



Harrogate and District
NHS Foundation Trust

**Annual Report and Accounts for Harrogate and District NHS Foundation Trust Charitable Fund
for 2020/21 (registered charity number 1050008).**

**Trustee's Annual Report for Harrogate and District NHS Foundation Trust Charitable Fund
for the year ended
31 March 2021**

Contents

Foreword	3
Reference and Administration Details	3
Trustee Arrangements	3
Principal Office	4
Principal Professional Advisors	4
Structure, Governance and Management	4
Risk Management	5
Partnership Working	6
Objectives and Activities	6
Reserves Policy	6
Financial Review	7
Achievements and Performance	7
Plans for Future Periods	7
Review of Investment Portfolio	8
Statement of Trustee's Responsibilities in respect of the Trustee's Annual Report and Financial Statements	10
External Auditor's Report	11-14
Statement of Financial Activities	15
Statement of Financial Position	16
Notes to the Accounts	17-23

**Trustee's Annual Report for Harrogate and District NHS Foundation Trust Charitable Fund
for the year ended
31 March 2021**

Foreword

The Corporate Trustee presents the Charitable Funds Annual Report together with the Audited Accounts for the year ended 31 March 2021.

The Charity's annual report and accounts for the year ended 31 March 2021 have been prepared by the Corporate Trustee in accordance with Part VI of the Charities Act 2011 and the Charities (Accounts & Reports) Regulations 2005. The Charity's report and accounts include all the separately established funds for which the Harrogate and District NHS Foundation Trust is the beneficiary.

Reference and Administrative Details

The main charity Harrogate and District NHS Foundation Trust Charitable Fund, registered Charity Number 1050008, was entered on the Central Register of Charities on 20 October 1995. The charity is constituted of 189 individual funds as at the 31 March 2021 (172 funds as at 31 March 2020) and the notes to the accounts distinguish the types of fund held and disclose separately all material funds.

Charitable funds received by the charity are accepted and held and administered as funds held on trust for purposes relating to the National Health Service in accordance with the National Health Service Act 1977 and the National Health Service and Community Care Act 1990 and these funds are held on trust by the Corporate Trustee.

Trustee Arrangements

Harrogate and District NHS Foundation Trust is the Corporate Trustee of the Charitable Funds governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2011.

The NHS Foundation Trust's Board of Directors devolved responsibility for the on-going management of funds to the Charitable Funds Committee which administers the funds on behalf of the Corporate Trustee. The Committee meets quarterly unless items of an important nature intervene. The Committee members consider the strategy and financial management of the funds, discuss major policy issues and consider reports. The minutes of the Committee meetings are reported to the Board of Directors, acting as a Corporate Trustee.

Harrogate and District NHS Foundation Trust is the sole corporate trustee of the Charity. The Directors of the NHS Foundation Trust Board of Directors who served during the financial year were as follows:

Name	Position
Mrs A Schofield	Chairman
Mr S Russell	Chief Executive
Mr J Coulter	Finance Director / Deputy Chief Executive
Mrs J Foster	Chief Nurse
Dr D Scullion	Medical Director (Left 14/06/2020)
Dr J Andrews	Medical Director (Appointed 15/06/2020)
Mr R Harrison	Chief Operating Officer (Left 31/08/2020)
Mr T Gold	Interim Chief Operating Officer 01/09/2020 - 28/02/2021
Dr M Shepherd	Acting Chief Operating Officer 01/03/2021 - 30/04/2021
Mrs A Wilkinson	Director of Workforce and Organisational Development
Mr R Stiff	Non-Executive Director
Mr C Thompson	Non-Executive Director (Left 30/06/2020)
Mr A Papworth	Non-Executive Director
Mrs M Taylor	Non-Executive Director
Mrs S Armstrong	Non-Executive Director
Ms L Robson	Non-Executive Director
Mr J Cross	Non-Executive Director
Mr W Sampson (OBE)	Non-Executive Director

**Trustee's Annual Report for Harrogate and District NHS Foundation Trust Charitable Fund
for the year ended
31 March 2021 (continued)**

The names of those people who served as agents for the Corporate Trustee (as members of the Charitable Funds Committee), as permitted under regulation 16 of the NHS Trusts (Membership and Procedures) Regulations 1990 were as follows:

Mrs A Schofield	Chairman
Mr S Russell	Chief Executive
Mr J Coulter	Finance Director / Deputy Chief Executive
Mr R Harrison	Chief Operating Officer (Left 31/08/2020)
Mr T Gold	Interim Chief Operating Officer 01/09/2020 - 28/02/2021
Dr M Shepherd	Acting Chief Operating Officer 01/03/2021 - 30/04/2021
Ms L Robson	Non-Executive Director
Mrs S Armstrong	Non-Executive Director
Mr J Cross	Non-Executive Director

Representatives from the Trust's investment fund managers, Brewin Dolphin, also attend Charitable Funds Committee meetings on a six-monthly basis.

Principal Office

The Principal Office for the Charity is:
Finance Department
Trust HQ
Harrogate and District NHS Foundation Trust
Harrogate District Hospital
Lancaster Park Road
Harrogate
HG2 7UG

Principal Professional Advisers:

Bankers

Government Banking Service
Premier Place
2 1/2 Devonshire Square
London
EC2M 4BA

Investment Fund Managers

Brewin Dolphin Limited
10 Wellington Place
Leeds
LS1 4AN

Auditors

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Solicitors

The charity has not required the services of a solicitor during the financial year.

Structure, Governance and Management

Harrogate and District NHS Foundation Trust registered its charitable funds under an "Umbrella Charity" arrangement whereby the charities administered are treated as special trusts of the Umbrella Charity. The nature of its governing document is a trust deed (dated 20 October 1995), and the charity is constituted as Trustees incorporated as a body. The Umbrella Charity is liable for registration whilst the individual funds retain their own identity for all other purposes. Subsequent donations and gifts received by the charity that are attributable to the original funds are added to those fund balances within the existing charity.

**Trustee's Annual Report for Harrogate and District NHS Foundation Trust Charitable Fund
for the year ended
31 March 2021 (continued)**

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund, and by designating funds the Trustee respects the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff. Where funds are received which have specific restrictions set by the donor a restricted fund has been established.

The charitable funds available for spending are allocated to Directorates within the NHS Foundation Trust's management structure. Each allocation is managed by use of a designated fund and manager within the general unrestricted fund. Designated fund managers can approve expenditure up to £5,000, expenditure between £5,000 and £150,000 also requires a member of the Charitable Funds Committee to countersign and expenditure above £150,000 must be approved by the Corporate Trustee. In addition all expenditure above £500 is reviewed and ratified retrospectively on a quarterly basis by the Charitable Funds Committee.

Non-Executive Directors on the Board of Directors of the NHS Foundation Trust are appointed by the Board of Governors, Executive Directors of the Board of Directors of the NHS Foundation Trust are subject to appointment by the NHS Foundation Trust Board. The Board of Directors of the NHS Foundation Trust and the Charitable Funds Committee are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

Directors on the NHS Foundation Trust's Board of Directors undertake induction training when newly appointed, this training includes information in respect of Trustee responsibilities.

Acting for the Corporate Trustee, the Charitable Funds Committee is responsible for the overall management of the Charitable Fund. The Committee is required to:

- Control, manage and monitor the use of the fund's resources.
- Provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income.
- Ensure that 'best practice' is followed in the conduct of all its affairs fulfilling all of its legal responsibilities.
- Ensure that the Investment Policy approved by the Board of Directors as Corporate Trustee is adhered to and that performance is continually reviewed whilst being aware of ethical considerations.
- Keep the Board of Directors (acting as a Corporate Trustee) fully informed on the activity, performance and risks of the charity.

The accounting records and the day-to-day administration of the funds are dealt with by the Finance Department of Harrogate and District NHS Foundation Trust located at Harrogate District Hospital, Lancaster Park Road, Harrogate, HG2 7UG.

Risk Management

The major risks to which the charity is exposed have been considered, with the most significant risk identified being the possible losses from a fall in value of investments, especially equities. The Charitable Funds Committee has mitigated this risk by not investing one hundred per cent in equities, but rather taking the view that so far as is reasonable the investments should be made to mitigate undue risk to the real value of the capital and income of the portfolio.

Expenditure is closely monitored; no fund manager is able to expend funds, without the request first being checked by the Finance Department, to ensure funds are available.

Income is monitored to check whether the levels of income are as expected, and if not the spending plans are amended accordingly.

**Trustee's Annual Report for Harrogate and District NHS Foundation Trust Charitable Fund
for the year ended
31 March 2021 (continued)**

Partnership Working

Harrogate and District NHS Foundation Trust is the main beneficiary of the charity and is a related party by virtue of being Corporate Trustee of the charity. By working in partnership with the Trust, the charitable funds are used to best effect. When deciding upon the most beneficial way to use charitable funds, the Corporate Trustee has regard to the main activities, objectives, strategies and plans of the Trust.

Harrogate and District NHS Foundation Trust remains indebted to the work of the volunteers of Friends of Harrogate Hospital, who raise thousands of pounds of funds each year for Harrogate District Hospital.

Objectives and Activities

The Umbrella Charity has NHS wide objectives as follows:

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

The Corporate Trustee had determined the following strategic aims for the application of income:

- To enhance the environment for staff and patients, in which health services are being provided efficiently.
- To enable staff and carers, caring for patients to benefit from education and facilities not normally available within the NHS resource envelope.
- To donate extra equipment and staffing to the NHS Foundation Trust not normally available within the NHS resource envelope.
- To spend funds in accordance with Charity Commission best practice in support of the NHS Foundation Trust.

During the year, the funds continued to support a wide range of charitable and health related activities benefiting both patients and staff. In general they are used to purchase the very varied additional equipment and services that the NHS is unable to provide. For example charitable funds were used to purchase much needed medical equipment (see page 7).

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

The General Fund receives donations and legacies that can be used for any charitable purpose relating to the NHS. This flexibility has been used to fund the Staff Long Service Awards and to support training of staff members.

Reserves Policy

It is the policy of this charity to avoid building up reserves. Health Service bodies, in their capacity as charity trustees, have a duty to apply the income for the purposes for which they were given. Income can only be accumulated when the charity's governing document gives them power to accumulate income. A failure to consider the matter and simply allow the income to accumulate without good reason is a breach of trust. As the charity has no such powers at the present time the policy is to apply funds as and when they become available. Therefore the charity does not have a target reserves figure.

Actual closing reserves have increased by £538,000 during the year, this is after an unrealised and realised Gain of £346,000 on investments and a net inflow of funds of £192,000. The value of the reserves can and will fluctuate over financial year ends.

**Trustee's Annual Report for Harrogate and District NHS Foundation Trust Charitable Fund
for the year ended
31 March 2021 (continued)**

Financial review

The net assets of the Charitable Funds as at 31 March 2021 were £2,186,000 (2020: £1,648,000). Overall net assets increased by £538,000 with a realised and unrealised gain on investments of £346,000 plus an excess of income over expenditure £192,000.

The charity continues to rely on donations, legacies and investment income as the main sources of income. Total incoming resources increased by £277,000 when compared to the previous financial year. Mainly due to higher donation income £854,000 (2020 £502,000) and offset by a fall in legacies £56,000 (2020: £106,000).

Of the total expenditure of £775,000 (2020: £768,000), charitable expenditure on direct charitable activity was £764,000 (2020: £756,000) across a range of programmes.

Achievements and performance

Purchase of new equipment

The total spend on new equipment of £145,000 (2020: £188,000) represents a vital and valuable contribution to enhancing the provision of clinical care. Purchases range from small items of equipment at a few hundred pounds each through to 2 Bladder Scanners (£17,250), Bike Treadmill (£52,000), Ultrasound Antenatal (£17,899), 4 ABPI Measuring Devices (£10,200).

Staff Training

Staff training expenditure of £22,000 (2020: £70,000) was used to enable consultants and other medical staff to attend courses, not funded by the NHS, which update them on the new ideas and modern techniques in their specialties. This was impacted by Covid 19 restriction this financial year

Staff welfare and amenities

Staff welfare and amenities expenditure of £239,000 (2020: £49,000) was used by the charity to finance staff long service awards and social activities. A staff shop was opened this year with donations mainly from Supermarkets and Local business donating food items for Staff due to the Pandemic shortages extra.

Patient welfare and amenities

The Patient welfare and amenities heading of £194,000 (2020: £310,000) included the purchase of fixtures and fittings and patient information leaflets.

Performance management

The charity relies on the Harrogate and District NHS Foundation Trust to identify the appropriateness of funding requests in order to keep transaction costs to a minimum and to simplify the approval process.

Plans for future periods

The reconfiguration of services and the plans for redesigning patient care to meet the needs of the future will influence the priorities for spending charitable funds.

Income accruing from the investment of Endowment Funds can only be applied for the specific purposes attached to the permanent endowment. The income can be used for purchasing medical equipment or carrying out medical research (excluding transplant or vivisection work).

Such items of medical equipment are included in Harrogate and District NHS Foundation Trust's annual capital programme and subjected to the same tests of value for money and a proper business case, as applies to all other capital expenditure.

**Trustee's Annual Report for Harrogate and District NHS Foundation Trust Charitable Fund
for the year ended
31 March 2021 (continued)**

Fundraising standards

Harrogate and District NHS Foundation Trust is the beneficiary of the Charity. The Trust employs a fundraising team, the key objectives of the team include establishing and maintaining fundraising procedures, charity branding and a fund raising strategy for the Charity.

The Charity has a Charity Funds Committee and part of the remit of this committee is to focus on fundraising matters prior to approval by the Corporate Trustee. The committee incorporates members of the fundraising team and members of the Corporate Trustee.

The Charity has not received any complaints during the year.

Review of Investment Portfolio

The investment portfolio of Harrogate and District NHS Trust Foundation Trust is managed in Leeds by Brewin Dolphin on a discretionary basis within the constraints of an Ethical Investment Policy approved by the Corporate Trustee.

It is the practice that the investment advisers attend regular meetings of the Charitable Funds Committee. Detailed written reports are produced on a quarterly basis which value the portfolio and record its respective performance statistics. An integral part of the regular meetings is detailed discussion on the content of the report with particular reference to the performance aspect.

Brewin Dolphin is remunerated by an investment management fee of 0.6% per annum on the first £1million and 0.5% on the balance. The fee is invoiced quarterly on the funds under management at the end of the relevant quarter. VAT is charged in addition, but there are no commission charges levied.

As at 31 March 2021, the investment portfolio managed by Brewin Dolphin was valued at £1,815,072 excluding income and accrued interest. The portfolio produces an annual estimated gross income of £43,251 which is equivalent to a gross yield of 2.36%.

Over the 12 month period to 31 March 2021 UK bond and equity markets diverged heavily in terms of performance. The FTSE Government All Stocks index made a return of -5.54% while in equity markets the FTSE All Share index returned +26.71%. Global equities again performed better over the 12-month period with the FT World ex UK Index returning +40.84%. Over the year the portfolio made a total return of +26.81%. This compares to a return in the agreed benchmark of +23.54%.

At the year-end, 14.1% of assets were invested in fixed interest securities. The portfolio had 73.1% of assets invested in equities, with 25.0% allocated to UK equities and 48.1% to overseas equities. The majority of the UK equity exposure is made up of direct equity holdings whereas the overseas exposure is gained via unit trusts. The remaining assets were broken down into 8.7% in absolute return funds, 0.8% in commercial property, 2.3% in Infrastructure and 1.0% held in cash.

The direct equity portion of the portfolio remains subject to an ethical constraints with the shares of companies predominantly involved with tobacco, armaments and where there is a proven poor human rights track record to be excluded.

The structure of the portfolio is in accordance with the Policy Statement which was agreed by the Trustee in November 2014 in accordance with the requirements of the Trustee Act 2000.

* All quoted performance figures are on a total return basis.

**Trustee's Annual Report for Harrogate and District NHS Foundation Trust Charitable Fund
for the year ended
31 March 2021 (continued)**

Impact of CoVid-19

Looking forward into 2021/22, there will be a continued impact on the Charity as a result of CoVid-19. One impact is the impact on the valuation of the fund which is sensitive to the investment values held and the performance of these investments. A very positive impact however, is the increased profile of the NHS and the increased level of donations to NHS Charities, as the population show support for the NHS. We are seeing the quantity of Gifts in Kind reduce however we continue to actively manage this in accordance with best practice. We will be seeking to manage the risk of investment performance and returns and maximise the opportunity from the increased awareness and support for the NHS at the moment.

Going Concern

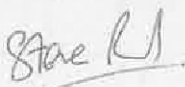
The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons. The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 6.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of CoVid-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs. Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

A Big Thank You

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

Approved on behalf of the Corporate Trustee.



Chief Executive - Mr Steve Russell Date: 24 November 2021



Finance Director - Jonathan Coulter Date: 24 November 2021

**Trustee's Annual Report for Harrogate and District NHS Foundation Trust Charitable Fund
for the year ended
31 March 2021 (continued)**

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

Under the trust deed of the charity and charity law, the Trustee is responsible for preparing the Trustee's Annual Report and the Accounts in accordance with applicable law and regulations. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

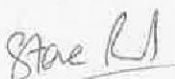
In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the accounts;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By Order of the Trustee
Signed:



Chief Executive - Mr Steve Russell Date: 24 November 2021



Finance Director - Jonathan Coulter Date: 24 November 2021

Independent auditor's report to the Trustees of Harrogate and District NHS Foundation Trust Charitable Fund

Opinion

We have audited the financial statements of Harrogate and District NHS Foundation Trust Charitable Fund ("the charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 149 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and inspection of policy documentation as to the Charity’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Assessing the opportunities for management to manipulate reported financial performance as a result of override of controls.
- Reading Charitable Funds Committee minutes.
- Using analytical procedures to identify any usual or unexpected relationships.
- Reviewing the Charity’s accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition and the risk that Charity’s management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included income journals with unusual account combinations.
- Sample testing revenue items and agreeing to supporting documentation or evidence.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Charity is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 10, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 149 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Rashpal Khangura
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 Sovereign Square
Sovereign St
Leeds
LS1 4DA

09 December 2021

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Harrogate and District NHS Foundation Trust Charitable Fund
Statement of Financial Activities
for the year ended 31 March 2021

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021 £000	Total Funds 2020 £000
	Note	£000	£000	£000		
Income:						
Donations and legacies	3	910	-	-	910	608
<i>Income from Charitable activities:</i>						
Fund raising events	4	11	-	-	11	24
Income from Investments	5	9	37	-	46	58
Total income and endowments		930	37	-	967	690
Expenditure:						
<i>Costs of raising funds:</i>						
Investment management costs		1	10	-	11	12
Charitable Activities	7	727	37	-	764	756
Total expenditure		728	47	-	775	768
Gross Transfer Between Funds		-	-	-	-	-
Net income and expenditure before investment gains/(losses)		202	(10)	-	192	(78)
Net gains on investments		45	-	301	346	(199)
Net Movement of Funds		247	(10)	301	538	(277)
Reconciliation of Funds						
Total Funds brought forward	13	151	59	1,438	1,648	1,925
Total Funds carried forward	13	398	49	1,739	2,186	1,648

The notes on pages 17 to 23 form part of these accounts

Harrogate and District NHS Foundation Trust Charitable Fund
Statement of Financial Position At 31 March 2021

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2021 £000	Total Funds 2020 £000
Fixed assets:						
Investments	10	76	-	1,739	1,815	1,414
		<u>76</u>	<u>-</u>	<u>1,739</u>	<u>1,815</u>	<u>1,414</u>
Current assets:						
Debtors	11	17	-	-	17	16
Cash at bank and in hand	11	342	49	-	391	269
		<u>359</u>	<u>49</u>	<u>-</u>	<u>408</u>	<u>285</u>
Liabilities:						
Creditors falling due within one year	12	(37)	-	-	(37)	(51)
Net current assets		<u>322</u>	<u>49</u>	<u>-</u>	<u>371</u>	<u>234</u>
Total assets less current liabilities		<u>398</u>	<u>49</u>	<u>1,739</u>	<u>2,186</u>	<u>1,648</u>
Net assets		<u>398</u>	<u>49</u>	<u>1,739</u>	<u>2,186</u>	<u>1,648</u>
The funds of the charity:	13					
Endowment funds		-	-	1,739	1,739	1,438
Restricted income funds		-	49	-	49	59
Unrestricted income funds		398	-	-	398	151
Total charity funds		<u>398</u>	<u>49</u>	<u>1,739</u>	<u>2,186</u>	<u>1,648</u>

The notes on pages 17 to 23 form part of these accounts

Steve Russell

Chief Executive - Mr Steve Russell..... Date: 24 November 2021

J. Coulter

Finance Director - Jonathan Coulter Date: 24 November 2021

Harrogate and District NHS Foundation Trust Charitable Fund - Notes to the Accounts

1. Accounting Policies

(a) Basis of preparation

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. In these Financial Statements, the Charity has applied the exemptions available under (FRS 102) in respect of preparing a cash flow and related notes.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons. The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 6.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs. Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

(b) Funds structure

Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the donor has made known their non binding wishes or where the Trustee, at its discretion, has created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

The charity has one permanent endowment fund. The income of the Elsie Sykes Endowment Fund can be used for medical equipment or medical research (excluding transplant or vivisection work).

The major funds held in each of these categories are disclosed in note 13.

(c) Incoming resources

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

(d) Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

Harrogate and District NHS Foundation Trust Charitable Fund - Notes to the Accounts (continued)

1. Accounting Policies (continued)

(e) Resources expended

Expenditure is recognised when a liability is incurred and can be measured reliably.

(f) Irrecoverable VAT and Taxation

Irrecoverable VAT is charged against the category of resources expended for which it was incurred. Harrogate and District NHS Foundation Trust Charitable Fund is considered to pass the tests set out in paragraph 1 schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(g) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs comprise direct costs and an apportionment of overhead costs.

(h) Governance and support costs

Other resources expended comprise all costs incurred in the running of the charity. These costs include costs related to statutory audit together with recharge of staff salaries.

(i) Fixed asset investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The investments are included in the balance sheet at the closing dealing price at 31 March 2021.

(j) Unrealised / 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 market value at the start of the year (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and market value at the start of the year (or purchase date if later).

2. Related party transactions

Harrogate and District NHS Foundation Trust is the beneficiary of the charity. The charity has provided funding to the Foundation Trust for approved expenditure amounting to £645,000 (2020: £649,000). During the year none of the members of the Board of Directors or senior NHS Foundation Trust staff or parties related to them were beneficiaries of the charity.

No member of the Board of Directors has received honoraria, emoluments or expenses in the year in respect their service to the charity. The Trustee has not purchased trustee indemnity insurance.

Harrogate and District NHS Foundation Trust Charitable Fund - Notes to the Accounts (continued)

3. Analysis of donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Donations	854	-	854	502
Legacies	56	-	56	106
	910	-	910	608

4. Analysis of income from fundraising events

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Other	11	-	11	24
	11	-	11	24

5. Income from investments

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Quoted investments (fixed asset investments)	9	37	46	58
	9	37	46	58

6. Allocation of Governance Costs

Governance costs were allocated between the restricted and unrestricted funds. The basis of allocation is on an average balance basis. This means that an average of the opening and closing balances of the funds is calculated. The overheads below are then allocated pro-rata (governance costs associated with the endowment funds are charged to restricted funds).

Apportionment of Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Staff Costs (see note 8)	80	25	105	97
Audit Fees (see note 9)	1	9	10	2
Computer Expenses	1	3	4	8
Total	82	37	119	107

Harrogate and District NHS Foundation Trust Charitable Fund - Notes to the Accounts (continued)

7. Analysis of charitable expenditure

The charity made funds available to Harrogate and District NHS Foundation Trust in support of a range of charitable activities.

	2021 £000	2020 £000
Medical Equipment	145	188
Staff Training	22	70
Computer Equipment	45	32
Staff Welfare and Amenities	239	49
Patient Welfare and Amenities	194	310
Governance costs (see note 6)	119	107
	764	756

8. Analysis of staff costs

There are no staff directly employed by the Charity. Recharges are made for Harrogate and District NHS Foundation Trust staff time. The recharge for the year ended 31 March 2021 was £105,000 (2020: £97,000).

9. Auditor's remuneration

The auditor's remuneration for the financial year ended 31 March 2021 was £9,576 the cost included within the financial statements was based on the agreed years remuneration and previous years under charge £2,376 (the auditor's remuneration for the financial year ending 31 March 2020 was £4,000).

10. Fixed asset investments

Movement in fixed asset investments	2021 £000	2020 £000
Market value brought forward	1,414	1665
Additions at cost	522	203
Disposals at carrying value	(467)	(255)
Realised Gain on disposals	55	6
Net Gains on revaluation	291	(205)
Market value as at 31 March 2021	1,815	1,414

Fixed asset investments:

Common investment funds	Percentage of the Portfolio		2021 £000	2020 £000
	2021	2020		
Fixed Interest Investments	14.10	15.70	256	222
Commercial Properties	0.80	1.90	14	27
UK Investments	37.00	44.10	672	624
Overseas Investments	48.10	38.30	873	541
	100.00	100.00	1,815	1,414

There are no direct investments held outside of the UK by the charity.

Harrogate and District NHS Foundation Trust Charitable Fund - Notes to the Accounts (continued)

11. Current assets

	2021 £000	2020 £000
Debtors: amounts falling due within one year		
Accrued income (see below)	7	8
Other debtors (see below)	10	8
	<u>17</u>	<u>16</u>

Accrued income comprises of £7,000 dividends declared before 31 March 2021 but not due to be paid until after the year end which will be received in the year ending 31 March 2022. Other debtors wholly represent any sums owed to the charity by a related party, Harrogate and District NHS Foundation Trust, at the year end for income collected by the Trust on behalf of the charity.

Analysis of cash and deposits

	2021 £000	2020 £000
Government Banking Service	376	199
Investment Fund Manager	15	70
	<u>391</u>	<u>269</u>

12. Current liabilities

	2021 £000	2020 £000
Creditors: amounts falling due within one year		
Other Creditors (see below)	34	48
Accruals	3	3
	<u>37</u>	<u>51</u>

Other creditors and Accruals represent sums owed at the year end by the charity to a related party, Harrogate and District NHS Foundation Trust, for costs incurred by the Trust on behalf of the charity in the furtherance of the charity's objects.

Harrogate and District NHS Foundation Trust Charitable Fund - Notes to the Accounts (continued)

13. Analysis of Funds

	Balance at 1 April 2020 £000	Incoming Resources £000	Resources expended £000	Investment Loss £000	Balance at 31 March 2021 £000
Endowment Funds					
Elsie Sykes Endowment	1,438	-	-	301	1,739
	<u>1,438</u>	<u>-</u>	<u>-</u>	<u>301</u>	<u>1,739</u>
Restricted Funds					
Scanner Appeal	83	-	-	-	83
Other	(24)	37	(47)	-	(34)
	<u>59</u>	<u>37</u>	<u>(47)</u>	<u>-</u>	<u>49</u>
Material Unrestricted and Designated Funds					
Rheumatology RA- Team	22	-	-	1	23
Breast Care Services	14	11	-	1	26
Ferndale Ward Midwifery	27	-	(1)	3	29
Adult Community Services	94	50	(74)	4	74
Covid 19 Urgent appeal	-	200	(107)	-	93
Sir Robert Ogden Macmillan Centre	51	22	(31)	2	44
General Fund	(612)	426	(429)	-	(615)
Friends General Fund	53	21	(8)	-	66
Crem Fees	-	23	-	-	23
Linden Trust	19	1	-	-	20
Other	483	176	(78)	34	615
	<u>151</u>	<u>930</u>	<u>(728)</u>	<u>45</u>	<u>398</u>

The Trustee set an opening or closing balance of £20,000 or above as the threshold for reporting these funds.

Harrogate and District NHS Foundation Trust Charitable Fund - Notes to the Accounts (continued)

14. Description of Funds

Name of Fund	Description, nature and purposes of the fund
The Elsie Sykes Endowment Trust	This endowment was a gift from Elsie Sykes in 1978. The Trustee may spend the income receivable from the capital in order to fund medical equipment or medical research (excluding transplant or vivisection work).
Scanner Appeal	This fund is for the specific purchase of a Scanner by the Harrogate and District NHS Foundation Trust.
Rheumatology RA-Team	This fund has the designated objective to be used by the Rheumatology RA Team for any charitable purpose for the relief of sickness of patients who are or have been treated at any health care facility provided by the Harrogate and District NHS Foundation Trust.
Breast Care Services	This fund has the designated objective to be used by the Breast Care Services for any charitable purpose for the relief of sickness of patients who are or have been treated at any health care facility provided by the Harrogate and District NHS Foundation Trust.
Ferndale Ward Midwifery	This fund has the designated objective to be used by the Ferndale Ward Midwifery for any charitable purpose for the relief of sickness of patients who are or have been treated at any health care facility provided by the Harrogate and District NHS Foundation Trust.
Adult Community Services	This fund has the designated objective to be used by the Adult Community Services Teams for any charitable purpose relating to the NHS.
Covid 19 Urgent Appeal	This fund has general objects for any charitable purpose relating to the NHS.
Sir Robert Ogden Macmillan Centre	This fund has the designated objective to be used by the Sir Robert Ogden Macmillan Centre for any charitable purpose for the relief of sickness of patients who are or have been treated at any health care facility provided by the Harrogate and District NHS Foundation Trust.
General Fund	This fund has general objects for any charitable purpose relating to the NHS.
Friends General Fund	This fund has general objects for any charitable purpose relating to the NHS.
Crem Fees	This fund has general objects to improve the working lives and welfare of junior doctors.
Linden Trust	This is an award received by the charity in May 2018, to be used towards something strategic and has yet to be allocated to a project.

The Trustee set an opening or closing balance of £20,000 or above as the threshold for reporting these funds.

15. Parent organisation

These financial statements are consolidated within the Harrogate and District NHS Foundation Trust Consolidated Financial Statements.

16. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustee has considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 if the restatement of comparative items were required. No restatements were required.