



Elusennau lechyd
HYWEL DDA
Health Charities


#MakingaDifference in 2022-23



Annual report and accounts

Registered Charity Number: 1147863

Thank you



2022-23 has seen fundraising for Hywel Dda Health Charities taken to a whole new level across Carmarthenshire, Ceredigion and Pembrokeshire.

Thanks to your generosity, Hywel Dda Health Charities was able to provide invaluable support throughout the year to Hywel Dda University Health Board, its patients, service users and staff.

I'm especially pleased to report that our Bronglais Chemo Appeal to raise funds for a new chemotherapy day unit at Bronglais Hospital smashed through its £500,000 target thanks to outstanding support from our local communities.

It was also exciting to see new partnerships forged in 2022-23: most notably with Scarlets Rugby for our Wish Fund campaign, and with Activity Wales when we became the official Charity Partner for the Long Course Weekend Wales event.

To every supporter who donated to or fundraised for us in 2022-23: thank you for making a difference!

Delyth Raynsford

Chair

**Charitable Funds Committee
Hywel Dda University
Health Board**



Contents



1. Our purpose, achievements and plans

Our purpose	5
How we help	6
Who we support	7
Our year in numbers	8
The difference you made	9
Your fantastic fundraising	13
Headline news	15
Income at a glance	17
Expenditure at a glance	18
Our plans for 2023–24	19
How to support us	20

2. Our finances and governance

Financial review	22
Structure, governance, and management	27
Risk Management	32
Appendix A: Annual accounts 2022–2023	33





Elusennau Iechyd
HYWEL DDA
Health Charities

1. Our purpose, achievements and plans





Elusennau Iechyd

HYWEL DDA

Health Charities

Our purpose

Hywel Dda Health Charities is the official charity of Hywel Dda University Local Health Board, registered charity number 1147863. We exist to make a positive difference to the health, wellbeing and experience of NHS patients, service users and staff across Carmarthenshire, Ceredigion and Pembrokeshire.

Our aim is to raise and distribute funds to enhance local NHS services. The donations we receive from patients, their families and our local communities are spent on enhancing NHS services, above and beyond what NHS funding allows.

Our charity raises and distributes funds to enhance our local NHS services through:

- Providing the most up-to-date medical equipment for diagnosis and treatment
- Creating more welcoming surroundings for patients, their families and staff
- Offering additional patient comforts to make time spent in hospital more comfortable
- Supporting staff learning and development and wellbeing initiatives;
- Enhancing care in our local communities
- Delivering healthy living and health promotion initiatives.



How we help

Hywel Dda Health Charities works closely with Hywel Dda University Health Board to ensure that our charity allocates funding to the areas where it can make the biggest impact to the treatment and care of patients across Carmarthenshire, Ceredigion and Pembrokeshire.

We do not replace NHS funding but use the generous donations we receive from patients, their families and our local communities to support the University Health Board to provide services and activities above and beyond what the NHS can provide.

Hywel Dda University Health Board is the corporate trustee of Hywel Dda Health Charities. The charity is managed independently of the University Health Board through a separate scheme of delegation to its Charitable Funds Committee.

We carry out our aims through the provision of grants to support and enhance the NHS services provided by the University Health Board and its partners.



Who we support

Hywel Dda University Health Board plans and provides NHS healthcare services for Carmarthenshire, Ceredigion, Pembrokeshire and its bordering counties.

13,143 members
of staff provide:

Primary care

Community
care

In-hospital
care

Mental health
and learning
disabilities
services

This is done in partnership with three local authorities and public, private and third sector colleagues, including volunteers, for a population of 385,600, through:

- Four main hospitals: Bronglais Hospital in Aberystwyth; Glangwili Hospital in Carmarthen; Prince Philip Hospital in Llanelli, and Withybush Hospital in Haverfordwest
- Five community hospitals: Amman Valley and Llandovery hospitals in Carmarthenshire; Tregaron Hospital in Ceredigion, and Tenby and South Pembrokeshire hospitals in Pembrokeshire
- Two integrated care centres: Aberaeron and Cardigan in Ceredigion, and a number of other community settings, e.g. Bro Preseli, Crymych
- 48 general practices (six of which are health board managed practices); 40 dental practices (including four orthodontic); 97 community pharmacies; 44 general ophthalmic practices (44 providing Eye Health Examination Wales services and 29 providing low vision services; domiciliary only providers and health centres
- Numerous locations providing mental health and learning disabilities services
- Highly specialised services commissioned by Welsh Health Specialised Services Committee
- Sure Start joint services with Carmarthenshire, Ceredigion, and Pembrokeshire local authorities.

Our year in numbers

In 2022-23...



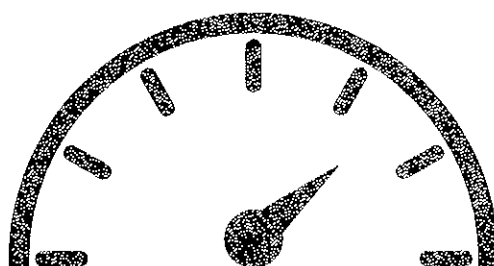
was donated to the charity



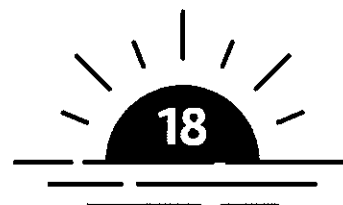
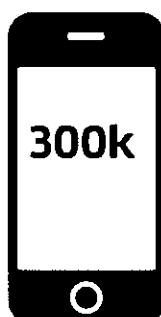
players won a prize in our charity lottery



online giving pages were created to support us



Our social media reach was over



people left us a gift in their will



**A fabulous
pets were entered into our pet competition**

The difference you made

Thanks to your generosity, in 2022–23 we were able to enhance care, experience and outcomes for:

13,143
staff

385,600
population

4
acute
hospitals

5
community
hospitals

2
integrated care
centres

In the following pages we provide just a few examples of just how charitable funds made a difference...

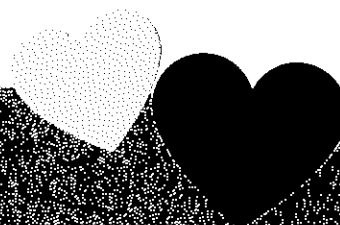




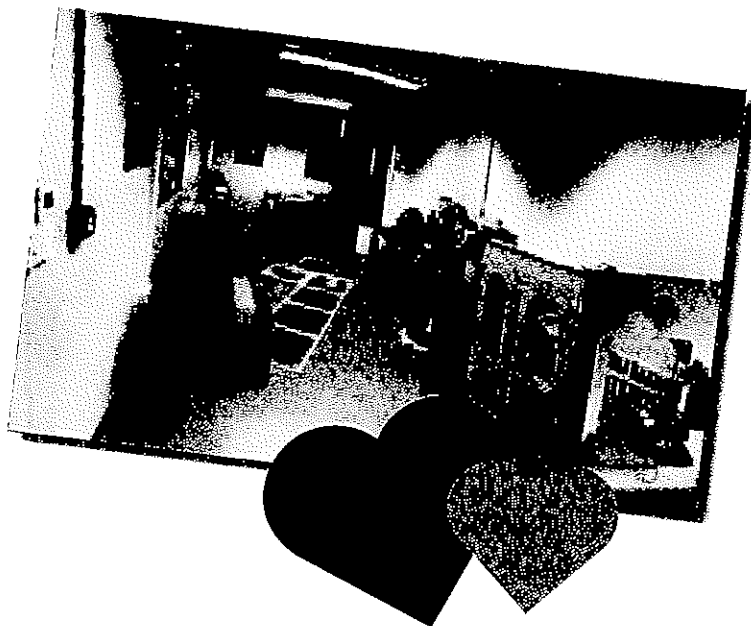
We funded an innovative outreach project delivered by Hywel Dda University Health Board thanks to a £75,000 grant from NHS Charities Together. The project has seen a team of community workers reach out to ethnic minority people living in the area to help tackle the health inequalities they experience. Helen Sullivan, the health board's Head of Partnerships, Diversity and Inclusion, said: "The team has supported people to gain access to a range of health services and receive key health messages in their own language."



Thanks to a generous bequest, we purchased equipment worth over £110,000 for cardiology services for under-16s at Wlthybush General Hospital. The new machines will ensure that young patients from Pembrokeshire will continue to receive a cardiology screening service as close to home as possible. Nick Williams-Davies, Service Delivery Manager – Acute Paediatric and Neonatal Services, said: "Investing in new, modern equipment that meets the paediatric specification is a real boost for the service."



We funded £12,000 of equipment for a new play room at Cllgerran children's ward in Glangwilli Hospital. Karen Thomas, Head of Therapeutic Play, said: "Play rooms have an important role in the healing process and it will help our Therapeutic Play Team to work more effectively."



We purchased specialist chairs costing £7,500 for patients on Meurig Ward at Bronglals Hospital. Ward Administrator Ellen Masters said: "These new chairs promote independence, mobility and recovery."

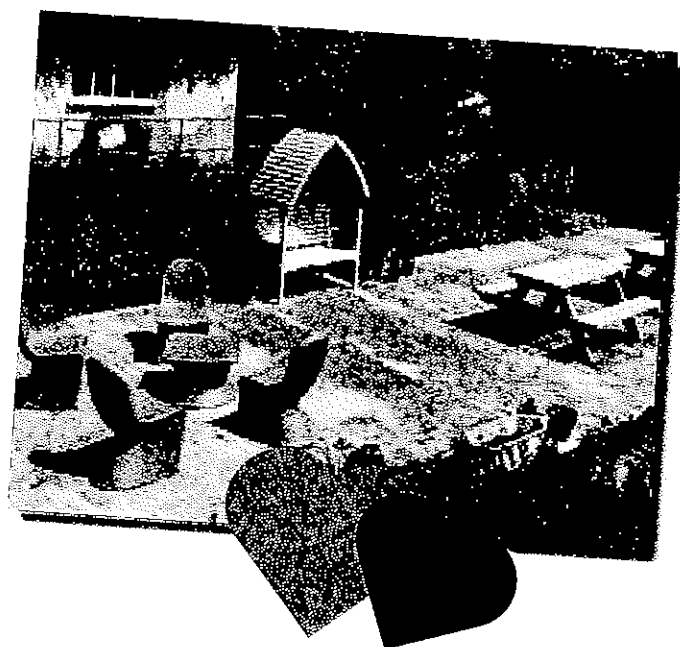
We purchased four electrocardiogram machines costing £32,000 for Wlthybush Hospital. Helen Johns, Hospital Service Manager for Unscheduled Care, said: "Having our own dedicated ECG machines means care will be provided in a timely manner, improving the patient experience."





We purchased Cancer Cloud Kits to help children who are affected by a loved one being diagnosed with cancer. Sarah Russell-Saw, Macmillan Information and Support Coordinator, said: "These kits are invaluable tools for the families of patients diagnosed with cancer."

We funded a painted arbour for the garden at the Gorwellon Community Mental Health Centre in Aberystwyth. Liz Baggott, Clinical Lead Occupational Therapist, said: "Our gardening group has been transforming our outdoor space and the donation has enabled us to have an arbour to make the space more welcoming."

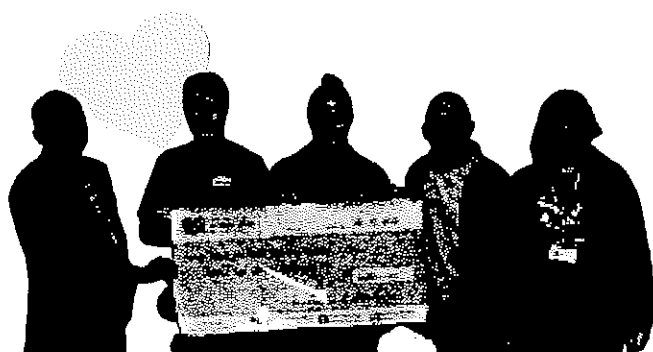


We purchased more than £5,000 worth of garden items for Llandovery Community Hospital. Ward Sister Marlene Jones said: "The garden items lift the spirits of both patients and staff."



Your fantastic fundraising

In 2022–23 you went the extra mile to make a big difference! Here's a little flavour of what you achieved for your NHS charity...

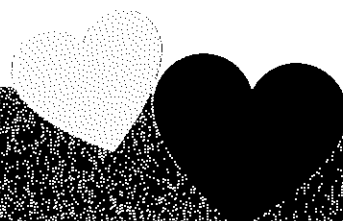


Jason Clifton raised £1,500 for Head and Neck Cancer services at Glangwll Hospital. Jason said: "Getting out in nature helped me massively. I decided to run 200km in one month to help support others."

Philippa Evans raised over £1,400 for dementia patients at Withybush Hospital by completing 40 cold water swims. Philippa said: "My heart melted when I walked into the room and saw patients watching a film on the projector purchased with the funds."



13-year-old Lewis Thomas and his family and friends raised £6,000 for the Chemotherapy Day Unit in Prince Phillip Hospital through the sale of Easter chicks. Annmarie, Lewis's mother, said: "I'm so proud of Lewis and his close friends for their efforts."



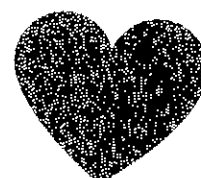


Farmer Ifan Evans organised a quad bike trek and raised nearly £3,000 for the Bronglais Chemo Appeal. Ifan said: "I think the support for the trek shows how important the Chemotherapy Day Unit is to local people."



Staff from Sunderland Ward in South Pembrokeshire Hospital took part in a bed push and raised £1,000 for patient wellbeing activities. Clinical Lead Nurse – Community Hospitals, Rebecca Richards, said: "I am extremely proud of the team. The Sunderland Ward bed push will definitely return next year!"

Below: the 3 Amigos motorcycle group on its annual Christmas toy run for children in Glangwili and Withybush hospitals



Headline news!

There are some of our highlights from 2022-23...



In May 2022, we launched our Wish Fund campaign in partnership with Scarlets Rugby. The campaign creates magical moments for children and young people with life-limiting and life-threatening conditions.

Jonathan Davies, Scarlets Rugby, said: "We are thrilled to be able to support the Wish Fund and look forward to working with Hywel Dda Health Charities to make a real difference to families across mid and west Wales."

Long Course Weekend Wales



In June 2022, we were the "Powered by" partner at Long Course Weekend – the biggest multisport festival in Europe.

Matthew Evans, CEO at Long Course Weekend, said: "We are delighted that together we raised funds for such a great cause."

Bronglais Chemo Appeal



In September 2022, the Bronglais Chemo Appeal to raise funds for a new Chemotherapy Day Unit passed its £500,000 target in just 10 months!

Bettina Vance, Chemotherapy Clinical Nurse Specialist, said: “On behalf of staff at the unit and Bronglais Hospital, I’d like to say how grateful we are to everyone who has made the Appeal such a success.”

The key achievements of the Appeal included:

- Exceeding the target five months ahead of schedule
- Major donation from the Moondance Foundation
- Variety of income sources across the spectrum
- Engagement and support from clinical colleagues
- Level of engagement, support and fundraising from the local community
- Willingness of patients, former patients and their families to tell their stories
- Delivery of the charity-led coastal path walk, raising over £25,000
- Charity representation at a wide range of community-led fundraising events
- Established and recognised brand for the Appeal
- Regular media exposure in local newspapers, magazines social media, TV and radio
- Raising the overall profile of the charity.



Income at a glance

In total, thanks to your generosity, our income for 2022-23 was £3.98 million. The income streams of our charity were as follows:



Donations were received from patients and their families wanting to show their appreciation for care received. The charity is extremely grateful for all donations received to help us realise our aims. Some donations were received in memory of a loved one and we are proud to know that the treatment and support received has been so valued.

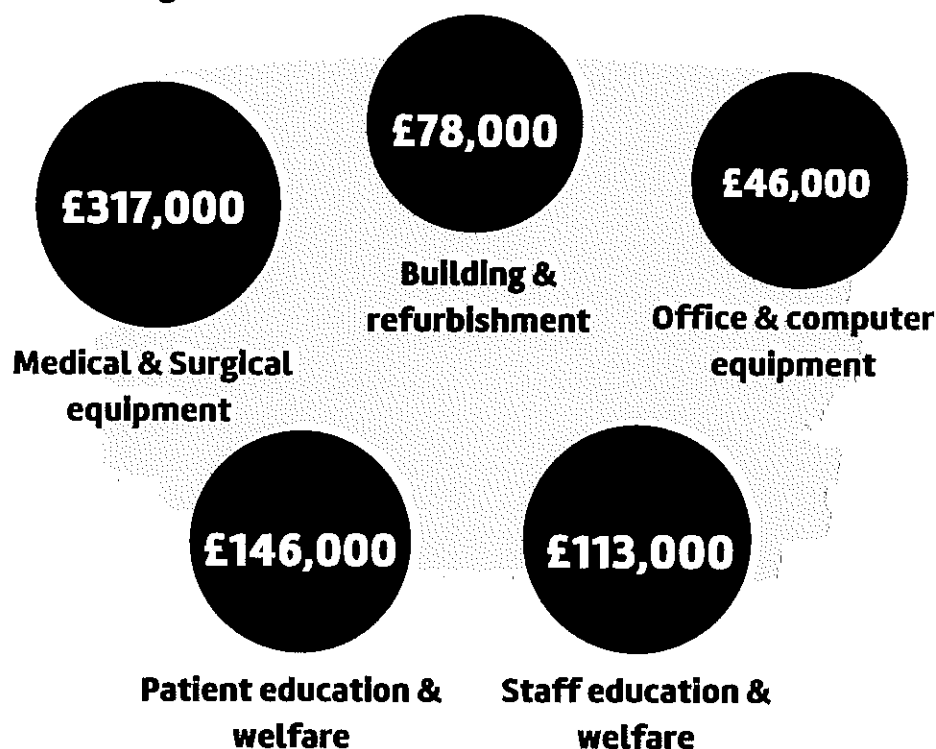
The charity was also the grateful beneficiary of a number of legacies totalling £1,920,817.

Grants were received from NHS Charities Together and the Co-op Community Fund.

Investment income in the form of dividends and interest from investment and cash balances held by the charity was received totalling £405,384.

Expenditure at a glance

The charity is principally a grant making body. During 2022-23 the charity has continued to support a wide range of charitable and health related activities across Hywel Dda University Health Board and spent a total of £800,000 on making things better, including the following:



Our plans for 2023–24



In 2023–24 we will focus on achieving the objectives identified in our 2023–24 workplan:

1. Raise awareness of the charity internally and empower health board staff to access our funds in line with our charitable objectives

2. Provide a comprehensive range of opportunities and support to our fundraisers and powerfully communicate the impact their fundraising has

3. Ensure that the charity operates as efficiently as possible

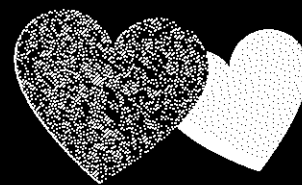
By achieving these goals we will progress towards our longer-term objectives as identified in our five-year strategy, approved by the Charitable Funds Committee, which provide a clear direction for the charity so that we can continue to make a positive difference to the health, wellbeing and experience of patients, service users and staff across Hywel Dda University Health Board:

1. Fund services and activities above and beyond what the NHS can provide

2. Stabilise our income levels and convey the impact of our work

3. Make the best use of our resources to maximise our impact

How to support us



Be a part of our story in 2023–24! Get in touch using the details below to find out how you can donate, fundraise, or support us in a number of other ways.

www.hywelddahealthcharities.org.uk

01267 239815

fundraising.hyweldda@wales.nhs.uk



#EichElusenGIG #YourNHSCharity

**Registered charity
number: 1147863**

Registered with/Cofrestrwyd gyda'r



**FUNDRAISING
REGULATOR**
PROUDLY PART OF THE GOV.UK TEAM



**GIG
Wales
NHS**

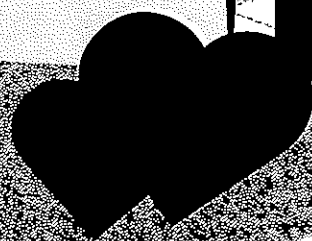
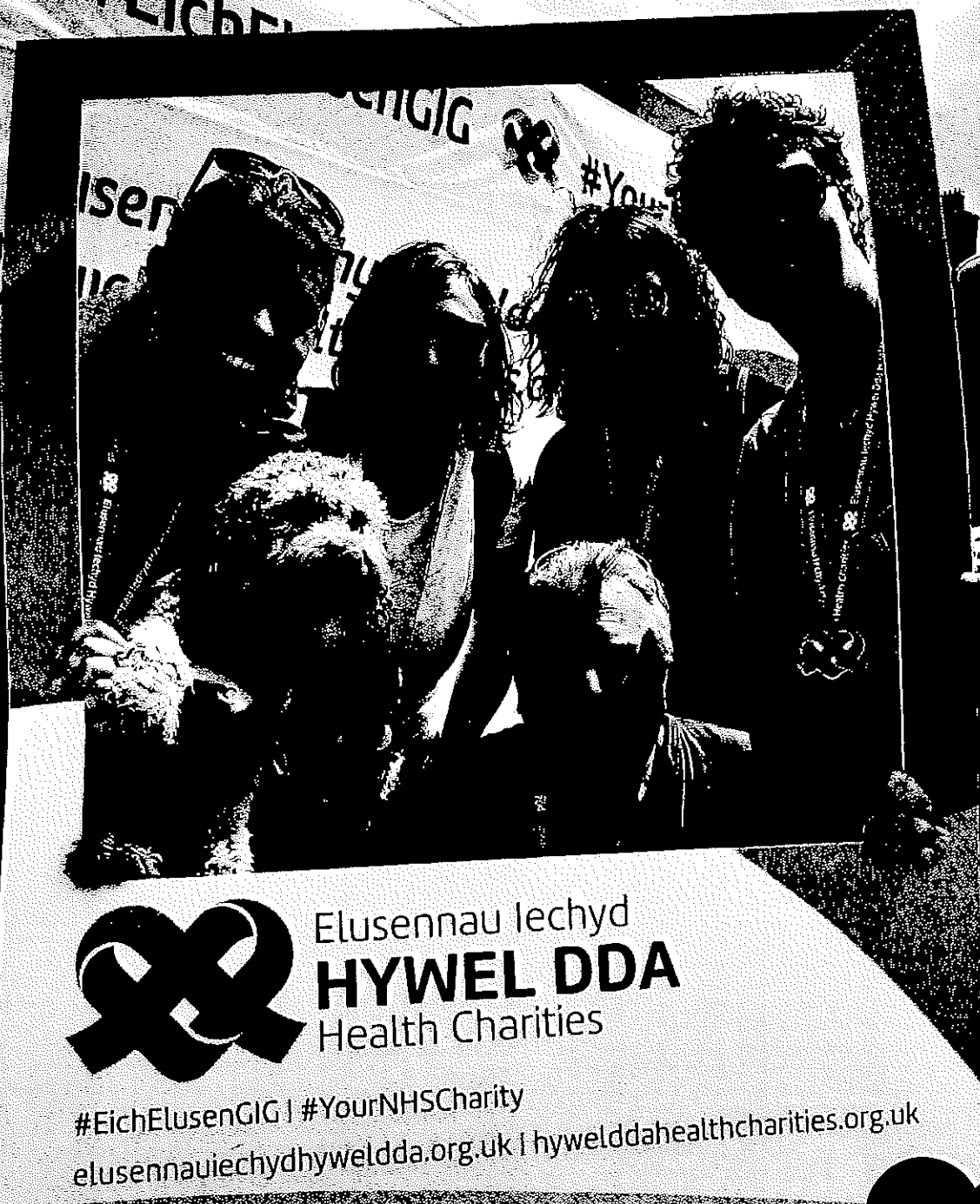
Bwrdd Iechyd Felfysgot
Hywel Dda
University Health Board



Elusennau Iechyd

HYWEL DDA
Health Charities

2. Our finances and governance

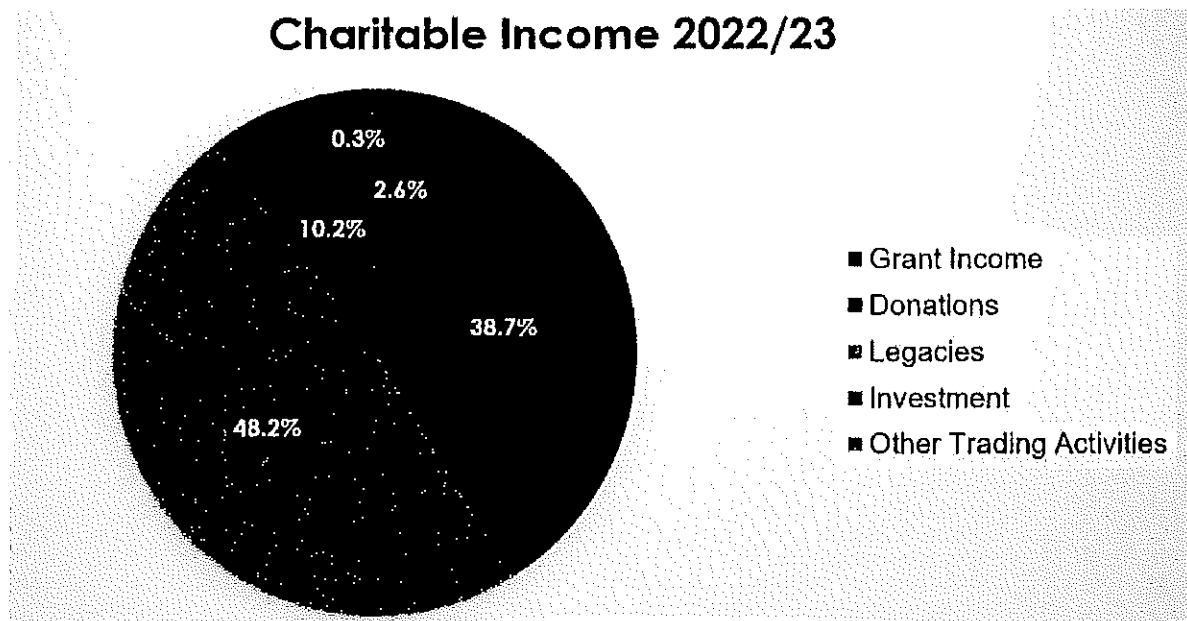


Financial review

Incoming Resources

The chart below shows our main sources of income in 2022–23. Incoming resources for the year totalled £3,983,429; our largest source of income continues to be legacy gifts and donations from the public.

Charitable Income 2022/23




Donations (£1,542,253)

Nearly half of the charity's income comes from the voluntary efforts of staff, patients and their families wanting to show their appreciation for the care and support they have received. As expected, this income is more than last year (2021–22 £550,125) as levels of gifts and gifts in kind increased after the pandemic. We remain extremely grateful for all the support the public and staff have given us to help realise our aims.

Legacies (£1,920,817)

The charity was also the grateful beneficiary of a number of legacies totalling £1,920,817 for funds mainly located at our acute hospitals. Generous legacies received during the year included:

- A legacy of £600,000 to the Glangwili Hospital Chemotherapy Day Unit
- A legacy of £44,013 to the Prince Philip Hospital Chemotherapy Day Unit
- A legacy of £1,216,594 to Carmarthenshire Physiotherapy Services.



Grants (£101,981)

Grant income has increased significantly this year (2021–22 £23,913). We are extremely grateful to the grant making trusts and foundations that have awarded us grants to fund projects or purchase pieces of equipment.

Other Trading Activities (£12,994)

This income related to the profit generated by the Hywel Dda Health Charities lottery, launched in September 2021.

Investment income (£405,384)

Investment income in the form of dividends and interest from investment and cash balances held by the charity was received totalling £405,384 equating to 10.2% of total income.

Expenditure

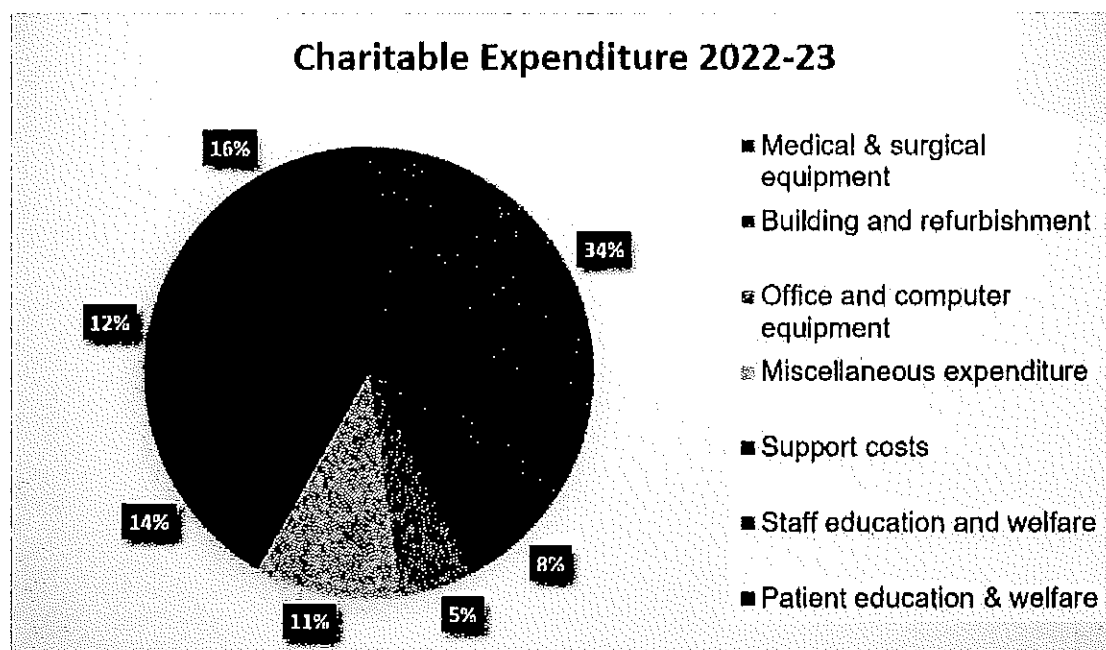
The charity is principally a grant making body, providing grants to Hywel Dda University Health Board as a contribution to the cost of the provision of healthcare beyond what the NHS provides. During 2022–23 the charity has continued to support a wide range of charitable and health related activities across Hywel Dda University Health Board.

Our key aim is to serve the NHS patients of Hywel Dda University Health Board for the public benefit. By working closely with the University Health Board, we are able to use our generous donations to provide invaluable support on patient focused expenditure.

Our grant making policy ensures that all expenditure of our charitable funds is in accordance with the charitable purpose agreed for the fund and in the spirit of the donor's wishes. All charitable expenditure is made with consideration given to the public benefit of improved healthcare. A rigorous process of review and evaluation is carried out on all funding requests to ensure they are of the highest standard.

Analysis of expenditure

In 2022-23 expenditure on charitable activities totalled £799,733. The expenditure categories were as follows:



- Medical and surgical equipment – Equipment for patient benefit.
- Office and computer equipment – Equipment, which supports the provision of healthcare thereby benefiting patient care.
- Building & refurbishment – Enhancements made to buildings to provide additional patient benefit and care
- Miscellaneous – All other expenditure.
- Support costs – Direct administration costs in support of the charity's objectives.
- Staff education and welfare – Includes training above that which is mandatory to improve patient care.
- Patient education and welfare – Expenditure on improving patient education and welfare.

Our expenditure during 2022-23 decreased in comparison to the 2021-22 financial year. This is attributed to the higher level of spend committed during the previous financial year, largely relating to the development of the Bronglais General Hospital Chemotherapy Day Unit (£671,000).

Management and administration costs

The total management and administration costs for 2022-23 were £518,725 which includes £407,082 fundraising costs and £111,643 support costs. This represents 5.3% of the opening fund balances held as at 1st April 2022.

Investments and Performance

The charity retains the services of investment advisors to manage its investment portfolios. Policy is set by the charity trustee in its instruction to their advisor. The advisors have been instructed to manage the portfolios to produce both income and capital returns, and manage those funds within the value they retain on the accounts. The charity also holds funds in short term investments that are not managed by the investment advisor.

During 2022-23, there was a loss of £559,894 due to a decrease in the market value of investments held during the year. The value of investments will fluctuate year on year due to market conditions. The investments are being held for the long-term and invested to generate both income and capital returns. We expect the value of investments to increase in the future. Investment income of £405,384 was generated in the year.

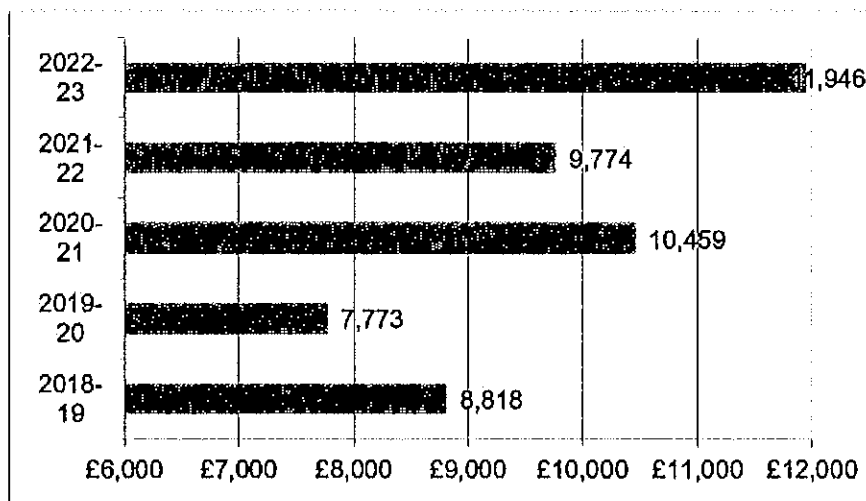
Sarasin & Partners LLP provided the services of investment advisor for 2022-23 and from December 2022 CCLA Investment Management Limited replaced Sarasin & Partners LLP. These investments are managed in accordance with the Trustee Act 2000.

Overall financial position: 31st March 2023

The value of the charity as at 31st March 2023 has increased from the previous year by £2,172,284. This is largely due to an increase in income sources including Legacy Income and donations.

The graph below indicates the level of funds held as at the end of the year in the last five financial years:

Fund Balances 2018-19 to 2022-23



Funds Balances £000's



Reserves policy

The charity has a reserves policy and has defined reserves to be the element of funds that are freely available for its general purposes. Reserves are the resources the charity can make available to spend for any or all of the charity's purposes once it has met its commitments and covered its other planned expenditure. This means it excludes Permanent endowment, restricted funds and uncommitted designated funds.

Reserves are needed where there may be insufficient balances in individual restricted and designated funds to meet the objectives of those funds. There is also a need for reserves where there may be a requirement to incur expenditure which is exclusively charitable, and cannot be funded from revenue, for which there is not a relevant fund.

The charity shall hold a separate fixed asset investment reserve based on 10% of the value of its fixed asset investments retained and a minimum of £500,000 to ensure there is sufficient funds for on-going commitments. The fixed asset investment reserve shall only fall below 10% to cover losses in the value of fixed assets.

In order to maintain the reserves as low as possible it is important:

- expenditure plans are developed for all the relevant funds
- monthly financial reports are produced to monitor level of expenditure
- the value of fixed asset investments performance is reviewed quarterly.

The total reserves held by the charity as at 31st March 2023 was £3,295,295 Charity Unrestricted Funds.

Structure, governance and management

Constitution

Hywel Dda University Local Health Board holds charitable funds as sole corporate trustee and the board members of the University Health Board (whilst not “trustees” in their own right) are jointly responsible for the management of those charitable funds. The membership of the board during the reporting period and up to the date that the annual report was approved was as follows:

Voting Members:

Maria Battle, Chair (term of office ceased 31/10/2023)
Judith Hardisty, Interim Chair (appointed Interim Chair 01/11/2023; previously Vice Chair)
Anna Lewis, Independent Member
John Gammon, Independent Member (term of office ceased 31/07/2022)
Chantal Patel, Independent Member (appointed 01/08/2022)
Winston Weir, Independent Member
Iwan Thomas, Independent Member
Maynard Davies, Independent Member
Delyth Raynsford, Independent Member
Ann Murphy, Independent Member
Paul Newman, Independent Member (term of office ceased 31/03/2023)
Gareth John, Independent Member (term of office ceased 14/06/2022)
Michael Imperato, Independent Member (appointed 01/09/2023)
Rhodri Evans, Independent Member (appointed 15/11/2023)
Steve Moore, Chief Executive
Phil Kloer, Executive Medical Director and Deputy Chief Executive
Huw Thomas, Executive Director of Finance
Mandy Rayani, Executive Director of Nursing, Quality & Patient Experience (resigned 31/12/2023)
Lisa Gostling, Executive Director of Workforce and Organisational Development
Andrew Carruthers, Executive Director of Operations
Lee Davies, Executive Director of Strategic Development & Operational Planning
Alison Shakeshaft, Director of Therapies and Health Science (resigned 31/07/2023)
James Severs, Executive Director of Therapies and Health Science (appointed 06/11/2023)
Ardiana Gjini, Executive Director of Public Health (appointed 01/07/2023)

The Director of Nursing, Quality & Patient Experience is the Executive Director with lead responsibility for the charity.





Key Management Personnel Remuneration

The trustees have concluded that the Corporate Trustee through the Charitable Funds Committee comprises the key management personnel of the charity as they are in control of directing the charity. The charity does not make any payments for remuneration nor to reimburse expenses to the charity trustees for their work undertaken as trustee. Trustees are required to disclose all relevant interests, register them with the Health Board and withdraw from decisions where a conflict of interest arises. All related party transactions are disclosed in note 2 to the accounts.

Trustee Recruitment, Appointment and Induction

The Chair and Independent Members are appointed by the Welsh Government, and together with the Executive Directors are trustees of the Hywel Dda Health Charities.

New members of the Board are provided with an induction pack consisting of the charity's governing documents and policies and procedures as well as previous annual reports and accounts and Charity Commission guidance.

Charitable Funds Committee

The Charitable Funds Committee is appointed by the Board from the Independent Members who act as 'agents' of the Board as sole corporate trustee. The Committee is required to:

- control, manage and monitor the use of the fund's resources;
- provide support, guidance and encouragement for all its fundraising activities whilst managing and monitoring receipt of all income;
- ensure that best practice is followed in the conduct of all its affairs fulfilling all of its legal responsibilities;
- monitor the performance of the appointed investment advisor whilst being aware of ethical considerations;
- keep the University Health Board fully informed on the activity, performance and risks of the Charity;
- appoint the investment advisors to the charity.

Members of the Charitable Funds Committee also receive regular informal training and briefings on current charity issues at quarterly committee meetings. As the charity is a member of the Association of NHS Charities, committee members also receive regular briefings on areas of interest and details of relevant training opportunities to enhance their skills.

Objects of the charity

Hywel Dda Health Charities has registered the following objects with the Charity Commission:

"The trustee shall hold the trust fund upon trust to apply the income, and at its discretion, so far as may be permissible, the capital, for all or any charitable purpose or purposes relating to the National Health Service."



Charity independence

The charitable funds linked to the University Health Board are independent of the 'exchequer' (Government funded NHS) funds of the University Health Board and must be managed separately, even though they are mainly to be used to support the work and services of the NHS body.

The Charity Commission has regulatory responsibility for ensuring the proper management of these charitable funds.

The charity needs to be independent from, yet supportive of, the University Health Board. The Charity therefore focuses on the following charitable purposes, recognised in law (Charities Act 2022):

- The advancement of health or the saving of lives

And to a lesser degree:

- The advancement of education
- The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

The charity raises monies, holds those monies and commits expenditure through more than 278 local, general and special purpose funds.

Within expenditure authorisation limits local fund managers decide on and commit expenditure for the benefit of the area concerned.

Our staff and advisors

Bankers

The charity has retained the banking services during the year from Barclays Bank, 9-10 Guildhall Square, Carmarthen, SA31 1PW.

External auditors

The charity's auditors during the year was Audit Wales, 1 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ.

Investment advisor

Sarasin & Partners LLP provided the services of investment advisor for 2022-23 and from December 2022 CCLA Investment Management Limited replaced Sarasin & Partners LLP.



Fundraising activities

During 2022–23, the University Health Board employed nine members of staff (8.77 full time equivalent) to support the fundraising and communications functions of the charity.

The fundraising support team is responsible for increasing the charity's income to support Hywel Dda University Health Board to provide services and activities above and beyond what the NHS can provide.

The team is responsible for promoting fundraising for and giving to the charity and provides support, advice and guidance to fundraisers to ensure that all fundraising is carried out in line with regulation and best practice.

The team also assists many charitable groups and associations that provide both financial and non-financial support for healthcare services across our three counties.

Grant making policy

To achieve its objectives the charity makes grant payments to Hywel Dda University Health Board in accordance with charity law, our constitution and the wishes and direction of donors.

In making grants, we endeavour to reflect the wishes of patients and staff by directing funds towards areas they tell us are most in need.

Hywel Dda Health Charities makes grants from both its unrestricted and restricted funds. Within the unrestricted funds, grants are made from general funds, designated (earmarked) funds. Income generated from endowment funds are held as restricted income and applied within the restricted purpose of that endowment.

In the awarding of our grants, consideration is given to the Charity Commission's guidance on public benefit. To ensure public benefit and value for money when authorising charitable expenditure, applications for charitable funds include questions on the purpose of the application to the charity, why the expenditure is required and how the expenditure meets the aims of the charity.



Investments

The trustees hold the Pembrokeshire Cardiology Equipment fund as a separate investment portfolio, which is managed with the advice of Sarasin & Partners with an objective of the fund to achieve long-term capital and income growth.

The trustees have approved a total returns policy for this fund. Income is credited back to the charity bank account and held as restricted income.

Other investments of Hywel Dda Health Charities are also managed with the advice of CCLA Investment Management Limited with an objective of the fund to achieve long-term capital and income growth. Both portfolios are structured to permit a range of investments intended to yield a competitive rate of return in current market conditions.

The investment advisor actively manages the assets and has delegated authority to purchase and sell when market opportunities arise. The trustees have decided not to invest in companies who are:

- involved in the production or manufacturing of tobacco
- supply tobacco products where turnover or more that 5% is derived from this source
- involved in the production, manufacturing of alcoholic beverages, where more than 25% is derived from this source.

Investment managers will be required to present in person to the Charitable Funds Committee at least quarterly (via Videoconferencing, and in person at least twice a year). The Charitable Funds Committee will consider the reports and presentations from the investment manager(s) together with current cashflow reports and forecasts.

Risk management

Exposure to risk

The Chief Executive of Hywel Dda University Local Health Board, together with the other directors, is responsible for ensuring that an effective system of financial control is maintained. The Chief Executive and other directors are also responsible for reviewing the effectiveness of this system and have confirmed that the minimum control standards laid down by the Welsh Government have been in existence throughout the financial year. The minimum control standards apply equally to the management of the Charity by officers of the University Local Health Board as to the exchequer funds of the University Local Health Board. In this way, the major risks to which the Charity is exposed have been reviewed and systems have been established to mitigate those risks.

Financial control

A financial procedure, expenditure guideline, governance framework and strategy have been developed to ensure that there are sufficient management controls in place to:

- ensure that spending is in accordance with objects and priorities agreed by the Charitable Funds Committee;
- ensure the criteria for spending charitable monies are fully met;
- ensure that the accounting records are maintained;
- ensure devolved decision-making is within specified parameters. Internal Audit also undertake annual reviews to evaluate the adequacy of procedures and controls, to ensure compliance, and to provide reasonable assurance over;
- achievement of management objectives for the systems;
- use of resources in accordance with donors' requirements;
- compliance with policies and procedures;
- safeguarding assets. The Internal Audit reports are presented to both the Charitable Funds and Audit Committee, and this is a key measure of control.

Investment risk

The risk is minimised by agreeing an investment policy with the nominated investment managers. This policy includes ethical consideration where investments in the production, manufacturing or supply of tobacco or alcoholic beverages conflict with the charitable objects.

In assessing companies' involvement in these sectors the following limits have been set:

- investment in the production or manufacture of tobacco products at any level;
- investment in the production, manufacture of alcoholic beverages where more than 10% is derived from this source.

Further to the above, the investment manager's performance is reviewed in each Charitable Fund Committee meeting and compared to charitable investment benchmarks.

HYWEL DDA HEALTH CHARITIES

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

FOREWORD

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) second edition issued October 2019 and applies to report periods beginning on or after 1 January 2019. This edition consolidates the changes to the Statement of Recommended Practice (SORP) for Update Bulletins 1 and 2, the Charities Act 2022 and changes to UK Generally Accepted Practice since the launch of SORP (FRS102) on 16 July 2014, as it applies for reporting periods beginning on or after 1 January 2015.

STATUTORY BACKGROUND

The Hywel Dda University Local Health Board is the corporate trustee of the charity under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990.

The Trustee has been appointed under s11 of the NHS and Community Care Act 1990.

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

The main purpose of the charity is to apply income for any charitable purposes relating to the National Health Service wholly or mainly for the services provided by the Hywel Dda University Local Health Board.

Hywel Dda Health Charities
Statement of Financial Activities for the year ended 31 March 2023

		Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2022-23 £000
Incoming resources from generated funds:					
Donations, legacies & grants	3	507	3,058	0	3,565
Other trading activities	3	13	0	0	13
Investments Income	5	138	171	96	405
Total Incoming resources		658	3,229	96	3,983
Expenditure on:					
Raising Funds	6	197	243	12	452
Charitable activities	7	393	228	177	798
Total expenditure		590	471	189	1,250
Net (losses) on Investments	13	(182)	(225)	(153)	(560)
Net Income / (expenditure)		(114)	2,533	(246)	2,173
Transfer between funds	18	5	(5)	0	0
Net movement in funds		(109)	2,528	(246)	2,173
Reconciliation of Funds					
Total Funds brought forward as at 1 April 2022	19	3,405	3,819	2,549	9,773
Total Funds carried forward as at 31 March 2023		3,296	6,347	2,303	11,946

Hywel Dda Health Charities
Statement of Financial Activities for the year ended 31 March 2022

		Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2021-22 £000
Incoming resources from generated funds:					
Donations and legacies		491	365	0	856
Investments		4	0	0	4
Investments Income		108	127	80	315
Total Incoming resources		603	492	80	1,175
Expenditure on:					
Raising Funds		172	203	13	388
Charitable activities		803	720	139	1,662
Total expenditure		975	923	152	2,050
Net gain on Investments		64	76	49	189
Net Income / (expenditure)		(308)	(355)	(23)	(686)
Transfer between funds		(19)	19	0	0
Net movement in funds		(327)	(336)	(23)	(686)
Reconciliation of Funds					
Total Funds brought forward as at 1 April 2021		3,732	4,155	2,572	10,459
Total Funds carried forward as at 31 March 2022		3,405	3,819	2,549	9,773

Hywel Dda Health Charities
Hywel Dda Health Charities Balance Sheet as at 31 March 2023

	Note	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2022-23 £000	Total 2021-22 £000
Fixed assets:						
Investments	13	2,096	4,037	2,174	8,307	8,852
Total fixed assets		2,096	4,037	2,174	8,307	8,852
Current assets:						
Debtors	14	41	60	49	150	25
Cash at bank and in hand	15	2,032	3,319	80	5,431	3,180
Total current assets		2,073	3,379	129	5,581	3,205
Liabilities:						
Creditors falling due within one year	16	329	1,069	0	1,398	789
Net current assets		1,744	2,310	129	4,183	2,416
Total assets less current liabilities						
Creditors falling due after more than one year	16	544	0	0	544	1,495
Total net assets		3,296	6,347	2,303	11,946	9,773
The funds of the charity:						
Endowment Funds	19	0	0	2,303	2,303	2,549
Restricted income funds	19	0	6,347	0	6,347	3,819
Unrestricted Income funds	19	3,296	0	0	3,296	3,405
Total funds		3,296	6,347	2,303	11,946	9,773

The notes on pages 37-47 form part of these accounts

Signed : 

Name : **Mrs Judith Hardisty** (Interim Chair of the Corporate Trustee)

Date : 25/01/24 .

Hywel Dda Health Charities
Statement of Cash Flows for the year ending 31 March 2023

	Note	Total Funds 2022-23 £000	Total Funds 2021-22 £000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	17	1,861	(56)
Cash flows from investing activities:			
Dividend, interest and rents from investments	5	405	315
Proceeds from the sale of investments	13	8,055	0
Purchase of investments	13	(8,070)	(16)
Net cash provided by investing activities		390	299
Change in cash and cash equivalents in the reporting period		2,251	243
Cash and cash equivalents at the beginning of the reporting period	15	3,180	2,937
Cash and cash equivalents at the end of the reporting period	15	5,431	3,180

The notes on pages 37-47 form part of these accounts

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) second edition issued October 2019 and applies to report periods beginning on or after 1 January 2019. This edition consolidates the changes to the Statement of Recommended Practice (SORP) for Update Bulletins 1 and 2, the Charities Act 2022 and changes to UK Generally Accepted Practice since the launch of SORP (FRS102) on 16 July 2014, as it applies for reporting periods beginning on or after 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 Trustee considers 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 Trustee has arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

The Charity meets the definition of a 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 appeals 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 Trustee has the discretion to spend the capital (expendable endowment) and those where there is no discretion to expend the capital (permanent endowment).

The Charity has one permanent endowment fund, the Pembrokeshire Cardiology Equipment Fund. This fund is managed on a total returns basis. This means that the funds are invested to maximise the return on investment without regard to whether that return is in the form of income from dividends or interest or capital appreciation (where the market value of the investment increases). Although a total returns approach has been approved by the Trustee, no funds have been released as at the balance sheet date.

Those funds which are neither endowment nor restricted income funds, are unrestricted income funds which are sub-analysed between designated (earmarked) funds where the Trustee 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 Trustee's 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, grants, 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, whichever falls sooner.

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 incoming resources received from the invested endowment fund are wholly restricted.

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

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

(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 fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the basis of apportionment applied are shown in note 10.

(i) Fundraising costs

The costs of generating funds are those costs attributable to generating income for the Charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the Charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and a fee paid to a related party, the Health Board, under a fundraising agreement. The fee is used to pay the salaries and overhead costs of the Health Boards' fundraising office.

(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 bid price as at the close of business on the valuation date. Investment properties are valued at fair value (market value) and are revalued annually. Other investments are included at the Trustee's 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 90 day 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 (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

2. Related party transactions

During the year none of the Trustee's Representatives or members of the key management staff or parties related to them have undertaken any material transactions with the Hywel Dda Health Charities.

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters and controls are in place to ensure the interests of each are kept discrete and also to ensure they do not personally benefit from such decisions. Declarations of personal interest have been made in both capacities and are available for public inspection.

During 2022-23 the Charity has made grant payments to Hywel Dda University Health Board of £691,834 (2021-22: £1,555,604). As at 31 March 2023 the total owed by the Charity was £16,127 (2021-22: £3,440) and owed to the Charity was £2,957 (2021-22: £0).

Member Name	Details of Positions Held During The Financial Year	Details Of Interest Declared
Chantal Patel	Independent Member	Associate Professor, Swansea University
Gareth John (left 14 June 2022)	Independent Member	County Councilor, Carmarthenshire
Maynard Davies	Independent Member	Member of the Information Governance Review Panel for SAIL Databank run by Swansea University
Huw Thomas	Director of Finance	Partner working in Carmarthenshire County Council Honorary Professor in Aberystwyth University
Iwan Thomas	Independent Member	Independent Board Member on Pembrokeshire College Board (Chair)
John Gammon (left 31 July 2022)	Independent Member	Independent Member on Pembrokeshire College Board
Lisa Gostling	Director of Workforce & OD	Independent Board Member on Pembrokeshire College Board
Phillip Klover	Medical Director	Honorary Professor in Swansea University
Rhodri Evans (started 15 November 2022)	Independent Member	Ceredigion County Councilor

Total value of transactions are with entities at which Board members and key senior staff have influential interests in 2022-23:

	Expenditure with related party	Amounts owed to related party	Income from related party	Amounts owed by related party
	£	£	£	£
Aberystwyth University	545	200	0	0
Carmarthenshire County Council	100	0	0	0
Ceredigion County Council	98	98	0	0
Pembrokeshire College	235	0	0	0
Swansea University	3,200	0	28	0

3. Income from donations, legacies, grants and other trading activities

	Unrestricted funds	Restricted income funds	Endowment funds	Total 2022-23	Total 2021-22
	£000	£000	£000	£000	£000
Donations	497	1,045	0	1,542	551
Legacies	10	1,911	0	1,921	281
Grants	0	102	0	102	24
Other Trading Activities	13	0	0	13	4
	520	3,058	0	3,578	860

4. Role of volunteers

Hywel Dda Health Charities is extremely fortunate to have the support of so many wonderful people who give their time, energy and dedication to raise funds for the Charity on a voluntary basis year after year. Our supporters fundraise for us for many different reasons. Many are former patients and their families wanting to show their appreciation for care received while many wish to support the development of the latest healthcare technologies in their local community.

We are also extremely fortunate to have the support of League of Friends groups who raise money for our hospitals and healthcare in their local communities. In addition to our hospital and community League of Friends, we have many local voluntary groups who support and actively fundraise for their local healthcare 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	Endowment Funds £000	Total 2022-23 £000	Total 2021-22 £000
Fixed asset equity and similar investments	138	171	96	405	315
	138	171	96	405	315

6. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted Income funds £000	Endowment Funds £000	Total 2022-23 £000	Total 2021-22 £000
Fundraising office	182	225	0	407	338
Investment management	15	18	12	45	50
	197	243	12	452	388

7. Analysis of charitable activity

	Grant funded activity £000	Support costs £000	Total 2022-23 £000	Total 2021-22 £000
Purchase of medical and surgical equipment	273	44	317	285
Purchase of office and computer equipment	39	7	46	47
Building and refurbishment	67	11	78	927
Staff education and welfare	97	16	113	21
Patient education and welfare	126	20	146	373
Other	84	14	98	9
	686	112	798	1,662

8. Analysis of grants

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 Trustee operates a scheme of delegation for the majority of the charitable funds, under which fund managers manage the day to day disbursements on their delegated funds in accordance with the directions set out in the Health Board's standing orders and standing 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. The Trustee makes individual grant awards based on invited applications from the Health Board.

9. Movements in funding commitments

	Current liabilities £000	Non Current liabilities	Total 2022-23 £000	Total 2021-22 £000
Opening balance at 1 April (see note 16)	710	1,495	2,205	1,136
Movement in liabilities	609	(951)	(342)	1,069
Closing balance at 31 March (see note 16)	1,319	544	1,863	2,205

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, especially those relating to research and development or for funding specific posts are multi-year grants paid over a longer period.

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.

	Charitable activities £000	Total 2022-23 £000	Total 2021-22 £000	Basis	
Governance Costs					
External audit	15	15	13	Average fund balance	
Finance and administration	33	33	32	Average fund balance	
Total governance	48	48	45		
Support Costs					
Finance and administration	64	64	61	Average fund balance	
	112	112	106		
	Unrestricted funds £000	Restricted Income funds £000	Endowment Funds £000	Total Funds 2022-23 £000	Total Funds 2021-22 £000
Charitable activities	50	62	0	112	106
	50	62	0	112	106

11. Trustee's remuneration, benefits and expenses

The Charity does not make any payments for remuneration nor to reimburse expenses to members of the Corporate Trustee of the Charity for their work undertaken as trustee.

12. Auditors remuneration

The auditors remuneration of £15,158 (2021-22: £13,181) related solely to the audit of the statutory annual report and accounts.

13. Fixed asset investments

Movement in fixed assets investments

	Listed Investments 2022-23 £000	Investment properties 2022-23 £000	Total 2022-23 £000	Listed Investments 2021-22 £000	Investment properties 2021-22 £000	Total 2021-22 £000
Market value brought forward	8,656	196	8,852	8,459	188	8,647
Add: additions to Investments at cost	8,070	0	8,070	16	0	16
Less disposals at carrying value	(8,055)	0	(8,055)	0	0	0
Increase/(decrease) on cash awaiting Investment	0	0	0	0	0	0
Add net gain / (loss) on revaluation	(550)	(10)	(560)	181	8	189
Market value as at 31st March	8,121	186	8,307	8,656	196	8,852

All investments are carried at their market value.

The Investment valuation for the period 1 April to 14 December 2022 was performed by Sarasin & Partners. CCLA Investment Management Ltd were appointed as the Charity's new Investment Management advisors during the financial year. The Investment valuation for the period 15 December 2022 to 31 March 2023 was performed by CCLA.

The significance of financial instruments to the ongoing financial sustainability of Hywel Dda Health Charities is considered in the risk management section of the trustee's annual report.

The main risk from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

Hywel Dda Health Charities' investments are invested within the UK collective investments – COIF Charities Ethical Investment Fund. Hywel Dda Health Charities have no material investment holdings in markets subject to exchange controls or trading restrictions.

Hywel Dda Health Charities manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes.

Investment properties were valued by the Valuation Office Agency with an effective date of 1 April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

Fixed Asset Investments by type

	2022-23 £000	2021-22 £000
Equity	5,832	6,024
Infrastructure & Operating Assets	637	0
Fixed Interests	616	805
Cash & Near Cash	431	449
Property	447	677
Contractual & Other Income	176	0
Private Equity & Other	186	0
Derivatives	2	0
Alternatives	0	1,097
	8,307	8,852

Owing to the change in Investment Management Advisors in year, the current year analysis provides more detailed disclosure than the comparative year.

14. Analysis of current debtors

Debtors under 1 year	Total 2022-23	Total 2021-22
	£000	£000
Accrued Income	150	25
	<u>150</u>	<u>25</u>

15. Analysis of cash and cash equivalents

	Total 2022-23	Total 2021-22
	£000	£000
Cash at bank and in hand	5,431	3,180
	<u>5,431</u>	<u>3,180</u>

The notice deposits are sums held on interest bearing deposit with Barclays Bank and represent restricted appeals to fund specific equipment or funds held to facilitate cash flow and the fulfilment of obligations to make grant payments. The funds are held in an instant access account and are therefore classified as cash and cash equivalents.

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

All of the amounts held on interest bearing deposits are available to spend on Charity activities.

16. Analysis of liabilities

	Total 2022-23	Total 2021-22
	£000	£000
Creditors falling due within 1 year		
Trade creditors	67	76
Other creditors	12	3
Accruals (Note 9)	1,319	710
	<u>1,398</u>	<u>789</u>
Creditors falling after more than 1 year		
Accruals (Note 9)	544	1,495
Total creditors	<u>1,942</u>	<u>2,284</u>

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

	Total 2022-23 £000	Total 2021-22 £000
Net income / (expenditure) (per Statement of Financial Activities)	2,173	(686)
Adjustment for:		
(Gains) / losses on investments	560	(189)
Dividends, interest and rents from investments	(405)	(315)
Decrease / (increase) in debtors	(125)	14
(Decrease) / increase in creditors	(342)	1,120
Net cash (used in)/provided by operating activities	1,861	(56)

18. Transfer between funds

£5,499 was transferred from Support for Life Response Fund (Unrestricted) to NHS Charities Together (Restricted) to support safeguarding project at Bronglais General Hospital A&E department (CF02444).

£10,874 was transferred from Carmarthenshire/ Ceredigion Breast Care (Restricted) to Carmarthenshire / Ceredigion Breast Care (Unrestricted) following approval By Charitable Funds Sub Committee (Jan 2023) to support funding for Ultrasound Scanner (CF02430).

19. Analysis of funds

a. Analysis of endowment fund movements

	Balance 1 April 2022 £000	Transfer	Income £000	Expenditure £000	Gain / (Loss) £000	Balance 31 March 2023 £000
FE Smith Legacy	79	0	0	0	(5)	74
Rees Elwyn Evans	22	0	0	0	(1)	21
Pembrokeshire Cardiology Equipment	2,283	0	0	0	(147)	2,136
Pembrokeshire Cardiology Equipment Income Fund	165	0	96	(189)	0	72
	2,549	0	96	(189)	(153)	2,303

The objects of the permanent endowment funds are as follows:

FE Smith Legacy Fund objects are to apply the income generated from the permanent endowed gift for the benefit of the Owain Glyndwr Ward in Bronglais General Hospital.

Rees Elwyn Evans Fund objects are to apply the income generated from the permanent endowed gift for the purchase of equipment for Meurig Ward in Bronglais General Hospital.

Pembrokeshire Cardiology Equipment Income Fund objects are for the purchase of cardiology equipment in the county of Pembrokeshire.

b. Analysis of restricted fund movements

	Balance 1 April 2022 £000	Transfer	Income £000	Expenditure £000	(Loss) £000	Balance 31 March 2023 £000
Hywel Dda General Funds	213	6	102	(145)	0	176
Carmarthenshire Locality Funds	1,524	(11)	2,284	(153)	(102)	3,542
Ceredigion Locality Funds	1,712	0	818	(142)	(100)	2,288
Pembrokeshire Locality Funds	370	0	25	(31)	(23)	341
	<u>3,819</u>	<u>(5)</u>	<u>3,229</u>	<u>(471)</u>	<u>(225)</u>	<u>6,347</u>

The locality funds are a collection of restricted funds which have distinct restrictions imposed on the Charity. There are 7 Hywel Dda wide restricted funds, in Carmarthenshire locality there are 46 restricted funds, in Ceredigion there are 24 restricted funds, and 30 restricted funds in Pembrokeshire.

c. Analysis of unrestricted and material designated fund movements

	Balance 1 April 2022 £000	Transfer £000	Income £000	Expenditure £000	(Loss) £000	Balance 31 March 2023 £000
Hywel Dda General Funds	685	(6)	189	(289)	(182)	397
Carmarthenshire Locality Funds	1,746	11	279	(175)	0	1,861
Ceredigion Locality Funds	510	0	69	(44)	0	535
Pembrokeshire Locality Funds	464	0	121	(82)	0	503
	<u>3,405</u>	<u>5</u>	<u>658</u>	<u>(590)</u>	<u>(182)</u>	<u>3,296</u>

The Charity does not hold material funds for the general purpose of the whole Charity. Most unrestricted funds have been earmarked and designated for a specific purpose within the Charity area.

For presentation the designations have been grouped and reported per locality.

Within the charity there are 16 Hywel Dda wide designated funds, 80 Carmarthenshire designated funds, 41 Ceredigion designated funds and 30 Pembrokeshire designated funds.

20. Total return on Investment

On 4 March 2014, the Corporate Trustee made a resolution under section 104A(2) of the Charities Act 2011 to adopt a total return on Investment approach to the Pembrokeshire Cardiology Equipment fund and the FE Smith Legacy fund. The Corporate Trustee identified the value of the gifts of permanent endowment received since the fund was established to that date. This set the baseline value of the gift component of the endowment to which any subsequent gifts of endowment are added. The difference between the total of endowment funds as at 31 March 2015 and the value of the gift component represented the opening balance of unapplied total return.

The power of total return permits the Corporate Trustee to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year.

Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment. The power allows the Trustee to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure. As at the balance sheet date the Corporate Trustee had not made any resolutions to pass any part of the unapplied total return to income funds to be spent.

	Trust for Investment £000	Unapplied total return £000	Total endowment £000
At beginning of the reporting period			
Gift component of the permanent endowment	1,505	0	1,505
Unapplied total return	0	1,168	1,168
Total	1,505	1,168	2,673
Movements in the reporting period			
Investment return: realised and unrealised (losses)	0	(56)	(56)
Less: Investment management costs	0	(12)	(12)
Net movement in the reporting period	0	(68)	(68)
At end of the reporting period			
Gift component of the permanent endowment	1,505	0	1,505
Unapplied total return	0	1,100	1,100
Total	1,505	1,100	2,605

Note - Rees Elwyn Evans endowment does not form part of the Return on Investment calculation above

21. Post Balance Sheet Events

There are no Post Balance Sheet Events

22. Other Items for Information

Investment Managers

With effect from 15 December 2022, the Hywel Dda Health Charities changed the investment managers it uses for managing its portfolio of investments. The new investment managers, CCLA Investment Management Limited, were appointed after a rigorous tender process overseen by the Charitable Funds Committee, which is a formal committee of the corporate trustee.

Within 22-23 the value of the Charity's fixed asset investments has fluctuated due to volatility in equity markets and investment markets due to wider economic conditions. There remain massive uncertainties facing markets with the global impacts of energy price increases, supply chain logistics, higher inflation expectations, decelerating growth expectations as well as labour shortages, all of which threaten to derail equity markets and portfolio values.

Review of funds structure

In March 2023 the Charitable Funds Committee approved a proposal to rationalise the number of Charitable Funds held. The review commenced in 23-24; the purpose of the review is to:

- 1) Make it as easy as possible to access funds to further our charitable objectives
- 2) Ensure the structure of the funds reflect the current service / management structures as well as the wishes of our donors
- 3) Ensure donations are spent within a 'reasonable' timeframe
- 4) Develop long term expenditure plans

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

IN RESPECT OF THE ACCOUNTS

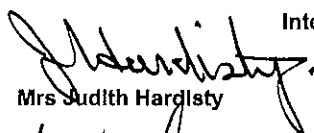
The law applicable to charities in England and Wales requires the trustee(s) to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Corporate Trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 operation.

The Corporate Trustee is responsible for keeping accounting records which disclose with reasonable accuracy financial position of the charity and which enable them to ascertain the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2022, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. The Corporate Trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

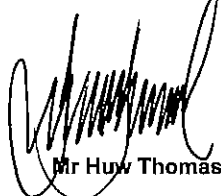
By order of the trustees

Signed:


Mrs Judith Hardisty

Interim Chair of the Corporate Trustee

25/01/2024


Mr Huw Thomas

Financial Trustee Representative

25/01/2024

The independent auditor's report of the Auditor General for Wales to the trustees of Hywel Dda Health Charities

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements of Hywel Dda Health Charities for the year ended 31 March 2023 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the 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 31 March 2023 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.

My staff and I are 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 trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustees are 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.

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:

- I have not received all of the information and explanations I require for my audit;
- 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
- the information given in the financial statements is inconsistent in any material respect with the trustee's report.

Responsibilities of the trustees for the financial statements

As explained more fully in the statement of trustee's responsibilities set out on page 19, the trustees are responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the trustees determine is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees anticipate that the services provided by the charity will not continue to be provided in the future.

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 Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Hywel Dda Health Charities' 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 and posting of unusual journals.

- obtaining an understanding of Hywel Dda Health Charities' framework of authority as well as other legal and regulatory frameworks that the Hywel Dda Health Charities 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 Hywel Dda Health Charities.
- Obtaining an understanding of related party relationships.

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, the Charitable Funds Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the trustees; 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 the 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 Hywel Dda Health Charities' 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. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Adrian Crompton
Auditor General for Wales

1 Capital Quarter
Tyndall Street
Cardiff

29 January 2024

CF10 4BZ