



Southampton
Hospitals
Charity

Charity Registration Number: 1051543



University Hospital
Southampton
NHS Foundation Trust

let's
enhance
care, **together**



Annual Report 2022-23

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Welcome

from the Charity Director, Ellis Banfield

NHS Charities exist to improve the care of patients and their families, and Southampton Hospitals Charity is proud to support the high-quality care provided by University Hospital Southampton NHS Foundation Trust (UHS). We do this by raising money to fund improvements to care, to the hospital environment, and to research. It all begins and ends with our donors and supporters. Without their kindness and generosity, the Charity simply could not do what it does. We have a continuing obligation to our supporters to ensure that their donations make a difference to the care and experience of our patients and families, and each member of the Charity team takes that obligation seriously and makes the utmost effort to make a difference every day, whether through fundraising, the delivery of projects, or managing our finances. Our success is our donors' success – it is truly a collective and collaborative effort.

National charities can make a huge difference in their fields but, for me, there is a real reward in working for a hospital charity that is rooted in the local community. When our community supports us, they support the services that they themselves, and their family and friends, use. The money we raise improves the vital services that impact the lives of those living in and around Southampton. We work to ensure that local support is turned into local benefit.

It has been a challenging time for charities, with the cost-of-living crisis hitting



communities hard and the geopolitical turmoil impacting the wider economy. Through it all, our supporters have continued to recognise that the staff of UHS work tirelessly to deliver the best care and have maintained their amazing kindness and generosity by giving what they can to help our NHS staff.

I'm proud of the many important projects we've been able to fund thanks to our generous donors. The sensory projectors we've provided for the Children's Hospital has enhanced play for our children in our cancer wards, and the virtual reality headsets offer our young patients a distraction from their procedures. Items like these make an enormous difference to patients' hospital experience.

And as we move into the second year of our 2022-25 strategy we're looking forward to working with many more corporate partners and community groups to maximise our impact. Together, we can transform care.

Ellis Banfield

5 hospitals

The Trust provides most of its services from the following locations:

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



13,000 members of staff



1.9 million patient contacts every year

Our aims and purpose

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 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 number of services at other hospitals in the area with a combined staff workforce of 13,000.

Our main priorities for 2022/23 were to:

- Expand our capacity to raise funds and deliver impactful projects through effective recruitment.
- Develop and launch an art in hospital programme to improve the hospital environment and deliver creative activities for patients.
- Launch our legacy campaign with new marketing materials and collateral to ensure long-term income growth in this area.



Our impact

The Charity's key objectives, set out in its strategy is to:

Improve patient care and experience through funding projects that go over and above NHS provision.

Virtual reality headsets

We have funded 4 virtual reality headsets for use throughout the Children's Hospital. Play Specialist, Kelly Williams, explains how using virtual reality in hospitals supports patients: "I work in the children's emergency and trauma department, and our Charity-funded virtual reality headset is in use constantly with our children and young adults! When we are busy, it provides a distraction while patients are waiting, it blocks out the visuals and sounds that come with a busy emergency department and helps to engage with patients while they are waiting for procedures.

Most importantly, I use it to complement the nursing care for when patients need stitches, blood tests, and sedation ready for bone manipulation. The use of virtual reality helps to relax them, and we have such a choice of experiences. They can play games, watch short movies, and even experience being underwater or in a rainforest! People don't expect us to have something so modern, it really gives the element of surprise to our hospital!"



Young people's cancer research

Each year 2,000 young people are diagnosed with cancer in the UK. Teenagers and young adults often describe feeling unprepared for life beyond cancer treatment and experience fear and uncertainty. They are often left with questions about how their long-term health will be affected. This project will work with young people to identify the key areas where support is needed, how they would like this support to be delivered, and when the support is needed.



"I was diagnosed with leukaemia just four days after my 20th birthday. The second those words left the doctor's mouth my whole world fell apart. I started chemotherapy just a few hours later and spent the best part of six months isolated to my hospital room. I struggled a lot, not only with the physical side effects of having cancer, such as the hair loss, weight gain and everything else that no one tells you about, but the mental aspect hit me like a train. The 'what if' and the unknown factor." – Former cancer patient.

Patient wash bags

The Wessex Neurological Centre at University Hospital Southampton provides treatment for disorders affecting the brain, spine, and nerves. As a specialist centre, it serves a population of three million from across the south and the Channel Islands.

Often patients are admitted through emergency cases and so don't have the chance to bring anything with them into hospital. We wanted to provide support to these patients by funding individual patient care bags across the department. These include a wash bag, moisturiser, hand cream, shampoo, shower gel, soap, toothbrush, and toothpaste. These have proved very popular with our patients.

Support world-class patient outcomes through advancing research, funding state of the art equipment, and support our staff.

Cancer care quiet room

We've refurbished a quiet room within the cancer care department. This special area provides patients and families a peaceful place to reflect, away from the noise of the ward either in between treatments as an outpatient or a change of scenery as an inpatient.



Medicine for older people

We completed the renovation and refurbishment of the gym on our Medicine for Older People Department. Rachel McCafferty, Advanced Physiotherapist, comments: "One of the specialist pieces of equipment we are using is a MOTomed exercise device. This was developed by Medimotion for people with movement restrictions, and it complements the exercises already used by our teams. These allow us to do both cardiovascular and strength resistance exercises for lower and upper limbs. It is fully flexible so it is suitable for patients who can stand, those in a wheelchair, and we can even take them to the patient's bedside.

Our hope is that if we can show our patients that they can do this, even in hospital, that they can pick this up when discharged, either through exercises at home, in exercise classes, or gym programmes suggested by their GP. It is also more than just exercise! There are games which the patients can play, including a racetrack where you can see your car going round which is fuelled by your legs or arms!"

Specialist vein finders

We have provided funding for an Accuvein vein finder for use within our cancer care department. This vital piece of equipment eases unnecessary discomfort for patients whose veins have become hard and shrink away from the skin, because of chemotherapy. It helps nurses find the right vein at the first attempt and eases patient discomfort.

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

Looking ahead

The Charity's 2022-25 strategy highlights the key aim of growing our income sustainably in order to fund more projects and create a long-lasting impact for patients and staff. Over the next couple of years, the Charity will be working to develop a greater local profile to build more support and generate more income to resource a range of small, medium, and large projects.

A key element of our work will be the Light the South public art trail that will run across the summer of 2024 in Southampton and across the water in Cowes. Light the South will enable the Charity to develop new and fruitful corporate partnerships to support a large-scale public event that will not only increase the Charity's public profile but also raise funds for Southampton Children's Hospital. Trails run in other parts of the country have seen 250,000 visitors take part, delivered significant economic benefit for the local region, and yielded unrestricted income for the organising charities.



Our ambition for the trail is to generate corporate partnerships with more than 40 local businesses, engage with 30 local schools and colleges, and deliver a high-quality and popular event – the largest event the Charity has ever run.

We have also committed to raising funds for major capital projects over the next few years, starting with the refurbishment of our G3 paediatric trauma and orthopaedic ward. For this project the Charity is aiming to fundraise its £1.6m commitment to the project. With many clinical areas across our hospitals needing improvement and enhancement, the Charity has a capital fundraising plan aimed at delivering significant improvements each year over the next three years.

Outside of capital projects, the Charity has been able to develop two key programmes aimed at enhancing the patient and carer experience: our arts in hospital programme and our carers support service.

Arts

The strategic priority to 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 has progressed well. Commencing in November 2022, the Charity began delivering a 12-month pilot Arts Programme across the Trust, with the role of Arts Curator embedded into the Charity structure. Engagement with the programme has been very positive and it is evident that there are numerous opportunities for the programme to improve patient and visitor experience, enhancing care for patients and the wider community, and offering staff creative opportunities to support their health and wellbeing.

Activities have included our first series of clay workshops and watercolour sessions for our Dementia patients, and tailored art sessions for our teenage and young adult cancer patients. Through our hospital's arts programme we're able to offer much-needed distraction, to help our young patients cope more effectively with illness and treatment, encourage socialisation between peers and staff members and create lasting positive memories.



Carers

As a Charity we are committed to supporting patients and delivering more services, and our carers service is at the forefront of this. This year we took over the funding and delivery responsibility for the Carers Lead at UHS. The aim of the role is to work closely with carers, offering emotional support and being an advocate for their involvement during the stay of their loved ones in the hospital.



Our Carers Lead works closely with partner agencies and local authorities, referring carers for assessments and signposting carers to voluntary community services for specialist support. As part of this service, we also fund carers meal vouchers and special events. We are committed to developing this service and will continue investing in it over the coming years to benefit patients and their loved ones.

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 01/04/22
Jane Bailey, Interim UHS Chair	Interim Chair between 1 April 2022 and 5 July 2022 Left the Trust 30/06/23
Jenni Douglas-Todd, Chair	Appointed Chair 01/07/22
* Dave Bennett (NED)	Chair of Charitable Funds Committee (CFC) until August 2023
Gail Byrne, Chief Nursing Officer	
Cyrus Cooper (NED)	Stood down as NED 01/01/23
Keith Evans (NED)	
David French, Chief Executive Officer (CEO)	
Paul Grundy, Chief Medical Officer (CMO)	
* Steve Harris, Chief People Officer (CPO)	
* Jane Harwood (NED)	Appointed Senior Independent Director (SID) 01/12/22

Name and Role	Changes since 01/04/22
Diana Eccles (NED), Dean of the Faculty of Medicine, University of Southampton	
* Ian Howard, Chief Financial Officer (CFO)	
* Femi Macaulay, Associate Non-Executive Director	Femi replaced Dave Bennett in August 2023 as Chair of Charitable Funds Committee
Joe Teape (COO)	
Tim Peachey (NED)	



* Board members who are also members of the CFC

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 12 and 13 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 2022/23 the team comprised:

Ellis Banfield

Director

Beth Hall

Head of Charity Operations

Catherine Jordan

Head of Charity Marketing & Communications

Jeneen Thomsen - (Until November 2022)

Head of Charitable Giving

Matt Wynes - (Nov - Jan 2023)

Interim 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.

Solicitors:

**DAC Beachcroft LLP,
25 Walbrook,
London EC4N 8AF**

Investment advisors:

**Cazenove Capital,
1 London Wall Place,
London EC2Y 5AU**

Bank details:

**NatWest Southampton High Street Branch,
12 High Street,
Southampton SO14 2NX**

Auditors:

**Kreston Reeves LLP,
9 Donnington Park,
85 Birdham Road,
Chichester,
West Sussex PO20 7AJ**





How we raise **and** spend funds

The Charity furthers its charitable purposes by raising funds to support all the Trust's hospitals. Funds are raised for projects, for the general benefit of the wards and for research initiatives. Projects are either proposed directly by the services and departments or proactively sought by the Charity. The Charity also delivers the art in hospital programme directly. All projects are subject to a review process that is defined within the standing financial instructions of the Trust.

The Charity's spending policies are aligned with its charitable purposes to benefit the public by improving the care and treatment of patients at UHS. The Charity works:

- to use funds to benefit patients and their families by going above and beyond that which is required for safe and effective care provided 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 care and services. 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 £3,144k 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 decreased by £207k and the investments generated income of £123k,

giving a net loss of £84k. 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 £313k. 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

Financial performance

The Charity's objects are to raise money in support of University Hospital Southampton NHS FT. Where we commit to fundraising for new projects, there is a risk that in an uncertain external economic environment we fail to meet our targets and that this impacts the delivery of important and vital projects.

Our mitigation of this risk remains a focus on the diversification of our income streams, including the reinforcement of existing but underdeveloped opportunities alongside ensuring investment in new longer-term income channels.

Reputational risks

The Charity is intrinsically linked to the NHS and to University Hospital Southampton NHS FT. There are risks to our reputation outside of our control, such as negative media coverage on the NHS generally or specific coverage of UHS. Further risks may arise from our own activities, be it fundraising or grant-giving.

To avoid reputational harm, our grant-giving processes adhere to clearly defined standing financial instructions and all proposals and projects 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 2023

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 30 November 2023 and signed on its behalf by;

A handwritten signature in black ink that reads "Femi Macaulay".

Femi Macaulay
Chair, Charitable Funds Committee &
Associate 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 provides most of its services from the following locations:

- **Southampton General Hospital**
- **Princess Anne Hospital**
- **Royal South Hants Hospital**
- **New Forest Birth Centre**
- **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 £13,839k of which £7,644k were restricted funds (i.e., funds subject to a legally binding restriction on the purpose for which they may be spent).

In 2022/23 the Charity's expenditure exceeded its income of £3,593k by £1,847k. £2.4m of that expenditure was on the 'Game Changer' projects funded by the sale of the Banksy painting 'Game Changer'. Taking into account an unrealised loss of £180k in the value of its investments the Charity's funds decreased over the year from £13,839k to £11,812k, of which £4,592k were restricted funds, £7,220k were unrestricted funds.

For 2022/23 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 2023/24 are budgeted to be £961k**
- **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).**

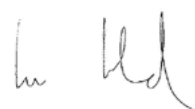
The Charity's free reserves – i.e. the amount of uncommitted funds freely available for spending on any or all of the Charity's purposes – were £7,220k at the end of the year. The Charity is content to earmark these funds – reducing the value of its free reserves at the balance sheet date to a value 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 2023

		Unrestricted Funds	Restricted Funds	2022/23 Total Funds	Unrestricted Funds	Restricted Funds	2021/22 Total Funds
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	3	2,678	704	3,382	2,189	7,195	9,384
Other trading activities		18	–	18	18	–	18
Investments	11	158	35	193	127	–	127
Total		2,854	739	3,593	2,334	7,195	9,529
Expenditure on:							
Raising funds		298	5	303	177	–	177
Charitable activities	5	1,418	3,719	5,137	1,219	1,193	2,412
Total		1,716	3,724	5,440	1,396	1,193	2,589
Net Income/(Expenditure)		1,138	(2,985)	(1,847)	938	6,002	6,940
Transfers between funds	15	29	(29)	–	(78)	78	–
Other recognised gains/ (losses)							
Gains/(losses) on revaluation:							
Fixed asset investments	9	(169)	(38)	(207)	176	–	176
Fixed asset property	10	27	–	27	41	–	41
Total		(113)	(67)	(180)	139	78	217
Net movement in funds		1,025	(3,052)	(2,027)	1,077	6,080	7,157
Reconciliation of funds:							
Total funds brought forward at 1 April 2022		6,195	7,644	13,839	5,118	1,564	6,682
Total funds carried forward at 31 March 2023	15	7,220	4,592	11,812	6,195	7,644	13,839

All results derive from continuing operations. All gains and losses recognised in the year are included in the Statement of Financial Activities. The accompanying notes on pages 25 to 34 form part of these financial statements. These financial statements were approved on 30 November 2023 by the Corporate Trustee and were signed on its behalf by:



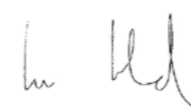
Ian Howard,
Chief Financial Officer of UHS

Registered charity no. 1051543

Balance sheet at 31 March 2023

		Unrestricted Funds	Restricted Funds	2022/23 Total Funds	Unrestricted Funds	Restricted Funds	2021/22 Total Funds
	Note	£000	£000	£000	£000	£000	£000
Fixed assets:							
Investments	9	3,144	–	3,144	3,351	–	3,351
Investment Property	10	313	–	313	286	–	286
Total fixed assets		3,457	–	3,457	3,637	–	3,637
Current assets:							
Debtors	12	792	2	794	176	–	176
Cash at Bank & In Hand		3,184	4,947	8,131	2,627	8,199	10,826
Total current assets		3,976	4,949	8,925	2,803	8,199	11,002
Liabilities:							
Creditors falling due within one year	13	(213)	(357)	(570)	(245)	(555)	(800)
Net current assets		3,763	4,592	8,355	2,558	7,644	10,202
Net assets		7,220	4,592	11,812	6,195	7,644	13,839
The funds of the charity:							
Restricted Income Funds	15	–	4,592	4,592	–	7,644	7,644
Unrestricted Income Funds	15	7,220	–	7,220	6,195	–	6,195
Total charity funds		7,220	4,592	11,812	6,195	7,644	13,839

The accompanying notes on pages 25 to 34 form part of these financial statements. These financial statements were approved on 30 November 2023 by the Corporate Trustee and were signed on its behalf by:



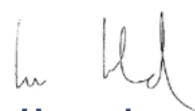
Ian Howard,
Chief Financial Officer of UHS

Registered charity no. 1051543

Statement of cash flows for the year ended 31 March 2023

	2022/23	2021/22	
	Total Funds	Total Funds	
	£000	£000	
Cash flows from operating activities:	(2,888)	5,574	
Net cash provided by operating activities	(2,888)	5,574	
Cash flows from investing activities:			
Dividends, interest and rents from investments	193	127	
Net cash provided by investing activities	193	127	
Change in cash and cash equivalents in the reporting period	(2,695)	5,701	
Cash and cash equivalents at the beginning of the reporting period	10,826	5,125	
Cash and cash equivalents at the end of the reporting period	8,131	10,826	
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)	(2,027)	7,157	
(Gains)/losses on investments	180	(217)	
Dividends, interest and rents from investments	(193)	(127)	
(Increase)/decrease in debtors	(618)	88	
Increase/(decrease) in creditors	(230)	(1,327)	
Net cash provided by operating activities	(2,888)	5,574	
Analysis of net debt	As at 1 April 2022	Cashflows	As at 31 March 2023
Cash	10,826	(2,695)	8,131

The accompanying notes on pages 25 to 34 form part of these financial statements. These financial statements were approved on 30 November 2023 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 2023

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 2019) 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 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. 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 consider 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.

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.

The accompanying notes form part of the financial statements for the year ended 31 March 2023

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 basis 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 2023.

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 2023. A valuation has been completed as at 31 March 2023. 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 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.

The accompanying notes form part of the financial statements for the year ended 31 March 2023

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 2023, 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 2023 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 £400k and received donations from UEL amounting to £30k (2022 - £295k from UPL and £275k from UEL).

The Trust has a 50% ownership of Wessex Procurement Limited ("WPL") and during the year the Charity did not receive any donations from WPL (2022 - £25.2k).

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 £1,862k (2022 - £3,363k) and no income reimbursements. At the end of the year the Charity had a creditor balance with the trust of £221k (2022: £300k). 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	2023 Total £k	2022 Total £k
Donations from individuals	710	165	875	7,277
Corporate donations	561	36	597	449
Donations in memoriam	132	7	139	172
Legacies	1,107	–	1,107	463
Grants received	168	496	664	1,023
Total	2,678	704	3,382	9,384

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 2023

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 costs of the finance team.

	Charitable Activities	Governance	2023 Total £k	2022 Total £k	Basis for Apportionment
Financial administration salaries & costs	96	25	121	114	Allocated on time
Other salaries & costs	614	58	672	738	Allocated on time
External audit	–	16	16	14	Governance
Bank Charges	1	–	1	1	Allocated on time
Other including I.T.	38	–	38	25	Allocated on time
Total	749	99	848	892	

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	2023 Total £k	2022 Total £k
Patients Welfare & Amenities	3,315	579	3,894	1,328
Staff Welfare & Amenities	120	21	141	171
Research	565	99	664	350
Purchase of Equipment	202	35	237	420
Staff Education	87	15	102	52
Total grant funded activity	4,289	749	5,038	2,321
Governance (Note 4)	–	99	99	91
Total expenditure	4,289	848	5,137	2,412

Support costs in the year are allocated across charitable expenditure on the basis set out in note 4.

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 £16,000 plus VAT (2022 - £11,500 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 2023

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.

	2023 Total £k	2022 Total £k
Salaries and wages	755	599
Agency fees and other staff related costs	29	13
Total	784	584

The average number of full time equivalent employees during the year was 15 (2022 – 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 £60,000 - £70,000 (2022 – two in excess of £60,000 - one £60,000 - £70,000 and 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.

	2023 Total £k	2022 Total £k
Movement in Fixed Asset Investments		
Market value brought forward	3,351	3,175
Add net (loss)/gain on revaluation	(207)	176
Market Value as at 31 March	3,144	3,351
Fixed Asset Investments:		
Cazenove Charity Multi-Asset Fund	3,144	3,351
Total Investments in Common Investment Funds as at 31 March	3,144	3,351

The accompanying notes form part of the financial statements for the year ended 31 March 2023

10. FIXED ASSETS – INVESTMENT PROPERTY

	2023 Total £k	2022 Total £k
Movement in Fixed Asset – Investment Property		
Market value brought forward	286	244
Add net gain on revaluation	27	42
Market Value as at 31 March	313	286

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 2023. 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 2023. 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 2023. Therefore an industry used discount factor, was applied to calculate the gain on revaluation at 31 March 2023. This method reflects the restriction placed on the property, bequeathed to the Charity, which prevents realisation.

11. GROSS INCOME FROM INVESTMENTS

	2023 Total £k	2022 Total £k
Fixed Asset Investments	123	125
Cash Held on Deposit	70	2
Total	193	127

12. ANALYSIS OF CURRENT ASSETS & CONTINGENT ASSETS

	2023 Total £k	2022 Total £k
(i) Debtors Under One Year		
Prepayments	28	19
Accrued Income	766	157
Total	794	176

The Charity had accrued income of £680k relating to legacies of which it had been notified during the year but had not been received at 31 March 2023 (2022 - £58k).

The accompanying notes form part of the financial statements for the year ended 31 March 2023

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

	2023 Total £k	2022 Total £k
(ii) Cash at Bank & in Hand on Current Investments Held on Deposit		
NatWest Special Interest Bearing Account	7,900	10,601
NatWest Business Current Account	10	21
NatWest Business Current Account – Lottery	221	204
Total	8,131	10,826

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

	2023 Total £k	2022 Total £k
Creditors Under 1 Year		
Other Creditors	221	300
Accruals	349	500
Total	570	800

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 2023

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	(Losses) & Gains £k	Transfers £k	Fund C/fwd £k
Restricted						
Other inc. Projects Fund	7,644	739	(3,724)	(38)	(29)	4,592
Total Restricted Funds	7,644	7,196	(3,724)	(38)	(29)	4,592
Unrestricted						
Surgery	154	20	(34)	(5)	38	173
Cancer Care	1,029	210	(158)	(31)	(1)	1,049
Critical Care & Theatres	148	28	(29)	(4)	(12)	131
Emergency Medicine	47	12	(19)	(1)	–	39
Specialist Medicine & Ophthalmology	615	196	(107)	(20)	–	684
Radiology & Pathology	214	19	(24)	(6)	–	203
Women & Newborn	838	166	(107)	10	–	907
Child Health	1,094	355	(317)	(19)	(14)	1,099
Support Services	105	18	(21)	(3)	–	99
Cardiovascular & Thoracic	273	154	(64)	(11)	7	359
Neurosciences	349	34	(57)	(9)	–	317
Trauma & Orthopaedic	33	3	(7)	(1)	–	28
General Purpose	794	1,607	(721)	(33)	73	1,720
Other	502	32	(51)	(9)	(62)	412
Total Unrestricted Funds	6,195	2,854	(1,716)	(142)	29	7,220
Total	13,839	3,593	(5,440)	(180)	–	11,812

The transfers referred to in the table above relate to the reclassification following merger of two funds as well as a re-apportionment of charity support costs.

In April 2021 Southampton Hospitals Charity received the proceeds of the sale of the Game Changer painting. 30% of the proceeds, amounting to £4.9m, were allocated to the Restricted Projects fund to fund initiatives the Charity supports for the benefit of the NHS. This money has been assigned to projects for the benefit of UHS staff and their wellbeing, with the majority of the spend taking place during 2022/23. The remaining 70% of the funds are hosted and disbursed by Southampton Hospitals Charity to charities that support the wider NHS as reported in note 16. Other restricted funds relate to capital appeals, research and patient improvement projects.

In addition, please see the following tables showing further analysis.

The accompanying notes form part of the financial statements for the year ended 31 March 2023

FURTHER ANALYSIS OF CHARITABLE FUNDS

Net Movement in Funds	Unrestricted Funds £k	Restricted Funds £k	Total Funds 22/23 £k	Unrestricted Funds £k	Restricted Funds £k	Total Funds 21/22 £k
Net resources of general donations and fundraising	1,009	(3,049)	(2,040)	733	6,080	6,813
Net gain from investment opportunities	158	35	193	–	–	–
Net (loss)/gain from investment portfolio	(169)	(38)	(207)	176	–	176
Gains and losses on investment assets	27	–	27	41	–	41
Total	1,025	(3,052)	(2,027)	1,077	6,080	7,157

Net Assets by Fund	Unrestricted Funds £k	Restricted Funds £k	Total Funds 22/23 £k	Unrestricted Funds £k	Restricted Funds £k	Total Funds 21/22 £k
Investments	3,144	–	3,144	3,351	–	3,351
Investment Property	313	–	313	286	–	286
Debtors	792	2	794	177	–	177
Cash at Bank & In Hand	3,184	4,947	8,131	2,627	8,199	10,826
Creditors falling due within one year	(213)	(357)	(570)	(246)	(555)	(801)
Total	7,220	4,592	11,812	6,195	7,644	13,839

The accompanying notes form part of the financial statements for the year ended 31 March 2023

16. AGENT ARRANGEMENT

UHS received over £11.4m of healthcare funds during April 2021, which are for re-distribution to other Charities, upon a receipt of a successful grant application. The following table shows the Grants expended in , through this hosting money received during 21/22, 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	7,761	-	(5,567)	-	-	2,194
Total Funds	7,761	-	(5,567)	-	-	2,194

Subsequent to year end all remaining funds were distributed and all commitments under the agent arrangement were fulfilled.



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

For the year ended **31 March 2023**

Opinion

We have audited the financial statements of Southampton Hospitals Charity (the 'Charity') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, Analysis of Net Debt 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 2023 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 19, 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 on pages 38 and 39.

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, Charities SORP (FRS 102) Section Edition (released October 2019) and other relevant charity legislation. 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.

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
(Statutory auditor)

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

Chichester
Date: 30 November 2023

Kreston Reeves LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



At Southampton Hospitals Charity, we bring people together to raise life-changing funds for University Hospital Southampton.

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charity@uhs.nhs.uk



southamptonhospitalscharity.org

Southampton Hospitals Charity

Mailpoint 135, Southampton General Hospital, Tremona Road, Southampton, SO16 6YD.



Southampton Hospitals Charity UK



@charity_shc

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