forward at 1 April 2021		5,118	1,564	6,682	3,803	1,780	5,583
Total funds carried forward at 31 March 2022	15	6,195	7,644	13,839	5,118	1,564	6,682

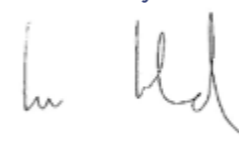
The accompanying notes on pages 35 to 44 form part of these financial statements.

Balance sheet at 31 March 2022

		Unrestricted Funds	Restricted Funds	2021/22 Total Funds	Unrestricted Funds	Restricted Funds	2020/21 Total Funds
	Note	£000	£000	£000	£000	£000	£000
Fixed assets:							
Investments	9	3,351	–	3,351	3,145	30	3,175
Investment Property	10	286	–	286	244	–	244
Total fixed assets		3,637	–	3,637	3,389	30	3,419
Current assets:							
Debtors	12	176	–	176	264	–	264
Cash at Bank & In Hand		2,627	8,199	10,826	3,433	1,692	5,125
Total current assets		2,803	8,199	11,002	3,697	1,692	5,389
Liabilities:							
Creditors falling due within one year	13	(245)	(555)	(800)	(1,968)	(158)	(2,126)
Net current assets		2,558	7,644	10,202	1,729	1,534	3,263
Net assets		6,195	7,644	13,839	5,118	1,564	6,682
The funds of the charity:							
Restricted Income Funds	15	–	7,644	7,644	–	1,564	1,564
Unrestricted Income Funds	15	6,195	–	6,195	5,118	–	5,118
Total charity funds		6,195	7,644	13,839	5,118	1,564	6,682

The accompanying notes on pages 35 to 44 form part of these financial statements.

These financial statements were approved on 20 December 2022 by the Corporate Trustee and were signed on its behalf by:



Ian Howard

Chief Financial Officer of UHS

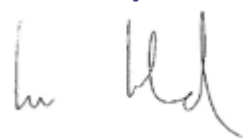
Registered charity no. 1051543

Statement of cash flows for the year ended 31 March 2022

	2021/22	2020/21	
	Total Funds	Total Funds	
	£000	£000	
Cash flows from operating activities:	5,574	2,945	
Net cash provided by operating activities	5,574	2,945	
Cash flows from investing activities:			
Dividends, interest and rents from investments	127	121	
Net cash provided by investing activities	127	121	
Change in cash and cash equivalents in the reporting period	5,701	3,066	
Cash and cash equivalents at the beginning of the reporting period	5,125	2,059	
Cash and cash equivalents at the end of the reporting period	10,826	5,125	
Reconciliation of net movement in funds to net cash flow from operating activities			
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	7,157	1,099	
(Gains)/losses on investments	(217)	(637)	
Dividends, interest and rents from investments	(127)	(121)	
(Increase)/decrease in debtors	88	614	
Increase/(decrease) in creditors	(1,327)	1,990	
Net cash provided by operating activities	5,574	2,945	
Analysis of net debt	As at 1 April 2021	Cashflows	As at 31 March 2022
Cash	5,125	5,701	10,826

The accompanying notes on pages 35 to 44 form part of these financial statements.

These financial statements were approved on 20 December 2022 by the Corporate Trustee and were signed on its behalf by:



Ian Howard

Chief Financial Officer of UHS

Registered charity no. 1051543

The accompanying notes form part of the financial statements for the year ended 31 March 2022

1. ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments that are included at market value. The financial statements have been prepared in accordance with Part 8 of the Charities Act 2011 and the Charities Statement of Recommended Practice (second edition) and Financial Reporting Standard FRS '102'.

The Trustee has prepared the financial statements on a going concern basis which they consider is appropriate for the following reasons. The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 4.

The Trustee has reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustee has also considered the implications of COVID-19 on those cash flow forecasts and considers that as a result of the charity's operating model explained above, even if no further funding is received in the 12 months period, the charity has sufficient cash reserves to pay all committed costs. As a result, the Trustee is confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and considers it appropriate for the financial statements to be prepared on a going concern basis.

1.2 Funds Structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as a restricted income fund where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose or expendable endowment where the gift provides for the funds to be invested to produce income and the trustee has the power to spend the capital.

Those funds that are neither endowment nor restricted income funds, are unrestricted income funds that are sub-analysed between designated (earmarked) funds where the trustee has set aside amounts to be used for specific purposes, in accordance with donors' wishes and wholly unrestricted funds which are wholly at the trustee's discretion. The major funds held in each of these categories are disclosed in note 15.

The Charity holds no endowment or hypothecated funds.

1.3 Incoming Resources

All incoming resources are recognised once the Charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

1.4 Incoming Resources from Legacies

Legacies are included in the statement of financial activities when the Charity is entitled to the legacy, it is probable that the legacy will be received, and any conditions attached to the legacy are within the control of the charity. Entitlement is taken as the date on which either: The Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the Charity.

The accompanying notes form part of the financial statements for the year ended 31 March 2022

1.5 Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to the category. All expenditure is recognised once there is a legal or constructive obligation committing the Charity to the expenditure. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6 Allocation of Overhead and Support Costs

Overhead and support costs have been allocated between Charitable Activities and Governance Costs. Costs that are not wholly attributable to an expenditure category have been apportioned. The analysis of overhead and support costs and the bases of apportionment applied are shown in note 4. Where costs are shared by two or more charitable activities, support costs have been apportioned.

1.7 Costs of Generating Funds

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

1.8 Charitable Activities

Costs of charitable activities comprise all costs identified as wholly or mainly incurred in the pursuit of the charitable objects of the Charity. Those costs that are direct costs together with an apportionment of overhead and support costs are shown in note 5.

1.9 Governance Costs

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

1.10 Fixed Asset Investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Common Investment Fund units are included in the balance sheet at the closing dealing price at 31 March 2022.

1.11 Fixed Asset Investment Property

Investment 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 31 March 2022. A valuation has been completed as at 31 March 2022. The valuation is based on market value of similar residential properties adjusted to reflect the age of the tenant. This method reflects the restriction placed on the property bequeathed to the charity which prevents realisation.

1.12 Realised Gains & Losses

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

1.13 Post Balance Sheet Events

None to report.

1.14 Apportionment of Investment Income – Unrealised & Realised Gains & Losses

All unrealised and realised investment gains and losses are allocated quarterly across the funds on a pro-rata basis.

1.15 Gifts in Kind

Gifts in kind and goods or services donated to the Charity are accounted for where the amounts are material, readily quantifiable and measurable. Estimates are based on the market price the Charity would otherwise have paid. In 2022 the value of the gifts in kind were £0. In 2021 the value of gifts in kind was £55,271 and were all in relation to our COVID-19 appeal.

The accompanying notes form part of the financial statements for the year ended 31 March 2022

1.16 Reserves Policy

The Corporate Trustee has a general legal duty to apply the charitable funds within a reasonable amount of time of receiving them, so with this in mind the Corporate Trustee reviews the funds it holds. The Corporate Trustee maintains the Charity's reserves at a level which is at least equivalent to one years operational expenditure having regards to the unpredictability of the funding streams. The Corporate Trustee also maintains sufficient cover for any reasonable investment losses. The Corporate Trustee reviews the amount of reserves that are required to ensure that they are adequate to fulfil the charity's continuing obligations on a quarterly basis at their finance meeting.

2. RELATED PARTY TRANSACTIONS

The Charity's sole trustee is University Hospital Southampton NHS Foundation Trust ("the Trust"). The Trust has determined that the Charity is a subsidiary of the Trust because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the Charity and has the ability to affect those returns and other benefits through its power over the Charity.

However, as trustee of SHC the Trust is legally obliged to act exclusively in the interests of the Charity's beneficiaries - NHS patients – and not (insofar as they diverge) in the interests of the Trust itself or its staff.

At 31 March 2022, the Charity's accounts are consolidated with those of the Trust. The annual report and accounts of the Trust for the year ended 31 March 2022 can be found on the Trust's public website.

The Trust wholly owns UHS Pharmacy Ltd ("UPL") and UHS Estates Ltd ("UEL"). During the year, the Charity received donations from UPL amounting to £295k and received donations from UEL amounting to £275k (2021 - £200k from UPL).

The Trust has a 50% ownership of Wessex Procurement Limited ("WPL") and during the year, the Charity received donations from WPL amounting to £25.2k (2021 £63k).

The Trust receives grants from and delivers services on behalf of the Charity. The Charity has reimbursed and been reimbursed by the Trust for approved expenditure (including staff costs) and income on behalf of the Charity. The gross expenditure reimbursements amounted to £3,363k (2021 - £2,477k) and no income reimbursements. At the end of the year the Charity had a creditor balance with the trust of £300k (2021: £1,782k). During the year none of the members of the Trust Board or senior Trust staff or parties related to them were beneficiaries of the Charity.

Neither the corporate trustee, nor any member of the Trustee's Board in his/her capacity as a member of the Charitable Funds Committee, has received honoraria, emoluments or expenses in the year.

3. ANALYSIS OF DONATIONS AND LEGACIES

	Unrestricted Funds £k	Restricted Funds £k	2022 Total £k	2021 Total £k
Donations from individuals	1,094	6,183	7,277	1,337
Corporate donations	449	–	449	623
Donations in memoriam	172	–	172	148
Legacies	451	12	463	437
Grants received	23	1,000	1,023	909
Total	2,189	7,195	9,384	3,453

Southampton Hospital Charity has been notified of several residual legacies. These residual legacies, have not been recognised yet as income, because they cannot be reliably assured at this stage.

The accompanying notes form part of the financial statements for the year ended 31 March 2022

4. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Once allocation and/or apportionment of overhead and support costs have been made to governance costs, the balance is apportioned across Charitable Activities using (a) income as a basis for allocating costs of the fundraising team and (b) gross turnover for the finance team.

	Charitable Activities	Governance	2022 Total £k	2021 Total £k	Basis for Apportionment
Financial administration salaries & costs	114	–	114	74	Proportionate to charitable expenditure
Other salaries & costs	661	77	738	510	Proportionate to charitable expenditure
External audit	0	14	14	12	Governance
Bank Charges	1	–	1	1	Allocated on time
Other including I.T.	25	–	25	38	Allocated on time
Total	801	91	892	635	

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

The Charity made available grant support to the Trust in support of a range of charitable activities. The Charity did not undertake any direct charitable activities on its own account during the year.

	Activity £k	Support Costs £k	2022 Total £k	2021 Total £k
Patients Welfare & Amenities	870	458	1,328	1,469
Staff Welfare & Amenities	112	59	171	240
Research	229	121	350	449
Purchase of Equipment	275	145	420	617
Staff Education	34	18	52	84
Total grant funded activity	1,520	801	2,321	2,859
Governance (Note 4)	–	91	91	85
Total expenditure	1,520	892	2,412	2,944

Support costs in the year are allocated across charitable expenditure on a pro-rata basis.

6. ANALYSIS OF GRANTS

The Charity does not make grants to individuals. The total cost of making grants is disclosed on the face of the Statement of Financial Activities. The actual disbursement received by the beneficiaries for each category is disclosed in note 5. Most grants are made to the Trust and the corporate trustee operates a scheme of delegation, through which all grant funded activity is managed by fundholders responsible for the day to day disbursements on their funds, in accordance with the directions set out by the trustee in charity Standing Financial Instructions.

7. AUDITOR'S REMUNERATION

The auditor's remuneration of £11,500 plus VAT (2021 - £12,000 plus VAT) is related solely to the audit with no other work undertaken.

The accompanying notes form part of the financial statements for the year ended 31 March 2022

8. STAFF COSTS AND PENSION SCHEME

Although the Charity pays the payroll costs for the Charity staff, all staff are employed with NHS contracts with the Trust. The Charity does not operate its own payroll scheme. Charity staff (past and present) are entitled to join one of the two NHS Pension Schemes. Details of which can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded, defined benefit schemes that cover NHS employers, GP practices and other bodies allowed under the direction of the Secretary of State in England and Wales.

The scheme is not designed to be run in a way that would enable the corporate trustee (and therefore the Charity) to identify its share of the underlying scheme assets and liabilities and therefore the scheme is accounted for as a defined contribution scheme with the costs equal to the contributions made for the accounting period. The trustee is satisfied that any foreseeable change in employer's contributions can be budgeted for without detriment to the Charity's ongoing activities.

	2021 Total £k	2021 Total £k
Salaries and wages	599	574
Agency fees and other staff related costs	13	10
Total	612	584

The average number of full time equivalent employees during the year was 13 (2021 – 13) with all employee time involved in providing support services to charitable activities.

One employee had gross emoluments in excess of £60,000 per annum – one £80,000 - £90,000 (2021 – one £80,000 - £90,000).

9. FIXED ASSETS – INVESTMENTS

All investments are carried at Market Value and are made in accordance with the Charity's investment policy in Common Investment Funds designed specifically for charities, which ensures a balanced portfolio between maximising total return whilst balancing risks and the requirement for income, thereby enabling the Charity to meet its objects. The trustee's asset allocation strategy is to set out a framework of parameters for a diversified portfolio in UK equities, bonds, property, low-risk hedge funds and cash. There are no investments made outside the UK by the Charity.

Investment gains and losses are disclosed net of investment management charges. This is because the charges are not readily quantifiable within the individual movements of the Common Investment Fund.

	2022 Total £k	2021 Total £k
Movement in Fixed Asset Investments		
Market value brought forward	3,175	2,632
Add net gain (loss) on revaluation	176	543
Market Value as at 31 March	3,351	3,175
Fixed Asset Investments:		
Cazenove Charity Multi-Asset Fund	3,351	3,175
Total Investments in Common Investment Funds as at 31 March	3,351	3,175

The accompanying notes form part of the financial statements for the year ended 31 March 2022

10. FIXED ASSETS – INVESTMENT PROPERTY

	2022 Total £k	2021 Total £k
Movement in Fixed Asset – Investment Property		
Market value brought forward	244	150
Add net gain (loss) on revaluation	42	94
Market Value as at 31 March	286	244

All property investments are not depreciated, but carried at their independent market value. As at the 31 March each year, valuations are carried out by an appropriate professional. This year the valuation was provided by a senior Director at Caldwells, who are a member of the NAEA (The National Association of Estate agents). Valuation gains and losses are recorded in the Statement of Financial Activities, with the balance sheet reflecting the market value at 31 March 2022. The gain on revaluation, which is an increase in the market value of this 3 bedroom property in Lymington, was a result of a valuation completed by the professional valuers, as at 31 March 2022. The valuation is based on the market value of similar residential properties. This valuation has then been adjusted to reflect the age of the tenant in situ at 31 March 2022. Therefore an industry used discount factor, was applied to calculate the gain on revaluation at 31 March 2022. This method reflects the restriction placed on the property bequeathed to the Charity, which prevents realisation.

11. GROSS INCOME FROM INVESTMENTS

	2022 Total £k	2021 Total £k
Fixed Asset Investments	127	120
Cash Held on Deposit	–	1
Total	127	121

12. ANALYSIS OF CURRENT ASSETS & CONTINGENT ASSETS

	2022 Total £k	2021 Total £k
(i) Debtors Under One Year		
Prepayments	19	–
Accrued Income	157	264
Total	176	264

The Charity had accrued income of £58k relating to legacies of which it had been notified during the year but had not been received at 31 March 2022 (2021 - £110k).

The accompanying notes form part of the financial statements for the year ended 31 March 2022

12. ANALYSIS OF CURRENT ASSETS & CONTINGENT ASSETS (CONTINUED)

	2022 Total £k	2021 Total £k
(ii) Cash at Bank & in Hand on Current Investments Held on Deposit		
NatWest Special Interest Bearing Account	10,601	4,878
NatWest Business Current Account	21	60
NatWest Business Current Account – Lottery	204	186
PayPal Merchandise Account	0	1
Cash in Hand	0	–
Total	10,826	5,125

The Charity has three Natwest bank accounts. The main bank account, which is the current account, is reviewed on a daily basis and any amounts above (or below) £10k are adjusted for and either re-imbursed by or swept up into, the Special Interest Bearing account.

13. ANALYSIS OF CURRENT LIABILITIES & LONG TERM CREDITORS

	2022 Total £k	2021 Total £k
Creditors Under 1 Year		
Other Creditors	300	1,790
Accruals	500	337
Total	800	2,126

Other creditors includes sums owed at the year-end by the Charity to a related party, the Trust, for costs incurred by the Trust on behalf of the Charity in the furtherance of the Charity's objects.

14. COMMITMENTS

The trustee approves chargeable commitments only where funds are already in place to meet the cost. There were no chargeable commitments at the year end.

The accompanying notes form part of the financial statements for the year ended 31 March 2022

15. ANALYSIS OF CHARITABLE FUNDS

The following table schedules the fund balances as per the benefiting medical services. In the interests of accountability and transparency a complete breakdown of all designated (earmarked) funds is available upon written request.

Analysis of Fund Movements	Fund B/fwd £k	Incoming Resources £k	Expended Resources £k	(Gains) & Losses £k	Transfers £k	Fund C/fwd £k
Restricted						
Capital Appeals	(1)	1	–	–	–	–
Other inc. Projects Fund	1,565	7,195	(1,177)	63	(2)	7,644
Total Restricted Funds	1,564	7,196	(1,177)	63	(2)	7,644
Unrestricted						
Surgery	108	62	(17)	4	(3)	154
Cancer Care	864	218	(114)	61	–	1,029
Critical Care & Theatres	122	44	(21)	3	–	148
Emergency Medicine	40	16	(10)	1	–	47
Specialist Medicine & Ophthalmology	616	61	(69)	12	(5)	615
Radiology & Pathology	157	19	(27)	4	61	214
Women & Newborn	848	171	(212)	14	17	838
Child Health	715	306	(262)	22	313	1,094
Support Services	73	42	(12)	2	–	105
Cardiovascular & Thoracic	273	61	(70)	5	4	273
Neurosciences	340	84	(82)	7	–	349
Trauma & Orthopaedic	32	5	(5)	1	–	33
General Purpose	515	1,135	(311)	10	(555)	794
Other	415	109	(200)	8	170	502
Total Unrestricted Funds	5,118	2,333	(1,412)	154	2	6,195
Total	6,682	9,529	(2,589)	217	–	13,839

The accompanying notes form part of the financial statements for the year ended 31 March 2022

FURTHER ANALYSIS OF CHARITABLE FUNDS

Net Movement in Funds	Unrestricted Funds £k	Restricted Funds £k	Endowment Funds £k	Total Funds 21/22 £k	Unrestricted Funds £k	Restricted Funds £k	Endowment Funds £k	Total Funds 20/21 £k
Net resources of general donations and fundraising	733	6,080	–	6,813	691	(350)	–	341
Net gains from fundraising events	–	–	–	–	–	–	–	–
Net loss from investment opportunities	127	–	–	127	94	27	–	121
Net gain from investment portfolio/bank	176	–	–	176	436	107	–	543
Gains and losses on investment assets	41	–	–	41	94	–	–	94
Total	1,077	6,080	–	7,157	1,315	(216)	–	1,099

Net Assets by Fund	Unrestricted Funds £k	Restricted Funds £k	Endowment Funds £k	Total Funds 20/21 £k	Unrestricted Funds £k	Restricted Funds £k	Endowment Funds £k	Total Funds 20/21 £k
Investments	3,351	–	–	3,351	3,145	30	–	3,175
Investment Property	286	–	–	286	244	–	–	244
Debtors	177	–	–	177	264	–	–	264
Cash at Bank & In Hand	2,627	8,199	–	10,826	3,433	1,692	–	5,125
Creditors falling due within one year	(246)	(555)	–	(801)	(1,968)	(158)	–	(2,126)
Total	6,195	7,644	–	13,839	5,118	1,564	–	6,682

The accompanying notes form part of the financial statements for the year ended 31 March 2022

16. TRANSFERS

The transfers referred to in the table in Note 15 relate to the reclassification of medical services within the University Hospital Southampton NHS Foundation Trust and the funds associated with them.

17. AGENT ARRANGEMENT

UHS received over £11.4m of healthcare funds during April 21, which are for re-distribution to other Charities, upon a receipt of a successful grant application. The following table shows the Grants expended, through this hosting money received during 2021/22, with the category and value of those recipients benefiting from this healthcare funding during the year. These funds were received and paid out by the charity as agent, with the remaining balance held as agent shown below. These monies are not recorded within the charity accounts as income or expenditure.

Analysis of Agent fund movements	Fund B/ fwd £k	Amount Received £k	Amount Paid Out £k	(Gains) & Losses £k	Transfers £k	Balance C/fwd £k
Restricted - Healthcare Charities	-	11,478	(3,717)	-	-	7,761
Total Funds	-	11,478	(3,717)	-	-	7,761



Independent **auditor's report** to the trustees of Southampton Hospitals Charity

For the year ended **31 March 2022**

Opinion

We have audited the financial statements of Southampton Hospital Charity (the 'Charity') for the year ended 31 March 2022, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and of the charity's incoming resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial

statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations require us to report you, if in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 29, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial

statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and industry, and through discussion with the Trustees and other management (as

required by auditing standards), we identified that the principal risks of non compliance with laws and regulations related to health and safety, anti bribery and employment law. We considered the extent to which non compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011. We communicated identified laws and regulations throughout our team and remained alert to any indications of non compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions

throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and

- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

The comparative financial statements were audited by the predecessor auditor. The predecessor auditor issued an unqualified opinion in their report dated 18 July 2022.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the

fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Webber
BA (Hons), DChA, FCA
(Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP
Statutory Auditor, Chartered Accountants

Chichester

Date: 22 December 2022



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All information is correct at the time of printing. We hope you enjoy hearing from us but if you ever change your mind, please let us know by calling 023 8120 8881.

Charity registration number: 1051543