

# **SANDWELL AND WEST BIRMINGHAM HOSPITALS NHS TRUST CHARITIES**

## **ANNUAL REPORT AND ACCOUNTS OF THE CORPORATE TRUSTEE**

### **FINANCIAL YEAR 2016/ 2017**

#### **Foreword**

This is the Annual Report and Financial Statement of the Corporate Trustee of the Sandwell and West Birmingham Hospitals NHS Trust Charities (the Charity) for the financial year ending 31 March 2017<sup>1</sup>. The Charity's vision is to enhance the experience of all people accessing our services including staff, patients, families and volunteers. The Trust Charity does this by providing additional facilities, equipment and by supporting innovative projects that enhance the care experience.

The Trust Charity raises income to support:

#### **Infrastructure**

- Improving the Trust's environment and making the capital improvements to facilities.
- Supporting integrated care across the estate of SWBH and allied providers.

#### **Education**

- Supporting the educational development of clinical and non-clinical staff.
- Aims to secure the long term future of health and social care in Sandwell and West Birmingham.
- To support education within the local community.

#### **Innovation**

- Help the Trust to be a leader of innovation, pump priming activities, running pilots and testing out new ideas and technologies for care that enhances outcomes for local people.

#### **Community resilience**

- Support communities to improve their health outcomes, enabling them to provide outstanding, compassionate care independent of statutory providers.

#### **Achievements During The Year**

#### **Introducing Your Trust Charity**

Your Trust Charity is the new re-branded name for Sandwell & West Birmingham Hospitals NHS Trust Charities. The team was set up in July 2016 and the mission of the charity is:

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<sup>1</sup> the Corporate Trustee is required to produce an Annual Report and Draft Financial Statement in accordance with Part VI of the Charities Act 2011, the Charities (Accounts and Reports) regulations 2005 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)

**“To enhance the experience of all people using our hospitals including staff, patients and their families. We will do this by providing additional facilities and supporting innovative projects that create a comfortable and secure environment.”**



### **SWBH Moments**

Your Trust Charity has created 'SWBH Moments' as part of this re-branding. The idea is simple - it celebrates the 'moments' of patients and their families - which would not have been possible without funding or charitable grants from Your Trust Charity. This could be a time where an intervention saved a life, made a real difference to someone, or resulted in some positive changes that our care can create. The following SWBH Moment, based on a real-life patient at SWBH NHS Trust, represents a recognisable patient profile for the local area:



*We know children like Anita, who are sick in our hospitals, have their usual routines disrupted. So we try and do as much as we can to help them feel as they would do, when at home with their family. Thanks to kind donations of brand new toys and games to our children's department, Anita could play and continue an aspect of her normal life. This helps Anita, and many other children, feel much more relaxed and calm whilst waiting for their treatment.*

The legal status of the charity consists of one umbrella charity and eight linked charities. In line with the approach of other NHS Charities, Your Trust Charity has undertaken an extensive consultation regarding consolidation of existing funds. This process has made it clear that the current status of eight linked charities is no longer fit for purpose.

Following approval by the Committee on 18 March 2016 to dissolve the existing SWBH charitable funds and establish a new single general fund with themed funds, further consultations resulted in a new structure for Your Trust Charity to reclassify the funds. This was agreed by the Committee on 6 October 2016. The new structure for Your Trust Charity comprises of eight Appeals (including a general appeal), complemented by a more limited range of themes and funds – more themes will be created in the future:



The charity has also reviewed restrictions relating to each of the funds within the charity to ensure they still apply to the purposes on the new appeals. The Charity received confirmation from the Charity Commission in May 2017 that the linked charities can be dissolved and merged into the main umbrella NHS charity, in line with the new appeals.

Your Trust Charity has also moved to clarify its arrangements for joint fundraising and promotional activities whereby money raised on Trust property is shared between the Trust Charity and the other external charities for which funds are being raised.

## 2016/17 Grants Programme and Partnerships

Thanks to a generous legacy donation, Your Trust Charity has been able to run another large and small grants programme, building on the success of the 2014/15 programme. The Charitable Funds Committee received 49 bids in total, and assessed them against the four themes of infrastructure, education, innovation, and community resilience.

A particular focus was applied to partnership working, and on this basis the committee approved in principle the grants of 13 new projects of almost £400,000, which includes the following large grants:

- The Sapphire Project: Agewell CIC and West Bromwich African Caribbean Care Centre - this grant of £109,080 has created an innovative partnership with these two organisations. They will both work with the Trust over 12 months to bridge the gap from hospital to home and into self-management for older and vulnerable people, ensuring they get home and build resilience to stay at home safely.
- Parenting Young People Programme: St Basil's and the University of Birmingham - this grant of £48,750 will develop, deliver, and evaluate a 2 year programme for Trust staff that will help them increase their confidence in their parenting & caring roles. By improving their staff wellbeing and engagement, the programme will aim to reduce their stress and ensuing staff absenteeism.
- New Day Hospice: this grant of £29,308 will provide a number of added-value activities for patients, their families and carers in the new Day Hospice. These include a well-resourced and inviting new arts and crafts area, a wellbeing room, complimentary therapy provision, and the training of staff on M Tech massage and FABS exercise.

Small grants projects approved in principle from the included the following:

- Growing for Health: Ideal For All - this project will deliver taster 'hands on' gardening, food growing, cooking, health eating awareness sessions for staff, patients and the wider public at the Trust and Ideal For All's market garden in Oldbury.
- Cape Community Care Day Centre - to provide a health advice and advocacy service for clients at the day centre. This volunteer-led service will deliver a number of health communication sessions and home visits, focusing on clients with dementia.
- Taking Sandwell Hospital Into The Digital Age - to provide the radio station (a registered charity) with digital equipment for broadcasting their service through the internet. This will develop their service and engage with more listeners, greatly enlarging the reach of the station.

## **2014/15 Grants Programme**

### **Black Country Women's Aid**

One of the flagship large grants awarded in the 2014/15 Programme was to Sandwell Women's Aid (now Black Country Women's Aid). This project, commencing in late 2015, has significantly improved the Trust's ability to identify and respond appropriately to victims of domestic abuse who report to Accident & Emergency departments at Sandwell and City hospital. In the first five months of the pilot alone, the Trust experienced a tenfold increase of individuals attending A & E services who were identified as victims of domestic abuse.

As a result, 77% of these individuals accepted ongoing specialist support from Black Country Women's Aid and other agencies. Furthermore, this contributed to as high as a 91% overall reduction in this vulnerable group's ongoing use of SWBH A & E services, once targeted support was provided. With the ongoing challenges faced by the NHS, the undoubted added value emanating from this pilot project has been extremely welcome.

### **Bilipads**

Another large grant awardee from 2014/15 continues to improve the experience of the Trust's patients and families. Neonatal jaundice is a common condition in babies, especially those born pre-term. Baby Jai was born five weeks early. Thanks to a £60,000 charitable grant, the Neo-

Natal Department was able to purchase 10 bilipads, which provide therapy through UV lights. These bilipads have enabled Jai's parents, and many other parents, to hold their babies during those precious early days whilst they recover. This is their SWBH Moment.



Baby Jai enjoys cuddles with his mum and dad

### **Fundraising and Working Within Our Community**

Your Trust Charity has had a very successful year for donations and in-kind gifts, and very gratefully thanks individuals, companies, community groups and schools, as well as legacies, that made this all possible. Thanks go to the continuing partnership with New Square Shopping Centre in West Bromwich, who raised over £4,000 for Your Trust Charity in the last year. This included a Summer Fun Event, and an appearance by Zog, the much loved children's character created by Julia Donaldson, at the launch of the charity's brand new appeals.



Johnny gets a tattoo, expertly applied by Charlotte

Zog gives a big hug to a little fan

Your Trust Charity is very grateful for the donations of Christmas gifts, decorations and time for a number of Trust departments from the following: ACT Ministry, Bristnall Hall Academy, Tesco, Santander, Stuart Bathurst School, West Bromwich Albion Football Club, West Bromwich Building Society, and Westminster School.

### **The Midland Metropolitan Hospital**

In November 2016, a fundraising appeal to raise a minimum £2m for enhanced benefits from the new Midland Metropolitan Hospital was launched with senior business leaders and key Trust stakeholders. The campaign focuses on five main themes, identifying the added value that supporters can bring, to make a real difference to those using and delivering services. These

themes include: Arts, Education & Heritage, Research & Development, Furnishings & Equipment, and Community Regeneration.

## Looking Ahead

A five year fundraising strategy to 2021/22 has been developed, which aims to position Your Trust Charity **as a key service deliverer and facilitator of partnerships within the region.**

Key objectives include:

1. Relaunch and increase awareness of the Charity's brand with an integrated marketing and communications campaign i.e. website, annual report, and 'storytelling'
2. To further develop partnership funding bids to external grant makers
3. Deliver an effective grant making strategy, with effective impact and evaluation
4. Engaging staff in becoming active in a programme of annual fundraising events i.e. Birmingham Half Marathon & Birmingham Velo
5. A revised and updated membership scheme, which will increase number of active members/volunteers
6. Develop transactional and strategic CSR relationships with Sandwell & Birmingham employers
7. To have created strong internal relationships with finance & fund managers
8. To adopt robust processes and procedures with Finance & Cash Office that meet audit recommendations, including the maximisation of tax-effective giving i.e. Gift Aid
9. To have raised £2m (net) for the Midland Met Appeal by 31<sup>st</sup> December 2019 in pledges

At present, Your Trust Charity, the charity is largely reliant on two income sources – Individuals and Legacies. This is because Research and Corporate donations are currently almost entirely generated by restricted departmental funds, through the independent efforts of fund managers who work to grow their individual funds. Additionally, investment income depends on prevailing market conditions, and presents a risk to the charity if these conditions should unfavourably change.

Individual income is also entirely composed of one-off donations, with little evidence of regular giving such as Direct Debits and payroll giving. Lastly, legacy income is well known as an unpredictable income resource, and charity income has shown this to fluctuate significantly.

Therefore, there is a great need to diversify the income streams and look at alternative and new sources of income.

Consequently, the charity has identified the following funding sources which will be capitalised on and grown over the next 5 years:

1. Individuals – one-off donations
2. Individuals - lottery
3. Individuals – regular giving: primarily Direct Debits, but also payroll giving
4. Corporate – 'transactional' donations, sponsorship & in-kind, and 'strategic' partnerships
5. Community - events
6. Trusts, grants & foundations

In addition, Your Trust Charity is also reviewing and making improvements to the donor journey, ensuring that all donation methods are integrated. Resources will be allocated as



appropriate to increase the volume of enquiries in each communication channel, which would reduce the risk of a 'scatter gun' approach.

It also ensures that, following the research and segmentation of donor prospects, the most appropriate channel and donation method is offered. Appropriate communication materials can then be designed for each area.

Your Trust Charity has developed a Monthly RAG rated KPI tracker to use internally, which will closely monitor plans to grow income year-on-year, as well as measuring the return on investment (ROI) for every pound spent on running the charity.

Alongside this, there are the following monitoring & evaluation mechanisms in place:

- Monthly tracker for each fundraising target area - reviewed at monthly team meetings
- Monthly 1-2-1 supervisions – objectives reviewing
- Grants spend - actual vs variance
- Charitable Funds Committee - quarterly Head of Trust Charity Programme Report

In summary, Your Trust Charity plans to increase total income year-on-year over the next five years, supported by the new brand which will act as a focal point to re-engage with members, supporters and donors.

Your Trust Charity will shortly be formally dissolving the linked and associated charities, becoming established as a single entity.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**CHARITY NAME:** SANDWELL & WEST BIRMINGHAM HOSPITALS NHS TRUST  
CHARITIES

**CHARITY REGISTRATION NO.:** 1056127

**GOVERNING DOCUMENT:** DECLARATION OF TRUST DATED 5 JUNE 1996  
(Amended by Supplemental deed: 5th June 2003)

**CHARITY TRUSTEES:**

The Charity has a Corporate Trustee, the Sandwell and West Birmingham Hospitals NHS Trust (established by Statutory Instrument in March 2002 under the NHS and Community Care Act 1990). The NHS Trust Board comprises the Chairman, seven Non-Executive members and five Executive members. Non-Executive members are appointed by NHS Trust Development Agency (now NHS Improvement) and the Executive members are all Directors of the NHS Trust and comprise the Chief Executive, the Director of Finance and Performance, Chief Nurse, Medical Director and the Chief Operating Officer.

The NHS Trust Board has devolved responsibility for the ongoing management of funds to a Charitable Funds Sub-Committee of the Board which administers the funds on behalf of the Corporate Trustee. The Committee meets four times a year. Representatives of the Charitable Fund Investment advisors are required to attend the Committee on a twice yearly basis to present appropriate investment reports.

Persons who have acted as agents of the Corporate Trustee at any time during the course of the financial year include:

Cllr W Zaffar MBE (Chair of the Charitable Funds Committee)  
Mr R Samuda  
Mr Robin Russell (resigned August 2016)  
Ms O Dutton  
Mr H Kang  
Mr P Gill  
Mr M Hoare  
Mr T Lewis  
Dr R Stedman  
Mr C Ovington (resigned January 2017)  
Mrs E Newell (appointed January 2017)  
Mr A Waite  
Ms R Barlow

**REGISTERED OFFICE:**

Sandwell and West Birmingham Hospitals NHS Trust  
City Hospital  
Dudley Road  
Birmingham



West Midlands  
B18 7QH

Telephone: 0121 507 5196

## **OBJECTIVES AND STRATEGY**

All Charities must have charitable purposes or aims that are for the 'public benefit'. This is known as the 'public benefit requirement'. 'Public benefit' is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate that its aims are for the public benefit if it is to be recognised, and registered, as a charity in England and Wales. There are two key principles, both of which must be met in order to show that an organisation's aims are for the public benefit. Firstly there must be an identifiable benefit or benefits and secondly the benefits must be to the public or section of the public. The Corporate Trustee confirms that it has had regard to the Charity Commission public benefit guidance where relevant.

The Charity has a main Umbrella Charity with five Special Funds and a Common Investment Fund registered as subsidiaries of the main Umbrella Charity. The Umbrella Charity is formally known as "**Sandwell and West Birmingham Hospitals NHS Trust Charities**". The objects of this fund are registered as being:

"To apply the income for any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by Sandwell and West Birmingham Hospitals NHS Trust."

This main fund is considered to have NHS wide objectives and as such the Corporate Trustee considers this to be for the public benefit and as such complies with the Charity Commissions guidance on public benefit.

The five Special Funds are:

### **1. Sandwell and West Birmingham Hospitals NHS Trust General Research Fund**

Objects: "For any charitable purpose or purposes principally (but not exclusively) at or in connection with Sandwell and West Birmingham Hospitals NHS Trust which will further the following aims:

- 1.1 the investigation of the causes of sickness and disability and the prevention, treatment, cure and defeat of sickness and disability in all its forms;
- 1.2 the advancement of scientific and medical education and research in topics related to sickness and disability; and
- 1.3 the furtherance of any other charitable purposes for the relief of persons suffering from sickness and disability in all its forms.

2. **Sandwell and West Birmingham Hospitals NHS Trust Staff Fund**

Objects: "For the relief of sickness at Sandwell and West Birmingham Hospitals NHS Trust by promoting the efficient performance of their duties by staff at the NHS Trust."

3. **Sandwell and West Birmingham Hospitals NHS Trust Patients Welfare Fund**

Objects: "For the relief of sickness of patients who are or have been treated at Sandwell and West Birmingham Hospitals NHS Trust."

4. **Sandwell and West Birmingham Hospitals NHS Trust Healthy Sandwell 2000 Fund**

Objects: "For any charitable purpose relating to the promotion of health in Sandwell".

5. **Sandwell and West Birmingham Hospitals NHS Trust Elderly Care Fund**

Objects: "For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the Sandwell and West Birmingham Hospitals NHS Trust Elderly Care Services".

In addition to these five Special Funds formal approval to establish a pooling scheme for the purposes of investing surplus monies in respect of both the Umbrella Charity and the five subsidiaries was granted by the Charity Commissioners on the 10th June 1998, the objects being "to combine the investments and money belonging to the Charities and representing expendable funds into one pooled fund". This fund is a common investment fund within the meaning of section 24 of the Charities Act 2011 and the Scheme is a common investment fund within the meaning of that Act. The fund is currently registered as **"The Sandwell and West Birmingham Hospitals NHS Trust Charitable Fund (Expendable Fund) Common Investment Fund"**.

The Corporate Trustee is also responsible for the administration of the **Sandwell Children's Helping Hand Charitable Trust** on behalf of the former Sandwell Health Authority. The governing document is outlined in a set of rules dated 10 August 1996 and was formally registered with the Charity Commission on 7 January 2004 with the objects being:

"The Authority shall hold the fund on Trust for the following objects for the benefit of children for the time being in the area of the Authority:

1. Medical treatment, nursing, rehabilitation and after-care of children suffering from illness, disease or injuries of any kind (physical or mental);
2. The prevention of illness, disease and injury to children and the promotion of health, including the support of research by financial or other assistance".

The Umbrella Charity, the Special Fund subsidiaries, the Sandwell Helping Hands Charitable Trust and the Common Investment Fund are, for the purposes of Section 3 and 4 of the Charities Act 2011 [Registration] and Part VI of that Act [Accounting], treated as a single Charity. The Trustee of the Special Trust subsidiaries, the Sandwell Children's Helping Hands Charitable Trust and the Common Investment Fund is the Corporate Trustee of the Sandwell and West Birmingham Hospitals NHS Trust Charities (Umbrella Charity).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Charity's unrestricted fund was established using the model declaration of trust and all the funds held on trust as at the date of registration were either included as part of this unrestricted fund or registered as part of separate restricted funds under the main umbrella charity. Subsequent donations and gifts received by the Charity that are attributable to the original funds are added to those fund balances within the appropriate existing Charity.

Generally donors are encouraged to make donations for the widest possible use for ease of spending. During the year 2016/17 where, however, the donor specifies that the donation is to be used for a particular purpose within one of the registered Charities, for example to benefit the patients on a particular ward, then these monies are initially allocated to the "Patient" Charity and recognised in a relevant designated fund to enable the spend to be monitored.

During the year 2016/17, and extensive consultation took place to consolidate the 350 plus designated funds. This was subsequently reduced to over 220 funds. There are fund manager(s) appointed whose responsibility it is to ensure that the funds are spent accordingly. An updated Charitable Funds Policy was also developed in 2016/17 through consultation, to outline best practice in terms of appropriate charitable spend. Under a scheme of delegated authority approved by the Corporate Trustee these fund managers have delegated authority for expenditure, excluding salaries, to spend up to £5,000 per request in conjunction with a nominated representative of the Director of Finance. Requests less than or equal to £20,000 require the authority of the Fund Manager and the Director of Finance; requests less than or equal to £50,000 require the authority of the Fund Manager, Director of Finance and the Executive Director responsible for the requesting department. Any request in excess of £50,000 requires the approval of the Charitable Funds Committee. In the case of any salary expenditure (including on costs) as part of a linked research programme then this will always require the approval of the Fund Manager and the Director of Finance.

This arrangement of an extended range of designated funds is currently under review. It is proposed that there is a general fund and a defined number of appeals and themed funds for donations. These may be complemented by a more limited range of designated funds. These arrangements are subject to on-going consultation.

The Corporate Trustee fulfils its legal duty by ensuring that the funds are spent in accordance with the objectives of each fund and, by designating certain monies within the existing charities, the Corporate Trustee is able to respect the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff.

Non-Executive members of the Trust Board are appointed by the NHS Trust Development Agency (now NHS Improvement) and Executive members of the Board are subject to recruitment by the NHS Trust Board. Members of the Trust Board and the Charitable Funds Committee are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

Acting for the Corporate Trustee, the Charitable Funds Committee is responsible for the overall management of the charitable funds. As defined in the updated Charitable Funds Policy, the duties of the Committee are to:

- Act in the best interests of the Charity

- Manage the Charity's resources responsibly, which includes protecting and safeguarding its reputation
- Act with reasonable care and skill

The Committee is authorised by the Trust Board to:

- To investigate any activity within its Terms of Reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- To instruct professional advisors and request the attendance of individuals and authorities from outside of the Trust with relevant experience and expertise if it considers this necessary or expedient to carrying out its functions.
- To obtain such internal information as is necessary and expedient to the fulfillment of its functions.
- Trustees are legally responsible for the Charity's fundraising. Operating effective control over the Charity's fundraising is a vital part of their compliance with legal duties as outlined in the commission guidance on the Trustee duties set out in "the essential Trustee: what you need to know, what you need to do "(CC3).

The Trustees have the right to:

- Prevent the withdrawal of funds, which do not meet the conditions set out in these guidelines.
- Authorise expenditure from a fund if the Trustees believe this to be an appropriate use of resources.
- Cease to delegate their authority to a Fund Manager if they believe that the regulations in this document are not fulfilled. In this case they may appoint an alternative manager or take control of the fund themselves.
- Amend these Guidelines as and when necessary. Amendments will be communicated to all Fund Managers.
- Authorise investigation of a breach of this policy that may result in the matter being treated as a disciplinary offence under the Trust's disciplinary procedure.

The accounting records and the day-to-day administration of charitable funds are dealt with by the NHS Trust Finance Department which is located in Trinity House on the Sandwell General Hospital Site, Lyndon, West Bromwich, B71 4HJ. The NHS Trust levies a charge for providing this service which is reviewed on an annual basis.

## **RISK ASSESSMENT**

A summary of the major risks to which the Charity is exposed have been identified, and a summary of responsibilities for managing those risks and the control and security systems in place to alleviate these risks are also summarised below:

### **Financial Risk**

- Investments and/or major assets are not properly safeguarded
- Expenditure is inappropriately high/low, not correctly authorised, or not spent for purposes intended
- Income is not encouraged, not appropriated to specific funds, or not recognised

- Accounting transactions are inadequately recorded

### **Operational Risk**

- The Charity is not operating within its objectives or cannot sustain income streams to meet demand for its objectives
- Risk of inadequate insurance cover, the public profile of the charity, management & admin expenditure, fraud, and quality of services
- Risk of charity sector experience and level of involvement in management of the charity

### **Compliance Risk**

- Risk in relation to VAT/Corporate Tax; legislation i.e. Data Protection/Human Rights/Health & Safety/Employment law; and statutory accounts i.e. SORP compliance and accounting standards

The Charitable Funds Committee, Chair of Corporate Trustee, Director of Finance, Director of Organisational Development, Director of Communications and Head of Trust Charity will regularly monitor, review and review on procedures in place and performance in relation to the above, obtaining professional advice where applicable.

The Corporate Trustee is content that the controls described have operated effectively during the year and therefore that the risks outlined have been mitigated.

The most significant ongoing risk to the Charity is the potential losses arising from a fall in the value of the investments held and the level of reserves available to offset the impact of any such losses. These have been carefully considered and there are procedures in place to review the investment policy and to ensure that both spending and financial commitments remain in line with income streams.

### **PARTNERSHIP WORKING AND NETWORKS**

The Charity continues to be a member of the Association of NHS Charities. This organisation is for the larger NHS charitable organisations and ensures that the Charity is kept informed and fully updated on all current and developing issues in relation to charitable funds. Concerns are highlighted and the knowledge shared with similar organisations.

SWBH NHS Trust Charities contracted Morgen Thomas in 16/17 to provide specialist strategic advisory services relating to the Midland Met campaign. This focused on research and strategic development. Morgen Thomas were not contracted in a professional fundraiser or commercial participator capacity, and both Morgen Thomas and SWBH NHS Trust Charities abide by the Code of Conduct of the Institute of Fundraising.

Sandwell and West Birmingham Hospitals NHS Trust is the main beneficiary of the Charity and is a related party by virtue of being the Corporate Trustee of the Charity. By working in partnership with the Trust, the charitable funds are used to the best effect for public benefit. When deciding upon the most beneficial way to use charitable funds, the Corporate Trustee has due regard to the main activities, objectives, strategies and plans of the NHS Trust.

### **REVIEW OF 2016/2017 - FINANCES**

The Financial information presented below is drawn from the Charity Accounts 2016/17

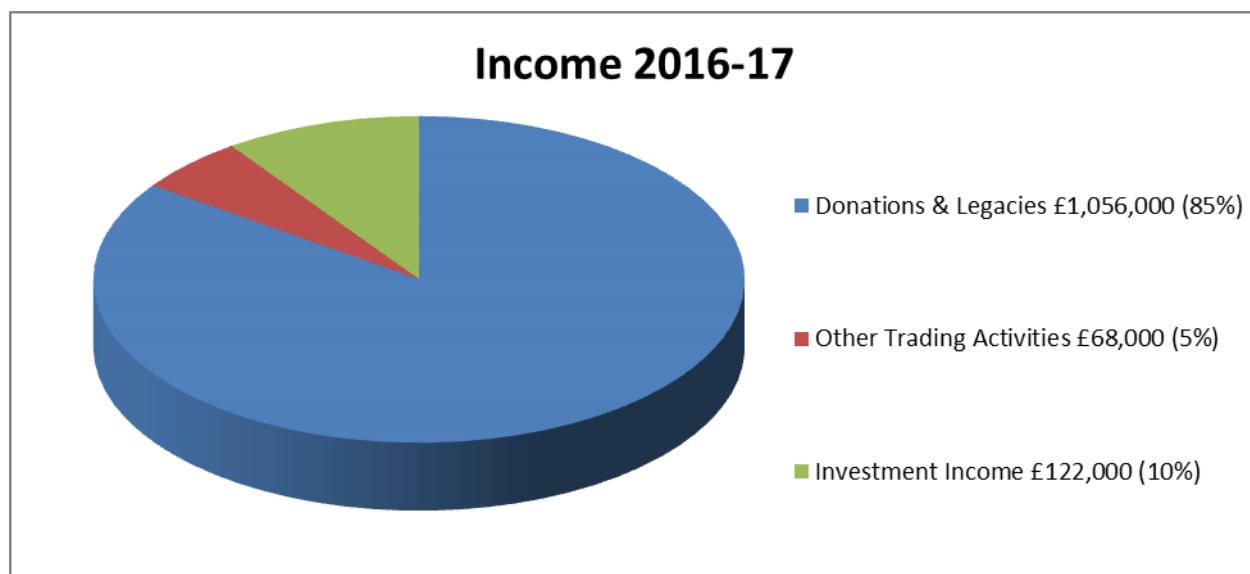
## Income and Expenditure

The table below summarises the overall analysis of the income and expenditure position for 2016/17

	Unrestricted Funds	Restricted Funds	Total
	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>
<b>OPENING FUND BALANCE (1 April 2016)</b>	<b>2,633</b>	<b>2,448</b>	<b>5,081</b>
<b>ADD:</b>			
Donations / Legacies / Grants and other incoming resources for the year	850	274	1,124
Interest and Dividends for the year	65	57	122
<b>LESS:</b>			
Expenditure for the year	(739)	(438)	(1,177)
<b>I&amp;E SURPLUS / (DEFICIT) FOR YEAR</b>	<b>136</b>	<b>(106)</b>	<b>70</b>
Investment gains (losses) recognised in the year	308	272	580
<b>CLOSING FUND BALANCE (31 March 2017)</b>	<b>3,117</b>	<b>2,614</b>	<b>5,731</b>

The net assets of the Charity as at 31 March 2017 were £5.731 million (2016: £5,081 million). Overall net assets increased during the year by £0.649 million.

The Charity received a total of £1.246m from the following sources:-

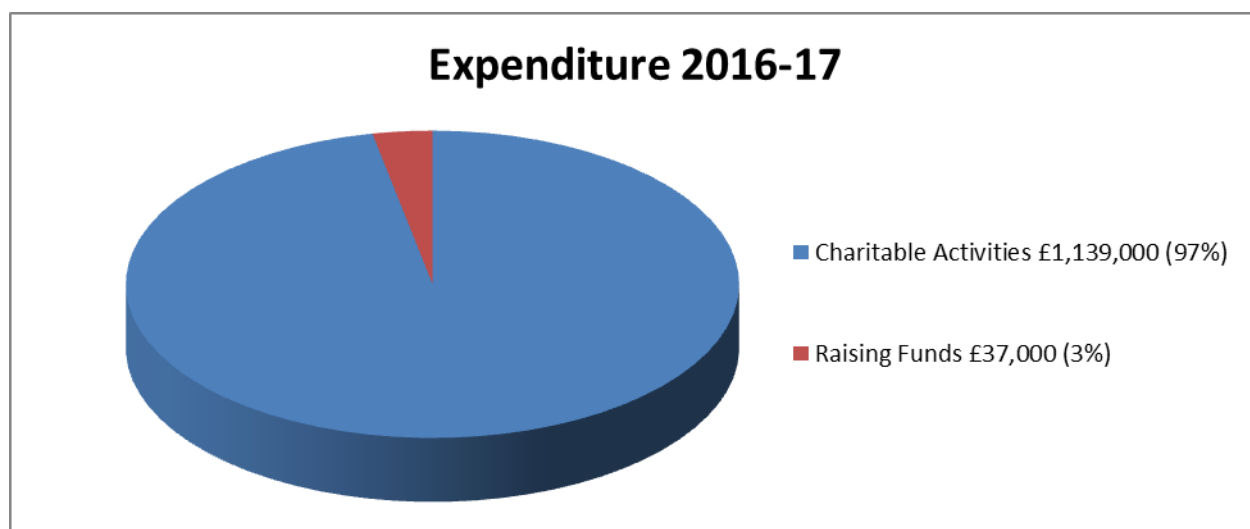


The past financial year has seen the value of charitable funds decrease as a result of removing a significant restricted charitable fund and placing it into the Trust Exchequer account.

Improvements in the stock market have had some effect on the level of fund balances and a degree of cautious optimism remains for the medium to long term. However, it is recognised that this position can change speedily and dramatically and the Corporate Trustee continues to continually monitor the situation.

The Charity continues to be heavily dependent upon the generosity of the general public, grants from commercial and non-commercial organisations and income from investments held to fulfil its objectives. The considerations given by the public usually represent the excellent standard of care received from the staff of the Hospital whilst they, or a relative or a friend, were being treated in hospital, or to assist the Trust in providing additional facilities and comforts for patients. Grants from commercial organisations are usually given in support of essential ongoing charitable medical research in various clinical areas. The income received from investments (i.e. company dividends and bank interest) is apportioned annually over individual funds based on their proportion of the common investment fund. The resulting income is to be subsequently applied in accordance with the objectives of the fund.

The Charity committed £1.176m during the year to make a difference to the care experience of patients, carers, staff and the local community. The main areas of expenditure were:-



### **Investments**

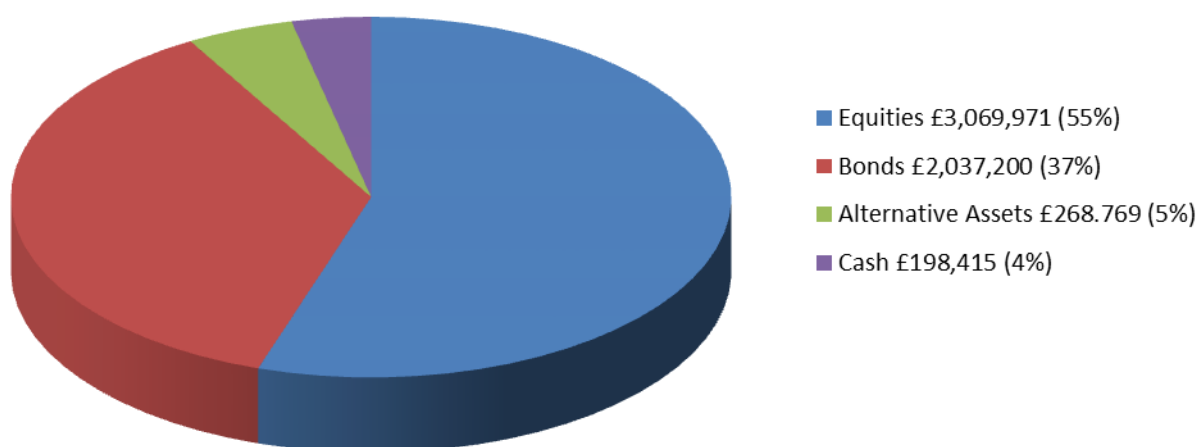
The Corporate Trustee is empowered under the declaration of trust to invest funds in stocks and shares. Following a re-tendering exercise in February 2008 the Corporate Trustees re-appointed Barclays Wealth to provide continuing advice in respect of the management of investments. The Charities holdings are held in “nominee” company with Barclays Wealth.

The Charity has an ethical approach to investment and moderate risk appetite in the management of its funds.

The funds of the Charity were invested as follows at 31 March 2017:-



## Managed Investments - Asset Allocation



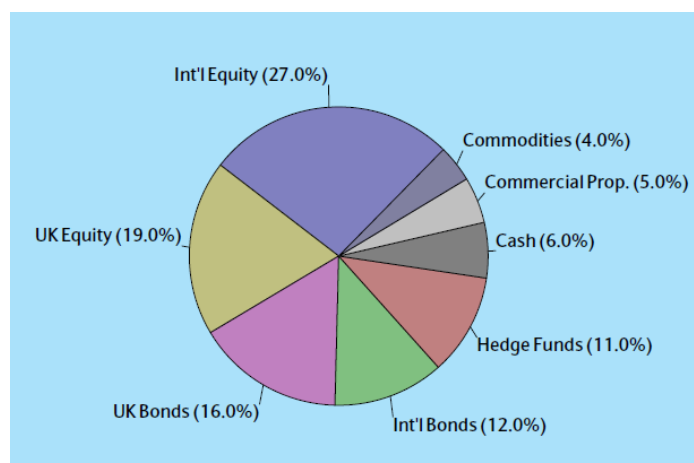
### **STATEMENT OF INVESTMENT POLICY**

The Corporate Trustee has approved the following statement of investment policy:

1. The Charity utilises professional investment advisers to support the active implementation of its investment policy and their performance is reviewed annually.
2. The Charity objectives for investment are:
  - 2.1 Maintaining and growing the capital value of its investments portfolio over time
  - 2.2 Generating income from its portfolio of investments
  - 2.3 A target income stream of £175,000 per annum, to be reviewed by the Corporate Trustee on at least an annual basis.
3. To achieve its objectives, in paragraph 2 above, the Charity shall, having taken into account the view of its brokers/advisers, maintain an appropriate balance in its investments portfolio between fixed interest investments and equities.

Portfolio target asset allocation ranges shall be set by the Corporate Trustee and reviewed, having taken into account the views of the investment advisers, on at least a biannual basis. The chart below depicts our current transitional portfolio and the expected portfolio:

The current portfolio is represented by the following investment categories:



4. The Charity's investment policy precludes the investment in companies with a significant interest in tobacco, alcohol or armaments.

The Corporate Trustee periodically reviews the way in which the portfolio is managed by the investment brokers with a view to exploring alternative options.

## **RESERVES**

The Charities SORP defines reserves as that part of a charity's income funds that is freely available to spend on any of the charity's purposes. This definition excludes restricted income funds which have particular restrictions on how the funds may be used and also certain unrestricted funds which have been designated or earmarked for future spending purposes.

The Charity has not adopted a Reserves Policy prior to the preparation of the 2016/17 Accounts. The policy for future reporting years will be drafted and agreed by the Trustees prior to the submission of 2017/18 Accounts.

## **Restricted Funds**

Individual fund managers are required to submit annual plans to the Corporate Trustee detailing how and on what the restricted funds are to be spent. The Corporate Trustee regularly monitors this spend against the available fund balance and takes appropriate action to ensure that funds are spent in a timely manner and in accordance with the donor's wishes.

## **Designated Funds**

The Charity encourages donors to make donations to the Charities general unrestricted funds rather than make donations for restricted purposes.

Where general donations are received on behalf of individual wards or departments of Sandwell and West Birmingham Hospitals NHS Trust, the Corporate Trustee has agreed to transfer the donations received to a fund designated for that particular ward or department. By their very nature these funds are generally held for the purposes of satisfying needs on a day to

day basis rather than for long term projects. Internal controls inherent in the accounting system prevent the possibility of these funds spending in excess of the outstanding balance.

Individual fund managers for these ward and departmental designated funds are required to submit annual spending plans to the Corporate Trustee setting out how they intend to spend the balance on their fund on an annual basis.

Other designated funds may be created from time to time by the Corporate Trustee in order to fund specific charitable activities.

It should be noted that the designation of funds does not commit the funds legally. Such designation may be cancelled by the Corporate Trustee if it is later decided that the Charity should not proceed or continue with the use or purpose for which the funds were originally designated.

### Level of Reserves

The Charity's actual reserves at 31 March 2017 were £13,000 and are calculated as follows:-

Total Unrestricted Funds	£3,117,000
Less Designated Funds	(£3,104,000)
<b>Total Reserves</b>	<b>£13,000</b>

The low level of reserves reflects the planned expenditure of funds through the 2016-17 grant programme.

### ACCOUNTING AND REPORTING RESPONSIBILITIES

The Charities Act 2011 requires the Corporate Trustee to prepare accounts for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing these accounts the Corporate Trustee is required to:

- apply accounting policies on a consistent basis;
- make judgements and estimates which are reasonable and prudent;
- follow applicable accounting standards and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), disclosing and explaining any material departures in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The Corporate Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with charity law. The Corporate Trustee is also responsible for establishing and monitoring a system of internal control and establishing arrangements for the prevention and detection of fraud and corruption.

The Corporate Trustee confirms that they have met the responsibilities set out above and complied with the requirement for preparing the accounts on a going concern basis.

**SANDWELL AND WEST BIRMINGHAM HOSPITALS NHS TRUST CHARITIES**  
**OTHER LEGAL AND ADMINISTRATIVE DATA**

**INVESTMENT ADVISORS:**

Barclays Wealth  
(A subsidiary of Barclays Bank PLC)  
1 Colmore Square  
Birmingham  
B4 6ES

**BANKERS:**

National Westminster Bank PLC  
309 High Street  
West Bromwich  
West Midlands  
B70 8ND

**AUDITORS:**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

**SOLICITORS:**

Browne Jacobson LLP  
Victoria Square House  
Victoria Square  
Birmingham  
West Midlands  
B2 4BU

**BY ORDER OF THE CORPORATE TRUSTEE**

Dated:

**SANDWELL AND WEST BIRMINGHAM HOSPITALS NHS TRUST CHARITIES**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

## **SANDWELL & WEST BIRMINGHAM HOSPITALS NHS TRUST CHARITIES**

### **FUNDS HELD ON TRUST ANNUAL ACCOUNTS 2016-17**

The accounts of the Funds Held on Trust by Sandwell & West Birmingham Hospitals NHS Trust Charities

#### **FOREWORD**

These accounts for the year ended 31st March 2017 have been prepared in accordance with the requirements in the Charities Act 2011 and the Statement of Recommended Practice 2015 (FRS 102).

#### **STATUTORY BACKGROUND**

The Sandwell and West Birmingham Hospitals NHS Trust Charities charitable funds held on trust are registered with the Charity Commission and include funds in respect of the Sandwell and West Birmingham Hospitals.

#### **MAIN PURPOSE OF THE FUNDS HELD ON TRUST**

The main purpose of the charitable funds held on trust is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the Sandwell and West Birmingham NHS Trust



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

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether the recommendations of the SORP 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

By Order of the Corporate Trustee

Corporate Trustee  Date: 7th December 2017



### **Independent auditor's report to the Trustees of Sandwell and West Birmingham Hospitals NHS Trust Charities**

We have audited the financial statements of Sandwell and West Birmingham Hospitals NHS Trust Charities for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the charity's trustees as a body, in accordance with section 144 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.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- 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.

Andrew Bostock,  
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham, B4 6GH

29 January 2018

**Statement of Financial Activities for the year ended 31 March 2017**

				2015-16	2015-16	2015-16	
	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
<b>Income and Endowments from:</b>							
Donations and Legacies	2	848	208	1,056	164	203	367
Other Trading Activities	2	2	66	68	68	30	98
Investment income	6	65	57	122	62	42	104
<b>Total incoming resources</b>		<b>915</b>	<b>331</b>	<b>1,246</b>	<b>294</b>	<b>275</b>	<b>569</b>
<b>Expenditure</b>							
Charitable activities	3 & 4	735	404	1,139	968	567	1,535
Raising Funds	4	24	13	37	30	29	59
<b>Total Expenditure</b>		<b>759</b>	<b>417</b>	<b>1,176</b>	<b>998</b>	<b>596</b>	<b>1,594</b>
<b>Net incoming/(outgoing) resources before other recognised gains or losses</b>		<b>156</b>	<b>(87)</b>	<b>70</b>	<b>(704)</b>	<b>(321)</b>	<b>(1,025)</b>
Other recognised gains and losses		-	-	-	73	50	123
Transfer of Funds		20	(20)	0	-	-	-
Gains/(losses) on revaluation and disposal of investment assets		308	272	580	(196)	(117)	(313)
<b>Net movement in funds</b>		<b>484</b>	<b>165</b>	<b>649</b>	<b>(827)</b>	<b>(388)</b>	<b>(1,215)</b>
<b>Reconciliation of Funds</b>							
Total Funds brought forward		2,633	2,448	5,081	3,460	2,836	6,296
<b>Total Funds carried forward</b>		<b>3,117</b>	<b>2,613</b>	<b>5,730</b>	<b>2,633</b>	<b>2,448</b>	<b>5,081</b>

The notes on pages 7 to 19 form part of these financial statements. All income and expenditure is derived from continuing operations.

# Balance Sheet as at 31 March 2017

	Note	Unrestricted Funds £000	Restricted Funds £000	Total at 31st March 2017 £000	Unrestricted Funds at 31st March 2016 £000	Restricted Funds at 31st March 2016 £000	Total at 31st March 2016 £000
<b>Fixed Assets</b>							
Investments	6	2,920	2,456	5,376	2,632	2,202	4,834
<b>Total Fixed Assets</b>		<b>2,920</b>	<b>2,456</b>	<b>5,376</b>	<b>2,632</b>	<b>2,202</b>	<b>4,834</b>
<b>Current Assets</b>							
Debtors	7	60	2	62	44	1	45
Cash at bank and in hand		933	802	1,735	48	728	776
<b>Total Current Assets</b>		<b>993</b>	<b>804</b>	<b>1,797</b>	<b>92</b>	<b>729</b>	<b>821</b>
<b>Liabilities:</b>							
Creditors falling due within one year	8	796	647	1,443	91	483	574
<b>Net Current Assets/(Liabilities)</b>		<b>197</b>	<b>157</b>	<b>354</b>	<b>1</b>	<b>246</b>	<b>247</b>
<b>Net Assets</b>		<b>3,117</b>	<b>2,613</b>	<b>5,730</b>	<b>2,633</b>	<b>2,448</b>	<b>5,081</b>
<b>The funds of the charity:</b>	9						
Restricted income funds			2,613	2,613		2,448	2,448
Unrestricted income funds		3,117		3,117	2,633		2,633
<b>Total charity funds</b>		<b>3,117</b>	<b>2,613</b>	<b>5,730</b>	<b>2,633</b>	<b>2,448</b>	<b>5,081</b>

The financial statements on pages 7 to 19 were approved by the Board of Trustees on and signed on its behalf by

Corporate Trustee



Date 7th December 2017

**Cash flow for year ending 31st March 2017**

	Notes	Unrestricted Funds £000	Restricted Funds £000	<b>Total at 31st March 2017 £000</b>	Total at 31st March 2016 £000
<b>Cash flows from operating activities</b>	14	800	(1)	<b>799</b>	(540)
<b>Cash used in operating activities</b>		<b>800</b>	<b>(1)</b>	<b>799</b>	<b>(540)</b>
<b>Cash flows from investing activities</b>	16				
Interest Income		65	57	<b>122</b>	104
Proceeds from sale of investments		1,095	921	<b>2,016</b>	1,202
Purchase of investments		(1,074)	(904)	<b>(1,978)</b>	(1,857)
<b>Cash provided by (used in) investing activities</b>		<b>86</b>	<b>74</b>	<b>160</b>	<b>(551)</b>
		<b>886</b>	<b>73</b>	<b>959</b>	<b>(1,091)</b>
Increase(decrease) in cash and cash equivalents in year					
Cash and cash equivalents at the beginning of the year	16	48	728	<b>776</b>	1,867
Total Cash and cash equivalents at the end of the year		<b>933</b>	<b>802</b>	<b>1,735</b>	<b>776</b>

**Notes on the accounts****1. Accounting Policies****(a) Basis of preparation**

The Charity is a public benefit entity. The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at fair value.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The trustees consider that there are no material uncertainties about the SWBH Charities' 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 SWBH Charities are a fall in income from donations or investment income but the trustees have arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

**(b) Reconciliation with previous generally accepted accounting practice**

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

The analysis of support costs, including governance costs, is shown in note 3.

Cash and cash equivalents: previously investments held in a 90 day access savings account had been shown separately on the face of the balance sheet. As these are very liquid funds they are classified as cash equivalents and are now shown as part of cash and cash equivalents on the balance sheet. There is no impact on the total funds of the charity. An analysis of cash and cash equivalents is provided in note 16.

**(c) Funds structure**

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as restricted.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. SWBH Charities' restricted funds tend to result from appeals for specified purposes.

Those funds which are not restricted income funds, are classed as unrestricted income funds which are sub analysed between designated (earmarked) funds where the trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are at the trustees' discretion, including the general fund which represents the charity's reserves. The major funds held in each of these categories are disclosed in note 9.4

**(d) Incoming resources**

All incoming resources are recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

**(e) Incoming resources from legacies**

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

Receipt is probable when:

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

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

**(f) Incoming resources from endowment funds**

The incoming resources received from the invested endowment fund are wholly restricted.

**(g) Resources expended and irrecoverable VAT**

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

Expenditure is recognised when the following conditions are met:

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

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

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

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

The trustees have control over the amount and timing of grant payments and consequently where approval has been given by the trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

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

**(i) Allocation of support costs**

Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, 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 3.

**(j) Fundraising costs**

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and a fee paid to a related party, the SWBH. The fee is used to pay the salaries and overhead costs of the hospital's fundraising office.

**(k) Charitable activities**

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 4.

**(l) Fixed asset investments**

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) 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 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 SWBH Charities investments can be found in note 6.

**(m) Debtors**

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

**(n) Cash and cash equivalents**

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

**(o) Creditors**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

**(p) Realised gains and losses**

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

**(q) Pensions**

Employees of the charity are entitled to join the NHS Pensions Scheme.

The Scheme is an unfunded, defined benefit Scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution Scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

The Scheme is a 'final salary' Scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last 3 years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in consumer prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

The Scheme is subject to a full actuarial valuation every four years, and an IAS 19 accounting valuation every year. At the conclusion from the 2012 full valuation the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay.

The valuation of Scheme liability in accordance with IAS19 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website.

**(r) Key Accounting Judgements and estimation of uncertainty**

There are no significant judgements that management has made in the process of applying the Charity's accounting policies. There are no key assumptions concerning the future, nor other key sources of estimation uncertainty which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

## 2. Income from Donations and Legacies

	Unrestricted Funds	Restricted Funds	<b>Total 2017 Funds</b>	Total 2016 Funds
	£000	£000	£000	£000
Donations from individuals	168	4	<b>172</b>	183
Corporate donations	132	1	<b>133</b>	99
Research	2	66	<b>68</b>	98
Legacies	548	203	<b>751</b>	85
	<b>850</b>	<b>274</b>	<b>1,124</b>	465
Other - Investment Income	65	57	<b>122</b>	104
	<b>915</b>	<b>331</b>	<b>1,246</b>	569



### 3. Allocation of support costs and overheads

Once allocation and/or apportionment of overhead and support costs has been made to Governance Costs, the balance is apportioned across Charitable Activities using the same apportionment basis.

Allocation and apportionment to Governance Costs	2017 Total £000	Allocated to Governance £000	Residual for apportionment £000	Basis of apportionment	2016 Total £000
Salaries and related costs	28	28	-	Expenditure	20
Audit fees	13	13	-	Expenditure	9
Software maintenance	-	-	-	Expenditure	0
Other Support Costs	164	164	-	Expenditure	53
	<b>205</b>	<b>205</b>	<b>-</b>		<b>82</b>

Apportionment of Audit Fees across Charitable activities	Unrestricted Funds £000	Restricted Funds £000	Total 2,017 Funds £000	2016 Total £000
Patients welfare and amenities	3	3	6	5
Staff welfare and amenities	4	1	5	3
Research	-	2	2	1
	<b>7</b>	<b>6</b>	<b>13</b>	<b>9</b>

Apportionment of Salaries and Related Costs across Charitable activities	Unrestricted Funds £000	Restricted Funds £000	Total 2,017 Funds £000	2016 Total £000
Patients welfare and amenities	7	6	13	13
Staff welfare and amenities	8	3	11	6
Research	-	4	4	1
	<b>15</b>	<b>13</b>	<b>28</b>	<b>20</b>

Apportionment of Other Support Costs across Charitable activities	Unrestricted Funds £000	Restricted Funds £000	Total 2,017 Funds £000	2016 Total £000
2 Patients welfare and amenities	42	34	76	35
4 Staff welfare and amenities	45	18	63	18
3 Research	-	25	25	0
	<b>87</b>	<b>77</b>	<b>164</b>	<b>53</b>

#### 4. Analysis of expenditure on Charitable Activities

	Charitable Activities	Support Costs	Total 2017	Total 2016
	£000	£000	£000	£000
Patients welfare and amenities	489	82	571	1,017
Staff welfare and amenities	379	68	447	514
Research	94	27	121	3
	<b>962</b>	<b>177</b>	<b>1,139</b>	<b>1,535</b>

There were no costs directly incurred on staff during 2016/17

#### 4.1 Analysis of expenditure on Raising Funds

	Unrestricted Funds	Restricted Funds	Total 2017 Funds	Total 2016 Funds
	£000	£000	£000	£000
Fundraising Office	9		9	39
Investment Management	15	13	28	20
	<b>24</b>	<b>13</b>	<b>37</b>	<b>59</b>

#### 5. Auditor's remuneration

The auditor's remuneration for the year was £8,700 plus VAT (2016 £8,700 plus VAT), which related solely to the audit with no other additional work undertaken.

## 6 Analysis of Fixed Asset Investments

6.1	Fixed Asset Investments:	2017	2016
		£000	£000
			As restated
	Market value at 31 March	4,834	4,370
	Less: Disposals at carrying value	(2,016)	(1,080)
	Add: Acquisitions at cost	1,978	1,857
	Net gain (loss) on revaluation	580	(313)
	Market value at 31 March	<u>5,376</u>	<u>4,834</u>
	Historic cost at 31 March	<u>5,488</u>	<u>5,538</u>
6.2	Analysis of investments by type	2017	2016
		£000	£000
	Equities	3,070	2,750
	Bonds	2,037	1,144
	Alternative Assets	269	940
	Market value at 31 March	<u>5,376</u>	<u>4,834</u>
	Cash	<u>199</u>	<u>57</u>
	Total at 31 March	<u>5,574</u>	<u>4,891</u>

## 6.3 Analysis of gross income from investments

	Unrestricted	Restricted	2017	2016
			Total	Total
	£000	£000	£000	£000
Total gross income	65	57	122	104
Investments listed on Stock Exchange	<u>65</u>	<u>57</u>	<u>122</u>	<u>104</u>

**All investments are carried at their fair value.**

The main risk from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

SWBH Charities manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes. All investments were made in companies listed on a UK stock exchange or incorporated in the UK and therefore all investments are treated as investment assets in the UK. Restricted appeals to fund specific equipment or assets are held on notice deposit or overnight on the money markets in accordance with the trustees' investment policy.

## 7 Analysis of Debtors

	31 March 2017	31 March 2016
	£000	£000
7.1 Amounts falling due within one year:		
Prepayments	62	45
<b>Total debtors falling due within one year</b>	<b>62</b>	<b>45</b>

## 8 Analysis of Creditors

	31 March 2017	31 March 2016
	£000	£000
8.1 Amounts falling due within one year:		
Trade Creditors	1,443	574
<b>Total creditors falling due within one year</b>	<b>1,443</b>	<b>574</b>

## 9 Analysis of Funds

### 9.1 Endowment Funds

The Charity held no endowment funds at the balance sheet date (£ NIL at 31 March 2016).

### 9.2 Restricted Funds

During 2016/17 the Charity reviewed and consolidated some of its individual Funds. Material Funds, reported below, are measured on the basis of the fund balance at the end of the current reporting year, as a result some funds will not be considered material and will be included in the 'Other' section. Funds may have been considered material as at 31st March 2016 and would have appeared in the analysis in the 2015/16 Accounts. Therefore it is possible that on individual lines, the Balance at 31 March 2016 in the 2015/16 Annual Accounts will not be consistent with the Balance at 31 March 2016 presented below.

	Balance 31 March 2016	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2017
	£000	£000	£000	£000	£000	£000
<b>Material funds</b>						
A Patients	380	241	-	5		616
B Staff						-
C Research	260	158	-	84		334
D Helping Hands						-
E Elderly Care						-
Total	640	399	-	89	-	950
Other Restricted Immaterial Funds	1,808	-	68	-	20	272
	2,448	331	-	417	-	2,613

### 9.3 Details of material funds - restricted funds

Name of fund	
A Patients Fund	Relief of sickness of patients at SWB Hospitals NHS Trust
B Staff Fund	Relief of sickness by enhancing staff performance
C Research	Investigate/prevent/treat/cure sickness and disability
D Sandwell Children's Helping Hand	Relief of sickness of children in the Sandwell area.
E Elderly Care	Relief of sickness in elderly people at SWB Hospitals NHS Trust.

### 9.4 Details of material designated funds with a balance greater than £75,000 as at 31 March 2017 - Unrestricted charity

Fund name	Bal B/f '000	Income '000	Exp '000	Transfers '000	Gains and Losses '000	Bal C/f '000
TF CH TITLE		+	-			
2111 1 YOUR TRUST CHARITY	1	443				444
0194 1 OPHTHALMIC/BMEC RESEARCH AND TRAINING FUND	206	89	-	14		281
4013 1 G007SOB SOBRIETY UNITS FOR ACUTE ALCOHOL RELATED PROBLEMS	243	-	-	13		230
8000 1 MMH - LEUKAEMIA RESEARCH	-	199	-			199
2100 1 CHILDREN'S THERAPIES TRUST FUND	130	102	-	37		195
0045 1 UROLOGY FUND	24	111	-	1		134
0136 1 X-RAY DEPT FUND	85	-	-	1		84
4015 1 G008VOL VOLUNTEERS TRUST FUND	230	-	-	85		145
OTHER FUNDS <£75,000 (INCLUDING RESERVES)	1,714	-	29	608	20	308
Total	2,633	915	-	759	20	3,117

### 9.5 Transfers between funds

The transfer between unrestricted funds totalled £0.064m (2015/16 £0.878m) as per instructions from the trustees for the new grant bids.

**10 Contingencies**

There are no contingent gains or losses included in the accounts (£ NIL 2015/16).

**11 Commitments, Liabilities and Provisions**

**11.1** The Charity had outstanding commitments at the balance sheet date of £NIL (£6,989.76 at 31 March 2016)

**11.2** The Corporate Trustee recognises liabilities in the accounts once they have incurred either a legal or constructive obligation to expend funds.

The Corporate Trustee has no provisions at the balance sheet date (£ NIL at 31 March 2016)

**12 Corporate Trustee and Connected Persons**

During the year no expenses were reimbursed to members of the Corporate Trustee nor did any Corporate Trustee receive any remuneration for their role. (£ NIL 2015/16)

**13.1 Related Party Transactions**

Sandwell and West Birmingham Hospitals NHS Trust is considered to be a related party. The Sandwell and West Birmingham Hospitals NHS Trust (members of the Corporate Trustee are also members of the Trust Board) had a turnover in 2016/17 of £460,197,098 (£443,696,678 - 2015/16 ) with a reported deficit of £6,995,771 (£4,254,609 - 2015/16)

The Charitable funds reimbursed Sandwell and West Birmingham Hospitals NHS Trust £316,971 (£135,537- 2015/16) for the costs of staff employed by the Trust but working on behalf of the Charities and for the purposes of the Charities.

The Charitable funds has an amount owing to Sandwell and West Birmingham Hospitals NHS Trust of £1,228,843 at 31 March 2017 (£587,248 at 31 March 2016)

**13.2 Corporate Trustee Indemnity Insurance**

Corporate Trustee indemnity insurance cover has not been required in 2016/17 (£ NIL 2015/16)

**13.3 Volunteers**

Your Trust Charity is very proud to be supported by a number of volunteer roles that are essential to the functioning of the team:

- Fund Managers – we have over 200 charitable funds managed by SWBH staff who are volunteering their time as fund managers. They have delegated authority from the Trustees and manage how the charity's designated funds should be spent.

- Staff Fundraisers – Members of staff from various wards, services or departments are involved in fundraising activities both onsite at SWBH and offsite i.e. challenge events

- External Fundraisers – we have a small but growing number of fundraisers who participate in external challenge events to raise money for us – often through online fundraising pages i.e. Justgiving and Virgin Money Giving

- Charity Volunteer Resource – we have future plans to develop a charity specific volunteer resource from 2017/18, as part of our 5 year fundraising strategy

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

	Unrestricted	Current year Restricted	Total	Prior Year Total
<b>net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	484	165	<b>649</b>	(1,025)
(Gains)/Losses on investment	(308)	(272)	<b>(580)</b>	0
Unrealised Gains/Loss on investment	0	0	<b>0</b>	0
Dividends and interest from investments	(65)	(57)	<b>(122)</b>	(104)
(increase)/decrease in debtors	(16)	(1)	<b>(17)</b>	97
Increase/(decrease) in creditors	705	164	<b>869</b>	492
Net cash provided by (used in) operating activities	800	(1)	<b>799</b>	(540)

#### 15. Apportionment of proceeds/sale of investments

Apportionment of these values is based on the percentage of the investment portfolio held within Restricted and unrestricted

	Total	Current Year %	Unrestricted	Restricted	Prior year Total	%
Total Investment portfolio value	5,376				4,833	
Unrestricted	2,920	54			2,872	59
Restricted	2,456	46			1,961	41
Proceeds from sale of investments	2,016		<b>1,095</b>	<b>921</b>	1,202	
Purchase of investments	(1,978)		<b>(1,074)</b>	<b>(904)</b>	(1,857)	
Total	<b>38</b>		<b>21</b>	<b>17</b>	<b>(655)</b>	



**16. Analysis of cash and cash equivalents**

	Current year 2016/17			Prior Year 15/16	
	Unrestricted	Restricted	Total	Unrestricted	Restricted
Bank Account	825	711	1,536	15	704
Cash at Barclays (income)	7	6	13	6	4
Cash at Barclays (Capital)	101	85	186	27	20
Total cash and cash equivalents	<b>933</b>	<b>802</b>	<b>1,735</b>	<b>48</b>	<b>728</b>