



Annual Report and Accounts 2019 – 2020

Bradford Hospitals Charity
Daisy Bank
Duckworth Lane
Bradford
West Yorkshire
BD9 6RJ

Bradford Hospitals Charity is the official NHS charity for Bradford Teaching Hospitals NHS Foundation Trust

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The Trustee Report below aims to provide sufficient information to understand the Charity, its purpose, and how it has performed during the year.

1. Chair and Executive Directors' Foreword

On behalf of the Trustee of Bradford Hospitals Charity ("the Charity"), we are delighted to present the Charity's Annual Report and Accounts for the year ended 31 March 2020.

This document provides an overview for stakeholders and interested parties of what the Charity has achieved during 2019/20. This Annual Report, including the Trustee Report and Accounts has been prepared in accordance with accounting policies set out in the notes of the accounts and complies with the Charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice ("SORP") "Accounting and Reporting by Charities" ("FRS 102").

The Charity is committed to enhancing the care and treatment of patients and improving the health of local people. The Charity works with Bradford Teaching Hospitals NHS Foundation Trust ("the Foundation Trust") to improve health and healthcare across the Bradford City Region. We are proud that the general public trust us to invest in projects that are over and above the responsibility of the NHS and exchequer.

The Foundation Trust continues to face significant challenges with increasing demands and finite resources. Our aim therefore is to support the NHS Foundation Trust to achieve even more "over and above" what can be afforded through exchequer funding.

Over the past year, so many third party fundraisers have run, walked, cycled, abseiled, baked and done so many other things in support of local patients. They have given their time, enthusiasm and energy and have also rallied their friends and family to support our cause. Our grateful thanks go to everyone who has helped us throughout this last year. Our success can also be attributed to the commitment and unstinting efforts of our staff, trustees and our partners, to whom we are very grateful.

2019/20 has seen much consolidation and growth within the Charity. During the year we worked at the forefront of healthcare improvement, helping to enhance the quality of clinical care and patient experience provided by the NHS Foundation Trust. Many of the gifts given to us are out of gratitude for care and treatment received. They are given in hope that together we can make a difference to people, often living with a range of complex medical conditions, and provide to support our amazing NHS staff. As we live longer these complexities become even greater.

We took an important decision during 2017 to reduce the number of trust funds to four main funds. A rebranding exercise took place which saw the Charity outwardly publicise four funds: 1. Sunshine, 2. Children & Young People, 3. Cancer and 4. Dementia & Elderly. While this brand has been in existence for a couple of years now, the full exercise to bring all funds under the four funds is due to take place throughout 2020/21, in consultation with the Charity's fund holders (staff members who have responsibility for trust funds relevant to their area / department).

The benefits include improved fundraising through more focused marketing, greater support available to each fund from the fundraising team, greater flexibility in funds which will support the delivery of larger schemes, and encourage more ongoing donations. A four fund structure enables a simpler and more robust charity identity and brand, leading to improved awareness and fundraising. A fifth fund ('Other') has also been set up for Governance and Admin.

We have managed a number of changes on the Board of Trustees during the year. We are delighted to have been able to appoint Dr Max Mclean, Mel Pickup and Julie Lawreniuk to the Board of Trustees.

Dr Max Mclean, Chairperson

Maxwell joined the Foundation Trust on 1 May, 2019 from Bradford City Clinical Commissioning Group (CCG), where he had been lay member for patient and public involvement and vice-chair of the governing body since 2012. While in this role he was particularly keen on championing the involvement of patients in influencing how the CCG commissioned services. He also chaired the CCG's joint quality committee, primary care commissioning committee and the communications, equality and engagement group. Maxwell retired from West Yorkshire Police in 2010 after more than 30 years' service as the force's senior detective. As head of the Homicide and Major Enquiry Team, he oversaw all major criminal investigations in the county and led on partnership working with a variety of local and national agencies tackling crime in some of the most deprived communities. He led nationally for the police service on tackling domestic abuse and made significant national and international improvements in responses to domestic violence and child protection. In 2015, Maxwell graduated from the University of Huddersfield with a PhD after studying the ways in which coroners carry out their duties. His work on criminology, and coroners' services has been published in various academic journals. Maxwell lives in Bradford with his wife and three children, who were all born in the city.

Mel Pickup, Chief Executive Officer

Mel joined the Foundation Trust as Chief Executive Officer in November 2019. She qualified as a registered general nurse in 1990 and after a number of clinical roles, worked in management before moving back into a professional nursing leadership role. In 1998 Mel became the Deputy Director of Nursing at Doncaster and Bassetlaw Hospitals NHS Trust and was appointed Director of Nursing and Quality at Rotherham General Hospitals NHS Trust in 2001. Mel then moved to Wrightington, Wigan and Leigh NHS Trust in 2003 to take up the post of Director of Nursing and Governance, a role in which she later became Director of Operations and Deputy Chief Executive. Mel was Chief Executive of The Walton Centre NHS Foundation Trust from January 2007 prior to her appointment with Warrington and Halton Hospitals NHS Foundation Trust in 2011.

Julie Lawreniuk, Non-Executive Director

As a qualified accountant Julie became a Non-Executive Director with the Foundation Trust in September 2019. She was born and educated in Bradford and still lives in the city. She is passionate about Bradford and a supporter of one of the local football clubs. Julie has a Master's degree in Finance and Accountancy, and prior to joining the Foundation Trust was Deputy Chief Officer and Chief Finance Officer for the three Bradford District and Craven Clinical Commissioning Groups. She brings a wealth of NHS experience, with a career that has spanned over 27 years working across a number of NHS organisations including both providers and commissioners and covering a variety of senior leadership roles. Julie also worked in the private finance sector for 11 years before joining the NHS in 1992. She is also a Board member at Incommunities.

We would also like to thank Trevor Higgins for all he has contributed to the work of the Charity.

2. Review of activities

2.1. Review of the year

During the year, funds were used to enhance service provision for the benefit of both patients and staff. In general, the funds were used for the enhancement of a variety of additional goods and services, for example enhancing medical equipment and refurbishment of wards.

The Charity received a large number of very generous donations from many parts of the community and as a result of this generosity; the Charity purchased a number of items of equipment for the wards and departments, including:

- Patient transfer scales for ICU

- Haemodialysis chairs for Renal services
- Laryngo-pharyngoscope retractor for Oncology services
- A premium ultrasound machine for Radiology services
- A MacroPATH system that provides high-resolution images, video and audio files.
- Chemotherapy chairs for Oncology services
- A Scalp cooler for Oncology services

The Charity also enables staff to enhance their professional training by supporting them to attend additional courses and conferences, which updates them on new ideas and modern techniques in their specialties.

2.2. Our Strategic Objectives

The Charity has as its sole objective to use its funds:

For any charitable purpose or purposes relating to the NHS wholly or mainly for the services provided by Bradford Teaching Hospitals NHS Foundation Trust

The Corporate Trustee considers that this objective does not unreasonably restrict access to charitable benefits within the scope of the Declaration of Trust. The Corporate Trustee of the Charity seeks to achieve this objective, giving consideration to general guidance by two main routes. Firstly, the Corporate Trustee works to identify significant projects to which it can contribute or which it can wholly fund. It actively enhances the refurbishment of wards and clinical areas from basic specifications to higher quality. Secondly, staff throughout the organisation identify small but valuable differences where the fund monies can deliver benefits to patients and staff, such as attendance at extra training courses or conferences.

2.3. Activities for public benefit

Thanks to the continued generosity of our supporters, the Charity has continued to develop at a rapid pace and is delighted to report that during 2019/20, the Charity has been able to spend £520,849 across all areas of care, in the following areas:

| | £000 |
|-----------------------------|------|
| Medical equipment | 161 |
| Staff education and welfare | 114 |
| Patient welfare | 124 |
| Other activities | 88 |
| Raising funds | 521 |

2.4. Fundraising

The Charity is registered with the Fundraising Regulator and abides by their codes of conduct and their fundraising promise, which ensures that our fundraising is legal, open, honest and respectful. The Charity has a fundraising team that is compliant with the recognised standards of fundraising as well as those required under charity law and wider law. Controls are in place to ensure any fundraising is within the Fundraising Code of Practice. It is inevitable that fundraisers will come into contact with people who may be in a vulnerable circumstance, or need additional support to make an informed decision. If a fundraiser reasonably believes that an individual is unable to make a decision then they will not accept a donation from that person. The fundraising team use a checklist to help identify signs that an individual may be in a vulnerable circumstance. The fundraising team have a policy where they get to know their donors by sending out relevant and often personalised communications. They also give individuals clear information and opportunities to change how, when and if they want to hear from the Charity, and follow the General Data Protection Regulation (GDPR) principles. The Charity has not used any professional fundraisers and has not received any complaints.

The Charity raises funds to enhance the care and treatment of local patients and those who care for them.

During the year the Charity agreed to a core aim to seek to transform the radiology department into a warm and welcoming area for children. The Charity launched its ambitious £250,000 Rays A Smile Appeal with an aim to:

- completely refurbish the radiology waiting areas at Bradford Royal Infirmary and St Luke's Hospital to make them more child-friendly, creating designated safe spaces kitted out with distraction toys.
- revamp some rooms used for X-ray, ultrasound, CT and MRI scans with colourful décor to distract children.
- Create a 'snuggle room' for parents to soothe babies to sleep before scans, to avoid the need for general anaesthesia.
- Purchase sound systems to play music for children while they are scanned.

With an already packed events timetable for the year, including dragon boat racing, and our Superhero abseil, the Charity introduced a sky diving event, particularly aimed at our Rays A Smile fundraisers. As an introductory event, this raised over £10,000.

The Charity also held a celebrity charity football event, working with Supporting Charities, to support our Rays a Smile Appeal and raise valuable awareness throughout the local community and to support our ambitions of raising £250,000.

A fashion show was hosted raising £12,000 to support the Haematology and Leukaemia ward. A sponsored 5k walk raised £9,000 for the Rays A Smile Appeal.

At Christmas time, the Charity launched its Sparkle for Axl Christmas campaign. The campaign raised funds for distraction toys and games for children and play specialists to use whilst in hospital. Bradford City Football Club chose the Charity as their charity partner for the year.

The Fundraising team continued to provide opportunities for people to engage with the charity and donate. They ensure that all donors receive appropriate thanks and gratitude for their donations and actively promote the Charity to raise funds and awareness in a number of different ways; including:

- Organising fundraising events and taking part in larger scale challenge events organised by external companies
- Community activities and collections including our bi-monthly e-newsletter sent to our engaged supporters
- Promoting legacies/'in memory' donations
- Applying for grants from trusts and foundations
- Working with local businesses
- Effectively managing our funds and investing wisely

Fundraising record-keeping and monitoring is coordinated through the Harlequin CRM system. The Charity does not engage commercial third parties to provide a fundraising service on behalf of the Charity.

3. Financial Review

3.1. Summary

The net assets of the Charity as at 31 March 2020 were £2,019,253 (compared to £2,271,379 in 2019).

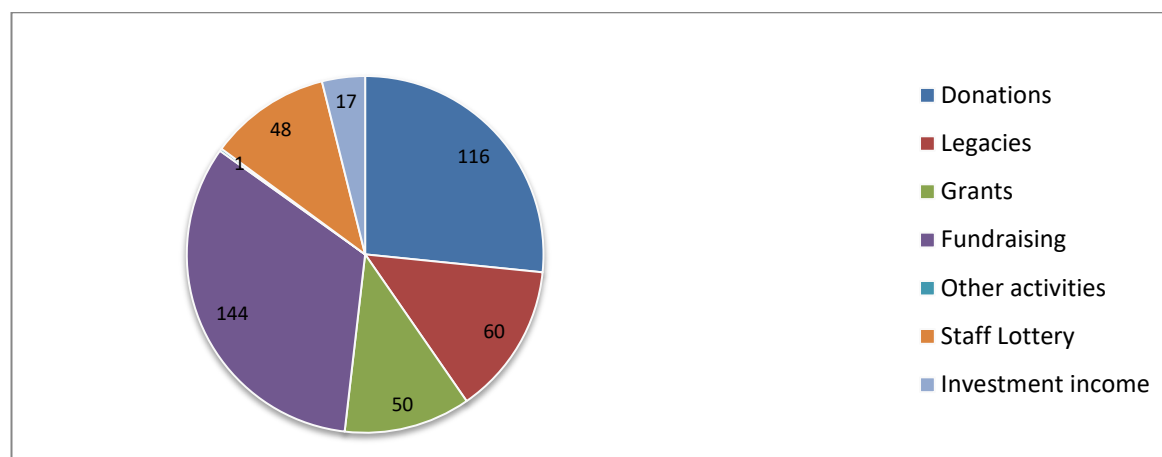
During the year, income (excluding unrealised and realised investment losses) was £435,924, an increase of £89,942 on the previous year, £345,982. Total expenditure for the year was £520,871, which represents a decrease of £39,145 on the previous year, £560,016. This resulted in an excess of expenditure over income of £84,947 which, together with realised and unrealised losses from the investment portfolio totalling £167,179, has led to an overall decrease in net assets of £252,126. The Charity will only fund items when it has cash available. It also has funds in reserves to cover operating costs.

The Charity continues to rely on donations, legacies and investment income as the main sources of income. Fundraising and grants also increased income. The Charity continues to invest in the growth of the Charity to secure long term sustainable income.

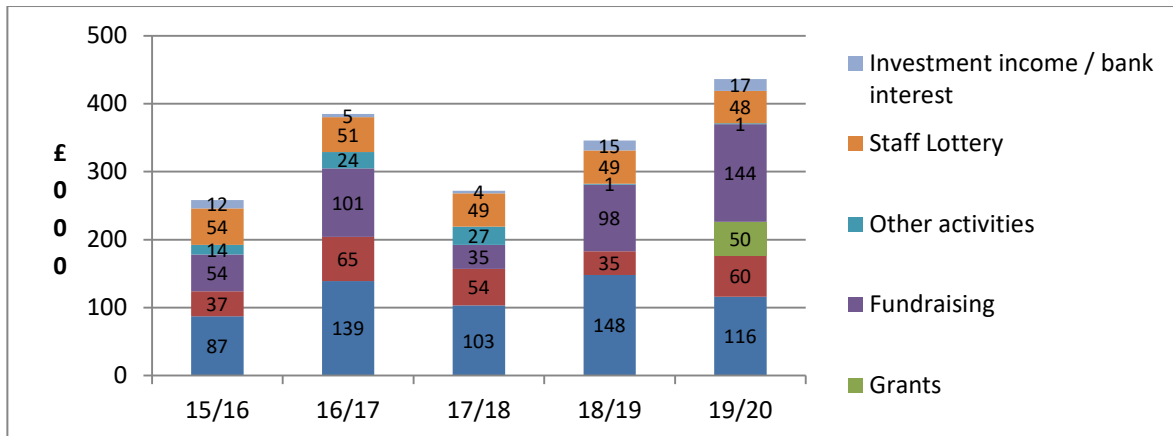
The Charity recently appointed an investment manager to manage its investments, Rathbones Investment Management and also holds an investment with The Charles and Elsie Sykes Trust. For this financial year, there has been an unrealised loss on investments of £167,179.

The Charity is continuing to encourage spend in year by asking departments to identify projects to utilise the designated funds held. The Charity aims to maximise public benefit by ensuring individual funds are spent in line with the purpose of the fund. Expenditure is limited to total donations received and is spent on needs when opportunity arises.

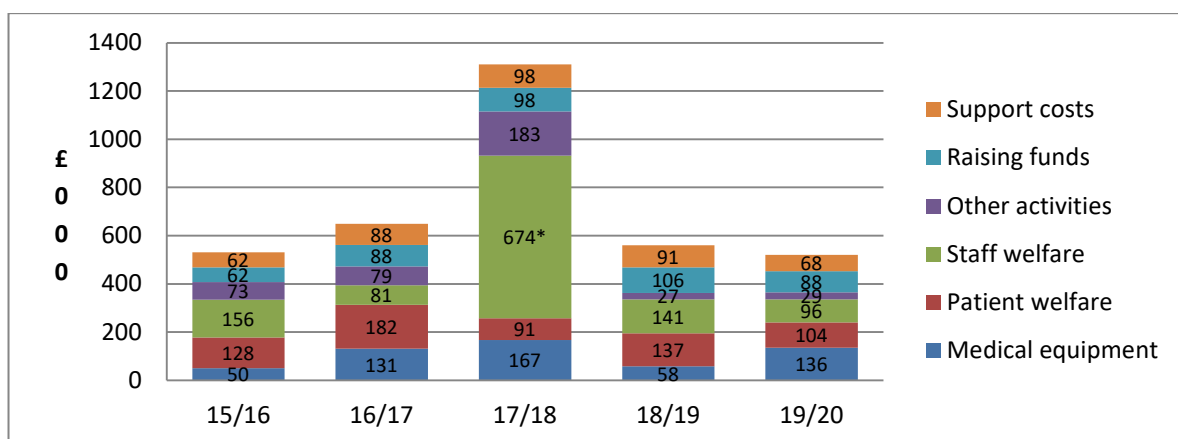
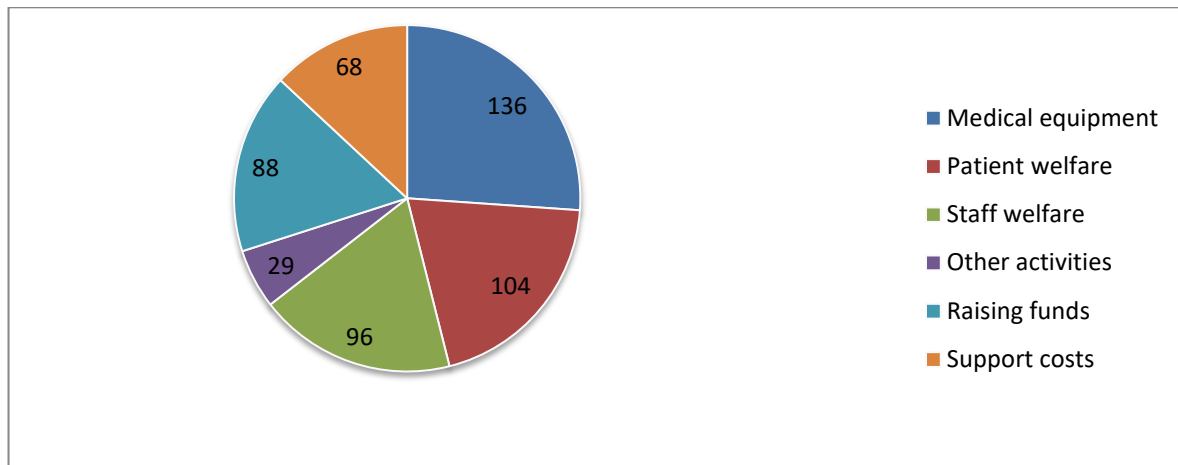
3.2. Sources of Income for the Charity 2019/20 (£000)



Bradford Hospitals' Charity - 1061753
Annual Report and Accounts for the year ended 31 March 2020



3.3. How funds were spent 2019/20 (£000)



* This figure includes an amount of £500k that was used to support the Electronic Patient Records (EPR) training costs.

4. Structure, governance and management

4.1. Corporate Trustee

The Foundation Trust is the Corporate Trustee of the Charity and is governed by the law applicable to NHS Trusts, principally the Trustee Act 2000 and the Charities Act 1993 as amended by the Charities Act 2011. The Foundation Trust Board of Directors has devolved responsibility for the on-going management of funds to Bradford Hospitals Charity Committee, which administers the funds on behalf of the Corporate Trustee. No trustee remuneration was paid in the year by the Charity.

Members of the Foundation Trust Board of Directors are not individual Trustees under Charity Law but act as agents of the Corporate Trustee. The Board of Directors approves which members become the agents of the Corporate Trustee and are introduced to the Charity through Board standing orders / Executive Leads.

The following members of the Board of Directors served on behalf of the Corporate Trustee during the year:
Trevor Higgins, Non-Executive Director (to 20 May 2019) and Acting Chairperson (from 01 February 2019 to 30 April 2019)

Maxwell Mclean, Chairperson (from 01 May 2019)

John Holden, Acting Chief Executive (from 01 April 2019 to 31 October 2019), Director of Strategy & Integration / Deputy Chief Executive

Mel Pickup, Chief Executive (from 01 November 2019)

Matthew Horner (Director of Finance)

Karen Dawber (Chief Nurse)

Michael Quinlan (Deputy Director of Finance / Charity Secretary)

Trudy Feaster-Gee (Non-Executive Director)

Julie Lawreniuk, Non-Executive Director (from 01 September 2019)

The Charity General (unrestricted) Fund was established using the model Declaration of Trust, and all funds held on trust as at the date of registration (April 1997) were either part of this unrestricted fund or registered as separate designated funds within the Charity.

Subsequent donations and gifts received by the Charity that are attributable to the original funds are added to those fund balances within the existing Charity. The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objectives of each fund, and by designating funds the Corporate Trustee respects the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff.

4.2. Charity Operational Committee

The Charity Operational Committee meets every two months and is a Committee of the Charity. Its purpose is to give additional assurance to the Bradford Hospitals Charity Committee that the Trust's charitable activities are within the law and regulations set by the Charity Commissioners for England and Wales and to ensure compliance with the charity's own governing document. It does not remove from the Bradford Hospital Charity Committee the overall responsibility for this area but provides a forum for a more detailed consideration of charitable matters and allows for direct contact with the Charity Commissioners where necessary.

Membership:

Chair:

Chief Nurse

Members:

Deputy Finance Director (Deputy Chair)

Director of Strategy

Assistant Chief Nurse

Assistant Director of Finance

Head of Fundraising

Charity PR and Communications Officer

AHP Representative

Nurse Representative

Doctor Representative

Manager Representative

HR Representative

Risk and Governance Representative

Estates and Facilities Representative

4.3. Structure of funds

The primary issue to be considered in any expenditure decision is whether the expenditure is within the scope of the objects of the Charity. Charitable purposes within the NHS translate to prevention or relief of sickness, disease or human suffering of patients served by the NHS. This does not preclude expenditure on staff as long as the benefit to staff translates demonstrably to relief of sickness of NHS patients.

The Charity has a decision making and approval process whereby an expenditure form needs to be completed. The expenditure form is structured in sections covering the key principles that fund holders need to consider and includes the requirement for the appropriate authorised signatories.

The Charity has started an exercise to rationalise the existing trust funds into four main funds - Sunshine, Children & Young People, Cancer and Dementia & Elderly. A fifth fund ('Other') has also been set up for funds that are related to governance and admin. Over the next three years, the intention is to merge the existing trust funds into one of the four new funds.

The General Fund

This comprises of gifts received by the Charity where no particular preference as to their expenditure has been expressed by donors.

Designated (earmarked) Funds

Under the new structure, this will be the Children & Young People, Cancer, and Dementia & Elderly. These usually contain donations where the donor expressed a preference to benefit a particular department or activity of the Foundation Trust at the time of making the donation. This preference can also include benefit to staff welfare, thereby enhancing both patient care and public benefit.

Whilst the donor's preference is not binding on the Corporate Trustee, the designated funds reflect these preferences. The designated funds are overseen by fund holders who can make recommendations on how to spend the money within their designated area. Fund holders' recommendations are generally accepted, and these funds can be spent at any time.

The funds available for spending are allocated to specialties within the Foundation Trust's clinical management structure.

Restricted Funds

This comprises of gifts received by the Charity where a specific instruction as to their expenditure has been expressed by donors. These funds must only be used in accordance with specific restrictions imposed by the donor. At present, the Charity has no restricted funds.

Endowment Funds

The Charity has "Capital in Perpetuity" funds, which consist of five expendable endowment funds and one permanent endowment fund (which cannot be spent). These funds provide investment income.

4.4. Public benefit

The Corporate Trustee conducts its activities with regard to the Charity Commission guidance on Public Benefit in section 4 of the Charities Act 2011.

The key principles of public benefit are:

- there must be identifiable benefit(s); and
- benefit must be to the public or to a section of the public.

The Corporate Trustee seeks to meet these principles in a number of ways. It has established a system of expenditure approval that ensures proper consideration is given to what the benefits of its activities are and who will benefit. The Corporate Trustee considers that, because its activities are patient focussed and contribute to the health of NHS patients, it clearly provides public benefit. In providing public benefit the Corporate Trustee is careful to ensure that its activities do not unreasonably restrict access to charitable benefit within the scope of Declaration of Trust, or cause any detriment or harm. Charitable funds may be used to partially fund staff welfare and professional education / training, where this is in addition to the provision ordinarily afforded by the NHS. As professional education / training can also be a personal benefit, care has been taken to establish that this is incidental to the patient benefit. These requests demonstrate a direct link between professional education / training and the benefit for Bradford patients.

To minimise risk and restrict harm, medical equipment purchases are made through the Foundation Trust's procurement processes, which help to ensure compliance with legislation, including Health and Safety and Equality and Diversity. Staff appointments are subject to the Foundation Trust's policies and procedures to reflect good practice in recruitment and retention

4.5. Governance

The Charity is constituted by trustees incorporated as a body and is governed by a Declaration of Trust of 25 March 1997. This is the formal document which sets out information on what the Charity is set up to do (objects), how the Charity will do this (powers) and administrative provisions.

Acting for the Corporate Trustee, the Bradford Hospitals' Charity Committee is responsible for the overall management of the Charity and is required to:

- control, manage and monitor the use of the Charity's resources;
- provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income;
- ensure that "best practice" is followed in the conduct of all its affairs fulfilling all of its legal responsibilities;
- ensure that the approved investment policy approved by the Board of Directors as Corporate Trustee is adhered to and that performance is continually reviewed and that ethical considerations are applied; and
- keep the Board of Directors fully informed on the activity, performance and risks of the Charity.

These are all included in the Bradford Hospitals' Charity Committee's terms of reference. The accounting records and the day-to-day administration of the Charity are dealt with by the finance department of the Foundation Trust. These costs are re-charged to the Charity.

The Charity has policies on expenditure, investments and reserves as well as guidelines for fund holders.

4.6. Day to day management of the Charity

The Director of Finance, Matthew Horner, under a scheme of delegated authority approved by the Corporate Trustee, has day to day responsibility for the management of the Charity. Matthew Horner must personally approve, on behalf of the Corporate Trustee, all expenditure over £500, with an upper limit of £50,000, using his delegated authority. For expenditure from £50,000 to £100,000, approval must be obtained from either the Chief Executive or the Chairperson of the Foundation Trust. For any expenditure over £100,000, approval needs to be obtained from the Corporate Trustee.

Michael Quinlan, Deputy Director of Finance / Charity Secretary, acted as the principal officer overseeing the day to day financial management and accounting for the Charity during the year.

Principal office

Bradford Hospitals' Charity
Daisy Bank
Duckworth Lane
Bradford
West Yorkshire
BD9 6RJ

Principal professional advisers:

External Audit

Deloitte LLP
1 City Square
Leeds
LS1 2AL

Investment Advisors

Rathbone Investment Management
Port of Liverpool building
Pier Head
Liverpool L3 1NW

Bankers

HSBC
47 Market Street
Bradford
BD1 1LW

4.7. Board of Directors

The Charity has a Corporate Trustee, the Foundation Trust. The members of the Foundation Trust Board of Directors who served during the financial year and up to the date of signing of the financial statements were as follows:

Chairperson

Trevor Higgins, Non-Executive Director / Acting Chairperson (from 01 February 2019 to 20 May 2019)
Maxwell Mclean, Chairperson (from 02 May 2019)

Executive Directors

John Holden, Acting Chief Executive (from 01 April 2019 to 31 October 2019), Director of Strategy & Integration / Deputy Chief Executive
Mel Pickup, Chief Executive (from 01 November 2019)
Karen Dawber, Chief Nurse
Bryan Gill, Medical Director
Matthew Horner, Director of Finance
Sandra Shannon, Chief Operating Officer / Deputy Chief Executive
Pat Campbell, Director of Human Resources
Cindy Fedell, Director of Informatics

Non-Executive Directors

Laura Stroud
Selina Ullah
Barrie Senior
Trudy Feaster-Gee
Jon Prashar
Julie Lawreniuk, Non-Executive Director (from 01 September 2019)
Mohammed Hussain, Non-Executive Director (from 01 September 2019)

Associate Non-Executive Directors

Andrew McConnell (until 20 May 2019)

Former Non-Executive Directors

(Directors who resigned or whose term of office ended during the year)
Amjad Pervez (until 31 January 2020)

Reference and administrative details

The Charity, registered charity number 1061753, was entered on the Central Register of Charities on 19 March 1997. The name of the charity changed from 'Bradford Teaching Hospitals NHS Foundation Trust Charitable Fund' in August 2014 to 'Bradford Hospitals Charity', with no change being made to the objectives of the Charity.

The Charity consists of 163 funds as at 31 March 2020 (2019: 170), and the notes to the accounts distinguish the types of fund held and disclose separately all material funds. The funds received by the Charity are accepted, held and administered as funds and property held on trust for purposes relating to the Health Service in accordance with the National Health Service Act 1977 and the National Health Service and Community Care Act 1990, and these funds are held on trust by the Corporate Trustee.

4.8. Investments policy and performance

During the year, the Corporate Trustee wanted to achieve a balance of generating income and maintaining, or even enhancing, the value of its assets by capital growth. Rathbone Investment Management were awarded the tender and in January 2020, started to invest the funds of the Charity.

The Charity has an investment policy which was last reviewed in July 2019. The assets of the Charity must be invested in accordance with the declaration of Trust and are governed by the Trustee Act 2000. The investment policy addresses the needs of the Charity and its beneficiaries in the short, medium and long term by aiming to balance both capital growth and income generation.

The overall objectives are to generate sufficient income and capital growth to enable the Charity to carry out its purposes consistently year on year with due and proper consideration for future needs and the maintenance of and, if possible, enhancement of the value of the invested funds while they are retained. The Charity recognises that every investment carries risk. Equally, not investing at all carries the risk of lost asset value in real terms, and the consequent reputational risk of poor stewardship.

The Charity has considered the seven types of risk identified by the Charity Commission in its guidance Charities and investment matters: a guide for trustees (CC14), namely:

- Capital risk – loss of capital and volatility
- Liquidity risk
- Market risk (e.g. inflation; interest rate; exchange rate; regulatory risks)
- Valuation risk
- Counterparty risk
- Tax risk
- Environmental, social and governance

The Charity has decided that to mitigate risk it will have a diversified portfolio of investments, both in asset class and individual investment, and will be invested such that the overall risk profile of the funds is 'medium' with the specific investment strategy to be agreed with the Investment Manager.

The Charity permits investments in the following assets:

- Listed UK equities
- International equities quoted on a recognised stock exchange
- Government gilts
- Corporate bonds
- Buildings or land
- Interest bearing cash deposits in UK banks or building societies
- Cash

Ethical considerations are included which in general terms seek to obtain the best financial return from the Charity's investments consistently and with commercial prudence. The Charity will not invest directly in companies which are primarily involved in the production of alcohol, tobacco or armaments. The Investment Manager is encouraged to monitor the collective investments held, in so far as is practicable, such that any indirect exposure in these areas is minimised.

The Charity has a capital in perpetuity fund (Elsie Sykes CIP fund) that is held for investment, with income generated to be used for charitable purposes, as specified in the endowment terms. This is currently invested with the Charles and Elsie Sykes Trust.

4.9. Reserves policy

The Charity has a reserves policy requiring reserves to be maintained at a level equivalent to the cost of maintaining the charity team for one year. In addition to the unrestricted and designated funds held in reserves, the Trustee has the power, if it so wishes, to spend any of the expendable endowment. However the expendable endowment is used to generate income, supplementing the income from donations and legacies. The Trustee will therefore only spend the expendable endowment on an exceptional basis.

It is not anticipated that the Charity will deploy funding towards any projects before donations have been received which mitigates the risk of any planned commitments, or designations, that cannot be met by future income alone. In other words commitment is made by the Charity after funding has been identified / receipted.

Based on the 2019/20 staffing complement and pay scales, the cost to maintain this for 1 year has been calculated as £160k. The reserves are held in a designated fund (specifically created for this purpose), and in the expendable endowment funds, with the intention that the expendable endowment funds, which will be invested for capital growth, will bring the designated fund to the required level. For the current year, the balance in the reserves fund is £160k.

4.10. Risk management

The Corporate Trustee has considered any major risks to which the Charity is exposed. Systems and processes have been reviewed and no major risks were identified. The Corporate Trustee aims to mitigate the risk that income will fall by engaging with the fundraising department. This department works with the Charity and engages with the local community to raise funds. The Corporate Trustee has agreed to invest in a fundraising strategy, with a long term ambition to engage with the public and to further enhance the environment of the Foundation Trust.

The investment portfolio is well diversified to help protect the Charity against any fall in value of a particular market. The Investment Manager holds a discretionary mandate which enables them to make investment and divestment decisions on the Charity's behalf. The Charity works closely with the Investment Manager to ensure that the investment policy is reviewed regularly.

The investment strategy is to protect the long term value of the portfolio in absolute terms and in terms of purchasing power once the impact of inflation is taken into account. To achieve this, the Investment Managers have inevitably invested a substantial amount of the portfolio in equities, both in the UK and overseas.

There is volatility in financial markets, with some of this due to the Covid 19 pandemic. This is evidenced by the unrealised loss of £167,179 borne in the year by the fixed asset investments. Any gains and losses, although reflected in the Charity's accounts are not, of course, realised as such unless and until the investments concerned are actually sold.

4.11. Partnership working and networks

The Foundation Trust is the main beneficiary of the Charity and is a related party by virtue of being the Corporate Trustee of the Charity. Effective partnership with the Foundation Trust ensures that the funds are used to best effect. When deciding upon the most beneficial way to use the Charity funds, the Corporate Trustee has regard to the main activities, objectives, strategies and plans of the Foundation Trust.

5. Future plans

The Charity's priorities are those set out in the Foundation Trust's mission statement: 'to provide the highest quality healthcare at all times'. The vision for the Foundation Trust that describes its ambition and where it

wants to be as an organisation in five years' time is 'to be an outstanding provider of healthcare, research and education, and a great place to work'. Meeting this mission and vision will maximise the impact of the Charity and its benefits to the beneficiaries of the Charity who are primarily the NHS patients of Bradford, through three core values:

- We care;
- We value people; and
- We are one team.

In order to enhance and improve the current levels of care for NHS patients throughout the Foundation Trust, the Charity has planned expenditure in a number of areas. The Charity will also continue to enhance the refurbishment of wards and clinical areas from basic specification to higher quality.

The Fundraising department will also look to expand its fundraising activities towards achieving its goal of raising additional funds over the next five years. The Charity is continuing to encourage spend in year by asking departments to identify projects to utilise the designated funds held. The Charity aims to maximise public benefit by ensuring individual funds are spent in line with the purpose of the fund. Expenditure is limited to total donations received and is spent on needs when opportunity arises.

Covid 19

The measures being taken to contain Covid 19 will impact on NHS Charities in many different ways and it is important for the Charity to understand the impact on the delivery of their activity and their governance including their finances. It is expected that the Covid-19 pandemic will actually increase donations to the Charity. However, social distancing measures in place for the first part of 2020/21 will reduce our fundraising events.

The Charity generates additional income from investing its cash balances so the Charity considers the loss of any investment income to be a financial risk. However, the risk is mitigated by retaining expert investment managers, having diversified investment portfolios and regularly reviewing the portfolios. For the portfolio managed by Rathbones, the investment managers remain positive on risk assets on a 12 - 24 month view, although volatility will continue to remain elevated. Whilst the Covid outbreak has seen the portfolio value fall in Q1 2020, since then the value has recovered strongly over the course of the year and has done so ahead of the benchmark. For the permanent endowment fund (Elsie Sykes CIP fund) that has now been invested with the Charles and Elsie Sykes Trust, the Trust is aiming to gain a return on its portfolio which is higher than the customised benchmark. The one year benchmark for 2019 was 16.8% and the return achieved was 14.5%. Over a longer term of 5 years the return achieved has been 7.3% compared to a benchmark of 7.9%. The trustees remain satisfied with portfolio performance.

Looking ahead, the development of effective vaccines has provided hope and a real chance of controlling the virus such that economies can begin to recover. The combination of the vaccine and supportive monetary and fiscal policy supports the view that the outlook for investment markets is one of a more 'normal' and less Covid impacted world. This is positive for humanity, the economy and investment markets, but as ever risks and challenges remain.

6. Financial Statements for the year ended 31 March 2020

The accounts of the funds held on trust by the Trustee appointed as stated below:

6.1. Foreword

The Trustee present their report and the audited financial statements of the Charity for the year ended 31 March 2020. The Trustee has adopted the provisions of the Statement of Recommended Practice ("SORP") "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland published on 16 July 2014, updated with the second edition released in October 2019.

6.2. Statement of Trustee' responsibilities in respect of the Trustee annual report and the financial statements

The Trustee is responsible for preparing the Trustee Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Trustee

Signed:

Chairperson of the Corporate Trustee

Date

Chief Executive of the Corporate Trustee

Date

Independent Auditor's Report for Bradford Hospitals Charity

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bradford Hospitals' Charity (the 'charity'):

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011.

We have audited the financial statements which comprise:

- the Statement of Financial Activities;
- the Balance Sheet;
- the Statement of Cash Flows; and
- the related notes 1 to 23.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work

we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Leeds, United Kingdom

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006

6.3. Statement of financial activities for the year ended 31 March 2020

| | Notes | Unrestricted funds 2020 £000 | Endowment funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|------------------------------------|-------|------------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Income and Endowments from: | | | | | |
| Donations and legacies | 4 | 226 | 0 | 226 | 183 |
| Other trading activities | 5 | 193 | 0 | 193 | 148 |
| Investments | 7 | 17 | 0 | 17 | 15 |
| Total income and endowments | | 436 | 0 | 436 | 346 |
| Expenditure on: | | | | | |
| Raising funds | 8 | (88) | 0 | (88) | (106) |
| Charitable activities | 9 | | | | |
| Medical equipment | | (161) | 0 | (161) | (72) |
| Staff education & welfare | | (114) | 0 | (114) | (176) |
| Patient welfare | | (124) | 0 | (124) | (172) |
| Other activities | | (34) | 0 | (34) | (34) |
| Charitable activities total | | (433) | 0 | (433) | (454) |
| Total expenditure | | (521) | 0 | (521) | (560) |
| Net gains/(losses) on investments | 16 | (125) | (42) | (167) | 0 |
| Net (Expenditure) | | (210) | (42) | (252) | (214) |
| Net movement in funds | | (210) | (42) | (252) | (214) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | 22 | 1,980 | 291 | 2,271 | 2,485 |
| Total funds carried forward | | 1,770 | 249 | 2,019 | 2,271 |

The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 23 to 35 form part of these accounts.

6.4. Balance Sheet as at 31 March 2020

| | Notes | As at 31 March 2020 | As at 31 March 2019 |
|--|-------|------------------------|------------------------|
| | | £000 | £000 |
| Fixed assets | | | |
| Investments | 16 | 1,212 | 0 |
| Total fixed assets | | 1,212 | 0 |
| Current assets | | | |
| Debtors | 17 | 88 | 78 |
| Cash and cash equivalents | 18 | 1,061 | 2,558 |
| Total current assets | | 1,149 | 2,636 |
| Liabilities :- | | | |
| Creditors due within one year | 19 | (342) | (365) |
| Net current assets | | 807 | 2,271 |
| Total assets less current liabilities | | 2,019 | 2,271 |
| Total net assets | | 2,019 | 2,271 |
| The funds of the Charity: | | | |
| Unrestricted revenue accumulated funds | 22 | 434 | 205 |
| Designated revenue funds | 22 | 1,336 | 1,775 |
| Total unrestricted funds | | 1,770 | 1,980 |
| Total endowment funds | 22 | 249 | 291 |
| Total charity funds | | 2,019 | 2,271 |

These accounts together with notes on pages 23 to 35 were approved by the Corporate Trustee on:

Director of Finance

Date

6.5. Statement of Cash Flows for the year ending 31 March 2020

| | Note | Total funds 2020 £000 | Total funds 2019 £000 |
|--|-----------|--------------------------|--------------------------|
| Cash flows from operating activities: | | | |
| <i>Net cash used in operating activities</i> | 20 | (130) | (678) |
| Cash flows from investing activities: | | | |
| Dividends and interest from investments | 7 | 17 | 14 |
| Purchase of investments | 16 | (1,384) | 0 |
| <i>Net cash provided by (used in) investing activities</i> | | (1,367) | 14 |
| <i>Change in cash and cash equivalents in the reporting period</i> | | (1,497) | (664) |
| Cash and cash equivalents at the beginning of the reporting period | 18 | 2,558 | 3,222 |
| <i>Cash and cash equivalents at the end of the reporting period</i> | 18 | 1,061 | 2,558 |

Notes to the accounts

1.0 Accounting policies

a. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities 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. The Foundation Trust constitutes a public benefit entity as defined by FRS102.

The significant accounting policies are set out below.

b. Accounting convention

The financial statements are prepared under the historic cost convention, except for investments which are held on a revaluation basis. The Corporate Trustee has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future as it does not intend to liquidate the Charity or to cease its operations. The Corporate Trustee considers that there are no material uncertainties that could cast doubt over the Charity's ability to continue as a going concern. A robust reserve policy, strengthened by the fact the Charity has no material long term commitments, and having internal governance to ensure the Charity is only spending funds that are available, allows the Corporate Trustee to consider the Charity to be a going concern.

c. Income

Income is 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 income can be measured with sufficient reliability. All income is unrestricted.

Where there are terms or conditions attached to income, 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.

d. Accounting for legacies

Legacies are accounted for as income either upon receipt or where the receipt of the legacy is probable. Receipt is probable when:

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

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

e. Investment income

Dividends are included in the Statement of Financial Activities when they are declared and at an amount which includes the tax credit recoverable from Her Majesty's Revenue and Customs.

f. Recognition of liabilities

Liabilities are recognised on the accruals basis in accordance with generally accepted accounting practice.

g. Expenditure

Expenditure is accounted for on the accruals basis and has been classified under appropriate headings.

Expenditure is recognised when the following criteria are met:

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

Irrecoverable VAT is charged against the appropriate heading for the expenditure on which it was incurred.

h. Commitments

Expenditure is recognised as a commitment liability where a recipient has a reasonable expectation that they will receive the assets or services in lieu of a grant.

i. Fundraising costs

Fundraising costs are those costs attributable to generating income for the Charity and are distinct from costs incurred in undertaking charitable activities.

j. 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 and internal and external audit costs. 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 12.

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 9.

l. Realised and unrealised gains and losses

Realised gains and losses are included in the accounts at the date on which a contractual obligation is entered into. Unrealised gains and losses are computed by reference to the market value of the investments at the balance sheet date as compared to the brought forward cost or valuation, and gains and losses arising on similar categories of investments are netted off.

m. Investments held by the Charity

Investments are stated at mid-market value at the balance sheet date. Investments in non-puttable ordinary shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through the Statement of Financial Activities. Where fair value cannot be measured reliably, investments are measured at cost less impairment. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

n. Taxation

As a registered charity, the Charity is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only.

o. Funds structure policy

The Charity maintains a General (unrestricted) Fund, which comprises monies which are expendable at the discretion of the Corporate Trustee in the furtherance of the objects of the Charity. These monies may be held in order to finance both working capital and capital investment.

Designated Funds are that part of the Charity's unrestricted funds in respect of which a preference has been expressed by donors that they be used for particular purposes. The Corporate Trustee has the power to re-designate such funds within unrestricted funds.

Endowment Funds are funds which are to be used in accordance with specific restrictions imposed by the donor in the sense that the restriction requires the gift to be invested to produce income. Where the Corporate Trustee has the power to spend the capital, these are expendable endowments. The Charity has five expendable endowments and one permanent endowment, which are disclosed in note 22.

Restricted Funds are funds to be used in a specific way or for a specific purpose. They are considered as a contract between the donor and the Charity.

There is no formal policy of transfer between funds other than that described above.

p. Pension costs

Employees of the Foundation Trust, whose services are made available to the Charity at an apportioned cost, are covered by the provisions of 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 Secretary of State, in England and Wales. The scheme is accounted for as a defined contribution scheme by section 28 of FRS102. The NHS Pension Scheme (England and Wales) Resource Account is published annually and can be found on the Business Service Authority - Pensions Division website. The Charity cannot identify its share of the assets/liabilities of the scheme.

The cost charged by the Foundation Trust to the Charity includes an apportioned amount of the cost of employer's pension contributions.

q. Debtors

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r. 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. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Amounts which are owed in more than a year are shown as long term creditors.

s. 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 at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

t. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in note 1, the Corporate Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Corporate Trustee does not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

2.0 Prior year comparatives by type of fund

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

2.1 Unrestricted funds – Statement of Financial Activities for the year ended 31 March 2020

| | Notes | 2020 | 2019 |
|------------------------------------|-------|--------------|--------------|
| | | £000 | £000 |
| Income and Endowments from: | | | |
| Donations and legacies | 4 | 226 | 183 |
| Other trading activities | 5 | 193 | 148 |
| Income from investments | 7 | 17 | 15 |
| Total income and endowments | | 436 | 346 |
| Expenditure on: | | | |
| Raising funds | 8 | (88) | (106) |
| Charitable activities | 9 | | |
| Medical equipment | | (161) | (72) |
| Staff education & welfare | | (114) | (176) |
| Patient welfare | | (124) | (172) |
| Other activities | | (34) | (34) |
| | | (433) | (454) |
| Total expenditure | | (521) | (560) |
| Net gains/(losses) on investments | 16 | (125) | 0 |
| Net (expenditure) | | (210) | (214) |
| Net movement in funds | | (210) | (214) |
| Reconciliation of funds | | | |
| Total funds brought forward | 22 | 1,980 | 2,194 |
| Total funds carried forward | | 1,770 | 1,980 |

Unrestricted funds – Balance Sheet as at 31 March 2020

| | Notes | As at 31 March 2020 £000 | As at 31 March 2019 £000 |
|--|-------|--------------------------------|--------------------------------|
| The assets and liabilities of the Charity : | | | |
| Fixed Assets | | | |
| Investments | 16 | 1,212 | 0 |
| Total fixed assets | | 1,212 | 0 |

| | | | |
|--|----|--------------|--------------|
| Current assets | | | |
| Debtors | 17 | 88 | 78 |
| Cash and cash equivalents | 18 | 812 | 2,267 |
| Total current assets | | 900 | 2,345 |
| Liabilities :- | | | |
| Creditors due within one year | 19 | (342) | (365) |
| Net current assets | | 558 | 1,980 |
| Total assets less current liabilities | | 1,770 | 1,980 |
| Total net assets | 22 | 1,770 | 1,980 |
| Total assets for unrestricted funds | | 1,770 | 1,980 |

2.2 Restricted funds – Statement of Financial Activities for the year ended 31 March 2020

The Charity has no restricted funds.

2.3 Expendable Endowment funds – Statement of Financial Activities for the year ended 31 March 2020

The Charity has five expendable endowment funds (capital in perpetuity funds), with a combined balance of £62,290 and one permanent endowment fund, with a balance of £186,217, that have been brought forward from previous years. During 2019-20, any income has been recognised within the investment income.

The permanent endowment fund has been invested with the Charles and Elsie Sykes Trust.

3.0 Related party transactions

The Foundation Trust (which succeeded Bradford Teaching Hospitals NHS Trust on 1 April 2004) is the Corporate Trustee of the Charity and is governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 1993 as amended by the Charities Act 2011. The Foundation Trust Board of Directors has devolved responsibility for the on-going management of funds to the Bradford Hospitals' Charity Committee, which administers the funds on behalf of the Corporate Trustee. No trustee remuneration was paid in the year by the Charity from the Foundation Trust. None of the trustees or members of the Foundation Trust or parties related to them has undertaken any transactions with the Charity or received any benefit from the Charity in payment or kind.

Related party expenditure transactions relate to items such as salary recharges and internal audit fees with the Foundation Trust.

Payables

The following amounts were owed by the Charity to the Foundation Trust as at 31 March

| 2020 £000 | 2019 £000 |
|--------------|--------------|
| 181 | 232 |
| 181 | 232 |

Expenditure

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Value of transactions during the year with the Foundation Trust | 216 | 250 |
| | 216 | 250 |

There is an amount of £42,331 receivables as at 31 March 2020 (2019: £42,331) and no income during the year (2019: Nil).

4.0 Income from donations and legacies

| | Unrestricted funds £000 | Total 2020 £000 | Total 2019 £000 |
|----------------------------|----------------------------|--------------------|--------------------|
| Donations from individuals | 116 | 116 | 148 |
| Legacies | 60 | 60 | 35 |
| Grants | 50 | 50 | 0 |
| Total | 226 | 226 | 183 |

Donations from individuals are from members of the public, patients and relatives of patients and staff.

5.0 Analysis of income from other trading activities

| | Unrestricted funds £000 | Total 2020 £000 | Total 2019 £000 |
|------------------|----------------------------|--------------------|--------------------|
| Staff lottery | 48 | 48 | 49 |
| Fundraising | 144 | 144 | 98 |
| Other activities | 1 | 1 | 1 |
| Total | 193 | 193 | 148 |

6.0 Role of volunteers

The Charity does not have any general volunteers, but it does have approximately 100 fund holders. The fund holders are Foundation Trust staff who manage how the Charity's designated funds should be spent, as part of their day to day duties. These funds are designated (or earmarked) to be spent for a particular purpose or in a particular ward or department. Each fund holder has delegated powers to approve spend for the designated funds that they manage, subject to the scheme of delegation as approved by the Corporate trustee.

7.0 Gross investment income

The Charity earned interest and investment income of £16,709 (2019: £14,958).

8.0 Analysis of expenditure on raising funds

| | Unrestricted funds £000 | Restricted funds £000 | Total 2020 £000 | Total 2019 £000 |
|-------------------|----------------------------|--------------------------|--------------------|--------------------|
| Fundraising costs | 22 | 0 | 22 | 11 |
| Support costs | 66 | 0 | 66 | 95 |
| Total | 88 | 0 | 88 | 106 |

A reversal of an over accrual relating to previous years (2018: £10,144 and 2019: £13,873) has led to a reduction in the allocation of support costs for this year.

9.0 Analysis of charitable expenditure

The Charity did not make any grant funding to third parties. All of the charitable expenditure incurred was directly with third parties or reimbursed expenditure.

| | Direct charitable activities £000 | Support costs £000 | Total 2020 £000 | Direct charitable activities £000 | Support costs £000 | Total 2019 £000 |
|---------------------------|--------------------------------------|-----------------------|--------------------|--------------------------------------|-----------------------|--------------------|
| Medical equipment | 136 | 25 | 161 | 58 | 14 | 72 |
| Staff education & welfare | 96 | 18 | 114 | 141 | 35 | 176 |
| Patient welfare | 104 | 20 | 124 | 137 | 35 | 172 |
| Other activities | 29 | 5 | 34 | 27 | 7 | 34 |
| | 365 | 68 | 433 | 363 | 91 | 454 |

A reversal of an over accrual relating to previous years (2018: £6,385 and 2019: £13,593) has led to a reduction in the allocation of support costs for this year

10.0 Analysis of grants

The Charity did not make any grants to individuals or other institutions.

11.0 Movements in funding commitments and liabilities

| | Current liabilities £000 | Non-current liabilities £000 | Total 2020 £000 | Total 2019 £000 |
|---|-----------------------------|---------------------------------|--------------------|--------------------|
| Opening balance as at 01 April | 365 | 0 | 365 | 797 |
| Additional commitments made during the year | 521 | 0 | 521 | 560 |
| Amounts paid during the year | (544) | 0 | (544) | (992) |
| Closing balance as at 31 March | 342 | 0 | 342 | 365 |

The Charity has expenditure that has been approved but not yet delivered or services not yet provided. Most expenditure is paid out in the same financial year. As the charity has control over the expenditure, there is little uncertainty around these payments.

12.0 Allocation of support costs and overheads

| | Raising funds £000 | Charitable activities £000 | 2020 Total £000 | 2019 Total £000 | Basis |
|-------------------|-----------------------|----------------------------------|-----------------------|-----------------------|-------------------|
| Internal audit | 1 | 1 | 2 | 0 | Direct allocation |
| External audit | 3 | 4 | 7 | 7 | Direct allocation |
| Other | 1 | 2 | 3 | 0 | Direct allocation |
| Governance | 5 | 7 | 12 | 7 | |
| Salaries | 57 | 59 | 116 | 174 | Hours |
| Computer expenses | 4 | 2 | 6 | 5 | Direct allocation |
| Total | 66 | 68 | 134 | 186 | |

| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | 2020 Total £000 | 2019 Total £000 |
|-----------------------|-------------------------------|-----------------------------|----------------------------|-----------------------|-----------------------|
| Raising funds | 66 | 0 | 0 | 66 | 95 |
| Charitable activities | 68 | 0 | 0 | 68 | 91 |
| | 134 | 0 | 0 | 134 | 186 |

A reversal of an over accrual relating to previous years (2018: £10,144 and 2019 £13,873) has led to a reduction in the allocation of support costs for this year.

13.0 Trustees' remuneration, benefits and expenses

The Corporate Trustee receives no remuneration for the work that it undertakes as trustee and claims no expenses from the Charity.

14.0 Analysis of staff costs and remuneration of key management personnel

| | 2020 £000 | 2019 £000 |
|-----------------------------------|--------------|--------------|
| Salaries and wages | 130 | 147 |
| National insurance costs | 12 | 10 |
| Employer's pension contribution | 18 | 17 |
| Less previous year's over accrual | (44) | 0 |
| Total | 116 | 174 |

The Charity does not employ staff. Gross salaries are based on a recharge of costs with the Foundation Trust. A reversal of an over accrual relating to previous years (2018: £16,529 and 2019 £27,466) has led to a reduction in the allocation of support costs for this year

No employees had emoluments in excess of £60,000 (2019: nil).

15.0 Auditor's remuneration

The auditor's remuneration of £6,946 inclusive of vat (2019: £6,946) related solely to the audit with no other additional work being undertaken.

16.0 Fixed asset investments

Investments held with Rathbones Investment Management:

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Market value at 01 April | 0 | 0 |
| Add: additions at cost | 1,156 | 0 |
| Less: disposals at carrying value | (5) | 0 |
| Add: net gain (loss) on revaluation | (125) | 0 |
| Market value at 31 March of unrestricted investments | 1,026 | 0 |

Fixed asset investment by type

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Fixed Interest | 154 | 0 |
| UK Equities | 218 | 0 |
| Overseas Equities | 268 | 0 |
| Alternatives | 132 | 0 |
| Total listed investments | 772 | 0 |
| Cash | 254 | 0 |
| Market value at 31 March of unrestricted investments | 1,026 | 0 |

Investments held with the Charles and Elsie Sykes Trust:

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Market value at 01 April | 0 | 0 |
| Add: additions at cost | 228 | 0 |
| Add net gain (loss) on revaluation | (42) | 0 |
| Market value at 31 March of the permanent endowment fund | 186 | 0 |

Fixed asset investment by type

| | 2020 £000 | 2019 £000 |
|----------|--------------|--------------|
| Equities | 139 | 0 |
| Bonds | 34 | 0 |

| | | |
|---|--------------|----------|
| Real Estate | 6 | 0 |
| Alternatives | 5 | 0 |
| Total listed investments | 184 | 0 |
| Cash | 2 | 0 |
| Market value at 31 March of the permanent endowment fund | 186 | 0 |
| Total value of investments held at 31 March | 1,212 | 0 |

17.0 Analysis of current debtors

| | 2020 | 2019 |
|--------------------------------------|-------------|-------------|
| | £000 | £000 |
| Prepayments and accrued income | 46 | 36 |
| Amounts owed by the Foundation Trust | 42 | 42 |
| Total | 88 | 78 |

18.0 Analysis of cash and cash equivalents

| | 2020 | 2019 |
|--------------|--------------|--------------|
| | £000 | £000 |
| Cash in hand | 1,061 | 2,558 |
| Total | 1,061 | 2,558 |

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

19.0 Analysis of liabilities

| | 2020 | 2019 |
|--------------------------------------|-------------|-------------|
| | £000 | £000 |
| Creditors due within 1 year | | |
| Amounts owed to the Foundation Trust | 187 | 232 |
| Accruals | 35 | 10 |
| Other creditors | 97 | 8 |
| Commitments | 23 | 115 |
| Total | 342 | 365 |

The Charity has no creditors falling due after more than 1 year and has no contingent liabilities.

20.0 Reconciliation of net expenditure to net cash flow from operating activities

| | 2020 | 2019 |
|---|--------------|--------------|
| | £000 | £000 |
| Net expenditure (as per the statement of financial activities) | (252) | (214) |
| Adjustments for: | | |
| Interest from Investments | (17) | (14) |
| Loss / (profit) on the sale of fixed assets | 5 | 0 |
| (Gains) / losses on investments | 167 | 0 |
| (Increase)/decrease in debtors | (9) | (19) |
| Increase/(decrease) in creditors | (24) | (431) |
| Net cash used in operating activities | (130) | (678) |

21.0 Transfers between funds

There has been no transfer of funds between restricted and unrestricted funds

22.0 Analysis of charitable funds

Analysis of unrestricted and material designated fund movements

| | 2020 Balance b/f £000 | 2020 Income £000 | 2020 Expenditure £000 | 2020 Gains and losses £000 | 2020 Fund c/f £000 |
|------------------------|-----------------------------|------------------------|-----------------------------|-------------------------------------|--------------------------|
| General Fund | 205 | 305 | (76) | 0 | 434 |
| Bradford Cardiac | 88 | 45 | (6) | 0 | 127 |
| Rays A Smile | 10 | 67 | (22) | 0 | 55 |
| Born In Bradford | 60 | 0 | 0 | 0 | 60 |
| Ward 15 Legacy | 106 | 0 | (21) | 0 | 85 |
| Other designated funds | 1,511 | 19 | (396) | (125) | 1,009 |
| Total | 1,980 | 436 | (521) | (125) | 1,770 |

| | 2019 Balance b/f £000 | 2019 Income £000 | 2019 Expenditure £000 | 2019 Fund c/f £000 |
|------------------------|-----------------------------|------------------------|-----------------------------|--------------------------|
| General Fund | 299 | 77 | (171) | 205 |
| Bradford Cardiac | 89 | 0 | (1) | 88 |
| Born In Bradford | 75 | 0 | (15) | 60 |
| Ward 15 Legacy | 124 | 0 | (18) | 106 |
| Other designated funds | 1,607 | 269 | (355) | 1,521 |
| Total | 2,194 | 346 | (560) | 1,980 |

An exercise to reduce the number of trust funds to four main funds will be taking place over the next three years.

Analysis of endowment fund movements

| | 2020 Balance b/f £000 | 2020 Income £000 | 2020 Expenditure £000 | 2020 Gains and losses £000 | 2020 Fund c/f £000 |
|--|-----------------------------|------------------------|-----------------------------|-------------------------------------|--------------------------|
| Bradford Teaching Hospitals NHS Trust CIP | 54 | 0 | 0 | 0 | 54 |
| Elsie Sykes Permanent Endowment Fund | 228 | 0 | 0 | (42) | 186 |
| Orthopaedic CIP | 7 | 0 | 0 | 0 | 7 |
| Paediatric CIP and 2 other CIPs | 2 | 0 | 0 | 0 | 2 |
| Total | 291 | 0 | 0 | (42) | 249 |

There was no income or expenditure in the prior year. During the year, the permanent endowment fund was invested with the Charles and Elsie Sykes Trust. The funds are held by the Charles and Elsie Sykes Trustees on trust for the Charity. The £42,149 relates to an unrealised loss based on share values as at 31 March 2020.

23.0 The Charity as a subsidiary

The Foundation Trust is the main beneficiary of the Charity and is a related party by virtue of being the Corporate Trustee of the Charity. For accounting purposes, this means that the Charity is deemed to be a subsidiary of the Foundation Trust as it is 'controlled' by another entity through the trusteeship arrangements.

All Foundation Trusts are required to have a constitution, containing detailed information about how that Foundation Trust will operate. The purpose of the Foundation Trust is set out in its Constitution as follows:
The principal purpose of the Foundation Trust is the provision of goods and services for the purposes of the health service in England.

The Foundation Trust may provide goods and services for any purposes related to:

- the provision of services provided to individuals for or in connection with the prevention, diagnosis or treatment of illness, and
- the promotion and protection of public health.

The Foundation Trust accounts are available to the public online at the following web address:

<https://www.bradfordhospitals.nhs.uk>

and are also available by request from the Foundation Trust Secretary, using the details below:

Trust Secretary
Trust Headquarters
Bradford Royal Infirmary
Bradford, BD9 6RJ