

Trust name: **North Tees and Hartlepool NHS Foundation Trust General Charitable Fund**
Annual Report and Accounts for the year ended 31 March 2021
Charity Registration Number **1057682**

The annual accounts were approved by the Board of Directors

on 27 January 2022

and signed on its behalf by:

Derek Bell, Joint Chairman

Julie Gillon, Trustee

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund**

Trustee's Annual Report

The North Tees and Hartlepool NHS Foundation Trust General Charitable Fund, registered Charity Number 1057682, was entered on the Central Register of Charities on 1st May 1996. The Charity was established to administer charitable funds received from donations and bequests.

Charitable funds received by the Charity are accepted and administered as funds and property held on trust for purposes relating to the health service in accordance with the National Health Service Act 1977 and the National Health Service and Community Care Act 1990 and these funds are held on trust by the corporate body.

The Charitable Funds are registered with the Charity Commission (Charity Number 1057682) in accordance with the Charities Act 2011.

The Charity has a Corporate Trustee, the North Tees and Hartlepool NHS Foundation Trust, with the members of the Board of Directors responsible for its governance as per the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2011.

Members of the Board of Directors are not individual Trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

The members of the Board who served as agents for the Corporate Trustee during the financial year were as follows:

Paul Garvin	Chairman to 31st January 2021
Neil Mundy	Interim Joint Chairman from 1st February 2021 to 31st July 2021
Derek Bell	Joint Chairman from 1st September 2021
Julie Ann Gillon	Chief Executive
Anandapuram Deepak Dwarakanath	Medical Director /Deputy Chief Executive
Alan Sheppard	Chief People Officer
Neil Atkinson	Director of Finance
Julie Lane	Director of Nursing, Patient Safety and Quality to 30th November 2020
Graham Evans	Chief Information Technology Officer
Lynne Taylor	Director of Planning & Performance
Barbara Bright	Director of Corporate Affairs and Chief of Staff
Levi Buckley	Chief Operating Officer
Stephen Hall	Vice Chairman and Non-executive Director
Rita Taylor	Non-executive Director
Jonathan Erskine	Non-executive Director
Kevin Robinson	Non-executive Director
Philip Craig	Non-executive Director
Ann Baxter	Associate Non-executive Director
Neil Schneider	Associate Non-executive Director
Lindsey Robertson	Director of Nursing, Patient Safety and Quality from 1st September 2020

The Executive Directors and Non-executive Directors of the Foundation Trust Board are the Trustee of the Charity. The Executive Directors are appointed by the Non-executive Directors and the Governors appoint the Non-executive Directors.

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Trustee's Annual Report (continued)

This Annual Report has been prepared by the Corporate Trustee.

Acting for the Corporate Trustee, North Tees and Hartlepool NHS Foundation Trust General Charitable Fund Board has, under the Trust's Scheme of Delegation, appointed the Director of Finance to be the officer responsible for implementing suitable procedures, to ensure that the relevant legislation and directives are implemented and that the expenditure from Charitable Funds is appropriate for the purpose.

How to contact us

Principal Office

The principal office for the Charity is:

The Director of Finance
North Tees and Hartlepool NHS Foundation Trust
University Hospital of North Tees
Hardwick Road
Stockton on Tees
TS19 8PE

For fundraising queries please contact:

The Finance Department
North Tees and Hartlepool NHS Foundation Trust
University Hospital of North Tees
Hardwick Road
Stockton on Tees TS19 8PE

Sharon Pounder 01642 624274

The professional advisers of the Corporate Trustee are:

Bankers

Lloyds Bank
27 High Street
Stockton on Tees
TS18 1SG

Investment Manager

CCLA
for Charities
Senator House
85 Queen Victoria Street
London EC4V 4ET

Internal Auditors

Audit One
Bizhub
Belasis Hall Technology Park
Coxwold Way
Billingham
Stockton on Tees
TS23 4EA

External Auditors

Deloitte LLP
One Trinity Gardens
Broad Chare
Newcastle Upon Tyne
NE1 2HF

Legal Advisors

DAC Beachcroft LLP
36 Gallowgate
Newcastle Upon Tyne
NE1 4TD

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Trustee's Annual Report (continued)

The aim of the Charity is to improve patient care for the local population served by the Foundation Trust;
Provide additional resources to fund over and above that normally funded by the NHS Foundation Trust;
Purchase equipment, improve facilities in which patients are treated & fund staff training to enhance modern techniques in their specialty.

Structure, Governance and Management

The Deeds of the Charity outlining its structure are held by the Director of Finance. The Charity was formed by direction of the Charity Commission by virtue of the provisions of Section 96 of the Charities Act 2011. In 1999 two charities, the North Tees Health NHS Trust Charitable Fund and the Hartlepool and East Durham NHS Trust Charitable Fund, merged to form the North Tees and Hartlepool NHS Foundation Trust General Charitable Fund.

A Charitable Funds Committee was established in 2009. The membership comprises the Chairman, Chief Executive, Director of Finance and two Non-executive Directors. The Committee meets twice a year.

The recruitment process for appointing the members of the Board who serve as agents for the Corporate Trustee follows Trust procedures.

The Charity's unrestricted fund was established using the model declaration of trust and all funds held as at the date of registration were either 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 funds are spent in accordance with the objectives of each fund, and by designating funds, the Corporate Trustee respects the wishes of the donor to benefit patient care and improve the health and welfare of patients and staff.

The Charitable Funds available for spending are allocated to specialities within the NHS Foundation Trust's management structure according to the donor's wishes. Each fund is managed by a member(s) of staff (the Fund Manager) and overseen by the General Manager of the Speciality.

Where funds have been received which have specific restrictions set by the donor a restricted fund has been established. At 31 March 2021 there were 67 (2020: 67) such funds.

The Charity has one unrestricted fund, the General Purposes Fund.

The Corporate Trustee of the North Tees and Hartlepool NHS Foundation Trust General Charitable Fund delegates responsibility for the operational running of the Charitable Funds to the Director of Finance who is required to:

- Maintain such accounts and records, as necessary, to record and protect all funds in trust;
- Control, manage and monitor the use of the fund's resources;
- Provide support and advice for all of its income raising activities;
- Ensure that best practice is followed in the conduct of its affairs fulfilling all of its legal responsibilities;
- Ensure that the approved investment policy is adhered to and that performance is continually reviewed; and
- Keep the Board of Directors fully informed on the performance, activity and risks of the Charity.

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
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Trustee's Annual Report (continued)

The training needs of the members of the Board who serve as agents for the Corporate Trustee are assessed on an ongoing basis and all training complies with the policies of the Foundation Trust.

The accounting records and day to day administration of the funds are dealt with by the Finance Department of the North Tees and Hartlepool NHS Foundation Trust, located at the University Hospital of North Tees, Hardwick, Stockton on Tees.

The Charity's fund has NHS Foundation Trust wide objectives as follows:

- The Corporate Trustee shall hold the Trust Fund upon trust to apply the income, and at its, or its agent's discretion, so far as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service.
- The Charity will continue to further improve the provision of high quality patient care throughout the Trust focusing on areas not covered or fully supported by central NHS Foundation Trust funds.

The future plans for the Charity are dependent on the future direction of the NHS and the strategic plan of the Trust.

Risk Management

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

The major external risk to which the Charity is exposed is a sudden fall in the value of the investment portfolio. However, the Corporate Trustee invests over the longer term to ensure that the greatest returns are achieved. History has shown that over any 10 year period in the last century investment in a wide range of equity based investments will add greater value when compared to a fixed interest based portfolio.

The Corporate Trustee has appointed professional fund managers, CCLA for Charities, to manage the Charity Investments. There are procedures in place to review the investment policy and monitor its performance.

To mitigate exposure to risk in this area the Charity's Investment Managers, CCLA for Charities, have adopted an investment policy that spreads the risk over a wide range of investments.

The Charity is audited by the North Tees and Hartlepool NHS Foundation Trust's internal auditors, Audit One who review and test systems, and the Trust's external independent auditors, Deloitte LLP, who independently audit the Charity's Annual Financial Statements and Report.

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
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Trustee's Annual Report (continued)

Annual Review

During the year Charitable Funds continued to support a wide range of charitable and health related activities benefiting both patients and staff. In general they are used to provide goods and services to improve patient care and staff welfare that the NHS Foundation Trust is unable to provide.

Ward funds receive many donations from grateful patients and their families and this enables wards to improve the environment in which patients are treated. These donations enable all types of staff to attend courses and conferences which are not able to be funded by the NHS Foundation Trust, and will update them on new ideas and modern techniques in their speciality. Many donations are specifically given to thank the staff on the wards and these are used for charitable activities that will benefit staff.

The NHS Foundation Trust's General Purposes Fund receives donations that can be used for any charitable purpose relating to the NHS. The Chief Executive of the North Tees and Hartlepool NHS Foundation Trust has the authority to approve and support applications for funding from areas within the NHS Foundation Trust which do not have sufficient funds themselves.

At the end of 2019 we were hit with the Covid-19 pandemic, this has created an extremely challenging year for the Trust and the staff to meet the demands of the crisis. The local community have been extremely generous with fundraising & gifts for patients and staff. The kindness has helped keep our hardworking staff motivated knowing that their efforts were being recognised and valued.

In April 2020 North Tees & Hartlepool NHS Foundation Trust General Charitable Funds registered to become a member of NHS Charities Together, they offer a wide range of support, networking and information services as well as adopting best practice from across the sector. NHS Charities Together launched a Covid-19 appeal to raise money for the NHS. In total the appeal raised £150 million, an amazing contribution of £32.8 million (£39.3m with Gift Aid) was raised by Captain Sir Tom Moore who walked 100 laps of his garden before his 100th birthday - breaking the Guinness book of records for the most money raised by an individual for a charity walk.

During 2020/21 North Tees & Hartlepool NHS Foundation Trust received grants to the value of £173,000 from NHS Charities Together which has been used on enhancing the well-being of NHS Staff, volunteers and patients impacted by COVID-19.

Grant Making Policy

The Corporate Trustee Grant Making Policy aims to support the Charity by enhancing patient care and staff welfare.

Firstly the General Purposes Fund is constituted of gifts received by the Charity where no particular preference as to its expenditure has been expressed by donors.

Secondly, Restricted Funds reflect the wishes of the donor. These are managed by fund holders who are authorised to spend the money within their designated area. These funds can be spent at any time.

Grants are made to both institutions and individuals. Details of the main types of grants are shown on page 6.

The net assets of the Charity as at 31 March 2021 are £2,046,000 (2020: £1,554,000) an increase over the year of £492,000, comprised of an in year operating gain of £259,000 (2020: £267,000 gain) and by an unrealised gain of £233,000 (2020: £37,000 loss), resulting from an increase in the market value of investments.

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Trustee's Annual Report (continued)

Income

The Charity relies on donations, legacies and investment income as the main source of income. Total incoming resources were £706,000 (2019/20: £613,000) an increase from the previous year.

Voluntary Income is the largest source of income, donations from grateful patients, relatives and members of the public as below:

- Gifts from the public, ranging from a small amount deposited in a collection box to several hundred pounds donated from grateful patients and relatives;
- Fundraising income generated by donors from various sponsored events in appreciation of care received or in memory of a loved one;
- Legacies, bequests and gifts as part of a beneficiary in a will; and
- Grants from External Organisation to fund projects and pieces of equipment.

During 2020/21 North Tees & Hartlepool NHS Foundation Trust received grants of £173,000 from NHS Charities Together.

The Trust successfully launched and promoted a staff lottery during 2020/21, a total of £17,000 of income was generated, £12,000 was paid out in prize winnings and admin, £2,000 remaining admin was transferred to the General Fund. The remainder of the income generated £3,000 will be used to support patient care and benefits, staff health and wellbeing.

Expenditure (Grants Made)

During the year direct charitable expenditure was £435,000 (2019/20: £311,000).

A full breakdown of expenditure by category is shown in note 8 of the accounts.

Major individual purchases of medical equipment made during the year are set out below

	<u>Expenditure £000</u>
Lucera Bronchoscope	27
Mini Probe	5
Defibrillator	6
Motomed Muvi active Exercise plus	7
Innospire deluxe reusable sidestream & kit	5
MSK Ultrasound system	17
Accuvein	5
Fluent System	27
Hysteroscope	25
Other medical equipment	19
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Trustee's Annual Report (continued)

The Charity has contributed £38,000 (2019/20: £80,000) to refurbishments in North Tees and Hartlepool NHS Foundation Trust.

The major refurbishments and IT equipment purchases during the year are shown below:

	<u>Expenditure £000</u>
Vocera volunteers communication badges and chargers	9
48 x Dementia Touch screen tablets	12
LED Ceiling Mural	8
Other refurbishment costs	9
	<u>38</u>

The Charity has spent £178,000 (2019/20: £62,000) on staff welfare, representing a significant contribution to staff training and development a provision of high quality health care within the Foundation Trust. Staff benefited from free meals during April, they had use of the wellbeing bus during break times, access to the Florence Nightingale Foundation a support programme for frontline staff, use of the newly created staff rainbow /wellbeing rooms at both the University of Hartlepool and the University Hospital of North Tees and refurbishment of Theatre/critical care staff rooms all thanks to the NHS Charities Together Grants & Captain Sir Tom Fundraising.

	<u>Expenditure £000</u>
Staff training	21
Staff rainbow rooms/wellbeing recharge Hubs UHH & UHNT	70
Refurbishment of Theatres/Critical care staff rooms	17
Other staff Welfare	70
	<u>178</u>

Expenditure from (Raising Funds)

During 2020/21 North Tees & Hartlepool NHS Foundation Trust introduced and promoted a Staff Lottery scheme the generated charitable funds income will support patient care and benefits, staff health and wellbeing.

	<u>Expenditure £000</u>
Staff lottery winnings paid	11
Staff lottery administration costs	1
	<u>12</u>

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Trustee's Annual Report (continued)

Plans For The Future

The NHS is an ever changing environment and the future direction of the Charity will be shaped by these changes. The priorities for spending charitable funds is determined primarily by the fund holders who are managers in the service. Delegating the responsibility of expending charitable funds to this level ensures that those able to make the decisions are best placed to know the exact needs of the service.

The Corporate Trustee have agreed funding for a 12 months fixed term dedicated Fundraising Co-ordinator to promote consistent campaigns and proactive fundraising projects on a regular basis.

Corporate Trustee Statement

The Corporate Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting grant making policy for the year. It is the opinion of the Corporate Trustee that it has carried out these objects by:

- Patients' Welfare - Purchase of small pieces of equipment and enhancement of services and facilities over and above that normally provided by the NHS;
- Staff Welfare - Enhancement of staff facilities and by providing education over and above that which would normally be provided by the NHS; and
- Capital Equipment - Purchase of equipment in addition to, or an enhancement of, that which would be normally provided by the NHS.

Thank You

The Corporate Trustee would like to express its sincere and heartfelt thanks to all the individuals and organisations who have made charitable donations to the Charity. The support and assistance of the public, patients, volunteers, local businesses and community associations is much appreciated and helps in providing the best possible service to the benefit of everyone who is cared for in our hospitals. The generosity and kindness of the local community has been overwhelming during the challenging times of the COVID-19 pandemic, the donations and gifts have made such a meaningful difference to our dedicated staff who have shown incredible commitment during these difficult times.

The Reserves Policy

Reserves are that part of the Charity's unrestricted funds which are freely available to spend on any of the Charity's purposes, the value as at 31 March 2021 was £816,000. This definition excludes restricted income funds and endowment funds.

The Corporate Trustee requests that the cash balance at any one time should not fall below £100,000 although the cash held at the bank may be less. The Charity has the facility to withdraw funds as and when required from CCLA for Charities, to enable the Charity's aims to be protected in the event of expenditure exceeding income in a given year. By providing a buffer the Corporate Trustee has the ability to reduce discretionary grants and implement plans to increase fundraising without impacting disproportionately in the short term. The reserve policy is reviewed annually, taking into account historic results and future expectations of income levels and inflation.

Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust General Charitable Fund

Trustee's Annual Report (continued)

Investments

The Corporate Trustee invests the charitable funds in line with its investment policy with a view to obtaining a return higher than through cash deposits. The investment policy is reviewed on an ongoing basis by the Corporate Trustee.

The portfolio was managed by CCLA for Charities and comprised investments in a Global Charity Multi-Asset Fund and Cash.

There is no investment in companies involved in tobacco products. The performance of the investments is monitored by the Finance Department of the North Tees and Hartlepool NHS Foundation Trust and reported to the Director of Finance.

Summary of Investments at 31 March 2021

Funds managed by CCLA For Charities are as follows:

Equities	£000	%
COIF Charities Investment Fund	1,351	100
Total	1,351	100

The market value of the portfolio of investments as at 31 March 2021 showed an increase in value of £233,000 (compared to a decrease of: £37,000 31 March 2020). This is disclosed as an unrealised gain in the Statement of Financial Activities.

The period began with global economic activity declining rapidly due to the impact of the Coronavirus pandemic. Governments and central banks responded swiftly to the crisis by implementing a range of measures to create the conditions of recovery. As the peak of the infection passed and the vaccination programme was rolled out conditions gradually began to normalise. CCLA continued to invest in robust businesses exposed to limited financial gearing and crucially have positive cash flow generation. These companies are holding up well and importantly are positioned to benefit as economies re-open and recover. Equity markets responded positively to signs of improvement and rose strongly.

Apportionment of Investment Income

Dividend income from investments has been apportioned on a pro rata basis to funds with an average balance exceeding £2,500 (2020: £2,500) as at 31 March 2021.

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General Charitable Fund**

Statement of Trustee's responsibilities,

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland."

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

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

The Trustee is responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Corporate Trustee:

Chairman.....

Date 27 January 2022

Chief Executive.....

Date 27 January 2022

Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust General Charitable Fund

Independent auditor's report to the trustee of North Tees and Hartlepool NHS Foundation Trust General Charitable Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of North Tees and Hartlepool NHS Foundation Trust General Charitable Fund (the 'charity'):

- give a true and fair view of the state of the charity's affairs on 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011.

We have audited the financial statements which comprise:

- the statement of financial activities;
- the balance sheet;
- the statement of cash flow; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 trustee's 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 trustee with respect to going concern are described in the relevant sections of this report.

Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust General Charitable Fund

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 trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of trustee

As explained more fully in the statement of trustee's responsibilities, 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 trustee determines 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 is 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 trustee either intends 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 149 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 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 based on these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charity's industry and its control environment and reviewed the charity's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust General Charitable Fund

We obtained an understanding of the legal and regulatory framework that the charity operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements, being the UK Charities Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- accuracy and cut-off of donation and legacy income. To address this risk, we have tested a sample of donation and legacy income from source records to their supporting evidence, including bank statements and board minute review.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and internal audit concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the Charity Commission.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust General Charitable Fund

Use of our report

This report is made solely to the charity's trustee, 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 trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

Deloitte LLP
Statutory Auditor
Newcastle Upon Tyne, United Kingdom
27 January 2022

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund

Statement of Financial Activities for the year ended 31 March 2021

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2020/21 £000	Total Funds 2019/20 £000
Income and endowments from:					
Donations	3	440	107	547	341
Legacies	3	-	16	16	118
Charitable activities	4	-	20	20	15
Other trading activities-staff lottery	5	-	17	17	-
Other incoming resources	6	61	5	66	100
Investment Income	13.3	14	26	40	39
Total incoming resources		515	191	706	613
Expenditure on:					
Raising Funds	7	-	12	12	-
Charitable activities:	8				
Research Posts and Clinical Care		-	29	29	72
Purchase of Equipment		69	74	143	60
Refurbishment costs		9	29	38	80
Staff Education and Welfare		160	18	178	62
Patient Welfare		1	9	10	37
Governance Costs	10	13	24	37	35
Total expenditure		252	195	447	346
Net gain/(losses) on investments	13.1	84	149	233	(37)
Net income/(expenditure) before transfers		347	145	492	230
Transfers between funds	16	2	(2)	-	-
Net movement in funds	18	349	143	492	230
Fund balances brought forward at 1 April		467	1,087	1,554	1,324
Fund balances carried forward at 31 March		816	1,230	2,046	1,554

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

All amounts relate to continuing operations.

The notes at pages 18 to 27 form part of these financial statements.

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General Charitable Fund

Balance Sheet as at 31 March 2021

	Note	Unrestricted Funds £000	Restricted Funds £000	Total at 31 March 2021 £000	Total at 31 March 2020 £000
Fixed Assets					
Investments	13	551	800	1,351	1,118
Total fixed assets		<u>551</u>	<u>800</u>	<u>1,351</u>	<u>1,118</u>
Current Assets					
Debtors and accrued income	14	250	30	280	14
Cash and cash equivalents		67	453	520	455
Total current assets		<u>317</u>	<u>483</u>	<u>800</u>	<u>469</u>
Current liabilities					
Creditors: Amounts falling due within one year	15	52	53	105	33
Net current assets		<u>265</u>	<u>430</u>	<u>695</u>	<u>436</u>
Total assets less current liabilities		<u>816</u>	<u>1,230</u>	<u>2,046</u>	<u>1,554</u>
Net Assets		<u>816</u>	<u>1,230</u>	<u>2,046</u>	<u>1,554</u>
The funds of the charity					
Restricted income funds		-	1,230	1,230	1,087
Unrestricted income funds		816	-	816	467
Total Charity Funds	19	<u>816</u>	<u>1,230</u>	<u>2,046</u>	<u>1,554</u>

The notes on pages 18 to 27 form part of the financial statements.

The financial statements on pages 15 to 27 were approved by the Corporate Trustee and signed on its behalf by:

Signed: Julie Gillon Julie Gillon (Chief Executive)
Date: 27 January 2022

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund**

Statement of Cash Flow for the year ended 31 March 2021

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities:			
Net cash used in operating activities	18	<u>25</u>	<u>222</u>
Cash flows from investing activities:			
Dividends and interest from investments	13.3	40	39
Proceeds from sale of investments		-	-
Net cash provided by investing activities		<u>40</u>	<u>39</u>
Change in cash and cash equivalents in the reporting period		<u>65</u>	<u>261</u>
Increase in cash and cash equivalents in the year		65	261
Cash and cash equivalents at the beginning of reporting period		455	194
Total cash and cash equivalents at the end of the year		<u>520</u>	<u>455</u>

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund**

Notes to the Financial Statements

1 Accounting Policies

(a) Basis Of Preparation

The financial statements have been prepared on a going concern basis and under the historic cost convention, with the exception of investments which are included at bid price. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Charities Act 2011.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(b) Funds Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Unrestricted income funds comprise those funds which the Corporate Trustee is free to use for any purpose in furtherance of the charitable objectives. Funds which are not legally restricted but which the Corporate Trustee has chosen to earmark for set purposes are designated funds. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. No endowment funds are currently held by the charity.

The major funds held in each of these categories are disclosed in note 19.

(c) Incoming Resources

All incoming resources are recognised and included in full in the Statement of Financial Activities as soon as the following factors are met:

- entitlement - arises when a particular resource is receivable or the Charity's right becomes legally enforceable;
- certainty - when there is reasonable certainty that the incoming resource will be received; and
- measurement - when the monetary value of the incoming resources can be measured with sufficient reliability.

In all cases the amount at which gifts in kind are brought into account is either a reasonable estimate of their value to the Charity or the amount actually realised.

The Charity has no sources of estimation uncertainty to disclose.

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund**

1 Accounting Policies (continued)

(d) Incoming Resources From Legacies

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

(e) Resources Expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party.

Grants are only made to related or third party NHS bodies and non-NHS bodies in furtherance of the charitable objectives of the funds. A liability for such grants is recognised when approval has been given by the Fund Manager of the relevant Charitable Fund. The North Tees and Hartlepool NHS Foundation Trust General Charitable Fund has delegated authority to the Fund

(f) Irrecoverable VAT

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

(g) Governance Costs

Costs of governance arrangements are included which relate to the general running of the Charity as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. These activities provide the governance infrastructure which allows the Charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to the future development of the Charity and comprise of administration, independent auditors' fee, internal audit costs and all support costs (see note 10). These costs were charged pro rata against funds which had a balance of £2,500 and above as at 31 March 2021.

(h) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the objectives of the Charity. These costs comprise direct costs and an apportionment of the management, administrative and audit costs.

(i) Fixed Asset Investments

Investments are stated at the closing market value which is the 'bid price' at the balance sheet date. The Statement of Financial Activities includes any net gains and losses.

(j) Debtors

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

(k) Cash and Cash equivalents

Cash at the 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.

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund**

1 Accounting Policies (continued)

(l) 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.

(m) Recognised Gains and Losses

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

(n) Going Concern

The Charity's activities, together with the factors likely to affect its future development, performance and position are set out on pages 1-8.

The Charity has significant financial resources and due to its long standing policy of only funding one-off in-year applications to the fund, has no future commitments to discharge.

The return on investments and donations have increased over the previous year and legacies have decreased. The expenditure of the Charity is discretionary and the Corporate Trustee will ensure expenditure is affordable to maintain financial sustainability.

After making enquiries, the Corporate Trustee expects that the Charity has adequate resources to continue in operational existence for at least 12 months from the date of signing. For this reason, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

(o) Taxation Liability

As a registered charity, the North Tees and Hartlepool NHS Foundation Trust General Charitable Fund is potentially exempt from the taxation of income and gains falling within S505 of the Income and Corporation Taxes Act 1988 and S256 Taxations and Chargeable Gains Act 1992.

No tax charge has arisen in the year.

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund**

2. Related Party Transactions

The North Tees and Hartlepool NHS Foundation Trust is the sole beneficiary of the Charity. The Charity has provided funding to the NHS Foundation Trust for approved expenditure made on behalf of the Charity. This funding amounted to £410,000, disclosed in note 7 and note 8, (2019/20: £311,000) and is shown on the face of the Statement of Financial Activities. During the year none of the members of the NHS Foundation Trust Board or Senior NHS staff or parties related to them were beneficiaries of the Charity or have undertaken any material transactions with the Charity.

Neither the Corporate Trustee nor any member of the NHS Trust Board has received honoraria, emoluments or expenses in the year (or in the prior year). The Corporate Trustee has purchased Trustee indemnity insurance for 2020/21.

Details of related party transactions with individuals 2020/21

	Payments to related parties	Receipts from related parties	Amounts owed to related parties	Amounts due from related parties
	£000	£000	£000	£000
Declaration of Interest 2020/21				
Optimus Health Ltd	—	1	—	250
NTH Solutions LLP	8	1	—	—
2019/20				
Optimus Health Ltd	—	175	—	—
NTH Solutions LLP	4	—	—	—

Optimus Health Ltd
(Trading Company for North Tees and Hartlepool NHS Foundation Trust)

Barbara Bright, Company Secretary
Stephen Hall, Director
Neil Schneider, Director

NTH Solutions LLP
(Trading Company for North Tees and Hartlepool NHS Foundation Trust)

Lynne Taylor, Director
Graham Evans, Trust Board Representative

Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund

3. Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
Donations	2	79	81	135
Fundraising Income Generated by Donors	11	19	30	8
Grants Receivable	173	-	173	-
Corporate Donations	250	7	257	194
Gift Aid	4	2	6	4
Legacies	-	16	16	118
Total	440	123	563	459

4. Incoming Resources From Charitable Activities

The income was primarily from the provision of training courses in furtherance of the Charity's objectives.

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
Income from the provision of education and training	-	20	20	15
Total	-	20	20	15

5. Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
Staff Lottery deductions	-	17	17	-
Total	-	17	17	-

6. Other Incoming Resources

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
Other Income	61	5	66	100
Total	61	5	66	100

This income is received from sponsorship of various meetings and conferences held by the Trust, payment for clinical trials performed by the North Tees and Hartlepool NHS Foundation Trust and the provision and facilitation of training for outside parties.

Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund

7. Raising Funds

	2020/21	2019/20
	£000	£000
Staff Lottery Winnings & Admin	12	–
Total	<u>12</u>	<u>–</u>

8. Charitable activities

The Charity pursued its charitable activities by making grants, shown below by category.

	2020/21	2019/20
	£000	£000
Purchase of Equipment	143	60
Research Posts and Clinical Care	29	72
Refurbishment Costs & IT Equipment	38	80
Staff Education and Welfare	178	62
Patients Welfare	10	37
Total	<u>398</u>	<u>311</u>

9. Analysis of Grants

All grants are made to the Charity for the year 1 April 2020 to 31 March 2021. The Corporate Trustee operates a Scheme of Delegation, through which all grant funded activity is managed by fund holders responsible for the day to day activities in accordance with the directions set out by the Corporate Trustee in the Standing Financial Instructions and Standing Orders. The total cost of making grants is disclosed in the activity analysis on the face of the Statement of Financial Activities. The grants received by the beneficiaries for each category of charitable activity is disclosed in note 8 of the financial statements.

10. Governance Costs

	2020/21	2019/20
	£000	£000
Internal audit	3	3
External audit	6	4
Governance	<u>9</u>	<u>7</u>
Financial administration	28	28
Total	<u>37</u>	<u>35</u>

Governance costs of £36,842 (2019/20: £34,745) comprise administration costs of £27,748 (2019/20: £27,845), external auditors' fee of £6,000 (2019/20: £6,000 with £3,900 borne by the charitable fund and £2,100 borne by the Trust) and an internal audit charge of £3,000 (2019/20: £3,000). Administration costs are charged pro rata against funds with an average balance of over £2,500 at 31 March 2021 (2019/20: £2,500).

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund**

11. Staff Costs

There are no staff directly employed by the Charity in 2020/21 (2019/20: none).

The Charity's Corporate Trustee agents give their time freely and receive no remuneration for the work that they undertake acting for the Corporate Trustee.

12. Audit Remuneration

The auditor's remuneration of £6,000 (2019/20: £6,000) related solely to the audit.

13. Investments

The investment is valued at bid price 2020/21.

13.1 Movement in fixed asset investment	2020/21	2019/20
	Total	Total
	£000	£000
Market value brought forward	1,118	1,155
Monies owed by CCLA for Charities	10	10
Short term dividends	(10)	(10)
Less disposals at carrying value	—	—
Net (loss)/gain on revaluation	233	(37)
Market value at 31 March	1,351	1,118

13.2 Market value at 31 March	2020/21	2019/20
	Total	Total
	£000	£000
Held in UK		
COIF Charities Investment Fund	1,351	1,118
Total	1,351	1,118

The COIF Charities Investment Fund includes the following investments:

	2020/21	2019/20
Asset allocation		
Overseas Equities	67.23%	60.21%
UK Equities	9.89%	12.60%
Infrastructure & Operating Assets	9.12%	9.68%
Cash & near cash	4.83%	6.20%
Property	3.90%	5.37%
Contractual & Other Income	2.68%	3.25%
Private Equity & Other	2.01%	2.15%
Fixed Interest	0.34%	0.54%

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund**

13.3 Total gross income from investments and cash on deposit

	2020/21 Total £000	2019/20 Total £000
Held in UK		
Investments	40	39
Total	<u><u>40</u></u>	<u><u>39</u></u>

The Corporate Trustee believes that the carrying value of the investments is supported by their underlying net assets.

14. Debtors

Debtors under one year	2020/21 Total £000	2019/20 Total £000
Dividend Income	10	10
Prepayments	4	4
Accrued Income	266	-
Total	<u><u>280</u></u>	<u><u>14</u></u>

15. Creditors: amounts falling due within one year

Creditors under one year	2020/21 Total £000	2019/20 Total £000
Accruals	64	19
Deferred Income	9	9
Amounts owed to North Tees and Hartlepool NHS Foundation Trust	32	5
Total	<u><u>105</u></u>	<u><u>33</u></u>

There is no security for non-trading amounts owed to the Foundation Trust.

16. Transfers between funds	2020/21 Total £000	2019/20 Total £000
Transfers	<u><u>2</u></u>	<u><u>-</u></u>

Transfer of staff lottery administration between staff lottery fund and General Fund.

**Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund**

17. Ultimate parent undertaking and controlling party

The Charity is a wholly owned subsidiary of North Tees and Hartlepool NHS Foundation Trust, a NHS Foundation Trust registered in England. North Tees and Hartlepool NHS Foundation Trust is also the ultimate parent company.

The parent undertaking of the smallest group which includes the Charity, and for which consolidated financial statements are prepared, is North Tees and Hartlepool NHS Foundation Trust.

Copies of the financial statements for this group can be obtained from:

North Tees and Hartlepool NHS Foundation Trust
University Hospital North Tees
Hardwick Road
Stockton on Tees
TS19 8PE

North Tees and Hartlepool NHS Foundation Trust is a public benefit corporation established under the National Health Service Act 2006. NHS Improvement, the Independent Regulator for NHS Foundation Trusts, has the power to control the Trust within the meaning of IAS27 'Consolidated and Separate Financial Statements.' NHS Improvement does not prepare group accounts but does prepare separate NHS Foundation Trust Consolidated Accounts. The NHS FT Consolidated Accounts are included within the Whole of Government Accounts and this is the largest group with which the results of North Tees and Hartlepool NHS Foundation Trust General Charitable Fund is consolidated into. NHS Improvement is accountable to the Secretary of State for Health and therefore the Trust's ultimate parent is HM Government.

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2020/21	2019/20
	Total	Total
	£000	£000
Net movement in funds	492	230
(Gain)/Loss on investments	(233)	37
Deduct interest/dividends income shown in investing activities	(40)	(39)
(Increase)/ Decrease in debtors	(266)	(3)
Increase/(Decrease) in creditors	72	(3)
Net cash generated from operating activities	<u>25</u>	<u>222</u>

Annual Report and Accounts for North Tees and Hartlepool NHS Foundation Trust
General Charitable Fund

19. Analysis of Charitable Funds

Name	Description of the nature and purpose of the fund	Fund Balances at 31 March 2020 £000 OVER £25,000	Incoming Resources £000	Resources Expended £000	Internal Transfers £000	Fund Balances at 31 March 2021 £000 OVER £25,000
1 Memorial Fund (Surgery)	To support patient care within the Directorate of Surgery	45	7	(1)	-	51
2 Breast Surgery Fund	To support patient care within breast service including equipment & training	62	14	(1)	-	75
3 Spinal Fund	To support patient care for individuals requiring treatment within the Spinal Department	47	8	(7)	-	48
4 Haematology Fund	To support patient care for individuals with blood disorders	113	21	(10)	-	124
5 Urology Research Fund	To support patient care for individuals diagnosed with Urology/Kidney related illness	33	6	(1)	-	38
6 M Legacy Fund	To support the purchase of equipment for the benefit of cancer patients	162	43	(52)	-	153
7 Cardiology Fund	To support patient care for individuals requiring treatment within the Cardiac unit	100	19	(3)	-	116
8 Neo-Natal	To support patient care for individuals requiring treatment within the neo-natal unit	32	5	(9)	-	28
9 Stroke Fund	To support stroke patients welfare and staff training	37	16	(10)	-	43
10 Colorectal Cancer Fund	To support Colorectal patient services, staff Education & Training	29	5	(4)	-	30
11 Neonatal Life Support	Support running of Life Support course	28	18	(5)	-	41
12 Breast Care Nursing Fund	Breast Cancer nurse training / Welfare & hardship fund for patients	34	34	(2)	-	66
13 Chemotherapy Fund	To support patient care for individuals requiring treatment within Chemotherapy Fund UHNT	49	21	(17)	-	53
Funds increased to above £25,000 as at 31 March 2021		-				-
Removed funds decreased to below £25,000 as at 31 March 2021		-				-
Funds at 31 March 2021		771	217	(122)	-	866
Other Funds balances less than £25,000 as at 31st March 2021		316	123	(73)	(2)	364
Total Restricted Funds		1,087	340	(195)	(2)	1,230
Total Unrestricted Funds		467	599	(252)	2	816
Total Fund balances at 31 March 2021		1,554	939	(447)	-	2,046

Internal Transfers Movement between restricted and unrestricted funds

The Charity has one unrestricted fund, the General Purpose Fund.