

# Powys Teaching Local Health Board Charitable Fund

Annual Report and Accounts for the Year  
Ended 31<sup>st</sup> March 2021

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## Trustee Arrangements

Powys Teaching Local Health Board Charitable Fund (the Charity) is registered with the Charity Commission; Powys Teaching Local Health Board (Powys THB) is designated as Corporate Trustee.

The members of Powys THB who served during the financial year to 31st March 2021 were as follows:

Powys Teaching Local Health Board Board Members 2020/21			
	Chair	Vivienne Harpwood	
	Vice Chair	Mel Davies	
	Chief Executive	Carol Shillabeer	
Independent Members		Officer Members	
Third Sector	Trish Buchan	Executive Director of Finance & IT	Pete Hopgood
Trade Union	Susan Newport	Executive Director of Workforce & OD	Julie Rowles
University	Frances Gerrard	Executive Medical Director	Paul Buss
Finance	Anthony Thomas	Executive Director of Nursing	Alison Davies
Capital /Estates	Mark Taylor	Executive Director of Planning & Performance	Hayley Thomas
Local Authority	Matthew Dorrance	Executive Director of Therapies & Health Sciences	Claire Madsen
ICT	Ian Phillips	Executive Director of Primary, Community Care and Mental Health	Jamie Marchant

Community -	Owen James (to 4 <sup>th</sup> September) (Vacant to present)	Executive Director of Public Health	Stuart Bourne
Legal	Vacant	Board Secretary	Rani Mallison

In order to assist the Corporate Trustee to fulfil its statutory duties under this registration, a Charitable Fund's Committee has been established with delegated powers to manage the Charity.

### **Charitable Funds Committee Membership**

#### Current

Vivienne Harpwood	-	Interim Chairperson (from September 5 <sup>th</sup> 2020)
Owen James	-	Chairperson (to September 4 <sup>th</sup> 2020)
Mark Taylor	-	Independent Member
Trish Buchan	-	Independent Member
Tony Thomas	-	Independent Member
Pete Hopgood	-	Executive Director of Finance & IT
Alison Davies	-	Executive Director of Nursing

### **Registered Office**

The registered office of the Charity is Bronllys Hospital, Bronllys, Brecon, Powys, LD3 0LY.

### **Registration Number**

The Charity is registered with the Charity Commission – Registered Number 1057902.



## **Bankers**

Barclays Bank  
57 Frogmore Street  
Abergavenny  
Gwent  
NP7 5AT

## **Internal Auditors**

NHS Wales Shared  
Services Partnership  
Audit & Assurance Services  
4-5 Charnwood Court  
Heol Billingsley  
Parc Nantgarw  
Cardiff  
CF15 7QZ

## **Investment Advisors**

Brewin Dolphin Ltd  
12 Smithfield Street  
London  
EC1A 9BD

## **External Auditors**

Auditor General for Wales  
Audit Wales  
24 Cathedral Road  
Cardiff  
CF11 9LJ

## **Foreword**

The Charity was formally created on 28<sup>th</sup> May 2004 by a 'Deed of Arrangement' which replaced the Powys Health Care NHS Trust Charitable Fund, which had been in existence since 26<sup>th</sup> July 1996.

These accounts have been prepared in line with Financial Reporting Standard 102 (FRS 102).

The Charity's annual report and accounts for the year ending 31st March 2021 have been prepared by the Corporate Trustee in accordance with Part VI of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2005 (Statement of Recommended Practice (SORP) 2015). The Charity's report and accounts include all the separately established charitable funds for which the Local Health Board is responsible.

## **Administrative Details**

The Charity has an umbrella registration with the Charity Commission under which funds are registered together under a single 'main' registration number. There are a total of 77 individual funds maintained within the accounting records as at the 31 March 2021, and the notes to the accounts distinguish the types of funds and disclose separately all material funds.

Charitable monies donated to the Charity are accepted, held 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.

## **Trustee**

Powys THB is the Corporate Trustee of the Charitable Fund governed by the law applicable to Local Health Boards, principally the Trustee Act 2000 and also the law applicable to Charities, which is governed by the Charities Act 2011.

The chair and independent members of the Board are appointed by the Welsh Government and the executive directors are appointed by the Board.

The Corporate Trustee devolves responsibility for the on-going management of the charity to the Charitable Funds Committee which administers the fund on behalf of the Corporate Trustee. Details of the Corporate Trustee and its Charitable Funds Committee are disclosed on pages 2 to 4.

## **Principal Charitable Fund Advisor to the Board**

Under a scheme of delegated authority approved by the Corporate Trustee, the Executive Director of Finance of Powys THB has responsibility for the management of the Charity, and the Head of Financial Services is the principal officer overseeing the day-to-day financial management and accounting for the charitable fund and its specific charitable accounts during the year.

## **Professional Advisors**

The principal professional advisors to the Corporate Trustee are detailed on page 4.

## **Structure Governance and Management**

The Charity's unrestricted fund was established using the model declaration of trust. All funds held on trust as at the date of registration were either part of this unrestricted fund or registered as separate restricted funds under the main Charity. Subsequent donations and gifts received by the Charity that are attributable to the original funds are added to those fund balances within the existing Charity. Where funds have been received which have unique specific restrictions set by the donor, new unrestricted (designated) funds have been established.

The current structure of the individual funds reflects the fact that the majority of income and expenditure is focused where patients receive services. Operational managers exercise control over the funds donated to their management area. The charitable funds available for spending are allocated to service areas within Powys THB's management structure. There are, for example, specific allocations made for individual wards and for specific service areas such as Palliative Care and Brecon Cardiac Services.

Members of the Powys THB and its Charitable Funds Committee are not individual Trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

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

- control, manage and monitor the use of the fund's resources for the public benefit having regard to guidance issued by the Charity Commission,
- provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income,
- ensure that 'best practice' is followed in the conduct of all its affairs fulfilling all of its legal responsibilities,
- ensure that the approved Investment Policy incorporated within the Charitable Funds Policy approved by the Teaching Local Health Board as Corporate Trustee is adhered to and that performance is regularly reviewed whilst being aware of ethical considerations,
- keep the Corporate Trustee fully informed on the activity, performance and risks of the Charity.

Powys THB is the main beneficiary of the charity and is a related party by virtue of being the Charity's Corporate Trustee. By working in partnership with Powys THB, the charitable funds are used to best effect and so when deciding upon the most beneficial way to use charitable funds, the Corporate Trustee has regard to its main activities, objectives, strategies and plans. The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objectives of each fund that has been designated to respect the specific wishes of each donor.

The accounting records and the day-to-day administration of the fund is dealt with by the Finance Department located at Bronllys Hospital, Brecon, Powys, LD3 0LS.

## A message from our Chair

*You may or may not already be familiar with our Charity but PTHB Charity is the registered charity for the whole of the Powys Teaching Local Health Board and we look after all donations that are made to PTHB staff, services, and hospitals. We work with health board staff to use those donations directly, or distribute them through our different funding streams. It is our goal to support innovative staff and patient projects for the benefit of the health and wellbeing of Powys.*

*The Health Board and Charity have had a remarkable and perhaps the most challenging of years in 2020. Our heroic NHS staff have been at the heart of the nation's response to the pandemic. It goes without saying that we are incredibly proud of the way that staff and volunteers across Powys have dealt with adversity and risen to the occasion. We made it our goal to provide as much support for them as possible through the Charity. This year saw us introduce the very first full-time member of staff for the Charity, our Charity Manager, who started in April 2020 to help us do just that.*

*In 2020-21 we were able to fund 94 new projects and commit a total of over three hundred and fifty thousand pounds. An amazing total that would not have been possible without the support and dedication of our health board colleagues to bring those projects to fruition as well as an impactful national fundraising campaign by NHS Charities Together and galvanised local fundraisers. The outpouring of generosity and gratitude from our communities has allowed the Charity to deliver a more effective and impactful response to support both staff and patients during the pandemic.*

*I am pleased to now have this opportunity to pause, reflect and celebrate everything we have been able to achieve together. Thank you to everyone that has helped to make those achievements possible.*

Vivienne Harpwood,

Chair of Powys Teaching Local Health Board and PTHB Charitable Funds Committee

## Our objectives

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

*"The Trustee shall hold the Trust fund upon trust to apply the income, and at their discretion, so far as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service, wholly or mainly for the services provided by Powys Teaching Local Health Board (hereinafter referred to as "the objects")"*

This means that the fund can be used for the benefit of patients and staff who receive or help deliver the services provided by Powys THB in accordance with the Deed of Trust.

The Charity is funded by donations and/or legacies received from patients, relatives and friends, the general public and other external organisations. The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund. The trustee respects the wishes of our donors to benefit patient care and advance good health and welfare of patients and staff and ensuring that all expenditure fulfils public benefit criteria. The practice of the Charity is to provide support to the Powys THB by the following means: -

Patients' Expenditure: by purchase of small equipment, and the provision of services and facilities not normally provided by or additional to the normal NHS provision.

Staff Expenditure: by supporting staff to provide more effective services to patients, through (for example) additional education and training opportunities; and facilitating and promoting research.

Medical Equipment: by purchase of equipment in addition to that normally provided by the NHS.

When there are changes in the delivery of a service, or when for some other reason it becomes impractical to maintain a separate fund, the Corporate Trustee has ultimate discretion, in accordance with Section 96 of the NHS Act 1977, to apply the charitable funds. Its objective, however, is to continue to respect the donor's wishes.

### **Building new local objectives**

Establishing a new framework for the progression and development of the Charity across 2020-21 was a key objective for Powys Teaching Health Board. Until 2020, the Charity had operated with no dedicated full-time members of staff. There was, therefore, capacity to expand its scope and reach with the introduction of a full-time Charity Manager in April 2020 employed by the Health Board.

The objectives outlined below have been set out in-line with the strategic objectives of the Powys Teaching Health Board's Integrated Medium Term Plan and its core values.

The strategic objectives aim to:

- Provide clarity on the Charity's purpose and remit for PTHB staff and members of the public.
- Outline key areas for development.
- Establish a pathway for progression.

- Demonstrate the synergies between the objectives of the Charity and those of the PTHB as set out by the Integrated Medium-Term Plan (IMTP).

## Placing the Charity in context

Until April 2020, the Charity was operating with no full-time members of staff and under the guidance of supporting health board staff and the commitment of the Independent Members that form the Charitable Funds Committee. As such, the scope of the Charity and its objectives were limited by its resources.

The appointment of a full-time Charity Manager in April 2020 afforded the opportunity to review and expand upon the existing objectives in line with the strategic aims of the Charitable Funds Committee and the Powys Teaching Health Board.

The single most influential factor on these strategic objectives has been the disruption and impact of the COVID-19 pandemic in 2020. Naturally, the pandemic greatly impacted operations and restricted engagement with stakeholders but it also emerged as a major priority for the Charity to address through the distribution of its funds.

Where possible, the Charity looks to take a lead from the most influential and impactful third sector organisations from across the UK, particularly those in the field of healthcare and medical support. More locally, the Charity will also look to the other health board charities in Wales for a steer on relevant issues and to coordinate campaigns and communications for the widest possible impact.

Maintaining a strong relationship and open dialogue with the aforementioned organisations can ensure the Charity is as knowledgeable, responsive and effective as possible within its field.

## Key objectives

The following objectives have been chosen in order to outline a clear and consistent identity for the Charity, build a profile and increase its impact through greater engagement, and ensure it remains sustainable.

- 1) Ensure strategy, planning and governance are efficient and effective.
  - a) Review all Charity governance and bidding arrangements to implement operational efficiencies.
  - b) Establish clear Charity guidelines and policy for PTHB staff and independent members.
  - c) Develop a new Stakeholder Engagement Strategy and Operational Framework for the Charity.
  - d) Scale and adapt the Charity whilst ensuring its long-term viability and sustainability.
- 2) Develop a timely and effective charitable response to health and wellbeing issues across Powys, such as the COVID-19 pandemic.

- a) Proactively engage with staff and patients to facilitate new charitable funding proposals.
  - b) Collaborate with third sector partners on fundraising and awareness raising campaigns.
  - c) Implement a new support programme for staff, volunteers and patients who are impacted by COVID-19.
  - d) Generate relevant engagement opportunities to allow the public to connect with the Charity.
- 3) Create and implement an engaging communication strategy.
- a) Create a new brand identity for the Charity with input from key stakeholders (PTHB staff, third sector partners, service users, beneficiaries and local residents).
  - b) Establish a public fundraising presence and generate new fundraising opportunities for the Charity.
  - c) Produce effective and engaging campaigns to widen the Charity's reach and engage new audiences.
- 4) Develop and coordinate a comprehensive stakeholder network.
- a) Build on existing regional partnerships in order to further the Charity's strategic objectives.
  - b) Form new partnerships with key stakeholders which support the implementation of the Charity's strategic objectives.
  - c) Manage the Charity's engagement network (staff, volunteers and public).

## **Delivery and monitoring**

Delivery of these objectives is overseen and monitored by the Corporate Trustee as a key programme of work to support the Charitable Funds Committee and Health Board in achieving both wellbeing and charitable objectives.

## **Our year in review**

### **Fundraising**

2020/21 saw a large uptake of interest in supporting and donating to Powys Teaching Health Board and PTHB Charity. With COVID-19 impacting the NHS and particularly, frontline staff, there were thousands of fundraisers established to support various NHS Charities across the UK. The largest and most successful of these was established by the membership body, NHS Charities Together. Their COVID-19 fundraiser raised over £150 million, which is being distributed between over 200 NHS Charities across the UK. This was supported by Captain Sir Tom Moore, who raised £32.8m for NHS Charities Together by walking 100 laps of his garden before his 100<sup>th</sup> birthday – breaking the Guinness World Record for an individual's charity walk and inspiring the nation.

In April 2020, PTHB Charity became a member of NHS Charities Together. Since becoming a member, the Charity has received a total of £151,600 in COVID response funding. This grant funding has since been distributed amongst staff and patients as part of the first phase of response funding across the year.

In addition to the above, the PTHB Charity has plans to apply for a further £50-100,000 from NHS Charities Together to develop a programme to support community partnerships and aiding community recovery from COVID-19 across Powys. The fund has a strong focus on collaboration between multiple partner organisations and the PTHB Charity is exploring this opportunity through the Powys Regional Partnership Board for a programme which will begin in 2022, spanning a two-year period.

In the same timeframe, the Charity has also been part of an all-Wales NHS Fundraisers organised by the Swansea Bay Health Board Charity, which has raised over £195,000 to be distributed evenly between 9 NHS Charities in Wales. The PTHB Charity has received £24,662 of funding from this campaign.

PTHB staff members and the local community have also established several smaller Just Giving fundraisers, with walking and cycling challenges, knitting projects and even a skydive. Perhaps the most successful of these being Brecon RFC's shearing and 'name the ewe' competition which raised a combined £16,000 for PTHB Charity and local ambulance stations in May and June 2020.

In addition, there have been well-over 200 donations and contributions made to staff at various hospital sites from local and national business, organisations and community members. These donations have ranged from food and supplies to training, staff discounts and other amenities. In order to better manage and track these donations, a new organisational gifts register has been created.

## **Communications & Engagement**

Developing the Charity's communication channels (both internal and external) was essential to establishing a foundation of support from staff members and the local community.

The PTHB Charity now has the following new online accounts which have grown significantly:

- A new Twitter handle to engage with the public and staff launched on the May 2020 (@PTHBCharity).
- A Facebook page (facebook.com/PTHBCharity) launched in October 2020.
- A Just Giving page (<https://www.justgiving.com/PTHBcharity>) to process online donations and allow community members to establish digital fundraisers with over 19 different fundraisers created during the year.
- A Work for Good profile (<https://workforgood.co.uk/about/charities/view/powys-teaching-health->

board-charity/) which will allow business and organisations to engage with and donate to the Charity.

- An updated bilingual presence on the new Powys Teaching Health Board website (<https://pthb.nhs.wales/about-us/our-charity/>)

The Charity's social media channels have had over 70,000 impressions since their creation with an average engagement rate of 2.6% and a total of almost 250 active followers across all channels.

With expanded capacity, the Charity also has plans to boost engagement through a monthly newsletter for staff and the public. In addition to this, the Charity is preparing to launch its own website within the next 12-18 months.

### **COVID response fund**

A new *COVID Response Fund* funding stream was launched for staff on the 26<sup>th</sup> May in order to utilise the NHS Charities Together funding from their hugely successful COVID appeal. The response fund was established in order for staff to be able to quickly access funding for urgent requirements, and to address the impact of COVID-19 on services, staff and patients.

The Charity sought the input of NHS and frontline staff across Powys on how the funds could be best used. This has led to over 50 different projects being implemented to date. These range from new staff wellbeing facilities at each of Powys' community hospital sites to an online leadership support programme for nursing staff. Other projects included using technology to help isolated patients contact their loved ones throughout lockdown and outdoor renovations to create new wellbeing gardens for patients and staff.

The response to a staff evaluation of the fund has been overwhelmingly positive, with the majority of applicants finding the process highly accessible. Applicants praised the ease of the process (all respondents found it either very accessible or accessible) and the good level of communication between themselves and grant administrators. The majority of applicants were applying for Charitable Funds for the first time and stated they would be more likely to apply again after their experience with the fund. This is important as many applicants stated that they were unsure of the existing processes and mechanisms to apply for funding.

Overall, the elements of the grant scheme that were criticised included delays on decision making and the difficulty in procuring items. Respondents stated they would be keen to see future grant schemes retain the same level of communication, indicate timescales for the procurement process and focus on specific themes for a set period of time. This feedback has helped the Charity to develop new guidelines for applicants and has helped to inform the progression of new and existing funds.

The renewed interest in Charitable Funds through the scheme has also led to the submission of additional proposals for the General Fund and development meetings to discuss future proposals. The scheme has also served as a good pilot for future charity funding initiatives and its evaluation will help to inform the Charity's ongoing Stakeholder Engagement Strategy.

## **All Wales NHS charities collaboration**

The impact of COVID-19 has seen an increase in public interest and support for NHS Charities, which has led to new opportunities for collaboration in Wales. Led by the Swansea Bay Health Charity, Welsh NHS Charities have established an all Wales fundraising campaign to support with COVID-19. The campaign has been an excellent opportunity for PTHB Charity to establish a working relationship with the other Health Board charities in Wales, particularly those in Cardiff, Swansea and North Wales who have all developed new brands in the past 2-3 years.

Following the success of the campaign and the increasing pressure on NHS Charities, an all Wales NHS Charities Group has been formed. The Group will enable greater collaboration and communication between Health Board Charities and the ability to campaign at a national level. The inaugural meeting was on the 9<sup>th</sup> September 2020 and the Group continues to meet on a quarterly basis.

## **Additional governance measures**

An internal audit into the effectiveness of governance arrangements in place during the response to Covid-19 in August 2020 highlighted the significant increase in community gifts and donations to PTHB staff across 2020 led to the need for new measures to ensure correct governance procedure is being followed throughout PTHB. The Charity Manager created new guidance for all staff members to help outline the appropriateness of charitable gifts and donations along with the steps to correctly record them. A Good Governance of Gifts & Donations document was created in September 2020 in line with existing PTHB guidance and the Healthcare Financial Management Association (HFMA) recommendations.

In order to ensure greater clarity and guidelines for Committee members, PTHB staff and the public, the Charity Manager has undertaken a comprehensive governance and funding review to help address any gaps in governance and procedures following the changes of the past year, which have impacted service delivery and numerous processes, such as holding virtual committee meetings and changes in consideration for core and non-core expenditure. This has led to the creation of a new staff policy for Charitable Funds in addition to new general funding guidelines, application forms and a new approval process for all proposals to ensure wider input and provide a structured timeline for applicants.

## **New staff appointment**

The introduction of a Charity Manager earlier in the year led to a steady increase in the scope and reach of the Health Board's Charitable Funds with the addition of new internal and external communication channels, an increased public-facing presence and the development of new partnerships and commitments.

The scope of the Charity is planned to continue to grow over the next 12-24 months and beyond in line with its Annual Plan and strategic objectives. The Corporate Trustee, therefore, decided that an additional post should be a part of the efforts to scale and adapt the Charity whilst ensuring its long-term viability and sustainability

The Charity Administrative Support Officer post will provide crucial support to both the Charity Manager and Board Secretary, ensuring that day to day administration for the Charity can continue to function to a high standard, free of delays with the increased volume of work.

Following a targeted recruitment plan across January and February 2021, the Charity appointed a new Charity Administrative Support Officer on the 18<sup>th</sup> February with commencement in role in May 2021.

### **Charity Brand Development**

A unified brand identity for the Charity is a key priority as the scope and reach of the Health Board's Charitable Funds steadily increases with the addition of new internal and external communication channels, an increased public-facing presence and the development of new partnerships and commitments. The development of a brand identity is an element of the long-term objectives identified earlier in the report.

Brand development will include the creation of new logos, typefaces and imagery for the Charity's use across internal documents, social media and other digital platforms (including any future website). These will be based on a specific tone and messaging which reflects the Charity's existing and target audiences as well as engagement objectives. The work will also include guidelines for the use of the brand in various scenarios and provide a platform from which to build campaigns and communications going forwards.

With the prioritisation of addressing COVID-19 response and recovery, the addition of new staff, existing governance and establishing a community presence, work on the development of the Charity's new brand has been delayed to late 2021 with a successful launch of the new brand currently planned for 2022.

### **Ongoing projects and partnerships**

Expanding upon the number of third sector partnerships and external partnerships is a continued area of focus for the Charity, with the aim of expanding the scope of the funding proposals and potential projects presented to the Charitable Funds Committee. There are a number of strategic proposals in development which focus on collaborations with third sector partners that can address gaps in particular funding/project areas (based on applications over the previous 18 months) and engage audiences that are missing from current engagement such as projects with children and young people, creative collaborations in addition to advocacy and prevention work.

The Charity approved funding to support a holistic, renewed programme to improve End of Life Care across Powys in July 2020. The Charity Manager is supporting the development of this ongoing programme in an advisory capacity as a member of the project steering group, which was established in October 2020 and continues to meet on a monthly basis. The project has already resulted in a successful staff and public survey of End of Life care across Powys, a partnership with the National Museum of Wales and the implementation of new spiritual care considerations. The programme will continue on throughout 2021 and 2022 to

deliver enhancements to palliative care suites and establish a support network for staff, patients and relatives.

In December 2020, the Charity supported funding for a temporary position (nine months) of a digital project coordinator. The role is based within PAVO (Powys' Voluntary Sector Council), working closely with Powys Teaching Health Board. The role was created to strengthen accessibility to services by coordinating technical volunteers to be available virtually and face to face in a community setting to set patients up with their arranged appointment. The position is also responsible for communicating with Community Connectors, the Powys library service and other venues to establish support hubs in North Powys.

Continuing its aim to support greater collaboration between sectors, in March 2021 PTHB Charity also supported the Horizon Arts in Mental Health project which aims to strategically embed creativity at the heart of mental health, health and wellbeing practice. This collaboration between the Health Board, the local Council and the arts/voluntary sector will consult and engage with, and support the creativity of, mental health and other related patients and service users of all ages, their families, carers and health care staff. Artists will collaborate with individuals and/or groups, to devise therapeutic creative arts experiences with the intention of improving people's mental health, health and wellbeing.

## Income & expenditure

### Income

Voluntary income consists of donations and legacies from patients and their relatives and friends. Total income of £392,130 received during 2020/21 included £58,987 which related to two legacies.

Donations in 2020/21 include an amount of £17,217 received from various Leagues of Friends associated with Powys Hospitals (2020: £12,048).

The generosity of all those who made a donation or left a legacy is greatly appreciated. An analysis of total income is given below.

	<b>2020/21</b>	<b>2019/20</b>
	<b>£</b>	<b>Restated £</b>
Interest and Dividends	79,104	86,295
Donations	102,439	56,048
Legacies	58,987	77,544
Grant Income	151,600	0
	<u>392,130</u>	<u>219,887</u>

## Expenditure

Expenditure on charitable activities and Support Costs in 2020/21 was £256,685 (2020 Restated: £488,417).

An analysis of expenditure is shown below:

	<b>2020/21</b>	<b>2019/20</b>
	<b>£</b>	<b>Restated £</b>
Staff Education, Welfare and Amenities	56,409	95,622
Patient Education, Welfare and Amenities	92,209	330,364
Medical Equipment	15,188	43,503
Building and refurbishment	1,584	0
Support Costs	91,295	18,928
	<u>256,685</u>	<u>488,417</u>

## Gain/Loss on Investment Assets

An amount of £2.804M was invested via Brewin Dolphin Ltd in February 2020 and at the 31<sup>st</sup> March 2021 was valued at £3.328M (2020:£2.276M) the unrealised gain on Investment totalled £0.558M. Unrealised gains and losses are calculated as the difference between the market value of the investment at the year end and opening carrying value. Since the investments have not physically been sold, this change in valuation remains an unrealised gain/loss until a sale transaction realises the value and it becomes a realised gain/loss.

## Elements of funds held

Expenditure was undertaken from the Charity's unrestricted and restricted income funds; these funds comprise two elements:

- **The General Purposes Fund**, which is constituted of funds received by the Charity with no particular preference expressed by donors. Applications can be made to this fund from any service area within Powys THB. Expenditure from this fund is targeted on projects in areas that do not have available Designated Funds to pay for them.
- **Designated Funds**, which usually contain donations where a particular part of a Hospital or Health Board activity was nominated by the donor at the time their donation was made. Whilst their nomination is non-binding on the Trustee, the designated funds reflect these nominations and are overseen by Service Managers who can make recommendations

on how to spend the money within their designated area. Service Managers' recommendations are duly considered and these funds can be spent at any time with the prior approval of the Charitable Funds Committee or Executive Directors/Assistant Directors.

## Reserves policy

The Charity's reserves policy has the objective of ensuring that the Charity has sufficient funds available to maintain liquidity, cover unforeseen risks and provide for future opportunities.

The Charity relies heavily on income from donations, fundraising and legacies. These are unpredictable sources that can vary year to year. Therefore, the Charity needs sufficient reserves to be able to continue its activities in the event of fluctuations in its income.

The Charity has a target level of reserves of £0.708M. This is based on the following calculation, with average figures taken from the last three years of audited accounts:

- One year's administration cost (support costs, fundraising costs and investment management costs).
- 20% of the value of investments held.
- 25% of the grant funded activity expenditure.

The target level of reserves will be reassessed on an annual basis.

The Trustee will review the actual reserves held against the target at least annually, to ensure that sufficient funds are held within the Charity, whilst also continuing to utilise funds within a reasonable period of receipt.

## A review of funds, performance & investments

The net assets of the Charitable Funds as at 31st March 2021 were £3,932,603 (2020 Restated: £3,251,839).

The charity continues to rely on donations and legacies and investment income as the main sources of income. Total incoming resources increased by £172,243 compared with the previous financial year. Legacy income decreased by £18,557.

Expenditure of £256,685 has decreased compared with the previous year (2020 Restated: £488,417). The total charitable expenditure on direct charitable activity, including support costs was £256,685 across a range of programmes.

### Purchase of new medical equipment

The total spend on providing new equipment for Powys THB of £15,188 (2020 Restated: £43,503) represents a vital and valuable contribution to enhancing the provision of clinical care ranging from purchases of small items of rehabilitation

equipment through to patient monitors for use in the Minor Injury Unit at Llandrindod Hospital.

### **Provision of Staff Education, Welfare and Amenities**

Of the total Staff Education, Welfare and Amenities expenditure in year of £56,409 (2020 Restated: £95,622), the Charity contributed £22,411 (2020 Restated: £23,710) towards the provision of education and training for Powys THB staff undertaking further professional education and training.

### **Provision of Patient Education, Welfare and Amenities**

A significant amount of expenditure £92,209 (2020 Restated: £330,364) has been charged under this heading in the year from small initiatives such as increased patient activities at day hospitals to the purchase of televisions in Epynt Ward in Brecon Hospital.

### **Performance management**

The Charity Manager has been employed in order to deliver a new strategy for the Charity and to support the development of new projects, partnerships and proposals to help the Charity to best fulfil its charitable aims and objectives. The Charity Manager will help the Trustee to monitor general progress and performance of charitable funds and their utilisation. The performance of the Charity Manager is regularly reviewed by both the Charitable Funds Committee and the Corporate Trustee in order to ensure to the Charity continues to achieve and deliver support to its full potential.

All general purpose funding proposals and significant proposals (above £10,000) are reviewed and approved by the Charitable Funds Committee with prior support from the PTHB Executive Committee. Local and designated fund requests that fall below the above threshold require support from Executive Directors/Assistant Directors for the delegated service managers who manage those funds.

### **Investments**

The Corporate Trustee has considered potential risks to which the Charity is exposed. There are no major risks that have been identified other than those associated with the normal fluctuations in the value of investments. The Trustee believes these risks are appropriately managed. Independent investment advisors (Brewin Dolphin Limited) have been appointed, and investments are held in a diversified fund of investments.

The Corporate Trustee invests the funds of the Charity with Brewin Dolphin Ltd via a Portfolio arrangement. At the year-end 14%, 74%, 6% and 5% were invested in Fixed Income, Equities, Alternatives and Other Investments respectively with the remaining 1% held as cash assets.

The Corporate Trustee continues to consider its exposure to the fluctuations in the value of its equity-based investment, and receives a quarterly investments performance report at each Charitable Funds Committee meeting.

In line with the ethos of promoting patient wellbeing, the Corporate Trustee attempts to ensure that all investments are ethically and environmentally sound, and are not opposed to the core purpose of the Charity. This ethical mandate is interpreted by our Investment Managers and informs the makeup of our portfolio. These ethical considerations are regularly monitored on a quarterly basis.

This THB also has investment property assets left to the charity as part of a legacy estate. The Charity owns a 1/3 share of these properties and receives a 1/3 share of income and expenditure regarding these properties

The strategy of the Corporate Trustee is that funds are spent within a timely manner after receipt. The Charity has further developed this strategy to target funds that remained dormant for a period of over 12 months to ensure that the funds that have been built up over many years are being targeted and distributed equitably. This has been made possible by the introduction of a Charity Manager to support the Corporate Trustee's aims and to support service managers, Senior operational teams and Directorate Managers in developing strategic proposals to utilise funds throughout the year.

## Looking ahead to 2021

This review of the Charity should be seen in the context of the Trustee vision to assist Powys THB to deliver health services that meet the needs of all its citizens.

The direction of the Charity will be shaped by the future provision of services and the need to redesign patient care. Powys THB is currently considering a number of proposed service direction changes as initially outlined within its published Integrated Medium Term Plan and updated with a new Annual Plan for 2021/22. This has been significantly influenced by the impact of the pandemic on health services.

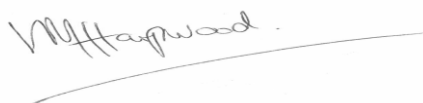
PTHB Charity will further develop its strategic approach to utilising funds and build on its workplan for 2021/22 with its additional staff capacity, with a view to successfully launching its new brand and boosting engagement. This will include a renewed new focus on the strategic areas shaped by both the Health Board's Annual Plan and emerging priorities such as recovery and renewal.

The Charity will continue work with partners, donors, staff and other stakeholders to add benefit to the population of Powys receiving health care services. As such, income and expenditure plans will be the subject of continual review to ensure that future needs are prioritised accordingly.

## Thank you for all your support

On behalf of the patients and staff who have benefited from improved services due to donations and legacies, the Corporate Trustee and the Charity would like to thank all patients, relatives, friends and staff who have made charitable donations or contributions during the year. We have been overwhelmed by the generosity of our communities this year and for that we cannot thank them enough.

PTHB Charity and the Powys Teaching Health Board has a clear view of how health services should be delivered to improve the health and wellbeing of Powys. We can only make this vision possible through Powys THB's partners, staff, patients, carers and our Powys communities and we invite you to join us to make this a reality. If you want to learn more about PTHB Charity and how you can support, please visit the Charity's website: [pthb.nhs.wales/about-us/our-charity/](http://pthb.nhs.wales/about-us/our-charity/) or contact Abe Sampson, Charity Manager at [abe.sampson@wales.nhs.uk](mailto:abe.sampson@wales.nhs.uk).




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Professor V M Harpwood

**Chair**

**Powys Teaching  
Local Health Board**




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Mrs C Shillabeer

**Chief Executive**

**Powys Teaching  
Local Health Board**

## Statement of Trustee responsibilities in respect of the Trustee's Report and the financial statements

Under charity law, the Trustee is responsible for preparing the Trustee Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

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

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether the recommendations of the Statement of Recommended Practice FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustee is required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. The Trustee is 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 Trustee to ensure that, where any statements of accounts are prepared by them under section 42(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. The Trustee has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the financial and other information included on the Powys Teaching Local Health Board website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustee confirms that it has met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 26 to 40 attached have been compiled from and are in accordance with the financial records maintained by the Trustee.

By Order of the Trustee



Signed: .....(Chair)

Date: 5 May 2022.....



Signed: .....(Chief Executive) Date: 5 May 2022.....

## **The independent auditor's report of the Auditor General for Wales to the trustee of Powys Teaching Health Board Charitable Fund**

### **Opinion on financial statements**

I have audited the financial statements of Powys Teaching Health Board Charitable Fund (the Charity) for the year ended 31st March 2021 under the Charities Act (2011). These comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31st March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

### **Basis of opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustee 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 my auditor's report thereon. The trustee is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Report on other requirements

### Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee report;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

## Responsibilities

### Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee responsibilities, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee 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 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 deemed inappropriate.

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

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the charity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Charity's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals.
- Obtaining an understanding of the Charity's framework of authority as well as other legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations

that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Charity.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and those charged with governance about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Charity's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.



Adrian Crompton  
Auditor General for Wales  
10 May 2022

24 Cathedral Road  
Cardiff  
CF11 9LJ

## Powys Teaching Local Health Board Charity Statement of Financial Activities for the year ended 31 March 2021

	Note	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2020/21 £000
<b>Incoming resources from generated funds:</b>					
Donations and legacies	3	313	0	0	313
Investments	5	79		0	79
<b>Total incoming resources</b>		<b>392</b>	<b>0</b>	<b>0</b>	<b>392</b>
<b>Expenditure on:</b>					
Raising Funds	6	13	0	0	13
Charitable activities	7	256	0	0	256
<b>Total expenditure</b>		<b>269</b>	<b>0</b>	<b>0</b>	<b>269</b>
Net gains / (losses) on investments	13	557	0	1	558
<b>Net income / (expenditure)</b>		<b>680</b>	<b>0</b>	<b>1</b>	<b>681</b>
Transfer between funds	18	0	(2)	2	0
<b>Net movement in funds</b>		<b>680</b>	<b>(2)</b>	<b>3</b>	<b>681</b>
<b>Reconciliation of Funds</b>					
Total Funds brought forward	19	3,250	2	0	3,252
<b>Total Funds carried forward</b>		<b>3,930</b>	<b>0</b>	<b>3</b>	<b>3,933</b>

## Powys Teaching Local Health Board Charity Statement of Financial Activities for the year ended 31 March 2020

	Note	Unrestricted funds Restated £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2019/20 Restated £000
<b>Incoming resources from generated funds:</b>					
Donations and legacies	3	134	0	0	134
Investments	5	86	0	0	86
<b>Total incoming resources</b>		<b>220</b>	<b>0</b>	<b>0</b>	<b>220</b>
<b>Expenditure on:</b>					
Raising Funds	6	1	0	0	1
Charitable activities	7	488	0	0	488
<b>Total expenditure</b>		<b>489</b>	<b>0</b>	<b>0</b>	<b>489</b>
Net gains / (losses) on investments	13	144	0	0	144
<b>Net income / (expenditure)</b>		<b>(125)</b>	<b>0</b>	<b>0</b>	<b>(125)</b>
Transfer between funds	18	0	0	0	0
<b>Net movement in funds</b>		<b>(125)</b>	<b>0</b>	<b>0</b>	<b>(125)</b>
<b>Reconciliation of Funds</b>					
Total Funds brought forward	19	3,375	2	0	3,377
<b>Total Funds carried forward</b>		<b>3,250</b>	<b>2</b>	<b>0</b>	<b>3,252</b>

**Powys Teaching Local Health Board Charity Balance Sheet as at 31 March 2021**

		Unrestricted funds	Restricted Income funds	Endowment funds	Total 31 March 2021	Total 31 March 2020 Restated £000
	Note	£000	£000	£000	£000	
<b>Fixed assets:</b>						
Investments	13	3,387	0	3	3,390	2,829
<b>Total fixed assets</b>		<b>3,387</b>	<b>0</b>	<b>3</b>	<b>3,390</b>	<b>2,829</b>
<b>Current assets:</b>						
Debtors	14	32	0	0	32	22
Cash and cash equivalents	15	657	0	0	657	591
<b>Total current assets</b>		<b>689</b>	<b>0</b>	<b>0</b>	<b>689</b>	<b>613</b>
<b>Liabilities:</b>						
Creditors: Amounts falling due within one year	16	146	0	0	146	190
<b>Net current assets / (liabilities)</b>		<b>543</b>	<b>0</b>	<b>0</b>	<b>543</b>	<b>423</b>
<b>Total assets less current liabilities</b>		<b>3,930</b>	<b>0</b>	<b>3</b>	<b>3,933</b>	<b>3,252</b>
Creditors: Amounts falling due after more than one year	16	0	0	0	0	0
<b>Total net assets / (liabilities)</b>		<b>3,930</b>	<b>0</b>	<b>3</b>	<b>3,933</b>	<b>3,252</b>
<b>The funds of the charity:</b>						
Endowment Funds	19			3	3	0
Restricted income funds	19		0		0	2
Unrestricted income funds	19	3,930			3,930	3,250
<b>Total funds</b>		<b>3,930</b>	<b>0</b>	<b>3</b>	<b>3,933</b>	<b>3,252</b>

The notes on pages 29 to 40 form part of these accounts

Signed :

Vivienne Harpwood

Name : .....(Chair of Trustees)

5 May 2022

Date : .....

## Powys Teaching Local Health Board Charity Statement of Cash Flows for the year ending 31 March 2021

		Unrestricted funds	Restricted Income funds	Endowment funds	Total Funds 2020-21 £000	Total Funds 2019-20 Restated £000
	Note					
<b>Cash flows from operating activities:</b>						
Net cash provided by (used in) operating activities	17	(9)	0	(1)	(10)	(272)
<b>Cash flows from investing activities:</b>						
Dividend, interest and rents from investments	5	79	0	0	79	86
Proceeds from the sale of investments	13	804	0	0	804	3,192
Purchase of investments	13	(1,586)	0	0	(1,586)	(2,804)
Movement of Cash held as part of investment portfolio	13	779	0	0	779	0
Net cash provided by (used in) investing activities		76	0	0	76	474
Change in cash and cash equivalents in the reporting period		67	0	(1)	66	202
Cash and cash equivalents at the beginning of the reporting period	15	591	0	0	591	389
Cash and cash equivalents at the end of the reporting period	15	657	0	0	657	591

## Note on the accounts

### 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 accounts (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 UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

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

In future years, the key risks to the Charity are a fall in income from donations or investment income but the trustees have arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

The Charity meet the definition of public benefit entity under FRS 102.

#### (b) Funds structure

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

- A restricted fund or
- An endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. The Charity's restricted funds tend to result from donations or legacies for specified purposes.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub analysed between those where the Trustees have the discretion to spend the capital (expendable endowment) and those where there is no discretion to expend the capital (permanent endowment).

Those funds which are neither endowment nor restricted income funds, are unrestricted income funds which are sub analysed between designated (earmarked) funds where the Trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are at the Trustees' discretion, including the general fund which represents the charity's reserves. The major funds held in each of these categories are disclosed in note 19.

### **(c) Incoming resources**

Income consists of donations, legacies, income from charitable activities and investment income.

Donations are accounted for when received by the charity. All other income is recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

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

### **(d) Incoming resources from legacies**

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

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

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

### **(e) Incoming resources from endowment funds**

The income received from the investment of endowment funds is attributed to unrestricted funds to be spent on charitable purposes. Any gains or losses arising from the valuation of investment of the endowment capital amount are attributed to the endowment fund

**(f) Resources expended and irrecoverable VAT**

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

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

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

**(g) Recognition of expenditure and associated liabilities as a result of grants**

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

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

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

**(h) Allocation of support costs**

Support costs are those costs which do not relate directly to a single activity. These include staff costs, costs of administration, internal and external audit costs. Support costs have been apportioned between charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 10.

**(i) Fundraising costs**

There has been £13K fundraising costs incurred by the Charity during 2020/21 (2019/20 £1K). This relates to investment management costs.

**(j) Charitable activities**

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 7.

**(k) Debtors**

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

**(l) 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) at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposal throughout the year. Quoted stocks and shares are included in the Balance Sheet at the current mid price market value quoted by the investment analyst, excluding dividend. The SORP recommends that the bid price market price be used in valuing stocks and shares, although the difference between the bid and mid market price is not material. Other investments are included at the trustees' best estimate of market value.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to the wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. Further information on the charity's investments can be found in note 13.

**(m) 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 no notice interest bearing savings accounts.

**(n) Creditors**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

**(o) Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value. Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value.

## 2. Related party transactions

During the year none of the trustees or members of the key management staff or parties related to them has undertaken any material transactions with the Powys Teaching Local Health Board Charitable Funds other than those disclosed below.

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not seek to benefit personally from such decisions. Declarations of personal interest have been made in both capacities and are available to be inspected by the public.

The Charitable Trust Fund has made payments to Powys Teaching Health Board of £0.172M. As at 31 March 2021 the total owed to the Health Board was £0.116M (2020: £0.087M), and owed by the Health Board was £0.002M (2020:£0.000M).

The Charity's Board members have related party interests in the the following:

<u>Name</u>	<u>Details</u>	<u>Related Party Interests</u>
Trish Buchan	Independent Member	Powys Association of Voluntary Organisations (Ex officio Trustee)

The Total value of transactions with related parties during 2020/21 are as follows:

	Payment to related party £	Amounts received from related party £	Amounts owed to related party £	Amounts due from related party £
Related Party				
Powys Association of Voluntary Organisations	58,191	0	0	0

## 3. Income from donations and legacies

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2020-21 £000	Total 2019-20 Restated £000
Donations	102	0	0	102	56
Legacies	59	0	0	59	78
Grants	152	0	0	152	0
	<b>313</b>	<b>0</b>	<b>0</b>	<b>313</b>	<b>134</b>

## 4. Role of volunteers

Like all charities, the THB Charity is reliant on a team of volunteers for our smooth running. Our volunteers perform the following role:

- Fund advisors – there are about 13 THB staff who manage how the charity's designated funds should be spent. These funds are designated (or earmarked) by the trustees to be spent for a particular purpose or in a particular ward or department. Each fund advisor has delegated powers to spend the designated funds that they manage in accordance with the trustees wishes subject to the approval of their Executive Director/Assistant Director or the Charitable Funds Committee. The trustees determine through its Strategy the key aims that expenditure should be utilised for. Fund advisors who spend more than £10,000 are required to seek approval from the Charitable Funds Committee setting out what they intend to spend the money on and the difference it will make to the patients and staff of the THB services.

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.

## 5. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Total 2020-21 £000	Total 2019-20 Restated £000
Fixed asset equity and similar investments	79	0	79	86
Short term investments, deposits and cash on deposit	0	0	0	0
	<b>79</b>	<b>0</b>	<b>79</b>	<b>86</b>

## 6. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted Income funds £000	Total 2020-21 £000	Total 2019-20 Restated £000
Investment management	13	0	13	1
	<b>13</b>	<b>0</b>	<b>13</b>	<b>1</b>

## 7. Analysis of charitable activity

	Grant funded activity £000	Support costs £000	Total 2020-21 £000	Total 2019-20 Restated £000
Medical research				
Purchase of new equipment	15	8	23	44
Building and refurbishment	2	1	3	0
Staff education and welfare	56	31	87	101
Patient education and welfare	92	51	143	343
	<b>165</b>	<b>91</b>	<b>256</b>	<b>488</b>

Support costs are apportioned based on %age of Grant funded activity

## 8. Analysis of grants

The charity does not make grants to individuals. All grants are made to the Health Board to provide for the care of NHS patients in furtherance of our charitable aims. The total cost of making grants, including support costs, is disclosed on the face of the Statement of Financial Activities and the actual funds spent on each category of charitable activity, is disclosed in note 7.

The trustees operate a scheme of delegation for the majority of the charitable funds, under which fund advisors manage the day to day disbursements on their projects in accordance with the directions set out by the trustees in charity standing orders and financial instructions. Funds managed under the scheme of delegation represent ongoing activities and it is not possible to segment these activities into discrete individual grant awards.

## 9. Movements in funding commitments

	Current liabilities	Restricted Non-current liabilities	Total 31 March 2021	Total 31 March 2020 Restated £000
	£000	£000	£000	£000
Opening balance at 1 April (see note 16)	190		190	96
Movement in liabilities	(44)		(44)	94
<b>Closing balance at 31 March (see note 16)</b>	<b>146</b>	<b>0</b>	<b>146</b>	<b>190</b>

As described in notes 7 and 8, the charity awards a number of grants in the year. Many grants are awarded and paid out in the same financial year. However, some grants which are awarded for example funding a specific post can span financial years. For such grants whilst the award may be for more than one year, it is only the annual amount that is paid out in year and recorded as expenditure within charitable activities.

The charity at present does not issue formal grant letters to recipients and therefore the expectation of the recipient in recognition of this grant as defined by the SORP is not met with certainty.

## 10. Allocation of support costs

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

	Raising funds £000	Charitable activities £000	Total 2020-21 £000	Total 2019-20 £000	Basis
<b>Governance</b>					
External audit	0	25	25	2	Charged to Central Fund
Finance and administration	0	3	3	4	Charged to Central Fund
Other professional fees					
<b>Total governance</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>6</b>	
Finance and administration	0	63	63	13	Charged to Central Fund
	<b>0</b>	<b>91</b>	<b>91</b>	<b>19</b>	
	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2020-21 £000	Total Funds 2019-20 Restated £000
Charitable activities	91	0	0	91	19
	<b>91</b>	<b>0</b>	<b>0</b>	<b>91</b>	<b>19</b>

## 11. Staff Costs, Trustees' remuneration, benefits and expenses

The charity does not make any payments for remuneration nor to reimburse expenses to the charity trustees for their work undertaken as trustee. The charity has no employees. Staff services are provided to the charity from Powys Teaching Local Health Board, the corporate Trustee of the Charity, which has received reimbursement from the Charity of £0.066M (2019/20: £0.019M).

## 12. Auditors remuneration

The External auditors remuneration of £25,000.00 (2019-20: £1,650.00) related solely to the Audit of the Statutory Annual Report and Accounts. Due to the Charity exceeding the threshold requirements during 2020/21 a full audit of the Annual Report and Accounts was required. Previous years has seen an Independent Examination being undertaken as the thresholds had not been exceeded.

The Internal Auditors remuneration of £0 (2019-20: £0) seeks to provide the Health Board with assurance that operational procedures are compliant with the Health Board's Charitable Funds Policy and Guidance, along with its underlying Standing Financial Instructions, and wider NHS Charities guidance. A full review was undertaken during November 2015 and the report received 'yellow' assurance which indicates :  
*"The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved"*

During the year the Local Counter Fraud Service undertook a risk assessment of controls for charitable funds. NHS Protect has issued a RiskAssessment tool to guide Local Counter Fraud functions to undertake a Risk Assessment of the Counter Fraud arrangements in place at their own organisation. The Assessment of Charitable funds indicated a low risk rating of 1x4 with the only recommendation being to *'maintain the robust controls that are in place and consult with Counter fraud prior to any amendments being initiated'*.

## 13. Fixed asset investments

### Movement in fixed assets investments

	Total 2020-21	Total 2019-20 Restated
	£000	£000
Market value brought forward	2,829	3,073
Add: additions to investments at cost	1,586	2,804
Less disposals at carrying value	(804)	(3,192)
Add net gain / (loss) on revaluation	558	144
Movement of Cash held as part of investment portfolio	(779)	0
<b>Market value as at 31st March</b>	<b>3,390</b>	<b>2,829</b>

### Fixed Asset by Type

	Total 2020-21	Total 2019-20 Restated
	£000	£000
<b>Investment Properties</b>	<b>62</b>	<b>62</b>
UK Bonds	269	186
Overseas Bonds	193	123
UK Equities	931	522
Global Equities	1,444	766
Emerging Market Equities	71	18
Global Investments	0	54
Absolute Return	149	91
Property	67	88
Other Investments	155	91
Cash	49	828
	<b>3,390</b>	<b>2,829</b>

All investments are carried at their fair value.

The Charitable Trustee has considered potential risks to which the Charity is exposed. There are no major risks that have been identified other than those associated with the normal fluctuations in the value of investments. The Trustee believes these risks are appropriately managed. Independent investment advisors (Brewin Dolphin Ltd) have been appointed, and investments are held in a diversified fund of investments, including 14% in fixed interest mainly government stock

The Corporate Trustee invests the funds of the Charity with Brewin Dolphin Ltd via a Portfolio arrangement. At the year-end 74% (2020:49%), 14%(2020: 11%), 6%(2020:7%), and 5% (2020:3%), were invested in Equities, Fixed Income, Alternatives and Other Investments respectively with the remaining 1% (2020:30%), held as cash assets.

The Corporate Trustee continues to consider its exposure to the fluctuations in the value of its equity based investment, and receives a quarterly investments performance report at each Charitable Funds Committee meeting.

The charity during 2018/19 undertook a re-tender of its investment manager services. This has resulted in a change of Investment Management services to Brewin Dolphin Ltd with the investment with CCLA Ltd being sold during October 2019 and a new portfolio investment with Brewin Dolphin Ltd from February 2020.

This note has been restated in 2019/20 to include the recognition of investment property assets left to the charity as part of a legacy estate which was omitted from the financial statements in prior years. The Charity owns a 1/3 share of these properties and receives a 1/3 share of income and expenditure regarding these properties.

The valuation of investment properties, consisting of freehold ground and property rents is based on a professional assessment of fair value by an independent valuer. A prior year adjustment to 2019/20 brought forward Funds balance has been undertaken and subsequent movements on valuations at 31st March will be recognised as a gain or loss within the Statement of Financial Activities for the corresponding year

During the year an unrealised gain of £0.558M was recognised in the accounts.

In line with the ethos of promoting patient wellbeing, the Corporate Trustee attempts to ensure that all investments are ethically and environmentally sound, and are not opposed to the "purpose" of the charity. The performance of the investments are regularly monitored and reported on a quarterly basis by our investment managers.

## 14. Analysis of current debtors

### Debtors under 1 year

	<b>Total 31 March 2021 £000</b>	<b>Total 31 March 2020 Restated £000</b>
Prepayment	28	0
Other debtors	4	22
	<b>32</b>	<b>22</b>

## 15. Analysis of cash and cash equivalents

	<b>Total 31 March 2021 £000</b>	<b>Total 31 March 2020 £000</b>
Cash in hand	657	591
	<b>657</b>	<b>591</b>

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

## 16. Analysis of liabilities

	<b>Total 31 March 2021 £000</b>	<b>Total 31 March 2020 Restated £000</b>
<b>Creditors under 1 year</b>		
Trade creditors	146	190
	<b>146</b>	<b>190</b>
<b>Creditors over 1 year</b>		
Trade creditors	0	0
	<b>0</b>	<b>0</b>
<b>Total creditors</b>	<b>146</b>	<b>190</b>

## 17. Reconciliation of net income / expenditure to net cash flow from operating activities

	<b>Total 2020-21 £000</b>	<b>Total 2019-20 Restated £000</b>
<b>Net income / (expenditure) (per Statement of Financial Activities)</b>	<b>681</b>	<b>(125)</b>
<b>Adjustment for:</b>		
(Gains) / losses on investments	<b>(558)</b>	<b>(144)</b>
Dividends, interest and rents from investments	<b>(79)</b>	<b>(86)</b>
(Increase) / decrease in debtors	<b>(10)</b>	<b>(11)</b>
Increase / (decrease) in creditors	<b>(44)</b>	<b>94</b>
<b>Net cash provided by (used in) operating activities</b>	<b>(10)</b>	<b>(272)</b>

## 18. Transfer between funds

The transfers indicated in Note 19 relate to the reclassification of a previous fund held as restricted has which has been reclassified as an endowment fund during the year.

## 19. Analysis of funds

### a. Analysis of endowment fund movements

	<b>Balance 1 April 2020 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers £000</b>	<b>Gains and losses £000</b>	<b>Balance 31 March 2021 £000</b>
Endowment Funds	0	0	0	2	1	3
	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>

A previous fund held as restricted has been reclassified as an endowment fund during the year. There is a small capital in perpetuity donation which specifies that the capital amount is to be invested and any income from this is to be utilised by the Charity. The original donation amount cannot be discharged and must remain as an investment. The income received from this endowment is added to unrestricted funds to be spent on charitable purposes. Any gains or losses arising from the valuation of investment of the endowment capital amount are attributed to the endowment fund

**b. Analysis of restricted fund movements**

	Balance 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2021 £000
Restricted Funds	2	0	0	(2)	0	0
	<b>2</b>	<b>0</b>	<b>0</b>	<b>(2)</b>	<b>0</b>	<b>0</b>

A previous fund held as restricted has been reclassified as an endowment fund during the year and now is included within Note 19a

**c. Analysis of unrestricted and material designated fund movements**

	Balance 1 April 2020 Restated £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2021 £000
8010 Ystradgynlais General Purposes	27	9	(1)	0	0	35
8102 Ystradgynlais Geriatric Ward Fund	53	6	0	0	0	59
8011 Welshpool General Purposes	188	4	(1)	0	0	191
8330 North Powys District Nursing Fund	26	4	0	0	0	30
8012 Machynlleth General Purposes	12	63	(3)	0	0	72
8003 Llandrindod General Purposes	55	0	(5)	0	0	50
8067 Llandrindod Hazels Legacy	272	0	0	0	0	272
8005 Knighton General Purposes	72	0	0	0	0	72
8016 Powys General Purposes	726	122	(158)	0	557	1,247
8040 Palliative Care	40	6	(2)	0	0	44
8321 Mid & South Powys Community and Palliative Care Fund	1,051	0	(18)	0	0	1,032
8323 Mental Health General Purposes	354	0	0	0	0	354
8324 Covid General Purposes	0	152	(45)	0	0	107
8140 Bronllys AMI Legacy	195	0	(3)	0	0	192
8001 Brecon General Purposes	41	0	(4)	0	0	38
8325 Estate M R Morgan Properties Fund	62	0	0	0	0	62
Other Unrestricted Funds	76	26	(29)	0	0	73
	<b>3,250</b>	<b>392</b>	<b>(269)</b>	<b>0</b>	<b>557</b>	<b>3,930</b>

The objects of the unrestricted funds are as follows:

The unrestricted Funds usually contain donations where a particular part of a Hospital or Health Board activity was nominated by the donor at the time their donation was made. Whilst their nomination is non-binding on the Trustee, the designated funds reflect these nominations and are overseen by Service managers who can make recommendations on how to spend the money within their designated area. Service Managers' recommendations are duly considered and these funds can be spent at any time with the prior approval of the Charitable Funds Committee or Executive Directors/Assistant Directors.

Estate M R Morgan Properties Fund is a fund that holds the valuation of investment properties at the balance sheet date. This note has been restated in 2019/20 to include the recognition of investment property assets left to the charity as part of a legacy estate which was omitted from the financial statements in prior years. The Charity owns a 1/3 share of these properties and receives a 1/3 share of income and expenditure regarding these properties. All gains and losses relating to the valuation of these properties are charged to this fund. All rental income and investment management expenditure in relation to these properties is allocated to the unrestricted General Purpose funds so that it can be used for the furtherance of general charitable purposes.

The material funds specified in the above note will vary from year to year dependent on the closing year end balance.

We consider that a closing fund balance of £25,000 or greater are material for disclosure in these accounts.