



**SOUTH TEES HOSPITALS CHARITY AND ASSOCIATED FUNDS
ANNUAL REPORT & ACCOUNTS**

1 April 2018 - 31 March 2019

Principal office:

Charities Office
The Murray Building
South Tees Hospitals NHS Foundation Trust
The James Cook University Hospital
Marton Road
Middlesbrough
TS4 3BW

Registered Charity No. 1056061

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1. Chairman's Statement

We are delighted to report another successful year of fundraising in support for South Tees Hospitals Charity, enabling us to provide enhanced service to our patients, carers, families and of course our dedicated teams of professionals delivering the care.

I would like to take the opportunity to say thank you to each and every dedicated and committed fundraiser who has contributed to the success of the many activities and events ran through 2018/19.

Our greatest achievement has been around marking the NHS 70th birthday and the increased activity and participation in a series of local high profile running and challenge events which raised a significant £64,000.

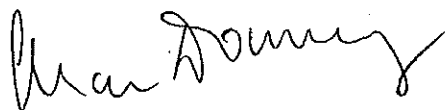
We have had another fantastic year thanks to the dedicated individuals, groups, local companies and staff who have supported us in raising funds over the course of the year in a wide range of charitable and health-related activities. Their donations and fundraising activities have allowed us to continue with our ongoing commitment to support enhanced specialist medical equipment, research and training improvements to environments and patient comfort across our hospitals. On behalf of our service users, carers and staff we send our appreciation to everyone who have tirelessly worked to support us throughout the last financial year.

As the Trust continues to serve ever increasing numbers of people, the Charity is positioning itself to deliver improved patient and carer experiences and outcomes, support staff health and well-being, commit to wider participation and community involvement and support research and innovation.

The Hospitals Charity serves two principal functions. Firstly, to oversee the good management of the funds, ensuring donations are acknowledged and spent in a way that reflects the donor's wishes. Secondly, the promotion of the Charity both internally and externally to encourage and support people raising vital funds.

Finally, as Chair, I would like to take this opportunity once again to thank all the fundraisers, volunteers and our Friends organisations who contribute so much to the Trust. Their contribution to our work is hugely important. Their energy and passion has contributed so much to their local hospitals and community health services in providing excellent, patient-centred care throughout the year and has the potential to have an impact on people's lives every single day.

Thank you.



Alan Downey – Chairman

2. Aims and Objectives

Our Role

South Tees Hospitals Charity raises funds to enhance the services that South Tees Hospitals NHS Foundation Trust provides to more than one million people across the region.

The role of the Charity is not to fund patient care, but with the support of the communities we serve to improve it and help with those extras over and above what the NHS can provide.

Our Mission

To support and fund initiatives beyond the remit and the capacity of the NHS.

To achieve this we:

- Keep the hospitals of the Trust at the forefront of healthcare delivery by purchasing state of the art equipment and funding research.
- Enhance our teams' training to keep our staff at the leading edge of medical advances.
- Create the best possible environments for patients and staff.
- Grow the level of charitable giving to ensure that the work can continue by supporting staff and patients in their fundraising activities.

The hospitals that we support are:

- James Cook University Hospital
- The Friarage Hospital
- East Cleveland Primary Care Hospital
- Guisborough Primary Care Hospital
- Redcar Primary Care Hospital
- The Friary Community Hospital

In 2018/19 we were able to make a difference to patients, by spending over £100,000 on their welfare and improving clinical environments.

We have supported the purchase of over 100 pieces of medical equipment at a cost of £570,000, as well as improving patient experience by providing free TV on a number of wards. It's about adding those extra personal touches like improving many day and waiting rooms.

Investment in our people to enhance education and development was £128,000 and this continues to be a key priority

Expenditure is made in accordance with charity law, our constitution and the wishes and direction of donors and with regard to the Charity Commission's guidance on public benefit. In 2018/19 the Charity made grants to a value of £1.584 million (£1.962 million in 2017/18) to achieve this.

Spend included:

Patient welfare amenities	£113,000
Staff welfare and amenities	£515,000
Equipment	£570,000
Raising funds	£259,000

During the financial year voluntary income from donations totalled £0.466 million (£0.441 million in 2017/18) and bequests totalled £0.194 million (£0.401 million in 2017/18). Investment income of £0.218 million (£0.195 million in 2017/18) was received as well as income from charitable activities totalling £0.042 million (£0.025 million in 2017/18).

3. Some Highlights:

Darren raises £12,500 after surviving against the odds

WHEN Darren Percival was admitted to hospital with pneumonia he spent more than 100 days in intensive care and survived against the odds.

He went onto achieved another amazing feat - raising £12,500 for the intensive care teams at The James Cook University Hospital and the Friarage Hospital who cared for him.

Dr Michelle Carey, consultant in intensive care medicine said: "Darren was admitted with pneumonia following influenza last winter and he was very, very poorly for a significant period of time. But he has done really well and has, against all the odds, survived and recovered to almost make a complete recovery. This donation means a huge amount to us all."

Darren said: "The staff have all been fantastic. And after spending a very long time in hospital we decided that simply saying thank you didn't feel like it was enough, so we had to do something more!

Darren's wife Denise added: "We had no idea that he was so poorly when we brought him in. But he didn't give up and the staff here never gave up on him. "We will be forever grateful to the physios, consultants and nurses - each and every one of them!"

Hospitals go smokefree

South Tees Hospitals NHS Foundation Trust launched its smokefree pledge in April 2018 which was part of a national drive to support more people to stub out the habit and reduce the many serious illnesses linked to smoking. As a key trust incentive the charity were delighted to be able to support this programme.

Seriously Fun 5k

The world's biggest 5k inflatable obstacle course came to Wynyard Hall and the adverse weather conditions ensured it was not for the faint-hearted! Fundraisers braved driving rain, plummeting temperatures and ankle deep mud to complete the unique 5K that is Gung-Ho. But our runners and volunteers rose to the challenge and, undeterred by the elements and raised almost £3,000 in support of their local hospitals.

Celebrating 70 Years of the NHS

We logged our miles - walking, running, swimming, horse riding and buggy pushing (anything counted - to celebrate the 70th anniversary of the NHS).

To mark this celebration we led a series of run Middlesbrough programmes, including the 5k and 10k. The campaign was a great success which saw us recruit over 70 people to support and represent us. A group of people raised money in memory of Christine Wall, who was treated at James Cook. They wanted to support the hospital as a way to thank the staff at the hospital a number of years ago and they alone raised almost £6,000 and their donation purchased a vein finder for our oncology ward.

We also had almost 160 people supporting us at the Great North Run, this included a huge cardiology contingency, made up of consultants and nurses all running and raising money to support their patients, one of the purchases included a surgical head camera which will be used for staff training and will support our cardiac and thoracic surgeons.

Hospital fundraisers fly high

WHEN Joanne Gibson bravely faced treatment for breast cancer, her colleagues from the James Cook staff restaurant wanted to do something courageous to thank the team that treated her.

So Joanne, Michelle Jones, Conor Ryan and Claire Watson leapt from a plane at over 10,000ft, reaching speeds of over 120mph to raise almost £3,000 for Trinity Holistic Centre, breast cancer and oncology at James Cook.

"The doctors, nurses and other staff did an amazing job treating me and this felt like the perfect opportunity to say thank you and give something back," said Joanne.

Other dare devils jumping for South Tees Hospitals Charity that day included friends Sarah Cobb and Steff Nesham, whose daughters were cared for on the neonatal unit at James Cook. Together the friends raised an incredible £2,000 to help future babies in need of this special care.

They were also joined by Jeff Bennison and his daughter Laura who were continuing their fundraising for the high dependency and cardiac intensive care unit (CICU) at James Cook following the unexpected death of their wife and mum Lorraine, a few years ago. In total Jeff, and his friends, family and colleagues, have raised an incredible £8,000 for the departments who provided Lorraine's initial care and subsequently looked after her in her final days.

Leading by example some members of the charity team, together with Amanda Graham, Angela Smith, Catherine Brenkley and Sherrie Tate, made up the final numbers, raising money for different wards.

Unfortunately circumstances prevented Sarah Fairburn from being able to jump this year, however this didn't stop Sarah's ambition to fundraise for the neonatal unit that looked after her as a baby – instead she rallied together 25 of her nearest and dearest had them all join her for a hike up Roseberry Topping.

Charity walk is a key milestone for a North Yorkshire Freemason.

In the past year, Paul Baker and wife Julia have completed a gruelling charity walk along Blakey Ridge and hosted numerous charity events to raise vital funds for the Haematology Unit at The Friarage Hospital.

Paul said: "My choice was inspired by the wonderful care I received from staff at the Mowbray suite. I am pleased to say that I am in remission enhanced by injections every eight weeks and I wanted to raise some funds to enhance the care of other patients.

"I hope this helps to ensure a fairly traumatic treatment can continue to be delivered in the most sympathetic way - and is also my way of saying a huge thank you to the staff."

Freemasons in the North Yorkshire area are also involved with the Teddies for Loving Care (TLC) project, which supplies teddy bears to children undergoing treatment across hospital A&E departments.

Significant expenditure includes:

- Bronchoscope - £224,564
- Desktop scanner - £18,200
- Formlabs - £7,790
- IACS Monitoring with C700 - £13,756
- Istat Alinity equipment - £5,171
- Patient information board - £15,800
- Patient LCD screens - £16,711
- Placelet incubator - £11,667
- Orthognathics - £13,538
- Scanner - £9,900
- Spectralis HRA upgradeable system - £157,527
- Ultrasound - £45,262

In 2018/19 Our Friends organisations supported the following initiatives:**Friends of the Friarage gave:**

Various donations totalling £0.182 million which includes £0.157 million for the Spectralis HRA upgradeable system and £0.025 million towards investment in the provision of a black out service at the Friarage Hospital.

Friends of Richmond Friary gave:

£1.2k towards the purchase of reclining chairs.

South Cleveland Heart Fund gave:

£1.1k towards the purchase of an ECG machine

James Cook University Hospital Voluntary Services

Donation of £0.038 million towards the purchase of Ultrasound machines at James Cook University Hospital.

4. Financial Review

Assets

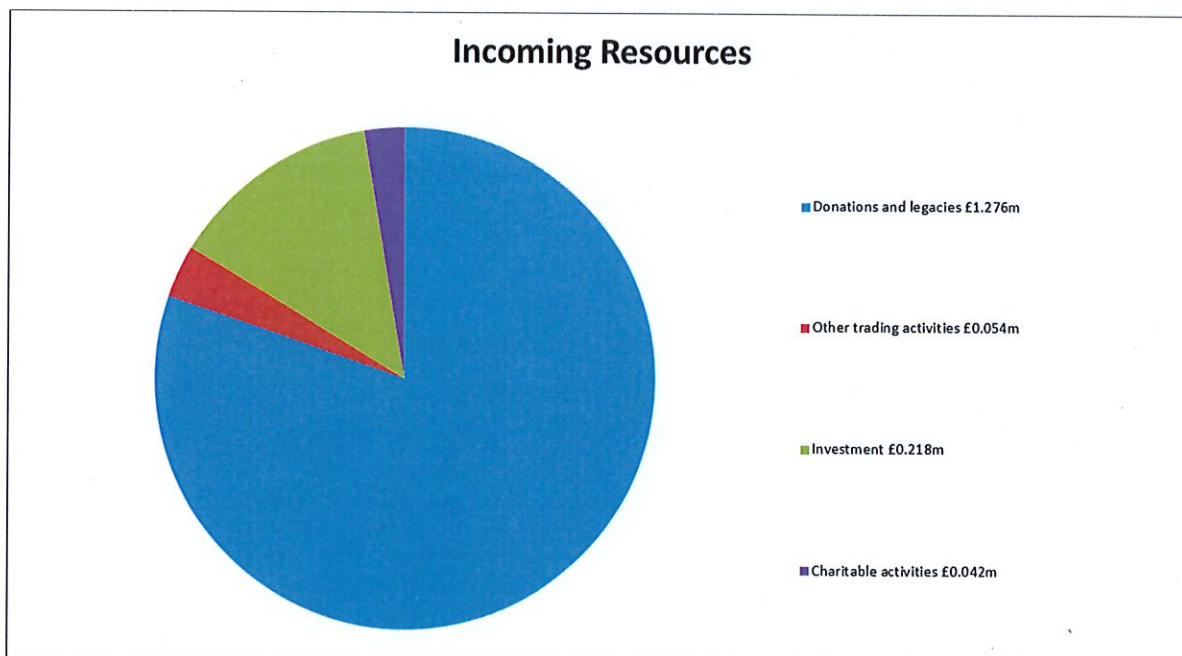
The net assets of South Tees Hospitals Charity as at 31 March 2019 were £6.768 million (£6.264 million 2017/18). There was a decrease in cash holdings from £1.775 million to £1.108 million, a decrease in debtors to £0.154 million and a decrease in creditors to £0.379 million.

Income

The Charity relies on income received from donations, legacies and the voluntary fundraising efforts of the general public who supported specific appeals or made gifts to support wards from which they or loved ones had received care. In 2018/19 income reduced slightly from £1.420 million to £1.276 million.

The income received amounting to £1.276 million was represented by voluntary income and fundraising donations which totalled £0.717 million (£0.688 million 2017/18), bequests totalled £0.194 million (£0.401 million 2017/18) and grants received totalled £0.365 million (£0.331 million 2017/18).

Investment income of £0.218 million (£0.195 million 2017/18) was received as well as income from charitable activities of £0.042 million (£0.025 million 2017/18) which related primarily to income from the provision of training courses and holistic therapies.

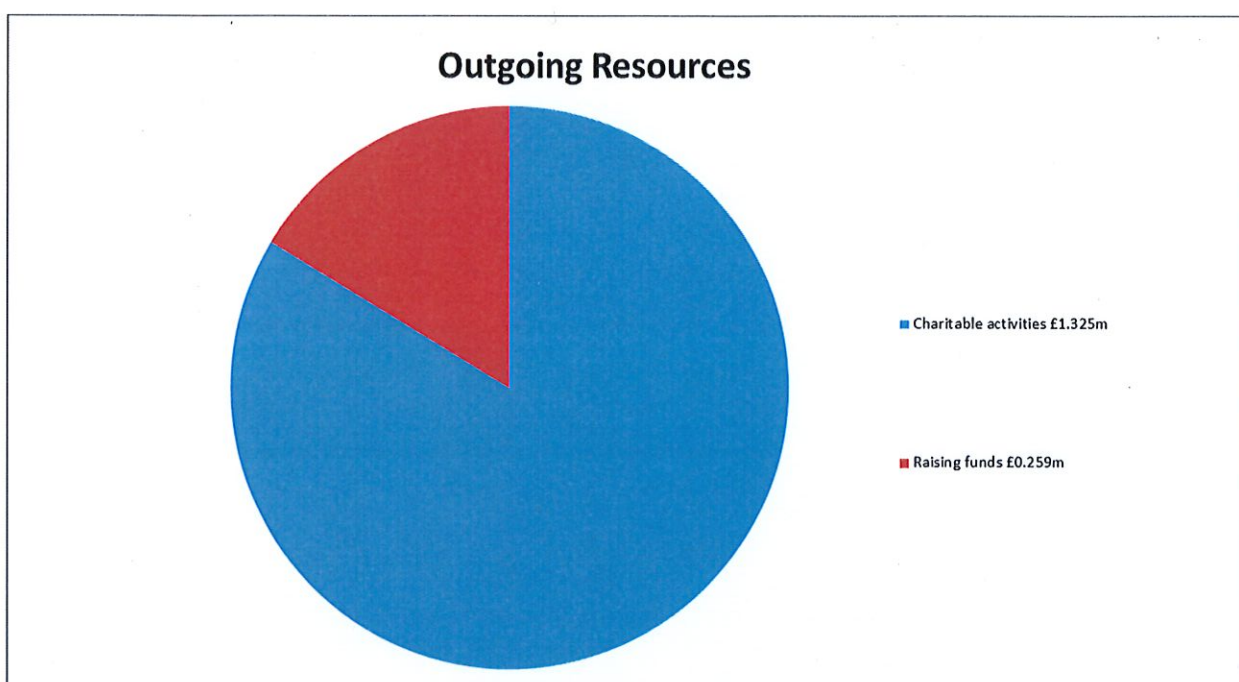


Expenditure

The Charity is a grant giving charity, rather than a service providing charity, in that it seeks to support the services provided by South Tees Hospitals NHS Foundation Trust. All equipment and services purchased by the Charity are donated to the Trust.

Expenditure from funds totalled £1.584 million, compared to expenditure of £1.962 million during the previous financial year.

Expenditure has largely been spent on capital (£0.570 million), patient welfare & staff (£0.796 million), support costs (£0.180 million), course running costs (£0.009 million) and investment management of the Charity amounted to £0.026 million.



Investments

The Charity's investments are held with Barclays Wealth with an aim of maximising income and longer term growth.

The performance of the investments is monitored by the Charitable Funds Committee which reports to the Board and reviews investment portfolio valuations provided at regular intervals by the advisers.

The investment policy is reviewed on an on-going basis.

The portfolio comprises investments largely in equity funds and fixed interest bonds. At the balance sheet date 71.1% (78.9% 2017/18) was invested in equities and 28.9% (21.1% 2017/18) in fixed interest bonds, other investments and cash.

Appeal funds and funds intended to be used to pay grants in the near future are held on deposit to minimise investment risk.

5. Structure, Governance and Management

The South Tees Hospitals Charity was established by Trust Deed and is registered with the Charity Commission (charity number 1056061).

As a body it is a member of the Association of NHS Charities.

All trust funds are registered with the Charity Commission under the umbrella registration of South Tees Hospitals Charity.

The Charity's funds were established using the model declaration of trust and all funds held as at the date of registration were either a part of this unrestricted fund or registered as separate restricted funds, for the Staff Lottery, under the main charity.

Each fund had been assigned to one of eight special purpose charities under the main charity umbrella but during the financial year work was undertaken with the Charity Commission to consolidate all funds under the South Tees Hospitals Charity and Associated Funds with its charitable activities stated as:

South Tees Hospitals Charity raises funds to enhance the services that South Tees Hospitals NHS Foundation Trust provides. The Charity supports the provision of general healthcare and staff welfare, the improvement of specialist clinical and clinical support services and the advancement of clinical knowledge. The role of the Charity is not to fund patient care but to improve it.

The Corporate Trustee fulfils its legal duty by ensuring that restricted funds are used in accordance with the objectives of each fund, and in designating funds the Trustee respects the wishes of the donor with due consideration made to the Charity Commission's published guidance on Public Benefit as specified under the Charities Act 2011.

At the end of March 2019 there were 266 funds (285 in 2017/18). Each has a designated fund manager with specialist knowledge of the area to which the fund relates. They are generally clinical directors, managers, clinical consultants, heads of departments, ward sisters and Operations Directors who have the delegated power to commit expenditure up to £5,000. For all grants over £5,000 there is an approved Scheme of Delegation based on the Charity's governance framework.

Charitable receipts are recorded in accordance with donors' wishes to registered funds and expenditure is made in accordance with the objectives of each designated trust fund, within the limits set by the Trust's Standing Orders, Standing Financial Instructions and Scheme of Delegation.

The accounting records and day-to-day administration of the funds are dealt with by the charities office, which is managed by the Head of Fundraising within the Trust's Chief Executive's department.

It is the responsibility of the Corporate Trustee to ensure that the legal and accounting requirements of the Charities Act 2011 and directives from the Charity Commission are adhered to and that surplus funds are invested in a manner suitable for the maximisation of income and to safeguard the capital sums therein.

The Charitable Funds Committee (formerly known as the Additional Resources Committee and extant as a title during the reporting period of this Annual Report and Accounts) supports and advises the Corporate Trustee of South Tees Hospitals Charity in discharging its responsibilities and remains accountable to the board of directors, acting as Corporate Trustee, in every respect. In 2018/19 the Committee met on two occasions to consider a range of strategic issues within its remit.

Our purpose is to enhance the services that South Tees Hospitals NHS Foundation Trust provides, supporting the provision of general healthcare and staff welfare, the improvement of specialist clinical and clinical support services and the advancement of clinical knowledge. The role of the Charity is not to fund patient care but to improve it.

Strong governance is critical to our success and reputation. The Corporate Trustee has overall responsibility for our work, to ensure we are governed in accordance with the legal and regulatory requirements and we meet our aims and objectives as a charity.

The Corporate Trustee of the Charity is tasked with:

- Furthering our overall purpose and setting our direction and strategy.
- Ensuring our work is effective, responsible and legal.
- Safeguarding our finances, resources and property and ensuring they are used to further our purpose.
- Being 'accountable' to those with an interest or stake in us or those who regulate us.
- Establishing clear boundaries with the staff and volunteers who carry out our work between the governance role of the Trustees and operational or day-to-day matters.
- Ensuring the Charity operates effectively.

By establishing good governance at South Tees Hospitals Charity, ensuring:

- Compliance with law and regulation.
- That our Charity is well run and efficient.
- That any problems are identified early and dealt with appropriately.
- That we make a difference and the objects of the Charity are advanced.

Appointments to the Board are in accordance with the Trust's Constitution, Terms of Authorisation and legal and regulatory requirements.

Members of the Corporate Trustee

Non-Executive Directors

Richard Carter-Ferris (Appointed 1 August 2015 for a three year term, reappointed 1st August 2018 for a three year term)

Alan Downey (Appointed Chair Designate from 1 January 2018 and Chairman from 1 April 2018)

Mike Ducker (Appointed 1 February 2018 for a three year term)

David Heslop (Appointed 1 August 2015 for a three year term, reappointed 1 August 2018 for a three year term)

Amanda Hullick (Acting Chair from 14 December 2016 to 31 March 2018, Reappointed 1.09.17 for second three year term)

Maureen Rutter (Acting Deputy Chair from 14 December 2016 to 31 March 2018, Reappointed 1.09.16 for second three year term, reappointed for one year on 19 February 2019)

Jake Tompkins (Appointed 1 December 2016 for a three year term, resigned 1 April 2019)

Debbie Reape (Appointed 1 November 2018 for a three year term)

Executive Directors

David Chadwick, Medical Director for Planned Care (Appointed voting Director on 1 April 2016)

Adrian Clements, Deputy Chief Executive, Medical Director for Urgent and Emergency Care (Appointed voting Director on 1 April 2016; commenced as Deputy Chief Executive on 1 December 2017)

Gill Hunt, Director of Nursing (Appointed voting Director of Nursing on 26 November 2015)

Steven Mason, Director of Finance (voting Director from 1 October 2017)

Siobhan McArdle, Chief Executive (Appointed Interim Chief Executive on 1 October 2015; Appointed Chief Executive on 1 April 2016 and left the role on 30 September 2019)

Sath Nag, Medical Director for Community Care (Appointed voting Director on 3 May 2016)

The Charitable Funds Committee is supported by a number of professional advisers:

Banker

Barclays Bank Plc
Leicester
LE87 2BB

External Auditor

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Investment Advisor

Barclays Wealth
Barclays House
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 2BH

Additional expertise relating to training is drawn from being a member of the Association of NHS Charities that holds regular conferences and symposia for Directors of the Corporate Trustee.

Key management personnel remuneration

Members of the Corporate Trustee and Charitable Funds Committee are required to disclose relevant interest and register them with the Charity lead, withdrawing from decisions where conflict of interest may exist.

The daily management of the Charity is delegated to the Charity lead who is employed under the terms and conditions set out in the Agenda for Change. Remuneration is reviewed annually and is increased in accordance with the nationally agreed increases in pay scale.

Constitution and powers

Administration

The Corporate Trustee, under its Scheme of Delegation, has appointed the Director of Finance to be the officer responsible for implementation of procedures, to ensure all legislation and directives are adhered to and that expenditure from trust funds is appropriate for the purpose.

The Director of Finance maintains such accounts and records, as necessary, to record and protect all funds held in trust. He has responsibility for ensuring that the activities of each fund are within the regulations of the Charities Act 2011 and comply with the procedures adopted by the Trust.

Risk Management

The members of the Charitable Funds Committee periodically review the Charity's risk register.

The major external risk, to which the charity could be exposed, is a sudden fall in the value of the investment portfolio. However the Directors invest over the long term to ensure that the greatest returns are achieved. History has shown that over any 10 year period investment in a wide range of equity based investments will add greater value when compared to a fixed interest based portfolio.

Policies and procedures to mitigate risks including:

- The Charity has systems in place to ensure that all donations and legacies are accurately recorded, and that all expenditure is correctly authorised in accordance with the objects of the Charity.
- The internal controls of the Trust have been adopted by the Charity.
- KPMG LLP audit the Charity's Annual Accounts and Report.
- The risks around investment balances have been mitigated through the holding of a balanced portfolio. The investment managers have adopted a policy to spread the investment of a range of holdings comprising bonds, UK and overseas shares, and cash deposits.
- Barclays Wealth was been appointed to manage the Charity's investments to 31 March 2019. There are procedures in place to review the investment policy and monitor its performance.
- Short term cash holdings are held in bank accounts to enable immediate access to funds. The level of short term cash holdings has been reviewed as part of the Charitable Funds Treasury Management Policy.

Partnership working

The patients of South Tees Hospitals NHS Foundation Trust are the main beneficiaries of the Charity and the Trust is a related party by virtue of the Board of Directors acting as Corporate Trustee. By working in partnership with the Trust, the Corporate Trustee has regard to the main activities taking place within its hospitals to ensure that funds are spent in accordance with the objects of each fund to support the health and welfare of patients and staff.

The Trust is well supported by groups and associated charities, including the South Cleveland Heart Fund, the Royal Voluntary Service, the Friends of the Friarage and The James Cook University Hospital Voluntary Services Organisation who over many years have raised hundreds of thousands of pounds to support the Trust.

Reserves

At the end of 2018/19 the charity held reserves of £6.768 million. All monies held in funds were unrestricted apart from £0.042 million which are held on a restricted basis, mainly for the Staff Lottery.

Reserves are built up to reinvest into the South Tees Hospitals NHS Foundation Trust and provide maximum benefit to the patients and staff. The classification of restricted and unrestricted reserves is reviewed on an annual basis.

There are no material recurring commitments for which it would be prudent to hold reserves against uncertainties; the main form of recurring expenditure is salary costs associated with the Trinity Holistic Centre and Charity administration. Commitments for other expenditure are only given to the level of resources available within the funds received and held.

Cash on hand balances of £1.108 million are held at the end of 2018/19.

6. Objectives – Moving Forwards

Next year the charity will be embarking on an ambitious and exciting 5 year strategy, and marks a significant step as we evolve. We are a fundraising organisation with a vision to be the hospital charity of choice for our community, our staff and our patients, our carers and families allowing us to be in the heart of the community, enabling our staff to focus on our patients, carers and families whilst supporting our research and innovation as well as initiatives that are centred on our local healthcare economy.

Ultimately the Charity's ambition is to increase the impact it makes for patients each and every year. This can only be achieved by ensuring that the Charity builds genuine partnerships with NHS staff who clearly understand the needs of patients; achieves a sustained increase in the income; obtains feedback on the projects it funds to ensure that it is making a difference; increases the profile of South Tees Hospitals Charity within and outside the NHS, throughout the Tees Valley and the surrounding areas to ensure its funding is accessible, and most importantly targeted towards activities which will deliver the greatest benefit for patients.

7. Statement of Directors' responsibilities in respect of the Corporate Trustee's annual report and the financial statements

In accordance with the trust deed and charity law, the Corporate Trustee is responsible for preparing the Charity's Annual Report and the financial statements in accordance with applicable law and regulations. The Corporate Trustee has elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

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

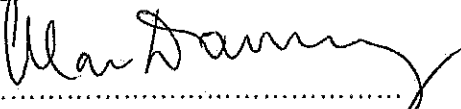
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, 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 Members of the Corporate Trustee are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Corporate Trustee to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. The Members of the Corporate Trustee have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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

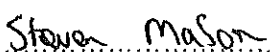
On behalf of the Corporate Trustee,

Signed:



Chairman

30/1/2020
Date



Director of Finance

30/1/2020
Date

8. Auditor's report

Independent auditor's report to the Trustees of South Tees Hospitals Charity

Opinion

We have audited the financial statements of South Tees Hospitals Charity ("the charity") for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- 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 UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 149 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the trustees and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charity's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and its effects are subject to unprecedented levels of uncertainty of consequences, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the charity's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model, including the impact of Brexit,

and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 16, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 149 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Paul Moran****31 January 2020****for and on behalf of KPMG LLP, Statutory Auditor***Chartered Accountants*

Quayside House

110 Quayside

Newcastle upon Tyne

NE1 3DX

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

9. South Tees Hospitals Charity Statement of Financial Activities for the year ending 31 March 2019

	Notes to financial statements	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2018/19 £'000	Total Funds 2017/18 £'000
Income and endowments from:					
Donations and legacies	4	1,079	197	1,276	1,420
Charitable activities - supply of goods or services	5	42	-	42	25
Other trading activities - charity events, lottery	6	23	31	54	30
Investments	8	218	-	218	195
Total Income		1,362	228	1,590	1,670
Expenditure on:					
Raising funds	9	239	20	259	238
Charitable activities	10	1,136	189	1,325	1,724
Total Expenditure		1,375	209	1,584	1,962
Net gains/(losses) on investments	15	498	-	498	40
Net (Expenditure)/Income		485	19	504	(252)
Transfers between funds	20	-	-	-	-
Net movement in funds		485	19	504	(252)
Reconciliation of Funds					
Total funds brought forward	21	6,241	23	6,264	6,516
Total funds carried forward	21	6,726	42	6,768	6,264

10. South Tees Hospitals Charity Balance Sheet as at 31 March 2019

	Notes to financial statements	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 31 March 2019 £'000	Total Funds 31 March 2018 £'000
Fixed Assets;					
Investments	15	5,885	-	5,885	5,420
Total Fixed Assets		5,885	-	5,885	5,420
Current Assets;					
Debtors and accrued income	16	154	-	154	478
Cash and cash equivalents	17	1,066	42	1,108	1,775
Total Current Assets		1,220	42	1,262	2,253
Liabilities;					
Creditors falling due within 1 year	18	(379)	-	(379)	(1,409)
Net Current Assets		841	42	883	844
Total Net Assets		6,726	42	6,768	6,264
The funds of the charity;	21				
Restricted income funds		-	42	42	23
Unrestricted income funds		6,726	-	6,726	6,241
Total Charity Funds		6,726	42	6,768	6,264

The notes at pages 22 to 39 form part of these accounts and were approved by the Corporate Trustee on 28 January 2020.

And signed on its behalf by:

Signed *Steven Mason*

Name *STEVEN MASON*

Date *30 JANUARY 2020*

12. South Tees Hospitals Charity Notes to the accounts

Note 1	Accounting policies
Note 2	Prior year comparisons
Note 3	Related party transactions
Note 4	Income from donations and legacies
Note 5	Analysis of income from charitable activities
Note 6	Analysis of income from other trading activities
Note 7	Role of volunteers
Note 8	Gross investment income
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Note 19	Transfer between funds
Note 20	Analysis of charitable funds
Note 21	Funds over £100,000 for disclosure

1. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at fair value.

The 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 United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Charity's parent undertaking, South Tees Hospitals NHS Foundation Trust, includes the Charity in its consolidated financial statements. The consolidated financial statements of South Tees Hospitals NHS Foundation Trust are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from The Murray Building, South Tees Hospitals NHS Foundation Trust, The James Cook University Hospital, Marton Road, Middlesbrough, TS4 3BW. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes.

The Trustee considers that there are no material uncertainties about South Tees Hospitals Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the Charity would be a fall in donations or a fall in the stock market and resulting losses and reduced investment income. The trustees have a risk management strategy and reserves policy in place to mitigate against such risks.

(b) Funds structure

South Tees Hospitals Charity has both restricted and unrestricted funds but has no endowment funds. The Charity has specific funds for each service area of its hospitals; each fund has its own objectives/purpose and are classified as un-restricted designated funds. If a general donation is made and no specific area is identified then the monies will be paid into the General Purpose Fund which is used to benefit patients and staff of the trust at the Trustees' discretion. Appeals for a specific purpose are classified as restricted.

The major funds held are disclosed in note 22.

(c) Income

All income is recognised once the Charity has entitlement, or is probable that the resources will be received and the monetary value can be measured with sufficient reliability.

Where there are terms and conditions attached to the income, particularly grants, then the terms of conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. When the 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.

(d) Income from 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 criteria for income recognition are met.

(e) Expenditure and irrecoverable VAT

All expenditure has been accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event
- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- The amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

The Charity reimburses the Trust for expenditure they have incurred on the Charity's behalf; this is as a result of the grants awarded by the Charity. Reimbursement is made when the liabilities have been settled and payment made. Any goods received prior to 31 March but not yet settled are accounted for as accruals in year.

(f) Recognition of expenditure and associated liabilities as a result of a grant

Grants payable are payments made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment. A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive the grant
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant
- There is an established pattern of practice which indicates to the recipient that we will honour the commitment.

The Trustee has control over the amount and timing of grant payments and consequently where approval has been given by them and any of the above criteria have been met then a liability is recognised. When grants are awarded with conditions attached then those conditions have to be met, or expected to be met, before the liability is recognised.

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

(g) Allocation of support costs

Support costs are those which do not relate directly to a single activity. These include some staff costs, costs of administration, internal and external audit costs and IT support. 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 11.

(h) Fundraising costs

The costs of generating funds are those costs attributable to generating income for the Charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of a charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities.

(i) Charitable activities

Costs of charitable activities comprise all the 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 10.

(j) Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the Balance Sheet at

the current market value quoted by the investment analyst, excluding dividend. Other investments are included at the Trustees' best estimate of the market value.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Further information on the investments can be found in note 15.

(k) Debtors

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

(l) Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, usually in less than 90 day notice interest bearing savings accounts.

(m) Creditors

Creditors are amounts owed by the Charity. They are measured at the amounts that the Charity must to pay to settle the debt.

Those amounts which are owed in more than one year are shown as long term creditors.

(n) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (Purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

2. Prior year comparatives by type of fund

The primary statements provide prior year comparatives in total; this note provides prior year comparatives for the Statement of Financial Activities and Balance Sheet for each type of fund that South Tees Hospitals Charity manages.

2a Unrestricted funds - Statement of Financial Activity for the year ended 31 March 2019

	2018/19 £'000	2017/18 £'000
Income and endowments from:		
Donations and legacies	1,079	1,301
Charitable activities - supply of goods or services	42	25
Other trading activities - charity events, lottery	23	2
Investments	218	195
Total Income	1,362	1,523
Expenditure on:		
Raising funds	239	197
Charitable activities	1,136	1,661
Total Expenditure	1,375	1,858
Net gains/(losses) on investments	498	40
Net Income	485	(295)
Transfers between funds	0	34
Net movement in funds	485	(261)
Reconciliation of Funds		
Total funds brought forward	6,241	6,502
Total funds carried forward	6,726	6,241

Unrestricted funds - Balance Sheet as at 31 March 2019

	2018/19 £'000	2017/18 £'000
<i>Fixed Assets;</i>		
Investments	5,885	5,420
Total Fixed Assets	5,885	5,420
<i>Current Assets;</i>		
Debtors and accrued income	154	478
Cash and cash equivalents	1,066	1,752
Total Current Assets	1,220	2,230
<i>Liabilities;</i>		
Creditors falling due within 1 year	(379)	(1,409)
Net Current Assets	841	821
Total Net Assets	6,726	6,241
<i>The funds of the charity;</i>		
Restricted income funds	-	-
Unrestricted income funds	6,726	6,241
Total Charity Funds	6,726	6,241

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

	2018/19 £'000	2017/18 £'000
Donations and legacies	197	119
Other trading activities - charity events, lottery	31	28
Total Income	228	147
Expenditure on:		
Raising funds	20	41
Charitable activities	189	63
Total Expenditure	209	104
Net gains/(losses) on investments	-	-
Net Income	19	43
Transfers between funds	0	(34)
Net movement in funds	19	9
Reconciliation of Funds		
Total funds brought forward	23	14
Total funds carried forward	42	23

Restricted funds - Balance Sheet as at 31 March 2019

	2018/19 £'000	2017/18 £'000
Fixed Assets;		
Investments	-	-
Total Fixed Assets	-	-
Current Assets;		
Debtors and accrued income	-	-
Cash and cash equivalents	42	23
Total Current Assets	42	23
Liabilities;		
Creditors falling due within 1 year	-	-
Net Current Assets	42	23
Total Net Assets	42	23
The funds of the charity;		
Restricted income funds	42	23
Unrestricted income funds	-	-
Revaluation reserve	-	-
Total Charity Funds	42	23

3. Related party transactions

South Tees Hospitals NHS Foundation Trust patients are the main beneficiary of the Charity and the trust is a related party by virtue of being Corporate Trustee of the Charity. The charity has provided funding to the Trust for approved expenditure made on behalf of the charity. During the current financial year this expenditure amounted to £1.325 million (£1.724 million 2017/18) with £0.276 million owed by the charity to the Trust at 31 March 2019 (£0.691 million 2017/18).

During the year, no members of the Charitable Funds Committee, the key management staff or parties related to them has undertaken any material transaction within the South Tees Hospitals Charity and Associated Funds.

The South Tees Hospitals NHS Foundation Trust makes a number of services available to the Charity; these include the use of the general ledger system, a cashiering function and office accommodation.

Board members and directors

Declarations of interests, completed on an annual basis by Executive and Non-Executive Directors, have been reviewed to identify any related party relationships requiring disclosure within this note. In the year transactions have been undertaken with Macmillan Cancer Care. These are as follows:

The table below details the charity's related party transactions connected with Directors of the Corporate Trustee and their associated interests.

	2018/19				2017/18			
	Income £'000	Expenditure £'000	Receivables £'000	Payables £'000	Income £'000	Expenditure £'000	Receivables £'000	Payables £'000
Macmillan Cancer Care		3	-	-	-	-	-	-

- Maureen Rutter is a member of Macmillan Cancer Care.

4. Income from donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2018/19 £'000	Total Funds 2017/18 £'000
Donations from individuals	321	5	326	350
Fundraising income generated by donors	222	3	225	222
Gift Aid	26	-	26	25
Corporate Donations	140	-	140	91
Legacies	194	-	194	401
Grants receivable	176	189	365	331
Total	1,079	197	1,276	1,420

Donations from individuals are gifts from members of the public, relatives of patients and staff. Grateful patients and family members express their gratitude for the care received; supporters often undertake fundraising activities and collect sponsorship.

Grants received included £0.182 million from Friends of the Friarage in the form of £0.157 million for the Spectralis HRA upgradeable system and £0.025 million towards investment in the provision of a black out service at the Friarage Hospital, £1.2k towards the purchase of reclining chairs from Friends of Richmond Friary, £1.1k from South Cleveland Heart Fund towards the purchase of an ECG machine, a donation from the James Cook Voluntary Services including £0.038 million towards the purchase of Ultrasound machines at James Cook University Hospital, £3.1k in the form of a grant towards research from Macmillan Cancer Research, £3.5k from Walk the Walk Worldwide for scalp cooling equipment, a contribution of £0.088 million from Milestone towards the Retinal Therapy Unit, £0.064 million from Medtronic for the Cardiology Fellowship Programme and £0.049 million from Sanofi Europe as funding towards a Diabetes doctor/nurse post.

5. Analysis of income from charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2018/19 £'000	Total Funds 2017/18 £'000
Income from training courses	20	-	20	4
Income from hire of space	5	-	5	6
Payment for holistic treatments provided	5	-	5	7
Other trading income	12	-	12	8
Total	42	-	42	25

Trading income was primarily from the provision of training courses in furtherance of the Charity's objectives. The Trinity Holistic Centre provides therapy treatments to patients of South Tees Hospitals and the Charity also earned income from renting out room space at the Trinity Holistic Centre. Other trading income included

6. Analysis of income from other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2018/19 £'000	Total Funds 2017/18 £'000
Staff lottery deductions	-	31	31	28
Miscellaneous income	23	-	23	2
Total	23	31	54	30

7. Role of volunteers

The Charity is reliant on a team of volunteers. In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

8. Gross investment income

	2018/19 Held in UK Total £'000	2017/18 Held in UK Total £'000
Investments listed on a Stock Exchange	218	194
Instant access investments	-	1
Total	218	195

All investment income is recognised within unrestricted funds

9. Analysis of expenditure on raising funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018/19 £'000	Total 2017/18 £'000
Fundraising events	33	-	33	22
Investment management	26	-	26	29
Lottery winnings paid	-	20	20	20
Support costs	180	-	180	167
Total	239	20	259	238

10. Analysis of charitable expenditure

The Charity did not undertake any direct charitable activities on its own account during the year.

Expenditure is incurred in favour of South Tees Hospitals NHS Foundation Trust to carry out activities which will benefit NHS patients, their families and staff. The Charity incurred expenditure with third parties in pursuance of those grants or reimbursed expenditure incurred by them or their staff.

The Charity reimburses the Trust once the expenditure is recognised, this is when liabilities have been settled and payment made with obligations committing the Charity to expenditure by fund-holders to whom power to expend Charity funds has been delegated, any goods or services received prior to 31 March but not yet settled are accounted for as accruals in year.

	Unrestricted Funds		Restricted Funds		Total Funds 2018/19 £'000	Total Funds 2017/18 £'000
	Grant funded activity £'000	Support costs £'000	Grant funded activity £'000	£'000		
Analysis Category						
Patient welfare	105	8	-	-	113	63
Staff salaries, education and welfare	479	36	-	-	515	541
Capital	356	25	189	-	570	946
Goods and equipment	107	8	-	-	115	119
Course running costs	8	1	-	-	9	53
Volunteer support costs	3	-	-	-	3	2
Grand Total	1,058	78	189	-	1,325	1,724

11. Allocation of support costs and overheads

	Raising funds £'000	Charitable activities £'000	Total 2018/19 £'000	Total 2017/18 £'000
External audit	5	-	5	5
Other professional fees	-	-	-	-
Governance	5	-	5	5
Salaries and related costs	169	55	224	219
Bank Charges	-	4	4	5
Office rent	2	-	2	1
Telephone / postage / stationery	-	-	-	1
Insurance	-	-	-	1
System charges	-	8	8	-
Review expenses	-	11	11	-
Miscellaneous	4	-	4	7
Total	180	78	258	239

12. Directors of the Corporate Trustee remuneration, benefits and expenses

The members of the governing committee give their time freely but are able to claim expenses to reimburse them for costs that they incur in fulfilling their duties.

Committee members have not received remuneration, benefits or expenses during 2018/19 or 2017/18 in relation to their support of the charity.

13. Analysis of staff costs, remuneration of key management personnel and redundancy payments

Staff costs

	2018/19 £'000	2017/18 £'000
Salaries and wages	167	178
Social security costs	17	18
Employers' pension contribution	24	23
Redundancy costs	16	-
Total	224	219

The members of staff within the charity are employed by South Tees Hospitals NHS Foundation Trust. Salaries are recharged to the charity.

The average number of employees working for the charity was 6 Whole Time Equivalents (WTE) (6 WTE in 2017/18). 2 employees provided support services to charitable activities and the governance of the charity (2 WTE in 2017/18). 3 employees engaged in general fundraising (3 in 2017/18) with the Head of Fundraising and, towards the end of the year, the Director of Charities, overseeing both elements.

The charity considers its key management personnel to be the Directors of the Corporate Trustee, the Director of Charities and the Head of Fundraising.

Key management personnel remuneration:

	2018/19 £'000	2017/18 £'000
Salary	48	49
Social security costs	5	6
Employers' pension contribution	6	6
Total	59	61

The Charity made one compulsory redundancy payment during 2018/19 compared to no compulsory redundancy payments in 2017/18, totalling £0.041 million. Part of the payment was included within the administration costs of the Charity with the remainder included in the Trust's restructuring budget. The element within the charity was apportioned across the fund portfolio on an average fund balance basis.

Redundancy and other departure costs are paid in accordance with NHS Agenda for Change terms and conditions. Exit costs are accounted for in full in the year of departure.

14. Auditor's remuneration

The auditor's remuneration for the 2018/19 financial year was £5,000 (£4,800 2017/18) related solely to the audit with no additional work being undertaken.

15. Fixed asset investments

	Total Funds 31 March 2019 £'000	Total Funds 31 March 2018 £'000
Movement in fixed asset investments		
Market value brought forward	5,420	5,917
Add: additions to investments at cost	1,318	1,629
Less: disposals on carrying value	(1,463)	(2,019)
Movement in cash	112	(147)
Net gain on revaluation	498	40
Market Value as at 31st March	5,885	5,420
Historic Cost	5,099	4,941

Investments are held in an unrestricted fund

Individual investments which represent over 5% of the investment portfolio are:

	% of Investment Portfolio	Market Value 31 March 2018 £'000
Robeco Luxembourg SA QI Emrg Conservative EQG	6.6	374

	Total Funds 31 March 2019 £'000	Total Funds 31 March 2018 £'000
Fixed asset investments by type		
UK Equities	2,586	2,357
Overseas Equities	1,601	1,746
Bonds	788	600
Collectives	49	175
Alternative Assets	563	522
Cash and short term bonds held as part of the Investment Portfolio	298	20
	5,885	5,420

16. Analysis of current assets

	Total Funds 31 March 2019 £'000	Total Funds 31 March 2018 £'000
Debtors under 1 year		
Other debtors - unrestricted	81	387
Prepayments and accrued income - unrestricted	73	91
Total Debtors	154	478

Other debtors represent sums owed to the Charity by other non-related parties.

17. Analysis of cash and cash equivalents

	Total Funds 31 March 2019 £'000	Total Funds 31 March 2018 £'000
Cash in hand - unrestricted	908	1,594
Cash in hand - restricted	42	23
Notice Deposits (90 days)	158	158
Total	1,108	1,775

The notice deposit is held as an interest bearing deposit with Barclays and represents the unrestricted designated funds held to facilitate cash flow and the fulfilment of obligations in the furtherance of the charities objectives. The funds are in a 90 day notice account and are therefore classified as cash and cash equivalents.

The unrestricted cash in hand represents the balance in the charity's current account as at 31 March and the restricted cash in hand represents the cash held for the lottery account £0.029m (£0.014 million 2017/18), the MRI Scanner appeal £0.009 million (£0.072 million 2017/18) and various specified investments for Bereavement and Rehabilitation £0.004 million (nil in 2017/18).

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

18. Analysis of liabilities

	Total Funds 31 March 2019 £'000	Total Funds 31 March 2018 £'000
Creditors under 1 year		
Other Creditors - unrestricted	276	1,104
Accruals - unrestricted	86	287
Deferred Income - unrestricted	17	18
Total	379	1,409

Other Creditors includes £0.276 million (£0.691 million 2017/18) relating to inter-company liabilities with South Tees Hospitals NHS Foundation Trust.

19. Transfers between funds

There were no transfers from restricted to unrestricted funds during the financial year (£0.034 million in 2017/18).

20. Analysis of charitable funds**a) Analysis of restricted fund movements**

	Fund balance at 1 April 2018 brought forward £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains / carry forward £'000	Fund Balance at 31 March 2019 £'000
MRI Scanner Appeal and Staff Lottery	23	228	(209)	-	-	42
Restricted Funds Total	23	228	(209)	-	-	42

b) Analysis of unrestricted and material designated fund movements

	Fund balance at 1 April 2018 brought forward £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains / carry forward £'000	Fund Balance at 31 March 2019 £'000
South Tees Hospital Charity and Associated Funds	6,241	1,362	(1,375)	-	498	6,726
Unrestricted Funds Total	6,241	1,362	(1,375)	-	498	6,726
Total Funds	6,264	1,590	(1,584)	-	498	6,768

£100,000 or above is set as an opening or closing balance as the threshold for the separate reporting of material designated funds.

Other designated funds relate to assisting patients of services provided by the South Tees Hospitals NHS Foundation Trust for which donors have indicated their non-binding wishes when making their generous gifts.

The general funds included donations where donors have not expressed any preference as to how the funds shall be spent and the unrestricted income accruing to the charity. These funds are applied for any charitable purpose to the benefit of the patients of South Tees Hospitals NHS Foundation Trust at the absolute discretion of the Corporate Trustee.

21. Designated Funds over £100,000 for disclosure

Name	Objective	2019 £'000	2018 £'000
Breast Cancer Fund (Surgery)	Developments in breast care unit.	129	118
Cardiothoracic	For the benefit of staff and patients within the cardiothoracic division.	137	115
Cardiothoracic Research & Development Fund	To purchase and support research and development in the division of Cardiothoracic Medicine, both clinical and non clinical.	140	130
Discretionary expenditure fund	Capital fund to purchase items of equipment	236	494
Endocrinology	To support diabetes and endocrinology related education; staff training; to help purchase equipment for patient care and any other charitable services to improve patient care in JCUH	149	156
General Fund	Any charitable purposes relating to the NHS, wholly or mainly for the services provided by South Tees NHS Foundation Trust.	160	155
Haematology	To support research and facilities for Haematology service.	271	233
Miss Alice Milne Goude	Fund for the purchase of medical equipment for the Ophthalmology Unit	147	-
Oncology / Radiotherapy / Ward 14 (was Ward 14 Oncology)	For the benefit of patients and staff.	595	578
Pain Research Fund	Funds for the benefit of patients participating in research	145	-
Renal Unit	For the benefit of patients and staff.	231	240
Rheumatology	For the benefit of staff and patients as well as for training and education of staff and patients	159	148
Rutson Hospital	To support the equipment needs of patients/services at Rutson, to support staff training/education in addition to support any other staff and patient benefit	101	106
South Tees Post Graduate Medical Centre	To fund post graduate medical education.	197	128
Special Care Baby Unit	For the benefit of patients and staff.	197	155
Spinal Injuries	To benefit Spinal Injuries patients and staff	220	186