



**Norfolk Community
Health and Care**
NHS Trust

**TRUSTEE ANNUAL REPORT AND
FINANCIAL STATEMENTS
2018/19**

**Norfolk Community Health and Care NHS Trust
Charitable Fund
Charity No: 1051173**

Charity Annual Report 2018/19 - Trustee Report

Who We Are

Norfolk Community Health and Care NHS Trust Charitable Fund (NCH&C Charitable Fund) is an independent registered charity, charity number 1051173. It exists for the benefit of NHS patients, and their families and carers, primarily those of Norfolk Community Health and Care NHS Trust. The charity enhances patient care through activities within in-patient hospitals and local clinics, through benefiting patients and their families and carers being treated at home, and through preventative information to empower people to avoid further treatment or reduce their risk of health problems.

We provide activities that are above and beyond those funded by the NHS, and in doing so make a real difference for patients, families, carers and the staff who look after them.

Our key partner in fulfilling our charitable mission and objectives is the Norfolk Community Health and Care NHS Trust. It provides community-based health and care services to more than 900,000 people across Norfolk. It also provides a specialist Early Supported Discharge service to stroke patients in Norfolk and Suffolk. On an average day the Trust staff see more than 1,500 people in their own home, treats over 600 people in clinics, and sees more than 50 people a day in residential or care homes. The Trust has over 200 beds in in-patient units.

The foundation upon which the charity's vital work is made possible is the personal donations, legacies, grants, and corporate funding we receive on behalf of our beneficiaries. This Annual Report will tell you more about what we do, what we have achieved, and what is possible when we combine our expertise with your support.

Our Mission and Objectives

Through raising new donations and the strategic use and management of our existing funds, NCH&C Charitable Fund's mission is to:

- Assist and enhance the care given to patients of Norfolk Community Health and Care NHS Trust, and their families and carers;
- Provide amenities for patients of Norfolk Community Health and Care NHS Trust;
- Work with other organisations assisting in the delivery of healthcare and complementary services in the population served by Norfolk Community Health and Care NHS Trust.

The charity operates through providing grants and directly commissioning its own activities in accordance with charity law, our constitution and the wishes and directions of our donors.

Our activities are guided by the wishes of patients and staff, directing funds towards areas they tell us are most in need. We also work closely with other specialist and local organisations such as Hospital Leagues of Friends, similar support groups, voluntary organisations, and allied professionals, to make the most of their expertise and local knowledge.

To meet its objectives and to deliver public benefit, the charity provides support in the following ways:

Fundraising support costs totalled £14,000 (£16,000 in 2017/18). This relates to costs directly associated with managing existing donors and identifying new sources of income (see note 4.1 to the accounts).

Specific Activities

The charity's activities fall into two main categories:

- Short-term support for one-off items of equipment or activities reacting to immediate needs wherever they are communicated. This tends to result in grants of £3,000 or less and makes use of donations made within the same year as the grant is given.
- Longer-term strategic activities responding to major needs, particularly in response to developing issues where the charity anticipates there will be a heightened need for support in future years. Support usually spans several years and the costs are higher. This requires careful financial planning and working with donors and potential supporters over many months. It also involves extensive consultation with clinicians and patients, family members and carers as well as other stakeholders.

When considering its strategic activities the charity takes account of demographic research and the plans of NHS Commissioners, the NCH&C NHS Trust, and public and voluntary sector stakeholders and partners.

In pursuit of better patient outcomes, the drive within the NHS is for hospital stays to be as short as possible, and more people to be cared for at home including at the end of their life.

Taking account of all these factors, the charity made investments in a number of areas outlined below.

A dining room extension and garden at Foxley Ward, Dereham Hospital

Our largest project during the year was to support the building of a dining room extension with access to a new outdoor space at Foxley Ward, Dereham Hospital, at an estimated cost of £160,000.

Foxley Ward provides rehabilitation services through its 20 beds. The dining room extension will enable patients to spend more time away from their bedside and will provide a comfortable place to spend time with families and other visitors. It will also be an area where the increasing number of volunteers can organise activities and events. The extension will also provide access to a new garden area.

The project was agreed in February 2019 and it is anticipated that, subject to planning permission, work will be started in 2019 and completed by the spring of 2020.

Carrying out this work would not have been possible without a £150,000 grant from the League of Friends of Dereham Hospital, whose continued support for the patients at the Hospital is an invaluable testament to the way in which the local community is actively engaged in the Hospital's work.

- £315 to purchase a model heart enabling community staff to be able to show patients where their health problems lie.
- £200 to provide activities for therapy groups of stroke survivors.
- £1,000 to provide newspapers throughout the year for patients in Swaffham Community Hospital.
- £1,332 to provide three large tables for use in a patient day room on Alder Ward, Norwich Community Hospital.
- £6,600 to provide improved physiotherapy equipment for in-patients and community patients at Kelling Hospital.
- £4,688 to supply and install new smart TVs for patients at Pine Cottage, Colman Hospital, Norwich.

How We Manage the Money

Our grant making policy

NCH&C NHS Trust Charitable Fund makes grants from both its restricted and unrestricted funds.

Within the unrestricted funds (totalling £795,000 on 31 March 2019), grants are made from general funds and designated funds.

- **Norfolk General Fund** – The General Fund manages donations received by the charity with no particular preference expressed by donors. The funds are currently used for two main purposes: Firstly to provide grants to support beneficiaries, services and strategic activities where designated and restricted funds are not available; Secondly, to meet the support costs of the charity.
- **Health and Care Fund** – the Health and Care Fund receives donations where donors have expressed a wish or preference that falls short of a formal restriction. This umbrella fund houses a large number of designated funds linked to specific services or activities.

The charity also makes grants from a small number of restricted funds (totalling £42,000 on 31 March 2019), including restricted grants from other bodies and legacies.

The charity has one capital endowment fund, the Swaffham Shephard CIP (balance at 31 March 2019 £32,000), the investment return from which is used to support grants to Swaffham Hospital.

The Trustees, through the Charitable Funds Committee, invites requests for grants from any member of NCH&C NHS Trust staff and from committees and project work groups of those staff. Individual budget holders represent the localities and services that they have managerial responsibility for and are required to discuss and sign off requests within their area of activity.

Day to day responsibility for the management of grant requests and authorised spending lies with the Fundraising Manager. There is an on-going programme of activities and promotion to ensure that staff are engaged in the process and that requests reflect the full range of potential beneficiaries. The Fundraising Manager reviews requests to ensure that they are in keeping with the charity's objectives, its published *Policies and Procedures*, and the Charity Commission's guidance on public benefit. Single requests in excess of £10,000 are considered individually by the Charitable Funds Committee.

Balance Sheet at 31 March 2019

	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	31 March 2019	31 March 2019	31 March 2019	31 March 2019
	£'000	£'000	£'000	£'000
<u>Fixed assets:</u>				
Investments	713	38	29	779
Total fixed assets	713	38	29	779
<u>Current assets:</u>				
Debtors	122	166	0	288
Cash at bank and in hand	78	20	3	101
Total current assets	201	186	3	390
<u>Liabilities:</u>				
Creditors falling due within one year	(118)	(182)	0	(300)
Net current assets / (liabilities)	82	4	3	89
Total net assets / (liabilities)	795	42	32	869
<u>The funds of the charity:</u>				
Endowment funds	0	0	32	32
Restricted income funds	0	42	0	42
Unrestricted funds	795	0	0	795
Total charity funds	795	42	32	869

About Our Investments

Our investments are managed by Barratt & Cooke Ltd, who are responsible for the timing and choice of investment sales and purchases, working within the guidance of the charity's Distribution and Investment Policy. As the charity's policy is to use, where possible, new donated funds as quickly as practicably possible, the emphasis is on maintaining a high level of liquidity and a low investment risk.

The charity has a policy of not investing in organisations involved in the production of alcohol products, armaments, tobacco products, or the production or circulation of pornography.

The ethical investment policy will be reviewed and updated during 2019/20 and will be subject to annual review thereafter.

How the Charity is Organised

Governance, structure and management arrangements

Our advisors

Bankers:

Barclays Business Banking
PO Box 614
St Cuthbert's House
7 Upper Kings Street
Norwich BX3 2BB

Investment Manager:

Barratt & Cooke Ltd
5-6 Opie Street
Norwich
NR1 3DW

Independent examiners

Larking Gowen LLP
King Street House
15 Upper King Street
Norwich
NR3 1RB

Legal advisors:

Mills & Reeve
1 St. James Court
Whitefriars
Norwich
NR3 1RU

Recruitment, appointment and induction of Trustee representatives

The Trust Board has delegated responsibility to manage the charitable funds to the Charitable Funds Committee.

Membership of the Charitable Funds Committee is determined by the Terms of Reference of the charity which are reviewed annually by the Board of the corporate trustee.

The membership of the Charitable Funds Committee for the reporting period 1 April 2018 to 31 March 2019 was as follows:

Geoff Rivers	Committee Chair, Non Executive Director
Lorna Bailey	Non Executive Director
Andrew Hopkins	Director of Finance and Performance
Anna Morgan	Director of Nursing & Quality

The Trustee is particularly keen to ensure that the charity is managed for the public benefit, and that conflicts of interest arising from corporate trusteeship are monitored and managed effectively.

The Trustee and the Charitable Funds Committee operates within the Charity Commission's guidance: *The Essential Trustee* and *Guidance for charities with a connection to a non-charity*. Compliance with the guidance is monitored continually, and is formally assessed annually as part of the Charitable Funds Committee's Self-assessment and Annual Review.

All Trustee representatives benefit from an annual programme of training and support covering the pursuit of public benefit, new developments with respect to the governance of NHS charities, and changes and updates to Charity Commission guidance with respect to charities in general.

relationships with a number of CCGs. The Trustee liaises with all NHS partners to understand the changes faced at an early stage. The charity also reviews its NHS partners' strategic plans.

The charity is also monitoring the work of the Norfolk and Waveney Sustainability and Transformation Partnership (STP), aligning acute and community NHS services with local authorities and the voluntary sector.

3. Donor stewardship and data security

The General Data Protection Regulation (GDPR) came into law on 25 May 2018. The charity is fully compliant with the legislation and is registered with the Information Commissioner's Office.

We are keen to underline that it has always been our policy never to share information about our donors with any other charity or organisation, nor do we share or exchange donor lists with others.

The charity is also voluntarily registered with the new Fundraising Regulator, which provides guidance and oversight with respect to best practice.

A Privacy Statement has been agreed and the Fundraising Manager has been designated as the Data Information Holder.

Donors and others will be made aware of their access rights to information and can receive the full Privacy Statement if they wish by contacting Gary Wiltshire, Fundraising Manager, via gary.wiltshire@nchc.nhs.uk or calling 01603 272572.

4. Low investment returns

The charity only has a small permanent endowment. It does however seek to generate additional income from investing its funds, which at the end of 2018/19 amounted to £882,000 (cash plus investments). The generally low return on investment income at the current time is a major challenge for the Trustee.

We believe that the best response to a long-term low return investment environment is to actively spend cash assets that are not required as reserves to ensure the sustainability of the organisation. This ensures that we support our beneficiaries to the greatest extent possible. The charity has taken the decision to continue to spend down historically-accumulated funds in its control over the next two years, with a view to reaching a balanced income/expenditure budget from 2021/22 supported by an appropriate level of operating reserves.

Related Parties

The charity provides grants to the Norfolk Community Health and Care NHS Trust and other organisations working in partnership with it. The link to the Trust is through the Charitable Funds Committee, a sub-committee of the Norfolk Community Health and Care NHS Trust Board.

To ensure the effectiveness of the charity, the Charitable Funds Committee consults widely with Trust representatives and staff through formal and informal contact, but retains its independence to act in the best interest of the charity and its beneficiaries.

The charity currently receives financial management support from SBS and corporate support from Norfolk Community Health and Care NHS Trust.

Balance Sheet at 31 March 2019

	Unrestricted funds 31 March 2019 £'000	Restricted funds 31 March 2019 £'000	Endowment funds 31 March 2019 £'000	Total funds 31 March 2019 £'000	Total funds 31 March 2018 £'000
Fixed assets:					
Investments	713	38	29	779	844
Total fixed assets	713	38	29	779	844
Current assets:					
Debtors	122	166	0	288	30
Cash at bank and in hand	78	20	3	101	174
Total current assets	201	186	3	390	204
Liabilities:					
Creditors falling due within one year	(118)	(182)	0	(300)	(153)
Net current assets / (liabilities)	82	4	3	89	51
Total net assets / (liabilities)	795	42	32	869	895
The funds of the charity:					
Endowment funds	0	0	32	32	31
Restricted income funds	0	42	0	42	39
Unrestricted funds	795	0	0	795	825
Total charity funds	795	42	32	869	895

The notes on pages 15 to 25 form part of these accounts

Approved by the Charitable Funds Committee at its meeting on 21 August 2019.

Geoff Rivers
Chair of the Charitable Funds Committee on behalf of the Corporate Trustee

Notes to the financial statements

1. Accounting Policies

The policies adopted by the charity in preparing these financial statements are described below. They have been applied consistently in dealing with items considered material in relation to the financial statements.

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are measured at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting and Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) issued 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.

Additional information is provided where it is believed to be useful to the reader. The charity has considered the guidance set out in "information sheet 1: implementation issues" issued by the Charity Commission for England and Wales when determining its accounting and reporting practice.

The Trustee considers there are no material uncertainties about the charity's ability to continue as a going concern, given the significant value of cash and investments held in relation to the charity's turnover and as the majority of the charity's expenditure is discretionary. These financial statements have therefore been prepared on a going concern basis.

There are no material uncertainties affecting the financial statements.

(b) Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as an endowment fund, where the donor has expressly provided that only the income of the fund may be expended, or as a restricted income fund, where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objectives. Unrestricted funds include designated funds, where the donor has made known their non-binding wishes or where the Trustee has, at its discretion, created a fund for a specific purpose.

(c) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable (more likely than not) 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, these terms or conditions must be met before the income is recognised. 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. If received, incoming resources with unmet terms or conditions are deferred and shown on the balance sheet as deferred income.

(d) 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:

- I confirmation has been received from the representatives of the estate that probate has been granted;
- I the executors have established there are sufficient assets in the estate to pay the legacy; and
- I 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 the conditions for income recognition are met.

(j) Allocation of support costs

Support costs are those costs which do not relate directly to a single activity. These include the costs of staff supporting the operational activities of the charity, administration costs, and the cost of the independent examination. Support costs have been apportioned between fundraising costs and charitable activities as set out in note 4 to these financial statements. All support costs are met by the Norfolk General Fund (unrestricted). The analysis of support costs and the bases of apportionment applied are shown in note 4.

(k) 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. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include the salaries and overhead costs of the Corporate Trustee's fundraising office.

(l) 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 therefore include support costs and an apportionment of overheads.

(m) Fixed asset investments

Investments are a financial instrument. Fixed asset (non current) investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) at the balance sheet date (31 March each year). 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 an investment analyst.

The main form of risk to the charity's financial assets is that of volatility in equity and bond 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.

(n) Debtors

Debtors are amounts owed to the charity. They are measured at their recoverable amount.

(o) 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.

(p) Creditors

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

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

Note 4. Expenditure

The charity incurs three broad types of expenditure:

- grant funded activity. The charity mainly pursues its charitable activities by making grants rather than directly undertaking charitable activities;
- fundraising costs; and
- support costs.

Grant funded activity is allocated directly to the fund or funds the grant is made from.

Fundraising costs are allocated fully to unrestricted funds.

Support costs are allocated fully to unrestricted funds and are made up of:

1. Governance costs. These are the costs associated with the governance arrangements of the charity and include the preparation and independent review of the annual financial statements and costs to provide financial information throughout the year to the Charitable Funds Committee.
2. Other support costs, primarily recharges of the Fundraising Manager and related charges by the Corporate Trustee when performing work for the charity.

Staff time and out-sourced financial services costs are allocated between raising fund costs and support costs in proportion to the time spent on each type of activity.

Support costs are allocated across the two categories of charitable expenditure incurred - patient care and patient amenities.

Note 4.1 shows the allocation of fundraising costs to the categories c 27 (27)

Note 4.2 shows the allocation of support costs to the categories of charitable expenditure incurred.

Note 4.1 Analysis of fundraising expenditure

	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	2018/19 £'000
Software licence	4	0	0	4
Fundraising Manager cost	10	0	0	10
Other fundraising costs	0	0	0	0
Total	14	0	0	14

	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	2017/18 £'000
Software licence	4	0	0	4
Fundraising Manager cost	11	0	0	11
Other fundraising costs	1	0	0	1
Total	16	0	0	16

Note 5. Movement in fixed asset investments

Movement in fixed asset investments

	2018/19 £'000	2017/18 £'000
Market value bought forward at 1 April	844	860
Add additions to investments at cost	22	108
Less disposals at carrying value	(116)	(121)
Increase / (decrease) in cash held within the portfolio*	(6)	13
Add net (loss)/gain on revaluation	35	(16)
Market value as at 31 March	<u>779</u>	<u>844</u>

* A proportion of the investment portfolio is held as cash. This is primarily due to timing differences between the sale of investments and the purchase of new investments. The cash amount is included within the investments balance in the balance sheet, rather than as 'cash at bank and in hand', given it is a part of the overall investment managed portfolio.

Fixed asset by type

	31 March 2019 £'000	31 March 2018 £'000
Listed equity	349	337
Fixed interest	414	485
Cash*	16	22
Total	<u>779</u>	<u>844</u>

All investments are held at fair value at balance date.

Realised and unrealised gains and losses are apportioned to individual restricted and endowment funds and the Norfolk General Fund (an unrestricted fund) on the basis of the average balances held on unrestricted, restricted and endowment funds.

Note 9 i. Analysis of major funds

The charity has three categories of funds, as explained in note 1 (b), funds structure.

The analysis below shows the opening and closing value of funds with an opening or closing balance over £10,000.

	31 March 2019 £'000	31 March 2018 £'000
<u>Unrestricted funds</u>		
Norfolk General Fund	303	414
Swaffham Hospital	58	79
PBL	228	232
Caroline House	20	21
Legacy Marilyn Rose Holmes	25	0
Legacy Zienia Merton	122	0
Health and Care Fund	39	79
Total unrestricted funds	795	825
<u>Restricted funds</u>		
Margaret Rose Goff Learn Disab	18	15
Kelling Training Fund	21	20
Other Restricted Funds	3	4
Total restricted funds	42	39
<u>Endowment funds</u>		
Swaffham Shephard CIP	32	31
Other endowment funds	0	0
Total endowment funds	32	31
Total funds	869	895

	1 April 2017	Income	Expenditure	31 March 2018
<u>Unrestricted funds</u>				
Norfolk General Fund	502	10	-102	414
Swaffham Hospital	67	15	-3	79
PBL	253	15	-36	232
Caroline House	28	4	-10	21
Health and Care Fund	52	36	-6	79
Total unrestricted funds	902	80	(157)	825
<u>Restricted funds</u>				
Margaret Rose Goff Learn Disab	19	0	-4	15
Kelling Training Fund	20	0	0	20
Other Restricted Funds	32	6	-34	4
Total restricted funds	71	6	(38)	39
<u>Endowment funds</u>				
Swaffham Shephard CIP	31	0	0	31
Other endowment funds	3	1	-4	0
Total endowment funds	34	1	(4)	31
Total funds	1,007	87	(199)	895