

**The Annual Report and Accounts of
the Charitable Trust Funds held by
South Eastern HSC Trust for the
year ended 31 March 2020**

Laid before the Northern Ireland assembly under Article
91(5) of the Health and Personal Social Services (NI) Order
1972 as amended by the Audit and Accountability Order
2003 by the Department of Health.

On

30th July 2020

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Annual Report of the Trustees of the Charitable Trust Funds held by the South Eastern Health & Social Care Trust for the year ended 31 March 2020

INTRODUCTION

This is the annual report for the Trust Funds held by the South Eastern Health and Social Care Trust ('Trust Funds') for the year 1 April 2019 to 31 March 2020.

Under Article 91 of the Health and Personal Social Services (NI) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the South Eastern Health and Social Care Trust is required to prepare annual accounts in respect of endowments and other property held on trust by it in a form determined by the Department of Health (DoH). This format is in accordance with the requirements of the Charities Statement of Recommended Practice (SORP) (FRS 102).

REFERENCE AND ADMINISTRATIVE DETAILS

Address of Principal office

South Eastern Health and Social Care Trust
Trust Headquarters
Ulster Hospital
Upper Newtownards Road
Belfast
BT16 1RH

Telephone number: 028 90 553100

Comments

If you have any comments about this report, or would like extra copies, please telephone 028 90 553100.

Trustee Arrangements

Under the Health and Personal Social Services (NI) Order 1972, as amended by Article 16 of the Health and Personal Social Services (NI) Order 1991, the Board of the South Eastern Health & Social Care Trust (the Trust) are the Trustees of the Charitable Funds. During 2019/20 this constituted the following:

Non-executive members

Mr Deep Sagar	Chairman (left Trust employment on 27/3/2019)
Mr Jonathan Patton	Non-Executive Director to 30/3/20, Acting Chair from 31/3/20)
Mrs Helen Minford	Chair of Charitable Funds Committee
Mr Noel Brady	
Dr Maura Briscoe	
Mr Maynard Mawhinney	
Mrs Joan O'Hagan	

Executive members

Mr Neil Guckian	Chief Executive (from 1 April 2019 to 30 June 2019) Director of Finance and Estates (from 1 July 2019 to 11 August 2019)
Mr Seamus McGoran	Chief Executive (from 1 July 2019) Director of Hospital Services (to 30 June 2019)
Mr Paul Morgan	Director of Finance and Estates (from 2/4/19 to 30 June 2019 and from 12 August 2019)
Mrs Roisin Coulter	Director of Planning, Information & Performance Management
Dr Charlie Martyn	Medical Director
Ms Nikki Patterson	Director of Primary Care, Elderly and Nursing
Mrs Myra Weir	Director of Human Resources
Mrs Bria Mongan	Director of Children's Services/Social Work
Mr Don Bradley	Director of Adult Services & Prisons Healthcare (from 24/4/19)
Mr David Robinson	Director of Hospital Services (from 1 July 2019)

The Trustees have delegated responsibility for the on-going management of funds to the Charitable Funds Committee.

The South Eastern Health and Social Care Trust Funds is on the deemed list of charities as it is registered with Her Majesty's Revenue and Customs for charitable tax purposes. The Trust Funds has liaised with the Charity Commission for Northern Ireland to register as a charity, but this is still under consideration. The charity number is currently outstanding.

The Trustees employed the following professional advisors during the year.

Auditors

Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Bankers

Bank of Ireland
82, Main Street
Bangor
Co Down
BT20 4AG

Bank of Ireland
Belfast City Branch
Donegal Place
Belfast
BT1 5BX

Solicitors

Directorate of Legal Services
Business Services Organisation
2 Franklin Street
Belfast
BT2 8DQ

Principal Advisors

(Advisors in relation to the Common Investment Fund)
Brewin Dolphin Limited
8 Laganbank Road
Belfast
BT1 3LR

Structure, governance and management

The Trust Funds held by the South Eastern Health and Social Care Trust are governed by the Health and Personal Social Services (NI) Order 1972. The Trust Board acts as “corporate trustee” for the Trust Funds. Trust Board members are recruited by the Department of Health in accordance with its recruitment procedures and are appointed by the Minister for Health.

The Charitable Funds Committee is the committee responsible for providing assurance to the Trust Board on all aspects of the stewardship and management of funds donated or bequeathed to the Trust. The Charitable Funds Committee is authorised by the Board to undertake any activity within its terms of reference. It is authorised to seek advice from whatever source it deems to be appropriate in order to fulfil its function.

Membership of the Charitable Funds Committee during 2019/20 was as follows:

Helen Minford	Non-executive Director (Chair)
Paul Morgan	Director of Finance and Estates
Nicki Patterson	Director of Primary Care, Elderly and Nursing
Dr Charlie Martyn	Medical Director
Andrea Henderson	Assistant Director of Finance

There was a 100% attendance at meetings during the year.

During 2019/20, the Committee held 3 meetings to oversee the administration of the Charitable Trust funds, their investment and disbursement.

The roles and responsibilities of the Charitable Funds Committee in relation to the management and governance of the Trust Funds were set out within a Terms of Reference as follows:

The role of the Committee is to oversee the administration, including banking arrangements, of Charitable Funds, their investment and disbursement.

The normal purposes to which funds may be applied include all relevant expenditure likely to assist in the provision of health and social services in accordance with current legislation, policies and procedures relevant to Charitable funds in accordance with Standing Financial Instructions and other associated regulations.

The Charitable Funds Committee has delegated the approval of expenditure over £50,000 to a Non-Executive Director and Executive Director, when approval is required outside of the cycle of the meetings. This is to ensure that expenditure is approved on a timely basis. Whenever, practicable, approvals over £50,000 will be approved at the Charitable Funds Committee. The delegated limits for Charitable Fund expenditure below £50,000 is laid out in the Trust's "Procedures for the Management of Charitable Funds – Guidance to Fund Managers", available on the Trust's intranet site, iConnect.

The Committee will:

- *Satisfy itself that Charitable funds are managed in line with guidance in the Trust's Standing Financial Instructions, Departmental guidance and legislation;*
- *Ratify the creation of a new fund by the Director of Finance where funds and/or other assets are received from donors in circumstances where the wishes of the donor cannot be accommodated within the scope of an existing fund;*
- *Make recommendations on the potential for rationalisation of funds within statutory guidelines;*
- *Ensure that assets in ownership of, or used by, the Charitable Trust fund will be maintained with the Trust's general estate and inventory of assets;*
- *Ensure that funds are not unduly or unnecessarily accumulated;*
- *Ensure that an Annual Report of the Trustees of the Charitable Trust Funds is produced as part of the annual accounts process for the Charitable Trust Funds;*
- *Seek assurance that expenditure from Charitable Funds is subject to appropriate value for money considerations including proper procurement procedures where applicable;*
- *Ensure that Annual Accounts are prepared in accordance with DoH guidelines and submitted to the Trust Board within agreed timescales;*

- *On behalf of the Trust Board, and on the advice of the Senior Management Team, the Committee will authorise appropriate policies and procedures in relation to Charitable Trust funds.*

The Director of Finance is responsible for the day to day management and control of the administration of the Trust Funds and reports to the Charitable Funds Committee. The Director of Finance has responsibility to ensure that Charitable Trust funds are managed appropriately with regard to their purpose and requirements; that full accounting records are maintained and that devolved decision making or delegated arrangements are in accordance with the policies and procedures agreed by the Charitable Funds Committee.

There are no key management personnel employed by the Charitable Trust Funds and there are no employees. All management and administration duties are performed by employees of the Trust and a management fee to cover the direct costs of managing the funds is charged to the Charitable Trust Funds.

Objectives and Activities

The objectives of the Trust Funds held by South Eastern Health and Social Care Trust in 2019/20 were to ensure that charitable donations received by the Trust were appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the Trust's Standing Financial Instructions, Departmental guidance and legislation.

The expenditures for the year are in line with the defined and specified purpose for which the individual funds were formed. An annual expenditure budget has been set for each individual fund which is based upon the receipts of the previous year.

Charitable funds expenditure for the year has been summarised in the table below.

	£'000
Purchase of new equipment	297
Staff education and welfare	32
Patient education and welfare	119
Loss on disposal of Land	40
Other	2
Total	490

Achievements and Performance

During the year the Charitable Funds continued to engage in activities commensurate with its objectives. £490k was expended on charitable, and

associated, activities, in accordance with the Trust's policies and procedures in relation to expenditure from Charitable Funds.

Charitable fund expenditure was used to purchase £297k of new and specialist equipment and £119k on patients' education and welfare and £32k on staff education and welfare. All expenditure during the year was consistent with the purpose of the funds and used to enhance the care and treatment of clients.

Expenditure from the Charitable Funds included a loss on disposal of Land of £40k. The net book value of this land was £100k, per the last LPS valuation. A 12 acre area of land was held under Leasehold arrangement by a lessee on 2 separate Leases granted in 1956 for 100 years. One lease was granted from the Department of Health (DoH) for 1.6 acres of land and another lease was granted from the Trust for 10.4 acres. The DoH transferred their ownership in 1.6 acres of land to the Trust which was subject to the Lease granted to the lessee.

Once the full 12 acres of land was in freehold ownership by the Trust, two Deeds of Surrender relinquished the remaining Leasehold interests granted to lessee in 1956, a sum of £60k was paid by the Trust to the lessee to release their Leasehold interests in the 12 acres of land 23 years early. This transaction released 2 acres of land to the Trust for the essential development of the Emergency Department car park on the Ulster Hospital site and simultaneously 10 acres of land were disposed of to the lessee by way of a 999 year lease, for which the lessee paid to the Trust (Charitable Fund) a sum of £60k.

All transaction amounts were valued independently through LPS and all legal arrangements were dealt with via both parties legal representatives.

This loss on disposal of £40k therefore related to the payment from the lessee of £60k against the value held in the Charitable Fund accounts of £100k, this loss however does not reflect the benefit to the Trust of securing the 2 acre portion of land much earlier than would have otherwise been possible, to construct an essential car park for the Emergency Department at the Ulster Hospital.

Charitable donations are not used to fund core services. They are used to provide or purchase services that are not centrally funded, and examples of expenditure the Trust has made during 2019/20 as a result of donations, include:

- An Ultrasound system for the Renal Department;
- Scantrainer for Hospital Services;
- Sentimag Probe system for Cancer Services;
- New seating for the Maternity Department;
- Video Conferencing Equipment for Woman and Child Health;
- Supporting patient education and welfare by the use of Clown Doctors within Children's wards.

In the context of £297k of equipment purchases in the 2019/20 financial year, a total of £199k of assets have been donated to Public Funds.

These items reflect only a fraction of the schemes progressed by the Trust as a direct result of the donations received into Charitable Trust Funds. This would not be possible without the generous support of everyone who made a donation to the Charitable Trust Funds, for which the Trust is tremendously grateful.

Investment

The Common Investment Fund (CIF) continues to hold funds invested on behalf of the South Eastern Charitable Trust Funds. During 2019/20, the Charitable Trust Committee continued to review the performance of funds invested through CIF. The net market value of funds invested with the CIF at 31 March 2020 was £5,115k.

The balance of funds held with the CIF has a reduction in value of £473k in 2019/20 when compared to a gain of £257k in the prior year. This is due to a decrease in valuation of this investment at the year end. The nature of this investment is such that it will fluctuate in line with prevailing economic circumstances, however it should be noted that there has been an significant impact from the consequences of Covid-19 on investment portfolios.

FINANCIAL REVIEW

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP), previously SORP 2005, applicable to charities preparing their accounts in accordance with FRS102 in the UK and Republic of Ireland and with relevant guidance issued by the Department of Health.

The Trust holds three types of Charitable Trust Funds, namely Restricted, Unrestricted and Endowment and under these main headings there are in the region of 140 named funds as at 31 March 2020.

Where there is a legal restriction on the purpose for which a fund may be used, the fund is classified either as an endowment fund, where the donor has expressly provided that only the income of the fund may be expended, or as a restricted fund, where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. Unrestricted funds allow Trustees greater freedom in their application in line with the objectives of the Charitable Trust Funds. The use of each fund is strictly controlled to ensure that the aims of the individual Funds are met and any donor's wishes delivered.

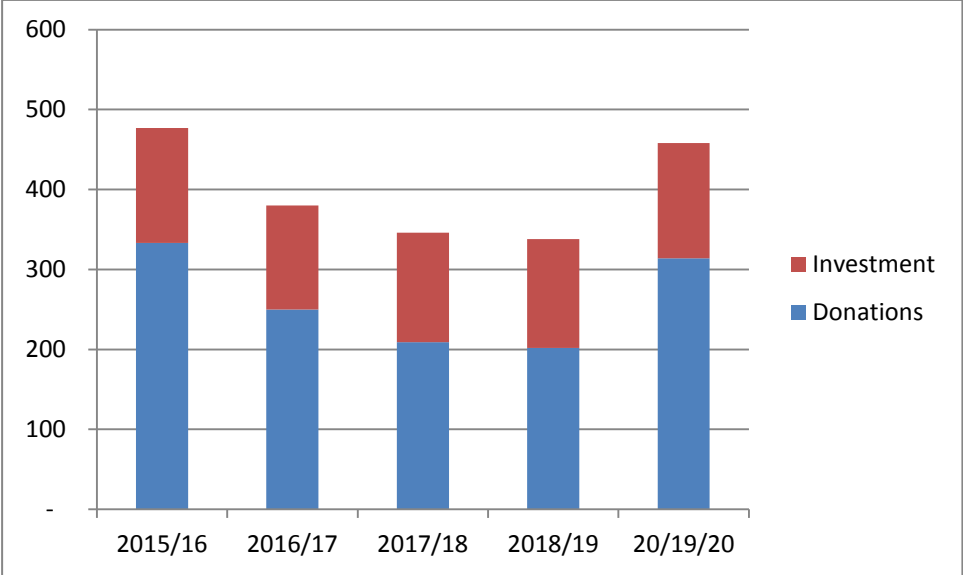
Review of the year 2019/20

Income

During the year income totalling £458k was received, an increase of £120k from 2018/2019. £314k was received in donations compared to £202k in 2018/19. Investment income was £144k, an increase of £8k from 2018/19 due to market

performance. The following chart illustrates Charitable Trust Fund income for the period 2015/16 to 2019/20.

Charitable Trust Fund income (£k) 2015/16 to 2019/20:



There were no legacies donated in 2019/20 (2018/19 £20k).

There were two significant donations received during the year:

- one single donation for £101.2k, in respect of the fundraising campaign for “Siobhan’s Tough Op” within Cancer Services. The donation will be used to support the redesign and development of a new chemotherapy unit in partnership with Macmillan Cancer Support; and
- a donation of £33.5k was left to the Trust for Mental Health Services.

The Trust also generated funds by way of a planned program of disposal of lost property, primarily jewellery. The sale of these items generated £11.5k, which was then donated to the Ulster Hospital General Fund. This was an extensive program of work by the Trust’s Financial Services Team and the Trust’s Executive Management Team were delighted with the outcome.

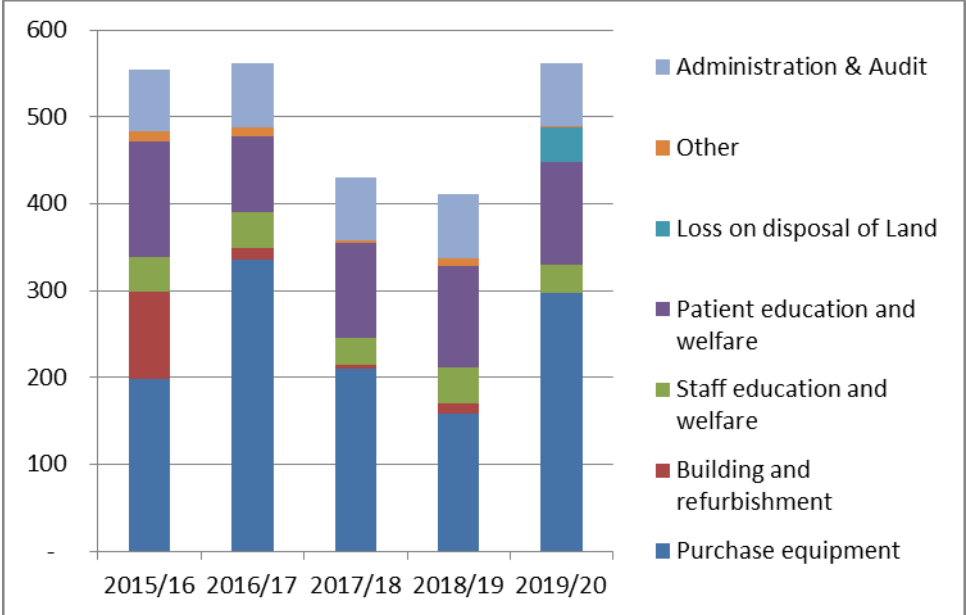
Expenditure

Total direct charitable expenditure for the year amounted to £562k (including a notional Audit fee of £6k), an increase of £151k from 2018/19. This expenditure was primarily on purchase of equipment and patient education and welfare at £416k. The remainder of expenditure was on staff education and other items at £144k, which includes a loss on disposal of Land, referred to above.

Governance costs for the financial administration of the fund amounted to £72k. This comprised £66k, representing a levy for the direct costs of financial administration by the South Eastern Trust and system support and £6k (notional) audit fees.

The following chart illustrates Charitable Trust Fund expenditure for the period 2015/16 to 2019/20.

Charitable Trust Fund expenditure (£k) 2015/16 to 2019/20:



Financial position at year end

Total fund balances were £5,390k, consisting of £4,576k of restricted funds and £753k of unrestricted funds. Endowment funds totalled £61k. This is a total decrease of £571k from the previous year. This is made up of the net operating expenditure of £98k and the loss on revaluation on the investment fund of £473k.

Financial Controls

The Trustees are aware of their financial responsibilities for the money that is held on trust. The Chair of the Charitable Funds Committee reports to the Trust Board on a regular basis and fund managers are circulated with details of their fund balances throughout the year. Appropriate policies and procedures are in place to ensure these responsibilities are adequately discharged, and these are reviewed on a regular basis.

The Trust Fund procedures were the subject of an Internal Audit during 2019/20 and a satisfactory level of assurance was provided. No priority one findings requiring urgent management action were identified. The Trustees, through the direction and monitoring of the Charitable Funds Committee, has put the necessary action plans in place to address any recommendations from Internal Audit.

Statement of risk

The management of risk in relation to the Charitable Trust Funds is closely aligned with the South Eastern HSC Trust’s risk management procedures.

Reserves policy

The Charitable Trust Funds does not currently enter into future commitments and so have not created any reserves for this. Activities are authorised only when funding is available.

Investment Policy

For investment purposes the balances on the Charitable Trust Funds of all Trusts in Legacy EHSSB area are pooled and invested in the Common Investment Fund (CIF). The Trust plans to continue to use the Common Investment Fund for the investment of surplus funds and, as part of that common arrangement, will continue to seek professional advice in relation to the investment of funds in the current uncertain economic climate.

The Investment Managers of the Common Invest Fund have reported that the portfolio has returned -6.64% over the last year, this compares to return of -8.16% for the WMA Balanced Benchmark and -18.82% for the FTSE100 over the same time period. Since inception the portfolio has returned 26.26%, while the WMA Balanced has returned 28.97% and the FTSE100 has returned 4.73%. As reminder, the transition of the previous portfolio and the consequent restructuring over the first 6-9 months of the investments lead to some initial under-performance, since then relative performance has been positive, notwithstanding the volatility of the last quarter (January to March 2020).

As of 31st March 2020, the portfolio was valued at £52.76m. This compares to a value of £56.56m as at 31st March 2019. The Investment Managers have subsequently reported an improvement in the markets and have advised, in early June 2020 that the portfolio has recovered since the lows of March 2020 and is valued at £57.51m.

Plans for future periods

The Charitable Funds Committee has established budgets for all funds managed by the Trust, with a balance of £10k or greater. These budgets are will continue to be reported and monitored on an ongoing basis.

The Trust is working with the Macmillan Cancer Support charity to upgrade the cancer services delivered from the MacDermott Unit at the Ulster Hospital. The Trust plans to meet the remaining costs through its own general capital funding along with the support of the MacDermott (Restricted) Fund. A proposal for support from this fund was approved by the Charitable Funds Committee in February 2019 and it is likely that this will provide financial support to the significant enhancement to the provision of cancer services within the Trust.

Macmillan Cancer Support and the South Eastern Trust have since committed to redesign chemotherapy services at the Ulster Hospital, substantially supported with an investment by Macmillan of £2.5 million. Building commenced in January 2020 to relocate and build the new unit which will improve patient experience, expand

capacity and enhance clinical pathways and efficiency. The service aims provide a fully integrated multidisciplinary oncology and haematology Systematic Anti-Cancer Therapy (SACT) Treatment service for adults to include:

- Purpose built assessment / consultation area including triage;
- Purpose built treatment area for chemotherapy;
- Satellite pharmacy with preparation facilities;
- Private / quiet spaces for patients and relatives;
- Therapy / activity area;
- Macmillan Support area;
- Staff support, e.g. administration.

The expected completion date is spring 2021.

NHS Charities Together is the new trading name of The Association of NHS Charities (in place since 2000), a membership organisation representing, supporting and championing 170 NHS Charities across Wales, Scotland and England, providing a forum for nationwide fundraising and advocacy campaigns; specialist advice and guidance; bespoke conferences and training opportunities, as well as access to online resources and support to members.



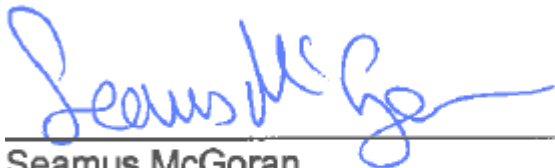
The Trust registered with NHS Charities Together in early 2020/21, following confirmation of Northern Ireland's eligibility to the scheme. Along with other organisations, the South Eastern Trust's Charitable Funds will receive access to donations via NHS Charities Together during 2020/21, donations particularly in response to the Covid-19 crisis.

Introduction of the Charities Act (NI 2008)

The Charities Act (NI) 2008 provides the broad legislative framework for charities in Northern Ireland. It established the requirement for a compulsory register of all charities operating in Northern Ireland, it provided a charity test to define what is and what is not a charity, it put in place new requirements for all public collections and it established a Charity Commission. While the legislation provides this broad framework, amendments are required to the legislation which have not yet been approved by the Assembly. There is currently a register in place. The South Eastern Health & Social Care Trust Funds is on the deemed list of charities as it is registered with Her Majesty's Revenue and Customs for charitable tax purposes.

The test to define what constitutes a charity under the legislation requires two criteria to be met; namely to be established for charitable purposes and to provide a public benefit. An examination of the Act and the draft guidance from the Charity Commission indicates that the Trust's Charitable Funds meet these criteria and

therefore is required to register as a charity. Registration application was submitted to the Charities Commission NI (CCNI) in January 2015; however the Charities Commission NI withdrew all applications for registration by HSCNI Trusts in December 2016 to facilitate discussions with the Department of Health and HSCNI Trusts on the way forward. The focus of the Charitable Funds Committee in 2020/21 and beyond will be the review of fund classifications in accordance with legal advice sought in 2018/19 as part of the work required to enable CCNI registration. This Trustee's report is approved at the meeting of the Board on 26 June 2020.



Seamus McGoran
Chief Executive (Interim)
26 June 2020

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST - CHARITABLE TRUST FUNDS

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the South Eastern Health and Social Care Trust Charitable Trust Funds for the year ended 31 March 2020 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise: the Statement of Financial Activities, the Balance Sheet and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

In my opinion the financial statements:

- give a true and fair view of the state of South Eastern Health and Social Care Trust's Charitable Trust Fund's affairs as at 31 March 2020 and of its incoming and expenditure of resources for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the South Eastern Health and Social Care Trust Charitable Trust Funds in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- the South Eastern Health and Social Care Trust Charitable Trust Funds use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the South Eastern Health and Social Care Trust Charitable Trust Funds have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the South Eastern Health and Social Care Trust Charitable Trust Funds' ability to continue to adopt the going concern basis.

Other Information

The Trust and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Trust and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Trust and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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 my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial statements conform to the authorities which govern them.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
24 July 2020

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

Statement of Financial Activities for the year ended 31 March 2020

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Prior Year Funds £000
Income and Endowments from:						
Voluntary Income	2	65	249	0	314	202
Investment income	4	19	125	0	144	136
Total Income		84	374	0	458	338
Expenditure on:						
Charitable Activities	8	(35)	(415)	0	(450)	(337)
Governance Costs	7	(13)	(59)	0	(72)	(74)
Other (Loss on disposal asset)	8	(40)	0	0	(40)	0
Total resources expended		(88)	(474)	0	(562)	(411)
Other Recognised Gains (Losses)	12	(58)	(415)	0	(473)	257
Net Income/Expenditure		(62)	(515)	0	(577)	184
Transfers between funds						
Gross transfers between funds	18	0	0	0	0	0
Net Movement in Funds		(62)	(515)	0	(577)	184
Adjustment to add back:						
Notional Audit Fee	9	6	0	0	6	6
Net Movement in Funds excluding Notional Audit Fees		(56)	(515)	0	(571)	190
Reconciliation of funds:						
Fund balances brought forward at 1 April 2019		809	5,091	61	5,961	5,771
Fund balances carried forward at 31 March 2020		753	4,576	61	5,390	5,961

The notes at pages 18-30 form part of this account.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

Balance Sheet as at 31 March 2020

	Notes	Total Funds 31 March 2020 £000 £	Prior Year Funds 31 March 2019 £000 £
Fixed Assets			
Tangible assets	11	0	100
Investments:			
Common Investment Fund	12	5,115	5,694
Total Fixed Assets		5,115	5,794
Current Assets			
Debtors	14	113	20
Cash at bank and in hand		175	152
Total Current Assets		288	172
Liabilities			
Creditors: Amounts falling due within one year	15	(13)	(5)
Net Current Assets/ (Liabilities)		275	167
Total Assets less Current Liabilities		5,390	5,961
Creditors: Amounts falling due after more than one year	15	0	0
Total Net Assets		5,390	5,961
The Funds of the Charity			
Restricted income funds	16	4,576	5,091
Endowment funds	16	61	61
Total restricted funds		4,637	5,152
Unrestricted income funds	16		
Unrestricted income funds		753	714
Revaluation reserve		0	95
Total unrestricted funds		753	809
Total charity funds		5,390	5,961

The notes at pages 18-30 form part of this account.

Signed:

Date: 26 June 2020



Seamus McGoran
Accounting Officer (Interim)

SOUTH EASTERN HSC TRUST
Trust Fund Accounts for the year ended 31 March 2020

Notes to the accounts

1. Accounting policies

1a. Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) (FRS 102) and with relevant guidance issued by the Department of Health. Where appropriate prior year comparatives have been restated. The financial statements have been prepared on a going concern basis. Update Bulletin 1 issued February 2016 amended the Charities SORP and a Statement of Cash Flows is now only required for larger charities. Larger charities are those charities with a gross income exceeding £500,000 in the reporting period. The Trust Funds of the South Eastern Health and Social Care Trust have a gross income of less than £500,000 and is therefore exempt from cash flow preparation. The Trust Fund meets the definition of a public benefit entity under FRS 102.

1b. Incoming resources

All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:

- i) entitlement – arises when a particular resource is receivable or the charity's right becomes legally enforceable;
- ii) certainty – where there is reasonable certainty that the incoming resource will be received;
- iii) measurement – when the monetary value of the incoming resources can be measured with sufficient reliability.

1c. Incoming resources from legacies

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

SOUTH EASTERN HSC TRUST
Trust Fund Accounts for the year ended 31 March 2020

Notes to the accounts

1d. Gifts in kind

- i) Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.
- ii) Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.
- iii) Gifts made in kind but on trust for conversion into cash and subsequent application by the charity are included in the accounting period in which the gift is sold.

In all cases the amount at which the gifts in kind are brought into account is either a reasonable estimate of their value to the charity or the amount actually realised. The basis of the valuation is disclosed in the annual report.

1e. Intangible income

Intangible income (e.g. the provision of free accommodation) is included in the accounts with an equivalent amount in outgoing resources, if there is a financial cost borne by another party. The value placed on such income is the financial cost of the third party providing the resources.

1f. Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1g. Allocation of support costs and overheads

Support costs and overheads have been allocated between Governance Costs and Charitable Activities. Costs which are not wholly attributable to an expenditure category have been apportioned. The analysis of support costs and the bases of apportionment applied are shown in note 5. Where costs are shared by two or more charitable activities, support costs have been apportioned between categories and this is analysed in note 6.

1h. Costs of generating funds

The costs of generating funds are the cost of investment management fees.

SOUTH EASTERN HSC TRUST
Trust Fund Accounts for the year ended 31 March 2020

Notes to the accounts

1i. Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs comprise direct costs and an apportionment of overhead and support costs as shown in note 5.

1j. Governance costs

Governance costs comprise all costs incurred in the governance of the charity. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.

1k. Fixed assets

• **Capitalisation**

All assets falling into the following categories are capitalised:

- i) computer software licences are capitalised as intangible assets where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £5,000;
- ii) tangible assets which are capable of being used for a period which could exceed one year, and have a cost in equal to or greater than £5,000;
- iii) groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £1,000 or more.

• **Valuation**

Intangible fixed assets held for operational use are valued at historical cost. Surplus intangible assets are valued at net recoverable amount. Tangible fixed assets are valued as follows:

- i) land, buildings, installations, and fittings are stated at open market value for their existing use. Valuations are carried out professionally at five-yearly intervals. Between valuations an appropriate index is applied to revalue the assets;
- ii) equipment is valued at estimated net current replacement cost;
- iii) assets in the course of construction are valued at current cost.

• **Depreciation**

Depreciation is charged on a straight line basis on each main class of tangible asset as follows:

- land and assets in the course of construction are not depreciated;
- buildings, installations, and fittings are depreciated on their current revalued amount over the assessed remaining life of the asset as advised by the professional valuers;
- equipment is depreciated evenly over the estimated life of the asset.

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Notes to the accounts

• **Impairments**

Impairments, where incurred in the year are separately identified in Note 11 and charged to the funds of the charity where caused by price fluctuations and to the Statement of Financial Activities for the year when the impairment was recognised.

1l. Donated assets

Donated Assets are capitalised at their valuation on a full replacement cost basis on receipt and are revalued and depreciated as described above.

1m. Investment fixed assets

Investment Fixed Assets are shown at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Property assets are not depreciated but are shown at market valuation.

Quoted stocks and shares are included in the balance sheet at mid-market price ex-div.

Other investment fixed assets are included at trustees' best estimate of market value.

1n. Realised and Unrealised gains and losses

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

1o. Financial Instruments

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The charity's investments are reported in the South Eastern HSC public accounts as financial instruments under note 12.

SOUTH EASTERN HSC TRUST
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Notes to the accounts

1p. Funds structure

Where there is a legal restriction on the purposes to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment fund. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the Trustees have chosen to earmark for set purposes are classified as designated funds.

1q. Pensions

The Charitable Trust Funds have no employees.

1r. Charitable Trust Account Consolidation

From 2013-14 the FReM consolidation accounting policy requires the HSC Trusts and ALBs financial statements to consolidate the financial performance and accounts of controlled charitable organisations and funds held on trust. The HSC Trusts and ALBs has accounted for these transfers using merger accounting as required by the FReM. It is important to note however the distinction between public funding and the other monies donated by private individuals still exists. All funds have been used by South Eastern Health and Social Care Trust as intended by the benefactor. It is for the Gifts and Endowments/Charitable Trust Fund Committee within Trusts to manage the internal disbursements. The committee ensures that charitable donations received by the Trust are appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the Trust's Standing Financial Instructions, Departmental guidance and legislation.

All such funds are allocated to the area specified by the benefactor and are not used for any other purpose than that intended by the benefactor. Charitable Trust Funds Accounts continue to be prepared and laid separately before the Assembly

1s. Transition to FRS 102

The Trust has presented its results under FRS102. There are no changes in accounting policies and there are no numerical or disclosure changes in the previously reported results and total funds, therefore no reconciliation in results is required.

SOUTH EASTERN HSC TRUST
Trust Fund Accounts for the year ended 31 March 2020

Notes to the accounts

2. Analysis of Income from Donations and Legacies

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 Funds £000	Total 2019 Funds £000
Donations from individuals	65	249	314	182
Legacies	0	0	0	20
Total	<u>65</u>	<u>249</u>	<u>314</u>	<u>202</u>

3. Incoming resources from charitable activities

There are no incoming resources from charitable activities (2018/19, £0).

4. Gross investment income

	2020 Total Funds £000	2019 Total Funds £000
Gross income earned from:		
Fixed asset equity and similar investments	144	136
Total	<u>144</u>	<u>136</u>

5. Analysis of Other Income

There is no Other Income for 2019/20 (£0 for 2018/19).

6. Expenditure on raising funds

There is no expenditure on raising funds for 2019/20 (£0 for 2018/19).

SOUTH EASTERN HSC TRUST
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Notes to the accounts

7. Analysis of governance and support costs across expenditure

	2020 Total Funds £'000	Allocated to Governance £'000	Charitable activities £'000	2019 Total Fund £'000	Basis of apportionment
Financial Administration	66	66	0	68	Fully allocated to Governance
External Audit	6	6	0	6	Fully allocated to Governance
Total	<u>72</u>	<u>72</u>	<u>0</u>	<u>74</u>	

Financial administration represents a levy for the direct costs of administration of Charitable Funds by the South Eastern Trust.

8. Analysis of charitable expenditure

	Grant funded activity £'000	Support Costs £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Medical research	0	0	0	0
Purchase of new equipment	297	0	297	158
Building and refurbishment	0	0	0	12
Staff education and welfare	32	0	32	42
Patient education and welfare	119	0	119	116
Loss on disposal Land	40	0	40	0
Other	2	0	2	9
Total	<u>490</u>	<u>0</u>	<u>490</u>	<u>337</u>

9. Auditor's remuneration

The auditor's remuneration of £6k related solely to the audit with no other additional work undertaken (2018/19, £6k).

10. Trustee's remuneration

During the year the Trustees received no remuneration or expenses reimbursed (2018/19, £0k).

SOUTH EASTERN HSC TRUST
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Notes to the accounts

11. Total tangible fixed assets

	Freehold Land	Total
	£000	£000
Cost or valuation		
Balance at 1 April 2019	100	100
Disposals	(100)	(100)
Cost/Valuation at 31 March 2020	0	0
Accumulated Depreciation:		
Balance at 1 April 2019	0	0
Balance at 31 March 2020	0	0
Net Book Value at 31 March 2020	0	0
Net Book Value at 31 March 2019	100	100
Historic cost at 31 March 2020	0	0

SOUTH EASTERN HSC TRUST
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Notes to the accounts

12. Analysis of fixed asset investments

Fixed asset investments are measured initially at cost and subsequently at fair value, their market value, at the balance sheet date. This treatment is in accordance with para 11.14(d) of FRS 102.

Investments in a Common Investment Fund

	2020	2019
	£000	£000
Market value at 1 April	5,694	5,551
Net cash inflow/(outflow)	(250)	(250)
Share of income	144	136
Share of realised gains/(losses)	71	74
Share of unrealised gains/(losses)	(544)	183
Market value at 31 March	<u>5,115</u>	<u>5,694</u>

12.1 Movement in fixed asset investment

There was a net movement in fixed assets investments of -£579k during the year.

12.2 Market value as at 31 March 2020

	Held in UK £000	Held outside UK £000	2020 Total £000	2019 Total £000
Investments in CIF	5,115	0	0	5,694
Total market value of fixed asset investments	<u>5,115</u>	<u>0</u>	<u>0</u>	<u>5,694</u>

13. Analysis of grants

In 2019/2020 grants payable of £199k (£49k 2018/2019) related to expenditure made from charitable trust funds for the purchase of medical equipment. This equipment has been donated to and is for the use by the South Eastern HSC Trust. The unconditional legal title of these assets has been passed to the South Eastern HSC Trust. The expenditure in respect of these items is included in SEHSCT Consolidated Accounts (Note 5) under the “donations of new equipment”.

SOUTH EASTERN HSC TRUST
Trust Fund Accounts for the year ended 31 March 2020

Notes to the accounts

14. Analysis of debtors

14.1 Amounts falling due within one year

	2020	2019
	£000	£000
Other debtors	113	20
Total	<u>113</u>	<u>20</u>

14.2 Amounts due over one year:

No debtors were due over one year (£0, 2018/19).

15. Analysis of creditors

15.1 Amounts falling due within one year

	2020	2019
	£000	£000
Accruals	13	5
Total	<u>11</u>	<u>5</u>

15.2 Amounts falling due after more than one year

No creditors were due over one year (£0, 2018/19).

SOUTH EASTERN HSC TRUST
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16. Analysis of charitable funds

Restricted Funds are funds where the donor has placed a legal restriction to either only utilise income generated from the donation (endowment) or to only be spent in furtherance of a specific charitable purpose.

16.1 Endowment Funds

	Balance at 1 April 2019 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Fund at 31 March 2020 £000
Down & Lisburn Endowment Fund	61	0	0	0	0	61
Other (individually less than 5%)	0	0	0	0	0	0
Endowment funds total	61	0	0	0	0	61

16.2 Restricted Funds

	Balance at 1 April 2019 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Fund at 31 March 2020 £000
Robert Moorhead Bequest	334	12	(71)	0	(21)	254
MacDermott Fund	616	162	(17)	0	(70)	691
UHD Ethel Agar	1,215	30	(81)	0	(96)	1,068
UHD Special Care Baby Unit	372	14	(10)	0	(31)	345
Other (individually less than 5%)	2,554	156	(295)	0	(197)	2,218
Grand Total	5,091	374	(474)	0	(415)	4,576

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16.3 Analysis of unrestricted and material designated funds

	Balance at 1 April 2019 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Fund at 31 March 2020 £000
Bangor Hospital General	140	4	(6)	94	27	259
Ulster Hospital General	374	39	(69)	0	(33)	311
Ards General Hospital	3	0	0	33	26	62
Ards Community Hospital	55	1	0	(33)	(23)	0
Bangor Community Hospital	136	2	0	(94)	(44)	0
Mental Health General	44	36	(7)	0	(7)	66
Other (individually less than 5%)	57	2	0	0	(4)	55
Total	809	84	(82)	0	(58)	753

Some of the opening balances are not the same as the closing balances in the previous year's accounts. This is because the individual funds listed can change year to year dependent on meeting the 'more than 5% of total value' criteria.

17. Financial Instruments

There are no Financial Instruments in 2019/20 (£0, 2018/19).

18. Transfers between funds

There were no transfers between Unrestricted and Restricted Funds during the year.

19. Financial Guarantees, Indemnities and Letter of Comfort

The South Eastern Health and Social Care Trust Charitable Trust Funds has not entered into any financial guarantees, indemnities or provided letters of comfort in 2019/20 (£0, 2018/19)

SOUTH EASTERN HSC TRUST

Trust Fund Accounts for the year ended 31 March 2020

Notes to the accounts

20. Related party transactions

During the year none of the Trustees or members of the key management staff or parties related to them has undertaken any material transactions with the South Eastern HSC Charitable Trust Funds.

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not seek to benefit personally from such decisions. Declarations of personal interest have been made in both capacities and are available to be inspected by the public.

The Charitable Trust has made revenue (see outlined below) and capital payments (refer to note 13) to the South Eastern HSC Trust where the Trustees are also members of the Trust.

The administration of the Trust Funds of the South Eastern HSC Trust is carried out by employees of South Eastern H&SC Trust. The cost to the Trust Funds for the year amounted to £64k (£64k 2018/2019) and is included within Financial Administration in Note 5. No trustee expenses were reimbursed by Charitable Trust Funds.

21. Financial Commitments

The South Eastern Health and Social Care Trust Charitable Trust Funds has no contingencies or commitments in 2019/20 (£0, 2018/19).

22. Post Balance Sheet Events

Subsequent to the year-end reporting date, donations have been received from the public to support the COVID-19 pandemic effort both by our staff and the Trust in general. The SEHSCT has also become a member of the NHS Charities Together Association and has received a grant from the UK wide COVID-19 NHS appeal of £105.5k in May 2020.

As highlighted in the Trustees' report (under Investment Policy), the portfolio value of the Common Investment Fund, of which the Trust is a participating body, has improved significantly from the reported value as at 31 March 2020. The value as 31 March 2020 reflected the impact of Covid-19 to world markets at this date.

Date authorised for Issue

The Accounting Officer authorised the issue of these financial statements on 24th July 2020.