

Bundle Charitable Funds Committee 15 September 2020

4.3

Draft Annual Accounts (2019/20)

Presenter: Huw Thomas/Jennifer Thomas

Draft char accounts 2019-20

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HYWEL DDA HEALTH CHARITIES

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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) 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

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 2020

		Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2019-20 £000
Incoming resources from generated funds:					
Donations and legacies	3	619	1,189	0	1,808
Investments	5	138	110	83	331
Total incoming resources		757	1,299	83	2,139
Expenditure on:					
Raising Funds	6	126	102	12	240
Charitable activities	7	1,154	1,435	(4)	2,585
Total expenditure		1,280	1,537	8	2,825
Net (losses) on investments	13	(145)	(114)	(100)	(359)
Net (expenditure)		(668)	(352)	(25)	(1,045)
Reconciliation of Funds					
Total Funds brought forward	19	3,629	3,050	2,139	8,818
Total Funds carried forward		2,961	2,698	2,114	7,773

Hywel Dda Health Charities
Statement of Financial Activities for the year ended 31 March 2019

		Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total Funds 2018-19 £000
Incoming resources from generated funds:					
Donations and legacies		734	830	0	1,564
Investments		132	106	79	317
Total incoming resources		866	936	79	1,881
Expenditure on:					
Raising Funds		115	94	11	220
Charitable activities		869	451	0	1,320
Total expenditure		984	545	11	1,540
Net gains on investments		91	71	58	220
Net income / (expenditure)		(27)	462	126	561
Reconciliation of Funds					
Total Funds brought forward		3,656	2,588	2,013	8,257
Total Funds carried forward		3,629	3,050	2,139	8,818

Hywel Dda Health Charities
Hywel Dda Health Charities Balance Sheet as at 31 March 2020

		Unrestricted	Restricted	Endowment	Total	Re-stated
	Note	funds	Income	funds	31 March	Total
		£000	funds	£000	2020	31 March
		£000	£000	£000	£000	2019
		£000	£000	£000	£000	£000
Fixed assets:						
Investments	13	3,013	2,276	1,866	7,155	7,502
Total fixed assets		3,013	2,276	1,866	7,155	7,502
Current assets:						
Debtors	14	9	38	0	47	44
Cash at bank and in hand	15	455	990	248	1,693	1,392
Total current assets		464	1,028	248	1,740	1,436
Liabilities:						
Creditors: Amounts falling due within one year	16	516	606	0	1,122	120
Net current assets / (liabilities)		(52)	422	248	618	1,316
Total net assets		2,961	2,698	2,114	7,773	8,818
The funds of the charity:						
Endowment Funds	19	0	0	2,114	2,114	2,139
Restricted income funds	19	0	2,698	0	2,698	3,050
Unrestricted income funds	19	2,961	0	0	2,961	3,629
Total funds		2,961	2,698	2,114	7,773	8,818

2018-19 funds split of balances restated

The notes on pages 46 to 57 form part of these accounts

Signed :

Name : **Miss Maria Battle** (Chair of the Corporate Trustee)

Date :

Hywel Dda Health Charities
Statement of Cash Flows for the year ending 31 March 2020

	Note	Total Funds 2019-20 £000	Total Funds 2018-19 £000
Cash flows from operating activities:			
Net cash used in/(provided by) operating activities	17	341	(230)
Cash flows from investing activities:			
Dividend, interest and rents from investments	5	331	317
Proceeds/(loss) from the sale of investments	13	(357)	217
Purchase of investments	13	(14)	(9)
Net cash provided by investing activities		(40)	525
Change in cash and cash equivalents in the reporting period		301	295
Cash and cash equivalents at the beginning of the reporting period	15	1,392	1,097
Cash and cash equivalents at the end of the reporting period	15	1,693	1,392

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 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, 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 bases 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's 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 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 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 Corporate Trustee's key management staff or parties related to them has undertaken any material transactions with the Hywel Dda Health Board Charitable Funds.

Board Members (and other senior staff) take decisions both on Charity and Hywel Dda University Health Board 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 2019/20 the Charity has made grant payments of £2,545,742 to Hywel Dda University Health Board. £903,744 provided additional public benefit through the Health Board's operational activity, £711,447 supported additional capital investment and £930,551 relates to future commitments of the Charity.

As at 31 March 2020 the total owed to the Health Board was £47,275, and owed by the Health Board was £0.

3. Income from donations and legacies

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2019-20 £000	Total 2018-19 £000
Donations	619	234	0	853	766
Legacies	0	942	0	942	780
Grants	0	13	0	13	18
	619	1,189	0	1,808	1,564

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.

5. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Endowment Funds £000	Total 2019-20 £000	Total 2018-19 £000
Fixed asset equity and similar investments	138	110	83	331	317
	138	110	83	331	317

6. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted Income funds £000	Endowment Funds £000	Total 2019-20 £000	Total 2018-19 £000
Fundraising office	108	88	0	196	177
Investment management	18	14	12	44	43
	126	102	12	240	220

7. Analysis of charitable activity

	Grant funded activity £000	Support costs £000	Total 2019-20 £000	Total 2018-19 £000
Purchase of medical and surgical equipment	478	18	496	518
Purchase of office and computer equipment	290	11	301	192
Building and refurbishment	1,393	53	1,446	189
Staff education and welfare	90	3	93	163
Patient education and welfare	144	6	150	218
Other	93	6	99	40
	2,488	97	2,585	1,320

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 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 does make individual grant awards based on invited applications from the Health Board.

9. Movements in funding commitments

	Current liabilities £000	Total 31 March 2020 £000	Total 31 March 2019 £000
Opening balance at 1 April (see note 16)	23	23	27
Movement in liabilities	972	972	(4)
Closing balance at 31 March (see note 16)	995	995	23

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 a 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 2019-20 £000	Total 2018-19 £000	Basis
Governance Costs				
External audit	9	9	9	Average fund balance
Finance and administration	38	38	35	Average fund balance
Total governance	47	47	44	
Support Costs				
Finance and administration	50	50	46	Average fund balance
	97	97	90	
	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2019-20 £000	Total Funds 2018-19 £000
Charitable activities	43	54	97	90
	43	54	97	90

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 £9,000 (2018-19: £9,000) related solely to the audit of the statutory annual report and accounts.

13. Fixed asset investments

Movement in fixed assets investments

	Total 2019-20 £000	Total 2018-19 £000
Market value brought forward	7,502	7,270
Add: additions to investments at cost	14	9
Less disposals at carrying value	0	(1)
Increase/(decrease) on cash awaiting investment	(2)	4
Add net gain / (loss) on revaluation	(359)	220
Market value as at 31st March	7,155	7,502

Fixed Asset Investments by type

	31 March 2020 £000	31 March 2019 £000
Property	410	866
Fixed Interests	954	1,020
UK Equities	1,231	1,459
Overseas/Global Equities	3,456	3,457
Alternatives	691	316
Total Listed Intestments	6,742	7,118
Cash on interest bearing deposit	413	384
Total	7,155	7,502

All investments are carried at their fair value.

The significance of financial instruments to the ongoing financial sustainability of Hywel Dda Health Charities is considered in the risk management section of the trustees' 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 mainly traded in markets with good liquidity and high trading volumes. 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. All investments were made in companies listed on a UK stock exchange or incorporated in the UK and therefore all investments are treated as investment assets in the UK.

14. Analysis of current debtors

Debtors under 1 year	Total 31 March 2020 £000	Total 31 March 2019 £000
Accrued income	47	44
	47	44

15. Analysis of cash and cash equivalents

	Total 31 March 2020 £000	Total 31 March 2019 £000
Cash in hand	1,693	1,392
	1,693	1,392

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 on a 90 day notice account and are therefore classified as cash and cash equivalents.

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

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

16. Analysis of liabilities

Creditors under 1 year	Total 31 March 2020 £000	Total 31 March 2019 £000
Trade creditors	114	10
Other creditors	13	87
Accruals (Note 9)	995	23
Total creditors	1,122	120

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

	Total 2019-20 £000	Total 2018-19 £000
Net income / (expenditure) (per Statement of Financial Activities)	(686)	341
Adjustment for:		
(Gains) / losses on investments	359	(220)
Dividends, interest and rents from investments	(331)	(317)
Decrease / (Increase) in debtors	(3)	21
(Decrease) / Increase in creditors	1,002	(55)
Net cash used in/(provided by) operating activities	341	(230)

18. Transfer between funds

There has been no transfer between funds

19. Analysis of funds

a. Analysis of endowment fund movements

	Balance 1 April 2019 £000	Income £000	Expenditure £000	Losses £000	Balance 31 March 2020 £000
FE Smith Legacy	81	1	0	(3)	79
Rees Eirwyn Evans	23	0	0	(1)	22
Pembrokeshire Cardiology Equipment	2,035	82	(8)	(96)	2,013
	2,139	83	(8)	(100)	2,114

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 Eirwyn 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 Fund objects are for the purchase of cardiology equipment in the county of Pembrokeshire.

b. Analysis of restricted fund movements

	Balance 1 April 2019 £000	Income £000	Expenditure £000	Losses £000	Balance 31 March 2020 £000
Carmarthenshire Locality Funds	852	110	(185)	(33)	744
Ceredigion Locality Funds	1,557	928	(765)	(62)	1,658
Pembrokeshire Locality Funds	382	254	(355)	(11)	270
Pembrokeshire Cardiology Equipment	259	7	(232)	(8)	26
	<u>3,050</u>	<u>1,299</u>	<u>(1,537)</u>	<u>(114)</u>	<u>2,698</u>

The locality funds is a collection of restricted funds which have distinct restrictions imposed on the charity. Within Carmarthenshire locality there are 32 restricted funds, in Ceredigion there are 22 restricted funds and in Pembrokeshire there are 29 restricted funds.

The Pembrokeshire Cardiology Equipment restricted fund is income generated from the Pembrokeshire Cardiology Equipment permanent endowment fund and is restricted for the purpose of purchasing cardiology equipment for Pembrokeshire.

c. Analysis of unrestricted and material designated fund movements

	Balance 1 April 2019 £000	Income £000	Expenditure £000	Losses £000	Balance 31 March 2020 £000
Hywel Dda General Funds	140	61	(66)	(4)	131
Carmarthenshire Locality Funds	1,740	437	(416)	(72)	1,689
Ceredigion Locality Funds	816	347	(440)	(36)	687
Pembrokeshire Locality Funds	933	(88)	(358)	(33)	454
	<u>3,629</u>	<u>757</u>	<u>(1,280)</u>	<u>(145)</u>	<u>2,961</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 78 Carmarthenshire designated funds, 38 Ceredigion designated funds and 30 Pembrokeshire designated funds and 12 Hywel Dda 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 trustees 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 (Re-stated)	0	612	612
Total	1,505	612	2,117
Movements in the reporting period			
Investment return: realised and unrealised (losses)	0	(13)	(109)
Less: Investment management costs	0	(12)	(12)
Net movement in the reporting period	0	(25)	(121)
At end of the reporting period			
Gift component of the permanent endowment	1,505	0	1,505
Unapplied total return	0	587	587
Total	1,505	587	2,092

Note - Rees Eirwyn Evans endowment doesn't form part of the Return on Investment calculation above

21. Post Balance Sheet Events

There are no post balance sheet events.

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 2011, 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:

Chair of the Corporate Trustee

Miss Maria Battle

Financial Trustee Representative

Mr Huw Thomas

Audit report of the Auditor General to the Corporate Trustee of Hywel Dda Health Charities

Report of the Auditor General for Wales to the Corporate Trustee of Hywel Dda Health Charities

Cyfrifon Drafft Cronfeydd Elusennol 2019/20

Charitable Funds Draft Accounts 2019/20

Adding value. Today. Tomorrow. Together.
Creu gwerth gyda'n gilydd. Heddiw ac i'r dyfodol.

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- Key issues affecting Charity Accounts -
 - COVID-19 causing delay in Auditing accounts
 - High level analysis of movement
- Summary and next steps

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.
- The Charitable funds accounts have been prepared under the Accounting standards FRS102 and the Charities Act 2011 and UK Generally Accepted Practice (applies from 1 January 2015)

Key movement

- **Statement of Financial Activities -**
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- Charitable Activities – Note 7 (Page 51)
- Net gains (losses) on investments – Note 13 (Page 53)
- **Balance Sheet -**
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- Restatement of brought forward 2018/19 split of balances (Page 44)

Statement of Financial Activities- Comparison

	2019/20 £'000	2018/19 £'000	Change £'000	Change %
Incoming resources from generate funds:				
Donations and Legacies	1,808	1,564	244	13%
Investments	331	317	14	4%
Total Incoming resources	2,139	1,881	258	12%
Expenditure on:				
Raising Funds	240	220	20	8%
Charitable activities	2,585	1,320	1,265	49%
Total Expenditure	2,825	1,540	1,285	45%
Net gains / (losses) on investments	(359)	220	(579)	161%
Net income / (expenditure)	(1,045)	561	(1,606)	154%
Reconciliation of Funds				
Total funds brought forward	8,818	8,257	561	6%
Total Funds carried forward	7,773	8,818	(1,045)	(13)%

One large legacy received for Bronglais (BGH) £858k in 19/20

Increase is primarily due to Building and Refurbishment £1.3m costs in relation to the Minaeron, Ward 10 and BGH Chemotherapy approved capital schemes

This is due to the downturn in investments in quarter 4 due to COVID-19 for both general and cardiology fund

Balance sheet- Comparison

	2019/20 £'000	2018/19 £'000 Restated	Change £'000	Change %
Fixed Assets	7,155	7,502	(347)	(5)%
Current Assets	1,740	1,436	304	17%
Liabilities	1,122	120	1,002	89%
Total Net Assets	7,773	8,818	(1,045)	(13)%
The funds of the charity:				
Endowment Funds	2,114	2,139	(25)	(1)%
Restricted Income funds	2,698	3,050	(352)	(13)%
Unrestricted Income funds	2,961	3,629	(668)	(23)%
Total Funds	7,773	8,818	(1,045)	(13)%

Increase in cash balances at year end due to higher than average donations received due to COVID -19 in March and large legacy payment received in January 2020

£1m liabilities in relation to creditors and accruals, including £0.5m for BGH Chemotherapy, £0.2m Ward 10, Psychological cancer service £0.1m with the balance made up of a number of smaller accruals

2018-19 carry forward split of balances restated to match the carry forward balances on the Statement of Financial Activities

Adding value. Today. Tomorrow. Together.
Creu gwerth gyda'n gilydd. Heddiw ac i'r dyfodol.

Next Steps

- Audit Wales to audit the accounts beginning of October 2020
- Final Accounts to be presented to the Charitable Funds Committee on the 30th November 2020
- Final Accounts to Charity Commission by 31st January 2021