

**CITY HOSPITALS SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS**

**TRUSTEE ANNUAL REPORT 2015/2016**

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**CHARITABLE FUNDS**

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**FOR THE PERIOD 1 APRIL 2015 – 31 MARCH 2016**

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**Reference and Administrative Details**

**Registered Address**

City Hospitals Sunderland NHS Foundation Trust  
Sunderland Royal Hospital  
Kayll Road  
Sunderland  
SR4 7TP

The Charity was registered by the Charity Commission as number 1052366 under a Declaration of Trust dated 7<sup>th</sup> December 1995.

The Charity's working names are 'City Hospitals Sunderland Charitable Funds' and with effect from 30<sup>th</sup> June 2016 also 'City Hospitals Sunderland Charity'. The additional working name was set up to coincide with the charity embarking on raising public interest in and support of its charitable purpose and activities.

The Charity has a single Corporate Trustee, City Hospitals Sunderland NHS Foundation Trust. The Board of Directors (BoD) of City Hospitals Sunderland acts in the capacity of Corporate Trustee. The Directors holding office from April 2015 to March 2016 were:

Chairman	John Anderson
Non-Executive Directors	Mike Davison Miriam Harte Stewart Hindmarsh David Barnes George Alan Wright
Chief Executive	Ken Bremner
Executive Directors	Ian Martin Julia Pattison Joy Akehurst – retired September 2015 Melanie Johnson – replaces Joy Akehurst from January 2016 Peter Sutton
Trust Secretary/Director	Carol Harries

## **CITY HOSPITALS SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS**

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Professional services are provided by:

#### Banker

Lloyds Bank plc  
54-55 Fawcett Street  
Sunderland  
SR1 1SE

#### Independent Auditor

PricewaterhouseCoopers LLP  
Central Square South  
Orchard Street  
Newcastle upon Tyne  
NE1 3AZ

#### Investment broker

Rathbone Investment  
Management Ltd  
Earl Grey House  
75-85 Grey Street  
Newcastle upon Tyne  
NE1 6EF

### **Governance, Management and Structure**

Whilst all Charities in the NHS must operate within the legal and regulatory framework laid down in the Charities Acts (plus any directions issued by the Secretary of State for Health), a Corporate Trustee has considerable discretion in determining how on a daily basis, the charity operates.

When the BoD is acting in the capacity of Corporate Trustee, there must be recognition that:

1. Charitable Funds are distinct from the exchequer funds provided by Government
2. In acting as Corporate Trustee the BoD has a separate and distinct Responsibility for the administration of the Charitable Funds

A Corporate Trustee cannot delegate its statutory duties and remains accountable for the Charity's performance but day to day management, can be delegated.

To this end the Charitable Funds Committee (CFC) established on 1<sup>st</sup> April 2010 continues to oversee the administration of the Charitable Funds in accordance with any statutory or other legal requirements or best practice required by the Charities Commission.

### **CFC Terms of Reference**

#### Membership

Voting members:

- 2 Non Executive Directors (one of whom is chair of the CFC)
- 2 Directors (one of whom is the Executive Director of Finance)
- 2 non staff Governors

In attendance:

- Assistant Director of Finance – Financial Services
- External Audit for the presentation of the Accounts
- Any others as required by the Committee

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#### Voting members during the period April 2015 to March 2016:

David Barnes – Chair

Miriam Harte – retired September 2016

Julia Pattison

Carol Harries

Susan Pinder - Governor (Public Constituency)

Pauline Taylor - Governor (Public Constituency)

#### CFC Role/Function/Duties

1. The CFC will apply Charitable Funds in accordance with their respective governing documents.
2. To review and approve initial fixed and identifiable spending plans for the forthcoming financial year.
3. To review and approve any formal income generation schemes as they arise over £5,000.
4. Ensure that policies and procedures for Charitable Funds Investment decisions are made which preserves their capital value and produces a maximised return from prudent investment.
5. To manage all investments associated with the funds, taking appropriate advice from officers or external advisors as may be deemed necessary.
6. To oversee and monitor the functions and responsibilities performed by the Executive Director of Finance as defined in the Foundation Trust (FT) Standing Financial Instructions.
7. To monitor the scheme of delegation for expenditure.
8. To receive regular feedback on signed off commitments above £5,000, likely to be quarterly, and approve any expenditure above £20,000.
9. To ensure adherence to the FT Standards of Business Conduct for the ordering and receiving of goods and services.
10. Expenditure in excess of £200,000 requires formal BoD approval as Corporate Trustee.
11. The CFC is empowered with responsibility:
  - For the 'day to day' management of the investments of the Charitable Funds in accordance with the investment strategy set down annually by the Corporate Trustee

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- The appointment of an Investment Manager(s) to advise on investment matters and may delegate 'day to day' management of some or all of the investments to that Investment Manager(s)

The Charity is registered as an Umbrella Charity. Within the one registration, multiple funds are permitted, four of which are registered with the Charity Commission as 'Special Purpose Funds'. The Special Purpose Funds are:

- Nichol Bequest incorporating the Florence May Boagey Bequest –for the benefit of the Eye Infirmary
- Norman Smith Legacy - for the benefit of Paediatric physiotherapy and assessment services located at the Children's Centre
- Fox Williams Bequest – for the provision of flowers in the chapel on specified dates
- Leukaemia and Lymphoma Research Fund – from the Vera Clarke legacy

The Annual Report and Annual Financial Statements have been prepared to comply with the requirements of FRS102 (Financial Reporting Standard 102), the Charities FRS102 SORP (Statement of Recommended Practice) and the Charities Act 2011.

The Trustee has had regard to Charity Commission guidance on public benefit in section 4 of Part 1 of the Charities Act 2011.

The information in the Charity's Annual Report regarding its activities and achievements is structured to allow the reader to see how the information sits with the Charity Commission aspects of Public Benefit Reporting and adds some detail to the financial data in the Financial Statements on pages 29 – 36.

The Charity Commission has set out the following guidance relating to the two aspects of public benefit:

#### **The 'benefit aspect'**

The 'benefit aspect' of public benefit is about whether the purpose is beneficial

Legal requirement: to satisfy the 'benefit aspect' of public benefit

- a purpose must be beneficial - this must be in a way that is identifiable and capable of being proved by evidence where necessary and which is not based on personal views
- any detriment or harm that results from the purpose (to people, property or the environment) must not outweigh the benefit - this is also based on evidence and not on personal views

#### **The 'public aspect'**

The 'public aspect' of public benefit is about whom the purpose benefits

Legal requirement: to satisfy the 'benefit aspect' of public benefit the purpose must;

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- benefit the public in general, or a sufficient section of the public - what is a 'sufficient section of the public' varies from purpose to purpose
- not give rise to more than incidental personal benefit - personal benefit is 'incidental' where (having regard both to its nature and to its amount) it is a necessary result or by-product of carrying out the purpose

The main purpose of the Charitable Funds, as contained in the Charity's Trust Deed 'object' clause is to 'apply income for any charitable purpose relating to the National Health Service' in practice this is wholly or mainly for the services provided to Sunderland district residents by City Hospitals Sunderland NHS Foundation Trust.

The FT is an acute hospital Trust and serves a local population of approximately 340,000 residents with a wider catchment for more specialised services to a population as great as 860,000. There are no groups who are actively excluded from the potential to benefit from Charitable Funds resources.

Approximately 190 individual funds exist within the Charity registration, covering most wards and services within the FT. Funds can only be set up with CFC approval. Research funds would also require approval from the Head of the Research and Innovation Department. The scope for new research initiatives to sit fully within charitable funds continues to be limited partly due to the level of funding that may be required and where this funding might come from. Commercial and NHS funding cannot be included within charitable funds.

Two new funds were created during 2015/16

- The Alexandra Centre fund - for Delirium and Dementia services
- The Sunderland Eye Infirmary (SEI) Fundraising fund - initially to cater for the 'Anniversary Ball' an event marking the 180<sup>th</sup> anniversary of the Infirmary

The existence of a fund to cover a specific ward, specialty, or activity is dependent on any or all of the following being received –

- Private individual donations
- Corporate sponsorship/support - freely given with no commercial gain or advantage to the donor – e.g. to support training events or equipment purchases
- Legacies
- Institutional support – e.g. from Universities in furtherance of pre-existing charitable research projects
- Charity support – e.g. for equipment purchases or to develop training facilities or for General Purposes
- Clinicians electing to waive their personal fee for private work and opting to have the fee donated to the Charity
- Staff lottery

Each fund has one or more designated managers. Fund managers have a delegated authority from the CFC to oversee their particular fund(s). Approval limits for authorising expenditure mirrored the controls in place for the FT during 2015/2016 with the exception of standard fundholders who have a £1,000 limit per transaction, which is lower than their limit for revenue transactions.

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Any order valued at between £5,000 and £20,000 requires written approval by the appropriate Directorate Manager, Divisional General Manager, Executive Director and the CFC. For orders over £200,000 authorisation is also required from the BoD.

Accounting functions and the day to day administration of the funds are handled by the charitable funds administrator within the Financial Services department located at the Children's Centre, Durham Road, Sunderland, SR3 4AD.

Fund managers receive a report of their funds' balances and transactions quarterly. Directorate and Divisional General Managers receive a quarterly summary of fund transactions within their area of responsibility. The Executive Director of Finance receives a summary of all fund balances on a quarterly basis, including names of fund managers.

Donations or bequests which are substantial are reported to the Executive Director of Finance and/or the Trust Director for the area to benefit. The Executive Director of Finance is the Trust officer designated to provide a valid receipt for bequests.

The Charity's portfolio of investments continued to be managed on a discretionary basis by Rathbone Investment Management Ltd (Rathbones). Rathbones are required to provide quarterly Portfolio valuations and attend CFC meetings to advise on performance, opportunities and possible market concerns. Their performance is reviewed annually by the CFC.

The Nominee manages three portfolios, two of which resulted from legacies and are earmarked for specific funds. The portfolios are:

- The FT Main Portfolio - for the benefit of all funds except the Special Purpose Funds
- The Vera Clarke Legacy – for the benefit of the Leukaemia and Lymphoma Research Fund (Special Purpose Fund)
- The FM Boagey Legacy – for the benefit of the Eye Infirmary, held within the Eye Infirmary General Purpose fund.

#### **Risk and Assurance**

The Charity has assessed the major risks to which it may be exposed and has put in place policies and procedures to mitigate these risks. In particular:

- The internal controls of the FT have been adopted by the Charity;
- The Charitable Funds Administrator/Supplies Department/General Office verify that all items requested from the funds are adequately authorised and in accordance with the objects of the Charity;
- The risks around investment balances have been mitigated through the holding of balanced portfolios fully managed through a Nominee. The asset allocation mirrors the Charity Commission recommendation that no one investment should on average comprise more than 5% of the portfolio.

The Charity's operation and records are reviewed and tested by the Internal Audit Department, who report their findings to the CFC. The FT's external auditors PricewaterhouseCoopers LLP (PwC) are also the Charity's external auditors and



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perform an annual audit on the information reported within the Charity's Annual Financial Statements, review the Annual Report and report their findings to the CFC. With effect from the financial year commencing 1<sup>st</sup> April 2016, the tender for external audit has been awarded to Ernst and Young LLP. The internal audit function in 2016/17 will be delivered by AuditOne, a new not-for-profit organisation offering assurance, counter fraud and advisory services.

#### **Objectives and Activities**

The Trust Deed permits funds to be used for any charitable purpose(s) relating to the National Health Service. The objective of charitable funds expenditure is to provide an enhancement to patient/public benefit by being over and above what would be provided as part of the FT's core services whilst also fulfilling the Charity Commission requirements on 'public benefit'.

Donors may express a wish as to the application of a specific gift, providing it falls within the overall purpose of the Charity. Gifts received by way of legacies must be applied according to the terms of the Will. The Charity does not accept legacies where it feels it cannot meet the terms of the Will. There are no funds to benefit specific named individuals, nor is any expenditure incurred that benefits a sole individual.

The CFC issues an 'Acceptable Spend Areas' list to senior managers, last updated in December 2015. It also contains a list of items that will not be funded via Charitable Funds.

In practice, funds are expended mainly on amenities for patients, medical equipment and training. Financial support for staff employed by the FT to extend their knowledge through training or research is available because it enhances the skills set used in the delivery and management of healthcare. Funding of staff reward and recognition and award events is permitted by the CFC.

The CFC delegates day-to-day management of the funds to designated fund managers who may also be operational service managers, with responsibility that may include clinical input within the FT. These managers can thus tailor expenditure to provide defined benefits that are available to all service users.

Donations are allocated to a designated fund on receipt, by reference to the source of the donation and to the donor's instructions, if expressed.

No active canvassing for donations from the general public has ever been carried out by the Charity or by the Foundation Trust. Individuals or groups may volunteer to raise funds on behalf of the Charity. The only corporately organised fund-raising has been a monthly staff lottery draw. The lottery is licensed by the City of Sunderland Council under The Gambling Act 2005. The lottery proceeds may only be used for purposes falling within the Charity's object clause.

In February 2016 the FT appointed a Fundraising Officer, tasked with raising the profile of City Hospitals Sunderland Charitable Funds, with the aim of increasing income from donations and fundraising. An increase in income would permit the Charity to increase its spending, benefitting the provision of healthcare.

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Funds tend not to be applied to large individual projects but are used for both the purchase of relatively minor items for which NHS funding would otherwise not be available and also individual larger items of medical equipment or appropriate building work which are gifted to the Foundation Trust as donated Capital Assets and appear on the FT Statement of Financial Position.

The Charitable Funds have continued to provide a valuable resource to enable the FT to provide additional facilities for patients and staff which otherwise would not have been possible.

Sources of funds are principally individual donations and legacies. Fund-raising by volunteers and also the staff lottery contribute towards income.

Income received by way of fees for courses run by the FT accounted for 16% of total income in 2015/16 (2014/15:11%). This 5% increase (2014/15: 6% decrease) in course fee income over the previous year was due to it being a higher proportion of all income received. Expenditure on course materials and facilities closely matches income received. This income can only be held within Charitable Funds if the purpose is purely educational and the courses are not run for the purpose of income generation. The advancement of education is not the Charity's primary aim, but in providing education, that increased knowledge base allows for the development and advancement of healthcare delivery.

### **Achievements and Performance**

#### **Achievements and Performance in support of the Charity's primary aim**

##### **Patient welfare and amenities**

In total, the charity was able to spend £185k on patient welfare and amenities. Of the £52k spent on new furniture and fittings, particular highlights include specialist chairs deployed throughout the hospital.

The Integrated Critical Care Unit (ICCU) were able to purchase 8 specialist 'easy' chairs for £20k. For many patients recovering on ICCU, sitting independently can be difficult or even dangerous, but staying in bed throughout their recovery can be frustrating. These specialist chairs allow patients to be more at ease and sit upright or reclining in their surroundings, without putting more pressure on clinical staff. and have proved to be very beneficial.

##### **Staff welfare and amenities**

The charity spent £101k which included £44k covering staff attending national award events, the FT's reward and recognition event, long service and retirement awards.

##### **Medical Equipment**

The charity also secured £42k worth of medical equipment, benefiting patients throughout the Trust. New mothers delivering at Sunderland Royal Hospital's Maternity

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Unit were able to benefit from 5 handheld Fetal Doppler Monitors; these make measuring a baby's heartrate throughout labour comfortable and efficient, helping mothers feel more at ease and confident their baby is healthy.

The Maternity Unit was also able to purchase a birthing coach to give mothers more choice during their labour, and a number of mobile breast pumps. Breast pumps can help new mothers establish feeding and therefore make a lasting difference to the child's health.

The charity spent £8k on HoverJack Air Patient Lifts that will benefit patients throughout services provided by the Trust. The HoverJack Air Patient Lift gives patients who have experienced a fall more dignity and safety; the lift raises patients from the ground by inflating several chambers. This means a quicker response for the patient and eliminates the need to wait for additional staff in some cases.

#### General services for patients

The charity also supported cancer patients with £13.5k being spent on Complementary Therapies. This service is provided by Coping with Cancer North East, and has been very well received by patients with staff witness to the benefits. Patients have received a range of complementary therapies including massage and acupuncture with treatments available on the ward or in a dedicated room provided by the Macmillan Cancer Information and Support Centre.

Patients receiving chemotherapy have greatly benefited from £12.5k invested in art therapy sessions. Cancer is often viewed as a journey by both patients and their loved ones, and art therapy has provided a constructive outlet for many patients on Sunderland Royal's Phoenix Unit.

#### Contributions to NHS

The charity also made contributions to the NHS worth £131k that are included under Donated Capital Assets in the FT's Statement of Financial Position. To illustrate the impact of these contributions, the charity purchased a Valon TT Multispot Laser for the benefit of ophthalmic patients at Sunderland Eye Infirmary worth £66.5k. This has been used to treat patients with a variety of retinal conditions, and the accessible design ensures a high level of dignity for patients with mobility aids.

The charity also contributed £50k worth of dialysis machines for renal patients. Dialysis is a critical treatment provided by Sunderland Royal Hospital's Renal Department, and these 8 new machines safeguard both the patient's comfort and the department's efficiency.

#### Macmillan Cancer Information and Support Centre

In 2015/16 the Sunderland Cancer Information and Support Centre received £46k income and was able to spend £14k for the benefit of cancer patients and their families.

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The centre has continued to provide a calm and nurturing location; patients have been able to receive Complementary Therapy sessions benefiting those who have a range of cancers including breast, prostate, lung, bowel, liver, stomach, gynaecological. The centre has also provided invaluable advice on benefits, an ever appreciated listening ear and access to Legacare services for considerations such as drawing up a Will and guardianship.

The centre has also hosted a monthly event with cancer charity Look Good Feel Better. The workshops help women and teenagers cope with the visible side effects of cancer treatments.

As well as the Macmillan Cancer Information and Support Centre, clinical Haematology and Head and Neck cancer services have contributed to providing complementary therapies from Coping with Cancer North East. Timeless Theatre Productions are particularly to thank for Head and Neck being able to provide this.

#### Training and Education Support

During 2015/16, 12 courses were run by Sunderland Royal Hospital for both City Hospitals Sunderland staff and professionals outside the Trust. As in previous years these include the Advanced Trauma Life Support (ATLS), Advanced Life Support (ALS), Paediatric Life Support (PLS), Neonatal Life Support (NLS) and Immediate Life Support (ILS) courses.

Experts to facilitate these courses were sourced from across the UK and Europe; by offering these courses to any medical professional or student in the UK the charity has contributed to best practice even beyond Sunderland and the surrounding area. Courses run in 2015/16 generated £83k at a cost of £84k.

During the year 429 members of staff from the FT (2014/15 : 363) and 246 external delegates (2014/15:263) attended. As well as the courses run at Sunderland Royal Hospital, the charity was able to send 56 members of staff on external courses to grow their expertise and benefit patients (34 in 2014/15).

#### Research

The Trust's Ophthalmology Department based at Sunderland Eye Infirmary contributed £2k in connection with ongoing research at Newcastle University into photoreceptor transplantation, as well as £3k of registration fees to the Royal College of Ophthalmologists in connection with the ongoing study of optic disk pits (malformations on the optic nerve area), which manifest as blind spots and can result in a detached retina.

The study of Caffeine for Apnea of Prematurity (CAP) within neonates incurred £2k. At least 5 of every 1,000 babies are born very premature, and as much as 40% of them will either pass away or survive with lifelong disabilities. The study has looked at how caffeine treatments can reduce the hospital stays of very premature babies, and reduce rates of lasting disabilities. This year concluded the 31 eleven year assessments that

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began in 2013. The charity thanks McMaster University in Canada for funding, and Dr Win Tin of James Cook University Hospital in Middlesbrough for his conducting the study.

#### **Achievements and Performance - Investments**

Traded investments and cash - income totalling £53k (14/15: £51k).

Traded investments	current a/c & short term money market	COIF deposit a/c
15/16 : 14/15	15/16 : 14/15	15/16 : 14/15
£47k : £43k	£4k : £6k	£2k : £2k

During 2015/2016 interest on current accounts was paid at 0.25% on the Lloyds Bank account. The Bank of England base rate remained at 0.50% during the accounting year, only dropping to 0.25% on the 4<sup>th</sup> August 2016.

Current account balances were kept to a minimum for nine months of the year as working capital was invested on the short term money markets through an arrangement with Lloyds Bank at 0.65% (2014/15: 9 months at 0.65%).

Some surplus cash was also invested through Rathbones to provide both an income stream which will exceed current account interest and also provide some capital growth to enable income streams to better inflationary pressures.

In line with the ethos of promoting patient care, the Corporate Trustee attempts to ensure that all investments are ethically and environmentally sound, and are not opposed to the purpose of the Charity. The investment policy includes the following-

The prime investment objective is to achieve a balanced portfolio between income and capital growth. The preferred level of investment risk is defined as 'Medium'.

- The following ethical restrictions apply. There should be no investment in **companies** associated with the production of Armaments, Alcohol or the Tobacco industry.
- Although not strictly prohibited, sensitivity should be given to investments in other **industries** associated with Alcohol, Armaments or Tobacco production.

The Charitable Funds investments were transferred to Rathbone Investment Management from Barclays Wealth from July 2014 following the completion of a competitive tender and for the period until 31 March 2015 the consolidated portfolio delivered a total return of 6.9% (consisting of 1.3% income and 5.6% capital growth), ahead of the annualised 6% spending target.

The following year ending 31 March 2016 was particularly volatile for financial markets, set against a backdrop of geo-political uncertainty and a collapse in global oil prices and this culminated in global equities posting their worst January ever during 2016. A sustained rally began in February 2016 as the oil price began its recovery but at the Charitable Funds year-end, the consolidated investments posted an overall annual loss of 1.7%. Although net income of 2.2% was generated, a capital loss of 3.9% wiped out any gains and while this performance is disappointing on an absolute basis when set

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against the 6% annual drawdown target, the total return represents an outperformance against composite market benchmark (FT Gilts, FTSE All Share, FTSE World ex UK) which lost 1.9% on a total returns basis.

The endowment and restricted funds continue to be invested in a Common Investment Fund (COIF) Deposit Account to preserve the initial capital value. The COIF Charities Deposit account attracted an average return of 0.45% per annum in 2015/16 (0.45%: 2014/15).

#### **Financial Review of 2015/16**

As at the 31 March 2016, the value of the funds was £3,458k. This represents a net decrease of £72k on the 31 March 2015 Financial Statements restated value of £3,530k. The 2014/15 value of £3,464k was restated to £3,530k due to new accounting conventions from FRS102. The decrease comprises £18k from income exceeding expenditure (2014/15 income exceeded expenditure by £158k), £205k from unrealised loss on the year end market value of the Charity's shareholdings, offset by £115k from the realised gains on disposal of shareholdings (2014/15 £101k unrealised gains, less realised loss on disposal £12k).

Voluntary donations increased by £11k on 2014/15. The Royal Voluntary Service (RVS) (which operates a shop and several cafés within the Trust) once again provided guaranteed gifting of £120k (2014/15: £120k), corporate donations increased by £118k, which included a £60k donation from CHolCE, a commercial enterprise wholly owned by the FT.

Donations from individuals make up 30% of voluntary income (2014/15: 36%). Within donations from individuals, £25k (23% of all voluntary personal donations) was received from 14 individuals or families each contributing between £1k and £6k. (2014/15: £20k, 20% of all personal donations from 9 individuals or families ranging from £1k to £5k).

Volunteer fundraising from 43 events brought in £35k (2014/15: £32k from 40 events), with Paediatric and NeoNatal services £21k (2014/15: £11k) being the main beneficiary. Other areas to benefit include Niall Quinn children's outpatient department, Renal services, Chemotherapy and Leukaemia services, Paediatric wards and children's diabetic services, MS services, Hume ward, ICCU, the General Purpose hospital wide fund.

The majority of volunteer fundraisers have very strong personal reasons for supporting a particular service, with some employers operating a matching scheme.

Most popular events are charity evenings and fetes, the Great North Run and sponsored walks and Coast to Coast cycle rides.

Thank you to all the individuals, groups, schools, churches, many fellowships and clubs and employers who have generously supported City Hospitals Sunderland Charitable Funds.

Income from holding training courses decreased by £5k over the previous year and amounted to £83k (2014/15: £88k), the decrease comes from 2 courses not being run.

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The total resources expended were £565k (2014/2015: £618k) £53k decrease including:

- Patients amenities – increase £3k
- Staff amenities – increase £18k mainly: £11k on training course fees, £5k on books and journals
- Research – decrease £43k mostly non pay
- Donated Capital assets – decrease £36k. Expenditure requires approval by the CFC and is driven by current operational requirements
- Support costs – increase £5k. New fundraising officer in post a month and this category, per FRS102 now includes the heading 'Governance costs'.
- Investment management - increase £2k

Expenditure spanned the usual range of patient amenities which include regular events such as Christmas presents for patients occupying a bed on Christmas Day, babies born over Christmas and children attending theatres and A&E over Christmas, staff amenities principally retirement and long service awards, the patient library service delivered by City of Sunderland Libraries (£4.5k), and the Sunderland Echo "Best of Health Awards" (£5.5k), , all of which are funded from the General Purpose fund. In addition the General Purpose fund provided £9k for glass wall decorations in the new Endoscopy Unit.

The Complementary Therapy sessions on offer to patients from Ward E55 (Haematology), the Phoenix Unit (Chemotherapy), Head and Neck cancer patients, and other specialties principally receiving treatment at the Macmillan Patient Information Centre continue to be very well received with Reiki and acupuncture being the most popular. Other therapies include reflexology and various forms of massage.

The Clinical Haematology service continues to part fund the services of a specialist ward based pharmacist, providing pharmacy led clinics and a rapid response to drug needs in this specialty.

#### Reserves Policy

The Trustee's Reserves Policy forms part of the plan to provide long term support to the FT for new equipment, patient and staff benefits, with free reserves held within the Charity's Sunderland Royal Hospital (SRH) General Purpose Fund.

The Trustee intends that designated funds are spent within a reasonable period of receipt unless funds are reserved for major future developments and therefore foresee a need only to maintain reserves sufficient for general Trust-wide funding applications.

The Trustee continues to review the balances held within designated funds in accordance with the provisions of the NHS Acts relating to Charitable Funds, to determine whether these funds are likely to be committed in the near future and the extent to which there is a continuing need identified. In the event that the need identified no longer exists, those funds will be directed to the General Purpose Fund held for Sunderland Royal Hospital.

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Free reserves (held within the SRH General Purpose fund) amounted to £207k (£169k reported at 31 March 2015). This is equivalent to 6% of total fund balances (2014/15: 5%).

Future charges already accounted for against this fund during 2016/17 include:

- £20k for the Trust wide Reward and Recognition event
- £6k for gifts for patients in hospital on Christmas Day
- £8k for Long Service awards for staff
- £11.5k for retirement awards including catering
- £5k patient library service
- £6k Echo 'Best of Health Awards'

Balances may be accumulated in an individual fund prior to the commencement of a project or the purchase of an expensive piece of medical equipment; this is to ensure that there are sufficient resources before commitment so that other earmarked funds are not placed at risk. The FT is responsible for the day to day running costs and maintenance of equipment purchased through donated funds.

The CFC continues to take an active interest in reviewing fund usage to establish that funds are used appropriately and in a timely, controlled manner. There are no funds in deficit.

#### **Our Thanks**

We greatly value the support we receive from the volunteers who run the RVS facilities.

As always, the Charity is grateful to all the countless other volunteer fundraisers who dedicate time and energy to raising funds for a number of specific services. Whatever the value of a donation made, we are grateful to all our donors. We value the letters of thanks that are received, and our sympathies remain with families and friends who donate or continue to fundraise in memory of loved ones.

Without the on-going and tireless support of organisations, volunteers, individuals and their families, the charity would not be able to progress the many projects undertaken this year. To all of our donors we give our thanks and hope for their continued support in the years to come.

#### **Plans for the Future**

In February 2016 the FT employed a charity fundraiser to raise the profile of City Hospitals Sunderland Charitable Funds and thereby increase the charity's income. During 2016/17 the postholder will develop a fundraising strategy, the charity will look to develop access to information via a web page and the provision of electronic ways of gifting.

In September 2016 the Sunderland Eye Infirmary will celebrate its triple diamond anniversary and it is anticipated that this will result in a number of fundraising events.



**CITY HOSPITALS SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS**

**TRUSTEE ANNUAL REPORT 2015/2016**

The Macmillan Cancer Information and Support Centre will be issuing memory boxes to palliative patients and a comprehensive selection of books will be available for children, covering all aspects of dealing with cancer.

The fund balances carried forward to 2016/17 will continue to be used to enhance services and resources for the provision of healthcare principally within Sunderland, but which can, through research and training initiatives have an impact on healthcare provision nationally. In line with the legal requirement to provide and demonstrate wide ranging patient benefit, the most effective use of our Charitable Funds will continue to be monitored by the CFC.

To view the charity's current and previous Trustee Annual Report and Financial Statements and for further information on areas such as Charities Act updates, Public Benefit Guidance and Good Governance please visit [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)

By Order of the Trustee

Signed  (Director)

Dated 26 JANUARY 2017.

### Statement of Trustee responsibilities

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether FRS 102 "The Financial Reporting Standard applicable UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

On behalf of the Trustee, signed:

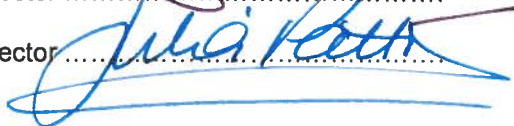
Director



Date

26 January 2017

Director



Date

26 January 2017

# ***Independent auditors' report to the trustee of City Hospitals Sunderland NHS Foundation Trust Charitable Funds***

## **Report on the financial statements**

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### **Our opinion**

In our opinion City Hospitals Sunderland NHS Foundation Trust Charitable Funds' financial statements (the financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
  - have been prepared in accordance with the requirements of section 144 of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008).
- 

### **What we have audited**

The financial statements, included within the Annual Report comprise:

- the balance sheet as at 31 March 2016;
- the statement of financial activities for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the trustee has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **Other matters on which we are required to report by exception**

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### **Sufficiency of accounting records and information and explanations received**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Other information in the Annual Report**

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustee Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the trustee**

As explained more fully in the Statement of Trustee Responsibilities set out on page 18, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's trustee as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 27 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustee; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the trustee's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Trustee Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne

27 January 2017

PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011.

**CITY HOSPITALS SUNDERLAND NHS FOUNDATION TRUST CHARITABLE FUNDS  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**FOREWORD**

These financial statements have been prepared by the Trustee under Part 8 of the Charities Act 2011, and in accordance with the Charities Statement of Recommended Practice (FRS102).

**STATUTORY BACKGROUND**

City Hospitals Sunderland NHS Foundation Trust is the Corporate Trustee of the Charitable Funds. The Foundation Trust was established on 1 July 2004. Prior to 1 July 2004, the Corporate Trustee of the Charitable Funds' financial statements was City Hospitals Sunderland NHS Trust. The Board of Directors oversee the Trustee function.

The City Hospitals Sunderland NHS Foundation Trust Charitable Funds are registered with the Charity Commission (registered number 1052366) and include funds in respect of services at the Sunderland Royal Hospital, Sunderland Eye Infirmary as well as some services located at the Children's Centre and Monkwearmouth Hospital.

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes."

**MAIN PURPOSE OF THE CHARITABLE FUNDS**

The main purpose of the Charitable Funds is to apply income for any charitable purpose relating to the National Health Service, for the services provided by City Hospitals Sunderland NHS Foundation Trust.

**Statement of Financial Activities for the year ended 31 March 2016**

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	<b>Total 2016 Funds £000</b>	Restated Total 2015 Funds £000
<b>Income and endowments from:</b>						
Donations & Legacies	2.3	434	3	0	<b>437</b>	516
Charitable Activities	3	83	0	0	<b>83</b>	88
Other Trading Activities:	4	10	0	0	<b>10</b>	11
Investments	9.3	50	2	1	<b>53</b>	51
Grants		0	0	0	<b>0</b>	176
<b>Total Income and endowments</b>		<b>577</b>	<b>5</b>	<b>1</b>	<b>583</b>	842
<b>Expenditure on:</b>						
Raising Funds	5	15	1	0	<b>16</b>	15
Charitable Activities	6.1	544	5	0	<b>549</b>	603
<b>Total Expenditure</b>	<b>7</b>	<b>559</b>	<b>6</b>	<b>0</b>	<b>565</b>	618
<b>Net (Losses) / Gains on investments</b>		(86)	(4)	0	<b>(90)</b>	89
<b>Net (expenditure) / income</b>		<b>(68)</b>	<b>(5)</b>	<b>1</b>	<b>(72)</b>	313
Transfer between funds	13.1, 13.3	0	1	(1)	<b>0</b>	0
<b>Net movement in funds</b>		<b>(68)</b>	<b>(4)</b>	<b>0</b>	<b>(72)</b>	313
<b>Reconciliation of Funds:</b>						
Total funds brought forward	1.2	3,208	163	159	<b>3,530</b>	3,217
<b>Total funds carried forward</b>	<b>13.1,13.2,13.3</b>	<b>3,140</b>	<b>159</b>	<b>159</b>	<b>3,458</b>	3,530

All results derive from continuing operations.

All gains and losses recognised in the year are included in the above

There is no material difference between the net incoming resources stated above and their historical costs equivalents.

**Balance Sheet as at 31 March 2016**

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	<b>Total 2016 Funds £000</b>	Restated Total 2015 Funds £000
<b>Non current assets</b>						
Investments	9.1,9.2	1,929	122	0	<b>2,051</b>	1,659
<b>Total non-current assets</b>		<b>1,929</b>	<b>122</b>	<b>0</b>	<b>2,051</b>	<b>1,659</b>
<b>Current assets</b>						
Trade and other receivables	10	67	0	0	<b>67</b>	48
Cash and Cash equivalents	11	1,357	37	159	<b>1,553</b>	1,896
<b>Total current assets</b>		<b>1,424</b>	<b>37</b>	<b>159</b>	<b>1,620</b>	<b>1,944</b>
<b>Current liabilities</b>						
Trade and other payables	12	213	0	0	<b>213</b>	73
<b>Net current assets</b>		<b>1,211</b>	<b>37</b>	<b>159</b>	<b>1,407</b>	<b>1,871</b>
<b>Total net assets</b>		<b>3,140</b>	<b>159</b>	<b>159</b>	<b>3,458</b>	<b>3,530</b>
<b>Retained funds of the charity</b>						
Endowment funds	13.1	0	0	159	<b>159</b>	159
Restricted Income Funds	13.3	0	159	0	<b>159</b>	163
Unrestricted Income Funds	13.5	3,140	0	0	<b>3,140</b>	3,208
<b>Total retained funds of the charity</b>		<b>3,140</b>	<b>159</b>	<b>159</b>	<b>3,458</b>	<b>3,530</b>

The financial statements on pages 22 to 36 were approved by order of the Trustee on 26 January 2017 and signed on its behalf by:



KW Bremner

Chief Executive, City Hospitals Sunderland NHS Foundation Trust, Corporate Trustee  
26 January 2017

**Notes to the Financial Statements****1. Accounting Policies****1.1 Basis of preparation**

These financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value, in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable in charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective from 1 January 2015) – (Charities SORP (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

The date of transition was 1 April 2014, and the last financial statements presented in accordance with the previous financial framework were for the period ending 31 March 2015. The principle accounting policies applied in the preparation of these financial statements are set below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern.

The uncertain economic outlook and the variability in income from donations and legacies year-to-year represents a significant area of financial uncertainty for the Charity. These represented 64% of income in 2015/16 (67% in 2014/15). The Charity mitigates this risk through maintaining diversity in its income streams and upholding expenditure authorisation controls to prevent over-commitment of funds. Therefore, this is not anticipated to represent a risk to going concern.

A significant area of uncertainty that affects the carrying value of assets held by the Charity is the performance of investment markets. The Charity held non-current asset investments valued at £2051k at 31 March 2016, which represents an increase in value of £392k from £1659k at 31 March 2015. The increase includes an in-year transfer of cash amounting to £500k from the Charities' bank account with Lloyds to its Investment Broker, Rathbone Investment Management. The performance of the Investment Broker is reviewed on an annual basis by the Trustees.

The company's functional and presentation currency is the pound sterling.

**1.2 Reconciliation with previous Generally Accepted Accounting Practice**

In accordance with the requirements of FRS 102 a reconciliation of opening balances are net income/(expenditure) for the year is provided with the net income/(expenditure) under the previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

<b>Reconciliation of reported net income</b>	<b>£000's</b>
Net income/expenditure as previously stated	158
*Deferred income now treated as a component of net income	66
Adjusted for gains on investments now treated as a component of net income	89
<b>2015 net income as restated</b>	<b>313</b>

\*The deferred income related to a grant received for a Valon Multispot Laser for use within Sunderland Eye Infirmary.



**Accounting Policies continued.**

Reconciliation of Balance Sheet	1 April 2014	31 March 2015
	£000's	£000's
<b>Total funds as previously stated</b>	<b>3,217</b>	<b>3,464</b>
Reclassification of deferred income to unrestricted funds	0	66
<b>Total effect of transition to FRS 102 and Charities SORP 2015</b>	<b>0</b>	<b>66</b>
<b>Total funds under FRS102 and Charities SORP 2015</b>	<b>3,217</b>	<b>3,530</b>

**1.3****Income**

- a) Donations, Staff lottery, Royalties, Investment income, Course and conference fees

All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:

- (i) entitlement – arises when a particular resource is receivable or the charity's right becomes legally enforceable;
- (ii) probable – when it is more likely than not that the incoming resource will be received;
- (iii) measurement – when the monetary value of the incoming resources can be measured with sufficient reliability and the costs incurred for the transaction can be measured reliably.

Income, except for investment income, is allocated to a fund in accordance with the donor's/payer's intention. Investment income is held in suspense funds prior to being apportioned, except for dividends and interest received from two of the portfolios which are allocated direct to funds. See 1.3 (d).

- b) Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes probable or are within the control of the Charity. This will be once confirmation has been received from the representatives of the estate that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

Legacies are allocated to a fund servicing the area of benefit as defined in the bequestor's Will.

- (c) Staff Lottery

Income is recorded net of the cost of prizes. The Lottery policy states that 50% of proceeds are allocated in prize monies, therefore, only income available to the Charity is recorded in the financial statements.

**Accounting Policies continued.**

(d) Investment income apportionment

Common deposit fund interest (COIF) is apportioned over the endowment funds and the restricted funds using the average balance on the fund at the end of a quarter.

Traded fixed asset investments dividends and interest result from three portfolios:

The main portfolio relates to unrestricted funds and is apportioned at the same time as the support costs apportionment, on the basis of the fund average balance as a proportion of the total fund average balances.

The second portfolio relates to one restricted fund and income is allocated direct to the fund.

The third portfolio relates to one unrestricted fund and income is allocated direct to the fund.

**1.4 Transfer of Funds**

Common deposit fund interest apportioned over endowment funds is transferred to respective restricted funds at the same time as the support cost apportionment - See notes 13.1 and 13.3

**1.5 Liabilities**

All expenditure is recognised once there is a known legal or constructive obligation to make a payment to a third party. Liabilities have been recorded at settlement value.

**1.6 Resources expended**

The Charitable Funds' financial statements are prepared in accordance with the accruals concept.

(a) Costs of generating funds

The cost of generating funds are the costs associated with generating income for the Charitable Funds. The costs incurred relate to operating the staff lottery and investment portfolio management fees. The charity does not actively fundraise or canvas for donations, therefore, there are no costs for generating this income.

(b) Costs of Charitable Activities – Support Costs

These are accounted for on an accruals basis and include recharges of appropriate proportions of the salary costs from City Hospitals Sunderland NHS Foundation Trust of 1.1 whole time equivalent posts. There are no staff directly employed by the Charity. Bank charges relating to the operation of the Charity's non-exchequer bank account are included, as well as a software licence and maintenance fee charged by the supplier of the Charitable Funds database system.

Support costs are inclusive of Governance costs – see (d) below.

Support costs are allocated across all funds at the end of a quarter on the basis of the fund average balance as a proportion of the total fund average balances.

**Accounting Policies continued.**

(c) Costs of Charitable Activities – Research activities

Research via Charitable Funds must comply with any requirements contained in the Charities Act, and also Charity Commission guidelines. In addition, City Hospitals Sunderland NHS Foundation Trust has a research policy, ratified by the Trust via its Research and Development Steering Group, which involves vetting and approval by the Trust's Scientific review Committee and externally by an approved Research Ethics Committee. Charitable constraints mean that only a select few projects meet charitable criteria.

(d) Governance costs

This includes only those costs attributable to generating the information required for public accountability (i.e. financial statements and Trustee Annual Report preparation).

The costs include an appropriate proportion of salary costs relating to the Charities Funds Administrator and the Treasury Manager, both recharged from the Foundation Trust at 0.04 whole time equivalent.

The fee for the annual external audit is accrued within this category

**1.7 Structure of funds**

(a) Endowment Funds

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent, are accounted for as endowment funds. The funds are disclosed in note 13.1.

(b) Restricted Funds

Where there is a legal restriction on the purpose to which a fund may be applied, the fund is classified in the financial statements as a restricted fund and these are separately registered with the Charity Commission as "Special Purposes" funds. The Charity has four Special Purpose funds which resulted from legacies.

Details of these funds are disclosed in note 13.3.

(c) Unrestricted Funds

All other funds are classified as unrestricted funds. Whilst the funds are not legally restricted, the Trustee has chosen to designate the majority of fund balances for set purposes.

Major unrestricted fund balances as at 31 March 2016 are disclosed in note 13.5.

**1.8 Fixed Assets**

The Charity does not hold any fixed assets.

Any purchases of goods which satisfy the fixed asset criteria are gifted to City Hospitals Sunderland NHS Foundation Trust under "Contribution to NHS" – see notes 6.1 and 14.2.

These are then accounted for within the Foundation Trust balance sheet under Donated Fixed Assets.

**Accounting Policies continued.**

**1.9                    Investments Non-Current Assets**

All investments are held to provide an investment return for the Charity.

Investment non-current assets are shown at market value as at the balance sheet date. The valuation of listed investments is based on mid-market prices and is obtained from the Charity's investment broker Rathbone Investment Management Limited.

The value of unlisted investments is obtained by Rathbone Investment Management Limited from trading brokers.

Investments comprise a mix of UK Government Gilts, fixed interest bearing shares and bonds, FTSE 100 quoted stocks, overseas equities and a number of Alternative Assets' including hedge funds, commodities and property trusts.

As per Charity Commission guidelines, no one investment on average comprises more than 5% of the total portfolio value. Some investment assets came to the Charity by way of requests.

All traded investment business is handled on a discretionary basis by the broker, who acts as a Nominee. The Trustee believes that the carrying value of the investment is supported by their underlying net assets.

**1.10                   Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and book value.

It should be noted that under the arrangement with the investment broker, the cash proceeds or disposals and non-dividend income are held by the broker in a Capital Account pending reinvestment.

Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or date of purchase if later).

The above applies to the current and prior financial year.

**1.11                   Cash Flow Statement**

Under Financial Reporting Standard 1 (FRS1), the Charity is not required to prepare a cash flow statement.

**1.12                   Events after the Reporting Period**

The referendum vote in favour of leaving the European Union is likely to have an impact on the charity investments and potential future donations, however, this cannot be estimated or qualified at the present time.

Income from donations & legacies	2	Unrestricted	Restricted	Endowment	Total	Total
		Funds	Funds	Funds	2016	2015
		£000	£000	£000	Funds	Funds
					£000	£000
<b>2.1 Donations</b>						
Corporate donations		180	1	0	181	63
Donations from individuals		139	2	0	141	123
Non corporate donations		27	0	0	27	38
Donations from charities		66	0	0	66	121
		<b>412</b>	<b>3</b>	<b>0</b>	<b>415</b>	<b>345</b>
<b>2.2 Legacies</b>						
Emergency Care Services		22	0	0	22	46
Medical Specialties		0	0	0	0	38
Obstetrics and Gynaecology		0	0	0	0	38
Radiology		0	0	0	0	34
Ophthalmology		0	0	0	0	14
General Internal Medicine		0	0	0	0	1
		<b>22</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>171</b>
<b>2.3 Total donations and legacies</b>		<b>434</b>	<b>3</b>	<b>0</b>	<b>437</b>	<b>516</b>
In total 2 legacies were received during 2015/16 (2014/15: 9)						
<hr/>						
Income from charitable activities	3	Unrestricted	Restricted	Endowment	Total	Total
		Funds	Funds	Funds	2016	2015
		£000	£000	£000	Funds	Funds
					£000	£000
Course and conference fees		83	0	0	83	88
<hr/>						
Income from other trading activities	4	Unrestricted	Restricted	Endowment	Total	Total
		Funds	Funds	Funds	2016	2015
		£000	£000	£000	Funds	Funds
					£000	£000
Staff lottery		10	0	0	10	11

Details of Fundraising expenditure	5		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2016 Funds £000	Total 2015 Funds £000
Investment Broker fee			13	1	0	14	12
Bought-in services from NHS			2	0	0	2	3
			<b>15</b>	<b>1</b>	<b>0</b>	<b>16</b>	<b>15</b>

All traded investment business covering all funds is handled by the Charity's investment broker, Rathbone Investment Management Ltd.

Bought-in services relate to salary recharges from City Hospitals NHSFT in respect of managing the staff lottery scheme.

Details of Charitable activities expenditure	6		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2016 Funds £000	Total 2015 Funds £000
6.1 Cost of Charitable Activities							
Contributions to NHS			131	0	0	131	167
Patients' welfare and amenities			182	3	0	185	182
Staff welfare and amenities			101	0	0	101	83
Course and conference costs			84	0	0	84	85
Support costs			39	2	0	41	36
Research			7	0	0	7	50
			<b>544</b>	<b>5</b>	<b>0</b>	<b>549</b>	<b>603</b>

Analysis of support costs expenditure	6.2		Staff / Patient Welfare and Amenities £000	Course and Conference Costs £000	Governance Costs £000	Research £000	Total 2016 Funds £000	Total 2015 Funds £000
Support Costs								
Unrestricted			25	7	6	1	39	34
Restricted			2	0	0	0	2	2
			<b>27</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>41</b>	<b>36</b>

Support costs mainly relate to pay in respect of 1.1 whole time equivalent staff costs. There are no staff employed directly by the charity therefore there have been no pension contributions made in the year.

Non pay costs include bank charges and a licence fee associated with the Charitable Funds database.

Analysis of total expenditure	7		Costs of Fundraising £000	Investment Management Costs £000	Costs of Charitable Activities £000	Governance Costs £000	Total 2016 £000	Total 2015 £000
Audit fees - external			0	0	0	4	4	4
Investment Broker fee			0	14	0	0	14	12
Bought-in services from NHS			2	0	92	2	96	95
Other			0	0	451	0	451	507
			<b>2</b>	<b>14</b>	<b>543</b>	<b>6</b>	<b>565</b>	<b>618</b>

8 During the year, the Charity made no grants to individuals or other institutions but funding was provided to City Hospitals Sunderland NHS Foundation Trust for the benefit of patients, staff and for research which could not be funded out of NHS operating expenses.

Analysis of  
non current  
asset  
investments9  
9.1

## Traded Non Current Asset Investments:

	2016 Total £000	Restated 2015 Total £000
Market value at 1 April 15	1,659	1,513
Less: Disposals at carrying value	(507)	(613)
Add: Acquisitions at cost	973	658
Net (loss) / gain on revaluation	(74)	101
Market value at 31 March 16	<u>2,051</u>	<u>1,659</u>
Historic cost at 31 March	<u>2,144</u>	<u>1,842</u>

## 9.2 Traded Non Current Asset Investments:

	2016 Total £000	Restated 2015 Total £000
<u>Investments listed on a recognised Stock Exchange:</u>		
In the UK	854	480
Outside the UK	58	99
<u>Unlisted securities:</u>		
In the UK	1,030	822
Outside the UK	109	258
	<u>2,051</u>	<u>1,659</u>

Analysis of  
gross income  
from  
investments

9.3

## Total gross income:

	2016 Total £000	2015 Total £000
<u>Investments listed on a recognised Stock Exchange:</u>		
In the UK	28	24
Outside the UK	1	3
<u>Unlisted securities:</u>		
In the UK	17	11
Outside the UK	1	4
Investments in a Common Deposit Fund	2	2
Current account / short term interest	4	7
	<u>53</u>	<u>51</u>

Analysis of Trade & other Receivables	10	Amounts falling due within one year:	2016	2015
			£000	£000
		Trade debtors	5	5
		Amounts due from CHS Foundation Trust	0	35
		Prepayments and accrued income	62	8
		Total debtors falling due within one year	67	48

Analysis of Cash and Cash Equivalents	11	Cash and cash equivalents	2016	Restated 2015
			£000	£000
		Cash at commercial bank	1,036	1,436
		Notice Deposits (less than 3 months)	416	414
		Cash held in dealing account with Investment Broker	101	46
		Total cash and cash equivalents	1,553	1,896

Analysis of Trade & other Payables	12	Amounts falling due within one year:	2016	Restated 2015
			£000	£000
		Amounts due to CHS Foundation Trust	125	0
		Trade creditors	74	25
		Accruals and deferred income	6	44
		Other creditors	8	4
		Total creditors falling due within one year	213	73



**Analysis of Funds 13**

Details of material funds - Endowment Funds	13.1 Endowment Funds	Balance						Balance 31 March 2016 £000
		1 April 2015 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains on Disposals £000	Gains and Losses on Revaluations £000	
	Anderson Legacy	157	1	0	(1)	0	0	157
	Fox Williams Legacy	2	0	0	0	0	0	2
	<b>Total</b>	<b>159</b>	<b>1</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>159</b>

The £1k transfer relates to interest received by and transferred from the Anderson Legacy to the Eye Infirmary bequests fund.

13.2	<u>Name of Fund</u>	<u>Description of the nature and purpose of each fund</u>
	Anderson Legacy - (Eye Infirmary Bequests)	Capital in Perpetuity at Sunderland Eye Infirmary for equipment.
	Fox Williams Legacy	Capital in Perpetuity to place "in memoriam" flowers in the Chapel.

Details of material funds - Restricted Funds	13.3 Restricted Funds	Balance						Balance 31 March 2016 £000
		1 April 2015 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains on Disposals £000	Losses on Revaluations £000	
	<b>Material funds</b>							
	Eye Infirmary Bequests	93	0	(1)	1	0	0	93
	Leukaemia Research Legacy	63	5	(2)	0	6	(10)	62
	Norman Smith Legacy	5	0	(3)	0	0	0	2
	Fox Williams Legacy	2	0	0	0	0	0	2
	<b>Total</b>	<b>163</b>	<b>5</b>	<b>(6)</b>	<b>1</b>	<b>6</b>	<b>(10)</b>	<b>159</b>

13.4	<u>Name of fund</u>	<u>Description of the nature and purpose of each fund</u>
	Eye Infirmary Bequests	For patients treated at Sunderland Eye Infirmary.
	Leukaemia Research Legacy	Leukaemia and lymphoma research.
	Norman Smith Legacy	For paediatric physiotherapy and treatment.
	Fox Williams Legacy	Flowers for chapel.

Details of material funds - Unrestricted Funds	13.5 Unrestricted Funds	Restated Balance						Balance 31 March 2016 £000
		1 April 2015 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains on Disposals £000	Losses on Revaluations £000	
	<b>Material funds</b>							
	General Purpose funds	421	195	(105)	0	15	0	526
	GRAD@S	252	7	(6)	0	9	0	262
	Coronary Care Unit	184	15	(3)	0	6	0	202
	Blood Disorders	195	3	(22)	0	7	0	183
	MS fund	138	29	(27)	0	6	0	146
	Cancer Support - Macmillan	78	47	(15)	0	3	0	113
	Maternity Unit	110	7	(15)	0	4	0	106
	Neonatal Unit	62	50	(16)	0	3	0	99
	Chemo Day Unit	70	16	(25)	0	3	0	64
	Diagnostic Imaging	60	1	(1)	0	2	0	62
	Friends of CHS Tea Bar	64	1	(6)	0	2	0	61
	District Lottery Suspense	47	11	(3)	0	2	0	57
	Gynae Cancer Research	51	1	(1)	0	2	0	53
	Orthopaedic Department	53	1	(5)	0	2	0	51
	Other	1,423	193	(309)	0	43	(195)	1,155
	<b>Total Unrestricted Funds</b>	<b>3,208</b>	<b>577</b>	<b>(559)</b>	<b>0</b>	<b>109</b>	<b>(195)</b>	<b>3,140</b>

Details of material funds - Unrestricted Funds (continued)	13.6	<u>Name of fund</u>	<u>Description of the nature and purpose of each fund</u>
		General Purpose funds	Hospital wide in accordance with the objects of the Charity.
		GRAD@S	Glaucoma research and development in Sunderland.
		Coronary Care Unit	Equipment, patient amenities, training within the Unit.
		Blood Disorders	Equipment, education and patient care in Clinical Haematology.
		MS fund	To develop Multiple Sclerosis services.
		Cancer Patient Support-Macmillan	Information, support and complimentary therapy treatment room.
		Maternity Unit	Equipment for the maternity unit.
		Neonatal Unit	Equipment, education and patient care in Unit.
		Chemo Day Unit	Equipment and patient amenities within the Unit - relocated and renamed as the Phoenix Unit in 13/14
		Diagnostic Imaging	Relating to Radiology and Medical Physics.
		Friends of CHS Tea Bar	Trust wide application. Donations from A&E Tea Bar volunteers
		District Lottery Suspense	Staff lottery draw
		Gynae Cancer Research	Training, education, equipment and other costs.
		Orthopaedic Department	Equipment, training and education within the department

**Trustee and  
Connected  
Persons  
Transactions**      **14**

**14.1 Recharges from Corporate Trustee**

City Hospitals Sunderland NHS Foundation Trust, as Corporate Trustee of the Charity, incurred rechargeable expenditure on behalf of the Charity amounting to £316,269 (£197,607 2014/15). The rechargeable expenditure relates to the Charity's objectives, and represents the majority of the resources expended as shown in note 6.1. The Foundation Trust does not recharge any costs for services provided by its Directors.

An amount of £125,320 is included within creditors for outstanding transactions not yet reimbursed. (£34,440 debtor 2014/15).

**14.2 Analysis of "Contributions to NHS"**

The Charity provided the following capital donations to City Hospitals Sunderland NHS Foundation Trust:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Equipment	122	123
Buildings	9	39
	<u>131</u>	<u>162</u>

**14.3 Trustee Indemnity Insurance**

No indemnity insurance was provided to the Trustees in the year to 31st March 2016 (2014-15 NIL).

**14.4 Related Party Transactions**

The Charitable Trust has made revenue and capital donations to its Corporate Trustee, City Hospitals Sunderland NHS Foundation Trust. The Corporate Trustee, which is the ultimate controlling party, consists solely of members of the Board of Directors who assume responsibility and accountability for the Charity.

During the year, none of the Directors or members of the key management staff or parties related to them has undertaken any private transactions with the City Hospitals Sunderland NHS Foundation Charitable Trust.

No member of the Board of Directors has been reimbursed "out of pocket" expenses by the Charity.

There were no loans or guarantees secured against assets of the Charity in the year to 31st March 2016 (2014/15 Nil).

The Charitable Trust received a donation of £60,000 from City Hospitals Independent Commercial Enterprises Ltd, which is the subsidiary of City Hospitals Sunderland NHS Foundation Trust.

**Connected  
Organisations** 15

Name, nature of connection, description of activities undertaken and details of any qualifications expressed by their auditors	2016		2015	
	Turnover of Connected Organisation £	Net Loss for the Connected Organisation £	Turnover of Connected Organisation £	Net Loss for the Connected Organisation £
City Hospitals Sunderland NHS Foundation Trust April 14 - March 15			336,374,000	(7,896,000)
City Hospitals Sunderland NHS Foundation Trust April 15 - March 16	343,363,000 (Note 1)	(2,130,000) (Note 2)		
The Foundation Trust Board of Directors acts for the Corporate Trustee of the Charity				
<b>Totals</b>	<b>343,363,000</b>	<b>(2,130,000)</b>	<b>336,374,000</b>	<b>(7,896,000)</b>

*Note 1 :* Turnover includes £3,405,000 relating to an impairment gain on property following an in year revaluation exercise.

*Note 2 :* Net loss includes property revaluation gains and reversal of impairments amounting to £10,370,000. The net loss excluding these technical adjustments is £(12,500,000).