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Medway NHS Foundation Trust Charitable Fund - Year Ended 31 March 2021



Registered Charity Number: 1051748

Get in touch



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medwayft.charity@nhs.net



www.medwayhospitalcharity.org.uk



Donna, Charity and Fundraising Manager and Cheryl, Fundraising Officer

Foreword from the Chair of the Charitable Funds Committee



Managing the COVID-19 crisis has been challenging for everyone but none more so than NHS staff.

The level of appreciation shown by our wonderful communities in Medway and Swale has been truly humbling and we cannot say thank you enough.

Friends, families, patients, community groups and corporate supporters have demonstrated their love and commitment to our hospital by donating both money and gifts such as scrubs, toiletries, DAB radios, food and drinks.

In this financial year, we gratefully received more than £334,000 in grants and donations, plus £100,000 in non-cash gifts.

Of this total, £168,600 was granted by NHS Charities Together after its COVID-19 Urgent Appeal galvanised fundraisers across the UK - its most famous supporter was the late Sir Captain Tom Moore.

We used £80,000 of this grant money to contribute towards The Medway Fitness Hub, our new state-of-the art staff gym and set aside £15,000 to pay for gym equipment. The gym opened in October 2021.

The charity also purchased a COVID-19 lung simulator to enhance staff expertise in this area and we commissioned training in Black Asian and Minority Ethnic (BAME) Leadership.

We funded furniture and resources for our staff wellbeing hub and created an external courtyard garden for our staff to have a welcoming outdoor space to improve their mental wellbeing.

COVID-19 research projects were also supported and we set up our Prehabilitation team with tablets so that vulnerable groups, without access to technology, can use these tablets to exercise at home to prepare for surgery, with the guidance of a Clinical Exercise Physiologist. Other monetary donations made during the pandemic have also been spent on improvements for patient and staff wellbeing.

The charity purchased picnic benches for outdoor areas, fridges, microwaves and kettles for staff rooms plus deodorants, hand and face creams and food and drinks for staff care packs.

We paid for tablets for patients to communicate with their relatives and portable landline phones.

A TV was put up in our discharge lounge and we are paying for newspapers and magazines to keep patients entertained.

Due to your generosity we were able to purchase commemorative candles for our nurses to mark the International Year of the Nurse and Midwife.

We paid for COVID-19 badges for staff and held a Commemorative COVID-19 cream tea between the lockdowns to thank our colleagues and to remember lives lost. We also sent all our staff a Christmas card with sunflower seeds to sow a brighter 2021.

Kind regards,
Ewan Carmichael

Thank you for your support



Gym equipment

The 2020-21 financial year has been like no other in the history of the NHS. Our communities showed their love and affection for our hospitals by donating more than £100,000 in non-cash gifts, as well as contributing to our income of £334,000.

Of this total - £168,600 in grants was donated by NHS Charities Together and £22,709 to our Charity's COVID-19 staff Just Giving appeal.

We used or allocated our grant money from NHS Charities Together to fund the following:

The Medway Fitness Hub (gym conversion)	£80,000
Gym equipment (allocated to the Medway Fitness Hub)	£15,000
Trauma Incident Management Training (allocated)	£23,904
COVID-19 lung simulator	£5,108
Repatriation of a member of staff	£6,180
Staff wellbeing hub (internal - furniture / food etc)	£1,170
Research and Innovation grants (allocated)	£12,676
Support for BAME Network	£11,178
Prehabilitation tablets with data sims	£9,584
Staff Courtyard (jointly funded with The Medway Hospital Charity)	£3,800
TOTAL	£168,600



The Medway Fitness Hub



COVID-19 lung simulator



Wellbeing Hub



BAME Network event



Staff Courtyard



How we have spent your donations

The charity agreed to fund projects totalling £763,000 (including non-cash donations) in this financial year. Much of this work was to support staff and patients throughout the COVID-19 pandemic with tablets, additional portable phones and whiteboards so that patients and families could communicate with their loved ones and our staff. We also paid for dandelion remembrance plaques. These were sent to families of patients who had died, in our hospital, of COVID-19.



We purchased toiletries and food to make care packs for our colleagues and paid for fridges, microwaves and kettles to improve their staff room areas.

However, the biggest purchase of £338,000 was for a suite of orthopaedic arthroscopy equipment. This was made possible by a legacy of almost £1 million from the late Ralph Barrett.

Mr Barrett badly injured his leg during the Second World War. His leg was saved by surgeons at Medway Maritime Hospital and he was so grateful that that the Charity became the main beneficiary of his Will.



It seemed fitting therefore to purchase equipment to train our surgeons of the future.

We also used an additional £79,445.19 to buy orthopaedic equipment for theatre teams and donated £45,439.87 to the Medway NHS Foundation Trust to contribute to the purchase of a third tomosynthesis machine to increase early diagnosis of breast cancer.

We made further improvements to our Palliative Care room on Lawrence ward by purchasing items to make the room feel less clinical and more homely.

We purchased six recliner chairs for patients in our cardiology ward and 30 stackable chairs for our cancer unit. Galton Day Unit also received an Accuvein vein finder thanks to a generous donation from a grateful family.

We also supported the Trust's 'Different Not Less' campaign to highlight issues faced by patients with learning disabilities by purchasing information cards and badges.



We also supported our Research and Development team with the DNA Helix and research artwork in our atrium.

The DNA Helix and Research and Innovation artwork, which cost £44,091.20, was created as a visual display to increase the awareness of research specialties within Medway NHS Foundation Trust, to celebrate our successes and to encourage greater participation in future projects.

For the past eight years, Medway NHS Foundation Trust has had the highest number of patients participating in clinical research in the Kent, Surrey and Sussex region.

The department is recognised at national and international level and by participating in research, the Trust offers our patients novel and up-to-date treatments. For example, during the COVID-19 pandemic, we saved many lives by offering experimental treatment such as Dexamethasone (part of the REVOCERY trial) which was subsequently adopted as standard treatment.

The Research and Innovation team seek new treatments in all specialities - examples include Oncology, Diabetes, Neonatology, Fetal Medicine and Critical Care.



Orthopaedic Consultant Rohit Jain said: "The VirtaMed ArthroSTM knee, shoulder, hip, and ankle simulator for arthroscopic skill training uses an original arthroscope, camera and other surgical instruments adapted for virtual reality simulation.

The goal is to shorten learning curves and seamless transfer of skills to the operating theatre. Virtual reality simulators accelerate the time needed to gain competency. Original instruments provide a complete training experience and optimally prepare users for the real procedure."



Thanks to your generous donations we have been able to make a positive impact to benefit both patients and staff and with your continued support, we will be able to do so for many years to come.

Officers and Professional Advisers

Trustee

Medway NHS Foundation Trust is the Corporate Trustee of Medway NHS Foundation Trust Charitable Fund (working name The Medway Hospital Charity) governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2011. The NHS Foundation Trust Board devolved responsibility for the day to day financial management and accounting for the Charitable Funds to the Charitable Funds Committee on behalf of the Corporate Trustee.

Principal officers – key management personnel

Dr George Findlay - Chief Executive (from 1 May 2021)
Alan Davies - Chief Finance Officer (from 2 November 2020)
Glynis Alexander – Executive Director of Communications and Engagement (from 6 September 2018)

Principal professional advisers:

Bankers

Lloyds Banking Group 3rd Floor 25 Gresham Street London EC2V 7HN	Government Banking 1 Ruskin Square Croydon CR20 2WF
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Solicitors

Sintons LLP
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

Independent Examiner

Grant Thornton UK LLP
110 Bishopsgate
London
EC2N 4NY

Investment Fund Managers

Investec Wealth and Investment Limited
30 Gresham Street
London
EC2V 7QN

Principal Office

Medway NHS Foundation Trust
Medway Hospital
Windmill Road
Gillingham ME7 5NY

Trustee's Annual Report for Medway NHS Foundation Trust

The Corporate Trustee presents the Charitable Fund annual report together with the financial statements for the year ended 31 March 2021.

The Charity's annual report and accounts for the year ended 31 March 2021 have been prepared by the Corporate Trustee in accordance with Part 8 of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008, the Charities Statement of Recommended Practice (SORP) 2019 and the provisions of the Trust deed.

The voting members of the NHS Foundation Trust Board who served as Trustees during the financial year were:

Joanne Palmer	Non-Executive Director and Trust Chair (Acting Chair from 1 April 2020 to 20 October 2020)
Mark Spragg	Non-Executive Director Deputy Chair and Senior Independent Director (from 20 October 2020)
Ewan Carmichael	Non-Executive Director and Chair of the Charitable Funds Committee
Adrian Ward	Non-Executive Director
Sue Mackenzie	Non-Executive Director
Tony Ullman	Non-Executive Director
James Devine	Chief Executive
Richard Eley	Chief Financial Officer (to 1 November 2020)
Alan Davies	Chief Financial Officer (from 2 November 2020)
Jane Murkin	Chief Nursing and Quality Officer
David Sulch	Chief Medical Officer
Leon Hinton	Chief People Officer

Changes since 31 March 2021:

Annyes LaHeurte	Non-Executive Director (from 1 April 2021)
James Devine	Chief Executive (to 30 April 2021)
Dr George Findlay	Chief Executive (from 1 May 2021)

The Charitable Fund is registered with the Charity Commission (no. 1051748) in accordance with the Charities Act 2011.

Reference and Administrative details

Medway NHS Foundation Trust Charitable Fund, registered Charity Number 1051748, was entered on the Central Register of Charities on 4 January 1996. The charity is constituted of 59 individual sub funds as at 31 March 2021, compared to 71 as at March 2020. The notes to the accounts distinguish the types of fund held and disclose separately all significant funds. The Charity's parent company is Medway NHS Foundation Trust. The Trust is a public benefit corporation authorised under the National Health Service Act 2006. The Trust's principal purposes and activities are to provide clinical services to almost half a million patients in the Medway and Swale areas of South East England. Charitable funds received by the charity are accepted, held and administered as funds and property held on trust for purposes relating to the health service in accordance with the National Health Service Act 2006 and these funds are held on trust by the corporate body.

Structure, Governance and Management

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

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and by designating funds the Trustee respects the wishes of generous donors to benefit patient care and advance the good health and wellbeing of patients, carers and staff.

For funds which are received which have specific restrictions set by the donor, a restricted fund has been established.

Non-Executive Members of the Trust Board are appointed by the Board of Governors, made up of elected public governors, staff governors and partner governors from our local community. Executive Members of the Board are subject to recruitment by the NHS Foundation Trust. Members of the Trust Board are not individual Trustees under Charity Law but act as agents on behalf of the Corporate Trustee. The accounting records and the day-to-day administration of the funds are dealt with by the finance department and fundraising team located at Medway Maritime Hospital, Windmill Road, Gillingham, Kent, ME7 5NY.

Partnership Working and Networks

The patients of Medway NHS Foundation Trust are the main beneficiaries of funds from the Charity. Medway NHS Foundation Trust is a related party by virtue of being Corporate Trustee of the Charity. By working in partnership with the Trust, the Charitable Fund is used to best effect. When deciding upon the most beneficial way to use the Charitable Fund, the Corporate Trustee has regard to the main objectives, strategies and activities of the Trust.

Objectives and Strategy

The objects established within the governing document relate both to the duties of the Corporate Trustee and the aims of the Charity and are as follows:

"The Trustees shall hold the trust fund upon trust to apply the income, and at their discretion, so far as may be permissible, the capital for any charitable purpose or purposes relating to the National Health Service."

The Trustee confirms that it has referred to the advice contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities and setting the grant making policy for the year.



Annual Review: Our Activities

During the year, the funds continued to support a wide range of charitable and health-related activities benefiting both patients and, where they enhance our service to our patients, the staff. The charitable activities, as detailed in the Statement of Financial Activities (and notes), were the purchase of equipment, welfare and other expenditure directly paid to the Trust for charitable purposes. In general they are used to purchase varied goods and services.

The individual ward funds receive many donations specifically given to thank the nursing staff and these are used for charitable activities. The funds also enable consultants and other medical staff to attend courses not funded by the NHS or other sources, which will update them on new ideas and modern techniques in their specialties.

Application of the Charity Commission Code of Governance

In our previous report we provided an initial commentary on our interpretation of the Charity Governance Code. We continue to work towards full application. We are fully committed to spirit of the code as well as its practical application.

The code articulates seven principles, which we lay out here, providing a brief expansion on our application. We see this as continuing work-in-progress and will seek to refine or improve our use of the code as we, and it, develop in the future. Underlying the seven principles is the foundation of the Trustee role combined with the charity context. The context is one of pressure, in which the Trust is working hard to improve quality against a background of historical overspend. It is succeeding, but Trust Board time is dominated by these issues. Consequently, we must continue to seek to improve the balance of Trust Board time spent as the Charitable Trustee.

The seven principles are:

Organisational Purpose. We seek to be true to the purpose of the charity and its values, using its limited resources appropriately:

The Charitable Funds Committee (CFC) continues to refer back to the Charity Objects, and scrutinises bids for spending through two main filters: who are the main beneficiaries, and how would this be perceived by our donors, generally the man or woman in the street?

As part of this continuing self-check, we have struck a balance in which the future administration of the charity is self-funded rather than drawing fully on the Trust which is working hard to clear its debts.

Leadership. The charity has its Objects and the Charitable Funds Committee has its Terms of Reference. Our governance documents have been collated for ease of reference by our Corporate Trustee and, on an ongoing basis, we review our effectiveness.

Integrity. Integrity, linked to openness and accountability, have to be the bedrocks of our charitable work. The Charitable Trustee and its Charitable Funds Committee members are required to be fit and proper persons.

Decision-making, Risk and Control. Delegations within the charity are clear, and there are feedback loops to ensure scrutiny at the appropriate levels.

The biggest practical consideration is the appropriateness of spending in a context of the Trust reducing waste and gripping its own expenditure. Every spending bid is considered against the question of whether

this is something which the Trust ought more appropriately to pay for.

We have continued to improve our control of Delegated Funds, seeking clarity on precisely who benefits.

Board Effectiveness. In terms of this topic, we recognise that this applies both to the Charitable Trustee and to the CFC. Members receive a general induction, and our collection of governing documents has been distributed to all members. We will seek opportunities for continuing training.

Balancing the relative amount of time spent on charity matters by Trust Board members, as the Charitable Trustee, against that of the CFC is challenging but is improving.

We partner informally with other health charities in the region, sharing ideas and benchmarking. This may be an area in which we can exploit external scrutiny in reviewing CFC effectiveness.

Our CFC has a good broad covering of skills.

Diversity. We recognise that increasing diversity can make both the Trust Board and the CFC more effective. We have no

barriers in terms of gender or ethnicity, and Governor representation is intended to provide the view of our beneficiaries and donors (the man or woman in our community). Non-executive members bring a wider view, experience and skill-sets. In the healthcare field, we have taken account of clinician expertise and opinion by including representation from the Trust's Clinical Council.

Openness and Accountability. As stated earlier, openness and accountability are closely linked to integrity. We welcome Governor involvement and scrutiny.

Grant Making Policy

Grants can be made from either the restricted or unrestricted, including some designated funds. The restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The unrestricted designated funds usually contain donations where a particular part of the hospital or activity was nominated by the donor at the time their donation was made. While their nomination is not binding on the Trustee, designated funds may reflect these nominations. Both types of fund are overseen by fundholders who can make grants within their designated area, providing they are within the objectives of the fund and thereby advance public benefit and the wishes of the donor, and are approved by the Charity and Fundraising Manager, Chief Executive and Chair of the Charitable Funds Committee or the Charitable Funds Committee.

Reserves Policy

For this purpose the term 'reserves' refers to the resources the Charity has or can make available to spend for any or all of the Charity's purposes once it has met planned commitments or other expenditure. Current policy on reserves has been, wherever possible, to maintain capital investments at existing levels and to spend only the additional income received taking one year with another. This policy is constantly

reviewed. As disclosed in the Statement of Financial Activities, in net income before investment realised gains, there has been £308,000 deficit over expenditure. The spend was agreed by the Charitable Funds Committee agreed and primarily relates to the purchase of a £338,000 suite of Orthopaedic simulation equipment from the Ralph Barrett legacy, detailed in the 2019/2020 Annual Report and Accounts. This is still considered to be compliant with the reserves policy.

Our Future Plans

There have been changes recently, both locally for the Foundation Trust and more widely within the health sector. The future direction of the Charity continues to be shaped by these external factors. The reconfiguration of services and the plans for redesigning patient care to meet the needs of the future will influence the priorities for spending funds.

A Review of our Finances, Achievements and Performance

The net assets of the Charitable Fund as at 31 March 2021 were £1,411,000 (2020: £1,617,000). Overall there was a reduction in the value of net assets, which was due to a deficit in income over expenditure of £308,000.

The Charity continues to rely on donations, fundraising, investments and legacies as the main sources of income. Total incoming resources (excluding non-cash donations) were £30,000 lower than 2019/20 levels. Total Expenditure (excluding non-cash donations) increased by £105,000 from 2019/20 due to the purchase of equipment for the hospital and support for staff during the COVID-19 pandemic. Expenditure on direct charitable activity of £763,000 (2019/20: £556,000) represents 99 per cent of total expenditure of £774,000 (2019/20: £569,000).



Care packs were put together for staff during the peak of the COVID-19 pandemic

Performance management

The Charity is now contributing £37,000 per annum towards fundraising and finance salaries, with Medway NHS Foundation Trust funding the balance. To simplify the approval processes the charity relies on the Charity and Fundraising Manager to identify the appropriateness of funding requests and adhere to the agreed scheme of delegation.

Investments

In 2020/21, the Corporate Trustee invested its funds with Investec Wealth and Investment Limited. As detailed above, the policy has been to maintain investments whilst spending income received. Investments and an element of the cash holding not required for day-to-day use, are managed by Investec Wealth and Investment Limited. Any exceptional income, such as donations or legacies of more than £50,000, should be considered for long term investment, dependent upon market conditions and expenditure plans. The portfolio of investments recorded a gain of £103,000 when the markets started recovering after initial fall at the start of COVID-19 (2020, £79,000 loss). The charity also received £32,000 (2020: £44,000) of income from investments and bank deposits.

Going Concern

The charity's activities, results and future plans are disclosed in the Trustee's annual report. The Trustee has assessed the balance sheet and likely future cash flows of the charity at the date of approving the financial statements.

Whilst the COVID-19 pandemic has had a negative impact on our charity's ability to generate income, as face-to-face fundraising ceased, this has not made a material impact in the 2020/21 financial year.

The Medway Hospital Charity secured £168,600 in grants from NHS Charities Together and our wonderful community rallied round by donating an estimated

£100,000 in non-cash gifts and £22,000 in cash to a Medway Hospital Charity COVID-19 appeal page to support staff. Although in 2021/22 donations to our charity has slowed, we are seeing only a slight downturn in the level of community support pre-Covid and the Charity has been able to secure additional grants from NHS Charities Together to further its work in supporting patients and staff at Medway NHS Foundation Trust.

As reserves have been maintained, income from donations has remained stable and expenditure is discretionary, the Trustee believes that there are no material uncertainties that call into doubt the Charity's ability to continue in operation and believes the Charity is well placed to manage its business risks successfully. The Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustee continues to adopt the going concern basis of accounting in preparing the annual financial statements.

A Big Thank You

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



Provision of information to independent examiner

Each of the persons who are agents of the Trustee at the time when this Trustee's report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant information of which the charitable company's independent examiner is unaware, and
- that the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable

Dr George Findlay
Chief Executive
Medway NHS Foundation Trust

company's independent examiner in connection with preparing its report and to establish that the charitable company's independent examiner is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved on behalf of the Corporate Trustee on 13 January 2022 and signed on its behalf by:

Joanne Palmer
Chair
Medway NHS Foundation Trust

Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

Independent Examiner's Report to the Trustee of Medway NHS Foundation Trust Charitable Fund

II report on the accounts of Medway NHS Foundation Trust Charitable Fund (the "charity") for the year ended 31 March 2021, which are set out on pages 18 to 31.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect, the requirements:
- to keep accounting records in accordance

- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

with section 130 of the Charities Act 2011;

- to prepare accounts which accord with the accounting records; and
- to comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 have not been met, or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a comparison of the accounts with the accounting records kept by the charity. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as corporate trustee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement above.

Respective responsibilities of Corporate Trustee and Examiner

The charity's corporate trustee is responsible for the preparation of the accounts. The charity's trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of CIPFA.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5) (b) of the Charities Act 2011; and
- to state whether particular matters have come to my attention.

Your attention is drawn to the fact that the charity's trustees have prepared the charity's accounts in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)

(effective 1 January 2019) issued in October 2019 in preference to the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005)' issued in April 2005 which is referred to in the Charities (Accounts and Reports) Regulations 2008 but has been withdrawn. I understand that the charity's trustees have done this in order for the charity's accounts to give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

Use of this report

This report is in respect of an examination carried out under section 145 of the Charities Act 2011. This report is made solely to the charity's Corporate Trustee, as a body, in accordance with the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustee, as a body, for my work, for this report or for the opinions I have formed.

Darren Wells

Darren Wells, CPFA
Grant Thornton UK LLP
Chartered Accountants
London

20 January 2022

Medway NHS Foundation Trust Charitable Fund

Statement of Financial Activities for the year ended 31 March 2021

	Note	Restricted Funds £000	Unrestricted Funds £000	2020/21 Total Funds £000	2019/20 Total Funds £000
Income from					
Donations	3	50	284	334	352
Donations (non-cash)	3	0	100	100	0
Investment Income	4	0	32	32	44
Total Income		50	416	466	396
Expenditure on					
Raising funds	5	0	11	11	13
Charitable activities	6	122	641	763	556
Total Expenditure		122	652	774	569
Net income before investment gains / losses		(72)	(236)	(308)	(173)
Other recognised losses: Realised and unrealised gains on investment assets	10	1	102	103	(79)
Net income / (loss) for the year		(71)	(134)	(205)	(252)
Gross transfers between funds		100	(100)	0	0
Net movement in funds		29	(234)	(205)	(252)
Reconciliation of Funds					
Total Funds brought forward at 1 April		18	1,599	1,617	1,868
Total Funds carried forward at 31 March		47	1,365	1,412	1,617

There were no other recognised gains or losses other than those listed above and the net loss for the year. All income and expenditure derives from continuing activities.

Medway NHS Foundation Trust Charitable Fund

Balance Sheet at 31 March 2021

	Note	Restricted Funds £000	Unrestricted Funds £000	2021 Total Funds £000	2020 Total Funds £000
Fixed assets:					
Investments	10	46	1,195	1,241	948
Total Fixed Assets		46	1,195	1,241	948
Current assets:					
Debtors	11	0	8	8	10
Cash at bank and in hand	12	1	207	208	673
Total Current Assets		1	215	215	683
Current liabilities:					
Creditors: Amounts falling due in 1 year	13	0	45	45	15
Total Current Liabilities		0	45	45	15
Net assets		47	1,365	1,412	1,617
The funds of the charity:					
Restricted funds	14	47	0	47	18
Unrestricted funds	14	0	1,365	1,365	1,599
Total charity funds		47	1,365	1,412	1,617

The financial statements of Medway NHS Foundation Trust Charitable Fund registered number 1051748 were approved and authorised for issue by the Corporate Trustee on 13 January 2022 and have been signed on its behalf by:



Dr George Findlay
Chief Executive
Medway NHS Foundation Trust



Joanne Palmer
Chair
Medway NHS Foundation Trust

Medway NHS Foundation Trust Charitable Fund

Cash Flow Statement for the year ended 31 March 2021

	Note	2020/21 Total Funds £000	2019/20 Total Funds £000
Cash flows from operating activities			
Net cash from operating activities	16	(307)	(218)
Current flows from investing activities			
Dividends and interest from investments	4	32	44
Disposals / (Purchase) or investments	10	(190)	359
Net cash provided by investing activities		(158)	403
Change in cash and cash equivalents in the year		(465)	185
Cash and cash equivalents at the beginning of the year		673	488
Cash and cash equivalents at the end of the year	12	208	673



New tablets were purchased to help our Prehabilitation Team connect with patients

Notes on the accounts

1. Accounting Policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019; and the Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound (£).

b) Preparation of financial statements – going concern basis

The accounts have been prepared on the going concern basis which assumes the Charity will continue for the foreseeable future.

Whilst the COVID-19 pandemic has had a negative impact on our charity's ability to generate income, as face-to-face fundraising has ceased, this did not have a material impact in the 2020/21 financial year.

Our charity is in a better position than many to weather any downturn as due to an outpouring of gratitude for the NHS, we have maintained our donations, received gifts-in-kind and were awarded grants from NHS Charities Together.

As reserves have been maintained, income from donations has remained stable and expenditure is discretionary, the Corporate Trustee believes that there are no material uncertainties that call into doubt the Charity's ability to continue in operation.

c) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Unrestricted funds are those funds which are given to the charity (whether solicited or unsolicited) without any restrictions imposed by the particular donor.

d) 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.

e) Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on raising funds includes the costs incurred in generating fundraising income and the costs associated with making the investments.

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objectives of the Charity.

Expenditure on charitable activities includes:

- Grant support given to Medway NHS Foundation Trust.
- Direct costs of delivering grants and services.
- Support costs are those functions that assist the work of the charity but do not directly

undertake charitable activities. Support costs include salaries recharged to the charity by the NHS Foundation Trust and independent examiner fees. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in Note 8.

Costs associated with purchasing new equipment. Any equipment deemed a fixed asset in nature is included in purchase of new equipment as it is donated to Medway NHS Foundation Trust, and therefore not recorded as a fixed asset within the Charity's accounts. Grant commitments are recognised when a constructive obligation arises that result in payment being unavoidable. Grants are only made to related or third party NHS bodies and non NHS bodies in furtherance of the charitable objects of the funds. A liability for such grants is recognised when approval has been given by the Trustee. The NHS Foundation Trust has full knowledge of the plans of the Trustee, therefore a grant approval is taken to constitute a firm intention of payment which has been communicated to the NHS Foundation Trust, and so a liability is recognised.

Contractual arrangements are recognised as goods or services supplied.

f) Irrecoverable VAT

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

g) Allocation of overhead and support costs

Overhead and support costs have been allocated as a direct cost or apportioned on an appropriate basis between charitable activities and governance costs.

h) Costs of generating funds

The costs of generating funds are the Investec Wealth and Investment Limited management fees.

i) 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.

j) Realised / Unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (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).

k) Staff costs

In this financial year, the Charity contributed £37,000 towards salary costs, with the wages balance funded by Medway NHS Foundation Trust. All salary costs are for staff working on the Charitable Fund.

l) Taxation

The Charity takes advantage of certain exemptions from taxation on income and gains, to the extent that they are applied for charitable purposes.

m) Debtors and Creditors

As per the Trust's Standing Financial Instructions, the debtor, creditor and financial instrument accounting policies in place for the Trust are also used for the charity. All financial instruments are subject to impairment review on an annual basis.

2. Critical Accounting, Judgements and Key Sources of Estimation Uncertainty

In the application of the Charity's accounting policies, which are described in note 1, the Corporate Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustee does not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3. Analysis of income from donation, legacies and grants

	2020/21 Total £000	2019/20 Total £000
Cash		
Donations £0 - £1,000	45	79
Donations £1,001 - £10,000	52	24
Donations £10,001+	237	249
Total	334	352
Non-cash		
Donations £0 - £1,000	21	0
Donations £1,001 - £10,000	28	0
Donations £10,001+	51	0
Total	100	0

The Charity and Fundraising team estimated the value of non-cash gifts during COVID-19 based on quantities donated and recommended retail prices.

4. Analysis of income from investments

	2020/21 Total £000	2019/20 Total £000
Income from Investment Portfolio	0	4
Income from Bank Deposits	32	38
Other Incoming Resources	0	2
Total	32	44

5. Analysis of expenditure on raising funds

	2020/21 Total £000	2019/20 Total £000
Investment management costs	10	12
Bank charges	1	1
Total	11	13

6. Analysis of charitable expenditure

All of the resources expended by the Charity were in the form of grants to Medway NHS Foundation Trust in support of a range of charitable activities. Our wonderful community supported us during the COVID-19 pandemic. In 2020/21 we received £100,000 in non-cash gifts which were donated to staff during the pandemic. This has been recorded as £100,000 in non-cash income and as £100,000 in staff welfare expenditure so there is zero effect on the accounts for the 20/21 financial year. We also received grants of more than £168,000 from NHS Charities Together in this financial year. This income was spent or allocated to specific projects.

	2020/21 Total £000	2019/20 Total £000
Purchase of New Equipment	369	437
Research and Development	30	0
Staff Welfare	128	3
Patient Welfare	61	73
Other Contributions to Medway NHS Foundation Trust	144	23
Governance costs (see note 8)	31	20
Total	763	556

7. Analysis of grants

All grants are made to Medway NHS Foundation Trust. The Corporate Trustee operates a scheme of delegation, through which all grant funded activity is managed by the Charity and Fundraising Manager for the day-to-day disbursements on their projects. This is in accordance with the directions set out by the Trustee in charity standing orders and financial instructions. The Charity does not make grants to individuals. The total cost of making grants is disclosed in the activity analysis on the face of the Statement of Financial Activities.

8. Allocation of support costs and overheads

Once allocation and/ or apportionment of overhead and support costs has been made between Charitable Activities and Governance Costs, the cost attributable to Charitable Activities is apportioned across those activities in proportion to total spend.

Allocation and apportionment to Governance Costs	2020/21 Total £000	Allocated to Governance £000	Residual for apportionment £000	2019/20 Total £000
Financial Services	38	38	0	1
Independent Exam Fees	3	3	0	3
Independent Auditor's Fees	(10)	(10)	0	16
Total	31	31	0	20

Staff are employed by Medway NHS Foundation Trust. Where staff perform a service to the Charitable Fund an element of the salaries and related costs are recharged to the Charity. These costs are shown under 'Financial Services.'

In this financial year, the Charity contributed £37,000 towards salary costs, with the wages balance funded by Medway NHS Foundation Trust. All salary costs are for staff working on the Charitable Fund.

9. Independent Examiner's remuneration

The Independent Examiner's remuneration of £2,500+VAT (the VAT of which is irrecoverable) related solely to the independent examination of these financial statements with no other additional work undertaken (2019/20: £2,500+VAT).

10. Fixed asset investments

Movement in fixed asset investment	2020/21 Total £000	2019/20 Total £000
Market value brought forward	948	1,386
Acquisitions at cost	200	0
Disposals	0	(350)
Fund adjustment for investment income and management fees	(10)	(9)
Add net (loss) / gain in revaluation	103	(79)
Market value as at 31 March	1,241	948
Book cost	1,192	1,013

Fixed asset investments	31 March 2021 Total £000	31 March 2020 Total £000
UK Invested Unit Trusts	1,241	948
Total	1,241	948

11. Analysis of current assets

	31 March 2021 Total £000	31 March 2020 Total £000
Debtors receivable within 1 year		
Prepayments	0	2
Accrued Income	8	8
Total	8	10

12. Analysis of cash and deposits

	31 March 2021 Total £000	31 March 2020 Total £000
Bank Account	207	673
Total	207	673

13. Analysis of current liabilities

	31 March 2021 Total £000	31 March 2020 Total £000
Creditors payable within 1 year		
Accruals	45	15
Total	45	15

14. Analysis of charitable funds 2020/21

Analysis of Material Funds	Balance at 1 April b/fwd £000 19/20	Income £000	Expenditure £000	Gains and (losses) £000	Transfers £000	Balance at 31 March c/fwd £000 20/21
Restricted						
Eva May Cancer Care	14	0	(15)	1	0	0
Foley Legacy (Heart Treatment)	4	0	(4)	0	0	0
NHS Charities Together	0	50	(103)	0	100	47
Total Restricted Funds (2)	18	50	(122)	(0)	100	47
Unrestricted / Designated						
General Fund	277	196	(148)	18	2	345
Diabetes Centre (prev Peter Simons)	35	0	(1)	2	20	56
Medway Diabetes Research	29	0	(11)	2	(20)	0
The Ralph Barrett Legacy	851	0	(362)	54	0	543
Medway Cancer Unit	119	24	(19)	8	0	132
Breast Care	32	0	(32)	2	0	2
Neonatal Fund	30	0	(8)	2	0	24
Dolphin and Panda Ward General	22	8	(7)	1	0	24
Critical Care	20	13	(3)	1	0	31
Haematology Research	20	0	(4)	1	0	20
Staff / COVID 19	0	163	(47)	0	(100)	16
Other Unrestricted (46 Funds)	165	12	(10)	11	(2)	174
Total Unrestricted Designated Funds (57 Funds)	1,599	416	(641)	102	(100)	1,365
Grand Total (59 Funds)	1,617	466	(763)	103	(0)	1,412

Analysis of charitable funds 2019/20

Analysis of Material Funds	Balance at 1 April b/fwd £000	Income £000	Expenditure £000	Gains and (losses) £000	Transfers £000	Balance at 31 March c/fwd £000
Restricted						
Eva May Cancer Care	26	0	(11)	(1)	0	14
Foley Legacy (Heart Treatment)	4	0	(0)	0	0	4
Ruby Joyce Osborne Legacy	5	0	(5)	0	0	0
Total Restricted Funds (3)	34	0	(16)	(1)	0	18
Unrestricted / Designated						
General Fund	224	278	(269)	42	2	277
Diabetes Centre (prev Peter Simons)	37	0	(1)	(2)	0	35
Medway Diabetes Research	31	0	(1)	(1)	0	29
Ralph Barrett Legacy	1,007	0	(99)	(57)	0	851
Medway Cancer Unit	204	44	(124)	(5)	0	119
Breast Care	34	0	(1)	(2)	0	32
Neonatal Fund	37	1	(5)	(1)	0	30
Dolphin and Panda Ward General	20	4	(1)	(1)	0	22
Critical Care	26	3	(8)	(1)	0	20
Haematology Research	21	0	(0)	(1)	0	20
Other Unrestricted (59 Funds)	193	24	(44)	(7)	(1)	165
Total Unrestricted Designated Funds	1,834	354	(553)	(36)	1	1,599
Grand Total (71 Funds)	1,869	354	(569)	(37)	1	1,617

Other Unrestricted Funds

The other unrestricted funds have been grouped together for presentational purposes and these funds hold donations made to various wards and departments within the hospital. They all have a closing balance of less than £20,000.

Name of Fund	Description, nature and purpose of the fund
The Ralph Barrett Legacy	Ralph Barrett left a legacy of almost £1 million, with a wish that it go to our orthopaedics department.
General Fund	The General Fund holds all general and unrestricted donations and is available for use in any area of the hospital.
Medway Cancer Unit	The Medway Cancer Unit is made up of donations to Lawrence Ward and Galton Day Unit.
Diabetes	Contributions to diabetic patient care and relevant education at Medway Maritime Hospital.
NHS Charities Together	Consisting of grant money from NHS Charities Together, to be used for specific purposes.
Critical Care	This fund is made up of donations to our intensive care unit, medical high dependency unit and high dependency unit.
Staff / COVID-19	This fund was created to support staff wellbeing the COVID-19 pandemic.
Neonatal Fund	Contributions to Neonatal Care and relevant research at Medway Maritime Hospital.
Dolphin and Panda Ward	Contributions to support our Children's wards.

15. Related party transactions

Medway NHS Foundation Trust is a major beneficiary of the Charity and received grants and contributions of £774,000, including £100,000 in non-cash gifts (2019/20 £536,354) during the year. Medway NHS Foundation Trust recharged £37,000 costs of services provided to the charity in this financial year. (2020/19: £0).

None of the members of Medway NHS Foundation Trust Board or senior NHS Foundation Trust staff or parties related to them were beneficiaries of the Charity. Neither the Corporate Trustee, nor any member of the NHS Foundation Trust Board, has received honoraria, emoluments or expenses in the year and the Trustee has not purchased Trustee indemnity insurance.

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

	31 March 201 Total £000	31 March 2020 Total £000
Net income / (loss)	(205)	(252)
Losses / (gains) on investments	(103)	79
Dividends and interest on investments	0	(6)
Interest from bank deposits	(32)	(38)
Decrease / (increase) in debtors	2	(8)
Increase / (decrease) in creditors	30	7
Net cash provided by operating activities	(307)	(218)

17. Post balance sheet events

In 2021/22 The Medway Hospital Charity was chosen to act as Lead Charity for the NHS Charities Together Stage 2 Community Partnership programme and will act as agent for these funds, disbursing them to successful grant applicants.

