

# Bradford Hospitals Charity Annual Report and Accounts

for the year ended 31 March 2017



Charity Registration Number 1061753

## **Bradford Hospitals Charity**

### **Trustee's Annual Report for the year ended 31 March 2017**

#### **Foreword**

The Corporate Trustee presents the Annual Report for Bradford Hospitals Charity ("the Charity") together with the audited Financial Statements for the year ended 31 March 2017.

The Charity's Annual Report and Accounts for the year ended 31 March 2017 have been prepared by the Corporate Trustee in accordance with the requirements of the Charities Act 1993 as amended by the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (as modified by section 5 and the Schedule to the Order) and the Statement of Recommended Practice (FRS102, effective from 01 January 2015). The Charity's Annual Report and Accounts include all the separately established funds for which Bradford Teaching Hospitals NHS Foundation Trust ("the Foundation Trust") is the sole beneficiary.

#### **Board of Directors**

The Charity has a Corporate Trustee, the Foundation Trust. The members of the Foundation Trust Board of Directors who served during the financial year were as follows:

##### **Chairman**

Professor Lord Patel of Bradford (to 31 May 2016)  
Dr Trevor Higgins (Acting Chairman from 1 June 2016 to 31 October 2016)  
Professor Bill McCarthy (from 1 November 2016)

##### **Executive Directors**

Professor Clive Kay –Chief Executive  
Ms Bernie Bluhm – Interim Director of Operational Management and Turnaround (to 8 June 2016)  
Ms Pat Campbell, Director of Human Resources  
Ms Cindy Fedell, Director of Informatics  
Dr Bryan Gill – Medical Director  
Mr Matthew Horner – Director of Finance  
Mrs Sally Scales – Acting Chief Nurse ( to 28 August 2016)  
Ms Donna Thompson, Director of Governance and Corporate Affairs  
Ms Karen Dawber (Chief Nurse from 29 August 2016)  
John Holden (Director of Strategy and Integration from 15 August 2016)

##### **Former Executive Directors**

(Directors who resigned or whose term of office ended during the year)

Mrs Sally Scales – Acting Chief Nurse (to 28 August 2016)  
Ms Teresa Saunderson (Acting Chief Operating Officer from 01 May to 31 July 2016)

##### **Non-Executive Directors**

Professor Grace Alderson  
Dr Trevor Higgins  
Dr Mohammed Iqbal  
Professor Bill McCarthy  
Mr David Munt  
Mr Amjad Pervez  
Ms Selina Ullah  
Mrs Pauline Vickers

The Board of Directors is made up of both Executive and Non-Executive Directors. Executive Directors are recruited by a process led by the Chief Executive and are recruited to positions with permanent contracts. The Chief Executive is recruited by a process led by the Chairman, and the appointment requires the approval of the Board of Governors.

The Chairman and Non-Executive Directors are recruited by a process defined in both the Foundation Trust's Constitution and Search Committee. It is for the full Board of Governors at a public meeting to appoint or remove the Chairman and Non-Executive Directors. All Executive and Non-Executive Directors have tailored induction programmes to meet their individual needs.

### **Reference and administrative details**

The Charity, registered charity number 1061753, was entered on the Central Register of Charities on 19 March 1997. The name of the charity changed from 'Bradford Teaching Hospitals NHS Foundation Trust Charitable Fund' in August 2014 to 'Bradford Hospitals Charity', with no change being made to the objectives of the Charity.

The Charity consists of 174 individual sub funds as at 31 March 2017 (2016: 174), and the notes to the accounts distinguish the types of fund held and disclose separately all material funds. The funds received by the Charity are accepted, held and administered as funds and property held on trust for purposes relating to the Health Service in accordance with the National Health Service Act 1977 and the National Health Service and Community Care Act 1990, and these funds are held on trust by the corporate body.

### **Trustee**

The Foundation Trust (which succeeded Bradford Teaching Hospitals NHS Trust on 1 April 2004) is the Corporate Trustee of the Charity and is governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 1993 as amended by the Charities Act 2011. The Foundation Trust Board of Directors has devolved responsibility for the on-going management of funds to Bradford Hospitals Charity Committee, which administers the funds on behalf of the Corporate Trustee. No trustee remuneration was paid in the year by the Charity.

The names of those people, who served as agents of the Corporate Trustee, as permitted under regulation 16 of the NHS Trusts (Membership and Procedures) Regulations 1990, were as follows:

Professor Lord Patel of Bradford (Chairman, Bradford Hospitals Charity Committee)

Professor Bill McCarthy (Chairman, Bradford Hospitals Charity Committee)

Professor Clive Kay (Chief Executive Officer)

Mr Matthew Horner (Director of Finance)

Ms Karen Dawber (Chief Nurse)

Mrs Sally Scales (Interim Chief Nurse)

Mr Michael Quinlan (Secretary)

Dr Trevor Higgins (Non-Executive Director)

Mr David Munt (Non-Executive Director)

### **Day to day management of the Charity**

The Director of Finance, Matthew Horner, under a scheme of delegated authority approved by the Corporate Trustee, has day to day responsibility for the management of the Charity. Matthew Horner must personally approve, on behalf of the Corporate Trustee, all expenditure over £500, with an upper limit of £50,000, using his delegated authority. For expenditure from £50,000 to £100,000, approval must be obtained from either the Chief Executive or the Chairman of the Foundation Trust. For any expenditure over £100,000, approval needs to be obtained from the Corporate Trustee.

Michael Quinlan, Deputy Director of Finance, acted as the principal officer overseeing the day to day financial management and accounting for the Charity during the year.

### **Principal office**

Bradford Teaching Hospitals NHS Foundation Trust  
Daisy Bank  
Duckworth Lane  
Bradford  
West Yorkshire  
BD9 6RJ

### **Principal professional advisers:**

#### **Auditor**

KPMG LLP  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

#### **Bankers**

HSBC  
PO Box 45  
47 Market Street  
Bradford  
BD1 1LW

### **Structure, governance and management**

The Charity's General (unrestricted) Fund was established using the model Declaration of Trust, and all funds held on trust as at the date of registration were either part of this unrestricted fund or registered as separate designated funds within the Charity.

Subsequent donations and gifts received by the Charity that are attributable to the original funds are added to those fund balances within the existing Charity. The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objectives of each fund, and by designating funds the Corporate Trustee respects the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff.

#### **Structure of funds**

The Charity approves expenditure from both its unrestricted and restricted funds. Within the unrestricted funds, expenditure is made from the General Fund and designated (earmarked) funds. The primary issue to be considered in any expenditure decision is whether the expenditure is within the scope of the objects of the Charity. Charitable purposes within the NHS translate to prevention or relief of sickness, disease or human suffering of patients served by the NHS. This does not preclude expenditure on staff as long as the benefit to staff translates demonstrably to relief of sickness of NHS patients.

The Charity has a decision making and approval process whereby an expenditure form needs to be completed. The expenditure form is structured in sections covering the key principles that fund holders need to consider and includes the requirement for the appropriate authorised signatories.

#### **- The General Fund**

This comprises of gifts received by the Charity where no particular preference as to their expenditure has been expressed by donors.

- **Designated (earmarked) Funds**

These usually contain donations where the donor expressed a preference to benefit a particular department or activity of the Foundation Trust at the time of making the donation. This preference can also include benefit to staff welfare, thereby enhancing both patient care and public benefit.

Whilst the donor's preference is not binding on the Corporate Trustee, the designated funds reflect these preferences. The designated funds are overseen by fund holders who can make recommendations on how to spend the money within their designated area. Fund holders' recommendations are generally accepted, and these funds can be spent at any time.

The funds available for spending are allocated to specialties within the Foundation Trust's clinical management structure.

- **Restricted Funds**

This comprises of gifts received by the Charity where a preference as to their expenditure has been expressed by donors. These funds must only be used in the way the donor specified.

- **Endowment Funds**

The Charity has six Endowment Funds which are "Capital in Perpetuity" funds. These restricted funds provide investment income to the General Fund but cannot themselves be spent.

## **Governance**

Members of the Foundation Trust Board of Directors and the Bradford Hospitals Charity Committee are not individual Trustees under Charity Law but act as agents of the Corporate Trustee.

The Charity is governed by a Declaration of Trust of 25 March 1997. This is the formal document which sets out information on what the Charity is set up to do (objects), how the Charity will do this (powers) and administrative provisions.

Acting for the Corporate Trustee, the Bradford Hospitals Charity Committee is responsible for the overall management of the Charity and is required to:

- control, manage and monitor the use of the Charity's resources;
- provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income;
- ensure that "best practice" is followed in the conduct of all its affairs fulfilling all of its legal responsibilities;
- ensure that the approved investment policy approved by the Board of Directors as Corporate Trustee is adhered to and that performance is continually reviewed and that ethical considerations are applied; and
- keep the Board of Directors fully informed on the activity, performance and risks of the Charity.

These are all included in the Bradford Hospitals Charity Committee's terms of reference.

The accounting records and the day-to-day administration of the Charity are dealt with by the finance department of the Foundation Trust.

The Charity has policies on expenditure, investments and reserves as well as guidelines for fund holders.

## **Risk management**

The Corporate Trustee has considered any major risks to which the Charity is exposed. Systems and processes have been reviewed and no major risks were identified.

The Corporate Trustee aims to mitigate the risk that income will fall by engaging with the Fundraising Department. This department has a dedicated fundraiser that works with the Charity and engages with the local community to

raise funds. The Corporate Trustee has agreed to invest in a Fundraising Strategy, with a long term ambition to engage with the public and to further enhance the environment of the Foundation Trust.

### **Partnership working and networks**

The Foundation Trust is the main beneficiary of the Charity and is a related party by virtue of being the Corporate Trustee of the Charity. Effective partnership with the Foundation Trust ensures that the funds are used to best effect. When deciding upon the most beneficial way to use the Charity funds, the Corporate Trustee has regard to the main activities, objectives, strategies and plans of the Foundation Trust.

### **Objectives**

The Charity has as its sole objective to use its funds:

“For any charitable purpose or purposes relating to the NHS wholly or mainly for the services provided by Bradford Teaching Hospitals NHS Foundation Trust”.

The Corporate Trustee considers that this objective does not unreasonably restrict access to charitable benefits within the scope of the Declaration of Trust.

The Corporate Trustee of the Charity seeks to achieve this objective, giving consideration to general guidance by two main routes. Firstly, the Corporate Trustee works to identify significant projects to which it can contribute or which it can wholly fund. It actively enhances the refurbishment of wards and clinical areas from basic specifications to higher quality. Secondly, staff throughout the organisation identify small but valuable differences where the fund monies can deliver benefits to patients and staff, such as attendance at extra training courses or conferences.

### **Public Benefit**

The Corporate Trustee conducts its activities with regard to the Charity Commission guidance on Public Benefit in section 4 of the Charities Act 2011.

The key principles of public benefit are:

- there must be identifiable benefit(s); and
- benefit must be to the public or to a section of the public.

The Corporate Trustee seeks to meet these principles in a number of ways.

It has established a system of expenditure approval that ensures proper consideration is given to what the benefits of its activities are and who will benefit. The Corporate Trustee considers that, because its activities are patient focussed and contribute to the health of NHS patients, it clearly provides public benefit. In providing public benefit the Corporate Trustee is careful to ensure that its activities do not unreasonably restrict access to charitable benefit within the scope of Declaration of Trust, or cause any detriment or harm.

To minimise risk and restrict harm, medical equipment purchases are made through the Foundation Trust's procurement processes, which help to ensure compliance with legislation, including Health and Safety and Equality and Diversity. Staff appointments are subject to the Foundation Trust's policies and procedures to reflect good practice in recruitment and retention.

### Annual review of activities

During the year, the funds were used to enhance service provision for the benefit of both patients and staff. In general, the funds were used for the enhancement of a variety of additional goods and services, for example enhancing medical equipment and refurbishment of wards.

During the year, the Charity received a large number of very generous donations from many parts of the community and as a result of this generosity; the Charity purchased a number of items of equipment for the wards and departments, including:

- Baby Monitoring unit for Neonatal unit
- 34 Baby Bay cots for the Maternity Unit
- Skylight windows in the snow drop suite (Bereavement Room)
- Interactive floor in the waiting area for children in A&E

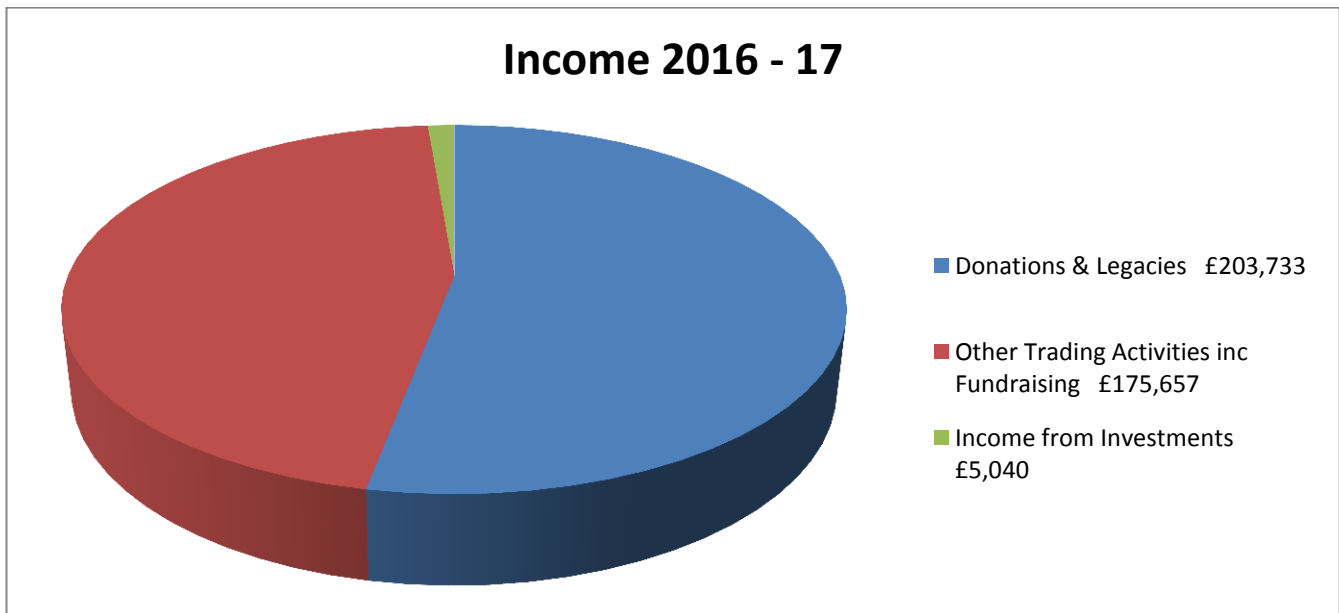
The Charity also enables consultants and other medical staff to attend courses not funded by the NHS, which updates them on new ideas and modern techniques in their specialties. During 2016-17, £16,603 was spent on training for all staff including related travel and subsistence.

In December 2016, the Foundation Trust paid recognition to staff for their long service in the NHS. This took place at a special event to mark thirty years service or more, and staff received specially designed certificates and lapel badges in addition to monetary gifts of £200, funded out of the General Fund.

The Fundraising department organised a variety of fundraising events and co-ordinated activities on behalf of the Charity.

### How we funded our work, our achievements and performance

The pie chart shows the Charity's three main sources of income, which has enabled the Charity to purchase the items mentioned above. The largest is through donations and legacies from the public.



### Donations and legacies

- Donations - The Charity is grateful to receive donations from the public each year, from a few pence in a collecting box to several hundred pounds from grateful relatives.
- Legacies – The Charity is fortunate to be remembered by many people each year, in their Will. Where possible, the Charity looks to spend the money in areas as requested by the donor.

### Other trading activities

- The Charity fundraising team co-ordinated various fund raising events and activities throughout the year, including coffee mornings, bake sales and tombola's.

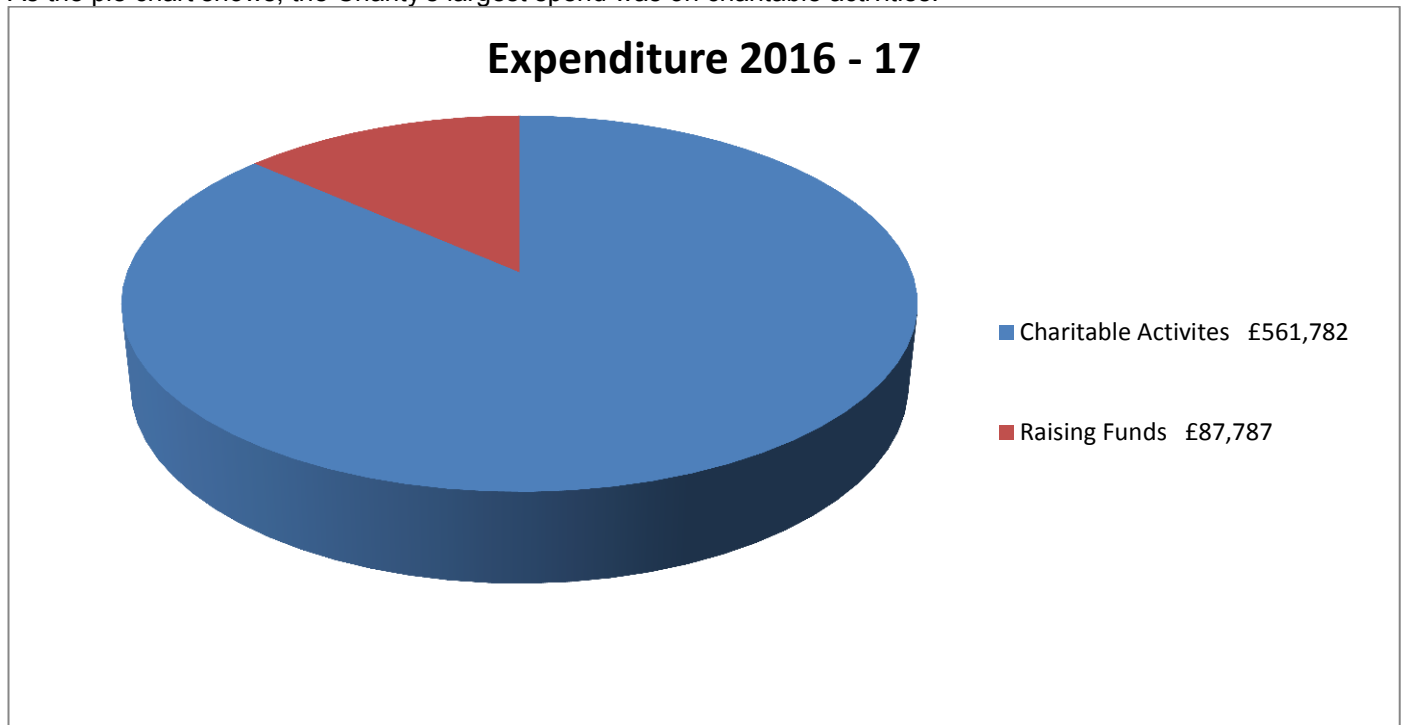
### Fundraising Activities

- There were larger events organised such as the Dragon Boat Festival, the London to Paris bike ride and the China Trek.

### Income from investments

- By sensible management of funds not immediately required for use, the Charity earned interest of £5,040 (2016: £11,985).

As the pie chart shows, the Charity's largest spend was on charitable activities.



The main expenditure within charitable activities was made up of:

**Medical equipment** – The Charity spent £154,880 on medical equipment above and beyond what the Foundation Trust purchased. With advances in technology, the Charity can make a real difference by enhancing new equipment.

**Staff education and welfare** - The Charity spent £97,230 on further training and staff welfare. This includes £53,301 of expenditure relating to prizes and grants distributed during the year from contributions received from the staff lottery. The Foundation Trust ensures its staff are well trained allowing the Charity to support additional



training and extra amenities. By helping to ensure staff are well trained and supported, this benefits the quality of care for all patients. Furthermore, visitors of the Hospital wanted to thank staff for the care they received during their visit.

**Patient welfare** – The Charity spent £215,070 on patient welfare which was primarily on the enhancement of wards. By enhancing the care the Foundation Trust can offer through new equipment and building improvements again improves on the quality of care for all patients. This includes the contribution towards the New Hospital Wing.

### **Reserves policy**

The Charity has a reserves policy requiring reserves to be maintained at a level of between one and five year's total expenditure.

In addition to the unrestricted funds held in reserves, the Corporate Trustee has the power, if it so wishes, to spend any amount of the expendable endowment. However, the expendable endowment is used to generate income, supplementing the incoming resources from donations and legacies.

### **Future plans**

The Charity's priorities are those set out in the Foundation Trust's strategy "Together, putting patients first". Meeting these priorities will maximise the impact of the Charity and its benefits to the beneficiaries of the Charity who are primarily the NHS patients of Bradford.

The core values are:

- We care;
- We value people;
- We strive for excellence; and
- We make every penny count.

In order to enhance and improve the current levels of care for NHS patients throughout the Foundation Trust, the Charity has planned expenditure in a number of areas.

The Charity will also continue to enhance the refurbishment of wards and clinical areas from basic specification to higher quality.

The Charity will be enhancing the parents seating area and kitchen in the Neonatal Unit, purchasing pop up screens so these can be used around the hospital to have meetings with patients to share their experiences with a reasonable degree of privacy.

The Charity will also be purchasing a Vapo Therm Dehumidifier for the Children's Ward.

The Corporate Trustee continues to explore how funds that have lain dormant for considerable periods of time can be put to best use for the benefits of patients and staff. As part of the process of review, the Corporate Trustee in cooperation with fund holders may seek to consolidate some trust funds.

As part of the Foundation Trust's annual planning process, individual fund holders of the Charity are working closely with budget holders and the fundraiser to co-ordinate how the funds are used to complement efficiently the needs of the patients and staff of the Foundation Trust.

The Fundraising department will also look to expand its fundraising activities towards achieving its goal of raising additional funds over the next six years.

## Review of finances, achievements and performance

The net assets of the Charity at 31 March 2017 were £3,523,225 (2016: £3,788,830), a decrease of £265,605 during the year.

The Charity continues to rely on donations and legacies as the main sources of income. Total incoming resources were £384,430 an increase of £125,650 for the year (2016: £258,780). Total expenditure was £649,569 an increase of £118,929 for the year (2016: £530,640).

The Charity aims to maximise public benefit by ensuring individual funds are spent in line with the purpose of the fund. Expenditure is limited to total donations received and is spent on needs when opportunity arises.

## Comment from the Corporate Trustee

On behalf of the staff and patients who have benefited from improved services due to donations and legacies, the Corporate Trustee would like to thank all patients, relatives and staff who have made charitable donations.

## Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under charity law, the Trustees are responsible for preparing the Trustee's Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the balance of income and expenditure for that period. The Trustees have elected to prepare the financial statements in accordance with FRS 102 (the Financial Reporting Standard applicable in the UK and the Republic of Ireland.)

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

- select suitable accounting policies and then applies them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are required to act within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by it under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. It has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Chairman of the Corporate Trustee

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Date

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Chief Executive of the Corporate Trustee

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Date

**Independent Auditors' report to the Trustees of Bradford Hospitals Charity**

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**Independent Auditors' report to the Trustees of Bradford Hospitals Charity**

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**Bradford Hospitals Charity  
Statement of financial activities  
for the year ended 31 March 2017**

	Notes	<b>Restricted funds 2017 £000</b>	<b>Unrestricted funds 2017 £000</b>	<b>Endowment funds 2017 £000</b>	<b>Total funds 2017 £000</b>	<b>Total funds 2016 £000 Restated</b>
<b>Income and Endowments from:</b>						
Donations and legacies	4	0	204	0	204	124
Other trading activities	5	0	176	0	176	122
Income from investments	7	0	5	0	5	12
<b>Total income and endowments</b>		<b>0</b>	<b>385</b>	<b>0</b>	<b>385</b>	<b>258</b>
<b>Expenditure on:</b>						
Raising funds	8	0	(88)	0	(88)	(62)
Charitable activities	9					
- Medical equipment		(1)	(154)	0	(155)	(57)
- Staff education & welfare		0	(97)	0	(97)	(179)
- Patient welfare		0	(215)	0	(215)	(148)
- Other activities		0	(95)	0	(95)	(85)
Charitable activities total		(1)	(561)		(562)	(469)
<b>Total expenditure</b>		<b>(1)</b>	<b>(649)</b>	<b>0</b>	<b>(650)</b>	<b>(531)</b>
<b>Net income / (expenditure)</b>		<b>(1)</b>	<b>(264)</b>	<b>0</b>	<b>(265)</b>	<b>(273)</b>
<b>Net movement in funds</b>		<b>(1)</b>	<b>(264)</b>	<b>0</b>	<b>(265)</b>	<b>(273)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	22	1	3,497	291	3,789	4,062
<b>Total funds carried forward</b>		<b>0</b>	<b>3,233</b>	<b>291</b>	<b>3,524</b>	<b>3,789</b>

The notes on pages 14 to 23 form part of these accounts.

**Bradford Hospitals Charity**  
**Statement of financial position as at 31 March 2017**

	Notes	<b>As at 31 March 2017</b>	<b>As at 31 March 2016 Restated</b>
		<b>£000</b>	<b>£000</b>
<b>The assets and liabilities of the Charity :</b>			
<b>Fixed assets</b>			
Investments		0	0
<b>Total fixed assets</b>		<b>0</b>	<b>0</b>
<b>Current assets</b>			
Debtors	17	111	57
Cash and cash equivalents	18	3,590	3,863
<b>Total current assets</b>		<b>3,701</b>	<b>3,920</b>
<b>Liabilities :-</b>			
amount due within one year	19	(177)	(131)
<b>Net current assets / (liabilities)</b>		<b>3,524</b>	<b>3,789</b>
<b>Total net assets</b>		<b>3,524</b>	<b>3,789</b>
<b>The funds of the Charity:</b>			
<b>Unrestricted income funds</b>			
Restricted funds	22	0	1
Unrestricted revenue accumulated funds	22	1,411	1,695
Designated revenue funds	22	1,822	1,803
<b>Total unrestricted funds</b>		<b>3,233</b>	<b>3,498</b>
<b>Total endowment funds</b>		291	291
<b>Total charity funds</b>		<b>3,524</b>	<b>3,789</b>

Note: The Statement of Financial Activity as at the 31<sup>st</sup> March 2016 was restated to account for an understatement in the Endowment funds for the Elsie Sykes Permanent Endowment Fund. The total fund value should have been £228,365 but in previous years has been stated as £216,539. This has therefore reduced the value of unrestricted revenue accumulated funds and increased the value of the endowment funds.

**Bradford Hospitals Charity**  
**Statement of Cash Flow for the year ending 31 March 2017**

	Note	Total funds 2016-17	Total funds 2015-16
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	20	<b>(278)</b>	<b>(247)</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		5	12
Proceeds from the sale of investments		0	0
Purchase of investments		0	0
<b>Net cash provided by (used in) investing activities</b>		<b>5</b>	<b>12</b>
<b>Cash flows from financing activities:</b>			
Purchase of property, plant and equipment		0	0
Purchase of investments		0	0
Repayments of borrowing		0	0
<b>Net cash provided by (used in) financing activities</b>		<b>0</b>	<b>0</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(273)</b>	<b>(235)</b>
Cash and cash equivalents at the beginning of the reporting period	18	3,863	4,098
<b>Cash and cash equivalents at the end of the reporting period</b>	18	<b>3,590</b>	<b>3,863</b>

These accounts together with notes on pages 14 to 22 were approved by the Corporate Trustee on .....

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Director of Finance

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Date

## Notes on the account

### 1. Accounting policies

#### a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the 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 significant accounting policies are set out below.

#### b) Accounting convention

The financial statements are prepared on the going concern basis and under the historic cost convention. The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

In preparing these accounts, the trustees have considered whether any restatement of comparatives was required to comply with FRS 102 and the Charities SORP FRS 102. No restatements were required although there has been a change in the analysis of governance costs.

**Governance costs:** Governance costs comprise costs incurred in the governance of the Charity. Previously, these had been separately analysed on the face of the statement of financial activity.

The analysis of support costs, including governance costs, is shown in note 12.

#### c) Incoming resources

All incoming resources are 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. All incoming resources are unrestricted.

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 statement of financial position as deferred income.

#### d) Accounting for legacies

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

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

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



**e) Investment income**

Dividends are included in the Statement of Financial Activities when they are declared and at an amount which includes the tax credit recoverable from Her Majesty's Revenue and Customs.

**f) Recognition of liabilities**

Liabilities are recognised on the accruals basis in accordance with generally accepted accounting practice.

**g) Resources expended**

Expenditure is accounted for on the accruals basis and has been classified under appropriate headings.

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 appropriate heading for the expenditure on which it was incurred.

**h) Fundraising costs**

Fundraising costs are those costs attributable to generating income for the Charity and are distinct from costs incurred in undertaking charitable activities.

**i) Allocation of support costs**

Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration and 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 12.

**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 9.

**k) Realised and unrealised gains and losses**

Realised gains and losses are included in the accounts at the date on which a contractual obligation is entered into.

Unrealised gains and losses are computed by reference to the market value of the investments at the statement of financial position date as compared to the brought forward cost or valuation, and gains and losses arising on similar categories of investments are netted off.

**l) Investments held by the Charity**

Investments are stated at market value at the statement of financial position date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

### **m) Taxation**

As a registered charity, the Charity is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only.

### **n) Funds structure policy**

The Charity maintains a General (unrestricted) Fund, which comprises monies which are expendable at the discretion of the Corporate Trustee in the furtherance of the objects of the Charity. These monies may be held in order to finance both working capital and capital investment.

Designated Funds are that part of the Charity's unrestricted funds in respect of which a preference has been expressed by donors that they be used for particular purposes. The Corporate Trustee has the power to re-designate such funds within unrestricted funds.

Endowment Funds are funds which are to be used in accordance with specific restrictions imposed by the donor in the sense that the restriction requires the gift to be invested to produce income. Where the Corporate Trustee has the power to spend the capital, these are expendable endowments. The Charity has six expendable endowments, which are disclosed in note 22.

Restricted Funds are funds to be used in a specific way or for a specific purpose. They are considered as a contract between the donor and the Charity.

There is no formal policy of transfer between funds other than that described above.

### **o) Pension costs**

Employees of the Foundation Trust, whose services are made available to the Charity at an apportioned cost, are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is accounted for as a defined contribution scheme under FRS 17. The NHS Pension Scheme (England and Wales) Resource Account is published annually and can be found on the Business Service Authority - Pensions Division website at [www.nhspa.gov.uk](http://www.nhspa.gov.uk). The Charity cannot identify its share of the assets/liabilities of the scheme.

The cost charged by the Foundation Trust to the Charity includes an apportioned amount of the cost of employer's pension contributions.

### **p) Debtors**

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

### **q) 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.

### **r) 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.

## **2. Prior year comparatives by type of fund**

The primary statements provide prior year comparatives in total; this note provides prior period comparatives for the Statement of Financial Activities and the Statement of Financial Position for each of the three types of fund that the Charity manages.

**2a Unrestricted funds – Statement of Financial Activity for the year ended 31 March 2017**

	Notes	<b>2017</b> <b>£000</b>	<b>2016</b> <b>Restated</b> <b>£000</b>
<b>Income and Endowments from:</b>			
Donations and legacies	4	204	124
Other trading activities	5	176	122
Income from investments	7	5	12
<b>Total income and endowments</b>		<b>385</b>	<b>258</b>
<b>Expenditure on:</b>			
Raising funds	8	(88)	(62)
Charitable activities	9		
- Medical equipment		(154)	(57)
- Staff education & welfare		(97)	(179)
- Patient welfare		(215)	(148)
- Other activities		(95)	(85)
		(561)	(469)
<b>Total expenditure</b>		<b>(649)</b>	<b>(531)</b>
<b>Net income / (expenditure)</b>		<b>(264)</b>	<b>(273)</b>
<b>Net movement in funds</b>		<b>(264)</b>	<b>(273)</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	22	3,497	3,770
<b>Total funds carried forward</b>		<b>3,233</b>	<b>3,497</b>

**Unrestricted funds –Statement of Financial Position as at 31 March 2017**

	Notes	<b>As at 31 March</b> <b>2017</b> <b>£000</b>	<b>As at 31 March</b> <b>2016 Restated</b> <b>£000</b>
<b>The assets and liabilities of the Charity :</b>			
<b>Current assets</b>			
Debtors	17	111	57
Cash and cash equivalents	18	3,299	3,572
<b>Total current assets</b>		<b>3,410</b>	<b>3,629</b>
<b>Liabilities :-</b>			
amount due within one year	19	(177)	(131)
<b>Net current assets/(liabilities)</b>	22	<b>3,233</b>	<b>3,498</b>
<b>Total assets or liabilities for unrestricted funds</b>		<b>3,233</b>	<b>3,498</b>

## 2b Restricted funds – Statement of Financial Activity for the year ended 31 March 2017

The Charity has one restricted fund, with a balance of £1,054 that was from previous years. During 2016-17, this was spent.

## 2c Expendable Endowment funds – Statement of Financial Activity for the year ended 31 March 2017

The Charity has six expendable endowment funds, with a combined balance of £290,655 that have been brought forward from previous years. During 2016-17, there has been no income or expenditure in these funds.

### 3. Related party transactions

The Foundation Trust (which succeeded Bradford Teaching Hospitals NHS Trust on 1 April 2004) is the Corporate Trustee of the Charity and is governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 1993 as amended by the Charities Act 2011. The Foundation Trust Board of Directors has devolved responsibility for the on-going management of funds to the Bradford Hospitals Charity Committee, which administers the funds on behalf of the Corporate Trustee. No trustee remuneration was paid in the year by the Charity from the Foundation Trust. None of the trustees or members of the Foundation Trust or parties related to them has undertaken any transactions with the Charity or received any benefit from the Charity in payment or kind.

Related party expenditure transactions relate to items such as salary recharges, audit fees and hospitality with the Foundation Trust.

#### Payables

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
The following amounts were owed by the Charity to the Foundation Trust as at 31 March	147	103
	<b>147</b>	<b>103</b>

#### Expenditure

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Value of transactions during the year with the Foundation Trust	214	50
	<b>214</b>	<b>50</b>

There is an amount of £62,190 receivables as at 31 March 2017 (2016: Nil) and no income during the year (2016: Nil)

### 4. Income from donations and legacies

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2017</b>	<b>Total 2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Donations from individuals	139	0	139	87
Legacies	65	0	65	37
<b>Total</b>	<b>204</b>	<b>0</b>	<b>204</b>	<b>124</b>

Donations from individuals are from members of the public, patients and relatives of patients and staff.

## 5. Analysis of income from other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Staff lottery	51	0	51	54
Fundraising	101	0	101	54
Other activities	24	0	24	14
<b>Total</b>	<b>176</b>	<b>0</b>	<b>176</b>	<b>122</b>

## 6. Role of volunteers

The Charity does not have any general volunteers, but it does have approximately 100 fund holders. The fund holders are Foundation Trust staff who manage how the Charity's designated funds should be spent, as part of their day to day duties. These funds are designated (or earmarked) to be spent for a particular purpose or in a particular ward or department. Each fund holder has delegated powers to approve spend for the designated funds that they manage, subject to the scheme of delegation as approved by the Corporate trustee.

## 7. Gross investment income

All cash is held with safe harbour banking institutions. Any interest is paid into the General Fund.

## 8. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Fundraising costs	38	0	38	4
Support costs	50	0	50	58
<b>Total</b>	<b>88</b>	<b>0</b>	<b>88</b>	<b>62</b>

## 9. Analysis of charitable expenditure

The Charity did not make any grant funding to third parties. All of the charitable expenditure incurred was directly with third parties or reimbursed expenditure.

	Direct charitable activities £000	Support costs £000	Total 2017 £000	Total 2016 £000
Medical equipment	131	24	155	57
Staff education & welfare	81	16	97	180
Patient welfare	182	33	215	148
Other activities	80	15	95	84
<b>Total</b>	<b>474</b>	<b>88</b>	<b>562</b>	<b>469</b>

## 10. Analysis of grants

The Charity does not make grants to individuals or other institutions.

### 11. Movements in funding commitments and liabilities

	Current liabilities 2017 £000	Non-current liabilities 2017 £000	Total 2017 £000	Total 2016 Restated £000
Opening balance as at 01 April	131	0	131	137
Additional commitments made during the year	650	0	650	531
Amounts paid during the year	(604)	0	(604)	(537)
<b>Closing balance as at 31 March</b>	<b>177</b>	<b>0</b>	<b>177</b>	<b>131</b>

### 12. Allocation of support costs and overheads

	Raising funds £000	Charitable activities £000	2017 Total £000	2016 Total £000	Basis
Internal audit	0	2	2	2	Direct allocation
External audit	0	7	7	6	Direct allocation
Other professional fees	38	0	38	12	Direct allocation
<b>Governance</b>	<b>38</b>	<b>9</b>	<b>47</b>	<b>20</b>	
Salaries	41	88	129	91	Hours
Computer expenses	0	0	0	6	Direct allocation
<b>Total</b>	<b>79</b>	<b>97</b>	<b>176</b>	<b>117</b>	

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2017 Total £000	2016 Total £000
Raising funds	79	0	0	79	55
Charitable activities	97	0	0	97	62
	<b>176</b>	<b>0</b>	<b>0</b>	<b>176</b>	<b>117</b>

### 13. Trustees' remuneration, benefits and expenses

The Charity's trustees receive no remuneration for the work that they undertake as trustees and claim no expenses from the Charity.

### 14. Analysis of staff costs and remuneration of key management personnel

	2017 £000	2016 £000
Salaries and wages	117	76
National insurance costs	6	5
Employers pension contribution	6	10
<b>Total</b>	<b>129</b>	<b>91</b>

The Charity does not employ staff. Gross salaries are based on a recharge of costs with the Foundation Trust.

No employees had emoluments in excess of £60,000 (2016: none)

#### 15. Auditor's remuneration

The auditor's remuneration of £6,747.60 inclusive of vat (2016: £6,621.60) related solely to the audit with no other additional work being undertaken (2016: £nil).

#### 16. Fixed asset investment

The Charity currently has no fixed asset investments.

#### 17. Analysis of current debtors

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Prepayments and accrued income	48	34
Other debtors	63	23
<b>Total</b>	<b>111</b>	<b>57</b>

#### 18. Analysis of cash and cash equivalents

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	3,590	3,863
<b>Total</b>	<b>3,590</b>	<b>3,863</b>

No cash or cash equivalents or current asset investments were held in non-cash investments or outside of the UK. Of the above, £291,000 is held in expendable endowment funds.

#### 19. Analysis of liabilities

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Creditors under 1 year</b>		
NHS creditors	157	104
Accruals	6	0
Other creditors	14	28
<b>Total</b>	<b>177</b>	<b>132</b>

The Charity has no creditors falling due after more than 1 year.

The Charity has the following contingent liabilities:

	<b>2017</b>
	<b>£000</b>
My Life Software	137
New Hospital Wing Enhancements	92
<b>Total</b>	<b>229</b>

## 20. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017 £000	2016 £000
<b>Net income/(expenditure) (as per the statement of financial activities)</b>	(265)	(273)
<b>Adjustments for:</b>		
Interest from Investments	(5)	(12)
(Increase)/decrease in debtors	(54)	44
Increase/(decrease) in creditors	46	(6)
<b>Net cash provided by (used in) operating activities</b>	<b>(278)</b>	<b>(247)</b>

## 21. Transfers between funds

There has been no transfer of funds between restricted and unrestricted funds.

## 22. Analysis of charitable funds

### a) Analysis of unrestricted and material designated fund movements

	Balance b/f £000 Restated	Income £000	Expenditure £000	Fund c/f £000
General Fund	1,695	163	(447)	1,411
Ward 15 – Dorothy Ann Jennings Legacy	133	0	0	133
Bradford Cardiac	114	19	(15)	118
Born In Bradford	111	0	(31)	80
Other designated funds	1,445	203	(157)	1,491
<b>Total</b>	<b>3,498</b>	<b>385</b>	<b>(650)</b>	<b>3,233</b>

### b) Analysis of restricted fund movements

	Balance b/f £000	Income £000	Expenditure £000	Fund c/f £000
Ward 15 - Restricted	1	0	(1)	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>(1)</b>	<b>0</b>

### c) Analysis of endowment fund movements

	Balance b/f Restated £000	Income £000	Expenditure £000	Fund c/f £000
Bradford Teaching Hospital NHS Trust CIP	54	0	0	54
Elsie May Sykes Permanent Endowment Fund	229	0	0	229
Orthopaedic CIP	7	0	0	7
Paediatric CIP and other CIPs	1	0	0	1
<b>Total</b>	<b>291</b>	<b>0</b>	<b>0</b>	<b>291</b>

## 23. Total return on investment

The Charity currently has no fixed asset investments.