



**Bradford Teaching Hospitals**  
NHS Foundation Trust

# Bradford Hospitals' Charity Annual Report and Accounts

For the year ended 31 March 2019



## **Bradford Hospitals' Charity**

### **Trustee's Annual Report for the year ended 31 March 2019**

#### **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 2019.

The Charity's Annual Report and Accounts for the year ended 31 March 2019 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). 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 and up to the date of signing of the financial statements were as follows:

##### **Chairman**

Bill McCarthy (left 31 January 2019)

Trevor Higgins, Non-Executive Director / Acting Chairman (from 01 February 2019)

##### **Executive Directors**

Clive Kay, Chief Executive (left 31 March 2019)

John Holden, Acting Chief Executive from 01 April 2019

Mel Pickup, Chief Executive from 01 November 2019

Karen Dawber, Chief Nurse

Bryan Gill, Medical Director

Matthew Horner, Director of Finance

Sandra Shannon, Chief Operating Officer / Deputy Chief Executive

Pat Campbell, Director of Human Resources

Cindy Fedell, Director of Informatics

Tanya Claridge, Director of Governance and Corporate Affairs, Executive Director until 30 September 2018

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

Laura Stroud

Amjad Pervez

Selina Ullah

Barrie Senior

Trudy Feaster-Gee

Jon Prashar

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

Andrew McConnell (from 24 September 2018, left 20 May 2019)

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

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

Pauline Vickers (left 03 November 2018)

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 170 individual sub funds as at 31 March 2019 (2018: 171), 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:

Bill McCarthy (Chairman, Bradford Hospitals' Charity Committee) (left 31 January 2019)  
Trevor Higgins, Non-Executive Director / Acting Chairman from 01 February 2019)  
Clive Kay (Chief Executive Officer) (left 31 March 2019)  
John Holden (Acting Chief Executive)  
Matthew Horner (Director of Finance)  
Karen Dawber (Chief Nurse)  
Michael Quinlan (Deputy Director of Finance / Charity Secretary)  
Trudy Feaster-Gee (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 / Charity Secretary, acted as the principal officer overseeing the day to day financial management and accounting for the Charity during the year.

### **Principal office**

Bradford Hospitals' Charity  
Daisy Bank  
Duckworth Lane  
Bradford  
West Yorkshire  
BD9 6RJ

## **Principal professional advisers:**

### **Auditor**

Deloitte LLP

Statutory Auditor  
Leeds  
United Kingdom

### **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 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 specific instruction as to their expenditure has been expressed by donors. These funds must only be used in accordance with specific restrictions imposed by the donor.

**- Endowment Funds**

The Charity has "Capital in Perpetuity" funds, which consist of five expendable endowment funds and one permanent endowment fund (which cannot be spent). These funds provide investment income to the General Fund.

## **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 constituted by trustees incorporated as a body and 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.

The Charity is registered with the Fundraising Regulator and abides by their codes of conduct and their fundraising promise, which ensures that our fundraising is legal, open, honest and respectful. The Charity has a fundraising team that is compliant with the recognised standards of fundraising as well as those required under charity law and wider law. Controls are in place to ensure any fundraising is within the Fundraising Code of Practice. It is inevitable that fundraisers will come into contact with people who may be in a vulnerable circumstance, or need additional support to make an informed decision. If a fundraiser reasonably believes that an individual is unable to make a decision then they will not accept a donation from that person. The fundraising team use a checklist to help identify signs that an individual may be in a vulnerable circumstance. The fundraising team have a policy where they get to know their donors by sending out relevant and often personalised communications. They also give individuals clear information and opportunities to change how, when and if they want to hear from the Charity, and follow the General Data Protection Regulation (GDPR) principles. The Charity has not used any professional fundraisers and has not received any complaints.

## **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 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. Charitable funds may be used to partially or fully fund staff welfare and professional education / training, where this is in addition to the provision ordinarily afforded by the NHS. As professional education / training can also be a personal benefit, care has been taken to establish that this is incidental to the patient benefit. These requests demonstrate a direct link between professional education / training and the benefit for Bradford patients.

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:

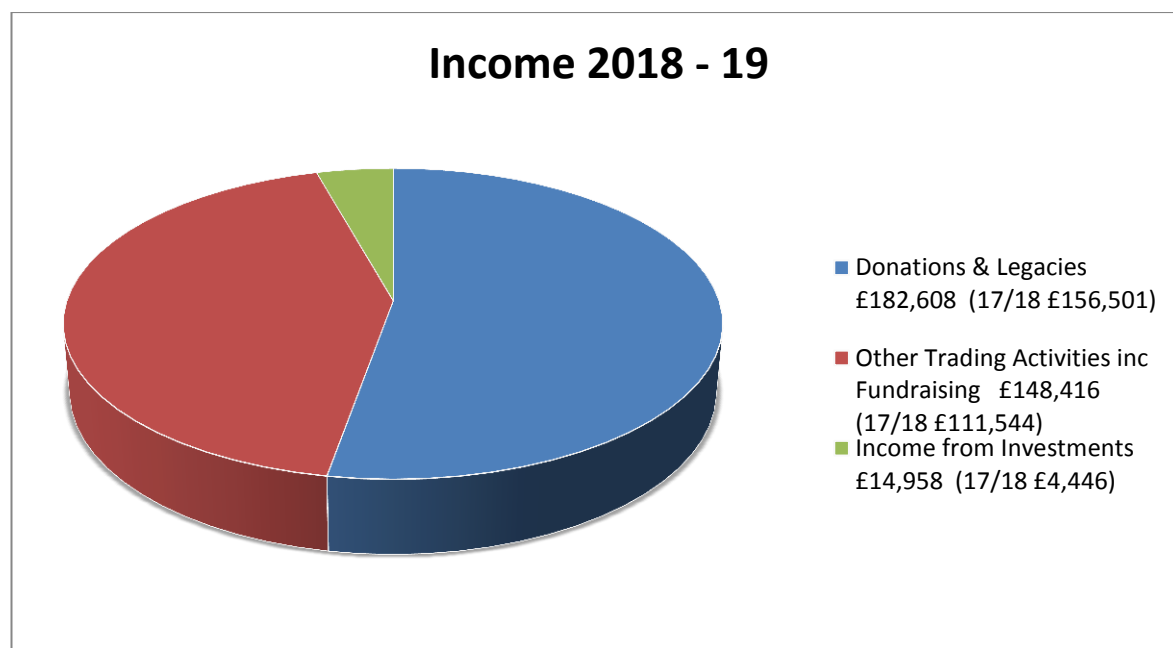
- Twelve coin operated wheelchairs
- Six recliner chairs for Ward 33
- Ten Doppler foetal monitors
- Eight breast pumps for Maternity

The Charity also enables consultants and other medical staff to enhance their professional training by supporting them to attend additional courses and conferences, which updates them on new ideas and modern techniques in their specialties.

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.

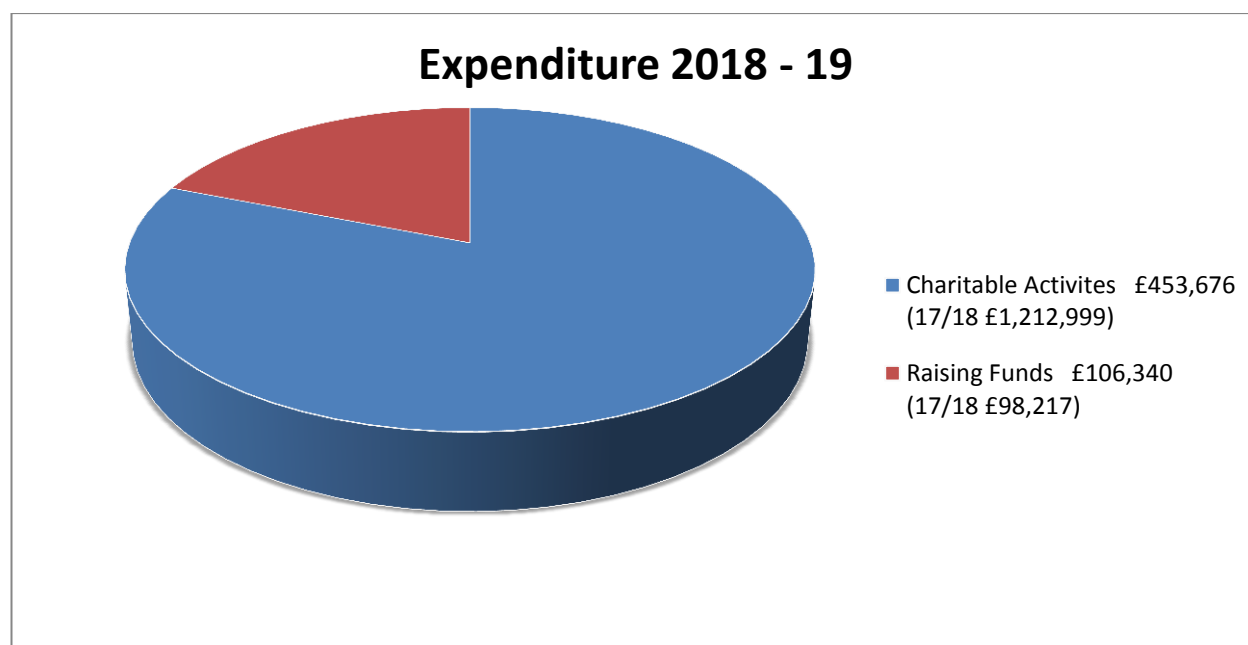
### Fundraising Activities

- There were larger events organised such as the Dragon Boat Festival, BHC Abseil, Sparkle for Axl, NHS 70 bake off and tea parties, Bradford 10k, Broadway 3 Peak Walk, Children's Triathlon and the NNU Ball.

### Income from investments

- By sensible management of funds not immediately required for use, the Charity earned interest of £14,958 (2018: £4,446).

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 £71,870 on medical equipment above and beyond what the Foundation Trust purchased. With advances in technology, the Charity can make a real difference by enhancing existing or purchasing new equipment.

**Staff education and welfare** - The Charity spent £176,840 on further training and staff welfare. This includes £82,206 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 want to thank staff for the care their family members have received during their visit.

**Patient welfare** – The Charity spent £171,199 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, this again improves on the quality of care for all patients.



## Reserves policy

Bradford Hospitals Charity has a reserves policy requiring reserves to be maintained at a level equivalent to the cost of maintaining the charity team for two and a half years. In addition to the unrestricted and designated funds held in reserves, the Trustee has the power, if it so wishes, to spend any of the expendable endowment. However the expendable endowment is used to generate income, supplementing the income from donations and legacies. The Trustee will therefore only spend the expendable endowment on an exceptional basis.

As at 31 March 2019, Bradford Hospitals Charity total funds were made up as follows:

<b>Funds</b>	<b>31 March 2019</b>
	<b>£000</b>
Unrestricted Fund	205
Designated Funds	1,775
Endowment Fund – expendable	62
Endowment Fund – permanent	229
<b>Total Charity Fund</b>	<b>2,271</b>

It is not anticipated that the Charity will deploy funding towards any projects before donations have been received which mitigates the risk of any planned commitments, or designations, that cannot be met by future income alone. In other words commitment is made by the Charity after funding has been identified / receipted.

Based on the 2018/19 staffing complement and pay scales, the cost to maintain this for 2½ years has been calculated as £432.5k. The reserves are held in a designated fund (specifically created for this purpose), unrestricted funds and in the expendable endowment fund, with the intention that the expendable endowment fund, which will be invested for capital growth, will bring the designated fund to the required level.

## 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 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 will 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 five years.

## **Review of finances, achievements and performance**

The net assets of the Charity at 31 March 2019 are £2,271,379 (2018: £2,485,413), a decrease of £214,034 during the year.

The Charity continues to rely on donations and legacies as the main sources of income. Total income is £345,982, an increase of £73,491 for the year (2018: £272,491). Total expenditure is £560,016, a decrease of £751,124 for the year (2018: £1,311,140).

Income has increased due to our committed supporters and money received through fundraising. Expenditure has decreased primarily due to a £500,000 contribution for training in the prior year, which related to the Electronic Patients Record system. The Charity is continuing to encourage spend in year by asking departments to identify projects to utilise the designated funds held.

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**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

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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 auditor's report to the Trustees of Bradford Hospitals' Charity**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Bradford Hospitals' Charity (the 'charity'):

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011.

We have audited the financial statements which comprise:

- the Statement of Financial Activities;
- the Statement of Financial Position;
- the Statement of Cash Flows; and
- the related notes 1 to 23.

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

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for 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 either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Report on other legal and regulatory requirements**

#### **Matters on which we are required to report by exception**

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

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

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP  
Statutory Auditor  
Leeds, United Kingdom

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

**Bradford Hospitals' Charity**  
**Statement of financial activities**  
**for the year ended 31 March 2019**

	Notes	Unrestricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Income and Endowments from:</b>					
Donations and legacies	4	183	0	183	157
Other trading activities	5	148	0	148	111
Investments	7	15	0	15	4
<b>Total income and endowments</b>		<b>346</b>	<b>0</b>	<b>346</b>	<b>272</b>
<b>Expenditure on:</b>					
Raising funds	8	(106)	0	(106)	(98)
Charitable activities	9				
- Medical equipment		(72)	0	(72)	(182)
- Staff education & welfare		(176)	0	(176)	(735)
- Patient welfare		(172)	0	(172)	(99)
- Other activities		(34)	0	(34)	(197)
Charitable activities total		(454)	0	(454)	(1,213)
<b>Total expenditure</b>		<b>(560)</b>	<b>0</b>	<b>(560)</b>	<b>(1,311)</b>
<b>Net (Expenditure)</b>		<b>(214)</b>	<b>0</b>	<b>(214)</b>	<b>(1,039)</b>
<b>Net movement in funds</b>		<b>(214)</b>	<b>0</b>	<b>(214)</b>	<b>(1,039)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	22	2,194	291	2,485	3,524
<b>Total funds carried forward</b>		<b>1,980</b>	<b>291</b>	<b>2,271</b>	<b>2,485</b>

The notes on pages 16 to 25 form part of these accounts.

**Bradford Hospitals' Charity**  
**Statement of financial position as at 31 March 2019**

	Notes	As at 31 March 2019	As at 31 March 2018
		£000	£000
<b>Current assets</b>			
Debtors	17	78	60
Cash and cash equivalents	18	2,558	3,222
<b>Total current assets</b>		<b>2,636</b>	<b>3,282</b>
<b>Creditors :-</b>			
Amounts falling due within one year	19	(365)	(797)
<b>Net current assets</b>		<b>2,271</b>	<b>2,485</b>
<b>Total net assets</b>		<b>2,271</b>	<b>2,485</b>
<b>The funds of the Charity:</b>			
Unrestricted revenue accumulated funds	22	205	299
Designated revenue funds	22	1,775	1,895
<b>Total unrestricted funds</b>		<b>1,980</b>	<b>2,194</b>
<b>Total endowment funds</b>		291	291
<b>Total charity funds</b>		<b>2,271</b>	<b>2,485</b>

These accounts together with notes on pages 16 to 25 were approved by the Corporate Trustee on:

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Director of Finance

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Date

**Bradford Hospitals' Charity**  
**Statement of Cash Flow for the year ending 31 March 2019**

	Note	Total funds 2019£000	Total funds 2018 £000
<b>Cash flows from operating activities:</b>			
<b><i>Net cash used in operating activities</i></b>	20	<b>(678)</b>	<b>(372)</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		14	4
<b><i>Net cash provided by (used in) investing activities</i></b>		<b>14</b>	<b>4</b>
 <b><i>Change in cash and cash equivalents in the reporting period</i></b>		 <b>(664)</b>	 <b>(368)</b>
Cash and cash equivalents at the beginning of the reporting period	18	3,222	3,590
<b><i>Cash and cash equivalents at the end of the reporting period</i></b>	18	<b>2,558</b>	<b>3,222</b>



## **Notes on the accounts**

### **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) 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. The Trust constitutes a public benefit entity as defined by FRS102.

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.

#### **c) Income**

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 income can be measured with sufficient reliability. All income is unrestricted.

Where there are terms or conditions attached to income, 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 income 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) Expenditure**

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) Commitments**

Expenditure is recognised as a commitment liability where a recipient has a reasonable expectation that they will receive the assets or services in lieu of a grant.

#### **i) Fundraising costs**

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

#### **j) 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.

#### **k) 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.

#### **l) 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.

#### **m) 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.

#### **n) 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.

**o) 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 five expendable endowments and one permanent endowment, 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.

**p) 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 by section 28 of FRS102. 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.

**q) Debtors**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**r) 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. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Amounts which are owed in more than a year are shown as long term creditors.

**s) 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 at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**t) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Charity's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

**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 2019**

	Notes	2019	2018
		£000	£000
<b>Income and Endowments from:</b>			
Donations and legacies	4	183	157
Other trading activities	5	148	111
Income from investments	7	15	4
<b>Total income and endowments</b>		<b>346</b>	<b>272</b>
<b>Expenditure on:</b>			
Raising funds	8	(106)	(98)
Charitable activities	9		
- Medical equipment		(72)	(182)
- Staff education & welfare		(176)	(735)
- Patient welfare		(172)	(99)
- Other activities		(34)	(197)
		(454)	(1,213)
<b>Total expenditure</b>		<b>(560)</b>	<b>(1,311)</b>
<b>Net (expenditure)</b>		<b>(214)</b>	<b>(1,039)</b>
<b>Net movement in funds</b>		<b>(214)</b>	<b>(1,039)</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	22	2,194	3,233
<b>Total funds carried forward</b>		<b>1,980</b>	<b>2,194</b>

## Unrestricted funds –Statement of Financial Position as at 31 March 2019

	Notes	As at 31 March 2019 £000	As at 31 March 2018 £000
<b>The assets and liabilities of the Charity :</b>			
<b>Current assets</b>			
Debtors	17	78	60
Cash and cash equivalents	18	2,267	2,931
<b>Total current assets</b>		<b>2,345</b>	<b>2,991</b>
<b>Liabilities :-</b>			
amount due within one year	19	(365)	(797)
<b>Net current assets/(liabilities)</b>	22	<b>1,980</b>	<b>2,194</b>
<b>Total assets or liabilities for unrestricted funds</b>		<b>1,980</b>	<b>2,194</b>

## 2b Restricted funds – Statement of Financial Activity for the year ended 31 March 2019

The Charity has no restricted funds.

## 2c Expendable Endowment funds – Statement of Financial Activity for the year ended 31 March 2019

The Charity has five expendable endowment funds, with a combined balance of £62,290 and one permanent endowment fund, with a balance of £228,365, that have been brought forward from previous years. During 2018-19, 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, internal audit fees and hospitality with the Foundation Trust.

### Payables

	2019 £000	2018 £000
The following amounts were owed by the Charity to the Foundation Trust as at 31 March	232	701
	<b>232</b>	<b>701</b>

### Expenditure

	2019 £000	2018 £000
Value of transactions during the year with the Foundation Trust	250	761
	<b>250</b>	<b>761</b>

There is an amount of £42,331 receivables as at 31 March 2019 (2018: £42,331) and no income during the year (2018: Nil).

#### 4. Income from donations and legacies

	Unrestricted funds £000	Total 2019 £000	Total 2018 £000
Donations from individuals	148	148	103
Legacies	35	35	54
<b>Total</b>	<b>183</b>	<b>183</b>	<b>157</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	Total 2019 £000	Total 2018 £000
Staff lottery	49	49	49
Fundraising	98	98	35
Other activities	1	1	27
<b>Total</b>	<b>148</b>	<b>148</b>	<b>111</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 Investment Fund. The Charity earned interest of £14,958 (2018: £4,446).

#### 8. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Fundraising costs	11	0	11	26
Support costs	95	0	95	72
<b>Total</b>	<b>106</b>	<b>0</b>	<b>106</b>	<b>98</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 2019 £000	Total 2018 £000
Medical equipment	58	14	72	182
Staff education &	141	35	176	735

welfare				
Patient welfare	137	35	-172	99
Other activities	27	7	34	197
	<b>363</b>	<b>91</b>	<b>454</b>	<b>1,213</b>

## 10. Analysis of grants

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

## 11. Movements in funding commitments and liabilities

	<b>Current liabilities 2019 £000</b>	<b>Non-current liabilities 2019 £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Opening balance as at 01 April	797	0	797	177
Additional commitments made during the year	560	0	560	1,311
Amounts paid during the year	(992)	0	(992)	(691)
Closing balance as at 31 March	<b>365</b>	<b>0</b>	<b>365</b>	<b>797</b>

## 12. Allocation of support costs and overheads

	<b>Raising funds £000</b>	<b>Charitable activities £000</b>	<b>2019 Total £000</b>	<b>2018 Total £000</b>	<b>Basis</b>
Internal audit	0	0	0	(2)	Direct allocation
External audit	3	4	7	7	Direct allocation
<b>Governance</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>5</b>	
Salaries	88	86	174	160	Hours
Computer expenses	4	1	5	5	Direct allocation
<b>Total</b>	<b>95</b>	<b>91</b>	<b>186</b>	<b>170</b>	

	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>Endowment funds £000</b>	<b>2019 Total £000</b>	<b>2018 Total £000</b>
Raising funds	95	0	0	95	72
Charitable activities	91	0	0	91	98
	<b>186</b>	<b>0</b>	<b>0</b>	<b>186</b>	<b>170</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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	147	143
National insurance costs	10	7
Employers pension contribution	17	10
<b>Total</b>	<b>174</b>	<b>160</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 (2018: nil).

#### 15. Auditor's remuneration

The auditor's remuneration of £6,945.60 inclusive of vat (2018: £6,945.60) related solely to the audit with no other additional work being undertaken.

#### 16. Fixed asset investment

The Charity currently has no fixed asset investments (2018: nil)

#### 17. Analysis of current debtors

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Prepayments and accrued income	36	12
Amounts owed by group	42	42
Other debtors	0	6
<b>Total</b>	<b>78</b>	<b>60</b>

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	2,558	3,222
<b>Total</b>	<b>2,558</b>	<b>3,222</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 five expendable and one permanent endowment fund. (2018: £291,000)

#### 19. Analysis of liabilities

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Creditors under 1 year</b>		
Amounts owed to group	232	201
Accruals	10	500
Other creditors	8	62
Commitments	115	34
<b>Total</b>	<b>365</b>	<b>797</b>

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



## 20. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £000	2018 £000
<b>Net expenditure (as per the statement of financial activities)</b>	(214)	(1,039)
<b>Adjustments for:</b>		
Interest from Investments	(14)	(4)
(Increase)/decrease in debtors	(19)	51
Increase/(decrease) in creditors	(431)	620
<b>Net cash provided used in operating activities</b>	<b>(678)</b>	<b>(372)</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

	2019 Balance b/f £000	2019 Income £000	2019 Expenditure £000	2019 Fund c/f £000
General Fund	299	77	(171)	205
Bradford Cardiac	89	0	(1)	88
Born In Bradford	75	0	(15)	60
Ward 15 – Dorothy Ann Jennings Legacy	124	0	(18)	106
Other designated funds	1,607	269	(355)	1,521
<b>Total</b>	<b>2,194</b>	<b>346</b>	<b>(560)</b>	<b>1,980</b>

	2018 Balance b/f £000	2018 Income £000	2018 Expenditure £000	2018 Fund c/f £000
General Fund	1,243	(47)	(897)	299
Bradford Cardiac	118	1	(30)	89
Born In Bradford	83	0	(8)	75
Ward 15 – Dorothy Ann Jennings Legacy	133	0	(9)	124
Other designated funds	1,656	318	(367)	1,607
<b>Total</b>	<b>3,233</b>	<b>272</b>	<b>(1,311)</b>	<b>2,194</b>

### b) Analysis of endowment fund movements

	2019 Balance b/f £000	2019 Income £000	2019 Expenditure £000	2019 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>

There was no income or expenditure in the prior year.

### 23. Charities as subsidiaries

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. For accounting purposes, this means that the Charity is deemed to be a subsidiary of the Trust as it is 'controlled' by another entity through the trusteeship arrangements.

All Foundation Trusts are required to have a constitution, containing detailed information about how that Foundation Trust will operate. The purpose of Bradford Teaching Hospitals NHS Foundation Trust (BTHFT) is set out in its Constitution as follows:

The principal purpose of the Foundation Trust is the provision of goods and services for the purposes of the health service in England.

The Foundation Trust may provide goods and services for any purposes related to:

- the provision of services provided to individuals for or in connection with the prevention, diagnosis or treatment of illness, and
- the promotion and protection of public health.

In short, the purpose of the Trust can be summarised in its mission statement which is "to provide the highest quality healthcare at all times" and to do this in a way that is consistent with its values:

- We care
- We value people
- We are one team, striving for excellence.

The Foundation Trust accounts are available to the public online at the following web address:

<https://www.bradfordhospitals.nhs.uk>

and are also available by request from The Foundation Trust Secretary, using the details below:

Trust Secretary  
Trust Headquarters  
Bradford Royal Infirmary  
Bradford, BD9 6RJ