



supporting
life's journey
together

Reg. Charity No.: 1048685

Annual Report and Accounts 2020/21



Painting of Captain Sir Tom Moore donated to Bay Hospitals Charity

Bay Hospitals Charity
Royal Lancaster Infirmary
Lancaster LA1 4RP

T: 01524 516064

Bay Hospitals Charity
Furness General Hospital
Barrow in Furness LA14 4LF

T: 01229 404473

CONTENTS

Annual Report:

Chair's Foreword	3
Statement of Trustees Responsibilities	4
Charity Corporate Trustee	5
Reference and Charity Administration Details	6
Governance, Management and Structure	7
Risk Management – Policies and Procedures	9
Charitable Aims, Objectives and Activities	10
Connected and Supporting Charities	12
How to Support	13

Annual Accounts:

Financial Review	14
Statement of Financial Activities (SOFA)	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Accounts	18
Audit Report	26

Chair's Foreword

A very warm welcome to this year's annual report and accounts for Bay Hospitals Charity. This has been a year like no other at University Hospitals of Morecambe Bay NHS Foundation Trust. Life has been extremely challenging for all of us and the pandemic has impacted on all our lives. We have had our share of hardship, isolation and worst of all for many, the sad loss of family and friends. Throughout this challenging year I have witnessed first-hand as a Trustee of the Charity, the amazing ways we have all adapted.

Captain Sir Tom Moore is a name we all know and has become synonymous this year with fundraising for NHS Charities Together, his efforts were truly phenomenal. As a result, Bay Hospitals Charity received grants of £186,000 to deal with the immediate impact of the pandemic in particular the health and wellbeing of staff and we have been able to support them in a variety of ways.

Here at Bay Hospitals Charity we too have seen our amazing fundraisers going the extra mile to support our local hospitals and community. Sponsored walks, runs and cycle rides sometimes due to covid restrictions they became virtual events but our supporters found creative ways to raise funds. We have also been inundated with support for staff from the local community. Donations of toiletries and treats for patients to food, snacks and beauty products for staff, all of which were a great boost to moral. It is heart-warming to see the selfless actions of others who have been selfless in their support. On behalf of the Trust, may I offer my sincere and grateful thanks to each and every person, who has made a donation to the charity. Your support allows us to bring about such positive and impactful changes.

This year although fundraising has been somewhat restricted, we have seen many generous donations totalling £478,551 with a further £152,339 in legacy income. It is because of your support we can support patient care in our hospitals and communities and bring about positive changes.

Donations allow us to purchase equipment for University Hospitals of Morecambe Bay NHS Foundation Trust and this year we are delighted to have funded accuveins for use on wards and departments. The accuvein is amazing piece of equipment costing over £4k we have purchased 13 at £58k. The accuvein can visualise the vein therefore reducing the number of attempts required to obtain venous access. This reduces pain and suffering and is a great use of charitable funds.

Donations are so important to us as they can help to make a patients stay in hospital more comfortable and give clinical staff access to the latest equipment allowing them to diagnose and treat patients more effectively. With your continued support we will continue to provide the best possible care in our hospitals and community.

Sincere and grateful thanks for turning a challenging year into one that has shown true caring, compassion and generosity.

Signed:  Mike Thomas, Chair

Statement of Trustee Responsibilities

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- apply suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Corporate Trustee is responsible for keeping accounting records, which disclose with reasonable accuracy the financial position of the Charity. This enables it to ascertain the financial position of the Charity and ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the trust deed. The Corporate Trustee is responsible for safeguarding the assets of the Charity, and therefore for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that they have met the responsibilities set out above and complied with the requirements for preparing accounts. The financial statements set out on pages 15 to 25 of this report have been compiled from and are in accordance with the financial records maintained by the Trustees.

By Order of the Corporate Trustee
Signed:

A handwritten signature in black ink, appearing to be 'J. Smith', written over a faint circular stamp.

Trustee

Charity Corporate Trustee

University Hospitals of Morecambe Bay NHS Foundation Trust is the sole and corporate Trustee of the Charity and Trustee responsibilities are conferred on the board members. All Executive Directors are appointed through a process of fair and open competition. The Chair and Non-Executive Directors are appointed by the Council of Governors Nominations Committee.

Those serving during the year were as follows:

Prof. Mike Thomas, Chair
Mr Aaron Cummins, Chief Executive
Mr Chris Adcock, Director of Finance & Deputy Chief Executive (wef 17/02/21)
Dr Shahedal Bari, Medical Director
Ms Kate Maynard, Chief Operating Officer (wef 01/05/20)
Ms Sue Smith, Executive Chief Nurse
Mr David Wilkinson, Director of People and OD
Prof, Rachel Isba, Non-Executive Director (wef 01/09/21)
Mr Bruce Jassi, Non-Executive Director
Mr Adrian Leather, Non-Executive Director
Mrs Liz Sedgley, Non-Executive Director
Ms Jill Stannard, Non-Executive Director
Dr Hugh Reeve, Non-Executive Director (wef 03/02/21)
Mr Stephen Ward, Non-Executive Director

Members who have resigned / term of office ended during 2020/21

Ms Foluke Ajayi, Chief Operating Officer (30/04/20)
Prof. Neil Johnson, Non-Executive Director (31/08/20)
Mr Keith Griffiths, Director of Finance (01/11/20)
Tim Povall, Acting Director of Finance (02/11/20 to 16/2/21)

Reference and Charity Administration Details

Charity Name: Bay Hospitals Charity

Charity Registration Number: 1048685

Principal Office Address: Finance Directorate
PO Box 98
Royal Lancaster Infirmary
Lancaster
LA1 4GG

Other Relevant Organisations:

Charity Bankers: NatWest
PO Box 17
68 Church Street
Lancaster
LA1 1LN

Charity Solicitors: Hill Dickinson LLP
Pearl Assurance House
Derby Square
Liverpool
L2 9XL

Charity Auditors: Grant Thornton UK LLP
Level 8
110 Queen Street
Glasgow
G1 3BX

Governance, Management and Structure

The Nature of the Governing Document

Bay Hospitals Charity holds approximately 150 charitable funds; the funds relate to divisions across the sites that constitute University Hospitals of Morecambe Bay NHS Foundation Trust.

In 1998 Morecambe Bay Hospitals NHS Trust took over the management of funds held on trust following the merger of three NHS Trusts: Furness General Hospitals NHS Trust, Lancaster Acute Hospitals NHS Trust and Westmorland Hospitals NHS Trust.

Each of these NHS Trusts had registered charitable funds governed by declarations of trust set out in trust deeds. Following the merger supplemental deeds were registered with the Charity Commission bringing all the funds held on trust together under the umbrella of Bay Hospitals Charity and one charity registration number.

Funds are classified as either restricted or unrestricted, according to the nature of the fund.

Recruitment and Appointment of New Trustees

All Executive Directors are appointed through a process of fair and open competition. The Chair and Non-Executive Directors are appointed by the Council of Governors Nominations Committee.

Induction and Training of Trustees

In line with the recommendations of the 'Good Governance Code' all new Trustees receive an induction pack. All Trustees receive updates throughout the year.

Organisational Structure and Delegations

Structure

The Charity operates with a single charity approach after approval from the Corporate Trustee Committee and the Charity Commission. Within the single charity are restricted and unrestricted funds. The object of the Charity is wholly or mainly for the services provided by the University Hospitals of Morecambe Bay NHS Foundation Trust.

All the unrestricted funds are available for any purpose relating to the NHS but are wholly or mainly for the stated purpose contained in the funds title.

Where a legacy of £5,000 or above is received, a separate restricted fund will be created in accordance with accounting policy 1.2. Legacies below this value are placed in the most appropriate designated fund to respect the wishes of the donor.

The Trustees have responsibility for reviewing the structure and making appropriate changes.

Delegations

A Charity Corporate Trustee Committee is in place to oversee the use of funds on behalf of the Trustees. The committee is chaired by the Chair of the Trust.

The relevant Care Group Managers (and authorised deputies) have delegated authority to authorise purchases from their charitable funds of up to £500. Any amount over £500 up to £10,000 requires the additional approval from the Deputy Director of Finance. Any purchase over £10,000 requires authorisation from the Charity Corporate Trustee Committee.

Connected and Supporting Charities

Although independent, the following charities pursue largely the same aims as Bay Hospitals Charity offering additional financial support to the hospitals. The connected charities give solely to the Hospitals and the supporting charities kindly support the Hospitals as one of their beneficiaries.

Connected Charities

Hospital Equipment Fund for Furness

Charity No

515503

Lancaster and District Special Care Baby Unit Fund

703057

Supporting Charities

Walk the Walk

Charity No

SCO 29572

Risk Management – Policies and Procedures

During the year, the Corporate Trustee Committee has approved policies in relation to each of the items below. The current economic climate has affected the amount of interest received.

Risk Management

The Trustees actively review the perceived major risks that the Charity faces. Operational standards have been set throughout the organisation, which are audited on a regular basis. The Charity also maintains a risk register which is reviewed regularly.

Policies and procedures are in place to ensure donations are recorded and acknowledged upon receipt. Expenditure is controlled to ensure it fulfils the purpose of the donations.

Income

All transactions are undertaken in accordance with the Charity's standing orders and standing financial instructions for funds held. This means that all items are subject to strict financial controls to safeguard and monitor monies donated. Donors' wishes are taken into account when allocating their money to the appropriate fund.

All legacies are acknowledged at the point of notification and monitored to ensure they are received and spent in accordance with the wishes of the donor.

Expenditure

Expenditure is controlled to ensure that it fulfils the objects of the Charity and of the individual funds.

Investments

The Corporate Trustee has the power to invest in such assets as it sees fit. Where investments are undertaken professional advice is sought. Any investments must be low risk and broadly ethical. No investments are made in companies whose products may be detrimental to health such as alcohol or tobacco.

Investment performance is reviewed annually.

Reserves

The Charity derives its income mainly from donations and legacies, the level of which cannot be accurately predicted year on year.

The Charity's objective is to spend and we do not aim to retain excessive reserves. However, there is a need to retain some reserves; the main reasons for this are,

- So that the Charity can ensure donations are spent in line with the donors' wishes.
- To ensure there are sufficient funds to fund future developments.
- Restricted reserves are accumulated only where a specific project has been identified.
- To meet current or anticipated expense such as management, administration and governance costs.

Charitable Aims, Objectives and Activity

Patient focussed expenditure within the NHS largely meets the public benefit test. Bay Hospitals Charity aims to provide public benefit in accordance with its Charity objectives and uses donations received to enhance the services provided by University Hospitals of Morecambe Bay NHS Foundation Trust.

The role of the Bay Hospitals Charity is to raise and use funds for any charitable purpose or purposes relating to patient services delivered at Royal Lancaster Infirmary, Westmorland General Hospital, Furness General Hospital and Millom Hospital. Services are also delivered from Ulverston Health Centre, the Queen Victoria Centre in Morecambe and community premises across the Morecambe Bay area. The principal purpose of the NHS is to deliver services to patients, and so use of the charitable funds is focused on enhancing the experience over and above what the NHS would normally provide to patients and their families.

The aim of Bay Hospitals Charity is to improve patient care through the provision of additional equipment, services, training and education. This is achieved both directly through patient-focused expenditure, such as improving patient waiting areas or purchasing additional equipment, and indirectly by funding additional training or training aids, enabling and upskilling staff to deliver improved services to local patients. The main priority for the Charity is to enhance that which is provided by the NHS, ensuring continued excellence in treatment and care.



The majority of expenditure in 2020/21 has been spent in the following areas;

Purchase of new equipment	£350,000
Staff Welfare	£132,000
Patients welfare	£13,000
Training	£12,000

Grateful Thanks

This has been a difficult year for everyone as we have all been in uncharted territory. Fundraising events for Bay Hospitals Charity had to be cancelled which had an impact on our opportunities to bring in income. However, we have had some absolutely fantastic fundraisers who took it upon themselves to raise funds. During lockdown they came up with all sorts of creative ways by adhering to lockdown measures. The funds they raised and the positive publicity to the charity has been gratefully received. We are also so very thankful for the legacies received which will help to transform care for years to come.

This year we have been able to make a tangible difference with funds being spent on a wide range of equipment, improvements and training, benefitting patients, staff and the hospital environment. Here are just a couple of examples of how the money has made a difference:

-  10 Interpreter on wheels. Imagine waking up in a hospital where you don't speak the same language as your caregivers. You're sick, you're scared, and you're alone. Then someone brings in a tablet or smartphone, presses a button, and up comes someone who looks you in the eye and speaks your language. Through this interpreter, your doctors and nurses are suddenly able to understand not just what you say, but what you mean.
-  12 Portable Induction Desk Loop System's. This communications solution will be available for our most vulnerable patients, their families and carers. The Trust currently have a supply of portable hearing loops in circulation however due to colleagues wearing face masks it was obvious we needed more for the hard of hearing as patients can no longer see the health professionals face or lips and as a result are not able to lip read.

Aims for the year ahead

Moving forward into the next year, Bay Hospitals Charity are more committed than ever to building on the amazing links we have forged this year with our supporters and the wider community. We are also committed to raising both our profile and funds. Our hope is to have increased branding around our hospitals and greater visibility. Raising funds to fund vital work across our hospitals and community will be paramount.

Achievement of Aims

We remain committed to our charity's values. This year as events are still somewhat curtailed we hope to engage the public with higher visibility both in the press and social media. The future of the charity will hopefully benefit from this extra exposure.

Grant Giving

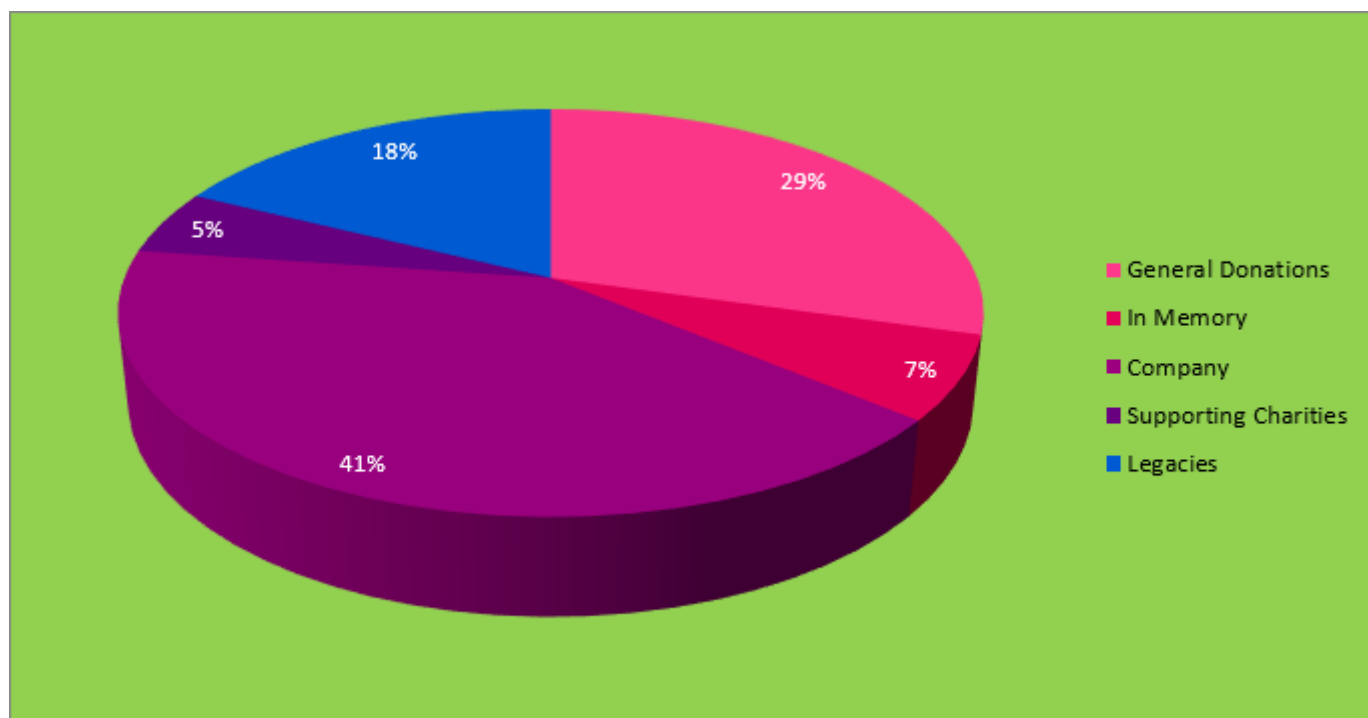
The Charity does not make grants to individuals. The Charity makes grants to the Foundation Trust in respect of approved purchases and in compliance with the objectives of the charitable purposes.

Volunteers

Sadly, this year our volunteers have had to self-isolate. We have missed their input so much as they are such valuable members of the charity team. However their safety was paramount and going forward we have been informed that they are all eager to come back to work and continue to build on their great work. If you feel you have both the time and energy to commit to Bay Hospitals Charity, please contact us.

Fundraising Events

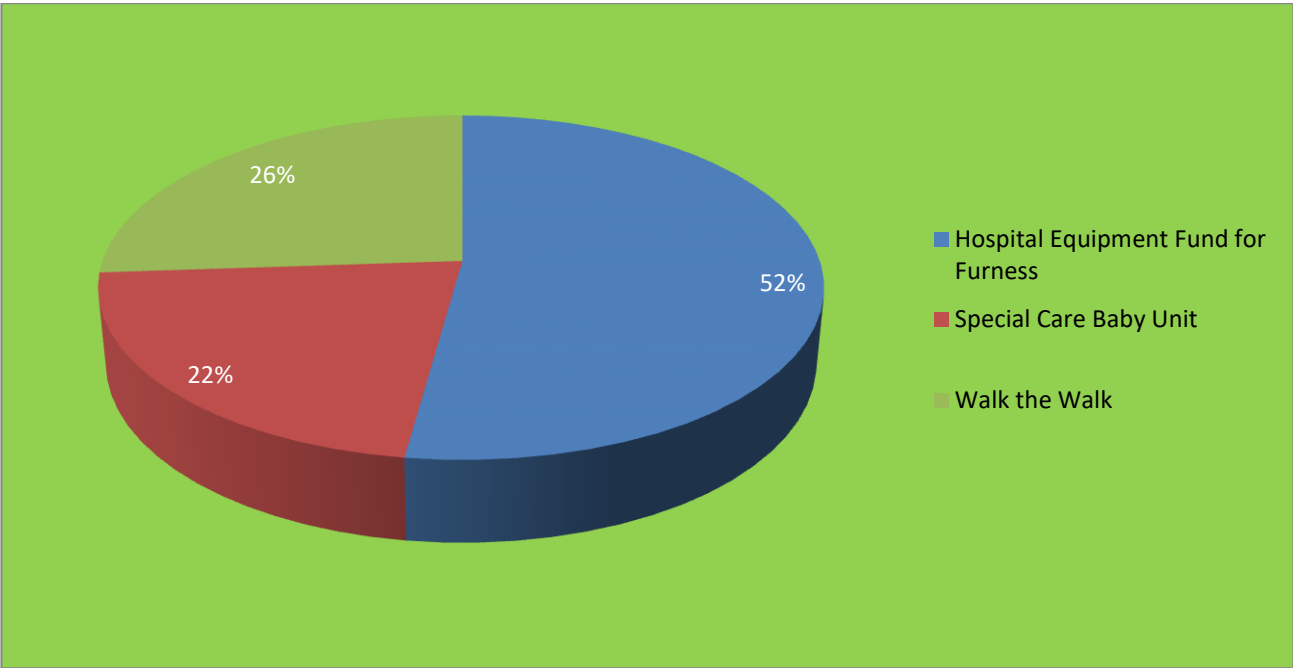
Events have had a virtual feel this year and we have held online quizzes, auctions and fundraising events. However, what we have found is that our supporters are extremely versatile and adaptable. If you would like to take part in or organise your own event in support of Bay Hospitals Charity, we would love to hear from you. www.bayhospitalscharity.org



Connected and Supporting Charities

The Charity has received over £27,000 from its connected and supporting charities. We are so thankful and would like to convey our gratitude and appreciation. Donations allows our clinicians access the latest equipment allowing them to diagnose and treat patients quickly and effectively. We are so grateful for this continued commitment and support. This year we were lucky enough to have the support from the Hospital Equipment Fund for Furness, NHS Charities Together and Walk the Walk.

The following chart shows individual contributions during the year.



The Trustees of Bay Hospitals Charity would like to convey their sincere thanks for this valuable support.

How to support

Get Involved

For details on volunteering opportunities, our events or to let us know what you have planned, please visit www.bayhospitalscharity.org, email charity@mbht.nhs.uk or call the team on 01524 516064 / 01229 404473.

Making a Donation

For ways in which you can make a donation please visit www.bayhospitalscharity.org or call the fundraising team on 01524 516064.

Gifts in Memory

Many thousands of pounds are donated each year to our hospitals in memory of patients who have passed away. The funds are used to improve facilities or buy equipment that will benefit patients. Your thoughtfulness helps us to create something positive out of a sad personal loss.

Legacy Support

Gifts left to the Charity in a Will provide us with a valuable income source that help us to fund vital work across our hospitals ensuring that we continue to make a difference. It also allows us to plan for the future. The smallest legacy can have a lasting impact helping future generations.

Gift Aid

Last year we claimed thousands of pounds in Gift Aid. If you are a UK tax payer a simple declaration for every £1 donated ensures that the Charity receives 25p extra through Gift Aid.

Get In touch

For information about our charity, please visit www.bayhospitalscharity.org email charity@mbht.nhs.uk , or call the team on 01524 516064.

We would love to hear from you and we are here to support you every step of the way for help, advice or encouragement.

Financial Review

The full 2020/21 Statement of Financial Activities and Balance Sheet are set out on the following pages. They show the year end Fund Balances as £1,599,000.

Total income in the year amounted to £631,000. Donations of £430,000 were received in the year and legacy and bequest income amounted to £153,000 of which £50,000 was received in the year and £103,000 is accrued. A further £27,000 was received from supporting charities and £21,000 was generated from Gift Aid, interest and fundraising activities. Legacy income is only accrued when there is a reasonable certainty of receipt and is based on notifications provided by the representatives of the Estates concerned. The Charity's officers liaise closely with solicitors to ensure that any specific wishes are carried out.

The Charity has sold the only shares it held in a single company which cancelled its listing on the Alternative Investment Market (AIM), for a value of £1,000 within 2020/21. The Charity continues to invest cash in short term cash deposits. Interest from these deposits for the year totalled £1,000 in 2020/21.

Expenditure relating to charitable activities was approved for the benefit of University Hospitals of Morecambe Bay NHS Foundation Trust to the value of £621,000 in 2020/21. The sum of £429,000 was for new equipment. A total of £16,000 was paid as grants for patient's welfare and £176,000 was spent on staff education.

Administrative costs amounted to £114,000 in the year; of this £105,000 are direct support costs. Support costs are those costs linked directly to running of the Charity and these have been apportioned to each charitable fund managed by the Charity. The balance of £9,000 relates to Governance costs. Governance costs include a proportion of administrative costs relating to time spent on policy and compliance issues, including the preparation of the annual accounts and returns together with the cost of external audit.

The Charity and its Trustees do not act as Custodian Trustee on behalf of any other Charity and the Charity has no funds in deficit for the financial year 2020/21.

Future Plans:

The Charity looks forward to continuing to support the University Hospitals of Morecambe Bay NHS Foundation Trust to further develop and augment its services. The Charity plans to continue to fund items of equipment, services, training and education in line with the key objectives of the Charity.

By order of the Trustees:

Signed:



Chair

Date: 21 October 2021

ANNUAL ACCOUNTS OF BAY HOSPITALS CHARITY 2020/21

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDING 31 MARCH 2021

	Note	2020/21			2019/20		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £000
Income from:							
Donations and legacies		239	390	629	290	299	589
Other trading activities		1	0	1	22	0	22
Investments		1	0	1	3	1	4
Total Income	3	241	390	631	315	300	615
Expenditure on:							
Generating Funds		6		6	10		10
Charitable Activities		261	360	621	238	235	473
Total Expenditure	5	267	360	627	248	235	483
Net movement in funds		(26)	30	4	67	65	132
Fund balances brought forward at 1 April		803	792	1,595	736	727	1,463
Fund balances carried forward at 31 March		777	822	1,599	803	792	1,595

BALANCE SHEET AS AT 31 MARCH 2021

	Note	31 March 2021			31 March 2020		
		Unrestricted Funds £'000	Restricted Funds £'000	Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Fixed Assets							
Intangible Assets		-	-	-	-	-	-
Total Intangible Assets	7	0	0	0	-	-	-
Current Assets							
Debtors	9	0	108	108	0	136	136
Cash at Bank and in Hand	10	810	745	1,555	819	658	1,477
Total Current Assets		810	853	1,663	819	794	1,613
Liabilities							
Creditors: Amounts Falling Due Within One Year	12	33	31	64	16	2	18
Net Current Assets / (Liabilities)		777	822	1,599	803	792	1,595
Total Net Assets		777	822	1,599	803	792	1,595
Funds of the Charity	13						
Restricted Income Funds		-	822	822		792	792
Unrestricted Income Funds		777		777	803		803
Total Funds		777	822	1,599	803	792	1,595

The notes at pages 17 to 25 form part of the accounts.

Signed:



21 October 2021

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021

	Note	2020/21 Total funds £'000	2019/20 Total funds £'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	11	77	144
Cash flows from investing activities:			
Interest from investments		1	(4)
Change in cash and cash equivalents in the reporting period		78	140
Cash and cash equivalents at the beginning of the reporting period		1,477	1,337
Cash and cash equivalents at the end of the reporting period	10	1,555	1,477

Notes to the Accounts

1 Accounting Policies

Basis of preparation

The Financial Statements have been prepared under the historic cost convention. The accounts have been prepared in accordance with the Statement of Recommended Practice by Charities (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Trustees consider that there are no material uncertainties about Bay Hospitals Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

1.1 Reconciliation with previous generally accepted accounting policies

In preparing the accounts, the Trustees are required to comply with FRS 102 and the Charities SORP FRS 102.

Governance costs are classified as support costs and have been included within the expenditure on Charitable Activities. Governance costs included within expenditure are £9,000 in 2020/21 (2019/20 £5,000).

1.2 Funds structure

Where a donor has provided for the donation to be spent in furtherance of a specified charitable purpose and there is a legal restriction on the purpose to which a fund may be put, then the fund is classified as a restricted fund. Restricted funds are created for all such donations of £5,000 and above.

The remaining funds, which are not restricted, are unrestricted income funds which are analysed between designated (earmarked) funds and wholly unrestricted funds. Designated funds are where the donor has made known their non-binding wishes or where the Trustees, at their discretion, have created a specific fund for a specific purpose. Unrestricted funds may be used at the discretion of the Trustees.

1.3 Income

a) All incoming resources

All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:

- i) entitlement - arises when a particular resource is receivable or the Charity's right becomes legally enforceable;
- ii) probable - more likely than not that resources will be received;
- iii) measurement - when the monetary value of the incoming resources can be measured with sufficient reliability.

b) Gifts in kind

- i) Assets given for distribution by the funds are included in the Statement of Financial Activities only when distributed.
- ii) Assets given for use by the funds (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources and the Balance Sheet as assets when receivable.
- iii) Gifts made in kind but on trust for conversion into cash and subsequent application by the funds are included in the accounting period in which the gift is sold.

In all cases the amount at which gifts in kind are brought into account is either a reasonable estimate of their value or the amount actually realised.

c) Legacies

Legacies are accounted for as incoming resources when a part or final distribution is received from the executors of the estate(s), or when the factors specified in (a) above can be met.

Where the exact monetary value is not known, an assessment will be made based on known facts and potential liabilities and disbursements due from the estate, to provide a reasonable estimation of the amount due to the Charity.

1.4 Resources expended and irrecoverable VAT

All expenditure is accounted for in accordance with the accruals concept. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is more likely than not that a transfer of benefits will be required in settlement and the amount can be measured or estimated reliably.

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

1.5 Recognition of expenditure and associated liabilities as a result of grants

The Charity does not make grants to individuals. Grants are payments, made to NHS bodies, in furtherance of the funds held on trust's charitable objectives, to relieve those who are sick. The total cost of making grants is disclosed on the face of the Statement of Financial Activities. Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation.

A constructive obligation arises when:

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

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

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

1.6 Allocation of support costs

Support costs are those costs which do not relate directly to a single activity. These include some staff costs, external audit and IT costs. Support costs have been apportioned across Charitable Activities based on fund balances. The analysis of support costs and the apportionment applied are shown in note 5.1.

1.7 Investment in fixed assets

Investment in fixed assets are shown at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on any revaluation and disposals throughout the year.

1.8 Fixed assets

Purchased for Bay Hospitals Charity

a) Capitalisation

All assets falling into the following categories are capitalised:

- i) tangible and intangible assets which are capable of being used for more than one year, and have a cost equal to or greater than £5,000;
- ii) groups of tangible or intangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £250 or more.

b) Valuation

Tangible and intangible assets are valued at current cost as follows:

Equipment is valued at the lower of estimated net replacement cost or recoverable amount;

c) Amortisation

The only asset owned by the Charity is computer software which has been fully amortised over a life of 7 years.

Purchased for University Hospitals of Morecambe Bay NHS Foundation Trust

Fixed assets bought via the Charity are gifted to the Trust and accounted for in the Trust's accounting records.

1.9 Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or date of purchase if later). Unrealised gains and losses are calculated as the difference between opening market value and closing market value for the year (or date of purchase if later).

1.10 Debtors

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

1.11 Cash and cash equivalents

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

1.12 Creditors

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

1.13 Cashflow statement

The Charity is required by Financial Reporting Standard 102 to provide a Cash Flow Statement.

NOTE 2: RELATED PARTY TRANSACTIONS

Bay Hospitals Charity is managed by the Corporate Trustee which is also the Board of Directors of the University Hospitals of Morecambe Bay NHS Foundation Trust which is the main beneficiary of the Charity. During the year the Charity made revenue and capital payments to the NHS Foundation Trust and these are detailed in note 5.

The Charity receives support from a number of supporting and connected charities as detailed in note 3 and as listed in the Trustees Annual Report.

Neither the Corporate Trustee or any member of the NHS Foundation Trust Board received honoraria, emoluments or expenses in the year and the Trustees have not purchased separate trustee indemnity insurance.

Professor Neil Johnson, Non Executive Director, is Faculty Dean at Lancaster University. Bay Hospitals Charity has had no transactions during the year 2020/21 with the University.

NOTE 3: ANALYSIS OF INCOMING RESOURCES

	Unrestricted Funds £'000	Restricted Funds £'000	2020/21 Total Funds £'000	2019/20 Total Funds £'000
Income from				
Donations from individuals	171	2	173	183
Donations in Memory of	36	0	36	75
Corporate donations	2	219	221	7
Connected and supporting Charities	0	27	27	96
Gift Aid	17	2	19	19
Legacies	13	140	153	209
Other trading activities	1	0	1	22
Investment Income	1	0	1	4
Total Income	241	390	631	615

NOTE 4: ROLE OF VOLUNTEERS

Bay Hospitals Charity has a number of fundraising volunteers who actively fundraise for the Charity.

In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

NOTE 5.1: ANALYSIS OF CHARITABLE EXPENDITURE

The Charity did not undertake any direct charitable activities on its own account during the year. All of the charitable expenditure was in the form of grant funding. Grants were approved in favour of the partner organisation, University Hospitals of Morecambe Bay NHS Foundation Trust to carry out activities that will benefit patients, relatives and staff. The Charity incurred expenditure with third parties in pursuance of those grants or reimbursed expenditure incurred by them.

	Grant funded activity £'000	Support costs £'000	Total 2020/21 £'000
Purchase of new equipment	350	79	429
Patients welfare	13	3	16
Staff education and welfare	144	32	176
	507	114	621
	Grant funded activity £'000	Support costs £'000	Total 2019/20 £'000
Building and refurbishment			0
Purchase of new equipment	293	99	392
Patients welfare	43	14	57
Staff education and welfare	18	6	24
	354	119	473

NOTE 5.2 ANALYSIS OF GRANTS

The Charity does not make grants to individuals. All grants are made to University Hospitals of Morecambe Bay NHS Foundation Trust. The total costs of making grants including support costs, is disclosed on the face of the Statement of Financial Activities and the actual funds spent on each category of charitable activity, is disclosed in note 5.

The trustees operate a scheme of delegation for the majority of the charitable funds, under which fund advisors manage the day to day disbursements on their projects in accordance with the directions set out by the trustees in Charity standing orders and financial instructions. Funds managed under the scheme of delegation represent ongoing activities and it is not possible to segment these activities into discreet individual grant awards.

Support costs are allocated to charitable activities. Governance costs are those support costs which relate to the strategic and day to day management of a charity. All support costs are allocated based on fund balance at the time the apportionment is made.

2020/21

	Charitable activities		TOTAL 2020/21 £'000
	Unrestricted	Restricted	
	Funds £'000	Funds £'000	
External Audit	1	1	2
Salaries and related costs	7	0	7
Amortisation	0	0	0
Governance costs	8	1	9
Salaries and related costs	55	42	97
Computing & office expenses	4	4	8
Total	67	47	114

2019/20

	Charitable activities		TOTAL 2019/20 £'000
	Unrestricted	Restricted	
	Funds £'000	Funds £'000	
External Audit	1	1	2
Salaries and related costs	3	0	3
Amortisation	0	0	0
Governance costs	4	1	5
Salaries and related costs	65	41	106
Computing & office expenses	4	4	8
Total	73	46	119

NOTE 5.3 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

No members of staff are employed directly by the Charity, salary costs in respect of financial management and administration are recharged by University Hospitals of Morecambe Bay NHS Foundation Trust. The recharge is based on time spent on work related to the Charity.

The Charity Officer, Fundraising Coordinator and the Charity Manager are recharged to the Charity in full. 10% of the cost of the Deputy Head of Financial Services has been recharged to the Charity

	2020/21 £'000	2019/20 £'000
Salaries and wages	78	86
Social security costs	8	8
Employers pension contribution	11	13
	97	107

NOTE 6 AUDITOR'S REMUNERATION

The auditor's remuneration of £1,800 (2019/20 £1,800) related solely to the audit with no additional work being undertaken.

NOTE 7: ANALYSIS OF INTANGIBLE ASSETS

The only asset owned by the Charity is computer software which has been fully amortised over a life of 7 years.

NOTE 8: ANALYSIS OF FIXED ASSET INVESTMENTS

The sole investment held by the Charity was sold in 2020/21 at a value of £1,000. The Charity holds no others investments, the prior year at 31 March 2020 the investment had a nil value.

NOTE 9: ANALYSIS OF DEBTORS

	2020/21 £'000	2019/20 £'000
Amounts Falling Due Within One Year		
Accrued Income	103	132
Other Debtors	5	4
Total Amounts Falling Due Within One Year	108	136

Accrued income represents a number of legacies pending receipt at the balance sheet date.

Other debtors for 2020/21 and 2019/20 represents amounts due from external charities which had not been settled at the balance sheet date.

There were no amounts falling due after more than one year in 2020/21 or 2019/20.

NOTE 10: ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020/21 £'000	2019/20 £'000
Current account	42	265
Deposit account	1,512	1,211
Cash in Hand	1	1
Total cash and cash equivalents	1,555	1,477

Both the deposit and current accounts are held in interest bearing accounts with National Westminster Bank Plc.

No cash or cash equivalents or current asset investments were held in the form of non-cash investments or outside the UK.

All of the amounts held on interest bearing deposit are available to spend on charitable activities.

NOTE 11: RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020/21 £'000	2019/20 £'000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	4	132
<i>Adjustments for:</i>		
Interest from investments	1	4
(Increase)/decrease in debtors	27	96
Increase/(decrease) in creditors	46	(88)
Net cash provided by (used in) operating activities	78	144

NOTE 12: ANALYSIS OF CURRENT LIABILITIES

	2020/21 £'000	2019/20 £'000
University Hospitals of Morecambe Bay NHS FT	45	16
Accruals	19	2
Total Creditors Falling Due Within One Year	64	18

NOTE 13: ANALYSIS OF CHARITABLE FUNDS

	2020/21			
	Balance at 1 April 20 £'000	Incoming Resources £'000	Resources Expended £'000	Balance at 31 March 21 £'000
Total Restricted Funds	792	390	360	822
Total Unrestricted Funds	803	241	267	777
Total Funds	1,595	631	627	1,599
	2019/20			
	Balance at 1 April 19 £'000	Incoming Resources £'000	Resources Expended £'000	Balance at 31 March 20 £'000
Total Restricted Funds	727	300	235	792
Total Unrestricted Funds	736	315	248	803
Total Funds	1,463	615	483	1,595

All of the unrestricted and designated/earmarked funds are available for any purpose relating to the NHS but are wholly or mainly for the stated purpose contained in the funds title.

Where a legacy of £5,000 or above is received, a separate restricted fund is created in accordance with accounting policy 1.2. Legacies below this value are placed in the most appropriate designated fund to respect the wishes of the donor.

Structure of Funds

There is an umbrella fund named Morecambe Bay Hospitals Fund in which there are Restricted and Unrestricted funds. The nature and purpose of this fund is 'mainly for services provided by University Hospitals of Morecambe Bay NHS Foundation Trust'.

	2020/21			
Analysis of Funds by Value	Balance at 1 April 20 £'000	Incoming Resources £'000	Resources Expended £'000	Balance at 31 March 21 £'000
Restricted				
Legacy - FGH Cancer patients (6 consolidated funds)	177	23	21	179
Legacy - FGH Orthopaedics	126	0	45	81
Legacy - RLI Coronary Care (5 consolidated funds)	137	6	5	138
Legacy - RLI General Purposes (3 consolidated funds)	76	21	6	91
Legacy - RLI Oncology (5 consolidated funds)	139	59	12	186
Total restricted funds in excess of £50,000	655	109	89	675
Total restricted funds equal to or less than £50,000	137	281	271	147
Total restricted funds	792	390	360	822
Unrestricted				
FGH Oncology Unit	181	28	36	173
Total unrestricted funds equal to or less than £50,000	622	213	231	604
Total unrestricted funds	803	241	267	777
Total funds	1,595	631	627	1,599

The total funds at 31 March 2021 are made up of 31 restricted funds and 105 unrestricted funds.

NOTE 14: PROVISIONS FOR CHARGES

	2020/21	2019/20
	£'000	£'000
Commitments at the start of the year	29	37
Less: Commitments released in year	(29)	(37)
Change in value of commitments	0	0
Add: New commitments	31	29
Commitments outstanding at end of year	31	29

There are a total of 15 items which the Charity has made a provisional agreement to fund at 31 March 2021. This includes various items of equipment and furniture. These items are not accounted for in the Statement of Financial Activities.

NOTE 15: CONTROL

The objectives of the Charity as set out in the governing documents, are discharged by the Corporate Trustee. The Corporate Trustee are the Board members of the University Hospitals of Morecambe Bay NHS Foundation Trust who carry out these duties independently from their obligations as Foundation Trust Board members.

Independent examiner's report to the corporate trustee of Bay Hospitals Charity

I report on the accounts of Bay Hospitals Charity (the "charity") for the year ended 31 March 2021, which are set out on pages 15 to 25.

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 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 the Association of Chartered Certified Accountants.

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.

Gareth Kelly

Gareth Kelly FCCA CPFA

Grant Thornton UK LLP
Chartered Accountants

Glasgow

26 October 2021