

Our **HOSPITALS CHARITY**

Supporting the NHS in
Middlesbrough, Redcar & Cleveland
and Hambleton & Richmondshire

SOUTH TEES HOSPITALS CHARITY AND ASSOCIATED FUNDS ANNUAL REPORT & ACCOUNTS

1 April 2021 - 31 March 2022

Principal office:

Charities Office
The Murray Building
South Tees Hospitals NHS Foundation Trust
James Cook University Hospital
Marton Road
Middlesbrough
TS4 3BW

Registered Charity No. 1056061

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1. Chairman's Statement

I am pleased to be able to present my first annual charity report for Our Hospitals Charity. I am aware that the Charity has undertaken significant work during what has been a difficult period for the Trust and all charities from the impact of the coronavirus pandemic.

Our Hospitals Charity has had a productive year.

Thanks go to our tireless fundraisers and the numerous corporate supporters we have brought on board in 2021 to 2022. As a result, we have been able to complete some outstanding projects, that will enhance the care our patients and visitors as well as improving the working environment for our staff now and in the future.

The successful completion of a challenge to raise £500,000 for a new, first-class kidney unit at The James Cook University Hospital has been a major success story.

The new unit opened in November 2021 and will see over 3,000 appointments every year in the Middlesbrough hospital's renal unit and more outpatients than ever before are using the facility thanks to advances in medical care, it was time to update the space and ensure we were making the best possible use of it.

Our fundraisers really got behind the campaign and we now have a much brighter, more modern and welcoming environment for our kidney patients, who are also benefiting from the additional clinical space and the fact our specialist renal nurses now all have a home in one place.

A new Children and Young Peoples Emergency Department. Our dedicated fundraisers also made a new Emergency Department especially for children and young people possible, enabling us to provide the best possible care for some of our youngest patients.

Money for sensory toys and therapeutic equipment cannot be provided by the NHS, but thanks to our fundraisers, these things are proving to be invaluable to many of the little ones who come through the much more child-friendly doors of our children's emergency department at James Cook Hospital, as they provide a much-needed distraction from their fears or pain.

After a tough couple of years responding to the coronavirus pandemic, staff wellbeing was also at the forefront of our minds this year.

A makeover and upgrading of several staff areas across James Cook Hospital, Friarage and our Community Hospitals was made possible through donations and grants from NHS Charities Together, so that they are now a haven of calm for our hardworking staff, in which they can take a well-deserved break.

The comfortable chairs, plants, tea and coffee making facilities and ambient lighting in relaxing rooms have been much welcomed by staff, but Our Hospitals Charity has gone even further than that, by funding much-needed psychological support for staff.

We have also been busy improving numerous outdoor spaces for the benefit of both staff and patients - and that work will continue until at least 2023.

As ever, our neonatal unit has proven to be a popular cause again this year and we are delighted to be able to continue to support the patients and families using these vital services by making them more comfortable places to be.

On an individual and personal level Our Hospitals Charity also enabled two terminally ill patients to get married in hospital in the past year – an experience and a gesture that you just cannot put a price on.

We believe the charity is growing stronger and we wish to thank all who have supported us and indeed invite more to join us and celebrate the successes.

We look forward to seeing what the next 12 months brings as we continue to enhance our hospital environments for all our patients, visitors and staff.

Thank you so much.

Derek



Professor Derek Bell OBE – Joint Chairman

2. Aims and Objectives

Our Role

South Tees Hospitals Charity raises funds to enhance the services that South Tees Hospitals NHS Foundation Trust provides to more than one million people across the region.

The role of the Charity is not to fund patient care, but with the support of the communities we serve to improve it and help with those extras over and above what the NHS can provide.

Our Mission

To support and fund initiatives beyond the remit and the capacity of the NHS.

To achieve this we:

- Keep the hospitals of the Trust at the forefront of healthcare delivery by purchasing state of the art equipment and funding research.
- Enhance our teams' training to keep our staff at the leading edge of medical advances.
- Create the best possible environments for patients and staff.
- Grow the level of charitable giving to ensure that the work can continue by supporting staff and patients in their fundraising activities.

The hospitals that we support are:

- James Cook University Hospital
- The Friarage Hospital
- East Cleveland Primary Care Hospital
- Guisborough Primary Care Hospital
- Redcar Primary Care Hospital
- The Friary Community Hospital

In 2021/22 we were able to make a difference to patients, by spending over £89,000 on their welfare and improving clinical environments.

Expenditure is made in accordance with charity law, our constitution and the wishes and direction of donors and with regard to the Charity Commission's guidance on public benefit. In 2021/22 the Charity made grants to a value of £2.384 million (£1.619 million in 2020/21).

During the financial year voluntary income from donations totalled £0.519 million (£0.496 million in 2020/21) and bequests totalled £0.065 million (£0.345 million in 2020/21). Grants received totalled £0.354 million (£0.798 million in 2020/21). Investment income of £0.177 million (£0.183million in 2020/21) was received as well as income from charitable activities totalling £0.035 million (£0.006 million in 2020/21). Miscellaneous income of £0.054 million (£0.041 million in 2020/21) and Gifts in kind £0.088 million (£0.044 million in 2020/21).

3. Financial Review

Assets

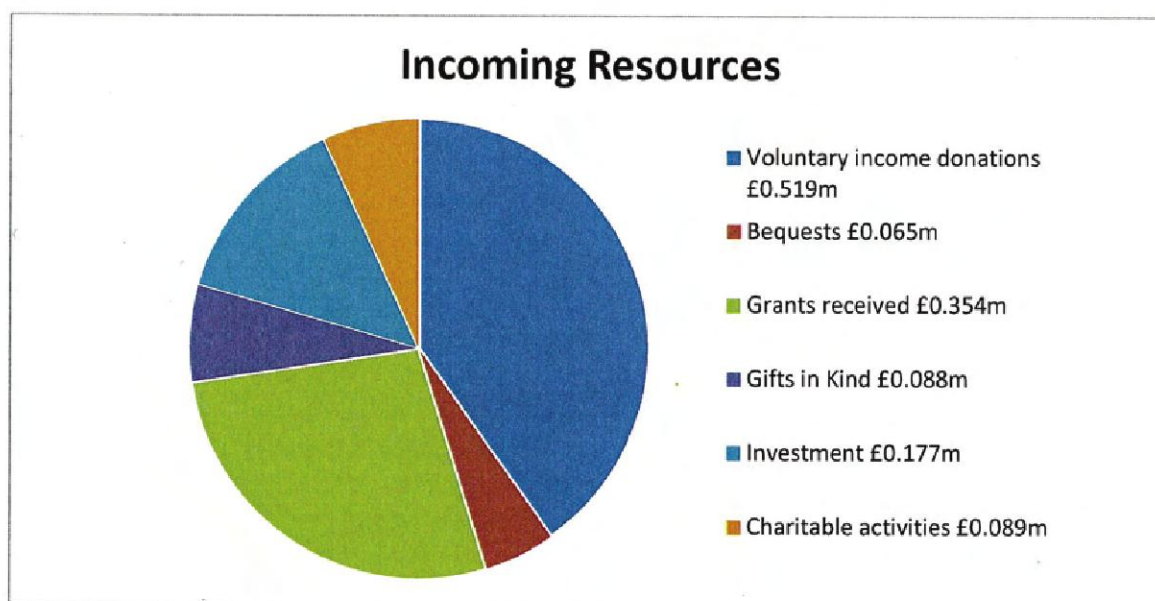
The net assets of South Tees Hospitals Charity as at 31 March 2022 were £6.476 million (£7.095 million 2020/21). There was a decrease in cash holdings to £1.033 million (£1.297 million 2020/21), a decrease in debtors to £0.153 million (£0.338 million 2020/21) and a increase in creditors to £1.222 million (£0.579 million 2020/21).

Income

The Charity relies on income received from donations, legacies and the voluntary fundraising efforts of the general public who supported specific appeals or made gifts to support the wards from which they or loved ones had received care. In 2021/22 income decreased from £1.683 million to £1.026 million.

The total income received amounting to £1.292 million was represented by voluntary income donations which totalled £0.519 million (£0.496 million 2020/21), bequests totalled £0.065 million (£0.345 million 2020/21), grants received totalled £0.354 million (£0.798 million 2020/21) and gifts in kind totalled £0.088 (£0.044 Million 2020/21)

Investment income of £0.177 million (£0.183 million 2020/21) was received as well as income from charitable trading and activities of £0.089 million (£0.047 million 2020/21).

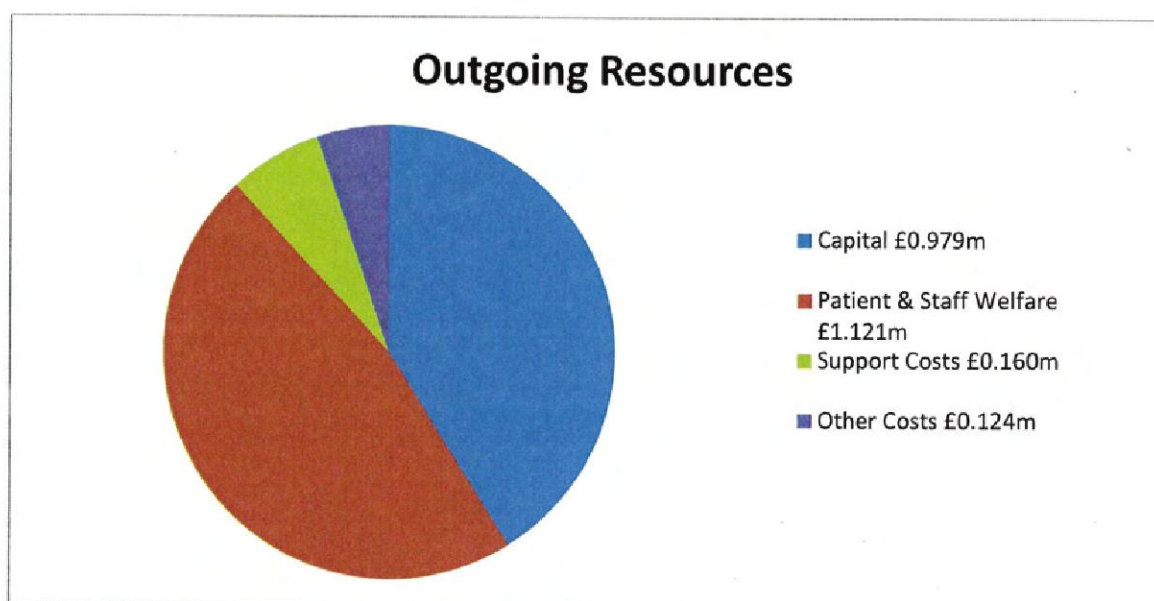


Expenditure

The Charity is a grant giving charity, rather than a service providing charity, in that it seeks to support the services provided by South Tees Hospitals NHS Foundation Trust. All equipment and services purchased by the Charity are donated to the Trust.

Expenditure from funds totalled £2.384 million, compared to expenditure of £1.619 million during the previous financial year.

Expenditure has been spent on capital £0.979 million (£0.536 million 2020/21), patient & staff welfare £1.121 million (£0.899 million 2020/21), support costs £0.160 million (£0.159 million 2020/21) and other costs £0.124 million (£0.025 million 2020/21)



Investments

The Charity's investments are held with CCLA Investment Management and Barclays Wealth with an aim of maximising income and longer term growth.

The management of 93% of the investment portfolio was moved from Barclays Wealth to CCLA during 2019/20. Cash funds are held outside the portfolio to deal with the short-term cash flow issues. As at 31st March 2022 there has been an in year unrealised gain of £0.473 million.

	Total Funds 31 March 2022 £'000	Total Funds 31 March 2021 £'000
Market value brought forward	6,039	5,107
Fair value gains/(losses)	473	932
Market value as at 31 March 2022	6,512	6,039
Investments held:		
Alternative assets	326	326
COIF Charities Ethical Investment Fund	6,186	5,713
	6,512	6,039

The performance of the investments is monitored by the Charitable Funds Committee which reports to the Board and reviews investment portfolio valuations provided at regular intervals by the advisers.

The investment policy is reviewed on an on-going basis.

4. Structure, Governance and Management

The South Tees Hospitals Charity was established by Trust Deed and is registered with the Charity Commission (charity number 1056061).

As a body it is a member of the Association of NHS Charities.

All trust funds are registered with the Charity Commission under the umbrella registration of South Tees Hospitals Charity.

The Charity's funds were established using the model declaration of trust and all funds held as at the date of registration were either a part of this unrestricted fund or registered as separate restricted funds under the main charity.

The Corporate Trustee fulfils its legal duty by ensuring that restricted funds are used in accordance with the objectives of each fund, and in designating funds the Trustee respects the wishes of the donor with due consideration made to the Charity Commission's published guidance on Public Benefit as specified under the Charities Act 2011.

At the end of March 2022 there were 260 funds (262 in 2020/21). Each has a designated fund manager with specialist knowledge of the area to which the fund relates. They are generally clinical directors, managers, clinical consultants, heads of departments, ward sisters and Operations Directors who have the delegated power to commit expenditure up to £25,000. For all grants over £25,000 there is an approved Scheme of Delegation based on the Charity's governance framework.

Charitable receipts are recorded in accordance with donors' wishes to registered funds and expenditure is made in accordance with the objectives of each designated trust fund, within the limits set by the Trust's Standing Orders, Standing Financial Instructions and Scheme of Delegation.

The accounting records and day-to-day administration of the funds are dealt with by the charities finance office, which is within the Trust's Chief Executive's department.

It is the responsibility of the Corporate Trustee to ensure that the legal and accounting requirements of the Charities Act 2011 and directives from the Charity Commission are adhered to and that surplus funds are invested in a manner suitable for the maximisation of income and to safeguard the capital sums therein.

The Charitable Funds Committee supports and advises the Corporate Trustee of South Tees Hospitals Charity in discharging its responsibilities and remains accountable to the board of directors, acting as Corporate Trustee, in every respect. In 2021/22 the Committee met on four occasions to consider a range of strategic issues within its remit.

Our purpose is to enhance the services that South Tees Hospitals NHS Foundation Trust provides, supporting the provision of general healthcare and staff welfare, the improvement of specialist clinical and clinical support services and the advancement of clinical knowledge. The role of the Charity is not to fund patient care but to improve it.

Strong governance is critical to our success and reputation. The Corporate Trustee has overall responsibility for our work, to ensure we are governed in accordance with the legal and regulatory requirements, and we meet our aims and objectives as a charity.

The Corporate Trustee of the Charity is tasked with:

- Furthering our overall purpose and setting our direction and strategy.
- Ensuring our work is effective, responsible and legal.
- Safeguarding our finances, resources and property and ensuring they are used to further our purpose.
- Being 'accountable' to those with an interest or stake in us or those who regulate us.
- Establishing clear boundaries with the staff and volunteers who carry out our work between the governance role of the Trustees and operational or day-to-day matters.
- Ensuring the Charity operates effectively.

By establishing good governance at South Tees Hospitals Charity, ensuring:

- Compliance with law and regulation.
- That our Charity is well run and efficient.
- That any problems are identified early and dealt with appropriately.
- That we make a difference and the objects of the Charity are advanced.

Appointments to the Board are in accordance with the Trust's Constitution, Terms of Authorisation and legal and regulatory requirements.

Members of the Corporate Trustee

The Corporate Trustee is South Tees Hospital NHS Foundation Trust

The Charitable Funds Committee is supported by a number of professional advisers:

Bankers

Barclays Bank Plc
Leicester
LE87 2BB

External Auditor

Robson Laidler Accountants Limited
Fernwood House,
Fernwood Road,
Jesmond,
Newcastle Upon Tyne,
NE2 1TJ

Investment Advisors

Barclays Wealth
Barclays House
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 2BH

Investment Advisors

CCLA Investment Management
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Additional expertise relating to training is drawn from being a member of the Association of NHS Charities that holds regular conferences and symposia for Directors of the Corporate Trustee.

Key management personnel remuneration

Members of the Corporate Trustee and Charitable Funds Committee are required to disclose relevant interests and register them with the Head of Charity, withdrawing from decisions where conflicts of interest may exist.

The daily management of the Charity is delegated to the Head of Charity who is employed under the terms and conditions set out in the Agenda for Change. Remuneration is reviewed annually and is increased in accordance with the nationally agreed increases in pay scale.

Constitution and powers**Administration**

The Corporate Trustee, under its Scheme of Delegation, has appointed the Director of Finance to be the officer responsible for implementation of procedures, to ensure all legislation and directives are adhered to and that expenditure from trust funds is appropriate for the purpose.

The Director of Finance maintains such accounts and records, as necessary, to record and protect all funds held in trust. He has responsibility for ensuring that the activities of each fund are within the regulations of the Charities Act 2011 and comply with the procedures adopted by the Trust.

Risk Management

The members of the Charitable Funds Committee periodically review the Charity's risk register.

The major external risk, to which the charity could be exposed, is a sudden fall in the value of the investment portfolio. However the Directors invest over the long term to ensure that the greatest returns are achieved.

Policies and procedures to mitigate risks include:

- The Charity has systems in place to ensure that all donations and legacies are accurately recorded, and that all expenditure is correctly authorised in accordance with the objects of the Charity.
- The internal controls of the Trust have been adopted by the Charity.
- The Charity is audited by the Trust's internal auditors, PricewaterhouseCoopers LLP, who review and test systems, and the Trust's external auditors, Robson Laidler Accountants Limited, who audit the Charity's Annual Accounts and Report.
- The risks around investment balances have been mitigated through the holding of a balanced portfolio.
- CCLA was appointed to manage the Charity's investments as from 13th February 2020. There are procedures in place to review the investment policy and monitor its performance.
- Short term cash holdings are held in bank accounts to enable immediate access to funds. The level of short term cash holdings has been reviewed as part of the Charitable Funds Treasury Management Policy.

Partnership working

The patients of South Tees Hospitals NHS Foundation Trust are the main beneficiaries of the Charity and the Trust is a related party by virtue of the Board of Directors acting as Corporate Trustee. By working in partnership with the Trust, the Corporate Trustee has regard to the main activities taking place within its hospitals to ensure that funds are spent in accordance with the objects of each fund to support the health and welfare of patients and staff.

The Trust is well supported by groups and associated charities, including the South Cleveland Heart Fund, Royal Voluntary Service, Friends of the Friarage and The James Cook University Hospital Voluntary Services Organisation who over many years have raised hundreds of thousands of pounds to support the Trust.

Reserves

At the end of 2021/22 the charity held reserves of £6.476 million. All monies held in funds were unrestricted apart from £0.289 million which are held on a restricted basis.

Reserves are built up to reinvest into the South Tees Hospitals NHS Foundation Trust and provide maximum benefit to the patients and staff. The classification of restricted and unrestricted reserves is reviewed on an annual basis.

There are no material recurring commitments for which it would be prudent to hold reserves against uncertainties; the main form of recurring expenditure is salary costs associated with the Trinity Holistic Centre and Charity administration. Commitments for other expenditure are only given to the level of resources available within the funds received and held.

Cash on hand balances of £1,033 million are held at the end of 2021/22.

5. Objectives – Moving Forwards

In light of Covid-19 pandemic, next year the charity will be embarking on an ambitious and exciting 12 month strategy, and marks a significant step as we evolve.

We are the fundraising arm of South Tees Hospitals NHS Foundation Trust and support patients and staff across Middlesbrough, Redcar & Cleveland and Hambleton & Richmondshire.

We help improve the health and wellbeing of over one million people across the region. Whether it's state of the art equipment, pioneering research, increasing staff training or improving staff health and wellbeing, we're committed to raising the level of NHS service.

We exist to improve the NHS for those closest to you. Everything we do revolves around raising money to enhance services, and ultimately enrich our region's health and wellbeing. Our fundraising impacts your nearest and dearest — covering both patients and staff; your family, friends, neighbours and colleagues. Those who truly matter most.

At our heart, we're NHS champions who are passionate about making a difference. This is a meaningful mission that resonates, inspires and empowers charitable activity across our area. It's a cause that's far-reaching, long-lasting and one we can all continuously strive towards.

Ultimately the Charity's ambition is to increase the impact it makes for patients each and every year. This can only be achieved by ensuring that the Charity builds genuine partnerships with NHS staff who clearly understand the needs of patients, evolve to meet the changing funding landscape by embarking on a digital transformation, obtains feedback on the projects it funds to ensure that it is making a difference; increases the profile of the charity, reduce the charitable funds to a manageable size and introduce budgets for funds and improve the financial reporting of charitable funds, ensuring funds are accessible, and most importantly targeted towards activities which will deliver the greatest benefit for patients.

6. Statement of Directors' responsibilities in respect of the Corporate Trustee's annual report and the financial statements

In accordance with the trust deed and charity law, the Corporate Trustee is responsible for preparing the Charity's Annual Report and the financial statements in accordance with applicable law and regulations. The Corporate Trustee has elected to prepare the financial statements in accordance with 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Members of the Corporate Trustee 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 Corporate Trustee 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. The Members of the Corporate Trustee 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 Corporate Trustee is 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.

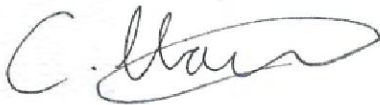
On behalf of the Corporate Trustee,

Signed:



.....
Chairman

...25/01/2023...
Date



.....
Director of Finance

...25/01/2023...
Date

7. Audit report

Independent auditor's report to the trustees of South Tees Hospitals NHS Charity

Opinion

We have audited the financial statements of South Tees Hospitals NHS Charity (the 'charity') for the year ended 31 March 2022 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash flow and notes to the financial statements, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 income and expenditure 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. 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 at least twelve 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.

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

In connection with our audit of the financial statements, 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 course of 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this 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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of Trustee

As explained more fully in the trustee responsibilities statement set out on page 23, the trustee is 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 trustee 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 the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities Act 2011 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

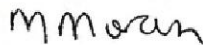
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:



Michael T Moran BA FCA (Senior Statutory Auditor)

For and on behalf of Robson Laidler Accountants Limited

Statutory Auditor

Fernwood House

Fernwood Road

Jesmond

Newcastle Upon Tyne

NE2 1TJ

Date: 27/01/2023

Robson Laidler Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

8. South Tees Hospitals Charity Statement of Financial Activities for the year ending 31 March 2022

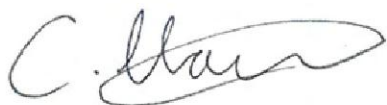
	Notes to financial statements	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021/22 £'000	Total Funds 2020/21 £'000
Income and endowments from:					
Donations and legacies	4	682	344	1,026	1,683
Charitable activities - supply of goods or services	5	35	-	35	6
Other trading activities - charity events, lottery	6	10	44	54	41
Investments	8	177	-	177	183
Total Income		904	388	1,292	1,913
Expenditure on:					
Raising funds	9	245	30	275	172
Charitable activities	10	1,030	1,079	2,109	1,447
Total Expenditure		1,275	1,109	2,384	1,619
Net gains/(losses) on investments	15	473	-	473	932
Net Income/(Expenditure)		102	(721)	(619)	1,226
Transfers between funds	20	(486)	486	-	-
Net movement in funds		(384)	(235)	(619)	1,226
Reconciliation of Funds					
Total funds brought forward	21	6,571	524	7,095	5,869
Total funds carried forward	21	6,187	289	6,476	7,095

9. South Tees Hospitals Charity Balance Sheet as at 31 March 2022

	Notes to financial statements	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 31 March 2022 £'000	Total Funds 31 March 2021 £'000
Fixed Assets;					
Investments	15	6,512	-	6,512	6,039
Total Fixed Assets		6,512	-	6,512	6,039
Current Assets;					
Debtors and accrued income	16	153	-	153	338
Cash and cash equivalents	17	744	289	1,033	1,297
Total Current Assets		897	289	1,186	1,635
Liabilities;					
Creditors falling due within 1 year	18	(1,222)	-	(1,222)	(579)
Net Current Assets		(325)	289	(36)	1,056
Total Net Assets		6,187	289	6,476	7,095
The funds of the charity;	21				
Restricted income funds		-	289	289	524
Unrestricted income funds		6,187	-	6,187	6,571
Total Charity Funds		6,187	289	6,476	7,095

The notes at pages 23 to 39 form part of these accounts and were approved by the Corporate Trustee on 25/01/2023.

Signed on its behalf by:



Signed

Name Chris Hand

Date25/01/2023.....

**10. South Tees Hospitals Charity Statement of Cash Flows
for the year ending 31 March 2022**

	Note	Total Funds 2021/22 £'000	Total Funds 2020/21 £'000
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	19	(441)	(662)
Cash flows from investing activities:			
Dividends, interest and rents from investments	8	177	183
Petty cash	17		1
Net cash provided by investing activities		177	184
Change in cash and cash equivalents in the reporting period		(264)	(478)
Cash and cash equivalents at the beginning of the reporting period	17	1,297	1,775
Cash and cash equivalents at the end of the reporting period	17	1,033	1,297

11. South Tees Hospitals Charity Notes to the accounts

Note 1	Accounting policies
Note 2	Prior year comparatives by type of fund
Note 3	Related party transactions
Note 4	Income from donations and legacies
Note 5	Analysis of income from charitable activities
Note 6	Analysis of income from other trading activities
Note 7	Role of volunteers
Note 8	Gross investment income
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Note 11	Allocation of support costs and overheads
Note 12	Directors of the Corporate Trustee remuneration, benefits and expenses
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Note 22	Funds over £100,000 for disclosure

1. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at fair value.

The financial statements have been prepared in accordance with the statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The Trustee considers that there are no material uncertainties about South Tees Hospitals Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the Charity would be a fall in donations or a fall in the stock market and resulting losses and reduced investment income. The trustees have a risk management strategy and reserves policy in place to mitigate against such risks.

(b) Funds structure

South Tees Hospitals Charity has both restricted and unrestricted funds but has no endowment funds. The Charity has specific funds for each service area of its hospitals; each fund has its own objectives/purpose and is classified as un-restricted designated funds. If a general donation is made and no specific area is identified then the monies will be paid into the General Purpose Fund which is used to benefit patients and staff of the trust at the Trustees' discretion. Appeals for a specific purpose are classified as restricted.

The major funds held are disclosed in note 22.

(c) Income

All income is recognised once the Charity has entitlement, or is probable that the resources will be received and the monetary value can be measured with sufficient reliability.

Where there are terms and conditions attached to the income, particularly grants, then the terms and conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. When the 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.

(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
- 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 criteria for income recognition are met.

(e) Expenditure and irrecoverable VAT

All expenditure has been 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
- The amount of the obligation can be measured or estimated reliably.

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

The Charity reimburses the Trust for expenditure they have incurred on the Charity's behalf; this is as a result of the grants awarded by the Charity. Reimbursement is made when the liabilities have been settled and payment made. Any goods received prior to 31 March but not yet settled are accounted for as accruals in year.

(f) Recognition of expenditure and associated liabilities as a result of a 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. 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 the 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
- There is an established pattern of practice which indicates to the recipient that we will honour the commitment.

The Trustee has control over the amount and timing of grant payments and consequently where approval has been given by them and any of the above criteria

have been met then a liability is recognised. When grants are awarded with conditions attached then those conditions have to be met, or expected 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 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 11.

(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 a charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities.

(i) Charitable activities

Costs of charitable activities comprise all the costs incurred in the pursuit of the charitable objectives 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 10.

(j) Fixed asset investments

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.

(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 less than 90 day notice interest bearing savings accounts.

(m) Creditors

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

Those amounts which are owed in more than one year are shown as long term creditors.

(n) Realised gains and losses

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

2. Prior year comparatives by type of fund

The primary statements provide prior year comparatives in total; this note provides prior year comparatives for the Statement of Financial Activities and Balance Sheet for each type of fund that South Tees Hospitals Charity manages.

2a Unrestricted funds - Statement of Financial Activity for the year ended 31 March 2022

	2021/22 £'000	2020/21 £'000
Income and endowments from:		
Donations and legacies	682	1,195
Charitable activities - supply of goods or services	35	6
Other trading activities - charity events, lottery	10	(4)
Investments	177	183
Total Income	904	1,380
Expenditure on:		
Raising funds	245	156
Charitable activities	1,030	1,235
Total Expenditure	1,275	1,391
Net gains/(losses) on investments	473	932
Net Income	102	921
Transfers between funds	(486)	52
Net movement in funds	(384)	973
Reconciliation of Funds		
Total funds brought forward	6,571	5,598
Total funds carried forward	6,187	6,571

Unrestricted funds - Balance Sheet as at 31 March 2022

	2021/22 £'000	2020/21 £'000
Fixed Assets;		
Investments	6,512	5,539
Total Fixed Assets	6,512	5,539
Current Assets;		
Debtors and accrued income	153	338
Cash and cash equivalents	744	1,273
Total Current Assets	897	1,611
Liabilities;		
Creditors falling due within 1 year	(1,222)	(579)
Net Current Assets	(325)	1,032
Total Net Assets	6,187	6,571
The funds of the charity;		
Unrestricted income funds	6,187	6,571
Total Charity Funds	6,187	6,571

2b Restricted funds - Statement of Financial Activity for the year ended 31 March 2022

	2021/22 £'000	2020/21 £'000
Income and endowments from:		
Donations and legacies	344	488
Other trading activities - charity events, lottery	44	45
Total Income	388	533
Expenditure on:		
Raising funds	30	16
Charitable activities	1,079	212
Total Expenditure	1,109	228
Net gains/(losses) on investments	-	-
Net Income	(721)	305
Transfers between funds	486	(52)
Net movement in funds	(235)	253
Reconciliation of Funds		
Total funds brought forward	524	271
Total funds carried forward	289	524

Restricted funds - Balance Sheet as at 31 March 2022

	2021/22 £'000	2020/21 £'000
Fixed Assets;		
Investments	-	500
Total Fixed Assets	-	500
Current Assets;		
Debtors and accrued income	-	-
Cash and cash equivalents	289	24
Total Current Assets	289	24
Liabilities;		
Creditors falling due within 1 year	-	-
Net Current Assets	289	24
Total Net Assets	289	524
The funds of the charity;		
Restricted income funds	289	524
Total Charity Funds	289	524

3. Related party transactions

South Tees Hospitals NHS Foundation Trust patients are the main beneficiary of the Charity and the trust is a related party by virtue of being Corporate Trustee of the Charity. The charity has provided funding to the Trust for approved expenditure made on behalf of the charity. During the current financial year this expenditure amounted to £2.384 million (£1.619 million 2020/21) with £1.094 million owed by the charity to the Trust at 31 March 2022 (£0.386 million 2020/21).

During the year, no members of the Charitable Funds Committee, the key management staff or parties related to them has undertaken any material transaction within the South Tees Hospitals Charity and Associated Funds.

The South Tees Hospitals NHS Foundation Trust makes a number of services available to the Charity; these include the use of the general ledger system, procurement system, payroll reimbursement system and office accommodation.

Board members and directors

Declarations of interests, completed on an annual basis by Executive and Non-Executive Directors, have been reviewed to identify any related party relationships requiring disclosure within this note.

There were no charity related party transactions connected with Directors of the Corporate Trustee and their associated interests.

4. Income from donations and legacies

Note 4: Income from donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021/22 £'000	Total Funds 2020/21 £'000
Donations from individuals	302	26	328	373
Fundraising income generated by donors	119	-	119	71
Gift Aid	32	-	32	22
Corporate Donations	40	-	40	30
Legacies	65	-	65	345
Grants receivable	36	318	354	798
Gifts in Kind	88	-	88	44
Total	682	344	1,026	1,683

Donations from individuals are gifts from members of the public, relatives of patients and staff. Grateful patients and family members express their gratitude for the care received; supporters often undertake fundraising activities and collect sponsorship.

5. Analysis of income from charitable activities

Note 5: Income from charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021/22 £'000	Total Funds 2020/21 £'000
Income from training courses	-	-	-	1
Payment for holistic treatments provided	29	-	29	5
Other trading income	6	-	6	-
Total	35	-	35	6

Trading income was primarily from the therapy treatments to patients of South Tees Hospitals provided by the Trinity Holistic Centre.

6. Analysis of income from other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021/22 £'000	Total Funds 2020/21 £'000
Staff lottery deductions	-	44	44	45
Miscellaneous income	10	-	10	(4)
Total	10	44	54	41

7. Role of volunteers

The Charity is reliant on a team of volunteers. In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

8. Gross investment income

	2021/22 Held in UK Total £'000	2020/21 Held in UK Total £'000
Investments listed on a Stock Exchange	177	183
Total	177	183

9. Analysis of expenditure on raising funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021/22 £'000	Total 2020/21 £'000
Fundraising events	85	7	92	8
Investment management	-	-	-	(11)
Lottery winnings paid	-	23	23	16
Support costs	160	-	160	159
Total	245	30	275	172

10. Analysis of charitable expenditure

The Charity did not undertake any direct charitable activities on its own account during the year.

Expenditure is incurred in favour of South Tees Hospitals NHS Foundation Trust to carry out activities which will benefit NHS patients, their families and staff. The Charity incurred expenditure with third parties in pursuance of those grants or reimbursed expenditure incurred by them or their staff.

The Charity reimburses the Trust once the expenditure is recognised, this is when liabilities have been settled and payment made with obligations committing the Charity to expenditure by fund-holders to whom power to expend Charity funds has been delegated, any goods or services received prior to 31 March 2022 but not yet settled are accounted for as accruals in year.

	Unrestricted Funds		Restricted Funds		
	Grant funded activity £'000	Support costs £'000	Grant funded activity £'000	Total Funds 2021/22 £'000	Total Funds 2020/21 £'000
Analysis Category					
Patient welfare	70	10	19	99	220
Staff salaries, education and welfare	434	58	215	707	514
Capital	118	16	845	979	536
Goods and equipment	190	25	-	215	117
Course running costs	1	0	-	1	10
Volunteer support costs	7	1	-	8	2
Gift in Kind	88	12	-	100	48
Grand Total	908	122	1,079	2,109	1,447

11. Allocation of support costs and overheads

	Raising funds £'000	Charitable activities £'000	Total 2021/22 £'000	Total 2020/21 £'000
External audit	11	-	11	11
Governance	11	-	11	11
Salaries and related costs	138	122	260	225
Bank Charges	6	-	6	4
Rent & Rates	-	-	-	10
Insurance	-	-	-	-
System charges	3	-	3	3
Miscellaneous	2	-	2	-
Total	160	122	282	253

12. Directors of the Corporate Trustee remuneration, benefits and expenses

The members of the governing committee give their time freely but are able to claim expenses to reimburse them for costs that they incur in fulfilling their duties.

Committee members have not received remuneration, benefits or expenses during 2021/22 or 2020/21 in relation to their support of the charity.

13. Staff costs and Key management personnel

The Charity does not directly employ any members of staff. The services used by the Charity are provided by South Tees Hospitals Trust. The cost of providing these services are recharged to the Charity by the Trust.

The charity considers its key management personnel to be the Directors of the Corporate Trustee and the Director of Charities.

14. Auditor's remuneration

The auditor's remuneration for the 2021/22 financial year was £9,900 (£10,800 2020/21) related solely to the audit with no additional work being undertaken.

15. Fixed asset investments

	Total Funds 31 March 2022 £'000	Total Funds 31 March 2021 £'000
Movement in fixed asset investments		
Market value brought forward	6,039	5,107
Net Gain/(Loss) on revaluation	473	932
Market Value as at 31st March 2022	6,512	6,039

16. Analysis of current debtors

	Total Funds 31 March 2022 £'000	Total Funds 31 March 2021 £'000
Debtors under 1 year		
Other debtors - unrestricted	18	11
Prepayments and accrued income - unrestricted	135	327
Total Debtors	153	338

Other debtors represent sums owed to the Charity by other non-related parties.

17. Analysis of cash and cash equivalents

	Total Funds 31 March 2022 £'000	Total Funds 31 March 2021 £'000
Cash in hand - unrestricted	585	1,114
Cash in hand - restricted	289	24
Notice Deposits (90 days)	159	159
Total	1,033	1,297

The notice deposit is held as an interest-bearing deposit with Barclays and represents the unrestricted designated funds held to facilitate cash flow and the fulfilment of obligations in the furtherance of the charity's objectives. The funds are in a 90 day notice account and are therefore classified as cash and cash equivalents.

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

18. Analysis of liabilities

	Total Funds 31 March 2022 £'000	Total Funds 31 March 2021 £'000
Creditors under 1 year		
Other Creditors - unrestricted	219	476
Accruals - unrestricted	1,003	103
Total	1,222	579

19. Reconciliation of net income to net cash flow from operating activities

	2022 £'000	2021 £'000
Net income for the reporting period (as per the statement of financial activities)	(619)	1,226
Adjustments for:		
Net (Gain) / Loss on investments	(473)	(932)
Dividends, interest and rents from investments	(177)	(183)
Decrease/ (increase) in debtors	192	(106)
Increase/(decrease) in creditors	636	(667)
Net cash (used in)/provided by operating activities	(441)	(662)

20. Transfers between funds

There were two transfers from restricted to unrestricted funds during the financial year.

	Unrestricted Funds £'000	Restricted Funds £'000
Transfers	(486)	486
Total	(486)	486

21. Analysis of charitable funds

	Fund balance at 1 April 2021 brought forward £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains / carry forward £'000	Fund Balance at 31 March 2022 £'000
Small Restricted Donations	-	19	(15)	-	-	4
To Benefit Mowbray Suite FHN	84	-	(2)	(41)	-	41
NHS Charities	361	-	(224)	-	-	137
Staff Lottery	79	44	(23)	-	-	100
Friends of the Friarage	-	318	(318)	-	-	-
Kidney Appeal	-	-	(527)	527	-	-
Hearts and Minds Cardio Appeal	-	7	-	-	-	7
Restricted Funds Total	524	388	(1,109)	486	-	289

b) Analysis of unrestricted and material designated fund movements

	Fund balance at 1 April 2021 brought forward £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains / carry forward £'000	Fund Balance at 31 March 2022 £'000
South Tees Hospital Charity and Associated Funds	6,571	904	(1,275)	(486)	473	6,187
Unrestricted Funds Total	6,571	904	(1,275)	(486)	473	6,187
Total Funds	7,095	1,292	(2,384)	-	473	6,476

£100,000 or above is set as an opening or closing balance threshold for the separate reporting of material designated funds.

Other designated funds relate to assisting patients of services provided by the South Tees Hospitals NHS Foundation Trust for which donors have indicated their non-binding wishes when making their generous gifts.

The general funds included donations where donors have not expressed any preference as to how the funds shall be spent and the unrestricted income accruing to the charity. These funds are applied for any charitable purpose to the benefit of the patients of South Tees Hospitals NHS Foundation Trust at the absolute discretion of the Corporate Trustee.

22. Funds over £100,000 for disclosure

Name	Objective	2022 £'000	2021 £'000
Discretionary expenditure fund	Capital fund to purchase items of equipment	747	752
	Any charitable purposes relating to the NHS, wholly or mainly for the services provided by South Tees NHS Foundation Trust	631	456
General Fund			
Staff Lottery Control Account	For the benefit of staff.	101	79
Breast Cancer Fund (Surgery)	Developments in breast care unit.	129	131
Oncology / Radiotherapy / Ward 14 (was Ward 14 Oncology)	For the benefit of patients and staff.	205	251
Rheumatology	For the benefit of staff and patients as well as for training and education of staff and patients.	176	184
	To generate donations to help with Diabetes, Endocrinology related education, support courses, conferences and purchase equipment for patient care.	107	113
Endocrinology			
Special Care Baby Unit	For the benefit of patients and staff.	206	174
Spinal Injuries	To benefit Spinal Injuries patients and staff.	323	344
	To support research and facilities for Haematology service.	185	223
Haematology			
South Tees Post Graduate Medical Centre	To fund post graduate medical education.	165	185
Cardiothoracic Research & Development Fund	To purchase and support research and development in the division of Cardiothoracic Medicine, both clinical and non clinical.	135	141
Cardiology	For the benefit of staff and patients.	136	142