Cwm Taf NHS General Charitable Fund

TRUSTEES’ ANNUAL REPORT

For the Charitable Funds managed by

Cwm Taf Local Health Board

2010-2011
FOREWORD

The Annual Report for the year ended 31 March 2011 has been prepared by the Trustees of Cwm Taf NHS General Charitable Fund in accordance with Part VI of the Charities Act 1993 and the Charities (Accounts and Reports) Regulations 2005. This should be read together with the Cwm Taf NHS Charitable Funds Annual Accounts, which are appended to the report.

So far as the Trustees are aware, there is no relevant information of which the entity's independent examiners are unaware, and the Trustees have taken all the steps that should have been taken to make themselves aware of any relevant information and to establish that the entity's independent examiners are aware of that information.

The assets of the charity are detailed in the Annual Accounts that follow the Trustee’s report. No assets are held on behalf of either charity by another charity or by a trustee of the charity.
REFERENCE AND ADMINISTRATIVE DETAILS

The full name of the charity is:

Cwm Taf NHS General Charitable Fund

There are two special purpose subsidiary charities:

- Cwm Taf NHS Research and Training Charity
- Cwm Taf NHS Staff and Patients Welfare Charity

The registration number of the charity is 1049765. The charity is not registered as a company.

The principal registered address of the charity is:

Cwm Taf Local Health Board
Finance Department
Dewi Sant Hospital
Pontypridd
CF37 1LB

Statutory Background

From the 1st October 2009 Cwm Taf Local Health Board is the corporate trustee of the funds held on trust under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990. The role of the trustees however, is essentially performed by the Board of Cwm Taf LHB.

The Corporate Trustee

Those persons who have acted as Directors of the Corporate Trustee during the financial period 1st April 2010 to 31st March 2011 are as follows:

**Chairman:** Dr CDV Jones

**Non-Executive Directors:**

- Cllr R Roberts
- Dr. C B Turner
- Mr J Hill-Tout
- Prof V Harpwood
- Mr A Secular
- Mr G Bell
- Cllr Clive Jones
- Mrs J Ludlow
- Prof D Mead

**Executive Directors:**

- Mrs M Foster to 4th March 2011
- Mrs S C Sullivan to 30th September 2010
- Mr K Asaad from 1st September 2010
- Mrs A Lagier
- Mr I Stead
- Mr C White
- Mrs N John
Bankers
During the 2010-11 financial year the Charity retained the services of:

Barclays Bank
93/94 Taff Street
Pontypridd
Mid Glamorgan
CF37 4YH.

Independent Examiners
The Charity’s independent examiner during the financial year was

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

STRUCTURE, GOVERNANCE and MANAGEMENT

The charity is made up of a total of 160 individual funds as at 31st March 2011 (2010: 175). Notes 18 and 19 of the accounts distinguish the types of funds held and disclose separately all material funds.

Cwm Taf NHS LHB is the corporate trustee of the charitable fund. The role of trustee is performed by the Board of Cwm Taf LHB. The chairman and non-executive directors are appointed by the Minister for Health and Social Services of the Welsh Government. The executive directors are officers of the LHB and are appointed according to Health Board policy and procedure, their appointment being approved by the Board of the LHB. Appropriate training and induction is received on initial appointment followed by periodic development sessions to further develop the understanding of their roles and responsibilities. The trustees receive no remuneration or expenses from these charitable funds for their trustee duties.

The trustees are in overall control of all funds held by the Charity. Due to the large number of funds held for specific purposes, the trustees delegate day-to-day administration to fund managers. These managers oversee the balances of funds and identify expenditure needs where appropriate. Applications for all expenditure are submitted to the Chief Executive or Director of Finance & Procurement for approval and authorisation, on behalf of the trustees.

The accounting records and day-to-day administration of the funds are dealt with by the Finance Department located at Dewi Sant
Hospital, Albert Road, Pontypridd, Mid Glamorgan, CF37 1LB.

**Exposure to Risk**

The Chief Executive of the LHB together with the other directors are responsible for ensuring that an effective system of financial control is maintained. The Chief Executive and other directors are also responsible for reviewing the effectiveness of this system. The Charity operates under the same standard financial instructions and financial control procedures that are applied to the Board’s main operations.

Income and Expenditure is monitored for each individual fund to ensure that spending and firm financial commitments remain within available funds. The trustees receive periodic reports highlighting the main issues and risks facing the Charity.

The Charity has identified and examined all major risks that they are exposed to and systems have been established to mitigate these risks.

**OBJECTIVES and ACTIVITIES for the public benefit**

**Objects and Purposes**

The trustees confirm that they have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing the Charity’s aims and objectives.

Following the establishment of Cwm Taf NHS General Charitable Fund the objects of the charity are:

*The trustees shall hold the trust fund upon trust to apply the income, and at their discretion so far as permissible, the capital, for any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by Cwm Taf LHB.*

The Cwm Taf NHS General Charitable Fund is funded by donations and legacies received from patients, their relatives, and the general public and other external organisations. It is a grant-making charity, the purpose of which is the relief of those who are ill or disabled and the advancement of education through training.

The overall strategy of the Charity, to enable it to provide this support is achieved by the following means:

- **Patients Expenditure** - Through the purchase of small equipment and the provision of services and facilities not normally provided or in addition to the normal NHS provision.

- **Staff Expenditure** - a) Motivation of staff, by improving staff facilities and by providing services that...
improves staff well being.
b) Education support for staff supplementing that provided by the LHB.

Capital Equipment - By the purchase of equipment.
Research - By the funding of staff and purchase of equipment used in the research and development projects carried out by the LHB.

The role of trustee of the Charity is performed by the corporate body of Cwm Taf LHB and the majority of grant payments made by the Charity are made to the LHB as contributions to the NHS. Other grant payments are made for patient and staff welfare and amenities. The Charity meets its objective by applying its funds and income to make such grant payments, examples of which are given in the Financial Review section of this report.

Grant Making Policy

The Grant making policy is dictated by the objects and purposes of the Charity for the public benefit. Grant payments are made for exclusively charitable purposes in support of Cwm Taf LHB. The fund managers who have delegated management of the individual funds may identify possible expenditure provided it falls within the object of the fund, is a reasonable charge to charitable funds and is in furtherance of the objects of the charity. Each item of expenditure is monitored to ensure compliance with these criteria and is then submitted for approval to the trustees.

ACHIEVEMENTS and PERFORMANCE

To fulfil the charitable aims and objectives, the strategy of the charitable funds under the control of Cwm Taf LHB, as corporate trustee, is to support the LHB by providing funds to support a wide range of charitable and health related activities benefiting both patients and staff. In general they are used to purchase the varied additional goods and services that the NHS is unable to provide.

The charity does not currently have any major appeals to generate income and relies on the generosity of patients, their relatives and other donors who are familiar with or have experienced the care of the hospitals within the Trust.

During the year the Charity paid grants of £403K; these are detailed in note 8 of the accounts.

Examples of how the Charity has achieved its objectives are:

Patients Expenditure - Patients welfare and amenities grants included the purchase of specialist chairs, patient hoists, TVs in patient areas and patient’s Day trips. Patients, particularly those
receiving palliative care, have been able to benefit from complementary therapy provided by the funds.

**Research** - Research grants were largely used to enable staff to attend conferences and to purchase technical equipment to be utilised in medical research.

**Technical** - This included purchases for the Phototherapy Unit and purchases of “Navigators”. These are small monitors to record information on a continuous basis for diabetic patients.

Further details of expenditure are shown in the *Financial Review.*

The charity has an investment policy which states the Trustees responsibility to maximise the investment return on the funds, whilst minimising the risk to the funds themselves. Due to the current economic climate and the requirement to avoid risk the amount of income generated from investment was limited to £2K (2010: £2K).

**FINANCIAL REVIEW**

**Reserves Policy**

Reserves are those funds retained which can be freely used at the discretion of the Trustees in furtherance of any of the charity’s objectives. Reserves therefore do not include funds that have restrictions on them or funds that have been obtained for a specific purpose.

As the Charity’s financial procedures do not allow expenditure to be committed without the funds in place then the charity will always be able to meet its commitments as they fall due.

The reserve policy of Cwm Taf NHS General Charitable Fund is under review and opinion has been sought from the Charity Commission concerning the removal of fund restrictions to increase the level of generally available reserves.

**Movement in Net Assets**

The net assets of the Charitable Funds as at 31st March 2011 were £1,192K (2010:£1,288K). This comprised of unrestricted funds of £593k (2010:£609K), restricted funds of £599K (2009:£674K) and Endowment funds £0K (2010:£5K). Overall net assets decreased by £96k reflecting an excess of expenditure over income. The Charity’s Trustees are under a duty to apply the charity’s income within a
reasonable time of receiving it. Fund managers have, therefore, been actively encouraged to identify expenditure that would further the objectives of the Charity.

Income

The charity continues to rely on donations, legacies and investment income as the main sources of income. Additional income is also generated by the Post Graduate Education Centre at the Royal Glamorgan Hospital from the provision of educational services. The main sources of income are received in the form of course fees and donations from external companies for display stands at such events. In the accounts this income has been split between Activities for generating funds £14k (2010:£12k) where the training was delivered to delegates external to the Trust and Incoming resources from charitable activities £52k (2010:£41k) where the delegates were employees of Cwm Taf Local Health Board and hence beneficiaries of the Charity.

The Trustees are extremely grateful to those members of the public and staff who have made contributions to the charitable funds during the last financial year.

The table below demonstrate the various sources of income for 2010/11.

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2010-11 £000</th>
<th>2009-10 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>86</td>
<td>130</td>
<td><strong>216</strong></td>
<td>338</td>
</tr>
<tr>
<td>Legacies</td>
<td>59</td>
<td>1</td>
<td><strong>60</strong></td>
<td>70</td>
</tr>
<tr>
<td>Activities For Generating Funds</td>
<td>1</td>
<td>13</td>
<td><strong>14</strong></td>
<td>12</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1</td>
<td>1</td>
<td><strong>2</strong></td>
<td>2</td>
</tr>
<tr>
<td>Incoming Resources from Charitable Activities</td>
<td>0</td>
<td>52</td>
<td><strong>52</strong></td>
<td>41</td>
</tr>
<tr>
<td><strong>Total Incoming Resources</strong></td>
<td><strong>147</strong></td>
<td><strong>197</strong></td>
<td><strong>344</strong></td>
<td><strong>463</strong></td>
</tr>
</tbody>
</table>
Donations

During 2011 a total of £216k (2010: £338k) was received in the form of donations. This represented 63% of incoming resources received during the financial year.

A variety of donations were received throughout the year, a few examples of which are listed below:

- £15,000.00 Donation – TAKEDA UK Ltd
- £10,000.00 Donation – Received from a private individual
- £5,000.00 Donation – Received from a private individual
- £2,077.16 Donation – Received from a private individual
- £1,700.00 Donation – Received from a private individual.

Legacies

During the year The Charity was the grateful beneficiaries of legacies totalling £60k (2010: £70k) representing:

- £53,885 - from the Estate of the late Neville Robert Daniels
- £3,000 - from the Estate of the late Annie May Rosser
- £2,000 - from the Estate of the late Phyllis Davies
- £534 - from the Estate of the late Sybil & Idwal Hughes
- £500 – from the Estate of the late Gwilym Hermonydd Williams

All legacies are acknowledged by the Chief Executive with a letter of thanks to the family.

Investments

During the year the Charity received income of £2k (2010: £2k) in the form of interest from the placement of surplus funds in the high interest premium account. The level of investment income resulted from the continued low level of interest rates during 2010-11. Regular reports detailing the total funds and the interest rate received are prepared for the Trustees.

Expenditure

The total expenditure for the financial year totalled £440k (2010: £398k). Governance costs of £2k (2010: £6k) are made up of independent examination.

The Charity is primarily a grant making body, providing grants to the Cwm Taf LHB, from which many areas of service provision benefit. During 2011 charitable expenditure on direct charitable activity, including support costs, totalled £429k (2010: £429k).
ANALYSIS OF EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2011

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted £000</th>
<th>Restricted £000</th>
<th>2010-11 £000</th>
<th>2009-10 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising trading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>costs of goods sold and</td>
<td>0</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>other costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable Activities</td>
<td>229</td>
<td>200</td>
<td>429</td>
<td>382</td>
</tr>
<tr>
<td>Governance Costs</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total Resources Expended</strong></td>
<td><strong>230</strong></td>
<td><strong>210</strong></td>
<td><strong>440</strong></td>
<td><strong>398</strong></td>
</tr>
</tbody>
</table>

These detail of the expenditure on Charitable Activities are shown in the annual accounts within Note 8.

Management and Administration

The cost of administration for 2010-11 was £28k (2010: £32k). These figures are shown in the annual accounts within Note 10 under support costs and split between financial administration costs and governance costs.

As an ongoing process the trustees are actively promoting the review, and with the agreement of the Fund Managers, consolidation of both the smaller and least used funds. This process, by necessity, takes account of the purposes for which the fund was created but should, in the future, assist in maintaining the low cost of administration.

On behalf of the staff and patients who have benefited from the improved services the trustees would like to thank all patients, relatives, staff and members of the public who have made charitable donations. The level of activity will continue to be dependent upon the generosity of these donors and the receipt of legacies.

Signed

Chairman: ____________________ Date: ________________

Cwm Taf LHB

*On behalf of the Trustees*