

County Durham and Darlington NHS Foundation Trust Charity Annual Report and Accounts 2020/21



Charity Commission registration 1053467

DONATE / FUNDRAISE / VOLUNTEER



@CDDFTCharity

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Chair Foreword



This has been a year like no other. When we reflect back on 2020/2021 it will be a year of so many highs and lows. Covid 19 has been a supreme challenge for the NHS – which it has met and largely overcome but with a huge cost to our patients and staff and the communities that we serve. It has however shown the best of us and the appreciation that our communities have for the NHS. In the first wave we received knitted hearts, kit bags for uniforms and knitted bands to hold surgical masks in place along with gifts of food, toiletries and treats that helped to lift our staff and patients. In addition for patients we received such things as gifts of iPads so they could keep in touch with loved ones when visiting was restricted.

Funding through the national appeal co-ordinated through NHS Charities Together, so well publicised, and boosted by the fund-raising of Captain Sir Tom Moore, enabled us to buy equipment for wards such as new lockers, so staff had their own lockers and did not have to share, bike lockers so they could cycle to work and not risk public transport when the epidemic was at its height. Additional video conferencing equipment was purchased so all our hospitals are now linked for multi disciplinary meetings and clinicians do not have to travel from site to site for meetings. We were also able to purchase additional equipment for hospital radio to enable them to operate from home to provide in-house radio for our patients and enable requests from loved ones. Sometimes it was simple pieces of equipment that the charity purchased such as a set of steps for the Orthopaedic Ward at Bishop Auckland Hospital to enable patients to practice going up and down stairs on the ward and not elsewhere in the hospital to ensure they remained safe from Covid that made such a difference for a small cost.

We owe a great debt to our communities for their support and to our Charity staff for how they have continued to provide a wonderful service to the Trust especially Pat Chambers our Charity Manager and Philippa our Support officer, Asim and Thando our finance staff and the Communications Team. They have gone above and beyond in obtaining grants and funding from NHS Charities Together and others so we can fund the requests we have received for equipment small and large and for the practical things they have done in co-ordinating, preparing and distributing that equipment and the treats we received including the Christmas packs that they distributed to all 7,500 of our people.

A big thank you goes to our communities and we hope that community support in the coming year will continue as without that we cannot provide the 'extras' that have been so much appreciated this year and that are so much needed to support the service we give to our communities. Thank you.

Thank you
Jenny Flynn, MBE
Chair Charitable Funds Committee

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An introduction from our Charity Manager

Pat Chambers



Firstly I want to express my sincere gratitude to the public, so many people have helped and supported us during the most unprecedented of times, making such a powerful impact on both patients and staff in our hospitals and communities in County Durham & Darlington this last year.

The pandemic brought about a new awareness about NHS Charities, the role we play in supporting patients and staff by purchasing medical equipment, products and education that would not be available to the NHS Trust other than through charitable giving. Covid 19 drove us to re-evaluate what we do and how we deliver results.

As the lockdowns hit, events cancelled and routes to fundraising all but dried up we were overwhelmed with the generosity of our communities and the level of innovation people came up with to help us – the fabulous ‘Covid Cutz’ – driven by Alex Humphries and his friends in Bishop Auckland, as they challenged the community to try home hairdressing! Facebook went crazy with photos we could all laugh at, as we attempted DIY haircut solutions. Alex inspired the community and before we knew it he had raised £7500 for our community hospitals, helping to buy essential equipment to enhance patient care.

As the public sunbathed and enjoyed the heatwave, we were inundated for solutions to keep patients cool, fans and water coolers, then radios and TVs to help patients pass the hours without visitors to our hospitals. We had pleas for food, for snacks and energy bars and the community responded in droves.

Local hotels like Rockliffe Hall and Radisson Blu emptied their stores of toiletries as they closed their doors to guests and their staff went on furlough. With visitor restrictions in place across all hospitals, these donations, coupled with support from community groups and supermarkets ensured both patients and staff maintained personal hygiene as we all worked to minimise any potential infection risks.

The purchase of ipads not only for palliative care patients but for those isolated in rural communities ensured continuous care through remote monitoring, we received donations from individuals and community groups to help.

We funded skills development for staff with Nightingale Leadership Training, we helped create new roles to enhance Chemotherapy Skills to support vulnerable patients undergoing cancer treatment and, we funded educational books offering family support - ‘These Precious Little People’ written to help young siblings understand why their baby is not coming home from hospital with mummy. We have had a year like no other with so many gifts in kind received, from PPE to scrubs, food to children’s toys – **we only know we couldn’t have done this without the acts of kindness received from both the public and local businesses – thank you all.**

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Reference and Administrative Details



The County Durham and Darlington NHS Foundation Trust Charitable Fund is registered with the Charity Commission in accordance with the Charities Act 2011 (Registration number 1053467). This is the umbrella charity under which all individual funds are registered. The notes to the accounts distinguish the types of fund held and disclose separately all material funds.

Funds received by the Charity are administered as funds held on trust for purposes relating to the health service in accordance with the National Health Service Act 1977 and National Health Service and Community Care Act 1990. The County Durham and Darlington NHS Foundation Trust is the Corporate Trustee of the Charity as governed by the law applicable to Trusts, principally the Trustee Act 2000 and also the law applicable to Charities, the Charities Act 2011.

The principal office of the Corporate Trustee is as follows:

Principal Office

Trust Headquarters
Memorial Hospital
Hollyhurst Road
Darlington
DL3 6HX

The professional advisors of the Corporate Trustee are as follows:

Banker

GBS National Westminster
PO Box 64388
2 Devonshire Square
London
EC2P 2GR

Investment Manager

Brewin Dolphin
Time Central
Gallogate
Newcastle upon Tyne
NE1 4SR

Internal Auditor

Audit North
Earls House
Lanchester Road
Durham
DH1 5RD

External Auditor

Mazars LLP
The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

Solicitor

Wrigleys Solicitors LLP
Rotterdam House
116 Quayside
Newcastle upon Tyne
NE1 3DY

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Structure, Governance and Management



The Charity has a Corporate Trustee, County Durham and Darlington NHS Foundation Trust, with the members of the Trust Board responsible for its governance.

The members of the Trust Board who served during the financial year and to the date the annual report and accounts were signed were as follows:

| | |
|----------------------|---|
| Prof Paul Keane, OBE | - Chairman |
| Sue Jacques | - Chief Executive |
| Noel Scanlon | - Executive Director of Nursing |
| Jeremy Cundall | - Executive Medical Director |
| Carole Langrick | - Executive Director of Operations |
| David Brown | - Executive Director of Finance |
| | |
| Jenny Flynn, MBE | - Non-Executive Director |
| Paul Forster-Jones | - Non-Executive Director |
| Richard Scothon | - Non-Executive Director (1 st January 2021) |
| Michael Bretherick | - Non-Executive Director |
| Steve Crosland | - Non-Executive Director |
| Simon Gerry | - Non-Executive Director (left December 2020) |

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Structure, Governance and Management



Members of the NHS Foundation Trust Board are not individual trustees but act as agents under charity law on behalf of the Corporate Trustee. Non-Executive members of the Board are appointed by the Trust Council of Governors and Executive members are subject to recruitment by the NHS Trust Board.

The Corporate Trustee effectively delegates the day to day operations of the Charity to a dedicated Charity Team reporting to the Head of Communications and to a dedicated finance team reporting to the Director of Finance.

In addition, the Charitable Funds Committee meets quarterly in order to:

- Oversee the work of the Charity and Finance teams charged with the day to day operations of the charity
- Ensure that best practice is followed in the conduct of the Charity's business and that all legal and policy requirements are fulfilled.
- Review the performance and adherence to policy of the investment portfolio.
- Approve items of expenditure which exceed the limits delegated to fund-managers.
- Ensure that best practice is followed and all legal and policy requirements are fulfilled.
- Provide guidance and direction to the Corporate Trustee and fund-managers.

The Audit Committee is required to:

- Review the Annual Accounts and Governance Report.
- Review the on-going work of internal audit during the year.
- Review the findings of the external audit.

Maintenance of the accounting records and general administration of the Charity are carried out by staff in the NHS Trust's Finance Directorate offices.

Individual fund advisors are delegated the responsibility for the use of designated funds within the limits set by NHS Trust's standing orders, standing financial instructions and scheme of delegation. Fund-advisors are clinical directors and managers, medical consultants, heads of department, and ward sisters.

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Objectives



Our Aim:

'The Corporate Trustee shall hold the charitable funds upon trust to apply the income, and using discretion insofar as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service wholly or mainly for the services provided by County Durham and Darlington NHS Foundation Trust.'

In addition there are also funds that have a more specific purpose, either by legal restriction or trustee designation, for the benefit of patients within individual services or centres of care.

In essence, the Charity is concerned with enhancing the care and improving the facilities for patients and staff across both acute and community sectors in County Durham and Darlington. That includes the Trust's main hospitals in Durham, Darlington and Bishop Auckland, and a wide range of community hospitals and health centres. In addition, healthcare is increasingly being delivered within the homes of patients and within nursing homes.

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Public Benefit



The charity exists to support patient care and wellbeing through the services provided by County Durham and Darlington NHS Foundation Trust (CDDFT). The Trust is an ambitious organisation with a strategy focussed on 'our patients matter' and delivering the Trust's vision to provide care which is 'right first time, every time' for the populations it serves.

The NHS is operating within an increasingly challenging financial environment and therefore to support the Trust's ambitions a more proactive approach to the Trust's Charity was adopted in 2018/19, and this has continued to develop and grow through the following years including 2020/21.

Our charitable activities focus on providing a public benefit by the advancement of health and the saving of lives within the whole population served by CDDFT. They seek to improve healthcare services and facilities above and beyond what is expected from the NHS, and are achieved through the encouragement of charitable giving and effective management of the charity and its grant-making activities.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

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Fundraising and donation highlights of 2020/21



Following his own surgery Michael Eve was so impressed with the continuous passive motion machine that was used as part of his rehabilitation, he wanted to help by purchasing another one to support other patients like him.

As a Freemason, Michael approached The Durham Benevolent Fund and secured £600.00 for a new machine, then set up his own fundraising pages raising a further £1270!

Consultant Surgeon Mr Scott said, 'We are so very grateful to Michael for his donation and so many patients both in Durham and Bishop Auckland will benefit from the new machines.'

A huge thank you to Michael and to Durham Freemason's Benevolent Fund.



Elle Brewster took to baking and selling cakes to help raise much needed funds for cancer care at University Hospital of North Durham. Elle's mum, Emma Finch was undergoing treatment for cancer and she desperately wanted to be able to do something positive to help her mum and other patients undergoing their treatment too. The cake bake took off and with support from St Leonard's Catholic Secondary School in Durham raised a massive £400. Mr Hughes said, 'I've had the pleasure of working with Elle as she took her GCSEs and subsequently now, in Sixth Form and I am so very proud of her. She has shown such maturity and inspired everyone to help too as she supported her mum during this challenging time. Elle is simply amazing and we are all proud to know her!'

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Fundraising and donation highlights of 2020/21



Toe Zone School Shoes

Entrepreneur Sharon Anderson and her son Richard have kindly donated 58 pairs of school shoes from their business Seaway Footwear International for colleagues working across CDDFT. We were very grateful that Sharon contacted us at the charity as she wanted to say a huge thank you to our wonderful NHS Staff and with shops being closed thought she would donate via us to reach out to our families. Huge thanks to Sharon and her family for thinking of us.



We were overwhelmed by toiletry donations including from the Durham County Federation of Women's Institutes and many others.



PLEASE SUPPORT YOUR LOCAL NHS CHARITY!

THANK YOU
TO ALL OUR AMAZING VOLUNTEERS



Happy International Women's Day 2021

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We recognised and celebrated our volunteers who have been fundamental to our fundraising efforts.

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Fundraising and donation highlights of 2020/21



Through generous donations and by working with NHS Charities Together we were able to support our dedicated workforce with health and wellbeing packs. These made such a difference in lifting spirits and morale during the most challenging of times.



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Fundraising and donation highlights of 2020/21



Huge thanks to Argos Sainsbury's in Darlington for their fabulous donation of a battery operated car for paediatrics.



In response to the 2020 Covid-19 pandemic, The Hadrian Trust kindly awarded £2,000 to Clervaux Trust in order to support NHS key workers during the time of crisis. This grant has funded 120 nutritional food boxes to be delivered to the hospital canteen,

Members of Brandon boxing club rallied sponsorship during their 3000 km challenge and presented a cheque for £1800.00 to their local NHS Charity to support patients and staff at University Hospital of North Durham.



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Fundraising and donation highlights of 2020/21



Christmas came early today in the shape of the fabulous [Rockliffe Hall](#) catering team who delivered a morale boosting afternoon tea which was shared with the team in the Emergency Department at Darlington Memorial Hospital



We were absolutely delighted to receive a fabulous donation of £2000.00 from [Amazon.com](#) Darlington following a staff educational day to raise awareness of cancer.

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Fundraising and donation highlights of 2020/21



We marked special occasions with competitions and online raffles as we had to look for new ways to fundraise during lockdown and restrictions.



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Highlights of 2020/21



*Please note photos taken at different times during and pre-Pandemic.

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Risk Management



The major risks to which the Charity is exposed have been identified and systems put in place in mitigation.

The major external risk to which the Charity is exposed is a sudden fall in the value of the investment portfolio, as occurred on more than one occasion since 2000. However, the Corporate Trustee invests over the longer term to ensure that the greatest returns are achieved. Evidence of financial performance over any 20-year period in the last century is that some exposure to a wide range of equity-based investments will add value in comparison to a purely narrow-range, fixed-interest-based portfolio.

To mitigate the exposure to risk in this area the Charity has adopted an investment policy that seeks to achieve a balance between capital growth and income generation by using a range of investment vehicles. These typically comprise a wide range of UK Gilts and corporate bonds, UK and overseas investment and unit trusts, UK common investment funds and UK equities. The UK equity investments are generally constituents of the FTSE 100 Index. There are no investments in organisations whose primary business is in tobacco or alcohol products.

The Charity also employs a professional investment management company to provide a specialist advisory investment service. The firm is authorised and regulated by the Financial Conduct Authority, whose remit was set by the Financial Services & Markets Act 2000 as amended by the [Financial Services Act 2012](#).

With these controls in place over this area of risk, the Charity was able to continue supporting local NHS services in their drive to improve care and services to patients.

Internal risk of misappropriation or misuse of funds is controlled through the adoption and use of the Trust constitution, standing financial instructions and financial procedure notes by staff working on charity matters. An internal audit service is provided by Audit One, who reviews the financial operations of the Charity on a continual basis. A full report is prepared for the Audit Committee of the NHS Foundation Trust annually.

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Income Summary 2020/21

Overall income 2020/21

£872,000

Donations

£763,000

Our Charity team work hard in the community to keep these generous donations coming in.

Legacies

£48,000

These generous bequests have been left to a range of departments and this helps support various initiatives throughout our hospitals.

Investment income

£55,000



Charitable Activities

£6,000

This is income the Trust receives from charitable activities such as educational and training events.



Gifts in Kind 2020/21



During the year 2020/21, County Durham and Darlington NHS Foundation Trust's Charity was humbled and grateful to receive many different gifts in kind to support the Trust's workforce and patients as they together faced the Covid-19 Pandemic. This was an exceptional year and as such witnessed a significantly increased number of gifts of this nature. The list is long and far ranging but each and every gift made a real difference to a dedicated healthcare professional or a patient.

To be open and transparent, the Charity team maintained a record of all such gifts and included an approximate financial value for each of these gifts.

The estimated value of gifts in kind received during 2020/21 is:

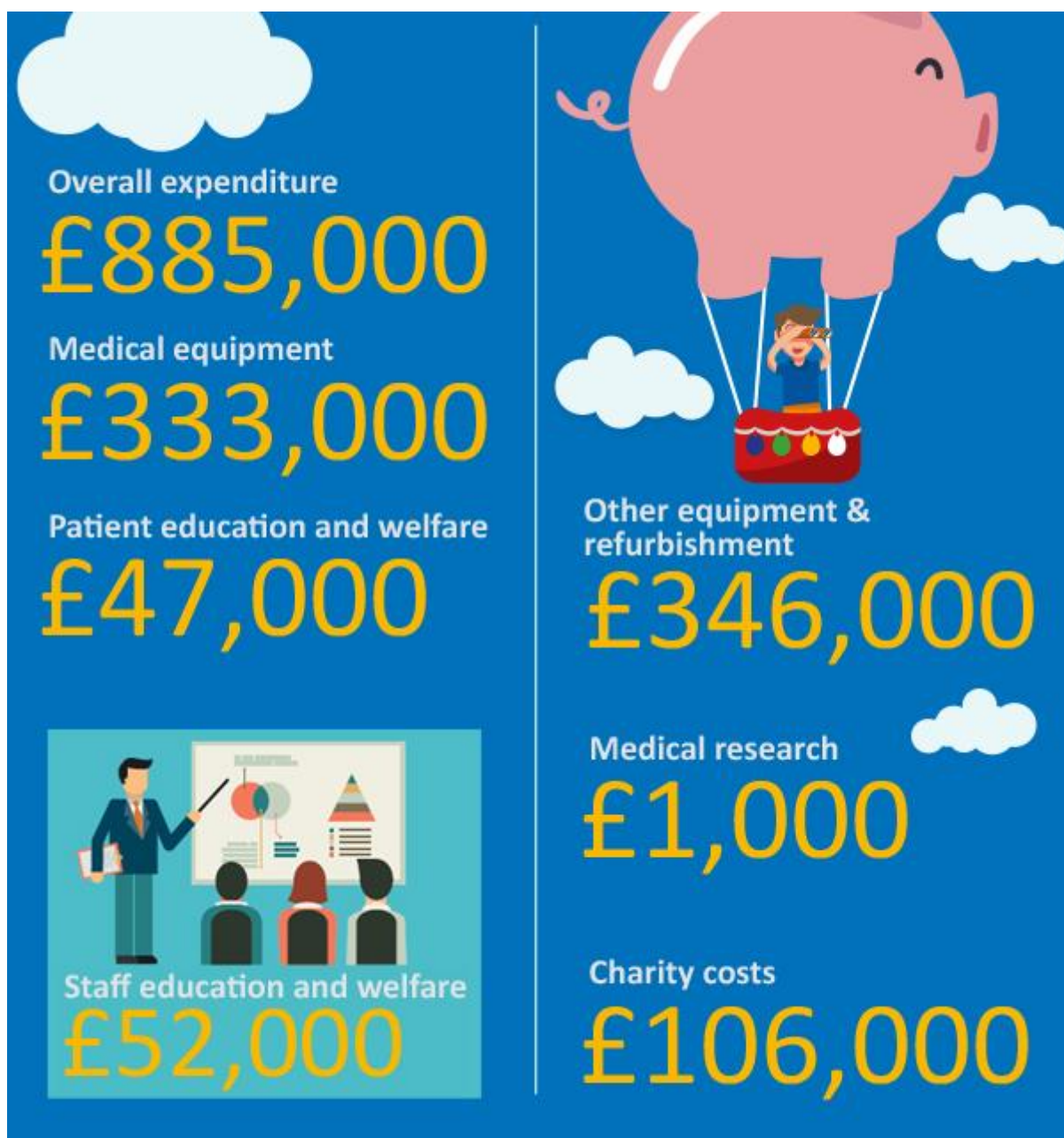
£208,703

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Expenditure Summary 2020/21



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Review of Financial Performance



The net assets of the Charity as at 31 March 2021 are £2,485,000, representing an increase over the year of £507,000.

Income

Donations and legacies are relied upon by the Charity, supported by investment income, as the main sources of income. Together, donations and legacies have increased by £550,000 compared to the previous financial year. This increase was largely due to the generosity shown by the public due to the COVID-19 pandemic.

Expenditure

The Charity is a grant-giving rather than a service-providing Charity, in that it seeks to support the NHS services provided by the host NHS Foundation Trust. No activities of the Charity or the Trust rely solely on funds from the Charity. Under SORP 2015 charitable expenditure comprises the direct costs of the charitable activities together with the support costs incurred that enable these activities to be undertaken. Resources expended during the year are shown on the Statement of Financial Activities within the accounts on this basis. An analysis of charitable activities and support costs is disclosed in Note 9 to the accounts.

Total direct charitable expenditure on activities is £779,000, though there are no comparable patterns of expenditure as trustees and fund advisors tend to support different services from one year to the next.

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Review of Financial Performance



Investments

The Charity's policy objective for investments is to achieve a balance between capital growth and income generation. To achieve this, an investment manager, Brewin Dolphin, is contracted to act in a discretionary capacity, but within the framework of an investment policy.

Relevant reports are provided by the advisor to the Charity Committee on a quarterly basis, setting out the investment portfolio valuation at the quarter-end, notes the exceptional performances of individual stock-holdings, summarises the general market conditions and makes trading recommendations when appropriate.

The portfolio comprises a wide range of investments in UK equities, UK and overseas unit and investment trusts, Common Investment Funds, UK bonds and treasury stocks. There are no investments in companies involved in tobacco and armaments. Realised and unrealised gains decreased as some investments were sold to increase cash for the charity.



Thank you



Donations to County Durham and Darlington NHS Foundation Trust's Charity make a vital contribution towards improving patient care and help us to enhance the experience we provide.

We are so lucky that we continue to benefit from the generosity and kindness of local people, including businesses, individuals, volunteers and many others who are making all kinds of donations to benefit patients and colleagues

We are extremely grateful to everyone who has raised money or donated gifts in kind to the CDDFT Charity. This has been particularly humbling during the challenging times of the COVID-19 Pandemic. The generosity and kindness shown to our #TeamCDDFT colleagues will not be forgotten and has made a meaningful difference to our workforce and local communities.

The Corporate Trustee extends its sincere and heartfelt thanks to all individuals and organisations that have donated time, effort and money to the work of the Charity during 2020/21.

It really does make a difference in enabling the Trust to improve the health services, facilities and amenities that it provides to the people of County Durham and Darlington.

Jenny Flynn, MBE
Chair
On behalf of The Corporate Trustee

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Thank you



I wish to take this opportunity to thank and congratulate our Trust Charity for its enormous success over the past year. It's significance in contributing to patient care and staff welfare has grown over recent years but none more so than during the unfortunate COVID-19 pandemic.

It has funded several items of additional equipment which enhance diagnosis and direct care.

These are too numerous to mention but a most notable has been the provision of iPads for patients so that they could remain in touch with relatives who were not allowed to visit because of the pandemic.

Our Charity has been particularly instrumental in supporting staff who have been under substantial pressure. The extensive distribution of all kinds of confectionary, so generously donated by the public, has been much appreciated.

This Annual Report is just a snapshot of how important the Charity is to our Trust with reference to patients and staff. As Chairman of the Trust I am very proud of what our Charity achieves and most grateful to the small but very effective team as well as our Charity Committee for its stringent governance of processes and finances.

Professor Paul Keane OBE
Trust Chairman

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Organisation

County Durham and Darlington NHS Foundation Trust Charity 2020/21

Data entered below will be used throughout the workbook:

| | |
|---------------------|---------------|
| This year | 2020-21 |
| Last year | 2019-20 |
| This year ended | 2021 |
| Last year ended | 2020 |
| This year beginning | 01 April 2020 |
| This year name | 31 March 2021 |
| Last year name | 31 March 2020 |

**County Durham & Darlington NHS Foundation Trust
Charity**

Charity Registration Number: 1053467

Annual Accounts 2020-2021

Foreword

These accounts have been prepared by the Corporate Trustee in accordance with the Charities Act 2011 and the Charities Statement of Recommended Practice (SORP) FRS102.

Statutory background

The County Durham and Darlington NHS Foundation Trust charitable funds held on trust are registered with the Charity Commission and incorporate funds that support the NHS services that we provide in County Durham & Darlington, whether in homes or health centres, or in our hospitals in Durham City, Darlington, Bishop Auckland, Shotley Bridge, Chester-le-Street, Barnard Castle, Sedgefield and Stanhope.

Main purpose of the funds held on trust

The main purpose of the charitable funds held on trust is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the the County Durham and Darlington NHS Foundation Trust.

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

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

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


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

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

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

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

By Order of the Trustees


Chairman..... Date10/11/2021.....


Trustee Date10/11/2021.....

Independent Examiner's Report to the Trustee of County Durham and Darlington NHS Foundation Trust Charitable Fund

I report on the financial statements of the Charity for the year ended 31 March 2020, which are set out on pages 4 to 18.

Respective responsibilities of trustees and examiner

The charity's trustee is responsible for the preparation of the financial statements. The charity's trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the charity's trustee as a body. My work has been undertaken so that I might state to the charity's trustee those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body for my examination work, for this report, or for the statements I have made.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, which is complete, no matters have come to my attention which give me reasonable cause to believe that in any material respect:

- accounting records were not kept in respect of County Durham and Darlington NHS Foundation Trust Charitable Fund in accordance with section 130 of the 2011 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Name:

for and on behalf of Mazars LLP

Relevant professional qualification or body: CPFA

Address: Salvus House, Aykley Heads, Durham, DH1 5TS

Date: ?? November 2021

Statement of Financial Activities for the year ended 31 March 2021

| | Note | Unrestricted Funds £000 | Restricted Funds £000 | Endowment Funds £000 | 2020-21 Total Funds £000 | 2019-20 Total Funds £000 |
|--|------|-------------------------------|-----------------------------|----------------------------|-----------------------------------|-----------------------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 4 | 327 | 484 | - | 811 | 261 |
| Income from charitable activities | 5 | 5 | 1 | - | 6 | 23 |
| Investment income | 6 | 41 | 14 | - | 55 | 90 |
| Total income | | 373 | 499 | - | 872 | 374 |
| Expenditure on: | | | | | | |
| Raising funds | 8a | (83) | (23) | - | (106) | (157) |
| Charitable activities: | | | | | | |
| Medical equipment | | (202) | (131) | - | (333) | (346) |
| Medical research | | (1) | (1) | - | (1) | (3) |
| Staff education and welfare | | (30) | (21) | - | (52) | (3) |
| Patient education and welfare | | (29) | (19) | - | (47) | (49) |
| Other equipment and refurbishment | | (209) | (137) | - | (346) | (281) |
| Total expenditure on charitable activities | 8b | (471) | (308) | - | (779) | (682) |
| Total expenditure | | (554) | (331) | - | (885) | (839) |
| Net (expenditure)/income before (losses)/gains on investment assets | | (181) | 168 | - | (14) | (465) |
| Net (losses)/gains on investments | | 510 | 11 | - | 520 | (306) |
| Net (expenditure)/income | | 328 | 178 | - | 507 | (770) |
| Fund balances brought forward at 31 March 2020 | | 1,533 | 445 | - | 1,977 | 2,748 |
| Transfers between funds | 21 | 1 | (1) | - | - | - |
| Fund balances carried forward at 31 March 2021 | | 1,862 | 623 | - | 2,484 | 1,978 |

The notes at pages 6 to 18 form part of these Accounts.

Balance Sheet as at 31 March 2021

| | Notes | Unrestricted Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total at 31 March 2021 £000 | Total at 31 March 2020 £000 |
|---|-------|-------------------------------|-----------------------------|----------------------------|--|-----------------------------------|
| Fixed Assets | | | | | | |
| Investments | 16 | 2,379 | 71 | - | 2,450 | 2,190 |
| Total Fixed Assets | | 2,379 | 71 | - | 2,450 | 2,190 |
| Current Assets | | | | | | |
| Debtors | 18 | - | - | - | - | 2 |
| Cash and cash equivalents | 19 | (309) | 552 | - | 243 | 88 |
| Total Current Assets | | (309) | 552 | - | 243 | 90 |
| Liabilities | | | | | | |
| Creditors falling due within one year | 20 | (208) | - | - | (208) | (302) |
| Net current assets/(liabilities) | | (517) | 552 | - | 35 | (212) |
| Total Net Assets | | 1,862 | 623 | - | 2,485 | 1,978 |
| Funds of the Charity | 21 | | | | | |
| Endowment funds | | - | - | - | - | - |
| Restricted income funds | | - | 623 | - | 623 | 445 |
| Unrestricted income funds | | 1,862 | - | - | 1,862 | 1,533 |
| Total Funds | | 1,862 | 623 | - | 2,485 | 1,978 |

The notes at pages 6 to 18 form part of these Accounts.

Signed:



Date:

.....10/11/2021.....

| Statement of Cash Flow for the year ended 31 March 2021 | 31 March 2021 £000 |
|---|-------------------------------|
| Net operating income / (expenditure) | 507 |
| Adjustment for non-cash transactions - depreciation, amortisation and net impairments | (441) |
| Adjustment for non-cash donations (physical assets) and other non-cash transactions | 0 |
| (Increase)/decrease in receivables | 2 |
| Increase/(decrease) in payables | (94) |
| Other movements in working capital | 0 |
| Other adjustments for non-operating cash flows | 0 |
| Other operating cash flows | 0 |
| Net cash generating from / (used in) operations | (26) |
| Net cash generating from / (used in) investing activities | 0 |
| Purchase of investments | (539) |
| Proceeds from disposal of investments | 720 |
| Net cash generating from / (used in) financing activities | 0 |
| Net increase / (decrease) in cash | 155 |
| Cash at 1 April | 88 |
| Cash and cash equivalents at start of period of new FT | 0 |
| Cash and cash equivalents transferred under normal absorption accounting | 0 |
| Cash transferred to NHS foundation trust upon authorisation as FT | 0 |
| Cash at 31 March | 243 |

Notes to the Accounts

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments to market value, in accordance with the Charities Act 2011 and with the guidelines set out in the Charities Statement of Recommended Practice: (SORP) FRS102.

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

The key risks to the Charity are a fall in income from donations or investment income, or loss in value of its investment portfolio. However, the Charity is grant-giving rather than service-providing so there is no material risk to beneficiaries as a whole.

The Trustees have arrangements in place to mitigate the risks through its investment policy.

(b) Funds structure

Funds are classified as follows:

Endowment funds are held on trust to be retained by the Charity as capital.

Where the Corporate Trustee is required to maintain the whole of the fund it is known as permanent endowment. Income to these funds is generally not subject to the same restriction as the original fund and therefore forms part of the unrestricted funds. At 31 March 2021 there were no endowment funds within the Charity.

Restricted funds can only be applied for particular purposes within the Charity's objects and have to be accounted for separately. Income to such a fund is generally subject to the same restriction as the original fund. At 31 March 2021 there were 12 restricted funds.

Unrestricted funds are available to apply for any general charitable purpose of the Charity.

Where the Corporate Trustee earmarks unrestricted funds for particular purposes then such funds are described as 'designated' funds but remain part of the Charity's unrestricted funds for accounting purposes. At 31 March 2021 there were 89 such funds, mainly designated to particular service or ward purposes.

(c) Income

Income is recognised once the Charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of income can be measured with sufficient reliability.

Conditions must be met before the income is recognised as the entitlement condition will not be satisfied 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.

(d) Income from legacies

Legacies are accounted for as income either upon receipt or where the receipt of the legacy is probable. Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted
- The executors have established that there are sufficient assets in the estate to pay the legacy and
- All conditions attached to the legacy have been fulfilled or are within the Charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

(e) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities.

Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event
- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement, and
- The amount of the obligation can be measured or estimated reliably.

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

(f) Recognition of expenditure and associated liabilities as a result of grant

Grants payable are payments made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

(f) (continued)

A constructive obligation arises when:

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

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

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

(g) Allocation of support costs

Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs and IT support. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 12.

(h) Fundraising costs

The costs of generating funds are those costs attributable to generating income for the Charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the Charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and a charge paid to a related party, the County Durham & Darlington NHS FT, to cover the costs of salaries of the staff who are involved in the collection of funds.

(i) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 12.

(j) Investment fixed assets

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the Balance Sheet at the current market value quoted by the investment analyst, excluding dividend. Other investments are included at the Trustees' best estimate of market value.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Further information on the Charity's investments can be found in note 16.

(k) Debtors

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

(l) 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 in 90 day notice interest bearing savings accounts.

(m) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.

(n) 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 opening carrying value (purchase date if later).

(o) Pensions

The Charity has no employees, but utilises staff employed by the linked NHS Foundation Trust to run its business on behalf of the Corporate Trustee. Therefore, there are no pension liabilities arising.

2 Prior year comparatives by type of fund

The primary statements provide prior year comparatives in total; this note provides prior period comparatives for the Statement of Financial Activities and the Balance Sheet for each of the types of funds that the Charity manages.

2a Unrestricted funds - Statement of Financial Activities for the year ended 31 March 2021

| | 2021 £000 | 2020 £000 |
|------------------------------------|--------------|--------------|
| Income and endowments from: | | |
| Donations and legacies | 327 | 148 |
| Charitable activities | 5 | 13 |
| Investment income | 41 | 74 |
| Total income | 373 | 235 |
| Expenditure on: | | |
| Raising funds | (83) | (101) |
| Charitable activities | (472) | (602) |
| Total expenditure | (555) | (703) |
| Net (losses)/gains | 510 | (339) |
| Net (expenditure)/income | 328 | (807) |
| Transfers between funds | 1 | - |
| Net movement in funds | 329 | (807) |
| Reconciliation of funds | | |
| Total funds brought forward | 1,533 | 2,340 |
| Total funds carried forward | 1,862 | 1,533 |

Unrestricted funds - Balance Sheet as at 31 March 2021

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Fixed Assets: | | |
| Investments | 2,379 | 1,923 |
| Total Fixed Assets | 2,379 | 1,923 |
| Current Assets: | | |
| Debtors | - | 2 |
| Cash and cash equivalents | (309) | (90) |
| Total Current Assets | (309) | (88) |
| Liabilities: | | |
| Creditors falling due within one year | (208) | (302) |
| Net Current (Liabilities)/Assets | (517) | (390) |
| Total Assets less Current Liabilities | 1,862 | 1,533 |
| Creditors falling due after more than one year | - | - |
| Total Net Assets for unrestricted funds | 1,862 | 1,533 |
| Total unrestricted funds | 1,862 | 1,533 |

| | | |
|---|--------------|--------------|
| 2b Restricted funds - Statement of Financial Activities for the year ended 31 March 2021 | 2021 | 2020 |
| | £000 | £000 |
| Income and endowments from: | | |
| Donations and legacies | 484 | 113 |
| Charitable activities | 1 | 10 |
| Investment income | 14 | 16 |
| Total income | 499 | 139 |
| Expenditure on: | | |
| Raising funds | (23) | (56) |
| Charitable activities | (308) | (80) |
| Total expenditure | (331) | (136) |
| Net (losses)/gains | 11 | 34 |
| Net (expenditure)/income | 179 | 37 |
| Transfers between funds | (1) | - |
| Net movement in funds | 178 | 37 |
| Reconciliation of funds | | |
| Total funds brought forward | 445 | 408 |
| Total funds carried forward | 623 | 445 |
| Restricted funds - Balance Sheet as at 31 March 2021 | 2021 | 2020 |
| | £000 | £000 |
| Fixed Assets: | | |
| Investments | 71 | 267 |
| Total Fixed Assets | 71 | 267 |
| Current Assets: | | |
| Debtors | - | 0 |
| Cash and cash equivalents | 552 | 178 |
| Total Current Assets | 552 | 178 |
| Liabilities: | | |
| Creditors falling due within one year | - | - |
| Net Current (Liabilities)/Assets | 552 | 178 |
| Total Assets less Current Liabilities | 623 | 445 |
| Creditors falling due after more than one year | - | - |
| Total Net Assets for restricted funds | 623 | 445 |
| Total restricted funds | 623 | 445 |

2c Endowment funds - Statement of Financial Activities for the year ended 31 March 2021

| | 2021 | 2020 |
|------------------------------------|-------------|-------------|
| | £000 | £000 |
| Income and endowments from: | | |
| Donations and legacies | - | - |
| Charitable activities | - | - |
| Investment income | - | - |
| Total income | - | - |
| Expenditure on: | | |
| Raising funds | - | - |
| Charitable activities | - | - |
| Total expenditure | - | - |
| Net (losses)/gains | - | - |
| Net (expenditure)/income | - | - |
| Transfers between funds | - | - |
| Net movement in funds | - | - |
| Reconciliation of funds | | |
| Total funds brought forward | - | - |
| Total funds carried forward | - | - |

Endowment funds - Balance Sheet as at 31 March 2021

| | 2021 | 2020 |
|--|-------------|-------------|
| | £000 | £000 |
| Fixed Assets: | | |
| Investments | - | - |
| Total Fixed Assets | - | - |
| Current Assets: | | |
| Debtors | - | - |
| Cash and cash equivalents | - | - |
| Total Current Assets | - | - |
| Liabilities: | | |
| Creditors falling due within one year | - | - |
| Net Current (Liabilities)/Assets | - | - |
| Total Assets less Current Liabilities | - | - |
| Creditors falling due after more than one year | - | - |
| Total Net Assets for endowment funds | - | - |
| Total endowment funds | - | - |

3 Related party transactions

County Durham and Darlington NHS Foundation Trust is a related party by virtue of its role as corporate trustee of the Charity. As part of the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015), the Charity is viewed as a subsidiary for accounting purposes as its activities are controlled by the Corporate Trustee.

The SORP requires a number of disclosures in the Accounts as follows:

The principal office of the Corporate Trustee is:

Darlington Memorial Hospital
Trust Headquarters
Hollyhurst Road
Darlington
DL3 6HX

A copy of the consolidated accounts of the Corporate Trustee can be obtained by contacting the Director of Finance at this address.

All Charity expenditure is incurred by the Corporate Trustee and recharged to the Charity on a timely basis. Total expenditure for 2020/21 amounted to £678,025, of which £106,887 remained outstanding at 31 March 2021. There were no amounts written-off during the year.

4 Income from donations and legacies

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2021 £000 | Total 2020 £000 |
|-------------------------------|-------------------------------|-----------------------------|--------------------------------|-----------------------|
| Donations from individuals | 73 | 56 | 129 | 192 |
| Corporate donations | 143 | 6 | 149 | 48 |
| Legacies | 11 | 37 | 48 | - |
| Grants | 9 | 383 | 392 | 21 |
| Recharge income | 91 | 2 | 93 | - |
| Total voluntary income | <u>327</u> | <u>484</u> | <u>811</u> | <u>261</u> |

As a direct result of the pandemic, the Charity benefitted from grants via NHS Charities Together. An amount of £352,500 was received from NHS Charities Together during the financial year. All grants are being utilised for the benefit of patients and staff.

5 Income from charitable activities

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2021 £000 | Total 2020 £000 |
|--|-------------------------------|-----------------------------|--------------------------------|-----------------------|
| Education and training events | - | - | - | 13 |
| Other events | 5 | 1 | 6 | 10 |
| Total income from charitable activities | <u>5</u> | <u>1</u> | <u>6</u> | <u>23</u> |

6 Investment income

| | 2021 | 2020 |
|--------------------------------|-------------|-----------|
| Earned from: | £000 | £000 |
| UK Equities | 20 | 43 |
| UK Bonds | 7 | 12 |
| Overseas Equities | 23 | 28 |
| Property | 1 | 4 |
| Alternatives | 2 | 3 |
| Cash | 2 | - |
| Total investment income | 55 | 90 |

7 Role of volunteers

The Charity relies on fund advisors, acting in a voluntary capacity, to manage the individual charitable funds. The advisors are typically employees of the corporate trustee, usually senior clinical and management staff, who are well placed to decide within the scheme of delegation how funds can best be directed to improving services, facilities and amenities for patients.

8**a. Analysis of expenditure on raising funds**

Currently, the Charity is investing to develop itself and has incurred development costs in order to support the organisation in having a more prominent position in the local community.

Over the years, there has been a drive to raise the Charity profile within the local community and area.

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2021 £000 | Total 2020 £000 |
|---|-------------------------------|-----------------------------|--------------------------------|-----------------------|
| Investment management | 9 | 3 | 12 | 16 |
| Charity development costs | - | - | - | 34 |
| Other support costs | 74 | 20 | 94 | 107 |
| Total expenditure on raising funds | 83 | 23 | 106 | 157 |

b. Analysis of expenditure on other areas

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2021 £000 | Total 2020 £000 |
|---|-------------------------------|-----------------------------|--------------------------------|-----------------------|
| Charitable Activities | 390 | 287 | 677 | 577 |
| Furtherance of Charity Objectives | 63 | 21 | 84 | 101 |
| Other Expenditure | 19 | - | 19 | 2 |
| Total expenditure on other areas | 472 | 308 | 780 | 681 |

9 Analysis of charitable expenditure

The Charity did not undertake any direct charitable activities during the year, but awarded grants to County Durham & Darlington NHS Foundation Trust to enable it to improve its services and provide additional amenities for patients.

Expenditure over activity headings is as follows:

| | Grant Funded Activity £000 | Support Costs £000 | 2021 Total £000 | 2020 Total £000 |
|-------------------------------------|----------------------------------|--------------------------|--------------------------------|-----------------------|
| Medical equipment | 290 | 35 | 325 | 346 |
| Medical research | 1 | - | 1 | 2 |
| Staff education and welfare | 51 | 6 | 57 | 3 |
| Patient education and welfare | 41 | 5 | 46 | 49 |
| Other equipment and refurbishment | 312 | 38 | 350 | 281 |
| Total charitable expenditure | 695 | 84 | 779 | 681 |

10 Analysis of grants

The total cost of grant-making, including support costs, is disclosed in the Statement of Financial Activities. The actual disbursement, excluding support costs, is disclosed in note 9.

All grants are made through the County Durham & Darlington NHS Foundation Trust to enhance the care of NHS patients in furtherance of our charitable aims.

The Corporate Trustee operates a scheme of delegation under which fund advisors administer the day-to-day activities in accordance with established standing orders and financial instructions. Spending decisions made under the scheme of delegation represent both ongoing and one-off activities and it is not possible to segment these activities into discrete individual grant awards. Individual grants are not approved by the corporate trustee, rather individual fund advisors initiate expenditure based on the approved charitable purposes of each fund.

| Name of recipient: | Total paid 2021 £000 | Total paid 2020 £000 |
|---|-------------------------------------|----------------------------|
| County Durham & Darlington NHS Foundation Trust | 582 | 533 |
| Total grants | <u>582</u> | <u>533</u> |

11 Commitments

The following commitments are not included in the Statement of Financial Activities as there is no legal or constructive obligation in place at the end of the financial year. They represent commitments agreed by the Charitable Funds Committee during the financial year.

The Charity awards a number of grants each year, most of which are paid out in the same financial year.

The Charity does not generally agree funding over a period longer than 12 months, so all commitments at 31 March 2021 are expected to be settled during the year.

As there is control over the award and timing of grants there is little uncertainty around these payments.

| | 2021 £000 | 2020 £000 |
|--|----------------------|-------------------|
| Commitments outstanding at 1 April | 159 | 45 |
| Commitments settled during the year | (159) | (45) |
| New commitments arising during the year | 87 | 159 |
| Total Commitments outstanding at 31 March | <u>87</u> | <u>159</u> |

Although the Purchase Orders were placed during 2020/21, the goods and services will be received during the following year 2021/22.

12 Allocation of support costs and overheads

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs are those support costs which relate to the strategic and day to day management.

The bases of allocation used are as follows:

- Time: based on the estimated cost of staff time spent on Charity matters
- Expenditure: based on actual costs, apportioned across headings based on time

| | | Raising Funds £000 | Charitable Activities £000 | 2021 Total £000 | 2020 Total £000 |
|--|-------------|--------------------------|----------------------------------|--------------------------------|-----------------------|
| Internal audit | Expenditure | 1 | 3 | 4 | 4 |
| External audit | Expenditure | - | 1 | 1 | 4 |
| Subscriptions | Expenditure | - | 2 | 2 | 1 |
| Staff support | Time | - | 82 | 82 | 73 |
| Staff training | Time | - | - | - | - |
| Total governance costs | | <u>1</u> | <u>88</u> | <u>89</u> | <u>82</u> |
| Events expenditure | Expenditure | - | - | - | 55 |
| Other expenditure | Expenditure | 20 | (4) | 16 | 36 |
| Staff support | Time | 84 | - | 84 | 85 |
| Total support costs and overheads | | <u>105</u> | <u>84</u> | <u>189</u> | <u>258</u> |

12 Allocation of support costs and overheads (continued)

Support costs have been apportioned across funds on the basis of average fund balances, as follows:

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2021 £000 | Total 2020 £000 |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Investment management | 9 | 3 | 12 | 15 |
| Support costs | 134 | 45 | 178 | 243 |
| Total support costs and overheads | 143 | 48 | 190 | 258 |

13 Trustees' remuneration, benefits and expenses

The Corporate Trustee makes no payment to any member of the Board of Directors of the Corporate Trustee in respect of remuneration or expenses for the work they do in support of the Charity.

14 Analysis of staff costs and remuneration of key management personnel

The Charity does not directly employ any staff, but draws on the support of staff employed by the Corporate Trustee. Staff are not employed solely to work on the charitable funds so they are not considered to be employees of, or working directly for, the Charity.

15 Independent Examination

The Auditor's remuneration of £1,000 related solely to work on the 2020/21 Annual Accounts.

An independent examination is similar to a full audit and is carried out by an external audit organisation.

16**a. Fixed Asset investments**

| | | |
|---|----------------------|----------------------|
| Movement in Fixed Asset investments | 2021 £000 | 2020 £000 |
| Market value at 1 April | 2,190 | 2,878 |
| Add: additions to investment at cost | 539 | 721 |
| Less: disposals at carrying value | (696) | (1,157) |
| Less: movement in investment deposit account balances | (24) | 48 |
| Add: unrealised gains on revaluation | 441 | (300) |
| Market value at 31 March | 2,450 | 2,190 |

| | | |
|----------------------------------|--------------|--------------|
| Historic cost at 31 March | 2,041 | 2,256 |
|----------------------------------|--------------|--------------|

b. Investment portfolio content

| | | |
|-------------------|----------------------|----------------------|
| | 2021 £000 | 2020 £000 |
| UK Bonds | - | - |
| Corporate Bonds | 186 | 234 |
| UK Gilts | 72 | 81 |
| UK Equities | 607 | 653 |
| Overseas Equities | 1,210 | 868 |
| Property | 61 | 80 |
| Alternatives | 179 | 174 |
| Overseas Bonds | 59 | - |
| | 2,374 | 2,090 |

| | | |
|--------------------------------|----|-----|
| Cash held as part of portfolio | 76 | 100 |
|--------------------------------|----|-----|

| | | |
|--------------------------|--------------|--------------|
| Total investments | 2,450 | 2,190 |
|--------------------------|--------------|--------------|

Individual holdings are considered to be material and require disclosure if they represent more than 5% of the fair value of the portfolio at the Balance Sheet date.

At 31 March 2021, the following investments meet this criterion:

| | | |
|---|----------------------|----------------------|
| | 2021 £000 | 2020 £000 |
| JP Morgan US Equity Income | 195 | 150 |
| Vanguard Funds PLC S & P 500 ETF | 192 | 141 |
| Aviva Investors US Equity | - | 122 |
| ISHARES CORE S&P 500 | 201 | 121 |
| ISHARES III PLC GBP CP BND EX-FIN UCT ETF G | - | 113 |
| Pimco Global Advis Sel UK Inc | - | - |
| Total investments representing more than 5% of the portfolio | 588 | 647 |

16 Fixed asset investments (continued)

All investments are carried at their fair value, as advised by the Charity's appointed investment advisor, Brewin Dolphin.

The main risk relating to investments still lies in the combination of volatility in financial valuations and returns.

During 2020/21, the effect of the COVID-19 pandemic was felt right throughout the financial markets. The effect of lockdown upon the economy was huge and will possibly have consequences for quite a number of years going forward. However, as the population across the globe seems to be taking advantage of the Vaccine and restrictions ease, the economy has seen a positive effect upon all global markets, especially in the UK and US.

The Charity manages these investment risks by taking professional advice from qualified, regulated, investment advisors, who manage the portfolio within the parameters of an agreed investment policy.

17 Transfers between charitable funds

During 2020/21 there was a transfer of £71,327 from five maternity related funds into the General Funds. This is part of the UHND Maternity Bereavement Suite project and aims to have all the funding in one fund for ease of managing costs.

18 Analysis of debtors

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2021 £000 | Total 2020 £000 |
|---|-------------------------------|-----------------------------|--------------------------------|-----------------------|
| Amounts falling due within one year: | | | | |
| Accrued income | - | - | - | 1 |
| Prepayments | - | - | - | - |
| Total debtors | - | - | - | 1 |

19 Cash at bank and in hand

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2021 £000 | Total 2020 £000 |
|---------------------------------------|-------------------------------|-----------------------------|--------------------------------|-----------------------|
| GBS Bank Account | (309) | 552 | 243 | 88 |
| Total cash at bank and in hand | (309) | 552 | 243 | 88 |

20 Analysis of creditors

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2021 £000 | Total 2020 £000 |
|---|-------------------------------|-----------------------------|--------------------------------|-----------------------|
| Amounts falling due within one year: | | | | |
| Accruals for grants due to NHS bodies | 208 | - | 208 | 302 |
| Other accruals | - | - | - | - |
| Total creditors | 208 | - | 208 | 302 |

Accruals for grants due to NHS bodies represent grants due to the County Durham and Darlington NHS FT for costs incurred by the Trust on behalf of the Charity in furtherance of its objects.

21 Analysis of charitable funds**a) Endowment funds**

| | Balance 31 March 2020 £000 | Incoming Resources £000 | Resources Expended £000 | Transfers £000 | Gains and Losses £000 | Balance 31 March 2021 £000 |
|------------------------------|-------------------------------------|-------------------------------|-------------------------------|-------------------|-----------------------------|-------------------------------------|
| Total endowment funds | - | - | - | - | - | - |

There are currently no endowment funds

b) Restricted funds

| | Balance 31 March 2020 £000 | Incoming Resources £000 | Resources Expended £000 | Transfers £000 | Gains and Losses £000 | Balance 31 March 2021 £000 |
|--|-------------------------------------|-------------------------------|-------------------------------|-------------------|-----------------------------|-------------------------------------|
| Diabetes Fund | 41 | 1 | (4) | - | 1 | 39 |
| UHND Medical Investigations Unit | 1 | - | - | (1) | - | - |
| CDDFT Medical Education Trust Fund | 10 | - | (5) | - | 1 | 6 |
| CDDFT General Purpose BAH | 4 | - | - | - | - | 4 |
| Ophthalmology Nurses Fund - SUB FUND 1 | 21 | - | (8) | - | - | 12 |
| Ophthalmology Nurses Fund - SUB FUND 2 | 165 | 4 | (123) | - | 3 | 49 |
| Surgical Oncology - UHND | 5 | 3 | (3) | - | - | 5 |
| Paediatric Legacy Fund | 2 | - | - | - | - | 2 |
| Chemotherapy Expension Appeal | 194 | 68 | (14) | - | 4 | 252 |
| Cancer Services Fund | 0 | 5 | - | - | 0 | 5 |
| Cardiac Research Fund | 0 | 32 | (5) | - | 0 | 27 |
| Covid-19 | 0 | 385 | (166) | - | 1 | 220 |
| Total restricted funds | 445 | 499 | (331) | (1) | 11 | 623 |
| | 445 | 499 | (331) | (1) | 11 | 623 |

The restricted funds are made up of legacies received over a number of years.

It also includes income received towards appeals plus and any grants received with specific restrictions on their expenditure.

c) Unrestricted funds

| | Balance 31 March 2020 £000 | Incoming Resources £000 | Resources Expended £000 | Transfers £000 | Gains & Losses £000 | Balance 31 March 2021 £000 |
|-------------------------------------|-------------------------------------|-------------------------------|-------------------------------|-------------------|---------------------------|-------------------------------------|
| Designated funds: | | | | | | |
| Community Fund | 570 | 26 | (147) | (26) | 10 | 433 |
| CSS Fund | 140 | 14 | (37) | - | 3 | 120 |
| ITU Fund | 99 | 9 | (18) | - | 2 | 92 |
| Rheumatology Research UHND | 96 | 2 | (69) | - | 2 | 31 |
| Outpatients (Shotley Bridge) UHND | (0) | - | - | - | - | (0) |
| Cardiac Research Fund | 53 | 6 | (20) | - | 1 | 40 |
| Special Care Baby Unit Fund | 60 | 7 | (10) | (20) | 1 | 38 |
| Paediatric Diabetic UHND | 47 | 5 | (10) | - | 1 | 43 |
| Asthma Clinic | 42 | 5 | (12) | - | 1 | 36 |
| Cardiology UHND | 38 | 5 | (10) | - | 1 | 35 |
| | 1,145 | 79 | (333) | (46) | 22 | 867 |
| | 1,145 | 79 | (333) | (46) | 22 | 868 |
| Designated funds: | | | | | | |
| Other (77 funds) | 551 | 215 | (187) | (24) | 11 | 566 |
| Non-designated funds: | | | | | | |
| Unrealised Investments Gains/Losses | (254) | - | - | - | 474 | 220 |
| CDDFT General Fund | 91 | 79 | (35) | 71 | 3 | 209 |
| | (163) | 79 | (35) | 71 | 477 | 429 |
| Total unrestricted funds | 1,533 | 373 | (555) | 1 | 510 | 1,862 |

The threshold for reporting material unrestricted funds is set by the Trustee as a balance of £50,000 or above.

The purposes of the unrestricted funds are to support any charitable purpose relating to the NHS, mainly those NHS services provided by the host NHS Foundation Trust.

The Unrealised Investment Gains/Losses fund comprises the unrealised investment gains due to unrestricted funds. They are not being allocated across all unrestricted funds but held in a central fund to mitigate against the risk of future losses.

| | | | | | | |
|--|--------------|------------|--------------|----------|------------|--------------|
| Total for restricted & unrestricted funds as above | 1,978 | 872 | (885) | - | 520 | 2,485 |
|--|--------------|------------|--------------|----------|------------|--------------|

Summary report of findings

County Durham and Darlington NHS
Foundation Trust Charity— year ended 31
March 2021

October 2021



Contents

01 Summary of findings

Appendix A: Draft independent examiner's report

This document is to be regarded as confidential to County Durham and Darlington NHS Foundation Trust Charity. It has been prepared for the sole use of the Trustee. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

01

Section 01:

Summary of findings

1. Executive summary

Purpose of this report

This document is to report the findings from our Independent Examination of County Durham and Darlington NHS Foundation Trust Charity (the Charity) for the year ended 31 March 2021. It is addressed to County Durham and Darlington NHS Foundation Trust (the Trust) as corporate trustee of the Charity.

Our work has been undertaken in line with our Engagement Pack dated 25 June 2021, which we previously agreed with the Trust.

Our work is not an audit of the Charity's statements, and as such our work is limited to the procedures for Independent Examiners set down by the Charity Commission.

Status of our work and overall findings

At the time of issuing this report, we:

- anticipate issuing a standard unmodified independent examiner's report; and
- have not identified any significant matters from our independent examination of the Charity's financial statements for the year ended 31 March 2021 which we need to bring to the Trust's attention.

We identified a small number of consistency, presentation and disclosure matters, all of which management has agreed to amend in the financial statements and Annual Report. The accounts were also updated to include a Cash Flow Statement.

Our draft Independent Examiner's Report is attached as an appendix in this report.

Fees

Our fees are in line with those set out in our engagement pack dated 25 June 2021, being £1,000 plus VAT.

Appendices

A: Draft independent examiner's report

Appendix A: Draft independent examiner's report

Independent Examiner's Report to the Trustees of County Durham and Darlington NHS Foundation Trust Charity

I report on the financial statements of County Durham and Darlington NHS Foundation Trust Charity for the year ended 31 March 2021, which are set out on pages 4 to 18.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustee consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the charity's trustee as a body. My work has been undertaken so that I might state to the charity's trustee those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for my examination work, for this report, or for the statements I have made.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Appendix A: Draft independent examiner's report

Independent examiner's statement

In connection with my examination, which is complete, no matters have come to my attention which give me reasonable cause to believe that in any material respect:

- accounting records were not kept in respect of County Durham and Darlington NHS Foundation Trust Charity in accordance with section 130 of the 2011 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Cameron Waddell

for and on behalf of Mazars LLP

Relevant professional qualification or body: CPFA

Mazars LLP, The Corner, Bank Chambers, 26 Mosley Street, Newcastle upon Tyne, NE1 1DF

Date: xx October 2021

Mazars

The Corner
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