



supporting  
life's journey  
together

Reg. Charity No.: 1048685

## Annual Report & Accounts 2022/23



**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

## Annual Accounts:

Financial Review	13
Statement of Financial Activities (SOFA)	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Accounts	17
Audit Report	25

## Chair's Foreword

It is my pleasure to once again welcome you to the Bay Hospitals Charity, Annual Report and Accounts. This year appeared more settled than previous years and from a charity perspective it felt as though life had begun to resume in a similar vein as it did pre pandemic. Engagement with fundraisers and donors forms an integral part of our work and it has been a pleasure to return to meeting face to face with our wonderful supporters.

Some of the standout events for me have been made by our incredible fundraisers such as Ulverston Rugby Club who completed the Yorkshire Three Peaks Challenge raising £11,000 for South Lakes Birth Centre. They climbed Ingleborough, Pen-y-ghent and Whernside in under 12 hours. What a feat! Bay Hospitals Charity were delighted to once again have teams in the Keswick to Barrow Walk. Our incredible fundraisers walked and ran between 21 and 40 miles in this iconic event. It was fantastic to hear about their achievements and we were delighted to receive a cheque for £20,000 thanks to their endeavours. Grateful thanks to our fundraisers for putting one foot in front of the other for the benefit of others.

We are incredibly grateful to every single supporter of Bay Hospitals Charity, and we are committed to ensuring that we make best use of the funds they raise, to help our hospitals make improvements and enhancements for our patients, staff and community. Most importantly we want to thank, you; our supporters, for donating time and raising funds to improve the health, care and wellbeing for our community teams and local hospitals.

It is only with your support that we can, "Support life's journey together" with our patients, staff and stake holders. I would like to offer my personal thanks to all supporters of Bay Hospitals Charity.

Signed:

A handwritten signature in black ink, appearing to read 'Mike Thomas', is displayed on a light-colored, slightly textured background.

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 14 to 24 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:



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:

Mike Thomas, Chair  
Aaron Cummins, Chief Executive Officer  
Chris Adcock, Chief Finance Officer / Deputy Chief Executive  
Alison Balson, Chief People Officer (wef 01/01/2023)  
Scott McLean, Chief Operating Officer (01/07/2022)  
Jane McNicholas, Chief Medical Officer  
Lynne Wyre, Interim Chief Nurse (wef 21/03/2023)  
Adrian Leather, Non-Executive Director  
Hugh Reeve, Non-Executive Director  
Liz Sedgley, Non-Executive Director  
Sarah Rees, Non-Executive Director  
Jill Stannard, Non-Executive director  
Dr Karen Deeny, Non-Executive Director (wef 25/07/2022)  
Anthony Oakman, Non-Executive Director (wef 01/03/2023)

## **Members who have resigned / term of office ended during 2022/23**

Bridget Lees, Executive Chief Nurse (Term of office ended 20/03/2023)  
David Wilkinson, Director of People and OD (Term of office ended 30/09/2022)  
Stephen Ward, Non-Executive Director (30/09/2022)  
Leanne Cooper, Acting Chief Operating Officer (Term of office ended 30/06/2022)  
Beverley Edgar, Interim Chief People Officer (From 01/08/22 to 31/12/2022)

## Reference and Charity Administration Details

Charity Name: Bay Hospitals Charity

Charity Registration Number: 1048685

Principal Office Address: Finance Directorate  
PO Box 98  
Moor Lane Mills  
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 118 charitable funds; the funds relate to Care Groups 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 £9,999 requires additional approval from the Head of Financial Services. Any purchase over £10,000 requires authorisation from the Charity Sub-Committee and over £25,000 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

Friends of Royal Lancaster Infirmary

### Charity No

515503

507166

### Supporting Charities

Rosemere Cancer Foundation

### Charity No

1131583



# 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 2022/23 has been spent in the following areas;

Purchase of new equipment	£342,000
Staff welfare	£157,000
Patient welfare	£91,000

## Grateful Thanks

Bay Hospitals Charity can only make a difference in our local hospitals and community because of the incredible public support we receive. One off donations, fundraising events and legacies all allow us to make positive improvements and enhancements to patient care.

We are delighted to offer tangible support to patients and colleagues which has brought about real and lasting benefits. A few examples of how your donations have helped:

Funding of approximately £25,000 has helped to extend the availability of massage and aromatherapy services for cancer patients under the care of University Hospitals of Morecambe Bay NHS Foundation Trust. Aromatherapy services are provided free to patients accessing our oncology and palliative care services and delivered by a Therapist from Cancer Care. This service is available to anyone under the care of cancer services or the palliative care team. Supporting our patients is something we care very deeply about. It is important to us that the pathway of care is the best it can be and this holistic approach is a wonderful enhancement.



We were delighted to agree to fund £6,000 for a Resuscitation Dummy for our teams in Theatres, Furness General Hospital. This piece of equipment will be used monthly during the staff audit programme and will enable the team to run ad hoc training sessions for staff in response to learning from incidents. The REALTi360 mimics a selection of different patient monitors, defibrillators and ventilators used in pre-hospital and hospital environments. Atlas, the ALS simulator supports various advanced life support training. This allows trainees to perform both oral and nasal intubation using basic and advanced airway management devices. The unique design of the ribcage allows realistic compression movements during CPR.

### **Aims for the Year Ahead**

We have exciting development plans moving forward and our aim is to increase awareness of Bay Hospitals Charity in our hospitals and community. As well as raising the profile of the charity by way of visible branding we will also be installing donation hubs in high foot fall areas within Furness General Hospital, Royal Lancaster Infirmary and Westmorland General Hospital.

### **Achievement of Aims**

The charity has had some great local coverage both in newspapers and radio which has allowed us to reach a wider audience. Social media interactions continue to grow, and we have great interaction on all our feeds. We continue to find new and inspirational ways to engage with our supporters.

### **Charity Champions**

We continue to expand the role of Charity Champions. We are so grateful for the support they give, raising both funds and awareness of Bay Hospitals Charity. They are great ambassadors, and we are lucky to have them.

## Fundraising Events

Some of the standout events have been made by our incredible fundraisers such as Ulverston Rugby Club who completed the Yorkshire Three Peaks Challenge raising £11,000 for South Lakes Birth Centre. They climbed Ingleborough, Pen-y-ghent and Whernside in under 12 hours. What a feat! Bay Hospitals Charity were delighted to once again have teams in the Keswick to Barrow Walk. Our incredible fundraisers walked and ran between 21 and 40 miles in this iconic event. It was fantastic to hear about their achievements and we were delighted to receive a cheque for £20,000 thanks to their endeavours. Grateful thanks to our fundraisers for putting one foot in front of the other for the benefit of others.



## Connected and Supporting Charities

The Charity has received £59,000 from its connected and supporting charities. We are so thankful and would like to convey our gratitude and appreciation. Donations allow our clinicians access to the latest equipment enabling them to diagnose and treat patients quickly and effectively. We are so grateful for this continued commitment and support.

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

# Financial Review

The full 2022/23 Statement of Financial Activities and Balance Sheet are set out on the following pages. They show the year end Fund Balances as £2,012,000.

Total income in the year amounted to £965,000. Donations of £397,000 were received in the year and legacy income amounted to £477,000 of which £3,000 was received in the year and £474,000 is accrued. A further £59,000 was received from supporting and connected charities and £32,000 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.

Expenditure relating to charitable activities was approved for the benefit of University Hospitals of Morecambe Bay NHS Foundation Trust to the value of £608,000 in 2022/23. The sum of £342,000 on new equipment, £18,000 on building and refurbishments, £157,000 on staff welfare and education, and £91,000 on patient welfare.

Administrative costs amounted to £151,000 in the year; of this £131,000 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 £20,000 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 and amortisation.

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 2022/23.

## 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: 30 August 2023

# ANNUAL ACCOUNTS OF BAY HOSPITALS CHARITY 2022/23

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDING 31 MARCH 2023

	Note	2022/23			2021/22		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £000
<b>Income from:</b>							
Donations and legacies		363	591	954	221	549	770
Other trading activities		11	0	11	3	0	3
Investments		0	0	0	0	0	0
<b>Total Income</b>	<b>3</b>	<b>374</b>	<b>591</b>	<b>965</b>	<b>224</b>	<b>549</b>	<b>773</b>
<b>Expenditure on:</b>							
Generating Funds		14	30	44	13		13
Charitable Activities		255	460	715	191	362	553
<b>Total Expenditure</b>	<b>5</b>	<b>269</b>	<b>490</b>	<b>759</b>	<b>204</b>	<b>362</b>	<b>566</b>
<b>Net movement in funds</b>		105	101	206	20	187	207
Fund balances brought forward at 1 April		797	1,009	1,806	777	822	1,599
<b>Fund balances carried forward at 31 March</b>		<b>902</b>	<b>1,110</b>	<b>2,012</b>	<b>797</b>	<b>1,009</b>	<b>1,806</b>

## BALANCE SHEET AS AT 31 MARCH 2023

	Note	31 March 2023			31 March 2022		
		Unrestricted Funds £'000	Restricted Funds £'000	Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
<b>Fixed Assets</b>							
Intangible Assets		-	-	-	-	-	-
<b>Total Intangible Assets</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Assets</b>							
Debtors	<b>9</b>	<b>172</b>	<b>389</b>	<b>561</b>	<b>22</b>	<b>440</b>	<b>462</b>
Cash at Bank and in Hand	<b>10</b>	<b>791</b>	<b>895</b>	<b>1,686</b>	<b>820</b>	<b>634</b>	<b>1,454</b>
<b>Total Current Assets</b>		<b>963</b>	<b>1,284</b>	<b>2,247</b>	<b>842</b>	<b>1,074</b>	<b>1,916</b>
<b>Liabilities</b>							
Creditors: Amounts Falling Due Within One Year	<b>12</b>	<b>61</b>	<b>174</b>	<b>235</b>	<b>45</b>	<b>65</b>	<b>110</b>
<b>Net Current Assets / (Liabilities)</b>		<b>902</b>	<b>1,110</b>	<b>2,012</b>	<b>797</b>	<b>1,009</b>	<b>1,806</b>
<b>Total Net Assets</b>		<b>902</b>	<b>1,110</b>	<b>2,012</b>	<b>797</b>	<b>1,009</b>	<b>1,806</b>
<b>Funds of the Charity</b>	<b>13</b>						
Restricted Income Funds		-	<b>1,110</b>	<b>1,110</b>	-	<b>1,009</b>	<b>1,009</b>
Unrestricted Income Funds		<b>902</b>	-	<b>902</b>	<b>797</b>	-	<b>797</b>
<b>Total Funds</b>		<b>902</b>	<b>1,110</b>	<b>2,012</b>	<b>797</b>	<b>1,009</b>	<b>1,806</b>

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

Signed:



Date:

30 August 2023



# STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023

	Note	2022/23 Total funds £'000	2021/22 Total funds £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	11	232	(55)
<b>Cash flows from investing activities:</b>			
Interest from investments		0	0
<b>Change in cash and cash equivalents in the reporting period</b>		<b>232</b>	<b>(55)</b>
Cash and cash equivalents at the beginning of the reporting period		<b>1,454</b>	1,509
Cash and cash equivalents at the end of the reporting period	10	<b>1,686</b>	1,454

## 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 £20,000 in 2022/23 (2021/22 £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.

## NOTE 3: ANALYSIS OF INCOMING RESOURCES

	Unrestricted Funds £'000	Restricted Funds £'000	2022/23 Total Funds £'000	2021/22 Total Funds £'000
<b>Income from</b>				
Donations from individuals	96	0	96	117
Donations in Memory of	67	0	67	50
Corporate donations	80	154	234	33
Connected and supporting Charities	0	59	59	90
Gift Aid	14	0	14	15
Legacies	101	376	477	465
Other trading activities	11	0	11	3
Bank interest	5	2	7	0
<b>Total Income</b>	<b>374</b>	<b>591</b>	<b>965</b>	<b>773</b>

## 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 2022/23 £'000
Building and refurbishment	18	4	22
Purchase of new equipment	342	85	427
Patients welfare	91	23	114
Staff education and welfare	157	39	196
	<b>608</b>	<b>151</b>	<b>759</b>

  

	Grant funded activity £'000	Support costs £'000	Total 2021/22 £'000
Building and refurbishment	23	5	28
Purchase of new equipment	356	74	430
Patients welfare	29	6	35
Staff education and welfare	50	10	60
	<b>458</b>	<b>95</b>	<b>553</b>

## 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.

### 2022/23

	Charitable activities		TOTAL 2022/23 £'000
	Unrestricted Funds £'000	Restricted Funds £'000	
Independent Examination	1	2	3
Salaries and related costs	17	0	17
Amortisation	0	0	0
Governance costs	18	2	20
Salaries and related costs	60	60	120
Computing & office expenses	6	5	11
Total	84	67	151

### 2021/22

	Charitable activities		TOTAL 2021/22 £'000
	Unrestricted Funds £'000	Restricted Funds £'000	
Independent Examination	1	1	2
Salaries and related costs	3	0	3
Amortisation	0	0	0
Governance costs	4	1	5
Salaries and related costs	41	44	85
Computing & office expenses	3	2	5
Total	48	47	95

## 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

	2022/23 £'000	2021/22 £'000
Salaries and wages	97	68
Social security costs	10	7
Employers pension contribution	13	10
	120	85

## NOTE 6 AUDITOR'S REMUNERATION

Auditor's remuneration of £3,060 (2021/22 £2,400) relates solely to independent examination of the accounts. No additional audit work has been 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 Charity holds no fixed asset investments.

**NOTE 9: ANALYSIS OF DEBTORS**

	2022/23 £'000	2021/22 £'000
<b>Amounts Falling Due Within One Year</b>		
Accrued Income	474	423
Other Debtors	87	39
<b>Total Amounts Falling Due Within One Year</b>	<u>561</u>	<u>462</u>

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

Other debtors for 2022/23 and 2021/22 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 2022/23 or 2021/22.

**NOTE 10: ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2022/23 £'000	2021/22 £'000
Current account	38	42
Deposit account	1,648	1,412
Cash in Hand	-	-
<b>Total cash and cash equivalents</b>	<u>1,686</u>	<u>1,454</u>

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**

	2022/23 £'000	2021/22 £'000
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	<b>206</b>	<b>207</b>
<i>Adjustments for:</i>		
Interest from investments	0	0
(Increase)/decrease in debtors	(99)	(354)
Increase/(decrease) in creditors	125	92
<b>Net cash provided by (used in) operating activities</b>	<u><b>232</b></u>	<u><b>(55)</b></u>



**NOTE 12: ANALYSIS OF CURRENT LIABILITIES**

	2022/23 £'000	2021/22 £'000
University Hospitals of Morecambe Bay NHS FT	69	50
Accruals	166	60
<b>Total Creditors Falling Due Within One Year</b>	<b>235</b>	<b>110</b>

**NOTE 13: ANALYSIS OF CHARITABLE FUNDS**

	2022/23		
	Balance at 1 April 22 £'000	Incoming Resources £'000	Resources Expended £'000
Total Restricted Funds	1,009	591	490
Total Unrestricted Funds	797	374	269
<b>Total Funds</b>	<b>1,806</b>	<b>965</b>	<b>759</b>
	2021/22		
	Balance at 1 April 21 £'000	Incoming Resources £'000	Resources Expended £'000
Total Restricted Funds	822	549	362
Total Unrestricted Funds	777	224	204
<b>Total Funds</b>	<b>1,599</b>	<b>773</b>	<b>566</b>

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'.

	2022/23		
Analysis of Funds by Value	Balance at 1 April 22 £'000	Incoming Resources £'000	Resources Expended £'000
<b>Restricted</b>			
Legacy - FGH Cancer patients (8 consolidated funds)	246	100	85
Legacy - FGH Equipment (1 fund)	0	51	0
Legacy - FGH SCBU (2 funds)	18	47	0
Legacy - RLI Coronary Care (5 consolidated funds)	118	0	21
Legacy - RLI Neonatal (1 consolidated funds)	271	0	11
Legacy - RLI General (2 funds)	24	32	2
Legacy - RLI Oncology (5 consolidated funds)	161	90	42
<b>Total restricted funds in excess of £50,000</b>	<b>838</b>	<b>320</b>	<b>161</b>
<b>Total restricted funds equal to or less than £50,000</b>	<b>171</b>	<b>271</b>	<b>329</b>
<b>Total restricted funds</b>	<b>1,009</b>	<b>591</b>	<b>490</b>
<b>Unrestricted</b>			
FGH Oncology Unit	167	28	43
<b>Total unrestricted funds equal to or less than £50,000</b>	<b>630</b>	<b>346</b>	<b>226</b>
<b>Total unrestricted funds</b>	<b>797</b>	<b>374</b>	<b>269</b>
<b>Total funds</b>	<b>1,806</b>	<b>965</b>	<b>759</b>

The total funds at 31 March 2023 are made up of 35 restricted funds and 85 unrestricted funds.

**NOTE 14: PROVISIONS FOR CHARGES**

	<b>2022/23</b>	2021/22
	<b>£'000</b>	£'000
Commitments at the start of the year	<b>20</b>	31
Less: Commitments released in year	<b>(20)</b>	(31)
Change in value of commitments	<b>0</b>	0
Add: New commitments	<b>18</b>	20
Commitments outstanding at end of year	<b>18</b>	20

There are a total of 9 items which the Charity has made a provisional agreement to fund at 31 March 2023. 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 2023, which are set out on pages 14 to 24.

### 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 trustee has 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 trustee 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****4<sup>th</sup> September 2023**