

**The Annual Report and Accounts of
the Charitable Trust Funds held by
South Eastern HSC Trust for the
year ended 31 March 2022**

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

5th July 2022

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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 2022

INTRODUCTION

This is the annual report for the Trust Funds held by the South Eastern Health and Social Care Trust ('Charitable Trust Funds') for the year 1 April 2021 to 31 March 2022.

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, Dundonald
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 Trust Funds. During 2021/22 this constituted the following:

Non-executive members

Mr Jonathan Patton	Chairman
Mrs Helen Minford	Chair of Charitable Trust Funds Committee
Mr Noel Brady	
Dr Maura Briscoe	
Mr Maynard Mawhinney	
Mrs Joan O'Hagan	

Executive members

Name	Post	Dates
Mr Seamus McGoran	Chief Executive	To 31 Jul 21 (Retired)
Mrs Roisin Coulter	Chief Executive Director of Planning, Performance & Informatics	From 25 Jun 21 To 24 Jun 21
Ms Nikki Patterson	Deputy Chief Executive Director of Primary Care, Elderly & Nursing	From 1 st Feb 22 Throughout 2021/22
Mrs Wendy Thompson	Director of Finance and Estates	Throughout 2021/22
Ms Naomi Dunbar	Interim Director of Planning, Performance & Informatics	From 1 May 21
Dr Charlie Martyn	Medical Director	Throughout 2021/22
Mrs Myra Weir	Director of Human Resources	To 31 May 21 (Retired)
Ms Claire Smyth	Interim Director of Human Resources & Corporate Services	From 1 st May 21
Mrs Barbara Campbell	Director of Children's Services/Social Work	Throughout 2021/22
Mrs Margaret O'Kane	Director of Adult Services & Healthcare in Prisons	Throughout 2021/22
Mr David Robinson	Director of Hospital Services	Throughout 2021/22

The Trustees have delegated responsibility for the on-going management of funds to the Charitable Trust Funds Committee. The South Eastern Health and Social Care Trust Charitable 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 has liaised with the Charity Commission for Northern Ireland to register its Charitable Trust Funds 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
82a, Main Street
Bangor
Co Down
BT20 4AG

Bank of Ireland
Belfast City Branch
1 Donegall Square South
Belfast
BT1 5LR

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
11th Floor, Lanyon Place, East Tower
8 Lanyon Place
Belfast
BT1 3LP

Structure, governance and management

The Charitable Trust Funds held by the South Eastern Health and Social Care Trust is 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 Trust Funds Committee is the forum 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 Trust Funds Committee is authorised by the Trust 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 Trust Funds Committee during 2021/22 was as follows:

Helen Minford	Non-executive Director (Chair)
Wendy Thompson	Director of Finance and Estates
Nicki Patterson	Deputy Chief Executive & Director of Primary Care, Elderly and Nursing
Dr Charlie Martyn	Medical Director
Lyn Campbell	Assistant Director of Finance

During 2021/22, the Committee held 3 meetings to oversee the administration of the Charitable Trust Funds, their investment and disbursement. There was 100% attendance at meetings during the year.

The roles and responsibilities of the Charitable Trust Funds Committee in relation to the management and governance of the funds are set out within its terms of reference as follows:

The role of the Committee is to oversee the administration, including banking arrangements, of Charitable Trust 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 care services in accordance with current legislation, policies and procedures relevant to Charitable Trust Funds in accordance with Standing Financial Instructions and other associated regulations.

The Charitable Trust 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 Trust Funds Committee. The delegated limits for Charitable Trust Fund expenditure below £50,000 is laid out in the Trust's "Procedures for the Management of Charitable Trust Funds – Guidance to Fund Managers", available on the Trust's intranet site, iConnect.

The Committee will:

- Satisfy itself that Charitable Trust 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 Trust Funds is subject to appropriate value for money considerations including proper procurement procedures where applicable;*

- *Ensure that Annual Accounts are prepared in accordance with Department of Health (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 Charitable Trust Funds and reports to the Charitable Trust 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 Committee.

There are no key management personnel employed with 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 Charitable Trust Funds held by South Eastern Health and Social Care Trust in 2021/22 were to ensure that 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, Department of Health guidance and legislation.

The expenditure for the year was in line with the defined and specified purpose for which the individual funds were formed. An annual expenditure budget was set agreed for the year by the Charitable Trust Funds Committee.

Achievements and Performance

During the year funds were deployed to support a number of initiatives, outlined in the table below. These items reflect only a fraction of the schemes progressed by the Trust. This would not be possible without the generous support of the community which we serve, for which the Trust is tremendously grateful.

Area of Expenditure	Source	Actual £000	Category
Refurbishment of new Cancer Centre at UHD & Furntiure	Historic Funds	507	Building & Refurbishment
Festive Cheer for Staff	DoH £3m donation	203	Staff Education/Welfare
Medical Equipment	Historic Funds	90	Purchase of New Equipment
Administration Costs incl Audit Fee & New CF Accounting Software	Historic Funds	83	Admin
Miscellaneous e.g. activities for service users (gardening & resources)	Historic Funds	71	Other

Development Pathway for Nursing Asst Workforce – Phase 1 (Jan 20)	Historic Funds	69	Staff Education/Welfare
Improving Emotional Wellbeing of Vulnerable Children (Oct 20)	Historic Funds	67	Patient Education/Welfare
Furniture	Historic Funds	66	Purchase of New Equipment
Clinical Leadership Fellowship – Colorectal (Aug 21)	Historic Funds	58	Medical Research
Creating Person Centred Cultures through Data - PACE	Historic Funds	52	Staff Education/Welfare
Free use of TV for patients in Old Ward Block	Historic Funds	45	Patient Education/Welfare
Advanced Nurse Practitioner Proposal	Historic Funds	37	Staff Education/Welfare
Conference/Course Fees	Historic Funds	36	Staff Education/Welfare
Gynae Nurse Specialist Salary Costs	Historic Funds	24	Staff Education/Welfare
Community Staff Comfort Pack	DoH £3m	24	Staff Education/Welfare
Amazon Voucher MoD Staff	NHS Charities Together	10	Other
Xmas Decorations/Gifts and Food for Staff or Service Users	Historic Funds	7	Other
Totals		1,449	

Investment

The Common Investment Fund (CIF) continues to hold funds invested on behalf of the South Eastern Charitable Trust Funds. During 2021/22, the Charitable Trust Funds Committee (CFC) continued to review the performance of funds invested through CIF. The net market value of funds invested at 31 March 2022 was just over £8.8 million (m). This was an increase from the value held at 31 March 2021 (£6.4m) largely due to investing £2.0m in year.

The nature of investments is such that they will fluctuate in line with prevailing economic circumstances.

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 were 146 named funds at 31 March 2022.

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

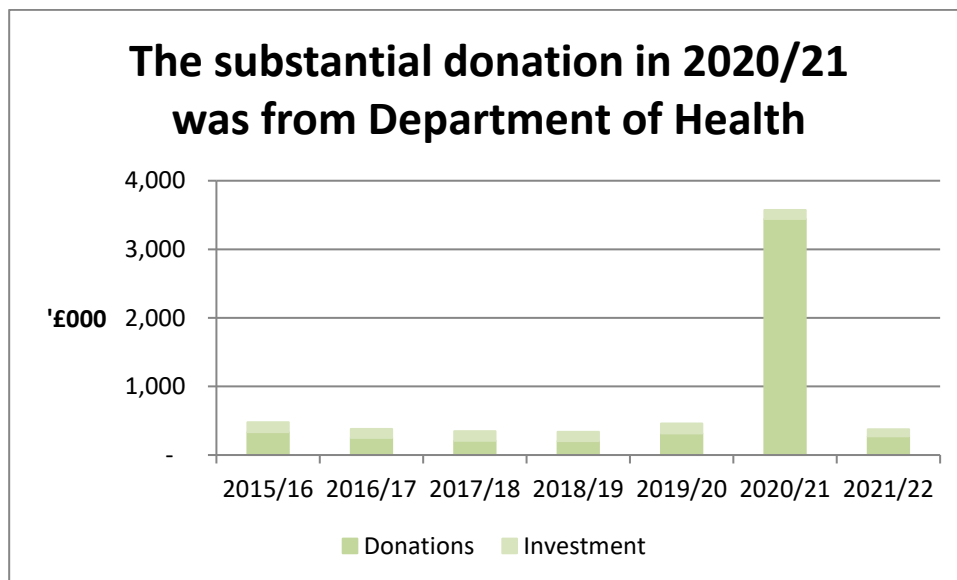
charitable purpose. Unrestricted funds allow Trustees greater freedom in their application in line with the objectives of the Charitable Trust Funds. The use of each fund is strictly controlled to ensure that the aims of the individual funds are met and any donor's wishes delivered.

Review of the year 2021/22

Income

During the year income totalling £377k was received. This was a reduction of £3,119k since 2020/21 which benefited from a £3,000k donation from the Department of Health. Donations & grants received totalled £273k compared to £3,377k in 2020/21. Investment income was £104k (£119k in 2020/21). The following chart illustrates Charitable Trust Fund income for the period 2015/16 to 2021/22.

Charitable Trust Fund income (£k) 2015/16 to 2021/22:



There were no legacies donated in 2021/22 (2020/21, NIL).

There were no significant donations/grants received during the year:

Expenditure

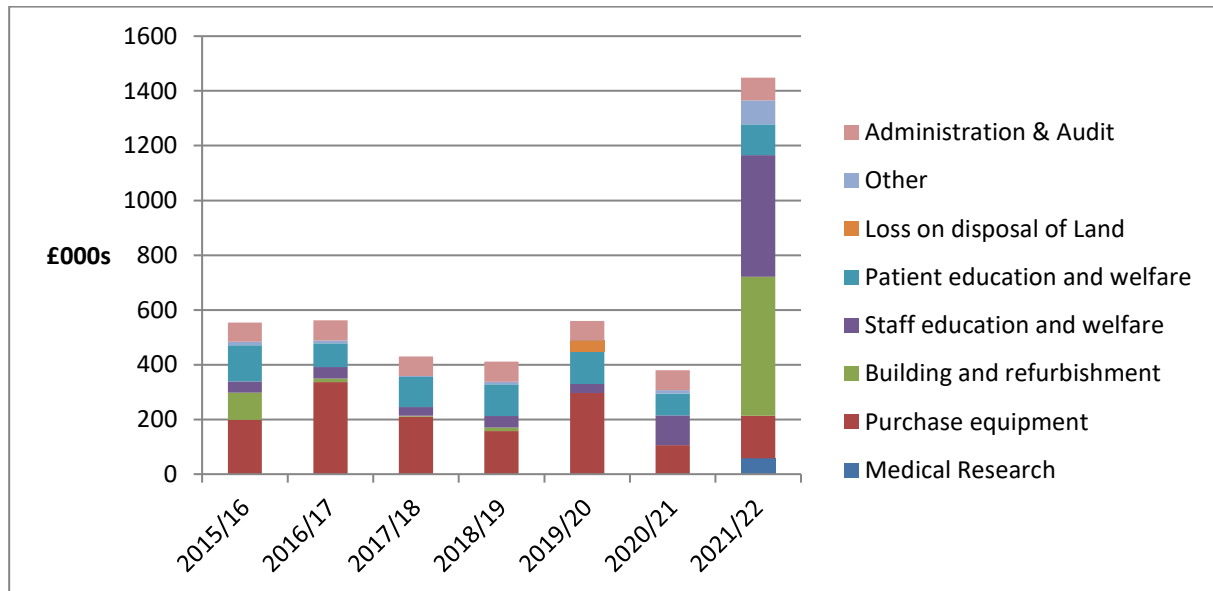
Total direct charitable expenditure for the year amounted to £1,449k (£380k in 2020/21). It is notable that much of the expenditure incurred related to supporting staff education and training (£445k) as well as contributing to the refurbishment of the new Cancer Centre on the Ulster Hospital site (£507k).

Expenditure was incurred to undertake medical research (£58k), purchase £156k of new equipment and £112k on patient education or welfare, £88k on a variety of proposals such as activities for service users and to purchase Amazon gift vouchers to thank Army medics and nurses who supported the Trust during COVID.

Total governance costs amounted to £83k and comprise financial administration of the funds (£68k), purchase of new accounting software (£9k) and audit fees (£6k).

The following chart illustrates Charitable Trust Fund expenditure for the period 2015/16 to 2021/22.

Charitable Trust Fund expenditure (£k) 2015/16 to 2021/22



Financial position at year end

Total fund balances were £8,937k, comprises £7,921k of restricted and £955k of unrestricted funds. Endowment funds totalled a further £61k. This is a total decrease of £784k from the previous year. The component parts of this decrease are:

Income

- £ 55k NHS Charities Together Grants
- £218k all other donations
- £273k from unrealised gains on revaluation of the investment fund;
- £ 9k from gains on the sale of investments
- £104k of dividend income

Less

- £1,443k direct charitable expenditure
- £ 6k audit fee

Financial Controls

The Trustees are aware of their financial responsibilities for the money that is held on trust. The Chair of the Charitable Trust 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.

Statement of risk

The management of risk in relation to the Charitable Trust Funds is closely aligned with the Trust's risk management procedures.

Reserves policy

The Charitable Trust Fund 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 Fund of all Trusts in the legacy Eastern Health and Social Services Board area are pooled and invested in the Common Investment Fund (CIF). The Trust plans to continue to use the CIF for the investment of surplus funds and as part of that arrangement, will continue to seek professional advice in this matter.

The Investment Managers of the CIF have reported that the portfolio has returned 15.64% for the FTSE100 over the last year (26.77% for 2020/21). Since inception the portfolio has returned 73.08% (60.70% as at 31 Mar 2021) and the FTSE100 has returned 47.78% (27.67% as at 31 Mar 2021). Relative performance continues to be strong, although it should be noted the FTSE has turned around its poor lack of form, buoyed as it is by the over prevalence of financial, commodity and energy stocks, all of whom have performed relatively well during the early months of 2022.

As of 31st March 2022, the total Common Investment Fund portfolio was valued at £71.5m (£64.8m at 31 March 2021 and £52.76m as at 31st March 2020). The portfolio generated income of £1.0m in 2021/22. At 1st June 2014 (the date that the current investment manager commenced) the portfolio was valued at £48.27m.

Plans for future periods

As the financial outlook for the Trust becomes increasingly challenging, it is likely that managers will continue to look to the Charitable Trust Funds to support a number of initiatives, particularly in relation to staff training and education along with purchase of medical equipment. The Charitable Trust Funds Committee is aware that the current financial climate will likely see a reduction in charitable donations continue into 2021/22 and therefore a measured approach to supporting bids for funding will be required in order not to deplete the available funds too rapidly.

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 has not yet been

approved by the NI 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 Trust Funds meet these criteria and therefore is required to register as a charity. A registration application was submitted to the Charities Commission NI (CCNI) in January 2015; however CCNI withdrew all applications for registration by HSC Trusts in December 2016 to facilitate discussions with the Department of Health and Trusts on the way forward. The Trust will take forward preparatory work for proper alignment of designated purposes of historical funds including, where appropriate, legal application to the courts for use of the cy pres doctrine.

Creation of Super Funds

During 2021/22 11 new Superfunds were created following consultations with Senior Managers of SEHSCT and Fund Managers. From 1 April 2022 all new donations will be receipted into the new Superfunds. Balances in the historic funds will continue to be used to meet expenditure until they are depleted. The balances held in the existing funds will require a process to amalgamate them into the new Super Funds. This process will take a number of years and necessitate applications to the Courts in some cases.

This Trustee's report was approved at the meeting of the Board on 17 June 2022.



Roisin Coulter
Chief Executive
24 June 2022

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's Charitable Trust Funds for the year ended 31 March 2022 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, Statement of Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the South Eastern Health and Social Care Trust's Charitable Trust Fund's affairs as at 31 March 2022 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies 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's Charitable Trust Funds in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, 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

In auditing the financial statements, I have concluded that the South Eastern Health and Social Care Trust's Charitable Trust Fund's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the South Eastern Health and Social Care Trust's Charitable Trust Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the South Eastern Health and Social Care Trust's Charitable Trust Funds is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Trust and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

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

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 based on the work undertaken in the course of the audit, the information given in the Trustee's Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the South Eastern Health and Social Care Trust's Charitable Trust Funds and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

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.

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:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Trust Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the South Eastern Health and Social Care Trust's Charitable Trust Funds' 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 Trust and Accounting Officer anticipates that the services provided by the South Eastern Health and Social Care Trust's Charitable Trust Funds will not continue to be provided in the future.

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 reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the South Eastern Health and Social Care Trust's Charitable Trust Funds through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder;
- making enquires of management and those charged with governance on the South Eastern Health and Social Care Trust's Charitable Trust Funds' compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the South Eastern Health and Social Care Trust's Charitable Trust Funds' financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material

misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals;

- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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.

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT8 6RB

4 July 2022

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

Statement of Financial Activities for the year ended 31 March 2022

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2022 Total Funds £000	2021 Total Funds £000
Income and Endowments from:						
Voluntary Income	2	29	188	0	217	3,219
Investment income	4	14	90	0	104	119
Other incoming resources	2	55	1	0	56	158
Total Income		98	279	0	377	3,496
Expenditure on:						
Charitable Activities	8	(133)	(1,233)	0	(1,366)	(307)
Governance Costs	7	(24)	(59)	0	(83)	(73)
Other (Loss on disposal asset)	8	0	0	0	0	0
Total resources expended		(157)	(1,292)	0	(1,449)	(380)
Other Recognised Gains	12	44	238	0	282	1,209
Net Income/(Expenditure)		(15)	(775)	0	(790)	4,325
Transfers between funds						
Gross transfers between funds	18	0	0	0	0	0
Net Movement in Funds		(15)	(775)	0	(790)	4,325
Adjustment to add back:						
Notional Audit Fee	9	6	0	0	6	6
Net Movement in Funds excluding Notional Audit Fees		(9)	(775)	0	(784)	4,331
Reconciliation of funds:						
Fund balances brought forward at 1 April 2021		964	8,696	61	9,721	5,390
Fund balances carried forward at 31 March 2022		955	7,921	61	8,937	9,721

The notes at pages 19 - 28 form part of this account.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

Balance Sheet as at 31 March 2022

	Notes	Total Funds 31 March 2022 £000 £	Prior Year Funds 31 March 2021 £000 £
Fixed Assets			
Tangible assets	11	0	0
Investments:			
Common Investment Fund	12	8,829	6,443
Total Fixed Assets		<u>8,829</u>	<u>6,443</u>
Current Assets			
Debtors	14	12	3,002
Cash at bank and in hand		100	399
Total Current Assets		<u>112</u>	<u>3,401</u>
Liabilities			
Creditors: Amounts falling due within one year	15	(4)	(123)
Net Current Assets		<u>108</u>	<u>3,278</u>
Total Assets less Current Liabilities		8,937	9,721
Creditors: Amounts falling due after more than one year	15	0	0
Total Net Assets		<u>8,937</u>	<u>9,721</u>
The Funds of the Charity			
Restricted income funds	16	7,921	8,696
Endowment funds	16	61	61
Total restricted funds		<u>7,982</u>	<u>8,757</u>
Unrestricted income funds			
Unrestricted income funds	16	955	964
Revaluation reserve		0	0
Total unrestricted funds		<u>955</u>	<u>964</u>
Total charity funds		<u>8,937</u>	<u>9,721</u>

The notes at pages 19 - 28 form part of this account.



Roisin Coulter
Accounting Officer
24 June 2022

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

Statement of Cash Flows as at 31 March 2022

	Notes	Total Funds 31 March 2022 £000 £	Prior Year Funds 31 March 2021 £000 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities		1,701	224
Cash flows from investing activities:			
Dividends, interest and rents from investments		104	119
Proceeds from the sale of property, plant and equipment	12	0	0
Purchase of property, plant and equipment		0	0
Proceeds from the sale of investments		0	0
Purchase of investments	12	(2,104)	(119)
Net cash provided by (used in) investing activities		(2,000)	224
Cash flows from financing activities:			
Receipt of endowment		0	0
Net cash provided by (used in) financing activities		0	0
Change in cash and cash equivalents in the reporting period			
		(299)	224
Cash and cash equivalents at the beginning of the reporting period		399	175
Change in cash and cash equivalents due to exchange rate movements		0	0
Cash and cash equivalents at the end of the reporting period		100	399
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
	Notes	Total Funds 31 March 2022 £000	Prior Year Funds 31 March 2021 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(784)	4,331
Adjustments for:			
Depreciation charges		0	0
(Gains)/losses on investments	12	(282)	(1,209)
Dividends, interest and rents from investments	12	(104)	(119)
Loss/(profit) on the sale of fixed assets		0	0
(increase)/decrease in stocks		0	0
(increase)/decrease in debtors	14	2,990	(2,889)
Increase/(decrease) in creditors	15	(119)	110
Net cash provided by (used in) operating activities		1,701	224
Analysis of cash and cash equivalents			
	Notes	Total Funds 31 March 2022 £000 £	Prior Year Funds 31 March 2021 £000 £
Cash in hand		100	399
Notice deposits (less than 3 months)		0	0
Overdraft facility repayable on demand		0	0
Total cash and cash equivalent		100	399

SOUTH EASTERN HSC TRUST
Charitable Trust Funds Accounts for the year ended 31 March 2022

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 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.

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 7.

1h. Costs of generating funds

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

1i. Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objectives of the charity. These costs comprise direct costs and an apportionment of overhead and support costs as shown in note 7.

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; and
- 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; and
- 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; and
- equipment is depreciated evenly over the estimated life of the asset.

- **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. There were no impairments in 2021/22.

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 7.

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.

2. Analysis of Income from Donations and Legacies

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 Funds £000	Total 2021 Funds £000
Donations from individuals	29	188	217	219
Donations Other	0	1	1	3,000
Grants Receivable - NHS Charities	55	0	55	158
Total	84	189	273	3,377

3. Incoming resources from charitable activities

There are no incoming resources from charitable activities (2020/21, NIL).

4. Gross investment income

	2022 Total Funds £000	2021 Total Funds £000
Gross income earned from:		
Fixed asset equity and similar investments	104	119
Total	104	119

5. Analysis of Other Income

There is no Other Income for 2021/22 (2020/21, NIL).

6. Expenditure on raising funds

There is no expenditure on raising funds for 2021/22 (2020/21, NIL).

7. Analysis of governance and support costs across expenditure

	Allocated to Governance	Charitable activities	2022 Total Funds	2021 Total Funds	Basis of apportionment
	£'000	£'000	£'000	£'000	
Financial Administration	0	77	77	67	Usage
External Audit	6	0	6	6	Fully allocated to Governance
Total	6	77	83	73	

Financial administration represents a levy for the direct costs of administration (staff costs and financial system costs) of Charitable Trust Funds by the South Eastern Trust.

8. Analysis of Charitable Trust Fund Expenditure

	Grant funded activity	Support Costs	Total Funds 2022	Total Funds 2021
	£'000	£'000	£'000	£'000
Medical research	0	0	0	0
Purchase of new equipment	266	0	266	106
Building and refurbishment	411	0	411	3
Staff education and welfare	253	0	253	109
Patient education and welfare	425	0	425	79
Loss on disposal Land	0	0	0	0
Other	11	0	11	10
Total	1,366	0	1,366	307

9. Auditor's remuneration

The auditor's remuneration of £6,500 related solely to the audit with no other additional work undertaken (20/21, £6k).

10. Trustee's remuneration

During the year the Trustees received no remuneration or expenses reimbursed (2020/21, NIL).

11. Total tangible fixed assets

During the year there were no Tangible Fixed Assets (2020/21, NIL).

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

	2022	2021
	£000	£000
Market value at 1 April	6,443	5,115
Net cash inflow/(outflow)	2,000	0
Share of income	104	119
Share of realised gains/(losses)	273	86
Share of unrealised gains/(losses)	9	1,123
Market value at 31 March	<u>8,829</u>	<u>6,443</u>

12.1 Movement in fixed asset investment

There was a net movement in fixed assets investments of £2,386k during the year.

12.2 Market value as at 31 March 2022

	Held in UK £000	Held outside UK £000	2022 Total £000	2021 Total £000
Investments in CIF	8,829	0	8,829	6,443
Total market value of fixed asset investments	<u>8,829</u>	<u>0</u>	<u>8,829</u>	<u>6,443</u>

13. Analysis of grants

In 2021/22 there were £410k grants payable relating to expenditure made from Charitable Trust Funds for the purchase of medical equipment (£199k 2019/20). 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”.

14. Analysis of debtors

14.1 Amounts falling due within one year

	2022	2021
	£000	£000
Other debtors	12	3,002
Total	<u>12</u>	<u>3,002</u>

Minister of Health's special charitable donation to SEHSCT totalled £3m in 2020/21 and was recorded in debtors at 31 March 2021.

14.2 Amounts due over one year:

No debtors were due over one year (2020/21, NIL).

15. Analysis of creditors

15.1 Amounts falling due within one year

	2022 £000	2021 £000
Accruals	4	123
Total	4	123

15.2 Amounts falling due after more than one year

No creditors were due over one year (2020/21, NIL).

16. Analysis of Charitable Trust 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 2021 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Fund at 31 March 2022 £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 2021 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Fund at 31 March 2022 £000
MacDermott Fund	933	57	(573)	0	49	466
UHD Ethel Agar	1,310	25	(158)	0	67	1,244
SET – DOH Support Nursing ST	1,000	10	(66)	0	0	944
SET – DOH Support General ST	2,000	0	(142)	0	0	1,858
UHD SPECIAL CARE BABY UNIT	396	12	(10)	0	20	418
Other (individually less than 5%)	3,057	175	(343)	0	102	2,991
Grand Total	8,696	279	(1,292)	0	238	7,921

16.3 Analysis of unrestricted and material designated funds

	Balance at 1 April 2021 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Fund at 31 March 2022 £000
Bangor Hospital General	324	6	(4)	0	17	343
Ulster Hospital General	343	25	(3)	0	20	385
Ards General Hospital	62	5	(19)	0	0	48
Mental Health General	79	2	(9)	0	5	77
Other (individually less than 5%)	156	60	(116)	0	2	102
Total	964	98	(151)	0	44	955

17. Financial Instruments

There are no Financial Instruments in 2021/22 (2020/21, NIL).

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 2021/22 (2020/21, NIL)

20. Related party transactions

During the year none of the Trustees or members of management or parties related to them have 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 Fund 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 Charitable Trust Funds of the South Eastern HSC Trust is carried out by employees of South Eastern H&SC Trust. The salary and system costs charged to the Charitable Trust Funds for the year amounted to £77k (£67k 2020/2021) and is included within Financial Administration in Note 7. No trustee expenses were reimbursed by Charitable Trust Funds.

21. Financial Commitments

The South Eastern Health and Social Care Trust Charitable Trust Funds have no contingencies or commitments in 2021/22 (2020/21, NIL).

22. Post Balance Sheet Events

There are no post balance sheet events to report.

23.3 Date authorised for Issue

The Accounting Officer authorised the issue of these financial statements on 4th July 2022.