

**SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS**

**TRUSTEE ANNUAL REPORT 2020/2021**

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TRUST CHARITABLE FUNDS**

**TRUSTEE ANNUAL REPORT**

**FOR THE PERIOD 1 APRIL 2020 – 31 MARCH 2021**

<p><b>SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS</b></p> <p><b>TRUSTEE ANNUAL REPORT 2020/2021</b></p>
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**Reference and Administrative Details of the Charity**

**Registered Address – Charity and Corporate Trustee**

South Tyneside and Sunderland NHS Foundation Trust  
Sunderland Royal Hospital  
Kayll Road  
Sunderland  
SR4 7TP

The Charity was first registered by the Charity Commission as number 1052366 under a Declaration of Trust dated 7 December 1995 in respect of the former City Hospitals Sunderland NHSFT Charitable Funds (CHS), as amended 24 March 2020 to include the merger with the former Charity South Tyneside General Charitable Fund (ST), registered number 1059500, effective from 1 April 2020. From the 1 April 2020 the merged charity name is South Tyneside and Sunderland NHSFT Charitable Funds.

The Charity's working name is 'STS Charity'.

The Charity's single Corporate Trustee (the Trustee) is South Tyneside and Sunderland NHS Foundation Trust (STSFT).

The Trust Board of Directors (BoD) holding office from April 2020 to January 2022 are:

Chairman	John Anderson
Chief Executive	Ken Bremner
Executive Directors	Shahid Wahid – Executive Medical Director Julia Pattison – Executive Director of Finance – to 31 March 2021 Hayley Wardle – Executive Director of Finance – from 1 April 2021 Melanie Johnson – Executive Director of Nursing, Midwifery and Allied Health Professionals Peter Sutton – Executive Director of Planning and Business Development Kath Griffin – Executive Director of Human Resources and Organisational Development
Trust Secretary/Director	Andrea Hetherington – Director of Corporate Affairs and Legal/Trust Secretary/Freedom to Speak Up Guardian
Non-Executive Directors	Stewart Hindmarsh David Barnes Paul McEldon

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Ngozi Lyn Cole – Chair of Charitable Funds Committee

Allison Thompson – Vice Chair

Alan Clarke

Debbie Carrick-Sen – from October 2020

Mike Laker – (non voting) to August 2020

Chris Gray – (non voting) from February 2021

Professional services are provided by:

Bankers

Lloyds Bank plc  
54-55 Fawcett Street  
Sunderland  
SR1 1SE

NatWest bank plc  
Government Banking services branch  
1000 Cathedral Square  
Cathedral Hill  
Guildford  
GU2 7YL

Investment brokers

Rathbone Investment Management Ltd  
Earl Grey House  
75-85 Grey Street  
Newcastle upon Tyne  
NE1 6EF

CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

Independent External Auditor

Ernst & Young LLP  
2 St Peter's Square  
Manchester  
M2 3EY

Independent Internal Auditor

AuditOne  
Kirkstone Villa  
Lanchester Road Hospital  
Durham  
DH1 5RD



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**Governance, Management and Structure**

Whilst all Charities in the NHS must operate within the legal and regulatory framework laid down in the Charities Acts (plus any directions issued by the Secretary of State for Health), a Corporate Trustee has considerable discretion in determining how on a daily basis, the charity operates.

When the BoD is acting in the capacity of Corporate Trustee, there must be recognition that:

1. Charitable Funds are distinct from the exchequer funds provided by Government; and
2. In acting as Corporate Trustee the BoD has a separate and distinct responsibility for the administration of the Charitable Funds.

A Corporate Trustee cannot delegate its statutory duties and remains accountable for the Charity's performance but day to day management, can be delegated.

To this end the Charitable Funds Committee (CFC) established on 1<sup>st</sup> April 2010 continues to oversee the administration of the Charitable Funds in accordance with any statutory or other legal requirements or best practice required by the Charities Commission.

**CFC Terms of Reference – as updated August 2021**

**Membership**

Voting members:

- 2 Non-Executive Directors (one of whom is chair of the CFC)
- 2 Directors
  - Executive Director of Finance
  - Executive Director of Nursing, Midwifery and AHPs (Allied Health Professionals)
- 2 Public Governors

In attendance by invitation:

Director of Corporate Affairs and Legal/Trust Secretary/Freedom to Speak Up Guardian  
Head of Financial Services  
Charitable Fundraiser (part of Corporate Affairs function)  
External Audit for the presentation of the Accounts  
Any others as required by the Committee

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**Quorum:**

Minimum two members, who must include an Executive and Non-Executive Director.

Voting members during the period April 2020 to January 2022:

Ngozi Lyn Cole	- Chair
David Barnes	- Non-Executive Director
Julia Pattison	- Executive Director of Finance to 31 March 2021
Hayley Wardle	- Executive Director of Finance from 1 April 2021
Melanie Johnson	- Executive Director of Nursing, Midwifery and AHPs
Anita Hagon	- Sunderland Public Constituency to 30 June 2021
Karen White	- South Tyneside Public Constituency
Joyce Welsh	- South Tyneside Public Constituency from 1 October 2021

**CFC Duties**

- 1 To ensure charitable funds are grouped in such a way that the wishes of the donors and the needs of the service are optimised.
- 2 To plan expenditure of charitable funds annually in accordance with Board policy.
- 3 To make recommendations to the Board of Trustees on issues of policy, investment and strategy.
- 4 To review and approve any formal income generation schemes as they arise over £5,000.
- 5 To authorise or decline expenditure which has exceeded delegated limits of individual officers to ensure the duties of Trustees are adequately discharged.
- 6 To oversee and monitor the functions and responsibilities performed by the Director of Finance as defined in the Standing Financial Instructions.
- 7 To monitor the use of charitable funds across the organisation, ensuring the scheme of delegation is applied appropriately and funds are utilised for the correct purposes.
- 8 To monitor the scheme of delegation within agreed limits.
- 9 To receive regular feedback on signed off commitments above £5,000, and approve any expenditure above £20,000. (Expenditure in excess of £200,000 requires formal BoD approval as Corporate Trustee).

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- 10 To ensure adherence to the Trust's Standards of Business Conduct for the ordering and receiving of goods and services.
- 11 Ensure the Board of Trustees is kept up to date with all matters relevant to their role.
- 12 The CFC is empowered with responsibility:
  - For the 'day to day' management of the investments of the Charitable Funds in accordance with the investment strategy set down annually by the Corporate Trustee;
  - To oversee and approve the work of the Fundraising Strategy, setting the ambition over the medium and long term. To liaise with donors and voluntary organisations to ensure wherever possible the assets donated are those most needed by the Trust,
  - To review fund balances to ensure active management and utilisation of these funds,
  - To ensure that procedures for Charitable Funds Investment decisions are made which preserves their capital value and produces a maximised return from prudent investment,
  - To ensure the appropriate risk registers and associated action plans are in place across the organisation for all risks relating to Charitable Funds,
  - To ensure that the Investment Strategy is reviewed annually and approve any amendments as required,
  - For the appointment of an Investment Manager to advise on investment matters and delegation of the 'day to day' management of some or all of the investments to the Investment Manager, in line with SFIs and Charities Commission requirements where relevant.
  - The Committee will review and present the Charitable Fund Report and Accounts to the Board of Trustees

**Conduct of Business**

- 1 Meetings are held on a bi-monthly basis, a minimum of five meetings per year with notice of each meeting together with an agenda and papers being made available to each member no later than five clear days before the meeting.
- 2 The Executive Administrative Team shall provide administrative support to the Committee and maintain a schedule of matters arising and agreed actions.

**Reporting and Review**

- 1 The minutes of the Charitable Funds Committee meetings shall be formally recorded and submitted to the Board of Trustees. The Chair of the Committee will report to the Board of Trustees following each meeting on any issues for escalation.
- 2 The Committee will review its Terms of Reference and its effectiveness against the requirements of its Terms of Reference on an annual basis, and report the findings to the Board of Trustees.

In May 2018 the General Data Protection Regulation (GDPR) came in to force. Under this legislation, any personal data held (e.g. names of living or deceased persons) cannot be disclosed in this Annual Report unless the person has been informed and given consent. Some of the restricted funds held by the Charity were set up under the name of the bequestor. In these circumstances these personal names are not being disclosed in the Financial Statements and Trustee Annual Report (TAR).

The Charity is registered as an Umbrella Charity. Within the one registration, multiple funds are permitted, four of which are registered with the Charity Commission as 'Special Purpose Funds'. The Special Purpose restricted funds are:

- Fund 2470 (formerly 24710) - Two Bequests for the benefit of the Eye Infirmary (one of which has a small portfolio managed by Rathbone Investment Management).
- Fund 4280 (formerly 43710) - Legacy for the benefit of Paediatric physiotherapy and assessment services located at the Children's Centre.
- Fund 9245 (formerly 74910) - Bequest for the provision of flowers in the chapel on specified dates. Income was received as an Endowment.
- Fund 3345 (formerly 33920) - Leukaemia and Lymphoma Research Fund from a legacy which has a small portfolio managed by Rathbone Investment Management.

The Annual Report and Annual Financial Statements have been prepared to comply with the requirements of FRS102 (Financial Reporting Standard 102), the Charities FRS102 SORP (Statement of Recommended Practice), the Companies Act 2006 and the Charities Act 2011.

The Trustee has had regard to Charity Commission guidance on public benefit in section 4 of Part 1 of the Charities Act 2011.

The information in the Charity's Annual Report regarding its activities and achievements is structured to allow the reader to see how the information sits with the Charity Commission aspects of Public Benefit Reporting and adds some detail to the financial data in the Financial Statements on pages 29 – 46.

The Charity Commission has set out the following guidance relating to the two aspects of public benefit:

**The 'benefit aspect'**

The 'benefit aspect' of public benefit is about whether the purpose is beneficial

Legal requirement: to satisfy the 'benefit aspect' of public benefit:

- a purpose must be beneficial - this must be in a way that is identifiable and capable of being proved by evidence where necessary and which is not based on personal views; and
- any detriment or harm that results from the purpose (to people, property or the environment) must not outweigh the benefit - this is also based on evidence and not on personal views.

**The 'public aspect'**

The 'public aspect' of public benefit is about whom the purpose benefits

Legal requirement: to satisfy the 'public aspect' of public benefit the purpose must:

- benefit the public in general, or a sufficient section of the public - what is a 'sufficient section of the public' varies from purpose to purpose; and
- not give rise to more than incidental personal benefit - personal benefit is 'incidental' where (having regard both to its nature and to its amount) it is a necessary result or by-product of carrying out the purpose.

The main purpose of the Charitable Funds, as contained in the Charity's Trust Deed 'object' clause is to 'apply income for any charitable purpose relating to the National Health Service' in practice this is wholly or mainly for the services provided by South Tyneside and Sunderland NHS Foundation Trust.

South Tyneside and Sunderland NHS Foundation Trust provides both acute hospital and community based healthcare services and serves a local population of approximately 430,000 residents with a wider catchment for more specialised services to a population as great as one million. There are no groups who are actively excluded from the potential to benefit from Charitable Funds resources.

Approximately 185 individual funds exist within the Charity registration. The majority of the Trust's wards and acute services have access to a fund. Geographically the funds exist to cover South Tyneside District Hospital, Sunderland Royal Hospital, Sunderland Eye Infirmary and community based services in South Tyneside, Sunderland and Gateshead.

Funds which are expected to hold a balance of £5000 or more can only be set up with CFC approval. Research funds would also require approval from the Head of the Research and Innovation Department. The scope for new research initiatives to sit fully within charitable funds continues to be limited partly due to the level of funding that may be required and where this funding might come from. Commercial and NHS funding cannot be included within charitable funds.

The existence of a fund to cover a specific ward, specialty, or activity is dependent on any or all of the following being received:



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- Private individual donations, which include personal fundraising;
- Corporate sponsorship/support - freely given with no commercial gain or advantage to the donor – e.g. to support training events or equipment purchases;
- Legacies;
- Institutional support – e.g. from Universities in furtherance of pre-existing charitable research projects;
- Charity support – e.g. for equipment purchases or to develop training facilities or for General Purposes;
- Clinicians electing to waive their personal fee for private work and opting to have the fee donated to the Charity;
- Staff lottery; and/or
- Fundraising - Corporately organised.

Each fund has one or more designated managers. Fund managers have a delegated authority from the CFC to oversee their particular fund(s). Approval limits for authorising expenditure mirrored the controls in place for STSFT during 2020/2021 with the exception of standard fundholders who have a limit of up to £1,000 per transaction, which is lower than their limit for revenue transactions.

Any order valued at £5,000 or more requires a written proposal which must be presented to the CFC for consideration.

Any order which is Capital in nature (a fixed asset valued at £5,000 or more that will be donated to the Foundation Trust) must first receive approval to proceed from either the Capital Facilities Sub Group or the Capital Medical Sub Group. Any information technology (IT) requests must first be approved by the IT department. Capital orders of £50,000 and above must also be approved by the Capital Development Steering Group (CDSG).

Accounting functions and the day to day administration of the funds are handled by the Charitable Funds and Capital Finance Officer within the Financial Services department, located in Ward 17, South Tyneside District Hospital, Harton Lane, South Shields, NE34 0PL. The charity has a financial ledger system which is operated independently from the STSFT's own system.

The Charity currently has investments managed by both the CCLA and Rathbones. In early 2021 the Investment Management contract re-tendered, and Rathbones was successful in being reappointed.

Rathbones was the former City Hospitals NHS Charitable Funds investment broker and will continue to manage the investments on a discretionary basis. Rathbones, as Nominee is required to provide at least a quarterly portfolio valuation and attend nominated CFC meetings to advise on performance, opportunities and possible market concerns. Its performance is reviewed annually by the CFC.

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The management of the investments currently held with the CCLA will transfer to Rathbones during the course of the 2021/22 financial year.

The Nominee manages three portfolios, two of which resulted from legacies and are earmarked for specific funds. The portfolios are:

- The Main Portfolio - for the benefit of all funds except the Special Purpose Funds;
- Fund 3345 (formerly 33920) - Leukaemia and Lymphoma Research (Special Purpose Fund); and
- Fund 2470 (formerly 24710) – Incorporating a bequest for the benefit of the Eye Infirmary which has a small portfolio managed by Rathbone Investment Management. This is for the benefit of the Eye Infirmary, held within the Eye Infirmary General Purpose fund.

**Risk and Assurance**

The Charity has assessed the major risks to which it may be exposed and has put in place policies and procedures to mitigate these risks. In particular:

- The internal controls of STSFT have been adopted by the Charity;
- The Charitable Funds Administrator/Procurement Department/General Office verify that all items requested from the funds are adequately authorised and in accordance with the objects of the Charity; and
- The Charity maintains a register of potential risks.

A significant area of uncertainty that affects the carrying value of assets held by the Charity is the performance of investment markets. The performance of the Investment Broker is reviewed as a minimum on a quarterly basis by the Trustee. The following projection covers up to 12 months following the 2020/21 audited accounts sign off.

Based on the Charity's available cash resources at the date of the financial statements approval, the Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern up to 31 January 2023.

Uncertainties over the level of future income constitutes a risk to the going concern of the Charity. To this end, expenditure commitments are logged and reviewed by the CFC to ensure they have not exceeded monies held as cash and cash equivalents.

The risks around investment balances have been mitigated through the holding of balanced portfolios fully managed through the Nominee where the asset allocation mirrors the Charity Commission recommendation that no one investment should on average comprise more than 5% of the portfolio. In addition the Charity holds units in a Fixed Interest investment with the CCLA. Investment values are reviewed at least quarterly.

The Charity's operation and records are reviewed and tested by the external auditors Ernst & Young LLP (EY) both as part of STSFT's annual accounts audit and as part of

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the statutory annual audit on the information reported within the Charity's Annual Financial Statements. EY also review the Annual Report and report their audit findings to the CFC. In 2021/22 the Charity has received an internal audit by AuditOne reporting on the internal controls and transactions spanning 2020/21 and the first quarter of 2021/22.

**Protecting vulnerable people and Data Protection**

The Charity exercises care and sensitivity when engaging with its donors and any activities involving vulnerable people. As an NHS Corporate Trustee Charity, the Charity adheres to the Trust's Safeguarding, Equality Diversity and Human Rights, Dementia,

Learning Disabilities, Mental Health Awareness, Freedom to Speak Up and Information Governance and Data Security policies.

**Trustee Report**

**Objectives and Activities**

The Trust Deed permits funds to be used for any charitable purpose(s) relating to the National Health Service. The objective of charitable funds expenditure is to provide an enhancement to patient/public benefit by being over and above what would be provided as part of STSFT's core services whilst also fulfilling the Charity Commission requirements on 'public benefit'.

Donors may express a wish as to the application of a specific gift, providing it falls within the overall purpose of the Charity. Gifts received by way of legacies must be applied according to the terms of the Will. The Charity does not accept legacies where it feels it cannot meet the terms of the Will. There are no funds to benefit specific named individuals, nor is any expenditure incurred that benefits a sole individual.

The CFC issues an 'Acceptable Spend Areas' list to senior managers, last updated in February 2021. It also contains a list of items that will not generally be funded via Charitable Funds.

In practice, funds are expended mainly on amenities for patients, medical equipment purchases and training. Financial support for staff employed at Sunderland to extend their knowledge through training or research is available because it enhances the skills set used in the delivery and management of healthcare. Funding of staff reward and recognition awards and award events is permitted by the CFC, though during the financial year no events were held due to the Covid19 pandemic.

The CFC delegates day-to-day management of the funds to designated fund managers who may also be operational service managers, with responsibility that may include clinical input within STSFT. These managers can thus tailor expenditure to provide defined benefits that are available to all service users.



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Donations are allocated to a designated fund on receipt, by reference to the source of the donation and to the donor's instructions, if expressed.

#### **Fundraising**

The post of Fundraising Officer was created in February 2016 as part of the Corporate Affairs function. The post-holder is tasked with raising the profile of the Charity, with the aim of increasing income from donations and fundraising. An increase in income would permit the Charity to increase its spending, benefitting the provision of healthcare. During 2020/21, the fundraising officer was seconded to help with the Covid19 pandemic effort and therefore pay costs were not charged to charitable funds. There were no corporately organised fundraising events during 2020/21.

Since April 2021 the fundraising officer has again been concentrating on the Fundraising Strategy which aims to promote closer links with corporate supporters through a Business Club and developing the charity's presence on the STSFT website so the public have access to an online donation facility.

The Charity voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. The Regulator assumed responsibility for regulating fundraising from July 2016 and investigates and takes appropriate action on cases of public concern.

The Charity continues to run a monthly staff lottery draw. The lottery is licensed by the City of Sunderland Council under The Gambling Act 2005. The lottery proceeds may only be used for purposes falling within the Charity's objects clause.

#### **Source and application of funds**

Funds are used for both the purchase of relatively minor items for which NHS funding would otherwise not be available and also individual larger items of medical equipment or appropriate building work which are gifted to the Trust as donated Capital Assets and appear on the STSFT Statement of Financial Position.

The charitable funds have continued to provide a valuable resource to enable STSFT to provide additional facilities for patients and staff which otherwise would not have been possible.

Sources of funds are principally individual donations and legacies. Fund-raising by volunteers and also the staff lottery contribute towards income. Income received by way of fees for courses run by STSFT accounted for 3.47% of total income in 2020/21 (2019/20: 7.4%). The percentage decrease is primarily as a result of some smaller courses not being possible during the height of the Covid19 pandemic, and also through a significantly higher total income in 2020/21. This course fee income can only be held within charitable funds if the purpose is purely educational and the courses are not run for the purpose of income generation. The advancement of education is not the

Charity's primary aim, but in providing education, that increased knowledge base allows for the development and advancement of healthcare delivery.

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CHoICE, the wholly owned subsidiary company to STSFT, once again donated to the Charity. Procurement services are provided to STSFT by CHoICE, but CHoICE does not control what its donation is spent on, nor does it directly procure goods on behalf of the Charity. During 2020/21 CHoICE significantly increased its donation to the Charity from £300k to £1m.

Income from donations alone increased significantly in 2020/21 totalling £1.4 million (2019/20: CHS £740k, ST £36k), with legacy receipts totalling £110k (2019/20: CHS £131k, ST nil). In addition, grants specifically given to assist with the Covid effort were received - £258k.

Even though general personal donations decreased somewhat in 2020/21, fundraisers found ways to raise lockdown funds, and the Charity has benefitted substantially from grants issued by NHS Charities Together (NHS CT), of which the charity is a member.

Utilisation of these grants from NHS CT has focussed on putting in place initiatives to help staff cope with the demands placed on them, both physically and emotionally.

**Achievements and Performance in support of the Charity's primary aim**

**Patient welfare and amenities**

Minor items of medical equipment (£15k) (CHS £56k, ST nil 2019/20): Expenditure included: specialist hoists and chairs benefitting Care of the Elderly wards, the Stroke Unit and community care (£11k) and ultrasound gel warmers for use within the Diagnostic Imaging Department (£3k).

Specialist staff (£121k before contribution from Bright Red charity of £23k) (£82k 2019/20): The Haematology project being jointly funded through the Bright Red Charity based at the Freeman Hospital in Newcastle Upon Tyne continued (£33k after contribution from Bright Red). Their support of this initiative is gratefully received. The administrative support to the multiple sclerosis (MS) service continued to be funded (£26k). The new Trust-wide Quality Improvement Facilitator post continued its trial funding within nursing (£40k).

All Cancer patient services (£56k): including the Cancer Patient Information Centre The Rise Above Cancer fund – formerly known as Macmillan Cancer Information and Support Centre (MPIC) fund – continued to support patients by making legal advice available through Legacare (£10k), and in conjunction with the Phoenix Unit bought in counselling services provided by Sunderland Counselling (£38k) and bandanas and scarves continue to be made available to cancer patients (£1k). The service continues to support patients' children by providing 'worry monster' therapy 'toys'.

In 2020/21 the Rise Above Cancer fund received £42k income and spent £46k for the benefit of cancer patients and their families (2019/20: £43k income, £53k spent).

Rise Above Cancer is still affiliated to Macmillan and is supporting ever increasing numbers of patients. Sadly, due to the Covid19 pandemic, STSFT had to intermittently suspend the complementary therapy sessions to cancer patients and their carers,

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provided by Coping with Cancer North East (£7k), however the service was retained and therapy sessions fully resumed again on 21 June 2021.

The service benefits a range of cancers including breast, prostate, lung, bowel, liver, stomach, gynaecological. The centre has also provided invaluable advice on benefits which during the Covid19 pandemic had to be telephone based. Patients still had access to Legacare services (£10k) for considerations such as drawing up a Will and guardianship. In February 2019, in a new 2 year venture jointly funded through the MPIC fund and Sunderland City Council, a new case worker concentrating on Welfare Rights started work at the MPIC. The first year was funded by the Charity in the 2019/20 year, with the City Council funding the second year.

STSFT works closely with the cancer charity 'Look Good Feel Better' but due to the pandemic was unable to hold the monthly workshops to support patients coping with the physical effects of cancer - by providing makeup sessions to help build patients' confidence and self-esteem. The workshops also give patients an opportunity to talk to others in similar situations. These workshops resumed in Sunderland in September 2021 and it is hoped the workshops will launch for South Tyneside patients early in 2022. The centre also purchases bandanas for patients to help them whilst going through chemotherapy and losing their hair.

Furniture and fittings (£10k) (£21k 2019/20): Included garden memorial benches, child friendly graphics for a paediatric X-ray room, wheelchairs, patient weighing machine, and furniture for the additional Macmillan patient information centre which has been developed at South Tyneside District Hospital to complement the centre on the Sunderland Royal Hospital site. The Covid 19 pandemic delayed the opening of the South Tyneside centre.

Other (£41k) – There have also been a number of smaller value items funded during the financial year. For example, Christmas gifts for patients occupying a bed and for children undergoing treatment in the week before Christmas (£8k), due to visiting restrictions as a result of the Covid19 pandemic, the Charity funded free TV for patients over the festive period (£7k), comfort packs made available to all wards as well as End of Life care packs provided to vulnerable patients being cared for at home, jogging pants and T shirts aimed at helping with patient mobilisation (£5k), special blanket nests for parents to cradle babies on the Neo Natal Unit, toys and therapy items for Paediatric areas, the Haven Court residence and also the Alexandra Centre for dementia patients (£3k). A considerable number of 'memory boxes' were created for families of the bereaved.

The Haven Court residence located on the site of South Tyneside District Hospital, whose patients are both short and long term, continued to provide amenities and activities for its residents ranging from a pantomime streamed at Christmas, to party items and games.

On the first anniversary of the redeveloped Maternity Birthing Centre at South Tyneside General Hospital, anniversary decorations and toiletry gifts were provided.

**Contributions to NHS**

The Charity also made contributions to the NHS worth £464k (2019/20: £683k) that are included under Donated Capital Assets in STSFT's Statement of Financial Position.

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Equipment assets are:

- £225k – Ophthalmology:
  1. £108k - 7 slit lamps – microscopes to allow close examination of the inside of the eye.
  2. £69k – fundus camera that provides both colour and angiographic images covering a 200 degree field of view. The wide field imaging is invaluable for diagnosing and monitoring a wide range of conditions such as diabetes and other vasculopathies, uveitis, neoplasms, and retinal dystrophies. It has proved to be very useful in assessing patients first seen in the Emergency Department and also Paediatrics. It has proved particularly useful during the Covid19 pandemic as the images produced have allowed virtual follow up clinics and a reduced incidence of patients needing to attend the hospital for a slit lamp eye examination.
  3. £34k - 3 non-contact tonometry machines that allow the ocular pressure to be measured in patients with glaucoma. The devices are located at the Eye Infirmary, South Tyneside District Hospital and also the Durham Treatment Centre. These devices do not touch the patient's eye and also allow for a virtual follow up with the patient.
  4. £14k – portable ocular ultrasound for the Emergency Department at the Eye Infirmary
- Neo Natal Unit ( NNU) -
  1. £6k – Ferno baby pod – a specialist device for transporting babies if they need to be moved to a unit at another site
  2. £6k VAT credit on a cooling mattress purchased in the prior year.
- £84k – Orthopaedics – spinal microscope
- £31k – Clinical neurophysiology – EMG diagnostic machine used in the diagnosis and understanding of common diseases such as epilepsy, carpal tunnel syndrome, neuropathy and diabetes
- £28k – Maternity Unit – 3 “Giraffe” open cots. These cots are used for resuscitation and transportation of babies.
- £13k – Urology Department - uretero renoscope – a very thin flexible scope for examining inside the urethra.

Building projects are:

- £76k – Garden of Reflection – located in the inner courtyard near the Chapel at Sunderland Royal Hospital. We are grateful for a contribution received to this scheme, outside charitable funds, from the Organ donation monies held by the Trust.
- £7k – work to relocate and extend the Bereavement Room located close to the Chapel at Sunderland Royal Hospital which also provides better access to the Garden of Reflection.

**Training and Education Support**

During 2020/21, 6 different course types were run by Sunderland Royal Hospital for both STSFT staff and professionals outside the Trust (2019/20: 10). The courses were held during periods of the pandemic when prevalence of the virus had declined slightly



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and appropriate risk assessments were undertaken to allow groups to meet. As in previous years these include the Advanced Trauma Life Support (ATLS), Advanced Life Support (ALS), Advanced Paediatric Life Support (APLS), Neonatal Life Support (NLS), Immediate Life Support (ILS) and Paediatric Life Support (PLS) although fewer of the latter two took place.

Experts to facilitate these courses are sourced from across the UK. Both qualified and trainee medical and nursing staff in the UK attend these courses to extend or maintain their skills in accordance with current best practice. Courses run in 2020/21 generated £69k at a cost of £39k (2019/20: £75k, £63k). Expenditure includes equipment for course provision.

Course attendance consists of members of staff from STSFT and external paying delegates.

#### **Research**

No research costs were incurred.

#### **Achievements and Performance - Investments**

Traded investments and cash - income totalling £83k (2019/20: CHS £59k, ST £40k).

<b>Traded investments - Rathbones</b>		<b>Fixed Interest Holding - CCLA</b>		<b>COIF** deposit accounts</b>	
<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>
£000	£000	£000	£000	£000	£000
46	56	36	38	1	5

\*\* Charities variable interest deposit fund held with CCLA Investment Management, an investment body serving charities, churches and the public sector.

The Lloyds bank current account continued to apply interest at 0%. Current account interest with NatWest bank amounted to £82. There was no working capital invested on the short term money markets.

Portfolio investments through Rathbones provide both an income stream which will exceed current account interest (as demonstrated above) and also provide some capital growth to enable income streams to better withstand inflationary pressures.

In line with the ethos of promoting patient care, the Corporate Trustee attempts to ensure that all investments are ethically and environmentally sound, and are not opposed to the purpose of the Charity.

The investment strategy includes the following:

The prime investment objective is to achieve a balanced portfolio between income and capital growth. The preferred level of investment risk is defined as 'Medium'. There

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should be no investment in companies associated with the production of Armaments, Alcohol or the Tobacco industry. Although not strictly prohibited, sensitivity should also be given to investments in other industries associated with Alcohol, Armaments or Tobacco production

**Rathbone statement**

The investments recovered well during the financial year with 31 March 2020 representing the low point as the COVID pandemic took hold. The speed and scale of economic and monetary support put in place by Central Banks and Governments around the world enabled the global economy to stabilise quickly and the pace of both the collapse and subsequent recovery in stock markets was unprecedented when compared to previous market shocks.

The portfolio remained invested within the agreed asset allocation ranges throughout and this enabled the losses posted during Q1 2020/21 to be recovered early during the financial year. While there was a high degree of uncertainty about the pace of recovery throughout the period, the outcome was a positive one for the financial year with the portfolio posting a gain of 21.3%, ahead of the composite benchmark gain of 20.6% and comfortably ahead of the 6% annualised spending target.

Investors remain focused on the pace and success of global vaccination programmes while fears around the extent of COVID variants persist as lockdowns are lifted. From an economic perspective, inflation and employment data are being closely watched but Central Banks remain supportive and interest rates remain at historic lows. In summary, while the outlook remains somewhat uncertain, the Charitable Funds portfolio remains well diversified for the long-term

The former CHS endowment and restricted funds continue to be invested in a Common Investment Fund (COIF) Deposit Account to preserve the initial capital value. The COIF Charities Deposit account interest rate ended the year at 0.08% (2019/20: ending at 0.533%).

**Financial Review of 2020/21**

As at the 31 March 2021 the value of the funds was £7,122k. This represents a net increase of £1,547k on the 31 March 2020 Financial Statements value of £5,575k (CHS £4,247k, ST £1,328k)

The increase comprises:

- £1,135k from income exceeding expenditure (2019/20: expenditure exceeded income by £206k CHS, £40k ST)
- £329k from unrealised gains on the year end market value of the Charity's shareholdings (2019/20: unrealised loss £229k CHS, unrealised gain £5k ST)
- £83k from the realised gains on disposal of shareholdings (2019/20: realised gain on disposal £15k CHS)

As Covid19 took effect and lockdown was introduced on 23 March 2020, the Royal Voluntary Service (RVS) had to close its services and as a consequence the CFC approved a request to suspend the guaranteed gifting capability from the RVS with

## **SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS**

### **TRUSTEE ANNUAL REPORT 2020/2021**

effect from 1 April 2020 (2019/20: £160k). CHolCE, the commercial enterprise wholly owned by the STSFT increased its donation to £1million (2019/20: £300k).

Please refer to note 2 of the Financial Statements for financial data surrounding income received.

The majority of volunteer fundraisers have very strong personal reasons for supporting a particular service, with some employers operating a matching scheme. Most popular events are challenge events, (the Great North Run which fundraisers can enter independently of the Charity was suspended in 2020) and sponsored walks and Coast to Coast cycle rides.

Thank you to all the individuals, groups, schools, churches, many fellowships and clubs and employers who have generously supported STSFT's Charitable Funds.

The total resources expended were £848k (2019/2020: £1,218k CHS, £118k ST) a decrease of £488k.

This £488k decrease (36%) is accounted for by substantially decreased immediate expenditure on Capital purchases donated to STSFT, and a decrease in general Patient Welfare and Amenities expenditure. However, the CFC had approved bids totalling a further £755k during 2020/21, relating to equipment purchases and staff posts, which would crystallise post the financial year end.

The STSFT Fundraising Coordinator continues to interact personally with volunteers who fundraise for the Charity whilst also raising the Charity's profile amongst the public and staff and reviewing the Fundraising Strategy.

Expenditure spanned the usual range of patient amenities which include regular events such as Christmas presents for patients occupying a bed on Christmas Day, babies born over Christmas and children attending theatres and A&E over Christmas, staff amenities principally retirement and long service awards.

#### **Reserves Policy**

The Trustee's Reserves Policy forms part of the plan to provide long term support to STSFT for new equipment, patient and staff benefits, with free reserves held within the Charity's General Purpose Fund.

The Trustee intends that designated funds are spent within a reasonable period of receipt unless funds are reserved for major future developments and therefore foresee a need only to maintain reserves sufficient for general Trust-wide funding applications.

The Trustee continues to review the balances held within designated funds in accordance with the provisions of the NHS Acts relating to Charitable Funds, to determine whether these funds are likely to be committed in the near future and the extent to which there is a continuing need identified. In the event that the need identified no longer exists, those funds will be directed to the General Purpose Fund which is managed by Corporate Affairs.

## **SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS**

### **TRUSTEE ANNUAL REPORT 2020/2021**

Free reserves held within the General Purpose fund amounted to £215k (CHS £483k, ST £14k, reported at 31 March 2020). This is equivalent to 3% of total fund balances (2019/20: CHS 11%, ST 1%).

Future charges already accounted for against this fund during 2021/22 include:

- £41k for Fundraiser pay and non-pay;
- £9k for retirement awards;
- £4k for patient 'Comfort Packs';
- £12k for Long Service awards for staff;
- £8k for gifts for patients in hospital on Christmas Day.
- £140k CFC approved bids during 2020/21

Balances may be accumulated in an individual fund prior to the commencement of a project or the purchase of an expensive piece of medical equipment; this is to ensure that there are sufficient resources before commitment so that other earmarked funds are not placed at risk. STSFT is responsible for the day to day running costs and maintenance of equipment purchased through donated funds.

The CFC continues to take an active interest in reviewing fund usage to establish that funds are used appropriately and in a timely, controlled manner.

There are no funds in deficit.

#### **Charity Merger**

The merger of City Hospitals Sunderland Charitable Funds with South Tyneside General Charitable Fund has resulted in:

- Discrete site specific or service specific funds being retained as appropriate for service needs whilst consolidating the combined 360 funds of the former two charities.
- A new Financial Procedure Note (FPN) for the merged charity.
- A new government banking service bank account being set up for the merged STS charity which became operational in July 2021.
- A revised 'Acceptable Spend Areas' list ratified by the CFC in February 2021 for the merged charity.
- A new financial ledger system being installed to hold the charity's accounting records. This was installed in March 2021, and was populated with all transaction data relating to the period 1 April 2020 – 31 March 2021

#### **Our Thanks**

We greatly value the support we received from CHOICE for donating profits to the Charity and look forward to engaging with the RVS again and also the League of Friends who have supported initiatives at South Tyneside District Hospital, pre Covid 19.



**TRUSTEE ANNUAL REPORT 2020/2021**

As always, the Charity is grateful to the countless volunteer fundraisers who dedicate time and energy to raising funds for a number of specific services. Whatever the value of a donation made, we are grateful to all our donors and we acknowledge that for many, 2020/21 was a challenging year both financially and emotionally. We value the letters of thanks that are received, and our sympathies remain with families and friends who donate or continue to fundraise in memory of loved ones.

Without the on-going and tireless support of organisations, volunteers, individuals and their families, the Charity would not be able to pursue the many projects undertaken this year. To all of our donors we give our thanks and hope for their continued support in the years to come.

**Plans for the Future**

With the merger of the Foundation Trusts creating the new Corporate Trustee of the Charity, the Chief Executive of South Tyneside and Sunderland NHS Foundation Trust acknowledged in the Trust's first Annual Report in that with greater size and impact, comes more responsibility. Specifically:

- being a 'great' employer with a focus on diversity.
- being mindful of our environment (carbon neutral, paper free, plastics)
- supporting wealth creation in our local communities and restoring civic pride.
- protecting the most vulnerable in our society; and
- working closely with all our partners and stakeholders, including universities, other hospitals, local authorities, clinical commissioning groups and local businesses amongst others.

This applies equally to the application of charitable funds.

Support services provided to cancer patients will be more in demand than ever as the service has seen a 157% increase in benefits required to patients with less than six months to live. The Charity's close association with the benefits advisors provided by Sunderland City Council continues to be supported by Charity funding.

Fundraising associations with local businesses will be a focus of the Fundraising officer along with supporting volunteer fundraisers as we move away from the restrictions imposed by the Covid19 pandemic.

The Macmillan Patient Information Centre located at Sunderland Royal Hospital known as the 'Rise Above Cancer' fund continues to support the Personalised Patient Care Programme to look at Survivorship Activities Programmes and has been issuing care packages during the Covid19 pandemic. A sister centre has been established at South Tyneside District Hospital.

The monies donated by CHOICE are to be used to fund a number of major medical equipment purchases.

## **SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS**

### **TRUSTEE ANNUAL REPORT 2020/2021**

A new Fundraising appeal will commence in 2021/22 in connection with the new build approved to re-site the Sunderland Eye Infirmary. The appeal will hope to raise £2m over 2 years and will be managed by an additional fundraising officer.

The provision of fundraising card payment terminals within the Sunderland Royal Hospital which was halted because of Covid19 is being re-established.

Significant schemes approved by the CFC in 2020/21 which are crystallising in 2021/22 include:

- STSFT Organisational and Staff Psychology Team (Thrive service) - £397k over two years
- Midwife bereavement lead for Maternity services – £112k over two years
- Cancer MDT IT video conferencing facilities at SRH and STDH - £108k
- Two Tissue Viability nursing posts– Rehabilitation and Elderly Medicine – £95k one year pilot
- Inclusion Advisor - £83k two year fixed term contract

The fund balances carried forward to 2021/22 will continue to be used to enhance services and resources for the provision of healthcare by South Tyneside and Sunderland NHS Foundation Trust, but which can, through training initiatives and research have an impact on healthcare provision nationally. In line with the legal requirement to provide and demonstrate wide ranging patient benefit, the most effective use of our Charitable Funds will continue to be monitored by the CFC.

To view the Charity's current and previous Trustee Annual Report and Financial Statements and for further information on areas such as Charities Act updates, Public Benefit Guidance and Good Governance please visit [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk).

By Order of the Trustee

Signed  (Director)

Dated 27<sup>TH</sup> January 2022

**Statement of Trustee responsibilities**

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material 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 business.

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

On behalf of the Trustee

Signed:

Director  Date 27 January 2022

Director  Date 27 January 2022

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS**

### **Opinion**

We have audited the financial statements of South Tyneside and Sunderland NHS Foundation Trust Charitable Funds for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement Cash Flows and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

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 United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS (continued)**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- ▶ the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- ▶ sufficient accounting records have not been kept; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 23 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS (continued)**

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

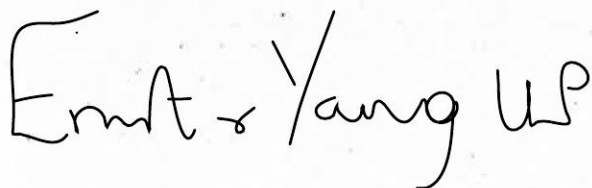
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are the Charities Act 2011 and Financial Reporting Standards FRS102.
- We understood how South Tyneside and Sunderland NHS Foundation Trust Charitable Funds is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management and those charged with governance and obtaining and reviewing documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our review of the charity's board minutes and through enquiry of employees to verify charity policies and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance (through inappropriate recognition of revenue) and management override of control to be our fraud risks.
- Our fraud risk on revenue recognition was specifically focused on inappropriate recognition of donations and legacies income in the period leading up to the year end. We used a lower testing threshold when selecting our sample and tested each item to supporting documentation to confirm whether it had been appropriately recognised in the financial statements.
- To address the fraud risk arising from management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For these transactions we tested back to source documentation to confirm that the journals were authorised and accounted for appropriately. We also tested all individually material transactions to identify any significant unusual transactions or transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS (continued)**

**Use of our report**

This report is made solely to the Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

**Ernst & Young LLP**

**Statutory Auditor**

**Manchester**

**28-Jan-22**

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

## **SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

### **FOREWORD**

These financial statements have been prepared by the Trustee under Part 8 of the Charities Act 2011, and in accordance with the Charities Statement of Recommended Practice (FRS102).

### **STATUTORY BACKGROUND**

For the Financial Year 2020/2021 South Tyneside and Sunderland NHS Foundation Trust (STSFT) was the Corporate Trustee of the Charitable Funds. STSFT was established on 1 April 2019.

The South Tyneside and Sunderland NHS Foundation Trust Charitable Funds are registered with the Charity Commission (registered number 1052366) and include funds in respect of services at the Sunderland Royal Hospital, Sunderland Eye Infirmary, South Tyneside District Hospital, as well as some Community services and services located at the Children's Centre, Sunderland. Prior to 1 April 2020 charity number 1052366 was registered as City Hospitals Sunderland NHS Foundation Trust Charitable Funds. The registered charity South Tyneside Trust General Charitable Fund, registered charity number 1059500, whose Corporate Trustee is also South Tyneside and Sunderland NHS Foundation Trust, merged with the registration number 1052366 on 1 April 2020. At the time of signing, the Charity Commission is yet to reflect the merger of charity number 1059500 on its website.

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

### **MAIN PURPOSE OF THE CHARITABLE FUNDS**

The main purpose of the Charitable Funds is to apply income for any charitable purpose relating to the National Health Service, for the services provided by STSFT.



## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 Funds £000	Combined Total 2020 Funds £000
<b>Income from:</b>						
Donations & Legacies	2	1,565	2	0	1,567	907
Grants	2.4	258	0	0	258	0
Charitable Activities	3	69	0	0	69	77
Other Trading Activities	4	6	0	0	6	7
Investments	9.4	79	4	0	83	99
<b>Total Income</b>		1,977	6	0	1,983	1,090
<b>Expenditure on:</b>						
Raising Funds	5	(23)	(1)	0	(24)	(61)
Charitable Activities	6	(726)	(98)	0	(824)	(1,275)
<b>Total Expenditure</b>	7	(749)	(99)	0	(848)	(1,336)
<b>Net Gain/(Loss) on investments</b>	9.1	388	24	0	412	(224)
<b>Net Income / ( Expenditure)</b>		1,616	(69)	0	1,547	(470)
Transfer between funds		0	0	0	0	0
<b>Net movement in funds</b>		1,616	(69)	0	1,547	(470)
<b>Reconciliation of Funds:</b>						
Total funds brought forward		5,180	236	159	5,575	6,045
<b>Total funds carried forward</b>	13	6,796	167	159	7,122	5,575

All results derive from continuing operations.

All gains and losses recognised in the year are included in the above.

There is no material difference between the net incoming resources stated above and their historical cost equivalents.

## BALANCE SHEET AS AT 31 MARCH 2021

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	<b>Total 2021 Funds £000</b>	Combined Total 2020 Funds £000
<b>Non current assets</b>						
Investments	9.1,9.3	3,551	161	1	<b>3,713</b>	2,104
<b>Total non-current assets</b>		<b>3,551</b>	<b>161</b>	<b>1</b>	<b>3,713</b>	<b>2,104</b>
<b>Current assets</b>						
Investments	9.2	0	0	0	<b>0</b>	1,158
Trade and other receivables	10	27	0	0	<b>27</b>	32
Cash and cash equivalents	11	3,367	6	158	<b>3,531</b>	3,028
<b>Total current assets</b>		<b>3,394</b>	<b>6</b>	<b>158</b>	<b>3,558</b>	<b>4,218</b>
<b>Current liabilities</b>						
Trade and other payables	12	(149)	0	0	<b>(149)</b>	(747)
<b>Net current assets</b>		<b>3,245</b>	<b>6</b>	<b>158</b>	<b>3,409</b>	<b>3,471</b>
<b>Total net assets</b>		<b>6,796</b>	<b>167</b>	<b>159</b>	<b>7,122</b>	<b>5,575</b>
<b>Retained funds of the Charity</b>						
Endowment Funds	13.1	0	0	159	<b>159</b>	159
Restricted Income Funds	13.3	0	167	0	<b>167</b>	236
Unrestricted Income Funds	13.5	6,796	0	0	<b>6,796</b>	5,180
<b>Total retained funds of the Charity</b>		<b>6,796</b>	<b>167</b>	<b>159</b>	<b>7,122</b>	<b>5,575</b>

The financial statements on pages 29 to 48 were approved by order of the Trustee on 27 January 2022 and signed on its behalf by:



KW Bremner  
Chief Executive, South Tyneside and Sunderland NHS Foundation Trust, Corporate Trustee

## STATEMENT OF CASHFLOW

	Year Ended 31 March 21 £'000s	Combined Total Year Ended 31 March 20 £'000s
Net income and expenditure for the reporting period	1,547	(470)
Decrease in current debtors	5	90
(Decrease) / Increase in current creditors	(598)	338
Net (Gain) / Loss on investments	(412)	224
<b>Net cash inflow from operating activities</b>	<b>542</b>	<b>182</b>
Disposals at Sales Proceeds values	677	635
Acquisitions at cost	(716)	(598)
<b>Net Cash flow from investment activities</b>	<b>(39)</b>	<b>37</b>
<b>Net cash inflow cash and cash equivalents</b>	<b>503</b>	<b>219</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>3,028</b>	<b>2,809</b>
<b>Cash and cash equivalents at end of the period</b>	<b>3,531</b>	<b>3,028</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting Policies

#### 1.1 Basis of preparation

The Charity constitutes a public benefit entity as defined by FRS 102.

These financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value, in accordance with the 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 from 1 January 2015) – Charities SORP second edition revised October 2019, the Companies Act 2006 and the Charities Act 2011.

The Charity's functional and presentational currency is the pound sterling.

The combination of the former City Hospitals Sunderland NHS FT Charitable Funds and the South Tyneside NHS FT General Charitable Fund has been considered a merger for the purposes of preparing the 2020/21 financial statements. The combination was considered to meet all of the merger accounting requirements including the fact it was permitted under the statutory framework, no party to the combination was portrayed as either an acquirer or acquire, all parties to the combination, as represented by the members of the governing body, participated in establishing the management structure and there was no significant change to the class of beneficiaries of the combining entities or the purpose of the benefits the charity provided as a result of the combination.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Going Concern

The uncertain economic outlook and the variability in income from donations and legacies year-to-year represents a significant area of financial uncertainty for the Charity. The Charity mitigates this risk through maintaining diversity in its income streams and upholding expenditure authorisation controls to prevent over-commitment of funds. Therefore, this is not anticipated to represent a risk to going concern.

A significant area of uncertainty that affects the carrying value of assets held by the Charity is the performance of investment markets. The performance of the Investment Broker is reviewed as a minimum on a quarterly basis by the Trustee. The following projection covers up to 12 months following the 2020/21 audited accounts sign off.

Based on the Charity's available cash resources at the date of the financial statements approval, the Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern up to 31 January 2023.

#### 1.2 Structure of funds

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as:

- A restricted fund; or
- an endowment fund.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Where the restriction requires the gift to be invested to produce income but the Trustee has the power to spend the capital, it is classed as expendable endowment.

Endowments are held as expendable endowments unless there is a specific term in the bequest stating the capital element should be held in perpetuity. Under such bequests, the capital value will be maintained, income generated by capital in perpetuity can be spent.

Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1 Accounting Policies (continued)****1.3 Income**

a) Donations, staff lottery, royalties, investment income, course and conference fees:

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 – when it is more likely than not that the incoming resource will be received; and

(iii) measurement – when the monetary value of the incoming resources can be measured with sufficient reliability and the costs incurred for the transaction can be measured reliably.

Where there are terms and conditions attached to income, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be met until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

Income, except for investment income, is allocated to a fund in accordance with the donor's/payer's intention. Investment income is held in suspense funds prior to being apportioned, except for dividends and interest received from two of the portfolios which are allocated direct to funds.

b) Legacies:

Legacies are accounted for as incoming resources once the receipt of the legacy becomes probable or is within the control of the Charity. This will be once confirmation has been received from the representatives of the estate that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

Legacies are allocated to a fund servicing the area of benefit as defined in the bequestor's Will.

c) Staff Lottery:

Income is recorded net of the cost of prizes. The Lottery policy states that 50% of proceeds are allocated in prize monies, therefore only income available to the Charity is recorded in the financial statements.

d) Investment income apportionment:

Common deposit fund interest (COIF) relating to the former CHS charity is apportioned over the former CHS endowment funds and all of the restricted funds using the average balance on the fund; any surplus is apportioned to all unrestricted funds. The former ST COIF is apportioned over all funds using the average balance of the fund excluding the former CHS endowment fund.

Traded fixed asset investments dividends and interest result from three portfolios:

The main portfolio relates to unrestricted funds and is apportioned at the same time as the support costs apportionment, on the basis of the fund average balance as a proportion of the total fund average balances.

The second portfolio relates to one restricted fund and income is allocated direct to the fund.

The third portfolio relates to one unrestricted fund and income is allocated direct to the fund.

Income from Fixed Interest holdings is apportioned over all unrestricted funds and ST restricted and endowment funds.

**1.4 Transfer of Funds**

Common deposit fund interest apportioned over endowment funds is transferred to respective restricted funds at the same time as the support cost apportionment. See notes 13.1 and 13.3.

**1.5 Liabilities**

All expenditure is recognised once there is a known legal or constructive obligation to make a payment to a third party. Liabilities have been recorded at settlement value.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1 Accounting Policies (continued)****1.6 Expenditure expended**

The Charitable Funds' financial statements are prepared in accordance with the accruals concept.

**a) Costs of generating funds:**

The costs of generating funds are the costs associated with generating income for the Charitable Funds. The costs incurred relate to operating the staff lottery, investment portfolio management fees and pay and non-pay relating to the Charity fundraiser working within the Corporate Affairs department. During 2020/21 the Charity Fundraiser was deployed elsewhere within the STS Foundation Trust, assisting with the Covid effort. For that reason pay costs have been borne by the Foundation Trust rather than the Charity.

**b) Costs of Charitable Activities – Support Costs:**

These are accounted for on an accruals basis and include recharges of appropriate proportions of the salary costs from South Tyneside and Sunderland NHS Foundation Trust of 0.82 whole time equivalent post. There are no staff directly employed by the Charity. Bank charges relating to the operation of the Charity's non-exchequer bank accounts are included, as well as software licence and maintenance fees charged by the suppliers of the Charitable Funds database systems. During 2020/21 the charity maintained access to the database system previously used by City Hospitals Sunderland charity.

Support costs are inclusive of Governance costs – see (d).

Support costs are allocated across all funds, normally at the end of a quarter on the basis of the fund average balance as a proportion of the total fund average balances. In 2020/21 this apportionment has taken place at the year end. During the 2020/21 financial year the support function was largely provided via home working. The Charity reviewed the database provision available to it, which did not provide remote access. A new database was installed in March 2021

**c) Costs of Charitable Activities – Research Activities:**

Research via Charitable Funds must comply with any requirements contained in the Charities Act, and also Charity Commission guidelines. In addition, South Tyneside and Sunderland NHS Foundation Trust has a research policy, ratified by the Trust via its Research and Development Steering Group, which involves vetting and approval by the Trust's Scientific Review Committee and externally by an approved Research Ethics Committee. Charitable constraints mean that only a select few projects would meet charitable criteria.

**d) Governance costs:**

This includes only those costs attributable to generating the information required for public accountability (i.e. financial statements and Trustee Annual Report preparation).

The costs include an appropriate proportion of salary costs relating to the Charitable Funds Administrator and review costs by the Capital Accountant, recharged from South Tyneside and Sunderland NHS Foundation Trust at 0.04 whole time equivalent.

The fee for the annual external audit is accrued within this category.

**1.7 Tangible Fixed Assets**

The Charity does not hold any tangible fixed assets.

Any purchases of goods which satisfy the tangible fixed asset criteria are gifted to South Tyneside and Sunderland NHS Foundation Trust under "Contribution to NHS" – see notes 6.1 and 14.2. These are then accounted for within the STSFT balance sheet under Donated Fixed Assets.

**1.8 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, usually interest bearing deposit accounts and the Investment management cash Dealing account.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1 Accounting Policies (continued)****1.9 Investments**

All investments are held to provide an investment return for the Charity.

Investment non-current assets are shown at market value as at the balance sheet date. The valuation of listed investments is based on mid-market prices and is obtained from the Charity's investment broker Rathbone Investment Management Limited.

The value of unlisted investments is obtained by Rathbone Investment Management Limited from trading brokers.

Investments comprise a mix of UK Government Gilts, fixed interest bearing shares and bonds, FTSE 100 and 250 quoted stocks, overseas equities and a number of Alternative Assets including hedge funds, commodities and

As per Charity Commission guidelines, no one investment on average comprises more than 5% of the total portfolio value. Some investment assets came to the Charity by way of bequests

All traded investment business is handled on a discretionary basis by the broker, who acts as a Nominee. The Trustee believes that the carrying value of the investment is supported by their underlying net assets.

Following the merger of the South Tyneside General Charitable Funds, registered charity number 1059500 with City Hospitals Sunderland Charity, registered charity number 1052366, the Fixed Interest Fund holding with the CCLA has been retained. The charity holds units within this fund.

**1.10 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 sales proceeds and book value. An adjustment is made for previous unrealised gains being the difference between the previous year end market value and the book value.

It should be noted that under the arrangement with the investment broker, the cash proceeds from disposals and non-dividend income are held by the broker in a Capital Account pending reinvestment.

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

The above applies to the current and prior financial year.

**1.11 Charity merger**

On 1 April 2020, City Hospitals Sunderland Charitable Funds merged with South Tyneside General Charitable Fund (reg no 1059500) to become South Tyneside and Sunderland NHS Foundation Trust Charitable Funds, (working name STS Charity), registration number 1052366. Also see Foreword page 25 for more detail.

The accounts have been prepared on the basis of a merger taking the following into consideration:

- the beneficiary class has not significantly changed;
- the purposes for which funds are held has not significantly changed;
- the persons who constitute the trustee body has not significantly changed; and
- no non-controlling interest in the net assets of the charity was altered by the transfer.

Included within the accounts is a summary of the prior year's SOFA (see page 47) and Balance Sheet (see page 48) for each of the former charitable organisations including a combined summary. The combined summary reflects the aggregation of the existing assets, liabilities and funds at the point of the merger. At the point of the merger, there were no related party payable and receivable balances. The allocation of funds between restricted and unrestricted has been fully maintained.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1 Accounting Policies (continued)****1.12 Prior year adjustments**

There has been no change to the financial statements of prior years other than reflecting the merger of City Hospitals Sunderland NHS Charitable Funds and South Tyneside NHS Charitable Funds.

**1.13 Exemption from Corporation Tax**

South Tyneside and Sunderland NHS Charitable Funds is a registered Charity, subject to the taxation reliefs applicable to charities. All income is applied in furtherance of the objectives of the Charity, it is exempt from

**1.14 Financial instruments**

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Charity only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.15 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Charity's accounting policies, which are described in notes 1.1 to 1.13, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

**1.16 Covid19**

The United Kingdom national lockdown took effect on 23 March 2020 and the effects of Covid19 did not have a discernible impact on the 2019/2020 Financial Statements. During the 2020/2021 financial year, organised mass fundraising events could not take place, but the South Tyneside and Sunderland NHS Foundation Trust charity (working name 'STS Charity') benefitted from a brief increase in personal donations at the start of the pandemic, lockdown voluntary fundraising and significant Covid19 grants from NHS Charities Together, of which STS charity is a member. The value of investments held by the charity, managed by the nominee Rathbone Investment Management, in line with a global stock markets, saw a sharp fall in value as at 31 March 2020. However, stock markets have since rallied and the unrealised losses at 31 March 2020 have been reversed.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Income from donations & legacies	2				Total 2021 Funds £000	Combined Total 2020 Funds £000
		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000		
<b>2.1 Donations</b>						
Donations from individuals		160	2	0	<b>162</b>	194
Donations from charities		24	0	0	<b>24</b>	230
Corporate donations		1,265	0	0	<b>1,265</b>	327
Non corporate donations		6	0	0	<b>6</b>	25
		<b>1,455</b>	<b>2</b>	<b>0</b>	<b>1,457</b>	<b>776</b>

## Analysis of donations from individuals

	£000 received		Number of deposits	
	2021	2020	2021	2020
Individuals giving > £1k	38	58	16	24
Individuals giving > £100	67	94	211	348
Fundraising - voluntary (not via STSFT)	21	22	50	30
Other	36	20	363	254
<b>Totals</b>	<b>162</b>	<b>194</b>	<b>640</b>	<b>656</b>

				Total 2021 Funds £000	Combined Total 2020 Funds £000
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000		
<b>2.2 Legacies</b>					
Rehab and Elderly Medicine	40	0	0	<b>40</b>	0
Medical Specialties	42	0	0	<b>42</b>	0
General Internal Medicine	0	0	0	<b>0</b>	5
Ophthalmology	22	0	0	<b>22</b>	126
CardioThoracic Medicine	4	0	0	<b>4</b>	0
General Purposes	2	0	0	<b>2</b>	0
	<b>110</b>	<b>0</b>	<b>0</b>	<b>110</b>	<b>131</b>

In total 10 legacies were received during 2020/21 (2019/20: 4).

<b>2.3 Total donations and legacies</b>	<b>1,565</b>	<b>2</b>	<b>0</b>	<b>1,567</b>	<b>907</b>
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				Total 2021 Funds £000	Combined Total 2020 Funds £000
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000		
<b>2.4 Grants</b>					
Grants from Charities					
NHS CT - NHS Charities Together	198	0	0	<b>198</b>	0
CHSA - Covid19 Healthcare Support Appeal	60	0	0	<b>60</b>	0
	<b>258</b>	<b>0</b>	<b>0</b>	<b>258</b>	<b>0</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Income from charitable activities	3				Combined	
		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 Funds £000	Total 2020 Funds £000

Course and conference fees	69	0	0	69	77
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6 different course types were held (2019/20 : 10).

Income from other trading activities	4				Combined	
		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 Funds £000	Total 2020 Funds £000

Staff lottery	6	0	0	6	7
	6	0	0	6	7

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Details of Fundraising expenditure	5				Combined	
		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 Funds £000	Total 2020 Funds £000
Bought-in services from NHS		(2)	0	0	(2)	(40)
Investment Broker fee		(18)	(1)	0	(19)	(18)
Corporate Fundraising non pay		(3)	0	0	(3)	(3)
		<b>(23)</b>	<b>(1)</b>	<b>0</b>	<b>(24)</b>	<b>(61)</b>

All traded investment business covering all funds is handled by the Charity's investment broker, Rathbone Investment Management Ltd.

Bought-in services relate to salary recharges from STSFT in respect of managing the staff lottery £2k (0.09 wte - whole time equivalent) and in 2019/20 the corporate charity fundraiser post £38k (1wte). During 2020/21 the charity fundraiser was deployed on the Covid effort and therefore recharged to revenue.

Details of Charitable activities expenditure	6				Combined	
		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 Funds £000	Total 2020 Funds £000
<b>6.1 Cost of Charitable Activities</b>						
Patients' welfare and amenities		(228)	(3)	0	(231)	(352)
Course and conference costs		(39)	0	0	(39)	(63)
Contributions to NHS		(370)	(94)	0	(464)	(752)
Staff welfare and amenities		(41)	0	0	(41)	(61)
Support and governance costs		(48)	(1)	0	(49)	(46)
Research		0	0	0	0	(1)
		<b>(726)</b>	<b>(98)</b>	<b>0</b>	<b>(824)</b>	<b>(1,275)</b>

Analysis of support costs expenditure	6.2					Combined	
		Staff / Patient Welfare and Amenities £000	Course and Conference Costs £000	Governance Costs £000	Research £000	Total 2021 Funds £000	Total 2020 Funds £000
Support and governance cost:							
Unrestricted		(26)	(4)	(19)	0	(49)	(44)
Restricted		0	0	0	0	0	(2)
		<b>(26)</b>	<b>(4)</b>	<b>(19)</b>	<b>0</b>	<b>(49)</b>	<b>(46)</b>

Support costs mainly relate to pay in respect of 0.82 whole time equivalent (wte) staff costs of which 0.04 wte was transferred to Governance in connection with the preparation of the statutory Annual Financial Statements and Trustee Annual Report. There are no staff employed directly by the charity therefore there have been no pension contributions made in the year. Non pay costs include bank charges and licence fees associated with the Charitable Funds database. Governance costs include the statutory annual audit by Ernst&Young for 20/21 at £17,130 (exclusive of VAT) and an element of support costs detailed above. In 2020/21 there was no internal audit charge.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Analysis of total expenditure	7		Investment	Costs of			Combined
		Costs of Fundraising £000	Management Costs £000	Charitable Activities £000	Governance Costs £000	Total 2021 £000	Total 2020 £000
Other		(3)	0	(647)	0	(650)	(1,137)
Bought-in services from NHS		(2)	0	(159)	(2)	(163)	(171)
Investment Broker fee		0	(18)	0	0	(18)	(18)
Audit fees - internal audit provision		0	0	0	0	0	(3)
Audit fees - external statutory audit provision		0	0	0	(17)	(17)	(7)
		<b>(5)</b>	<b>(18)</b>	<b>(806)</b>	<b>(19)</b>	<b>(848)</b>	<b>(1,336)</b>

**Grants made to institutions and individuals**      8 During the year, the Charity made no grants to individuals or other institutions but funding was provided to STSFT for the benefit of patients, staff which could not be funded out of NHS operating expenses.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Analysis of  
non current  
asset  
investments

9  
9.1

## Traded Non Current Asset Investments:

	Total 2021 £000	Combined Total 2020 £000
Managed Portfolios		
Market value at 1 April	2,104	2,370
Less: Disposals at Sales Proceeds values	(677)	(635)
Add: Acquisitions at cost	716	598
Net unrealised and realised gain / (loss) on sale and revaluation	427	(229)
Market value at 31 March	<b>2,570</b>	<b>2,104</b>
Fixed Interest Fund Holding		
Market value at 1 April	1,158	0
Less: Disposals at Sales Proceeds values	0	0
Add: Acquisitions at cost	0	0
Net unrealised and realised gain / (loss) on sale and revaluation	(15)	0
Market value at 31 March	<b>1,143</b>	<b>0</b>
<b>Total non current asset investments</b>	<b>3,713</b>	<b>2,104</b>
Historic cost at 31 March-Managed Portfolios and Fixed Interest Holding	<b>4,139</b>	<b>2,268</b>

## 9.2 Traded Current Asset Investments:

	Total 2021 £000	Combined Total 2020 £000
Fixed Interest Fund Holding		
Market value at 1 April	0	1,153
Less: Disposals at Sales Proceeds values	0	0
Add: Acquisitions at cost	0	0
Net unrealised and realised gain / (loss) on sale and revaluation	0	5
Market value at 31 March	<b>0</b>	<b>1,158</b>
Historic cost at 31 March Fixed Interest Holding	<b>0</b>	<b>1,150</b>

In 2019/20 the Fixed Interest Holding investment was reclassified as a current asset on account of this being held by the former South Tyneside General Charitable Fund, registered charity number 1059500 which merged on 1 April 2020 with the registered charity 1052366 to become South Tyneside and Sunderland NHSFT Charitable Funds.

	31 March 2021 £000	Combined Total 31 March 2020 £000
<b>9.3 Traded Non Current and Current Asset Investments:</b>		
<u>Investments listed on a recognised Stock Exchange:</u>		
In the UK	2,091	1,940
Outside the UK	60	71
<u>Unlisted securities:</u>		
In the UK	1,041	973
Outside the UK	521	278
<b>Total</b>	<b>3,713</b>	<b>3,262</b>

Within the combined total for the year ended 2020, £37k within Listed, In the UK, relates to the Fixed Interest Fund Holding, relating to charity 1059500.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Analysis of gross income from investments	9.4	Total gross income:	Combined	
			Total 2021 £000	Total 2020 £000
		<u>Investments listed on a recognised Stock Exchange:</u>		
		In the UK	65	73
		Outside the UK	0	0
		<u>Unlisted securities:</u>		
		In the UK	11	16
		Outside the UK	6	5
		Investments in a Common Deposit Fund	1	5
		Current account / short term interest	0	0
		<b>Total</b>	<b>83</b>	<b>99</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		Combine d Total	
		31 March	31 March
		2021	2020
		£000	£000
<b>Analysis of</b>	<b>10</b>		
<b>Trade and other</b>	Amounts falling due within one year:		
<b>Receivables</b>			
	Trade receivables	11	9
	Amounts due from STSFT	1	1
	Prepayments and accrued income	15	22
	<b>Total receivables falling due within one year</b>	<b>27</b>	<b>32</b>

		Combine d Total	
		31 March	31 March
		2021	2020
		£000	£000
<b>Analysis of</b>	<b>11</b>		
<b>Cash and Cash</b>	Cash and cash equivalents		
<b>Equivalents</b>			
	Cash at commercial bank and GBS	2,997	2,438
	Notice Deposits (less than 3 months)	463	463
	Cash held in dealing account with Investment Broker	71	127
	<b>Total cash and cash equivalents</b>	<b>3,531</b>	<b>3,028</b>

		Combine d Total	
		31 March	31 March
		2021	2020
		£000	£000
<b>Analysis of</b>	<b>12</b>		
<b>Trade and other</b>	Amounts falling due within one year:		
<b>Payables</b>			
	Amounts due to STSFT - (20/21 incl Invoices on Hold and Purchase Order Accruals)	(85)	(613)
	Trade payables	(30)	(87)
	Accruals and deferred income	(34)	(9)
	Other payables - (19/20 incs STSFT accruals)	0	(38)
	<b>Total payables falling due within one year</b>	<b>(149)</b>	<b>(747)</b>

		Combined Total						Balance	
		Balance						31 March	
		1 April		Incoming	Resources	Transfers	Gains on	Gains on	2021
		2020		Resources	Expended		Disposals	Revaluations	
		£000		£000	£000	£000	£000	£000	£000
<b>Analysis of</b>	<b>13</b>								
<b>Funds</b>	<b>13.1 Endowment Funds</b>								
<b>Details of material funds - Endowment Funds</b>									
	Fund 1910 Legacy	157	0	0	0	0	0	0	157
	Fund 1900 Legacy	2	0	0	0	0	0	0	2
	Funds 1920-1940 Gifts	1	0	0	0	0	0	0	1
	<b>Total</b>	<b>159</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>159</b>

## 13.2 Description of funds

Fund 1910 Legacy	-	Capital in Perpetuity to purchase equipment at Sunderland Eye Infirmary.
Fund 1900 Legacy	-	Capital in Perpetuity to place "in memoriam" flowers in the Chapel.
Fund 1920	-	to benefit the Library
Fund 1930 +1940	-	to benefit Nursing

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Analysis of 13 (Continued)  
Funds

Details of material funds - Restricted Funds	13.3 Restricted Funds	Combined Total						Balance 31 March 2021
		Balance 1 April 2020	Incoming Resources	Resources Expended	Transfers	Gains on Disposals	Gain on Revaluation	
		£000	£000	£000	£000	£000	£000	£000
	<b>Material funds</b>							
	Eye Infirmary Legacy	94	0	(94)	0	0	0	0
	Leukaemia Research Legacy	71	4	(2)	0	1	23	97
	Orthopaedics bequest	35	0	0	0	0	0	35
	Neonatal Unit Legacy	13	0	0	0	0	0	13
	Other designated funds	23	2	(3)	0	0	0	22
	<b>Total</b>	<b>236</b>	<b>6</b>	<b>(99)</b>	<b>0</b>	<b>1</b>	<b>23</b>	<b>167</b>

## 13.4 Description of funds

Eye Infirmary Legacy	-	For the purchase of medical equipment
Leukaemia Research Legacy	-	For leukaemia and lymphoma research.
Orthopaedics bequest	-	For the provision of an operating theatre bed specifically designed for people suffering from curvature of the spine
Neonatal Unit legacy	-	For South Tyneside neonates

Details of material funds - Unrestricted Funds	13.5 Unrestricted Funds	Combined Total						Balance 31 March 2021
		Balance 1 April 2020	Incoming Resources	Resources Expended	Transfers	Net Gain on Disposals	Net Gain on Revaluation	
		£000	£000	£000	£000	£000	£000	£000
	<b>Material funds</b>							
	Medical Equipment purposes	672	1,013	(80)	0	13		1,618
	COVID 19	0	548	(20)	0	8		536
	General Purposes	538	34	(152)	0	10		430
	Paediatric department	321	11	(3)	0	6		335
	NeoNatal Unit	301	16	(8)	0	6		315
	Rise Above Cancer	185	38	(46)	0	4		181
	SRH Coronary Care	160	6	(2)	0	3		167
	Glaucoma purposes	182	5	(37)	0	3		153
	Maternity Unit	162	3	(30)	0	3		138
	Clinical Haematology	152	25	(56)	0	2		123
	Phoenix Unit - Chemotherapy	107	24	(22)	0	2		111
	SEI General Purposes	170	29	(97)	0	2		104
	Diabetes purposes Legacy	87	1	(1)	0	2		89
	SRH Ward D46 Stroke ( prev E58,D41)	53	44	(10)	0	2		89
	Orthopaedic Department	125	2	(43)	0	2		86
	Elderly Mediine Wards	78	1	(6)	0	2		75
	Pharmacy department	67	8	(1)	0	1		75
	Renal purposes	43	31	(1)	0	1		74
	MS fund	91	1	(27)	0	2		67
	STDH Cardiology bequests	63	1	(1)	0	2		65
	Staff Lottery	62	12	(12)	0	0		62
	ENT/SALT purposes	57	4	(1)	0	1		61
	Diagnostic Imaging department	65	1	(7)	0	1		60
	South Tyneside Community Planned Car	50	7	0	0	1		58
	SRH Cardiology	55	2	(1)	0	1		57
	Gynaecology purposes	53	1	(1)	0	1		54
	Thoracic Medicine	45	5	(1)	0	1		50
	Other	1236	104	(83)	0	0	306	1,563
	<b>Total Unrestricted Funds</b>	<b>5,180</b>	<b>1,977</b>	<b>(749)</b>	<b>0</b>	<b>82</b>	<b>306</b>	<b>6,796</b>

Transfers: During 2020/21 there were no transfers between funds.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Details of material funds - Unrestricted Funds (continued)	13.6 Description of funds	
	Medical Equipment purposes (incl CHOICE donation)	- Larger items of medical equipment funded from CHOICE donations.
	COVID 19	- Trustwide in accordance with the objects of the Charity and conditions set by NHS Charities Together (incl Captain Sir Tom Moore distributions).
	General Purposes	- Trustwide in accordance with the objects of the Charity.
	Paediatric department	- Equipment and patient amenities across Paediatrics
	NeoNatal Unit	- Equipment and patient amenities for the Neonates service
	Rise Above Cancer	- Information, support and complimentary therapy treatment rooms on
	formerly Cancer Support - Macmillan	Sunderland Royal and South Tyneside District hospital sites
	SRH Coronary Care	- Equipment, patient amenities, training within the Unit.
	Glaucoma purposes	- Incorporating the GRAD@S fund, for glaucoma service purposes including research and development
	Maternity Unit	- Equipment for the maternity unit and purposes in accordance with the objects of the Charity
	GRAD@S	- Glaucoma research and development in Sunderland.
	Coronary Care Unit	- For expenditure in accordance with the objects of the Charity.
	Clinical Haematology (formerly called Blood Disorders)	- Equipment, education and patient care in Clinical Haematology.
	Phoenix Unit - Chemotherapy	- Equipment and patient amenities within the Unit - relocated
	SEI General Purposes	For Eye Infirmary benefit in accordance with the objects of the Charity.
	Diabetes purposes Legacy	- For expenditure in accordance with the objects of the Charity.
	SRH Ward D46 Stroke (previously located on ward E58)	- Equipment and patient amenities within the ward
	Orthopaedic Department	- Equipment, training and education within the department.
	Elderly Mediine Wards	- For expenditure in accordance with the objects of the Charity.
	Pharmacy department	- Equipment, training and education within the department.
	Renal purposes	- For expenditure in accordance with the objects of the Charity.
	MS fund	- To develop Multiple Sclerosis services.
	STDH Cardiology bequests	- For expenditure in accordance with the objects of the Charity.
	Staff Lottery (formerly District Lottery Suspense)	- Staff lottery draw - to benefit STSFT healthcare provision.
	ENT/SALT purposes	- For purposes including Head and Neck cancer services
	Diagnostic Imaging departmen	- Relating to Radiology and Medical Physics.
	South Tyneside Community	- For expenditure in accordance with the objects of the Charity.
	Planned Care	
	SRH Cardiology	- For expenditure in accordance with the objects of the Charity.
	Gynaecology purposes	- For expenditure in accordance with the objects of the Charity.
	Thoracic Medicine	- For expenditure in accordance with the objects of the Charity.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Trustee and  
Connected  
Persons  
Transactions

14

**14.1 Recharges from Corporate Trustee**

STSFT, as Corporate Trustee of the Charity, incurred rechargeable expenditure on behalf of the Charity amounting to £790,403 (£811,545 2019/20 re CHS, £165k 2019/20 re ST). The rechargeable expenditure relates to the Charity's objectives, and represents the majority of the resources expended as shown in note 6.1. STSFT does not recharge any costs for services provided by its Directors.

An amount of £86,615 is included within payables for outstanding transactions not yet reimbursed. (£480,088 payable 2019/20 relating to the former City Hospitals Sunderland charity and £133,513 payable 2019/20 relating to the former South Tyneside Charitable Fund).

**14.2 Analysis of Contributions to NHS**

The Charity provided the following capital donations to STSFT:

	<b>STS</b>	<b>Combined Total</b>
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Equipment	381	635
Fixtures and Fittings	0	9
IT equipment	0	46
Buildings	83	62
	<u><b>464</b></u>	<u><b>752</b></u>

**14.3 Trustee Indemnity Insurance**

No indemnity insurance was provided to the Trustee in the year to 31st March 2021 (2019/20 Nil).

**14.4 Related Party Transactions**

The Charity has made revenue and capital donations to its Corporate Trustee, STSFT. The Corporate Trustee, which is the ultimate controlling party, consists solely of members of the Board of Directors who assume responsibility and accountability for the Charity.

During the year, none of the Directors or members of the key management staff or parties related to them has undertaken any private transactions with the South Tyneside and Sunderland NHS Foundation Trust Charitable Funds.

No member of the Board of Directors has been reimbursed "out of pocket" expenses by the Charity.

There were no loans or guarantees secured against assets of the Charity in the year to 31st March 2021 (2019/20 Nil).

The Charitable Funds received a donation of £1,000,000 (2019/20 £300k) from City Hospitals Independent Commercial Enterprises Ltd (CHoICE), which is the subsidiary of STSFT.

The Charitable Funds did not requisition any goods via CHoICE, but CHoICE did contract building services £83k, (19/20: nil re CHS, £62k re ST)

Internal audit services are provided by AuditOne. David Barnes, Non - Executive Director is also Chairman of AuditOne.

Services provided to the Charity by AuditOne during the financial year 2020/21 were £nil (19/20: nil re CHS, £2k re ST).

**14.5 Post Balance Sheet Event**

There are no post balance sheet events



## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2021

	City Hospitals Sunderland				South Tyneside				Combined Charitable Funds Total 2019/20 Funds £000
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2019/20 Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2019/20 Funds £000	
<b>Income from:</b>									
Donations & Legacies	869	2	0	871	36	0	0	36	907
Charitable Activities	75	0	0	75	2	0	0	2	77
Other Trading Activities	7	0	0	7	0	0	0	0	7
Investments	54	4	1	59	37	3	0	40	99
<b>Total Income</b>	<b>1,005</b>	<b>6</b>	<b>1</b>	<b>1,012</b>	<b>75</b>	<b>3</b>	<b>0</b>	<b>78</b>	<b>1,090</b>
<b>Expenditure on:</b>									
Raising Funds	(60)	(1)	0	(61)	0	0	0	0	(61)
Charitable Activities	(1,156)	(1)	0	(1,157)	(117)	(1)	0	(118)	(1,275)
<b>Total Expenditure</b>	<b>(1,216)</b>	<b>(2)</b>	<b>0</b>	<b>(1,218)</b>	<b>(117)</b>	<b>(1)</b>	<b>0</b>	<b>(118)</b>	<b>(1,336)</b>
<b>Net (Loss)/ Gain on investments</b>	<b>(214)</b>	<b>(15)</b>	<b>0</b>	<b>(229)</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>(224)</b>
<b>Net (Expenditure)/ Income</b>	<b>(425)</b>	<b>(11)</b>	<b>1</b>	<b>(435)</b>	<b>(37)</b>	<b>2</b>	<b>0</b>	<b>(35)</b>	<b>(470)</b>
Transfer between funds	0	1	(1)	0	0	0	0	0	
<b>Net movement in funds</b>	<b>(425)</b>	<b>(10)</b>	<b>0</b>	<b>(435)</b>	<b>(37)</b>	<b>2</b>	<b>0</b>	<b>(35)</b>	<b>(470)</b>
<b>Reconciliation of Funds:</b>									
Total funds brought forward	4,345	178	159	4,682	1,295	67	1	1,363	6,045
<b>Total funds carried forward</b>	<b>3,920</b>	<b>168</b>	<b>159</b>	<b>4,247</b>	<b>1,258</b>	<b>69</b>	<b>1</b>	<b>1,328</b>	<b>5,575</b>

## BALANCE SHEET AS AT 31 MARCH 2020

	City Hospitals Sunderland				South Tyneside				Combined Charitable Funds
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2019/20 Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2019/20 Funds £000	Total 2019/20 Funds £000
<b>Non current assets</b>									
Investments	1,988	116	0	2,104	0	0	0	0	2,104
<b>Total non-current assets</b>	1,988	116	0	2,104	0	0	0	0	2,104
<b>Current assets</b>									
Investments					1132	25	1	1158	1,158
Trade and other receivables	20	0	0	20	12	0	0	12	32
Cash and cash equivalents	2,494	52	159	2,705	277	46	0	323	3,028
<b>Total current assets</b>	2,514	52	159	2,725	1,421	71	1	1,493	4,218
<b>Current liabilities</b>									
Trade and other payables	(582)	0	0	(582)	(163)	(2)	0	(165)	(747)
<b>Net current assets</b>	1,932	52	159	2,143	1,258	69	1	1,328	3,471
<b>Total net assets</b>	3,920	168	159	4,247	1,258	69	1	1,328	5,575
<b>Retained funds of the Charity</b>									
Endowment Funds	0	0	159	159	0	0	1	1	160
Restricted Income Funds	0	168	0	168	0	69	0	69	237
Unrestricted Income Funds	3,920	0	0	3,920	1,258	0	0	1,258	5,178
<b>Total retained funds</b>	3,920	168	159	4,247	1,258	69	1	1,328	5,575