

# Board of Trustees Meeting

Thu 20 January 2022, 10:00 - 11:30

MS Teams

## Agenda

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### 1. Welcome & Introductions

*Charles Janczewski*

#### 1.1. Apologies for Absence

*Charles Janczewski*

#### 1.2. Declarations of Interest

*Charles Janczewski*

#### 1.3. Minutes of the Trustee Meeting held on 12 October 2021

*Charles Janczewski*

 1.3 DRAFT BoT 12.10.21 Mins MD CJ.pdf (12 pages)

#### 1.4. Action Log following meeting held on 12 October 2021

*Charles Janczewski*

 1.4 Action Log.pdf (1 pages)

#### 1.5. Chair's Action taken since last meeting

*Charles Janczewski*

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### 2. Items for Review and Assurance


#### 2.1. Health Charity Current Financial Position

*Christopher Lewis*

 2.1 Health Charity Current Financial Position.pdf (6 pages)

#### 2.2. Financial training session on Charitable Funds

*Christopher Lewis*

 2.2 Financial training session on Charitable Funds.pdf (15 pages)

#### 2.3. Disposal of Rookwood Hospital

*Fiona Jenkins*

 2.3 Disposal of Rookwood Hospital charitable funds Jan 22.pdf (3 pages)

#### 2.4. Horatio's Garden Update

*Fiona Jenkins*

 2.4v- Horatio's Garden Update Jan 22.pdf (4 pages)

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### 3. Items for Approval/Ratification

#### 3.1. Charitable Funds Annual Report and Accounts 2020/21

*Christopher Lewis*

Please note that there are additional papers which can be found under "Supporting Documents"

-  3.1 Approval of Charity Annual Report and Accounts.pdf (3 pages)
-  3.1a Health Charity\_Annual Report.pdf (55 pages)
-  3.1b CVUHB FHOT Audit enquiries letter 20-21 Final.pdf (15 pages)
-  3.1c CVUHB\_FHOT\_2020-21\_aoa\_report\_FINAL.pdf (18 pages)

#### 3.2. Employee Wellbeing Service Funding Update

*Rachel Gidman*

Verbal Update

#### 3.3. Develop Child Health Social Prescribing

*Ruth Walker / Joanne Brandon*

-  3.3 Approval of Charitable Funds - Child Health Social Prescribing Project.pdf (3 pages)

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### 4. Items for Noting and Information

#### 4.1. Chair's Reports - Charitable Funds Committee

*Akmal Hanuk*

-  4.1 CFC Chairs Report AH.pdf (5 pages)

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### 5. Any Other Business

*Charles Janczewski*

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### 6. Review of the Meeting

*Charles Janczewski*

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### 7. Date and time of next meeting

*Charles Janczewski*

Thursday 21 April 2022 at 10am

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**Unconfirmed Minutes of the Board of Trustee Meeting  
Tuesday 12 October 2021  
Via MS Teams**

<b>Chair:</b>		
Charles Janczewski	CJ	UHB Chair
<b>Present:</b>		
Akmal Hanuk	AH	Independent Member - Community
Michael Imperato	MI	Independent Member – Legal
Fiona Jenkins	FJ	Executive Director of Therapies & Health Sciences
Sara Moseley	SM	Independent Member – Third Sector
Rhian Thomas	RT	Independent Member – Capital and Estates
John Union	JU	Independent Member - Finance
Ruth Walker	RW	Executive Nurse Director
<b>In Attendance</b>		
Joanne Brandon	JB	Director of Communications
David Edwards	DE	Independent Member - ICT
Nicola Foreman	NF	Director of Corporate Governance
Mark Jones	MJ	Financial Audit Manager – Audit Wales
Chris Lewis	CL	Deputy Director of Finance
<b>Observing</b>		
Marcia Donovan	MD	Head of Corporate Governance
<b>Secretariat:</b>		
Nathan Saunders	NS	Corporate Governance Officer
<b>Apologies:</b>		
Rachel Gidman	RG	Executive Director of People & Culture
Catherine Phillips	CP	Executive Director Finance
Ceri Phillips	CPh	Vice Chair
Stuart Walker	SW	Executive Medical Director

<b>BT 21/07/001</b>	<b>Welcome &amp; Introductions</b>  The UHB Chair welcomed everyone to the meeting in English and Welsh.	<b>Action</b>
<b>BT 21/07/002</b>	<b>Apologies for Absence</b>  Apologies for absence were noted	
<b>BT 21/07/003</b>	<b>Declarations of Interest</b>  The Executive Director of Therapies & Health Sciences (EDTHS) declared an interest as a Board member of Cwm Taf Morgannwg University Health Board (CTMUHB).  The Interim Medical Director declared an interest as she was were involved in the “in for a penny” charity payroll giving scheme.  The Executive Nurse Director (END) declared an interest as an independent member of the Nursing and Midwifery Council (NMC).	

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	<p>The Independent Member – Third Sector (IMTS) declared an interest as an elected member of the Wales Council for Voluntary Action (WCVA) and a member of the General Medical Council (GMC).</p> <p>The Board of Trustee resolved that:</p> <p>a) Save for the declarations of interest referred to above, no further declarations of interest were noted.</p>	
<b>BT 21/07/004</b>	<p><b>Minutes of the Board of Trustee Meeting held on 15 July 2021</b></p> <p>The minutes of the Board of Trustee Meeting held on 15 July were received.</p> <p><b>The Board of Trustee (BoT) resolved that:</b></p> <p>a) The minutes were approved as an accurate and true record of the meeting held on 15 July 2021</p>	
<b>BT 21/07/005</b>	<p><b>Action Log following the Meeting held on 15 July 2021</b></p> <p>The Action Log was received.</p> <p><b>The BoT resolved that:</b></p> <p>a) The Action Log was noted.</p>	
<b>BT 21/07/006</b>	<p><b>Chair's Action taken since last meeting</b></p> <p>No Chairs Actions had been taken since the last meeting.</p> <p>The UHB Chair noted that a Chairs Action had been placed on the agenda and clarified that the action had been assigned to the Chair of the Charitable Funds Committee.</p>	
<b>BT 21/07/007</b>	<p><b>Health Charity Current Financial Position</b></p> <p>The Health Charity Current Financial Position was received.</p> <p>The Deputy Director of Finance (DDF) advised the Trustees that there were 3 key issues to bring to the attention of the BoT which were:</p> <ul style="list-style-type: none"> <li>The year to date income performance had decreased from the levels reported in 2020/21, partly given that the Charity had previously received significant generous donations to support it during the height of the pandemic.</li> </ul> <p>It was noted that due to decreased levels of income being received by the Charity, it had put pressure on the Charity's cash position. which was being monitored. However it was recommended that the Charity requested £0.250m from the investment portfolio to</p>	

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support the Charity's cash position. The request was supported by the Charitable Funds Committee at its September 2021 meeting.

- The stock market had continued its rally into the financial year with gains of £0.457m to the end of August 2021. The stock market had remained volatile and at this time caution had been advised against further significant commitments.
- The recent dormant fund exercise had resulted in circa £0.062m being identified for transfer to the general reserve.

The DDF advised the Committee that the Charity had generated £0.466m of income and spent £0.709m for the first five months of the financial year which had resulted in the net expenditure of £0.243m.

It was noted that, in addition, the Charity had market value gains on its investments in the sum of £0.457m for the period compared to the March 2021 valuation, and that the combined effect of the results was a net increase in fund balances for the period to August 2021 in the sum of £0.214m to £9.361m.

It was noted that of the closing fixed asset balance, £2.436m related to Rookwood Hospital with the balance of £6.825m relating to the investment portfolio. Of the net current assets closing balance of £0.100m, some £0.190m was supported with cash with the balance being net current liabilities of £0.090m.

The DDF advised the Trustees that the cash balance was not considered sufficient to cover future expenditure levels and that it was recommended that £0.250m was withdrawn from the investment portfolio to bolster the cash position. It had been confirmed with the Cardiff and Vale University Health Board (CVUHB) investment managers that the amount was realisable without the need for significant trading.

It was noted that the investment portfolio started the financial year with a market value of £6.368m and that the value had increased to £6.825m at the end of August 2021, resulting in a market value gain for the period of £0.457m.

The DDF advised the Trustees that whilst the Charity had a net worth of £9.361m, it was structured around undelegated and delegated funds. Within the funds there were general reserves with a value of £0.938m made up of the following:

- Consolidated general reserve fund balance of £0.419m;
- Year to date investment gains of £0.457m;

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- Transfer of dormant funds estimated to be £0.062m

It was noted that against the general reserves, the Charity had approved a number of bids which resulted in significant financial commitments and that they had been assessed at being circa £0.730m, which was an under commitment.

The DDF highlighted to the Trustees that the key financial risk was the performance of the investment portfolio which was underpinning the year to date's financial position and general reserves balance.

The Independent Member – Capital and Estates (IMCE) asked what determined whether the Charity moved into a cautious and conservative mode in relation to the level of commitments which could be made.

The DDF responded that the financial report seen by the Trustees was in the same format provided to the Charitable Funds Committee and it showed the gains that had been made, the reduction in levels of income and the current level of surplus funds.

He added that based upon his advice with regards to the overall financial position of the Charity, the Charitable Funds Committee needed to be sensible with regards to the application of bids.

It was noted that with regards to the investment portfolio, the Charity should only draw down money for 2 reasons, namely:

- Cash shortage (which the Charity currently had).
- If advice was provided from the Charity's investment managers about "cashing in".

The DDF advised the Trustees that, in his opinion, the Charitable Funds Committee had an appropriate level of risk.

The UHB Chair noted that a concern was sometimes raised with regards to the value of the investment portfolio and asked if £0.250m of cash was enough.

The DDF responded that it was important to note the distinction between "cash" and "income" and highlighted that, in simple terms, all that was being requested was taking cash to increase the Charity's cash position and that it did not increase what was in the general reserves.

The UHB Chair advised the Trustees that a conversation would be had with the DDF outside of the meeting so that the Trustees could better

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	<p>understand some of the technical terminology (ie “financial speak”) relating to the DDF’s comments.</p> <p>The IMTS asked to know what the reserves policy was.</p> <p>The DDF responded that the reserves policy was £0.500m plus 10% of the Charity’s investment portfolio which stood at approximately £1.1m.</p> <p>It was noted that within that policy there was the totality of non-restricted reserves which was currently delegated to fund holders which the Trustee could draw back at any stage should they require it.</p> <p>The IMTS asked if there was any scenario planning in terms of lower, middle and upper income projections and if those were mapped against what the Charity would then invest in.</p> <p>The DDF responded that forecasting was difficult in the current environment and noted that a position is provided at a certain period of time.</p> <p>The END advised the Trustee that a further discussion regarding income generation would be required at the next Board of Trustee meeting in January.</p> <p>It was noted that further information would be required to understand how much the Charitable Funds Committee had to spend and clarity as to (i) the maximum amount it could spend, (ii) the point at which the Charitable Funds Committee could commit to without triggering a high risk.</p> <p>The IMTS advised the Trustee that it would be helpful to understand the return on the investment rate and if it was enough under the circumstances provided by the DDF.</p> <p>The UHB Chair concluded that a discussion should be brought to the Charitable Funds Committee whereupon it could then be brought to the Trustees.</p> <p><b>The Board of Trustee resolved that:</b></p> <ul style="list-style-type: none"> <li>a) The financial position of the Charity was noted.</li> <li>b) The latest income position was noted.</li> <li>c) The commitments against general reserves was noted.</li> <li>d) The cash withdrawal of £0.250m from the Investment Portfolio was approved.</li> </ul>	
<p>BT 21/07/008</p> <p>Saunders, Nathan 01/19/2022 14:42:25</p>	<p><b>Update on Dormant Funds</b></p> <p>The update on Dormant Funds was received.</p>	

	<p>The DDF advised the Trustees that the review was reported to the end of the financial year March 2021.</p> <p>It was noted that following the dormant fund exercise for 2020/21 it was anticipated that circa £0.062m of further funding would now be available to transfer to the general-purpose funds.</p> <p>The END advised the Board of Trustees that a long debate had taken place at the Charitable Funds Committee and thanked the DDF for the hard work provided.</p> <p>The UHB Chair echoed the comments made by the END and noted that the funds would be gratefully received by the charities.</p> <p><b>The Board of Trustee resolved that:</b></p> <p>a) The progress made on reviewing Dormant Funds was noted.</p>	
BT 21/07/009	<p><b>Rookwood Hospital Disposal Update</b></p> <p>The Rookwood Hospital Disposal Update was received.</p> <p>The Executive Director of Therapies &amp; Health Science (EDTHS) advised the Board of Trustees that the disposal of Rookwood Hospital was further discussed by the Charitable Funds Committee in June 2021 and noted that there was now a need to progress the disposal following the re-provision of neuro and spinal rehabilitation services at University Hospital Llandough.</p> <p>It was noted that most of the current Rookwood Hospital site was now surplus to requirements and therefore it had been proposed that the Charity dispose of part of the Rookwood Hospital site.</p> <p>It was noted that the disposal of charitable assets, particularly land and property, was subject to stringent legal processes and to guide the Board of Trustees legal advice in relation to the proposed disposal had been obtained from Geldards LLP.</p> <p>The Independent Member – Legal (IML) noted that it was proposed that a cy-près scheme would be made and asked how definite it was that the application would go through without any complications.</p> <p>The EDTHS responded that the legal advice obtained was being followed to guide the Health Board on the disposal of Rookwood Hospital.</p> <p>The Director of Corporate Governance (DCG) added that it was not straight forward because the application for the cy-près scheme could take up to 18 months. However, the disposal of the property could go ahead following the legal advice obtained.</p> <p>The Independent Member – Finance (IMF) asked who would make the final decision on which offer for the land was accepted.</p>	

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The EDTH responded that the advice from the solicitors was to place the land on the open market and noted that the Trustees would approve the offer decision.

The UHB Chair added that the Board of Trustees should comply with the correct process, procedures and legal requirements and noted that it would be up to the Trustees to accept the best offer put forward.

The IMCE asked how restricted the Trustees would be in spending the monies from the sale of the Rookwood land if the Cy-près scheme was not approved.

The EDTHS responded that there were other options. Services continued to be delivered at the Rookwood site and she commented that the services could be re-housed elsewhere using the monies, although she said that it would be better for the wider population for the cy-près scheme to be approved.

It was noted that the Charitable Funds Committee had supported the recommendation that the following actions should be taken:-

- 1) Obtain specialist advice from a Surveyor in relation to advertising the sale on the open market and the most appropriate timescale for the same;
- 2) If the sale proceeds are to be used for a purpose other than the acquisition of replacement land, as the case would be here, then a Public Notice would need to be issued inviting representations to be made within a time specified in the notice (not less than one month from the date of the notice) (s.121 ChA 2011). This requirement may be set aside if the Board of Trustees could satisfy the Charity Commission that it would be in the best interests of the Charity to do so;
- 3) Assuming that the charitable objects are too restrictive for the intended use of the sale proceeds, to make an application to the Charity Commission for a Cy Pres Scheme to or modernise the charitable objects to enable the proceeds to be used for their intended purpose(s).

**The Board of Trustee resolved that:**

- a) The recommendation made by the Charitable Trust Committee on the 29 June 2021 and as detailed in points 1), 2) and 3) immediately above, was approved.
- b) The recommendation to make a Cy Pres Scheme application to change the objectives of the Charity once the Health Board had the receipt from the disposal, was supported.
- c) The Head of Capital Estates should now be instructed to progress the Disposal of the redundant parts of the Rookwood site.

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<p><b>BT 21/07/010</b></p>	<p><b>Horatio's Garden Project –Summary</b></p> <p>The Horatio's Garden Project – Summary was received.</p> <p>The DDF advised the Trustees that at the last Board of Trustee meeting there was some confusion regarding how much the Charity was committing towards the project and a request for an analysis of the total cost for Horatio's garden / Neurological garden had been made.</p> <p>It was noted that the analysis was sent to Board of Trustee members on 17th August 2021 via email with an offer to address any outstanding queries.</p> <p>The DDF summarised the costings which included:</p> <ul style="list-style-type: none"> <li>• The total build costs were estimated to be £1.727m (of which the Cardiff and Vale Health Charity commitment was £0.692m).</li> <li>• Maintenance costs for the maximum of 10 years were assessed to be £0.530m (of which the Cardiff and Vale Health Charity commitment was £0.094m).</li> </ul> <p>The IMF asked what assurance could be given that there were sufficient funds to meet the costs asked by the project's charity because Horatio's Garden had previously asked the Charity for more funding. Also was there an update on when the garden was expected to open?</p> <p>The EDTH responded that discussions had been had with the Founder &amp; Chair of Trustees for Horatio's Garden, Dr Olivia Chapple and noted that assurance was given that the project was on track with its funding and that they would not be asking the Charity for more funding.</p> <p>It was noted that the garden should be open at the end of this year (2021) and the EDTHS advised the Trustees that clarity would be sought with regards to the actual date.</p> <p>The IMCE asked if the 10 year commitment for maintenance costs was subject to inflation or if it was a fixed sum.</p> <p>The EDTHS responded that it was a fixed sum.</p> <p><b>The Board of Trustee resolved that:</b></p> <p>a) The estimated costs of Horatio's Garden / Neurological Garden were noted.</p>	
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BT 21/07/011	<p><b>New Developments – Charity</b></p> <p>The New Developments for the Charity were received.</p> <p>The DC highlighted areas from the report to draw to the attention of the Trustees which included:</p> <ul style="list-style-type: none"> <li>• Over £1m in winnings had been given back to staff lottery members since the relaunch of the scheme in 2005. It was noted that various other Health Boards had approached the CVUHB Health Charity to ask for help around setting up their own staff lottery because the income generation provided a real benefit.</li> <li>• A grant to the value of £145,982.00 from the National Lottery Heritage Fund had been secured by a staff member within the Health Charity team.</li> <li>• A Walk 10 Miles to Celebrate 10 Years of the Breast Centre Appeal event took place at the beginning of September. It was noted that the total raised would be nearly £3,000.</li> </ul> <p>The Independent Member – Union (IMU) asked if other Health Board lotteries had paid out a similar amount to their staff.</p> <p>The DC responded that other Health Board lotteries were nowhere near as high as the CVUHB staff lottery.</p> <p>The UHBC asked the DC to pass on the thanks and support of the Trustees.</p> <p><b>The Board of Trustee resolved that :</b></p> <p>a) The update provided in the document attached to the covering report in relation to New Developments – Health Charity, was noted.</p>	
BT 21/07/012	<p><b>Bale Fund Update</b></p> <p>The Bale Fund Update was received.</p> <p>The DC advised the Trustees that all the money had been allocated and to date, the Charitable Funds Committee had received benefit realisation and evaluation for the money supporting employee health and wellbeing services, which had been provided with funds totalling £336,000.</p> <p>It was noted that a report had been received from the Head of the Health &amp; Wellbeing Service which highlighted the benefit realisation and evaluation of how the money had been spent, together with some of the positive impact that had been seen as a direct result of the money being allocated to the Health and Wellbeing services.</p> <p>It was noted that a further £25k had been given to the Health and Wellbeing Service from the Charity for a clinical Psychologist.</p>	

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	<p>It was noted that there would be a further update report to be submitted to the Charitable Funds Committee in March 2022.</p> <p>It was noted that the COVID Rehabilitation; Keeping Me Well and Recovery from the COVID three year programme would report and update on the benefits realisation to the Charitable Funds Committee also in March 2022.</p> <p>The END expressed her thanks to the DC and the team and noted that the differences the investments had made had been really positive which was important to report.</p> <p><b>The Board of Trustee resolved</b></p> <p>a) The update provided in the document attached to the covering report in relation to the Bale Fund was noted.</p>	
	<p><b>Our Health Meadow</b></p> <p>The Our Health Meadow update was received.</p> <p>The DC advised the Trustees that the information was for noting and noted that there would be a series of days made available for Trustees to attend the Health Meadow and see the progress being made.</p> <p>The UHBC noted that the Health Meadow was a fantastic development and was not simply an investment of charitable funds, it was far more than that and asked Trustees to visit the site in order to see the work being undertaken there.</p> <p>The UHB Chair advised the Trustees that he had chaired the Our Health Meadow Group and he formally declared an interest in respect of the same.</p> <p><b>The Board of Trustee resolved that:</b></p> <p>a) The Our Health Meadow update was noted.</p>	
<p>Saunders, Nathan 01/19/2022 10:42:25</p>	<p><b>Chair's Reports:</b></p> <p><b>i. Charitable Funds Committee – 21.09.21</b></p> <p>The Chairs Report for the Charitable Funds Committee was received.</p> <p>The Independent Member – Community (IMC) thanked the Trustees, the Charitable Funds Committee and the Health Charity team for all of their work.</p> <p>The UHB Chair thanked the Health Charity staff on behalf of the Board of Trustees for their hard work during the Covid-19 pandemic.</p>	

	<p>The Director of Communications (DC) added the Finance team had provided a lot of support to the Health Charity staff and thanks was provided.</p> <p><b>The BoT resolved that:</b></p> <p>a) The Charitable Funds Committee Chair's Report was noted.</p>	
<b>BT 21/01/013</b>	<p><b>Any Other Business</b></p> <p>The 2021 Audit Plan from Audit Wales was received.</p> <p>The Financial Audit Manager – Audit Wales (FAMAW) advised the Trustees that the audit plan discharged Audit Wales' responsibility to report certain information to the Trustees ahead of the audit.</p> <p>It was noted that this year, Audit Wales had separated the plans to enable an audit plan specifically for charitable funds and advised the Trustees that this had been done across other Health Boards in Wales.</p> <p>The FAMAW advised the Trustees that Audit Wales had been required to issue the report on CVUHB's Charity's financial statements which included an opinion on their truth and fairness, providing assurance that they:</p> <ul style="list-style-type: none"> <li>• Were free from material mis-statement, whether caused by fraud or error.</li> <li>• Complied with the statutory and other applicable requirements.</li> <li>• Complied with all relevant requirements for accounting presentation and disclosure.</li> <li>• The consistency of information in the Trustee's Annual Report with the financial statements.</li> </ul> <p>It was noted that Audit Wales worked to a level of materiality which was set at 2% of gross expenditure and the Trustees were advised that the draft accounts would be reviewed to see what that figure would be.</p> <p>It was noted that last year's accounts had reflected a 2% expenditure of £49k.</p> <p>It was noted that current risks had been identified which included:</p> <ul style="list-style-type: none"> <li>• The risk of management override of controls would be present in all entities. Due to the unpredictable way in which such override could occur, it was viewed as a significant risk.</li> <li>• The COVID-19 national emergency continued and the pressures on staff resources and of remote working could impact on the preparation and audit of accounts.</li> </ul> <p>It was noted that a key date for Audit Wales was January 2022 due to the Charity Commission's deadline of 31<sup>st</sup> January 2022 and it was</p>	

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	<p>highlighted that the Board of Trustee's meeting would be on 20<sup>th</sup> January 2022 and the audit report would be received at that meeting.</p> <p>The FAMAW advised the Trustees that the fee estimate for the audit of the Charitable Funds 2020/21 would be circa £20k.</p> <p>It was noted that the Engagement Director for Audit Wales had written to the Executive Director of Finance for CVUHB and had outlined the costs involved with splitting the audit between the main CVUHB audit and the Charitable funds audit.</p> <p>It was noted that this letter had also been seen by the CVUHB Audit and Assurance Committee.</p> <p>The UHB Chair asked if the general audit fee had reduced due to the fact that the work used to form part of the same piece of work.</p> <p>The FAMAW responded that the main audit fee had been adjusted to reflect the changes made.</p> <p>The UHB Chair asked the DDF to provide his opinion on the fees.</p> <p>The DDF responded that given the volume of work that went into the audit of the charitable funds, the Health Board had been historically undercharged and that the fees outlined in the report looked proportionate and appropriate.</p> <p><b>The BoT resolved that:</b></p> <p>a) The 2021 Audit Plan from Audit Wales was approved.</p>	
<b>BT 21/07/014</b>	<p><b>Review of the Meeting</b></p> <p>Apologies for late papers.</p>	
<b>BT 21/07/015</b>	<p><b>Date &amp; Time of Next Meeting</b></p> <p>Thursday 20 January 2022 Time 10am MS Teams</p>	

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**Action Log**  
**Following Board of Trustee Meeting held on**  
**12<sup>th</sup> October 2021**  
**(Update for January 20<sup>th</sup> Meeting).**

MINUTE REF	SUBJECT	AGREED ACTION	LEAD	DATE	STATUS/COMMENT
<b>Actions Completed</b>					
<b>BT 21/07/010</b>	Detailed review of dormant funds	To bring a more detailed review of dormant funds to the Board of Trustees.	Chris Lewis	<b>12.10.21</b>	<b>COMPLETE</b> To be provided on the general Health Charity Current Financial Position standing item.  On October CFC agenda and will bring to January Board of Trustee under Health Charity Current Financial Position (agenda item 2.1)
<b>BT 21/01/009</b>	Horatio's Garden Project – Summary	The IMCE noted that the Horatio's Garden project appeared very complicated and asked if a summary could be produced	Fiona Jenkins	12.10.21	<b>COMPLETE</b> On agenda for October Board of Trustee Agenda item 2.2
<b>Actions in Progress</b>					
<b>Actions referred to Committees of the Board/Board Development</b>					
<b>BT 21/07/008</b>	Training Update	To provide a training update on policies/legislation to Independent Members.	Nicola Foreman	<b>24.02.22</b>	To be provided at February Board Development Meeting

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<b>zReport Title:</b>	<b>Charitable Funds Financial Position Report for the Period Ended 31st October 2021</b>				
<b>Meeting:</b>	<b>Board of Trustee Meeting</b>			<b>Meeting Date:</b>	<b>20<sup>th</sup> January 2022</b>
<b>Status:</b>	<b>For Discussion</b>		<b>For Assurance</b>	<b>x For Approval</b>	<b>For Information</b>
<b>Lead Executive:</b>	<b>Executive Director of Finance</b>				
<b>Report Author (Title):</b>	<b>Deputy Director of Finance</b>				

### Background and current situation:

The Board of Trustee has authority to oversee the financial management and stewardship of the charitable funds. The financial update report aims to:

- Provide information on the year to date financial performance of the Charity to the period 31<sup>st</sup> October 2021;
- Assess the forecast financial position of the Charity against commitments already made.

### Executive Director Opinion /Key Issues to bring to the attention of the Board/ Committee:

There are two key issues to bring to the attention of the Board of Trustee. These are:

- The Trustee's agreed at their meeting of the 12<sup>th</sup> October to withdraw £0.250m from the Charity's investment portfolio and this was received by the Charity on the 19<sup>th</sup> October 2021.
- The stock market has continued its rally into this financial year with gains of £0.457m to the end of October 2021.

### Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)

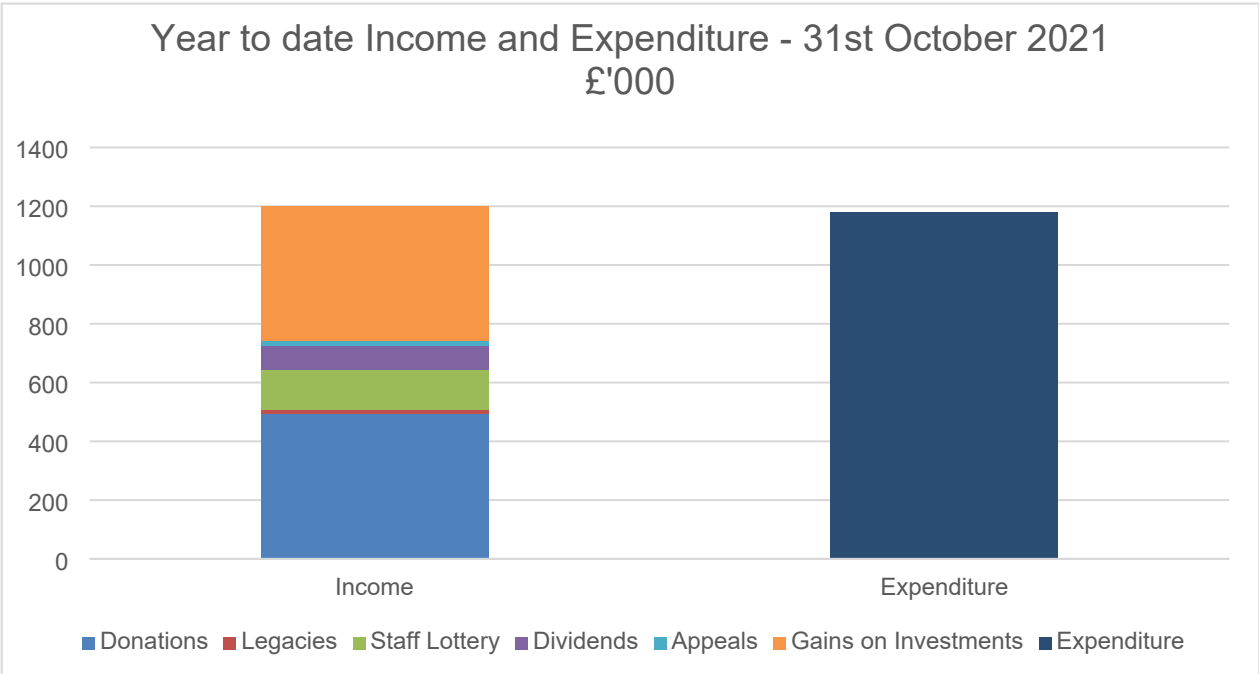
#### Financial Performance for the 7 months ended 31<sup>st</sup> October 2021

The year to date financial position of the charity is summarized in the following table.

**Table 1: Financial position of the Charity for the period to 31<sup>st</sup> October 2021**

	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Total Funds £'000</b>
<b>Fund Balances brought forward April 2021</b>	<b>4,958</b>	<b>1,711</b>	<b>2,478</b>	<b>9,147</b>
Total Income Resources	538	204		742
Total Resources Expended	-998	-181		-1,179
Net Incoming/( Outgoing) Resources	-460	23		-437
Gains / ( Losses) on Investment Assets	457			457
Net Movement in Funds	-3	23	0	20
<b>Fund Balances carried forward October 2021</b>	<b>4,955</b>	<b>1,734</b>	<b>2,478</b>	<b>9,167</b>

Table 1 shows the Charity generated £0.742m of income and spent £1.179m for the first seven months of the financial year. This has resulted in net expenditure of £0.437m. In addition, the charity also had market value gains on its investments of £0.457m for the period compared to the March 2021 valuation. The combined effect of these results is a net increase in fund balances for the period to October 2021 of £0.020m. This is shown in the following chart.



An analysis of the income received by the charity for the first seven months of the year, is contained in Table 2. This also shows the comparison of income received for the same period over the previous 2 years.

**Table 2: Schedule of Income for the 7 month period April to October 2021**

Income	Unrestricted £000	Restricted £000	Total £000	20/21 £000	19/20 £000
Legacies	13		13	3	22
Donations	459	35	494	1,219	278
Staff Lottery		138	138	125	121
Appeals		15	15	40	151
Dividend Income	66	16	82	70	117
<b>Total Income</b>	<b>538</b>	<b>204</b>	<b>742</b>	<b>1,457</b>	<b>689</b>

This table shows a reduction in the donations received in comparison to the previous year, which for 2020/21 included some significant acts of generosity from individuals and a large contribution from NHS Charities. Whilst lockdown is easing, some social distancing rules still exist and therefore these are still likely to adversely impact upon normal fund-raising activities for the foreseeable future.

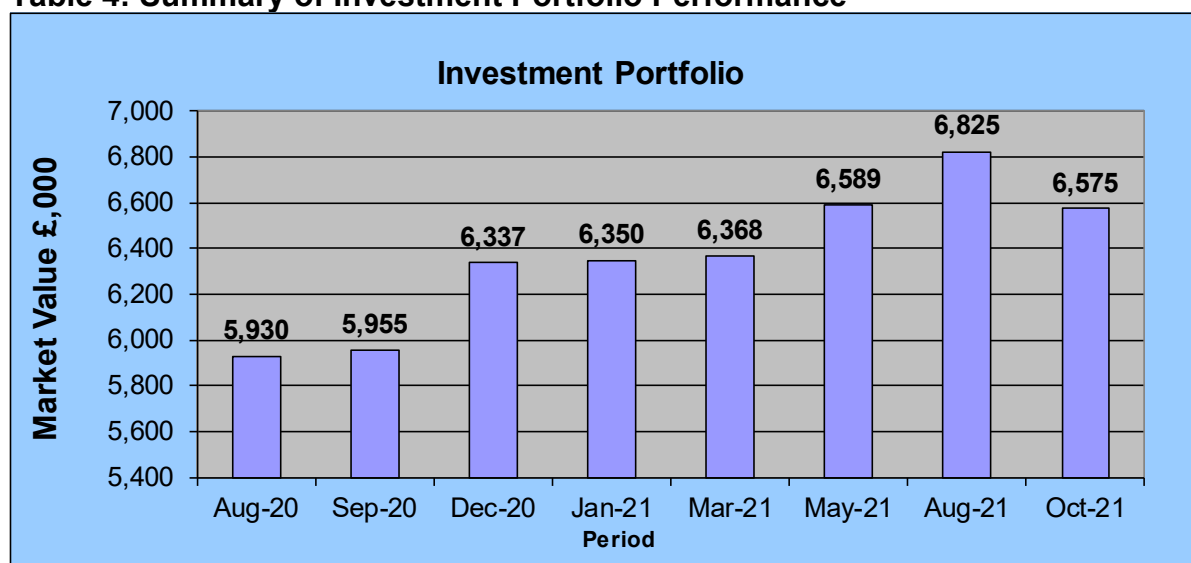
The closing balance sheet for the period to date is shown in Table 3.

**Table 3: Summary Balance Sheet as at 31<sup>st</sup> October 2021**

	Opening Balance £000 01.04.21	Closing Balance £000 31.10.21
Fixed Assets	8,804	9,011
Net Current Assets /Liabilities	343	156
<b>Total Net Assets</b>	<b>9,147</b>	<b>9,167</b>
Unrestricted Funds	4,958	4,955
Restricted Funds	1,711	1,734
Endowment Funds	2,478	2,478
<b>Total Funds</b>	<b>9,147</b>	<b>9,167</b>

The fund balances have increased by £0.020m in the period to £9.167m. Of the closing fixed asset balance, £2.436m relates to Rookwood Hospital with the balance of £6.575m relating to the investment portfolio. Of the net current assets closing balance of £0.156m, some £0.550m is supported with cash (which includes the cash withdrawal of £0.250m from the investment portfolio), with the balance being net current liabilities of £0.394m.

The following graph shows the investment portfolio's performance from August 2020 to October 2021.

**Table 4: Summary of Investment Portfolio Performance**

The investment portfolio started the financial year with a market value of £6.368m. The value has increased to £6.575m at the end of October 2021, the Board of Trustee should note that this includes a cash withdrawal of £0.250m in October of this year, therefore resulting in a market value gain of £0.457m of the period to date.

In summary the value of the Charitable Funds has increased by £0.020m in the current year to £9.167m. This increase represents net expenditure of £0.437m offset by market value gains of £0.457m.

## Forecast Financial Position of the Charity's General Reserves

Whilst the charity has a net worth of £9.167m, it is structured around undelegated and delegated funds where financial responsibility has been delegated to named fund holders and Heads of Service.

Within these funds are general reserves with a value of £0.695m made up of the following:

- Consolidated general reserve fund balance of £0.238m;
- Year to date investment gains of £0.457m;

Against these general reserves the Charity has approved a number of bids which has resulted in significant financial commitments. These are assessed at being circa **£0.521m** and are summarized below.

**Table 5: Outstanding commitments against General Reserves**

Commitments	£'000	Comment
UHB Transport Solutions	68	
Staff Recognition Awards	20	£5k per year - 4 years outstanding
Employee Wellbeing	69	Includes option 3 approval for two years
Fundraising Costs	147	£213k in year included in I/E and £147k further commitment
Neurological Gardens	192	
Clinical Psychology Support	25	
<b>Total</b>	<b>521</b>	

This means that general reserves are under committed by circa £0.174m. A key driver for this is the continued good performance of the investment portfolio, which has achieved gains of £0.457m for the first seven months of this year.

### Further financial opportunities include:

#### Utilisation of Dormant Funds:

The finance charity team will continue to monitor dormant funds and will transfer to general reserve where appropriate in line with the financial control procedure. This has recently been done for the financial year ending 31<sup>st</sup> March 21. The next review is now not due until the end of 2021/22.

**Fundraising Costs:** The Trustee's agreed that the fundraising team would aim to cover their costs of circa £0.360m which are charged to general reserves. This can be achieved by:

- Recharging staff time against fund raising appeals;
- Legacies income;
- Contribution from the make it better fund.

The key financial risk is the performance of the investment portfolio which is underpinning the year to date financial position and general reserves balance.

Recommendation:

The Board of Trustee is asked to:

- **NOTE** the financial position of the charity;
- **NOTE** the latest income position;
- **NOTE** the commitments against general reserve.

Shaping our Future Wellbeing Strategic Objectives

*This report should relate to at least one of the UHB’s objectives, so please tick the box of the relevant objective(s) for this report*

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	x



5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	
<b>Five Ways of Working (Sustainable Development Principles) considered</b> Please tick as relevant, click <a href="#">here</a> for more information			
Prevention		Long term	x
		Integration	
		Collaboration	
		Involvement	
<b>Equality and Health Impact Assessment Completed:</b>	Yes / No / Not Applicable If "yes" please provide copy of the assessment. This will be linked to the report when published.		

# Board of Trustee

## Finance Training Session on Charitable Funds

**Chris Lewis, Deputy Director of Finance**

Saunders Nathan  
01/19/2022 10:42:25



# Areas to be covered

- Legal status and purpose
- Management of Charitable Funds
- Delegation of Funds
- Financial Performance
- Investment Management
- Reserves Policy
- Other Financial Matters and Good Governance

Saunders-Watson  
01/19/2022 10:42:25

# Legal status and Purpose of the Charity

- The Cardiff and Vale Health Board Charity is a registered charity formed in 2009 by virtue of Statutory Instrument 2009 No. 1558 “The National Health Service Trusts ( Transfer of Staff, Property, Rights and Liabilities ) (Wales) Order 2009.
- The current published purpose of the Charity is “The work of the Charity is to enhance and support the services provided by the UHB which is primarily to provide day-day Health Services to around 500,000 people living in the Cardiff and the Vale of Glamorgan”.

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Registered Charity No 1056544



# Management of Charitable Funds

- The Board of Trustee have overall management and control of charitable funds.
- As per Standing Orders the Charitable Funds Committee has been established to ensure that each fund held on trust which the LHB is responsible for managing is managed appropriately with regard to its purpose and to its requirements.
- The Charity has an operational structure based upon the delegation of charitable funds to fund holders. These funds are either restricted or non restricted.



# Scheme of Delegation

<b>Charitable Funds</b>	Agreeing a budget holder for each individual fund	Executive Director of Finance
	Approval of use of charitable funds < 25k	Budget holders
	Approval of use of charitable funds > 25k	Charitable Funds Committee
	Approval of new staff expenditure	Charitable Funds Committee
	Approval of use of charitable funds > 125k	Trustee
	Investment of charitable funds	Executive Director of Finance

Saunders Nathan  
01/19/2022 10:42:25

Registered Charity No 1056544

# Designation of Charitable Funds

- **Restricted funds:** those funds used for specific purposes where there is unequivocal restriction imposed by the donor known as a 'trust'. They do not arise from a 'desire, wish or recommendation' that the trustee will use in a certain way.
- **Unrestricted funds:** those funds which are given to the charity without any unequivocal restrictions imposed by the donor. These funds may be designated for a specific purpose where donors have expressed a preference without imposing a 'trust'. These are the funds of the charity that may be spent at the discretion of the Trustee. Designated funds remain unrestricted as the trustee can remove the designation at any time.
- **Endowment funds:** These funds arise when the donor has expressly provided that the capital remains unspent and only the investment income is spent.

# Structure of the Charity

## Value of the Charity @ October 21

Delegated Restricted Funds £'000	Delegated Unrestricted Funds £'000	Endowment Funds £'000	General Reserves Fund £'000	Total Funds £'000	Rookwood Endowment (Fixed Asset) £'000	Investment Gains £'000	Total Value £'000
1,734	4,260	42	238	6,274	2,436	457	9,167

## Number of Funds @ October 21

Delegated Restricted Funds	Delegated Unrestricted Funds	Endowment Funds	Total number
26	243	3	272

General reserves (not delegated or restricted) are made up of the general reserves fund account and unrealised investment gains. Thus at October 21 the value is £0.238m + £0.457m = £0.695m

Saunders, Nathan  
01/19/2022 10:42:25



# Financial Performance Year to Date

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Fund Balances brought forward April 2021</b>	<b>4,958</b>	<b>1,711</b>	<b>2,478</b>	<b>9,147</b>
Total Income Resources	538	204		742
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Net Incoming/( Outgoing) Resources	-460	23		-437
Gains / ( Losses) on Investment Assets	457			457
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<b>Total Income</b>	<b>538</b>	<b>204</b>	<b>742</b>	<b>1,457</b>	<b>689</b>

Saunders Nathan  
01/19/2022 10:42:25

# Balance Sheet as at End October 2021

	Opening Balance £000 01.04.21	Closing Balance £000 31.10.21
Fixed Assets	8,804	9,011
Net Current Assets /Liabilities	343	156
<b>Total Net Assets</b>	<b>9,147</b>	<b>9,167</b>
Unrestricted Funds	4,958	4,955
Restricted Funds	1,711	1,734
Endowment Funds	2,478	2,478
<b>Total Funds</b>	<b>9,147</b>	<b>9,167</b>

- Of the closing fixed asset balance of £9.011m, £2.436m relates to Rookwood Hospital with the balance of £6.575m relating to the investment portfolio.
- Of the net current assets closing balance of £0.156m, some £0.550m is supported with cash, with the balance being net current liabilities of £0.394m.
- Therefore the £9.167m value of the charity is made up of Rookwood £2.436m, investments £6.575m, cash £0.550m less net liabilities of (0.394m)

# Investment Management

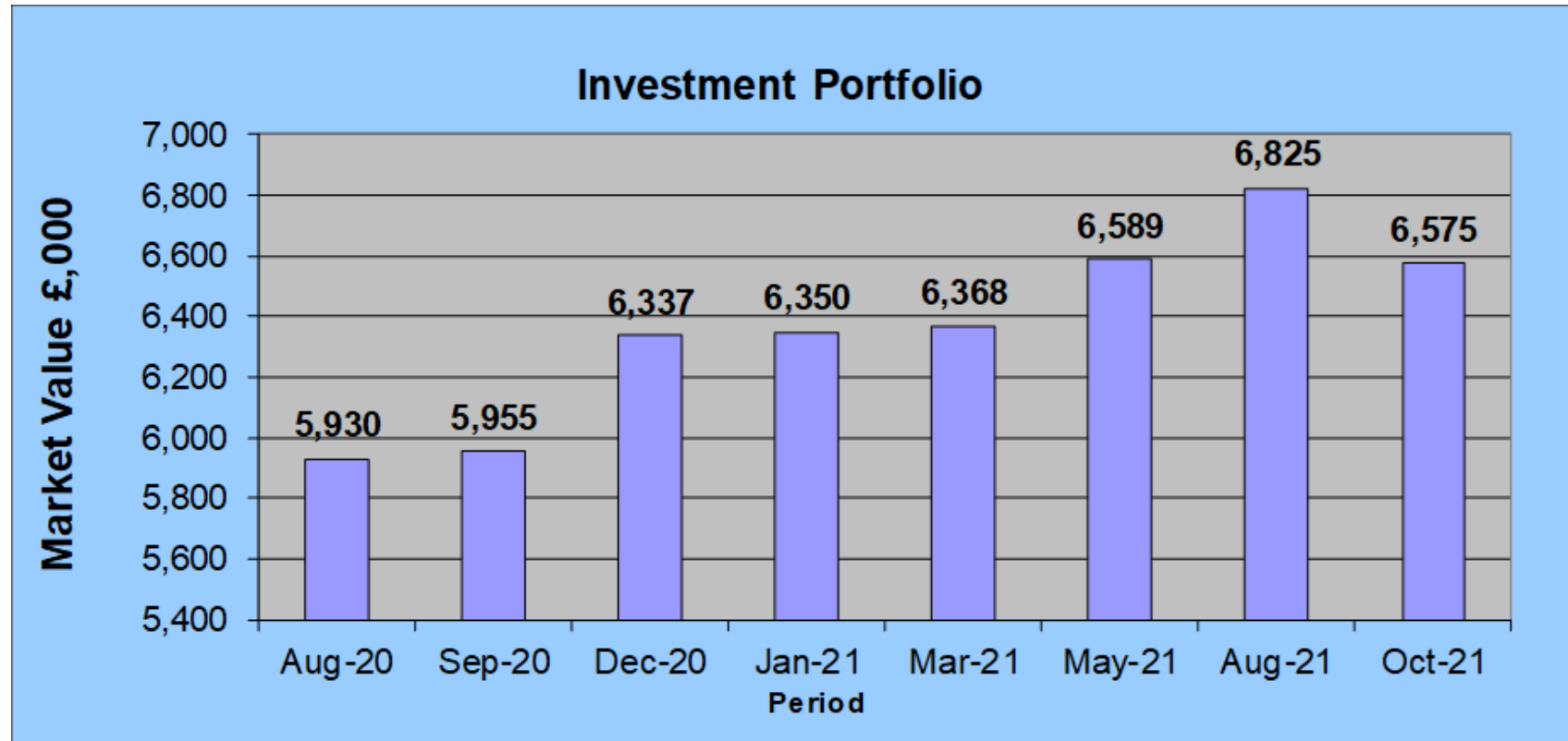
- Cardiff and Vale Health Charity has just followed a tendering process and is looking to confirm its Investment Managers for an initial period of three years with an option for an extension for a further two years.
- The Charity seeks to maximise the total return on funds whilst adopting a conservative policy on risk.
- The investment manager has delegated authority to purchase and sell investments as markets opportunities arise.

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Registered Charity No 1056544



# Investment Performance



- £0.250m cash taken from investment portfolio in October 21
  - Year to date (unrealised) gains of £0.457m is already accounted for in general reserves
- Withdrawing investments from portfolio **DOES NOT** increase the value of general reserves available to spend, but it does increase the cash balance to support payments.

Saunders, Nathan  
01/19/2022 10:40:25

# Reserves Policy

- The current reserves policy states that the Charity should hold the following reserves:
  - A fixed asset investment reserve, based on 10% of the value of fixed asset investments (circa £657,500)
  - A minimum of £500,000 to ensure that there is sufficient funds for on-going commitments.
  - The reserve requirement is met within the value of unrestricted funds which can be undelegated and applied by the Trustee.

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# Other Financial Matters to Note (1)

- The Staff Lottery Bids Panel has delegated authority to consider and approve funding applications from monies held in the Staff Lottery Fund up to a maximum of £10k against agreed criteria.
- The costs of Finance Administrative support are netted off by dividend income and the residual amount (surplus/deficit) is allocated to delegated funds. For 2020/21 the Finance Dept costs were £94k, the internal and external audit fees were £29k and the Investment Management Fees were £23k and these were offset by dividend income of £147k.
- Legacies income tends to be for a designated purpose but undesigned legacies have been consolidated into general reserves

# Other Financial Matters to Note (2)

- All donations are allocated to delegated funds. General unspecified donations are assigned to the Make it Better Fund.
- The Charitable Funds Team costs of circa £0.360m are charged to general reserves. The challenge to the Charitable Funds Team is to cover their costs by the following (but the charity also recognises the value they add)
  - Recharging staff time against fund raising appeals;
  - Legacies income;
  - Contribution from the make it better fund.
- In 2020/21 there was an £83k contribution to costs as follows:
  - Recharging staff time £32k (for staff lottery);
  - Contribution from the make it better fund £51k



# Good Governance and Financial Management

- The financial position is reported to Charitable Funds Committee and Board of Trustee at each of their meetings.
- This is done at the beginning of the meeting to inform other agenda items.
- The General Reserves balance and commitments against this reserves are set out in the financial position report.
- Currently the general reserves position is underpinned by unrecognised investment gains.
- Committing up to, or more than the general reserves balance is not recommended due to the variability and volatility of income streams (including investments)
- An opportunity to increase general reserves could be to review and revise the delegation of funds, but this would run the risk of resistance and reputational damage.



<b>Report Title:</b>	<b>2.3 Disposal of Rookwood Hospital</b>						
<b>Meeting:</b>	Board of Trustees				<b>Meeting Date:</b>	20 Jan 22	
<b>Status:</b>	<b>For Discussion</b>	x	<b>For Assurance</b>	x	<b>For Approval</b>	x	<b>For Information</b>
<b>Lead Executive:</b>	<b>Executive Director of Therapies and Health Science</b>						
<b>Report Author (Title):</b>	<b>Executive Director of Therapies and Health Science (SRO Rookwood Disposal)</b>						

### Background and current situation:

At the June 2021 Charitable Trust Committee the disposal of Rookwood Hospital was further discussed, as there is need now to progress the disposal following the re-provision of neuro and spinal rehabilitation services at University Hospital Llandough. Most of the current Rookwood Hospital site is now surplus to requirements. It has therefore been proposed that the Health Charity dispose of part of the Rookwood Hospital site.

The disposal of charitable assets, particularly land and property, are subject to stringent legal processes. To guide the Charity Board of Trustee on this process legal advice on the proposed disposal has been obtained from Geldards LLP. For reference purposes, further details of the proposed disposal and background advice, can be found in the Charitable Trust paper 4.2.1 29<sup>th</sup> June 2021.

An update paper was taken to the Trustees meeting in October 21 where it was agreed to:

- **APPROVE** the recommendation from the Trustees to progress with the disposal of Rookwood Hospital supporting the recommendations from the June 2021 Charitable Trust Committee that the courses of action detailed in points I to III above are followed.
- **SUPPORT** the recommendation to make a Cy Pres Scheme application to change the objectives of the charity once the UHB has the receipt from the disposal.
- **INSTRUCT** the Head of Capital Estates to Progress the Disposal of the now redundant parts of the Rookwood site.

Subsequent to the Trustees meeting Management Executive discussed the next steps to take to progress the disposal, this was further presented to the December CFC meeting.

This has resulted in the Head of Capital estates seeking an up to date valuation of the entire Rookwood site. The renewed valuation will consider the cost of the whole site, as well as the part already vacated, as the ALAS service has indicated that they may be better located on a different site.

### Executive Director Opinion /Key Issues to bring to the attention of the Committee:

Following the Trustees agreement to progress disposal of the Rookwood site, the lead for Capital Estates has contacted Savills and established that disposal of the whole site is a more advantageous position for value. Possible re-siting of the ALAS facility is being scoped by the estates team. The Director of Finance is progressing discussions to ensure that the sale is managed to maximize income and meet charitable regulations.

Once we are clear whether we want to keep Rookwood as a part or full site disposal and the costs and implications of that we can tackle the issue of how to optimise the receipt within the charitable funds and whether it can be utilised in the relocating of the ALAS Rookwood and Treforest services.

The director of Finance expects to be in a position to have a clearer picture early in 2022 and then can advise the SRO accordingly about the valuation and the charitable funds conditions.

### Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)

Failure to follow the advice of Geldards LLP and more generally charity law duties, will expose the Health Charity to a risk of being found to have mismanaged the charity and its assets.

Given the location of the site, the likely interest in the site from private companies and the interest that the sale will draw from the public, there is a real risk that the sale will be brought to the attention of the Charity Commission if due process is not followed.

This could lead to enforcement action being taken by the Charity Commission pursuant to its statutory powers detailed in the Charities Act 2011. These powers include, Enforcement Orders (s.335 ChA 2011) to make good defaults, the imposition of an Order of the High Court (s. 336 ChA 2011) to remedy failures to comply with orders, or a direction that a formal public Inquiry be carried out.

### Recommendation:

The Board of Trustees is asked to:

- a) **Note** the update provided in the body of the report with regards to the disposal of Rookwood Hospital; and
- b) **Note** that a further report with regards to the proposed way forward will be brought back to the next Board of Trustee meeting.

### Shaping our Future Wellbeing Strategic Objectives

*This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report*

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people	x	7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect	x	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	

5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	
<b>Five Ways of Working (Sustainable Development Principles) considered</b> <i>Please tick as relevant, click <a href="#">here</a> for more information</i>			
Prevention		Long term	x
		Integration	
		Collaboration	x
		Involvement	x
Equality and Health Impact Assessment Completed:	Not Applicable		

Saunders,Nathan  
01/19/2022 10:42:28



<b>Report Title:</b>	<b>Horatio's Garden update</b>					
<b>Meeting:</b>	Board of Trustees				<b>Meeting Date:</b>	20 Jan 22
<b>Status:</b>	<b>For Discussion</b>		<b>For Assurance</b>	✓	<b>For Approval</b>	<b>For Information</b>
<b>Lead Executive:</b>	<b>Fiona Jenkins Executive Director Therapies and Health Science</b>					
<b>Report Author (Title):</b>	<b>Fiona Jenkins Executive Director Therapies and Health Science (SRO Horation Garden)</b>					
<b>Background and current situation:</b>						
<p>An update on the current position with Horatio's Garden, including financial commitment from the Cardiff and Vale Health Charity, has been taken to the Charitable Funds Committee and the Board of Trustees at regular intervals during the last two years.</p> <p>Horatio's Garden is an award winning National Charity building specialist garden environments to enhance physical and psychological wellbeing or spinal injury patients, this will be a first for patients and the Health Board in Wales and is considered an exemplar in its field.</p> <p>The UHB had committed to work with Horatio's Garden at University Hospital, Llandough (UHL), this will be their sixth Spinal Injuries garden in the UK and the first garden in Wales.</p> <p>This update is to bring the Board of Trustees up to date with progress of the project.</p>						
<b>Executive Director Opinion /Key Issues to bring to the attention of the Board/ Committee:</b>						
<p>The Horatio Garden contractors Knox and Wells are now on site and works are progressing well. They will be planting up some of the neuro garden and spinal garden during January 2022 and then hope to have the garden room completed early in 2022, though as yet no firm date for</p>						

Saunders Nathan  
01/19/2022 10:42:25

opening has been set. As soon as the opening date is known, the Board Trustees will be notified of the same.

Horatio's Garden had a hold up with the timber due to the materials crisis across the world and this has had a knock on for the costs so they are still trying to raise a further £50,000.

They have 22 registered volunteers and we are working with your voluntary services to process their applications and will start training with them.

So although progress is slow it is now starting to get exciting and they hope patients will be able to enjoy the space very soon.

Trustees may have seen a small news coverage in December when one of the patrons, Gareth Edwards was seen at the UHL site.

#### **Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)**

The Hoaratio Garden Charity is fully aware of the UHB Charity dontation being the full and final sum that we will contribute. Accordingly, no additional financial risk has been identified. They also have plans in place to meet the addtiional charitable donations required to meet the escalated cospts for completion.

#### **Recommendation:**

The Board of Trustees is asked to:

- a) NOTE** the update provided in the body of the report with regards to Horatio's Garden.

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<b>Shaping our Future Wellbeing Strategic Objectives</b> <i>This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report</i>			
1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people	√	7. Be a great place to work and learn	√
3. All take responsibility for improving our health and wellbeing	√	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are		9. Reduce harm, waste and variation sustainably making best use of the	

entitled to expect					resources available to us				
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time					10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives				
Five Ways of Working (Sustainable Development Principles) considered Please tick as relevant, click <a href="#">here</a> for more information									
Prevention	√	Long term	√	Integration	√	Collaboration	√	Involvement	√
Equality and Health Impact Assessment Completed:		No							

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<b>Report Title:</b>	<b>Charitable Funds Annual Report and Accounts 2020/21</b>						
<b>Meeting:</b>	<b>Board of Trustee Meeting</b>				<b>Meeting Date:</b>	<b>20 January 2022</b>	
<b>Status:</b>	<b>For Discussion</b>		<b>For Assurance</b>		<b>For Approval</b>	X	<b>For Information</b>
<b>Lead Executive:</b>	<b>Executive Director of Finance</b>						
<b>Report Author (Title):</b>	<b>Deputy Director of Finance</b>						

## Background and current situation:

Cardiff and Vale Health Charity is the official charity and working/trading name of Cardiff and Vale University Health Board General Purposes Charitable Fund, Charity Registration Number 1056544.

Cardiff and Vale University Health Board holds Charitable Funds as sole corporate trustee and the board members of the Health Board are jointly responsible for the management of those charitable funds. The management of Charitable Funds is a delegated responsibility from the Board of Trustee to the Charitable Funds Committee.

The draft Cardiff and Vale Health Charity annual accounts were reviewed by the Audit and Assurance Committee at their 9<sup>th</sup> November 2021 meeting and were supported and endorsed.

Neither the final audited version of the Annual Report or the ISA 260 report from Audit Wales have been reviewed by the Audit and Assurance Committee of the Charitable Funds Committee as the audit has only recently been completed and therefore these documents were not available in time for its last meeting.

The Trustee is asked to receive and consider for approval the Health Charity Annual Report 2020/21, the response provided to the audit enquiries to those charged with governance and management, the Letter of Representation and the ISA 260 Audit Report.

These documents are included as follows and can be found in the supporting documents:

- Cardiff and Vale Health Charity Annual Report 2020/21 (incorporating the Final Accounts);
- The response given to the audit enquiries to those charged with governance and management;
- ISA 260 Audit Report (which includes the Letter of Representation).

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01/19/2022 10:42:23

## **Executive Director Opinion /Key Issues to bring to the attention of the Board/ Committee:**

The Trustee is asked to approve the Health Charity Annual Report and associated documents. Assurance can be provided on the accuracy of the Annual Report, including the Annual Accounts and associated documents by:

- The work that has been completed by Audit Wales in determining that the Health Charity's Annual Report and Accounts give a true and fair view;
- The Letter of Representation to be sent to Audit Wales;
- The response given to the audit enquiries to those charged with governance and management which has been endorsed by the Chair, Interim Chief Executive, Chair of the Charitable Funds Committee, Chair of the Audit and Assurance Committee, Director of Governance and Director of Finance.

## **Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)**

The Annual Report of the Charity has been prepared in accordance with recommended practice. These have been subject to external review by Audit Wales. Their assessment is detailed in the ISA 260 report which includes their opinion, findings and recommendations. This report concludes that the annual accounts shows a true and fair view for the financial year 2020/21.

During the course of the audit there were a few misstatements and errors identified. The corrections made to the accounts are detailed in the ISA 260 report. Also contained in the ISA260 report and the Letter of Representation are details of two immaterial uncorrected misstatements. There are also some small £1k casting/rounding anomalies within the accounts, but that they are immaterial and do not affect the audit opinion.

The key points to note in the accounts are:

- The prior year accounts have been restated for £0.5m owed by the Health Charity to the Health Board which wasn't invoiced in respect of work undertaken on Horatio's garden;
- The Health Charity received significantly more income in 2020/21 than in previous years due to a number generous donations during the pandemic. Donations and legacies increased from £0.9m in 2019/20 to £1.8m in 2020/21;
- The Health Charity investments saw growth of £0.9m in 2020/21 which helped to correct the loss incurred in 2019/20 of £0.6m which was mainly due to the stock market reaction to the pandemic and other economic influences;
- The value of the Health Charity increased by £0.7m in 2020/21 to £9.1m.

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## Recommendation:

The Board of Trustee is asked to:

- **CONSIDER** the Cardiff and Vale Health Charity Annual Report for 2020/21, the response provided to the audit enquiries to those charged with governance and management, the Letter of Representation and ISA 260 Report from Audit Wales.
- **RECOMMEND** the approval of the Charity's Annual Report 2020/21, based on the assurances given and the recommendation of Audit Wales.
- **CONFIRM** the statement made in the Letter of Representation to the Auditors and recommend approval of this document.

### Shaping our Future Wellbeing Strategic Objectives

*This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report*

1. Reduce health inequalities	X	6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people	X	7. Be a great place to work and learn	x
3. All take responsibility for improving our health and wellbeing	X	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	x
4. Offer services that deliver the population health our citizens are entitled to expect	X	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	x
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	x

### Five Ways of Working (Sustainable Development Principles) considered

*Please tick as relevant, click [here](#) for more information*

Prevention	x	Long term	x	Integration		Collaboration	x	Involvement	x
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**Equality and Health Impact Assessment Completed:**

Not Applicable

Kind and caring  
Caredig a gofudgar

Respectful  
Dangos parch

Trust and integrity  
Ymddiriedaeth ac uniondeb

Personal responsibility  
Cyfrifoldeb personol



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Caerdydd a'r Fro  
Cardiff and Vale  
University Health Board



Cardiff & Vale  
**HealthCharity**  
**Elusenlechyd**  
Caerdydd a'r Fro

# Cardiff & Vale Health Charity Annual Report 2020 – 2021



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You can find out more about us, the work we do, who we work with and how you can get involved by visiting our website: [www.healthcharity.wales](http://www.healthcharity.wales)

Cover artwork, "Colours of the NHS" - published by kind permission of Clare Williams

# Introduction

We are delighted to bring you the Cardiff & Vale Health Charity Annual Report for 2020-2021.

This year has been one of the most challenging the NHS has ever experienced. COVID-19 has placed a tremendous strain on health service provisions and we've been truly inspired by how staff made such a magnificent personal commitment to making a difference during these challenging times and are proud that as the official Health Charity of Cardiff and Vale University Health Board, we have been able to play a key role in supporting staff and patients during this period.

We would particularly like to express our appreciation and gratitude to our Health Charity and Arts Programme staff for the way they have themselves adapted to this unprecedented situation and demonstrated teamwork, flexibility and a determination to continue to deliver the Health Charity's strategy of supporting patients, visitors and staff across all our healthcare facilities.

The impact of COVID-19 meant that the Health Charity could no longer hold external fundraising events and promotions and was required to find alternative ways of communicating with our sponsors, supporters and the general public and create new fundraising opportunities. Like all of us, this has included increased utilisation of technology and digital platforms.

One of the key aims of the Health Charity during '20-'21 has been to align itself with the Health Board's objective of supporting staff wellbeing and this report provides some excellent examples of how we have succeeded. We hope you enjoy reading them.

We have worked closely with our Health Board colleagues to ensure that charitable funds have been utilised where they have been needed most for both patients and staff, and this report includes examples of how the general public, national organisations and local businesses have so generously engaged with the Health Charity to enable us to meet this requirement.

It is fair to say that the past 12 months has enabled us all to have a period of reflection and renewed appreciation of the NHS. The Health Charity remains committed to developing our relationships with patients, staff, visitors and the community to ensure that we continue to work collaboratively to fundraise and provide continued support across the Health Board in the busy years ahead.



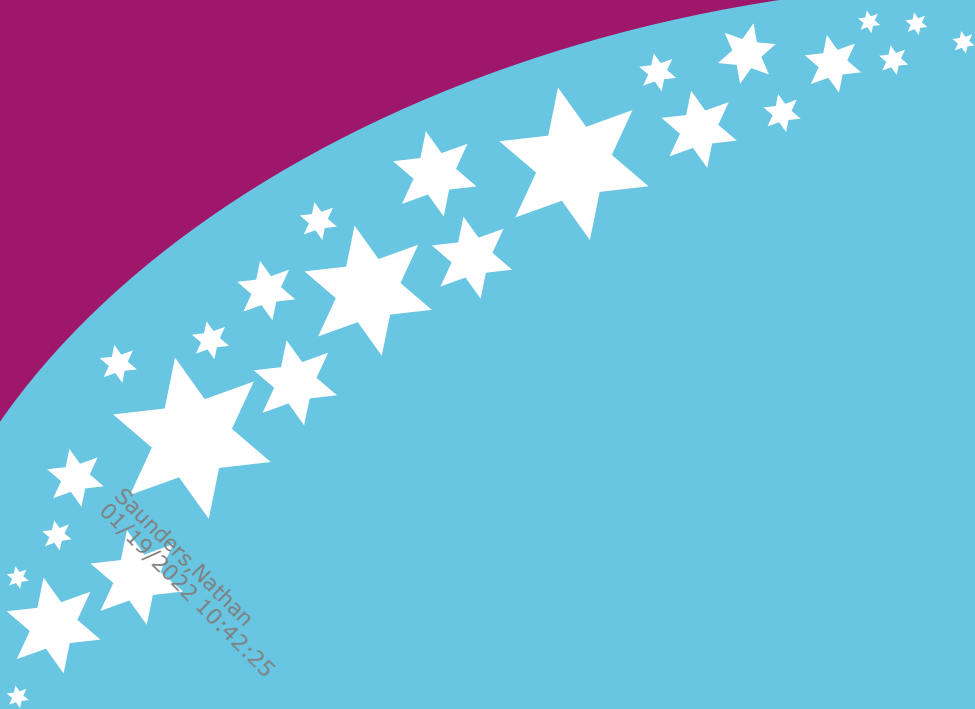
Charles Janczewski  
**Chair of the Health Charity Trustees**

Akmal Hanuk  
**Chair of the Charitable Funds Committee**

# COVID-19 Pandemic

## The Health Charity

### Response



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The Health Charity's fundraising events calendar for 2020/21 was hugely impacted by the arrival of the Coronavirus Pandemic (COVID-19) in March 2020. We launched our 'Spread the Love' Campaign to help us provide assistance to staff across Cardiff and Vale University Health Board and the kindness, support and generosity we received was overwhelming.

Thanks to the incredible generosity of our fundraisers, supporters, the general public, NHS Charities Together and other grant funders, the Health Charity received donations of £1.638m to help support NHS patients, staff and volunteers across Cardiff and Vale University Health Board during 2020/21.

This report contains just a snapshot of some of the many and varied ways funds were raised and donations received during this unprecedented year, and a few examples of how the Health Charity worked on your behalf to ensure your money was used where it was needed most.

(More information on this and all of the Health Charity's donations and fundraising activities can be found at [www.healthcharity.wales](http://www.healthcharity.wales).)

**The Health Charity received a further £561,000 income from legacies, investments and other trading activities during 2020/21**

**The Health Charity's total income in 2020/21 was £2.199m**

## Donations

We received several donations from high profile members of the public which hugely assisted the awareness raising of our 'Spread The Love' fundraising campaign.

### Sir Stanley Thomas

Sir Stanley Thomas, Businessman and Property Developer, and his family made a very generous financial donation to help patients and staff. Sir Stanley and his family wanted to do something that would make a difference during the pandemic and show their appreciation for the crucial work being carried out by our NHS staff on a daily basis.



### Gareth & Emma Bale

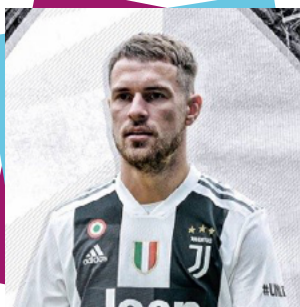
In April 2020, Wales and Real Madrid footballer, Gareth Bale and his wife Emma made a significant donation to Cardiff & Vale Health



Charity. Gareth and Emma expressed their wish that the money was put towards the response to COVID-19. They told the Health Charity that their local hospital (UHW) had provided wonderful services to themselves, their family and friends and they wanted to give something back to their local NHS staff.

### Aaron Ramsey

Wales and Juventus FC Star Aaron Ramsey made a very generous donation to Cardiff & Vale Health Charity's 'Spread the Love' campaign in March 2020 which helped support our patients and staff throughout the COVID-19 pandemic.



Nathaniel's has also entered into an agreement with Cardiff and Vale University Health Board to support its Winter Planning preparations, with the provision of 4x4 vehicles and drivers to safely transport staff to and from work in the event of adverse weather.

### Staff Lottery Mega Draw

In November 2020, the Health Charity was delighted to be visited by Wales Rugby Legend, Scott Quinnell who drew the Staff Lottery Mega Draw, making one lucky staff member, Anna Jones £20,000 richer.

## Partnership Support

### Nathaniel Cars

Nathaniel Cars (official partner of Cardiff & Vale Health Charity) supported the Health Board during 2020/21 by loaning 12 vehicles for use by the Out of Hours service and for COVID test transportation across hospital sites.



Nathaniel's also donated 5,000 items of PPE plus protective seat covers to help our staff on the frontline and in the community, and have regularly supported the Health Charity with donations to its fundraising auctions and appeals.

Scott's visit to the Health Charity office at Woodland House brought some much-welcomed excitement and laughter and the Health Charity is grateful to Nathaniel Cars for facilitating this support.



**Staff membership of the lottery raised £263,009, which funded projects across the UHB**

**£80,000 of Staff Lottery funds was paid out to staff in monthly prize draws**

# Fundraising Highlights



# Fundraising Highlights

## Twm Huw's – 10x100 Challenge

Inspired and motivated by NHS fundraising hero Captain Tom Moore, our very own 10 year old 'Capten' Twm wanted to show his support for the NHS. As a way of showing his thanks, Twm pledged to complete a 10x100 challenge at 10am on Sunday 10<sup>th</sup> May. Twm's herculean challenge involved; 100 laps of his back-lane; 100 pogo jumps; 100 times up and down his stairs; 100 football keep-ups; 100 star jumps; 100 press-ups; 100 minutes silence; 100 burpees; 100 skips and 100 sit-ups.



Twm is a shining example of how local children supported the Health Charity by fundraising, making cakes and sending in a variety of artwork, all to raise the spirits and support our hard-working NHS staff.

## Taffs Well Rugby Football Club – Rugby Tour Fundraising

The local Rugby Club made a generous donation to Cardiff & Vale Health Charity's 'Spread the Love' campaign. The players were due to visit Portugal in 2020 for their annual tour, but decided to all pitch in to fundraise for Cardiff & Vale Health Charity instead by covering the distance between Taffs Well in Cardiff and Albufeira, Portugal (1621 miles) and raised over £3,000.



## Stephen Mitchell – Runs the Cardiff Half Marathon Route

At the beginning of the COVID-19 outbreak, Stephen spent over a week in hospital. Upon being discharged from the hospital and returning home, Stephen had to shield for a further six weeks due to the medication he was prescribed. Following the completion of his treatment course and shielding period, Stephen set himself a challenge to fundraise for Cardiff & Vale Health Charity in appreciation of the care he received in hospital.



The Health Charity is extremely grateful to all patients and their families and friends (many of whom were hospitalised with COVID-19) who raised money through a variety of amazing events to support our staff during 2020-21.



## Fundraising Highlights



### Our Young Fundraisers

Although small in stature, the young people who fundraised for Cardiff & Vale Health Charity during the pandemic made a big difference with their generosity and kindness. The Health Charity received wonderful stories about how children and young people had shaved their heads to raise money, held sponsored silences (much to their parent's delight!!), held toy and book sales and made homemade crafts to sell on their doorsteps in lockdown.



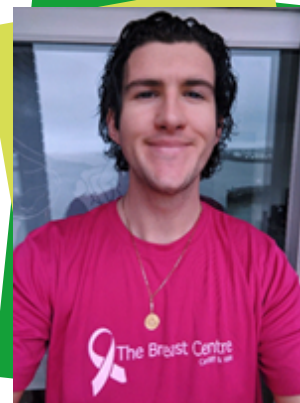
### St. David's Shopping Centre, Cardiff

The centre kindly supported Cardiff & Vale Health Charity during the lead up to Christmas 2020 by asking shoppers to support us with their donations. QR codes were displayed

throughout St. David's Shopping Centre, at queuing points, in lifts and on the stairwells to the car parks inviting shoppers to scan and support their local NHS charity.

### Breast Centre Fundraising

James Joseph decided to start 2021 with a new challenge to help rid himself of the post 2020 blues!



James decided to raise funds the Health Charity's Breast Centre Appeal as he reflected "they did such an amazing job taking care of my mum last year". James' raised over £1,000 by repeatedly running up Custom House Hill in Penarth, Vale of Glamorgan until he reached the equivalent height of Mount Everest (29,029ft).

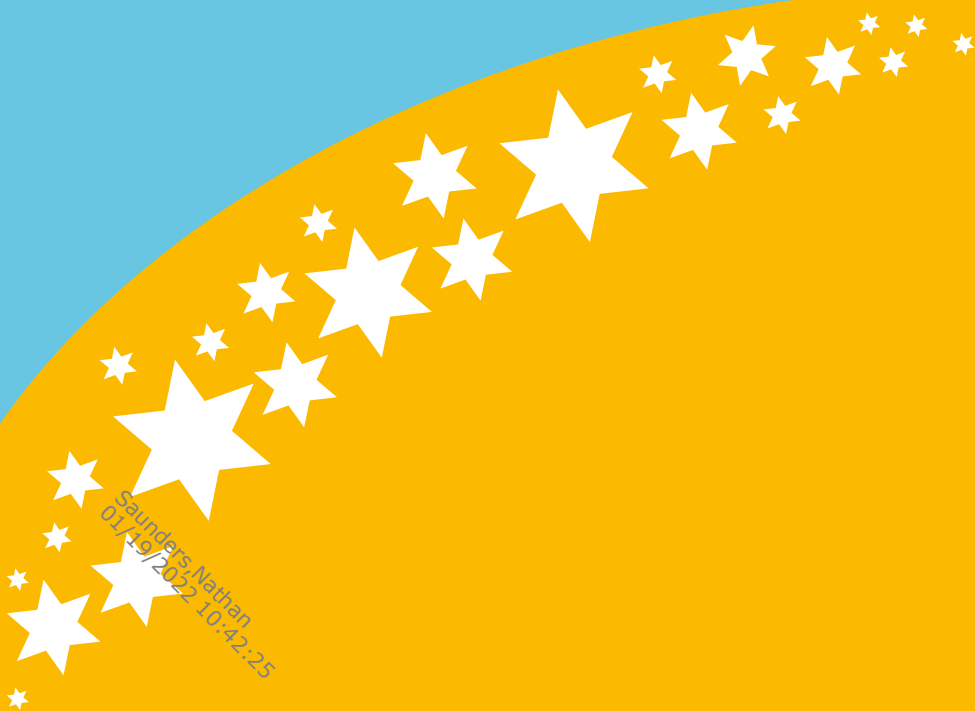
James tackled this awesome challenge during January, running through wind, rain, hail, sunshine and snow, finishing on 28<sup>th</sup> January 2021 reaching 29,029ft of elevation by running up and down a 84ft hill approximately 345 times during the course of the month!

### Cardiff Bus Fundraisers

Cardiff Bus supported us by encouraging staff to have dress up and dress down days to raise money for Cardiff & Vale Health Charity. They arranged 'Hawaiian' and 'Pink' themed days and generously supported our staff during this period.

**These are just a few examples of the amazing fundraising which took place during 2020/21 to support patients and staff of Cardiff and Vale University Health Board – thank you all!**

# How We've Spent Your Donations



## How We've Spent Your Donations

As an NHS Health Charity and a member of NHS Charities Together, we were extremely grateful to benefit from monies raised across the UK by people who were inspired by the incredible fundraising of Captain Sir Tom Moore and many others, as well as the outpouring of support for NHS staff. We have highlighted some of the ways in which this and all your donations were allocated across Cardiff and Vale University Health Board for the benefit of patients, staff and our local communities.

**In 2020/21, the Health Charity spent £2.009 million on charitable activities across Cardiff and Vale University Health Board, benefitting patients, staff, visitors and community services and projects**

**The Health Charity spent £1.792m on Patient Education and Welfare**

**We allocated £154,000 from Charitable Funds for Staff Education and Welfare**

**Charitable Funds of £37,000 were allocated to Research Projects**

**£26,000 was used to support a variety of other bids and projects across the Health Board**

## Supporting Patients

### Communication Aids



The Health Boards' Patient Experience Team (PET) recognised a need to support in-patients who could no longer receive visitors due to the COVID-19 restrictions in place at healthcare facilities across Wales.

PET set up a 'Virtual Visiting Service' which saw medical and nursing students and volunteers supporting patients to use electronic tablets, to facilitate video calls with their relatives and friends.

Funds raised via the Health Charity's "Spread the Love" campaign provided 100 computer tablets across the UHB to enable patients to keep in contact with their loved ones, and assisted them at a very difficult time when they felt extremely isolated from their families.

## How We've Spent Your Donations

### Child and Adolescent Mental Health Services

Cardiff & Vale Health Charity supported a bid for funds to help improve the environment for service users, their families and staff at the Child and Adolescent Mental Health Service (CAMHS) at St. David's Hospital.

The bid enabled the CAMHS service to provide new decoration, furniture, and accessories for their communal areas and therapy rooms from charitable funds. The aim of this project was to help facilitate a more relaxed, modern, safe and welcoming environment for all service users, their families and staff.



### Supporting Staff

With the major impact of COVID-19 on healthcare provision across the UK, it has never been more important to safeguard the emotional and physical health and wellbeing of staff throughout Cardiff and Vale University Health Board.

The unprecedented challenges of 2020/21 saw an outpouring of love and support for NHS staff, and the Health Charity was pleased to be able to assist in this by managing and distributing donations so that they reached the areas of the Health Board which were most affected by COVID-19.



Below are just some examples of the amazing generosity afforded to staff of Cardiff and Vale University Health Board, which the Health Charity is proud to have been involved with in 2020/21.

### “FeedTheHeath” / “FeedThe NHS” Fundraising Campaigns

Kasim Ali, owner of Waterloo Tea united the local community in order to provide a steady stream of fresh and nutritious meals to hard-working staff at University Hospital of Wales, University Hospital Llandough and the Dragon's Heart Hospital. Kasim set up the “Feed The Heath” fundraising campaign at the beginning of lockdown, which raised over £66,000 to fund the project.



Additionally, contributions from the national “FeedTheNHS” Fundraising Campaign resulted in a consortium of local restaurants providing in excess of 26,000 healthy and delicious meals for frontline workers, which was extended to St Davids, Barry and Rookwood Hospitals in Spring/ Summer 2020.



## How We've Spent Your Donations



### Temporary Safe Havens

The Health Charity was delighted to support this initiative; working with colleagues and volunteers to set up staff Safe Havens at UHW, UHL and the temporary Dragon's Heart Hospital at the Principality Stadium, from where the meals, plus daily donations of bread, cakes, drinks and wellbeing products from generous local companies and national suppliers were received and distributed to grateful staff.

Local supermarkets, Sainsbury's, Asda, Tesco, Co-op and Boots came out in force to generously support our staff, with trolley collections in store, donation points and collection tins.



Wales Probation Services' Community Payback Team helped with logistics; delivering VE Day celebration boxes to community and hospital settings, helping with transportation of the huge amounts of food and toiletry donations received across hospital sites, and collecting donations from shops and supermarkets all over Cardiff and the Vale of Glamorgan.

'Blue Light Card' and 'In Kind Direct' donated pallets of treats, toiletries and goodies for our NHS staff at a time when it was needed most. These goodies brought smiles and appreciation to staff.



We would like to also recognise the support received from local hotels and businesses which provided temporary beds, linen and toiletries for the Safe Haven at UHW and the generosity of Cardiff Medical Sports and Social Club committee for the loan of its facility.



### Staff Haven, UHW

The Health Charity was extremely pleased to be involved with the provision of the UHW Staff Haven during 2020/21. Working collaboratively with the Employee Wellbeing Service on a project funded by the 'Bale Fund', this joint project has resulted in a permanent facility now available at the Lakeside Wing.

The Staff Haven concept stems from the idea that Health Board staff should have somewhere to take time away from their workplace and access an environment to rest and reflect and to protect their emotional and mental health wellbeing. People chose to do this in different ways and therefore the area is designed to be multi-functional.

# How We've Spent Your Donations



We were delighted to support staff through the provision of the Staff Haven. It was incredibly important, particularly

during the pandemic, that staff can take some time out of their busy working day, in a calming space to build resilience and reflect upon their day to aid in the recovery of their mental health and wellbeing.

Our thanks go to Grosvenor Interiors and Poppi Contract Furniture for creating and furnishing relaxing and calming spaces for Health Board staff to take time out from wards and departments for some well-deserved rest and relaxation.



## Staff Rest Areas Across the Health Board

We were delighted to fund the renovation and provision of additional resources to various inpatient and community staff rest areas across the UHB.

Feedback from staff has been extremely positive; advising that these upgrades have had a really positive impact on the physical and mental health of staff, by providing a calm and pleasant environment away from their working area.



## Cardiff and Vale Recovery & Wellbeing College

The coronavirus pandemic has created incredible challenges for staff working across Cardiff and Vale University Health Board. Funding provided by the Staff Lottery enabled the engagement of college tutors and additional resources to support the essential work of the Recovery & Wellbeing College, which is committed to employing staff with lived experience of mental health challenges. The department helps to improve the wellbeing of its staff, carers and service users through the delivery of enhanced educational opportunities.



Cardiff and Vale  
**Recovery & Wellbeing College**

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# Supporting Our Community

## Third Sector Funding

The Health Charity supported a wide variety of community projects across Cardiff and the Vale of Glamorgan in 2020/21, via its Third Sector Partnership working and would like to thank Glamorgan Voluntary Services for its assistance and support in co-ordinating this.

Funding provided by our Third Sector Grant Scheme plus monies allocated from the NHS Charities Together grants supported a range of projects during 2020/21 for people living in community sectors who were disproportionately affected by the COVID crisis; including Black, Asian and Minority Ethnic communities, asylum seeker services and other groups, plus those living with disabilities.

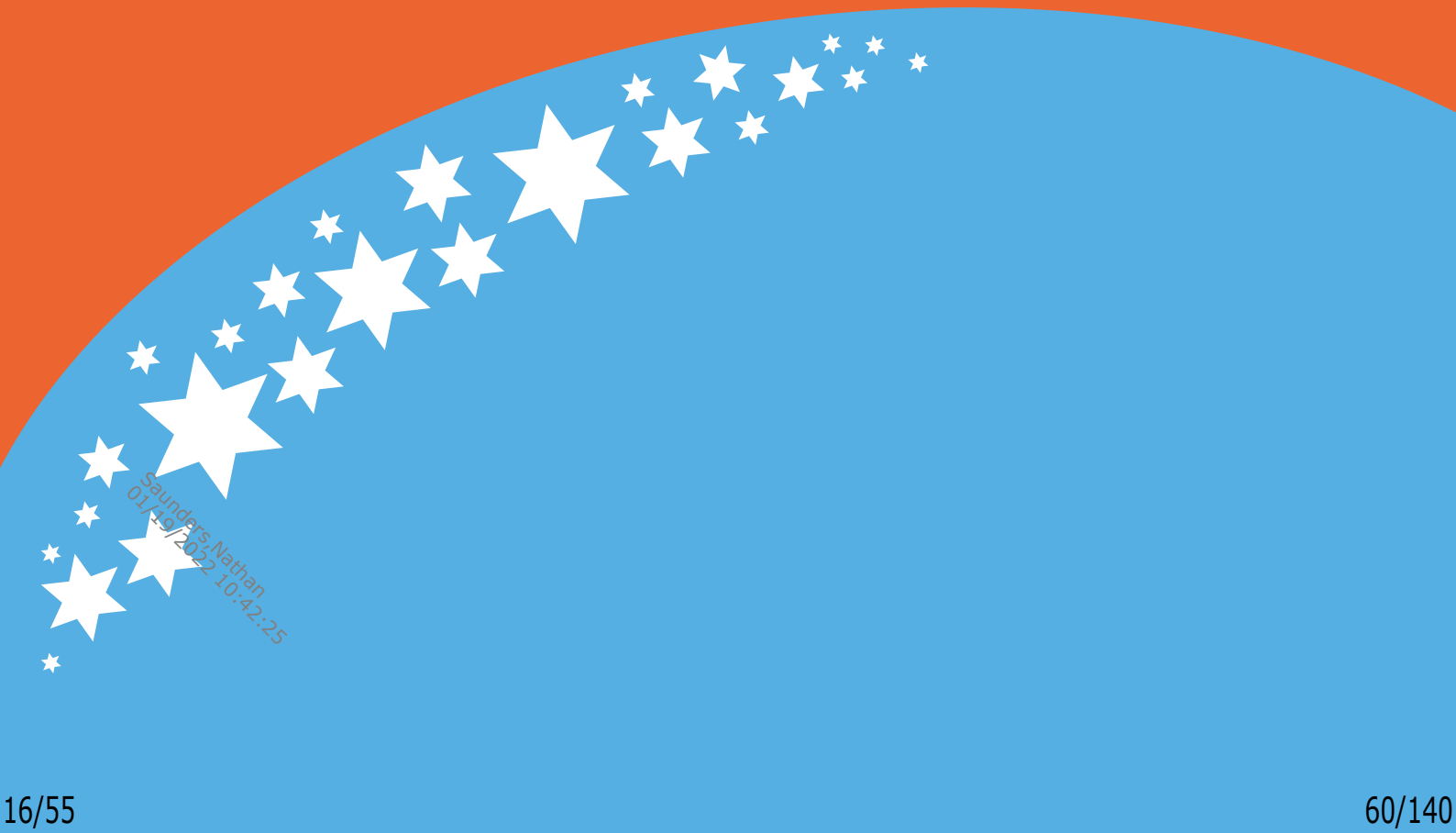
Specialist asylum seeker midwives received funding to purchase equipment such as breast pumps, pregnancy pillows and other personal items to be provided to women being cared for within the asylum services. The equipment is greatly beneficial to these women as they provide much needed comfort and support, which assists in improving their mental health and wellbeing during pregnancy.



Funded projects included:

- Mindfulness sessions
- Provision of electronic devices to facilitate access to online services
- Arts and creative therapy including arts projects inspired by the 'Black Lives Matter' movement, which included engaging artists from the Black, Asian and Minority Ethnic community to commission and influence the work.

# Our Milestones



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# Cardiff & Vale Health Charity - 2020 – 10-year Anniversary

In December 2020, Cardiff & Vale Health Charity celebrated 10 years of making things better for patients, staff, volunteers and visitors and the wider community of Cardiff and the Vale of Glamorgan.

We had planned to hold a 10-year celebration event, looking back at the major projects we have funded and celebrating the contributions of our donors, fundraisers, volunteers and community partners during the past decade.

Unfortunately, due to Coronavirus these plans were cancelled. Instead we took a look back year by year, demonstrating how our fundraisers, donors, volunteers and community partners have supported a wide variety of improvements for patients and staff. Using our social media platforms and web pages we informed our supporters and the public of the amazing ways their donations have helped our NHS staff over the past 10 years.

As a member of NHS Charities Together, Cardiff & Vale Health Charity was delighted to receive a telephone call from their Patron, HRH The Duke of Cambridge to discuss how NHS Charities Together COVID-19 funding has been used to make improvements for patients and staff at Cardiff and Vale University Health Board.

Simone Joslyn, Head of the Health Charity and Arts Programme fed back the Duke's thanks and good wishes to all staff during the most difficult of times.

## Reflections of COVID-19

### Dan Peterson – Ysbyty Calon Ddraig Artwork Fundraising

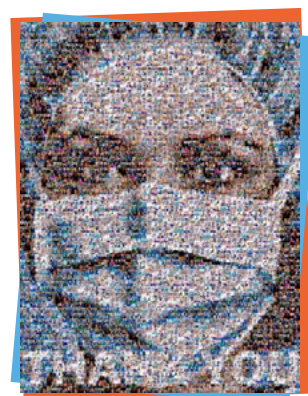


The Principality Stadium in Cardiff was transformed into Ysbyty Calon y Ddraig, the Dragon's Heart Hospital, during the pandemic

to help ease pressure on NHS services. War illustrator and artist Dan was commissioned by the Health Board to capture life at the Dragon's Heart Hospital during COVID-19. Dan produced a series of illustrations featuring staff on the frontline - and sold prints, donating 50% of the profits to Cardiff & Vale Health Charity's Arts Fund.

### Nathan Wyburn – Thank You NHS Artwork

Cardiff & Vale Health Charity Patron and local Artist, Nathan Wyburn created this iconic image during COVID-19 which was made up of hundreds of photos of NHS staff. This image has been used by the media and displayed across the world as a symbol of hope during the pandemic. Nathan produced a range of merchandise to sell with this image and kindly donated 50% of the profits to Cardiff & Vale Health Charity. Funding was provided to various departments to purchase 'Thank You' postcards for staff which were created from this image, to acknowledge their empathy, diligence and sacrifice during this period.



# Health Charity Strategy – Moving Forward



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# Health Charity Strategy – Moving Forward

The year 2020/21 has impacted on all our lives in many and varying ways, but the demonstration of love and generosity from our local community and beyond has inspired Cardiff & Vale Health Charity to continue and maximise its efforts to support the patients and staff of Cardiff and Vale University Health Board.

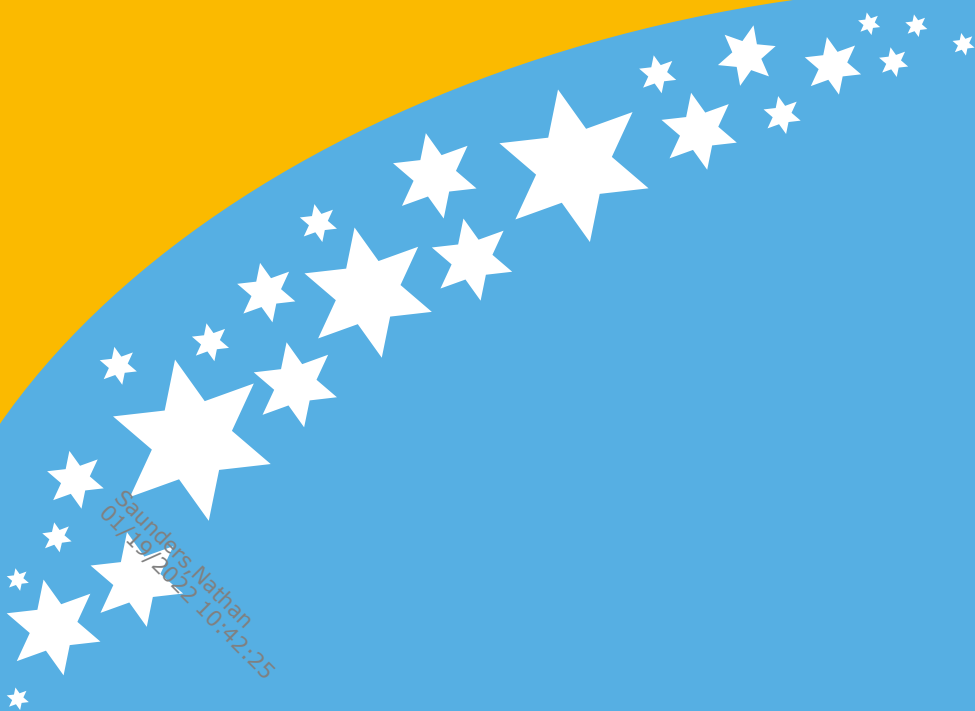
The Health Charity will endeavour to work collaboratively with the Health Board as it develops its 'Recovery and Redesign Programme' and will continue to engage with inpatient and community services, non-clinical services, local partnership groups, our donors and supporters to deliver effective fundraising and allocate funds to enhance and improve services wherever possible, in line with the overall aims of the Health Charity Strategy 2020 – 2025\*, as follows:

- To increase funds and ensure a regular flow of income through active promotion of the Health Charity and positive engagement with our supporters and sponsors
- To manage the charity's resources effectively and prudently and in accordance with Charity Commission for England and Wales regulations
- To ensure the Health Charity funds provide optimum benefit to patients, staff and the community.

\*Further information on the Cardiff & Vale Health Charity Strategy 2020 - 2025 can be found at: [Strategy.pdf \(healthcharity.wales\)](#)



# Thank You



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## Thank you

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Cardiff & Vale Health Charity is the official charity of Cardiff and Vale University Health Board which supports all the wards, departments, hospitals, community services and research areas throughout Cardiff and The Vale of Glamorgan.

Charitable funding enables the Health Board to provide above and beyond what is available from mainstream NHS funding and the Health Charity works solely to facilitate this on your behalf.

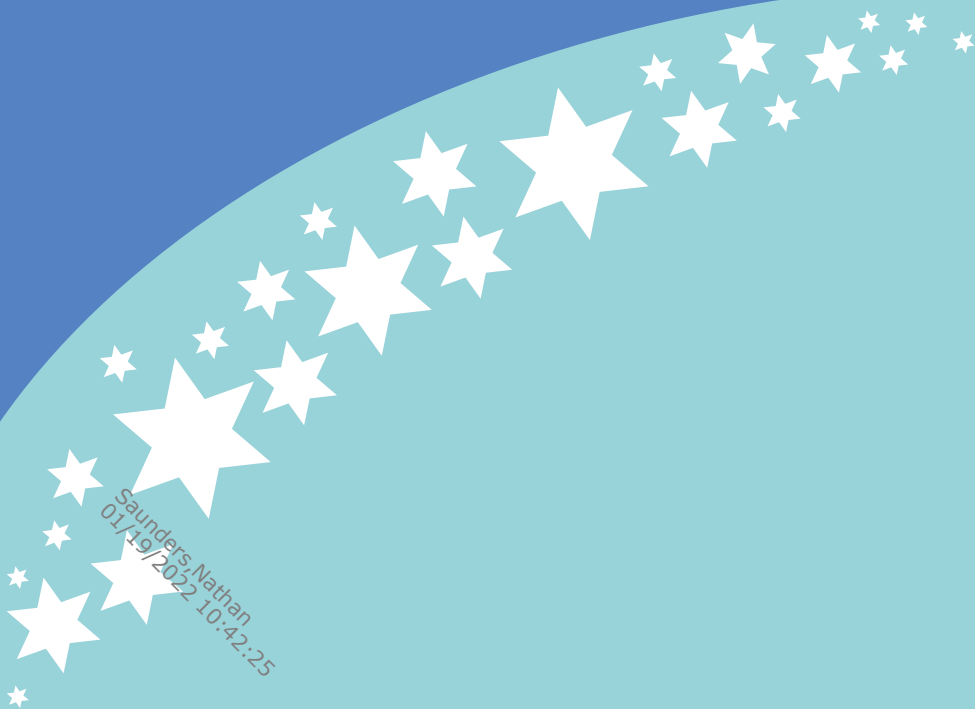
The Health Charity supports donors and fundraisers by working closely with staff to ensure that every penny you donate is spent where its needed most. It funds projects that improve services for patients and helps staff both practically and emotionally so they can continue the incredible work that they do.

**Thank You for your support and generosity during 2020/21**

**‘Every donation making healthcare better’**

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# Annual Accounts 2020/21



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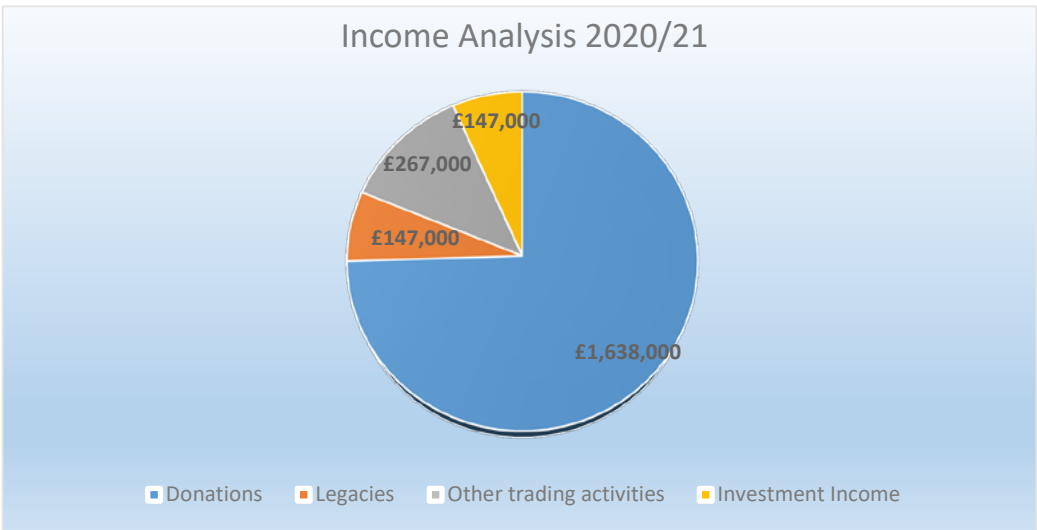
Financial Achievements and Performance

Income Summary

Incoming resources for the year 2020/21 totalled £2.199m which represents an increase of £0.831m from the previous financial year.

The Charity’s income was generated from donations, legacies, investment income and other trading activities.

Income Analysis



Donations (75% - £1.638m)

The Charity is very grateful to have received donations of £1.638m to help us achieve our goals and objectives.

Legacies (7% - £0.147m))

The Charity received £0.147m in legacies. We are extremely grateful to those individuals who remembered our wards and departments in their will.

Other Trading Activities (12% - £0.267m)

The Charity generated £0.263m from the Cardiff and Vale Staff Lottery and a further £0.003m from other trading activities.

Investment Income (6% - £0.147m)

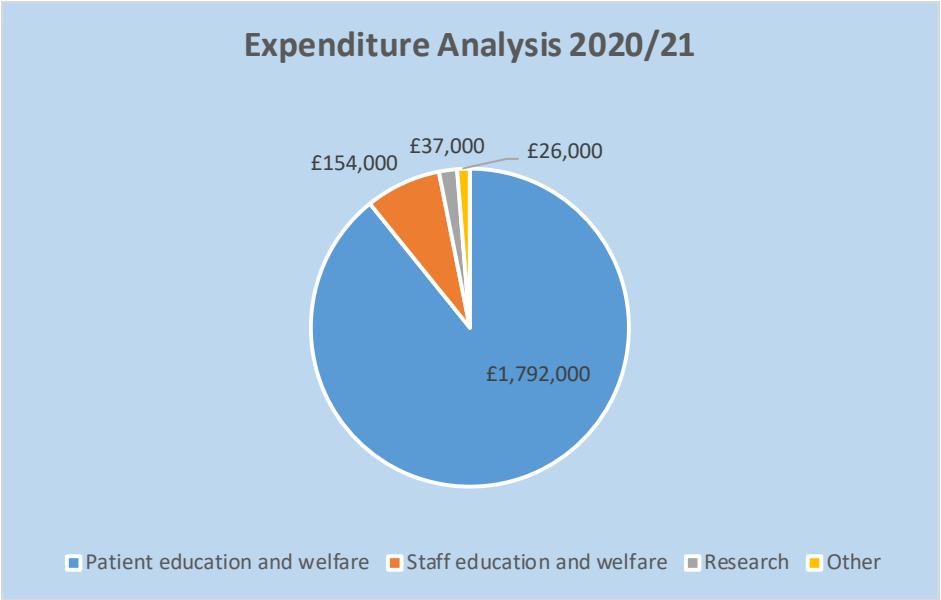
Dividends and Interest from the Charity’s Investment Portfolio was £0.147m)

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**Expenditure Summary**

In 2020/21 expenditure on charitable activities was £2.009m. This included patient education and welfare, staff education and welfare, research and other expenditure.

**Expenditure Analysis**



**Investments and Performance**

During 2020/21 the Charity had market value gains of £0.869m.

**Overall financial position**

The overall value of the Charity as at 31<sup>st</sup> March 2021 has increased from an opening balance of £8.482m to £9.147m. This movement of £0.665m is represented by net expenditure of £0.185m, investment gains of £0.869m and asset revaluation of £0.019m.

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## Structure, Governance and Management

### The Charity

The Health Charity was created on 3rd June 1996 by Declaration of Trust and following reorganisations of health services, was amended by Supplementary Deed on 12th July 2001 and 2nd December 2010. Cardiff and Vale University Local Health Board (UHB) is the Corporate Trustee for the Health Charity. The UHB delegates responsibility for the management of the funds to the Charitable Funds Committee. The aim of the Corporate Trustee (Trustee) is to raise and use charitable funds to provide the maximum benefit to the patients of Cardiff and Vale UHB and associated local health services in Cardiff and the Vale of Glamorgan, by supplementing and not substituting government funding of the core services of the NHS.

### Registration

The Charitable Funds held by the Cardiff and Vale NHS Trust transferred to the Cardiff and Vale UHB by virtue of Statutory Instrument 2009 No. 1558 The National Health Service Trusts (Transfer of Staff, Property, Rights and Liabilities) (Wales) order 2009. The supplemental deed dated 2nd December 2010 formally changed the name of the Health Charity to Cardiff and Vale University Local Health Board General Purpose Charity – Registered Charity number 1056544. The Health Charity has a number of constituent charities and these are listed below:

- Catherine Jenkins
- Education and Training General Charity
- Rookwood Hospital Charity
- Rookwood Hospital General Charity
- Research and Development General Charity
- Staff and Patient Welfare and General Charity
- Training Research and Education Fund
- UHW General Charity

The registration also encompasses Cardiff and Vale University Health Board (Expendable Funds) Common Investment Fund. This combines the funds of the Health Charity into one pool for investment purposes.

### Constitution

Cardiff and Vale University Local Health Board holds charitable funds as sole corporate trustee and the board members of the Health Board are jointly responsible for the management of those charitable funds. The membership of the board was as follows at the time the annual report was approved.

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## Independent Members

Charles Janczewski	Interim Chair until 23 <sup>rd</sup> June 2020 when he was appointed as Chair
Akmal Hanuk	Independent Member – Local Community
Dawn Ward	Independent Member – Trade Union ended 28 <sup>th</sup> February 2021
Eileen Brandreth	Independent Member – Information, Communication and Technology ended 31 <sup>st</sup> March 2021
Prof Gary Baxter	Independent Member – University
John Union	Independent Member - Finance
Sara Moseley	Independent Member – Third Sector
Michael Imperato	Independent Member – Legal until 30 <sup>th</sup> July and Interim Vice Chair 31 <sup>st</sup> July 2020 until 31 <sup>st</sup> March 2021
Susan Elsmore	Independent Member – Local Authority
Rhian Thomas	Independent Member – Capital & Estates
Mike Jones	Independent Member – Trade Union
Sam Austin	Chair of Stakeholder Reference Group from 24 <sup>th</sup> November 2020

## Officer Members

Leonard Richards	Chief Executive Officer
Fiona Kinghorn	Executive Director of Public Health
Robert Chadwick	Executive Director of Finance until 30 <sup>th</sup> September 2020
Christopher Lewis	Interim Director of Finance from 1 <sup>st</sup> September 2020 to 28 <sup>th</sup> February 2021.
Catherine Phillips	Executive Director of Finance from 1 <sup>st</sup> March 2021.
Stuart Walker	Executive Medical Director and Deputy Chief Executive from 1 <sup>st</sup> March 2021
Martin Driscoll	Director of Workforce and OD and Deputy Chief Executive until 28 <sup>th</sup> February 2021
Abigail Harris	Executive Director of Strategic Planning
Dr Fiona Jenkins	Executive Director of Therapies and Health Sciences and Interim Executive Director of Therapies and Health Sciences for Cwm Taf Health Board since 16 <sup>th</sup> November 2020. Her time is split between 50:50 between Health Boards.
Ruth Walker	Executive Director of Nursing
Steve Curry	Chief Operating Officer
Nicola Foreman	Director of Corporate Governance
Jonathan Gray	Director of Improvement and Innovation

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## Charitable Funds Committee

The Committee is empowered with the responsibility to:

- Control, manage and monitor the use of the funds resources for the public benefit, having regard for the guidance issued by the Charity Commission
- Agree Governance arrangements for standards and monitoring
- Review strategy to maximise benefits to the Health Charity
- Determine the Health Charity's investment strategy
- Agree expenditure plans
- Determine fundraising objectives and strategy

The members of the committee who served during 2019/20 are listed below:

Committee Chair - Akmal Hanuk – Independent Member – Community  
Martin Driscoll - Executive Director of Workforce and OD (has now left the Organisation)  
Ruth Walker – Executive Nursing Director  
Fiona Jenkins - Executive Director of Therapies and Health Science  
Chris Lewis – Deputy Executive Finance Director  
Nicola Foreman – Director of Corporate Governance  
Sara Moseley – Independent Member – Third Sector  
John Union – Independent Member – Finance

## Charitable Funds

Our Charity is made up of more than 300 different funds, each with a specific purpose whether for research, training or for a specific area of a hospital or department. All money received is allocated to these funds. The general-purpose fund is used where the donor wishes the Charity to allocate money to support projects and activities most in need of support across the whole of the UHB. Each fund is managed by a specialist fund holder – generally a specialist in the particular field relevant to the fund. The Charity is responsible for providing guidance, financial information and advice to fund holders.

We manage three types of funds:

Unrestricted funds – these are general funds and are those funds that may be spent at the discretion of the Trustees to enhance the services across the UHB

Restricted funds – these can only be spent in accordance with the restrictions imposed when the funds were donated, granted or raised by the Charity.

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Endowment funds – where capital funds are made available to our Charity and the Trustees are legally required to invest or retain them. Where a permanent endowment exists, Trustees have no automatic power to spend the capital. If the fund is an expendable endowment, trustees have the power to convert capital to income.

The day to day administration of funds is undertaken by:

Charitable Fund Department, Cardiff and Vale University Health Board  
2nd Floor, Woodland House,  
Cardiff, CF14 4HH

## **Investment Risk Management**

The Investment Management Company screen the investments prior to purchase for compliance with the ethical policy. In addition, existing holdings are screened on a regular basis to ensure continued compliance. If the fund were to purchase a position in a holding which did not comply and was identified as part of the post purchase process, the investment would be subsequently sold.

The portfolio does not have investments in companies whose principal manufacturing activities are tobacco, alcohol, armaments and pornography / adult entertainment related.

## **Reserves Policy**

The strategy of the Corporate Trustee is to apply charitable funds within a reasonable time of receipt, ideally within one to two years, unless there are specific requirements attached to income. Historically, the level of expenditure has been generally approximated to the level of income, with greater than required reserves held to manage any fluctuations.

The current reserves policy states that the Charity should hold the following reserves:

- A separate fixed asset investment reserve, based on 10% of the value fixed asset investments (circa £550,000)
- A minimum of £500,000 to ensure that there are sufficient funds for on-going commitments

From a process point of view there is no individual fund that holds all the reserves, however the current level of reserves is considered more than adequate for current needs. Going forward the Charity will review the reserves policy to reflect any changes to the Charity's financial position.

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## Investment Contract Risk

Cardiff and Vale Health Charity's Investment Manager's contract with Cazenove Capital ended on the 31<sup>st</sup> May 2021. Following a procurement contract tendering exercise the contract was awarded to Rathbone Investment Management, which commenced on the 1<sup>st</sup> June 2021 for a period of three years with an option to extend for a further two years.

The Charity seeks to maximise the total return on funds while adopting a conservative policy on risk and flexible structure in respect of Asset Class Distribution. The portfolio is structured to enable a range of investments in order to yield a competitive rate of return. The investment director has delegated authority to purchase and sell investments as market opportunities arise. The Investment Managers formally attend and report to the Charitable Funds Committee twice a year.

## Financial Control Risk

A financial control procedure, expenditure guideline, governance framework and strategy have been developed to ensure that there are sufficient management controls in place to:

- Ensure that spending is in accordance with objects and priorities agreed by the Charitable Funds Committee
- Ensure the criteria for spending charitable monies are fully met
- Ensure that accounting records are maintained
- Ensure devolved decision-making is within specific parameters.

Internal Audit also undertakes annual reviews to evaluate the adequacy of procedures and controls, to ensure compliance and to provide reasonable assurance over:

- Achievement of management objectives for the systems
- Economic and efficient use of resources
- Compliance with policies and procedures
- Safeguarding of assets

The Internal Audit reports are presented to both the Charitable Funds Committee and the Audit Committee, and this is a key measure in mitigating control risk.

## Advisors

### Bankers

Government Banking Service  
Southern House  
7th Floor  
Wellesley Grove  
Croydon  
CF9 1WW

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<b>Investment Managers</b>	Rathbone Brothers Plc 8 Finsbury Circus London EC2M 7A2
<b>External Auditors</b>	Auditor General for Wales 24 Cathedral Road Cardiff CF11 9LJ
<b>Internal Auditors</b>	NWSSP Internal Audit Department 1st Floor, Woodland House Cardiff CF14 4HH
<b>VAT Advisors</b>	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

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# **CARDIFF & VALE HEALTH CHARITY ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

## **Foreword**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

## **Statutory Background**

The Cardiff & Vale University Local Health Board is the corporate trustee of the charity under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990.

The Trustees have been appointed under s11 of the NHS and Community Care Act 1990.

## **Main Purpose of the Funds Held on Trust**

The main purpose of the charity is to apply income for any charitable purposes relating to the National Health Service wholly or mainly for the services provided by the Cardiff & Vale University Local Health Board.

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**Cardiff and Vale University Local Health Board Charities Accounts 2020/21**

**Statement of Financial Activities for the year ended 31st March 2021**

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2020-21 £000
<b>Incoming resources from generated funds:</b>					
Donations and Legacies	4	1,708	76	1	1,785
Other trading activities	5	1	266	0	267
Investments Income	6	103	43	1	147
<b>Total incoming resources</b>		<b>1,812</b>	<b>385</b>	<b>2</b>	<b>2,199</b>
<b>Expenditure on :</b>					
Raising funds	7	292	83	0	375
Charitable activities	8	1,512	475	22	2,009
<b>Total expenditure</b>		<b>1,804</b>	<b>558</b>	<b>22</b>	<b>2,384</b>
Net gains / (losses) on investments	14	864	0	5	869
<b>Net income / ( expenditure)</b>		<b>872</b>	<b>-173</b>	<b>-15</b>	<b>684</b>
Transfer between funds		-17	17	0	0
<b>Net movement in funds</b>		<b>855</b>	<b>-156</b>	<b>-15</b>	<b>684</b>
Gains / (losses) on revaluation of fixed assets	13	0	0	-19	-19
<b>Reconciliation of Funds</b>		<b>855</b>	<b>-156</b>	<b>-34</b>	<b>665</b>
Total Funds brought forward as at 1 April 2020 ( Re-stated)	20	4,103	1,867	2,512	8,482
<b>Total Funds carried forward as at 31 March 2021</b>		<b>4,958</b>	<b>1,711</b>	<b>2,478</b>	<b>9,147</b>

The notes on page 36 to 50 form part of these accounts

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Statement of Financial Activities for the year ended 31st March 2020

		Unrestricted funds	Restricted funds	Endowment funds	Total 2019-20 (Re-stated) £000
	Note	£000	£000	£000	£000
<b>Incoming resources from generated funds:</b>					
Donations and Legacies	4	650	211	0	861
Other trading activities	5	11	297	0	308
Investments	6	139	59	1	199
<b>Total incoming resources</b>		<b>800</b>	<b>567</b>	<b>1</b>	<b>1,368</b>
<b>Expenditure on :</b>					
Raising funds	7	206	155	0	361
Charitable activities	8	2,254	307	21	2,582
<b>Total expenditure</b>		<b>2,460</b>	<b>462</b>	<b>21</b>	<b>2,943</b>
Net gains / (losses) on investments	14	-612	0	-3	-615
<b>Net income / ( expenditure)</b>		<b>-2,272</b>	<b>105</b>	<b>-23</b>	<b>-2,190</b>
Transfer between funds		10	-9	-1	0
<b>Net movement in funds</b>		<b>-2,262</b>	<b>96</b>	<b>-24</b>	<b>-2,190</b>
Gains / (losses) on revaluation of fixed assets	13	0	0	-7	-7
<b>Reconciliation of Funds</b>		<b>-2,262</b>	<b>96</b>	<b>-31</b>	<b>-2,197</b>
Total Funds brought forward as at 1 April 2019	20	6,365	1,771	2,543	10,679
<b>Total Funds carried forward as at 31 March 2020 (Re-stated)</b>		<b>4,103</b>	<b>1,867</b>	<b>2,512</b>	<b>8,482</b>

The notes on page 36 to 50 form part of these accounts

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## Balance Sheet as at 31 March 2021

	Note	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 31 March 2021 £000	Total 31 March 2020 £000 (Re-stated)
<b>Fixed assets:</b>						
Tangible Assets	13	0	0	2,436	<b>2,436</b>	2,476
Investments	14	4,711	1,615	42	<b>6,368</b>	5,499
<b>Total fixed assets</b>		<b>4,711</b>	<b>1,615</b>	<b>2,478</b>	<b>8,804</b>	<b>7,975</b>
<b>Current assets:</b>						
Debtors	15	75	43	0	<b>118</b>	157
Cash and cash equivalents	16	396	118	0	<b>514</b>	1,215
<b>Total current assets</b>		<b>471</b>	<b>161</b>	<b>0</b>	<b>632</b>	<b>1,372</b>
<b>Non-current assets:</b>						
Debtors	15	12	0	0	<b>12</b>	0
<b>Total non-current assets</b>		<b>12</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>0</b>
<b>Total current assets</b>		<b>483</b>	<b>161</b>	<b>0</b>	<b>644</b>	<b>1,372</b>
<b>Liabilities:</b>						
Creditors: Amounts falling due within one year	17	236	65	0	<b>301</b>	865
<b>Net current assets / (liabilities)</b>		<b>247</b>	<b>96</b>	<b>0</b>	<b>343</b>	<b>507</b>
<b>Total net assets/ ( liabilities)</b>		<b>4,958</b>	<b>1,711</b>	<b>2,478</b>	<b>9,147</b>	<b>8,482</b>
<b>The funds of the charity:</b>						
Endowment Funds	20	0	0	42	42	36
Revaluation Reserve	20	0	0	2,436	2,436	2,476
Restricted income funds	20	0	1,711	0	1,711	1,867
Unrestricted income funds	20	4,958	0	0	4,958	4,103
<b>Total funds</b>		<b>4,958</b>	<b>1,711</b>	<b>2,478</b>	<b>9,147</b>	<b>8,482</b>

Director of Finance

Mrs Catherine Phillips

Date.....

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## Statement of Cash Flows for the year ending 31 March 2021

	Note	Total Funds 2020-21 £000	Total Funds 2019-20 £000
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	18	-847	-832
<b>Cash flows from investing activities:</b>			
Dividend, interest and rents from investments	6	146	199
Movement in Investment Cash	14	68	-73
Proceeds from the sale of investments		1,062	727
Purchase of investments	14	-1,130	-654
<b>Net cash provided by (used in) investing activities</b>		<b>146</b>	<b>199</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>-701</b>	<b>-633</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	16	1,215	1,848
<b>Cash and cash equivalents at the end of the reporting period</b>	16	<b>514</b>	<b>1,215</b>

The notes on page 36 to 50 form part of these accounts

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## NOTES TO THE ACCOUNTS

### 1. Accounting policies

#### a) Basis of Preparation

The financial statements have been prepared under the historic cost convention, with the exception of tangible fixed assets and investments which have been included at a valuation.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom And Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a “true and fair” view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a “true and fair view”. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended practice effective from 1 April 2005 which has since been withdrawn.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. In future years, the key risks to the Charity are a fall in income from donations or a fall in investment income but the Trustees have arrangements in place to mitigate those risks (see the Investment Risk Management and Reserves Policy sections of the annual report for more information).

The Charity meets the definition of a public benefit entity under FRS

#### b) Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as:

- A restricted fund or
- An endowment fund

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub analysed between those where the trustees have the discretion to spend the capital (expendable) and those where there is no discretion to expend the capital (permanent endowment).

Those funds which are neither endowment nor restricted income fund, are unrestricted income funds which are sub analysed between designated (earmarked) funds where the trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are at

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the trustees' discretion, including the general fund which represents the charity's reserves.

**c) Incoming resources**

All incoming resources are recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet.

**d) Income resources from legacies**

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

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

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

**e) Income resources from endowment funds**

The incoming resources received from the invested endowment fund are wholly restricted.

**f) 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 each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event
  - It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
  - The amount of the obligation can be measured or estimated reliably.
- Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

**g) Allocation of support costs**

Support costs are those costs which do not relate directly to a single activity. These include staff costs, costs of administration, internal and external audit costs. Support costs are apportioned on an average fund balance basis.

**h) Fundraising costs**

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and a fee paid to a related party, the Health Board, under a fundraising agreement. The fee is used to pay the salaries and overhead costs of the Health Board's fundraising office.

**i) Charitable Activities**

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 8.

**j) Debtors**

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

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**k) Cash and cash equivalents**

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, usually in 90 day notice interest bearing savings accounts.

**l) Creditors**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.

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

**n) Fixed Assets**

Investments are stated at market value at balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Tangible fixed assets are valued at current cost as follows:

- i) The land and buildings in respect of Rookwood Hospital was revalued as at 1<sup>st</sup> April 2017, and the revaluation reflected the restriction to hospital use only. Where appropriate between valuations an appropriate index, supplied from the Welsh Government, is applied to revalue the asset.
- ii) Assets in the course of construction are valued at current cost.
- iii) Capitalisation threshold is £5,000
- iv) Movements in revaluation are recorded in the revaluation reserve on the balance sheet

Professional valuations are carried out by the District Valuer Service every five years, which (as the commercial arm of the Valuation Office Agency) is part of HMRC. The valuations are carried out in accordance with Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Welsh Government and HM Treasury. Movements in revaluations are recognised in the Revaluation Reserve.

**Depreciation**

- i) Depreciation is charged 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 revalued amount over the assessed remaining life of the asset as advised by the professional valuers;
- ii) Impairments, where incurred in the year, are separately identified in note 13 and charged to the funds of the charity where caused by price fluctuations and

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to the Statement of Financial Activities for the year when the impairment was recognised.

- iii) The estimated remaining life of the assets are split between engineering (15 years) and structure (45 years).

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

## **2. Prior Year Restatement**

When preparing the 2020/21 statements we found that expenditure totalling £454,684.50 had been omitted from the 2019/20 statements. As a result the Statement of Financial Activities, Balance Sheet and relevant notes have been amended.

## **3. Related party transactions**

Cardiff and Vale University Local Health Board is the Corporate Trustee of the Charity.

The related party transactions and balances involving the Corporate Trustee, trustee board members and senior staff are set out below.

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 benefit personally from such decisions. Each trustee board member and senior officer have provided signed declarations in respect of themselves and their close family.

The Local Health Board has close links with Cardiff University which includes the sharing of staff as well as sharing accommodation on the University Hospital of Wales Site.

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The table below relates to the related party financial transactions for financial year 2020/21.

Related Party	Income related party 2020/21 £000	Expenditure related party 2020/21 £000	Amounts owed to related party 2020/21 £000	Amounts due from related party 2020/21 £000
Cardiff Council	0	1	0	0
Welsh Government	0	1	0	0
University of South Wales	0	2	0	0
Cardiff and Vale Health Board	0	1,586	72	23
Cardiff University	0	42	1	0

The table below includes the names of the individual board members and the relationship with the related party.

Board Member	Related Party Relationship
Len Richards	Council Member of <b>Cardiff University</b> . Advisor to the Life Sciences Hub Wales Board of <b>Welsh Government</b> until December 2020. From January 2021 Non-Executive Director of Life Sciences Hub Wales Board of <b>Welsh Government</b> .
Professor Gary Baxter	Professor of Pharmacology at <b>Cardiff University</b> and member of Life Sciences Hub Wales Board.
Rhian Thomas	Senior Lecturer at <b>University of South Wales</b>
Jonathan Gray	Clinical Director for the Life Sciences Hub ( <b>Welsh Government</b> )
Hanuk Akmal	Chair of the Internship and Business Valleys Taskforce ( <b>Welsh Government</b> )

The table below relates to the related party financial transactions for financial year 2019/20.

Related Party	Income related party 2019/20 £000	Expenditure related party 2019/20 £000	Amounts owed to related party 2019/20 £000	Amounts due from related party 2019/20 £000
Cardiff Council	0	1	0	5
Cardiff and Vale Health Board	0	955	310	27
Cardiff University	0	44	0	1

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## 4. Income from donations and legacies

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2020-21 £000	Total 2019/20 £000
Donations	1,562	75	1	1,638	734
Legacies	146	1	0	147	127
	<b>1,708</b>	<b>76</b>	<b>1</b>	<b>1,785</b>	<b>861</b>

## 5. Other trading activities

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2020-21 £000	Total 2019/20 £000
Staff lottery	0	263	0	263	245
Other trading	1	3	0	4	63
	<b>1</b>	<b>266</b>	<b>0</b>	<b>267</b>	<b>308</b>

## 6. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2020-21 £000	Total 2019/20 £000
Fixed asset equity and similar investments	103	43	1	146	188
Short Term Investments	0	0	0	0	11
Deposits and cash on deposit	0	0	0	0	0
	<b>103</b>	<b>43</b>	<b>1</b>	<b>146</b>	<b>199</b>

## 7. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2020-21 £000	Total 2019/20 £000
Fundraising office	276	0	0	276	270
Fundraising events	0	76	0	76	67
Investment management fees	16	7	0	23	24
	<b>292</b>	<b>83</b>	<b>0</b>	<b>375</b>	<b>361</b>

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## Cardiff and Vale University Local Health Board Charities Accounts 2020/21

### 8. Analysis of charitable activity

	Activities taken	Support costs	Total 2020-21	Total 2019-20 ( Re-stated)
	£000	£000	£000	£000
Patient education and welfare	1,679	113	<b>1,792</b>	2,036
Staff education and welfare	146	8	<b>154</b>	470
Research	35	2	<b>37</b>	30
Other	4	0	<b>4</b>	26
Depreciation	21	0	<b>21</b>	20
	<b>1,885</b>	<b>123</b>	<b>2,009</b>	<b>2,582</b>

## Cardiff and Vale University Local Health Board Charities Accounts 2020/21

### 9. Grants

During 2020/21 the Charitable Funds Committee approved grants of £0.050m to the Third Sector.

The table below provides the details of the grant payments.

Organisation	2020/21 £000	2019/20 £000
GLAMORGAN VOLUNTARY SERVICES	50	33
<b>Total</b>	<b>50</b>	<b>33</b>

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## 10. Allocation of support costs

	<b>Raising funds £000</b>	<b>Charitable activities £000</b>	<b>Total 2020-21 £000</b>	<b>Total 2019-20 £000</b>
Governance				
Audit Wales	0	20	<b>20</b>	10
Internal Audit	0	10	<b>10</b>	10
Investment Management Fees	24	0	<b>24</b>	24
Total governance	<b>24</b>	<b>30</b>	<b>54</b>	<b>44</b>
Finance and administration	0	94	<b>94</b>	94
	<b>24</b>	<b>124</b>	<b>148</b>	<b>138</b>

The finance and administration is to a related party ( Cardiff and Vale University Health Board) and this related to staff costs.

	<b>Unrestricted funds £000</b>	<b>Restricted Income funds £000</b>	<b>Endowment funds £000</b>	<b>Total Funds 2020-21 £000</b>
Raising funds	16	8	0	<b>24</b>
Charitable activities	87	37	0	<b>124</b>
	<b>103</b>	<b>45</b>	<b>0</b>	<b>148</b>

## 11. Trustees' remuneration, benefits and expenses

The charity does not make any payments for remuneration nor to reimburse expenses to the charity trustees for their work undertaken as trustee.

## 12. Auditor's remuneration

The external auditor's remuneration of £20,000 (2019/20:£10,000) relates to the audit of the statutory annual report and accounts only.

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**13. Tangible fixed assets**

	Freehold Land and Buildings 2020/21 £000	Freehold Land and Buildings 2019/20 £000
<b><u>Cost or valuation</u></b>		
Opening Balance	2,536	2,543
Additions	0	0
Revaluations	-19	-7
Disposals	0	0
Impairments	0	0
<b>Closing Balance</b>	<b>2,517</b>	<b>2,536</b>
<b><u>Accumulated depreciation</u></b>		
Opening Balance	60	40
Disposals	0	0
Revaluations	0	0
Impairments	0	0
Charge for year	21	20
<b>Closing Balance</b>	<b>81</b>	<b>60</b>
<b>Opening NBV</b>	<b>2,476</b>	<b>2,503</b>
<b>Closing NBV</b>	<b>2,436</b>	<b>2,476</b>

Rookwood Hospital is the only Tangible Fixed Asset recognised in "Freehold Land and Buildings"

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#### 14.Fixed asset investments

##### Movement in fixed assets investments

	Investments Listed on Stock Exchange £000	Cash Held in Investment Portfolio £000	Total 2020-21 £000	Total 2019-20 £000
Market value brought forward	5,167	332	5,499	6,114
Add: additions to investments at cost	1,130	0	1,130	654
Less disposals at carrying value	-872	0	-872	-725
Add any gain / (loss) on revaluation	679	0	679	-617
Movement of cash held as part of the investment portfolio	0	-68	-68	73
<b>Market value as at 31st March 2021</b>	<b>6,104</b>	<b>264</b>	<b>6,368</b>	<b>5,499</b>

The gain on revaluation relates to the unrealised gain, however the overall gain of £0.869m, as shown in the Statement of Financial Activities is calculated by also adjusting for realised Gains of £0.190m. (2019/20 £2,000). As at 31<sup>st</sup> March 2021 the following investment was the largest percentage weighting (11.7%) holding considered material: UBS ETF MSCI USA Socially Responsible ETF.

The Charity's investment are handled by investment advisors appointed by the Charity, using the appropriate Health Board purchasing contract process. The Charity operates an investment policy that provides for a high degree of diversification of holdings within investment asset classes. A large proportion of investments are made with companies listed on a UK stock exchange or incorporated in the UK. The majority of expenditure is financed from donations and legacies and therefore the Charity is not exposed to significant liquidity risk. The Investment Management Company attends the Charitable Funds Committee twice a year to discuss all aspects of investment performance and the factors influencing the perform

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## Cardiff and Vale University Local Health Board Charities Accounts 2020/21

### 15. Analysis of debtors

	Total 31 March 2021 £000	Total 31 March 2020 £000
Other debtors	10	5
Long-term prepayments	12	0
Short-term prepayments	19	57
Accrued Income	89	95
	<b>130</b>	<b>157</b>
Total debtors	<b>130</b>	<b>157</b>

### 16. Cash at bank and in hand

	31 March 2021 £000	31 March 2020 £000
Cash in hand	514	1,215
	<b>514</b>	<b>1,215</b>

### 17. Analysis of liabilities

	Total 31 March 2021 £000	Total 31 March 2020 (Re-stated) £000
<b>Creditors under 1 year</b>		
Other creditors	244	838
Accruals	57	27
	<b>301</b>	<b>865</b>

The re-statement reflects the adjustment to expenditure as shown in the Statement of Financial Activities.

<b>Total creditors</b>	<b>301</b>	<b>865</b>
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## Cardiff and Vale University Local Health Board Charities Accounts 2020/21

### 18. Reconciliation of net income / expenditure to net cash flow from operating activities

	Total 2020-21 £000	Total 2019-20 (Re-stated) £000
<b>Net income / (expenditure) (per Statement of Financial Activities)</b>	684	-2,190
<b>Adjustment for:</b>		
Depreciation charges	21	20
(Gains) / losses on investments	-869	615
Dividends, interest and rents from investments	-146	-199
(Increase) / decrease in debtors	27	341
Increase / (decrease) in creditors	-564	581
<b>Net cash provided by (used in) operating activities</b>	<b>-847</b>	<b>-832</b>

### 19. Role of volunteers

Cardiff and Vale Health Charity continue to be extremely grateful to all the volunteers who support fundraising with so much energy, passion, and skill. The Charity could not achieve all their objectives without the on-going commitment of the volunteers to make such a difference to patients and staff.

The Charity aims to work more closely with Health Board volunteers in order to develop more specific Charity Champion roles, including supporting our runners at the Cardiff Half Marathon and supervising the charity collection tins. In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

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## 20. Analysis of Funds

### a. Analysis of endowment funds

	Balance 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2021 £000
Catherine Jenkins	36	2	-1	0	5	42
	<b>36</b>	<b>2</b>	<b>-1</b>	<b>0</b>	<b>5</b>	<b>42</b>

### b. Analysis of restricted material fund movements

	Balance 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2021 £000
9447 Cystic Fibrosis Better Life Appeal Fund	476	32	-119	0	0	389
9479 Phillips Legacy - Asthma Research	209	5	-6	0	0	208
9149 Breastcare Unit - General Purpose	222	45	-149	29	0	147
9478 May Legacy - Asthma Research	143	3	-8	0	0	138
9582 Murphy Legacy ( Morfa Day Unit - General Purpose)	90	2	-2	0	0	90
9639 Childrens Telemetry Appeal ( General Purpose)	94	2	-2	0	0	94
9689 Gould Legacy ( Haematology)	91	2	-2	0	0	91
9690 Gould Legacy ( Bone Marrow Unit)	91	2	-2	0	0	91
9463 Chidgey Legacy	90	3	-2	0	0	91
9678 Staff Lottery	-4	263	-192	0	0	68
Other	365	25	-74	-12	0	304
	<b>1,867</b>	<b>385</b>	<b>-558</b>	<b>17</b>	<b>0</b>	<b>1,711</b>

### c. Analysis of unrestricted and material designated fund movements

	Balance 1 April 2020 (Re-stated) £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2021 £000
<b>Unrestricted Funds</b>						
9809/9810 Unrestricted Non Delegated	1	0	-36	-142	864	687
	<b>1</b>	<b>0</b>	<b>-36</b>	<b>-142</b>	<b>864</b>	<b>687</b>
<b>Designated Funds</b>						
9649 Bale Covid Donation	0	509	-67	0	0	442
9644 Hughes Legacy ( Cardiology)	306	7	-8	0	0	305
9600 UHW Nurses	279	28	-15	-1	0	291
9524 Leukaemia & Lymphona	144	7	-7	0	0	144
9153 Geriatric Research (UHW)	135	3	-3	0	0	135
9494 Biggs Legacy Cardiac Research	113	2	-12	0	0	103
9490 Make It Better Fund	54	401	-326	1	0	130
9704 Food Sense Wales	43	276	-197	0	0	122
9659 Morgan Legacy Cardiac Research	0	102	-1	0	0	101
Other	3,028	477	-1,132	125	0	2,498
	<b>4,102</b>	<b>1,812</b>	<b>-1,768</b>	<b>125</b>	<b>0</b>	<b>4,271</b>
<b>Total</b>	<b>4,103</b>	<b>1,812</b>	<b>-1,804</b>	<b>-17</b>	<b>864</b>	<b>4,958</b>

See Note 2 prior year restatement

Only funds which are material in 20/21 are shown in the above table, non material funds are included within "other". The materiality of funds can change year on year and hence "other" has been restated for 19/20, however the balance of individual funds have not changed.

### d. Revaluation Reserve

	Balance 1 April 2020 £000	Income £000	Expenditure (Depreciation) £000	Transfers £000	Gains and losses £000	Balance 31 March 2021 £000
Rookwood	2,476	0	-21	0	-19	2,436
	<b>2,476</b>	<b>0</b>	<b>-21</b>	<b>0</b>	<b>-19</b>	<b>2,436</b>

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## **Cardiff and Vale University Local Health Board Charities Accounts 2020/21**

### **Additional Notes**

#### **21. Commitments**

	<b>2020/21</b>
	<b>£000</b>
<b>The funds have the following commitments:</b>	
Charitable projects	
<b>Total</b>	<b>701</b>

<b>Name of commitment</b>	<b>£000</b>
Health Charity Bilingual Website (CFC 21/03/018) ( 1 Year)	20
Arts Programme (CFC 21\03\008) (1 Year)	50
Third Sector Grant Scheme (CFC 21/03/011) ( 1 Year)	33
Neurological Gardens (BT 20/07/013) ( 1-3 Years)	192
Employee Wellbeing ( CTM 19/06/008) (1-3 years)	163
Staff Recognition Awards ( CFC 18/052) ( 4 Years)	20
Disposal of Rookwood ( CTM 19/06/009) ( 1-2 Years)	155
UHB Transport Solutions ( CT/19/03/007) ( 1-3 years)	68
	<b>701</b>

#### **22. Donated Assets**

During the year the Charity purchased assets to the value of £0.244m. These are included in the Charity's Statement of Financial Activities and are classified as Donated Assets in the LHB Financial Statements.

#### **23. Post Balance Sheet Events**

The financial statements are required to reflect the conditions applying at the end of the financial year. Therefore no adjustments are made for any changes in fair value of investments between 31 March 2021 and the date the financial statements are approved. The fair value of the investments held by the Charity at 31st March 2021 has changed in the intervening period as follows:

	<b>31 March 2021</b>	<b>06 January 2022</b>
	<b>£000</b>	<b>£000</b>
Investment	6,368	6,610

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**Cardiff and Vale University Local Health Board Charities Accounts 2020/21**

As Financial Trustee of the funds held on trust I am responsible for:

- . the maintenance of financial records appropriate to the activities of the fund (s).
- . the establishment and monitoring of a system of internal control.
- . the establishment of arrangements for the prevention of fraud and corruption.
- . The preparation of annual financial statements which give a true and fair view of the funds held on trust and the results of their operations.

Director of Finance

Mrs Catherine Phillips

Date .....

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**STATEMENT OF TRUSTEE RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

The trustee is required to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustee should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practices have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) regulations and the provisions of the trust deed. The trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee confirms that they have complied with the above requirements in preparing the accounts.

By order of the trustee

Signed:

Chair of Trustees

Mr Charles Janczewski

Date .....

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# The independent auditor's report of the Auditor General for Wales to the Trustee of Cardiff and Vale University Local Health Board Charity

## *Report on the audit of the financial statements*

### Opinion

I have audited the financial statements of Cardiff and Vale University Local Health Board Charity for the year ended 31 March 2021 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) 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 my report. I am independent of the charity 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 I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the 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 on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

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## **Report on other requirements**

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, 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 knowledge obtained in the course of 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.](#)

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

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

## **Responsibilities**

### **Responsibilities of the trustee for the financial statements**

As explained more fully in the statement of trustee responsibilities set out on **page 52**, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 an auditor's report 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.

My procedures included the following:

- Enquiring of management, the Cardiff and Vale University Local Health Board Charity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Cardiff and Vale University Local Health Board Charity's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

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- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals; and
- Obtaining an understanding of Cardiff and Vale University Local Health Board Charity's framework of authority as well as other legal and regulatory frameworks that the Cardiff and Vale University Local Health Board Charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Cardiff and Vale University Local Health Board Charity.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and those charged with governance about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Cardiff and Vale University Local Health Board Charity's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

**Adrian Crompton**  
**Auditor General for Wales**  
**24 January 2022**

**24 Cathedral Road**  
**Cardiff**  
**CF11 9LJ**

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## Appendix 1

### Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management, and the trustees 'those charged with governance'. Management, with the oversight of the trustees, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

### What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets; or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how the trustees exercise oversight of management's processes. We are also required to make enquiries of both management and the trustees as to their knowledge of any actual, suspected or alleged fraud and for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

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## Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
<p>1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?</p>	<p>The assessed risk that the financial statements are materially misstated due to fraud is extremely low. Management are not aware of any fraud or potential fraud that would materially impact on the financial statements. This assessment is made on the basis of robust and comprehensive counter fraud and internal audit services. All potential fraud cases are rigorously investigated and pursued by the Health Board's counter fraud service. Internal Audit have also undertaken a review of charitable funds and the main financial systems from which the financial statements are prepared, as part of their 2019/20 audit plan.</p>	<p>The assessed risk that the financial statements are materially misstated due to fraud is extremely low. Management are not aware of any fraud or potential fraud that would materially impact on the financial statements. This assessment is made on the basis of robust and comprehensive counter fraud and internal audit services. All potential fraud cases are rigorously investigated and pursued by the Health Board's counter fraud service. Internal Audit have also undertaken a review of charitable funds and the main financial systems from which the financial statements are prepared, as part of their 2020/21 audit plan.</p>
<p>2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?</p>	<p>The Health Board charity has a year-end accounts closure process which now includes a management review which aims to mitigate against the risks of any financial misstatements. The Health Board's internal auditors also annually review the fundamental financial systems upon which the financial statements are based. The risks around fraud are mitigated by a robust and well-resourced counter</p>	<p>The Health Board charity has a year-end accounts closure process which includes a management review which aims to mitigate against the risks of any financial misstatements. The Health Board's internal auditors also annually review the core fundamental financial systems upon which the financial statements are based. The risks</p>

	<p>fraud programme. All senior staff in the Finance Department must be professionally qualified accountants whose professional institutes have strong code of conducts and professional ethics. Any deliberate misstatements would likely result in the individual being stuck off from their professional body.</p>	<p>around fraud are mitigated by a robust and well-resourced counter fraud programme. All senior staff in the Finance Department must be professionally qualified accountants whose professional institutes have strong code of conducts and professional ethics. Any deliberate mis-statements would breach this with very significant personal consequences.</p>
<p>3. What arrangements are in place to report fraud issues and risks to the trustees?</p>	<p>At the start of the year, the Audit and Assurance Committee agrees a Counter Fraud Work Plan. It then receives regular Counter Fraud progress reports at all of its normal business meetings. It also receives an annual counter fraud report which details the work that has been undertaken during the year, together with a Self-Risk Assessment that is required to be submitted to the NHS Counter Fraud Authority which measures the Health Board's level of counter fraud work against a set of agreed National Standards for NHS Bodies in relation to fraud, bribery and corruption.</p>	<p>At the start of the year, the Audit and Assurance Committee agrees a Counter Fraud Work Plan. It then receives regular Counter Fraud progress reports at all of its normal business meetings. It also receives an annual counter fraud report which details the work that has been undertaken during the year, together with a Self-Risk Assessment that is required to be submitted to the NHS Counter Fraud Authority which measures the Health Board's level of counter fraud work against a set of agreed National Standards for NHS Bodies in relation to fraud, bribery and corruption.</p>
<p>4. How has management communicated expectations of ethical governance and standards of conduct and</p>	<p>All staff have access to the Standards of Behaviours Framework Policy via the Intra and Internet plus this is included upon recruitment and at induction. Consultant Medical and Dental Staff are reminded of</p>	<p>All staff have access to the Standards of Behaviours Framework Policy via the Intra and Internet plus this is included upon recruitment and at induction. Consultant</p>

behaviour to all relevant parties, and when?

the need to declare interests etc, when completing their job plans. Board members/Trustees are made aware of the policy on recruitment and are also prompted to complete a declaration on an annual basis. This requires them to confirm that they have read and understood the policy. 'Declarations of Interest' is also a standing item on the agenda of all Board and Committee meetings.

In addition, the Standards of Behaviours Framework policy has been circulated across the Health Board via Internet, Intranet and Email communications. These communications have highlighted the need to comply with the policy at key times of the year, including Christmas, during key sporting events and at the start of the new financial year.

This has been done to make sure that expectations of ethical governance and standards of conduct and behaviour are being communicated to all professional staff and not only to Medical and Dental staff.

Medical and Dental Staff are reminded of the need to declare interests etc, when completing their job plans. Board members/ are made aware of the policy on recruitment and are also prompted to complete a declaration on an annual basis. This requires them to confirm that they have read and understood the policy. 'Declarations of Interest' is also a standing item on the agenda of all Board and Committee meetings.

In addition, the Standards of Behaviours Framework policy has been circulated across the Health Board via Internet, Intranet and Email communications. These communications have highlighted the need to comply with the policy at key times of the year, including Christmas, during key sporting events and at the start of the new financial year.

This has been done to make sure that expectations of ethical governance and standards of conduct and behaviour are being communicated to all professional staff and not only to Medical and Dental staff.

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5. Are you aware of any instances of actual, suspected or alleged fraud since 1 April 2020?

All actual and suspected fraud is fully reported to the Audit and Assurance Committee at its regular business meeting in its private session via a counter fraud progress report. There were no actual or suspected frauds relating to Funds Held on Trust in 2019/20.

All actual and suspected fraud is fully reported to the Audit and Assurance Committee at its regular business meeting in its private session via a counter fraud progress report. There were no actual or suspected frauds relating to Funds Held on Trust in 2020/21.

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## Enquiries of those charged with governance – in relation to fraud

Question	2019-20 Response	2020-21 Response
<p>1. How do the trustees exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has established to mitigate those risks?</p>	<p>The Board/Trustee has delegated the review and monitoring of management processes for identifying and responding to fraud risks to the Audit and Assurance Committee. This monitoring is supported by the work of the Audit and Assurance Committee and the internal audit and counter fraud functions for which the Finance Director is the lead Executive. The Audit and Assurance Committee receives regular reports on counter fraud matters and on the adequacy of internal control that exist within the Health Board/charity and on the actions being taken to mitigate these risks. The Chair of the Audit Committee is an Independent Member of the Board and reports back to the Health Board on these matters and the minutes of both the public and private meetings of the Audit and Assurance Committee are included in the meeting papers of the Board.</p>	<p>The Board has delegated the review and monitoring of management processes for identifying and responding to fraud risks to the Audit and Assurance Committee. This monitoring is supported by the work of the Audit and Assurance Committee and by the internal audit and counter fraud services for which the Finance Director is the lead Executive Director. The Audit and Assurance Committee receives regular reports on counter fraud matters and on the adequacy of internal controls that exist within the Health Board and on the actions being taken to mitigate these risks. The Chair of the Audit and Assurance Committee is an Independent Member of the Board and reports back to the Health Board on these matters and the minutes of both the public and private meetings of the Audit and Assurance Committee are included in the meeting papers of the Board in its public and private meetings.</p>

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2. Are you aware of any instances of actual, suspected or alleged fraud since 1 April 2020?

No, as part of their private meetings, the Board receives minutes from the private meeting of the Audit Committee, which includes any significant points highlighted in the Counter Fraud Progress Reports. There has been no suspected or actual fraud relating to funds held on Trust in 2019/20.

No, as part of their private meetings, the Board receives minutes from the private meeting of the Audit Committee, which includes any significant points highlighted in the Counter Fraud Progress Reports. There has been no suspected or actual fraud relating to funds held on Trust in 2020/21.

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## Appendix 2

### Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, the trustees are responsible for ensuring that the Fund's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements; and
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

### What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management and the trustees as to whether the Fund is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance, we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

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## Enquiries of management – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
1. How have you gained assurance that all relevant laws and regulations have been complied with?	Assurances are gained via the Charitable Funds Committee and other appropriate Board Committees where these issues are discussed. The Charity has also issued detailed guidance as to what expenditure is appropriate to be funded from the charity. This has been subject to legal review and support and has been approved by the Trustee at their March 2019 meeting.	Assurances are gained via the Charitable Funds Committee where these issues are discussed. The Charity has also issued detailed guidance as to what expenditure is appropriate to be funded from the charity and this has been subject to legal review.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2020, or earlier with an ongoing impact on the 2020-21 financial statements?	There have been no instances of non-compliance or suspected non-compliance with relevant laws and regulations relating to the Funds Held on Trust during this period.	There have been no instances of non-compliance or suspected non-compliance with relevant laws and regulations relating to the Funds Held on Trust during this period.

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3. Are there any potential litigations or claims that would affect the financial statements?	Management is not aware of any potential litigations or claims that would affect the financial statements.	Management is not aware of any potential litigations or claims that would affect the financial statements.
4. Have there been any reports from other regulatory bodies, which indicate non-compliance?	No such reports have been received.	No such reports have been received.

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## Enquiries of those charged with governance – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
1. How do trustees, in their role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	Assurances are gained via the Charitable Funds Committee and other appropriate Board Committees where these issues are discussed.	Assurances are gained via the Charitable Funds Committee and other appropriate Board Committees where these issues are discussed.
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	No.	No.

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## Appendix 3

### Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

### What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

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## Enquiries of management – in relation to related parties

Question	2019-20 Response	2020-21 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none"> <li>– the identity of any related parties, including changes from the prior period;</li> <li>– the nature of the relationships with these related parties; and</li> <li>– details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions.</li> </ul>	Yes, these are all disclosed to the auditor.	Yes, these are all disclosed to the auditor.
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	Staff are required to make declarations in accordance with the Standards of Behaviour Framework Policy, incorporating Gifts, Hospitality and Sponsorship. All Board members / Trustees and other relevant staff are asked to make a declaration on an annual basis, which is then recorded and published in the Declarations of Board Members' Interests. Where a Board Member's interests change during the year, they	Staff are required to make declarations in accordance with the Standards of Behaviour Framework Policy, incorporating Gifts, Hospitality and Sponsorship. All Board members / Trustees are asked to make a declaration on an annual basis, which is then recorded and published in the Declarations of Board Members' Interests.

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have a personal responsibility to declare this and inform the Board Secretary.

These related party transactions are identified in the Charity's Annual Report 2019/20. For all Committees and the Board, including the Trustee and Charitable Funds Committee meeting, there is a standing agenda item at the beginning of each meeting called 'Declaration of Interest' in relation to items on the agenda.

Where a Board Member's interests change during the year, they have a personal responsibility to declare this and inform the Board Secretary.

These related party transactions are identified in the Charity's Annual Report 2020/21. For all Committees and the Board, including the Trustee and Charitable Funds Committee meetings, there is a standing agenda item at the beginning of each meeting called 'Declaration of Interest' in relation to items on the agenda.

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## Enquiries of those charged with governance – in relation to related parties

Question	2019-20 Response	2020-21 Response
1. How do the trustees, in their role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	The Audit and Assurance Committee receives bi-annual reports relating to compliance with the policy and the Gifts, Hospitality and Sponsorship Register. The Charitable Funds Committee also scrutinises the Annual Accounts which contain details of related party transactions.	The Audit and Assurance Committee receives reports at each Committee meeting relating to compliance with the policy and the Gifts, Hospitality and Sponsorship Register. The Charitable Funds Committee also scrutinises the Annual Accounts which contain details of related party transactions.

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# Audit of Accounts Report – Cardiff and Vale University Local Health Board Charity

Audit year: 2020-21

Date issued: January 2022

Document reference: 2785A2022-23

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This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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# Contents

We intend to issue an unqualified audit report on your annual report and financial statements. There are some issues to report to you, prior to your consideration of their approval and signing.

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# Audit of Accounts Report

## Introduction

- 1 This report summarises the main findings from our audit of your 2020-21 annual report and financial statements. We have already discussed these issues with the Deputy Director of Finance.
- 2 Auditors can never give complete assurance that financial statements are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the financial statements into being misled. We set materiality at £48,000.
- 3 Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and reporting sensitivity. We consider the disclosure of related party transactions and balances to be material by nature and we therefore set a lower materiality, at £5,000.
- 4 In our professional view, we have complied with the ethical standards that apply to our work. We remain independent of yourselves, and our objectivity has not been compromised in any way. There are no relationships between us and officers and yourselves, which we believe could undermine our objectivity and independence.

## Impact of COVID-19 on this year's audit

- 5 The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required by law to prepare financial statements and it is of considerable testament to the commitment of your finance team that you have succeeded in doing so, for a second year, in the face of the challenges posed by this pandemic. We are grateful to the professionalism of the team in supporting us to complete our audit.
- 6 The pandemic has continued to affect our audit and we summarise in **Exhibit 1** the main impacts. The information in **Exhibit 1** is provided for information purposes only to help you understand the impact of COVID-19 on this year's audit process.

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## Exhibit 1 – impact of COVID-19 on this year’s audit

<b>Timetable</b>	<ul style="list-style-type: none"><li>Whereas some deadlines for completing public sector financial statements were changed this year, there is no change to the deadline for preparing and certifying the Charity’s financial statements.</li><li>We received the draft financial statements on 3 November 2021.</li><li>Subject to your approval on 20 January 2022, the annual report and financial statements are scheduled to be certified on 24 January 2022, ahead of the Charity Commission’s deadline of 31 January 2022.</li></ul>
<b>Electronic signatures</b>	During the COVID-19 lockdown we are accepting electronic signatures and the electronic transfer of files.
<b>Audit evidence</b>	With remote working in place for your staff and us, we have obtained audit evidence in electronic format, for example, scanned invoices to verify expenditure transactions. We have also held meetings by remote video-link in place of normal face-to-face meetings.

## Proposed audit opinion

- 7 We intend to issue an unqualified audit opinion on this year’s financial statements once you have provided us with a Letter of Representation based on that set out in **Appendix 1**. The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards.
- 8 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your financial statements. Otherwise, we issue an unqualified opinion. Our proposed audit report with the unqualified audit opinion is set out in **Appendix 2**.

## Significant issues arising from the audit

### Uncorrected misstatements

- 9 We identified two non-trivial misstatements, which we discussed with management but remain uncorrected. We do not consider them, and their potentially wider consequences, to be material to our audit opinion.
- 10 The uncorrected misstatements are:

- an overstatement of income by £10,629, because the amount relates to 2021-22; and
  - an overstatement of income by £6,911, because the amount relates to 2019-20.
- 11 We also identified three smaller misstatements of a similar nature, which we decided to flag with you but not report in detail in this report.
- 12 Your decision not to amend the two misstatements set out above is covered within your proposed letter of representation at **Appendix 1**.

## Corrected misstatements

- 13 There were misstatements in the draft financial statements which management has corrected. We draw your attention to them in **Appendix 3**.

## Other significant issues arising from the audit

- 14 In recent years we have reported that the draft financial statements submitted for audit have contained numerous errors, some of which are basic and easily identifiable errors, that better preparation and management review should identify and correct. Within this reporting we have highlighted weaknesses in the Charity's controls for ensuring that in-year transactions and year-end balances are accounted for in the correct financial year.
- 15 We have had similar issues this year, with a material prior-year adjustment of some £455,000 in respect of project costs that should have been accounted for in 2019-20 (as in-year expenditure and use of reserves; and amounts payable as at 31 March 2020).
- 16 The last time that we formally reported on these matters was January 2020. We are repeating similar recommendations in this year's report.

## Recommendations

- 17 We have set out two key findings and recommendations, with management's responses, at **Appendix 4**.

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# Appendix 1

## Final Letter of Representation

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

20 January 2022

## Representations regarding the 2020-21 financial statements

This letter is provided in connection with your audit of the financial statements of Cardiff and Vale University Local Health Board Charity for the year ended 31 March 2021 for the purpose of expressing an opinion on their truth and fairness and their proper preparation. We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## Management representations

### Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the Charities Act 2011; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

## Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.

- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Cardiff and Vale University Local Health Board Charity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are two misstatements that remain uncorrected. They relate to the overstatement of income, totalling £17,540, which was incorrectly accounted for in 2020-21. Management have confirmed that they are content not to correct the overstatements as they are immaterial.

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**Representations by those charged with governance**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Trustee on 20 January 2022.

We confirm that we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Chief Executive  
20 January 2022

Signed by:

Trustee Chair  
20 January 2022

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# Appendix 2

## The independent auditor's report of the Auditor General for Wales to the Trustee of Cardiff and Vale University Local Health Board Charity

### Report on the audit of the financial statements

#### Opinion

I have audited the financial statements of Cardiff and Vale University Local Health Board Charity for the year ended 31 March 2021 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

#### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) 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 my report. I am independent of the charity 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 I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Conclusions relating to going concern

In auditing the financial statements, I have concluded that the 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

on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Report on other requirements

### Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, 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 knowledge obtained in the course of 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.

### Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

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

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## Responsibilities

### Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee responsibilities set out on page xx, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 an auditor's report 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.

My procedures included the following:

- Enquiring of management, the Cardiff and Vale University Local Health Board Charity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Cardiff and Vale University Local Health Board Charity's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals, and

- Obtaining an understanding of Cardiff and Vale University Local Health Board Charity's framework of authority as well as other legal and regulatory frameworks that the Cardiff and Vale University Local Health Board Charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Cardiff and Vale University Local Health Board Charity.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and those charged with governance about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Cardiff and Vale University Local Health Board Charity's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

**Adrian Crompton**  
**Auditor General for Wales**  
**24 January 2022**

**24 Cathedral Road**  
**Cardiff**  
**CF11 9LJ**

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# Appendix 3

## Summary of corrections made

We identified the following misstatements, which have been corrected by management and we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 2: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£454,684	<u>Note 2 and Note 8 'Patient education and welfare'</u> Prior year restatement to increase the 2019-20 expenditure.	This amendment was required to disclose the impact of the prior-year adjustment within the Statement of Financial Position.  The Note 2 narrative also required amendment.  The Charity's draft financial statements had correctly restated the accruals and reserves as at 31 March 2020.
£11,572	<u>Note 15</u> Decrease the short-term prepayments and create long term prepayments of £11,572.	In 2020-21 the Charity had prepaid for watercoolers for the period 1 April 2021 to 31 January 2026. Our extended testing found further long-term prepayments, which led to the total correction of £11,572.

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Value of correction	Nature of correction	Reason for correction
Various	Amendments to the audited prior-year figures brought forward to the 2020-21 financial statements.	<p>We identified a high level of error in the prior-year audited figures that were brought forward to the 2020-21 financial statements.</p> <p>The nature and extent of these errors were disappointing because accurately recording prior-year figures should be a straightforward part of the accounting process.</p>
Various	Amendments to numerous figures within the draft financial statements.	<p>We identified a high level of error in the casting and cross casting of certain figures, principally around their mathematical accuracy and internal consistency with related figures.</p> <p>The nature and extent of these errors were also disappointing because basic pre-audit checks should identify such errors.</p>

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# Appendix 4

## Recommendations

**Exhibits 3 and 4** set out our recommendations and management’s responses. We will review the actions taken by management as part of next year’s audit.

**Exhibit 3: matter arising 1**

Weaknesses in the accounts submitted for audit	
Findings	<p>In recent years we reported that the draft financial statements submitted for audit had contained numerous errors and that the Charity’s quality-review arrangements needed to be strengthened.</p> <p>As part of these audit findings, for 2018-19 and 2020-21 the financial statements required material prior-year adjustments because expenditure and the associated year-end liabilities had been overlooked and not accounted for.</p>
Recommendation	<p>The Charity should strengthen the management review of its draft financial statements, prior to their submission for audit.</p> <p>In terms of identifying each financial year’s expenditure and year-end liabilities, the Charity should strengthen its process by contacting key officers annually, soon after the financial year-end. This engagement would gain key officers’ written confirmation of significant expenditure in respect of goods and services provided, for the financial year in question, which are unpaid and therefore a liability at the financial year-end.</p>
Accepted in full by management	Yes
Management response	Recommendation agreed. The management review will be strengthened for 2021/22.
Implementation date	April 2022

#### Exhibit 4: matter arising 2

Prepaying suppliers potentially in advance of need	
Findings	<p>We found that the Charity has paid for some of its services many years in advance, with one prepayment, for the supply and refilling of watercoolers, being paid for the period to 31 March 2026. Based on our sampled transactional testing, the Charity's long-term prepayments (beyond 31 March 2022) totalled £11,572 (see <b>Appendix 3</b>).</p> <p>We consider it to be poor practice to pay for goods and services in advance of need. While such payments might attract discounts, they can also carry risk, such as a supplier going bankrupt and being dissolved.</p> <p>Public money must not be incurred in advance of need, per the Welsh Government's <a href="#">Managing Welsh Public Money</a>.</p> <p>While we acknowledge that the Charity's funds are not public money, we consider that it should pay significantly in advance for only exceptional and clearly documented and approved reasons.</p>
Recommendation	<p>The Charity should review the adequacy of its guidance for any payments that are being considered on a long-term prepaid basis; and strengthen and issue revised guidance if necessary.</p>
Accepted in full by management	<p>Yes</p>
Management response	<p>Recommendation agreed. The guidance as contained in Standing Financial Instructions will be applied.</p>
Implementation date	<p>April 2022</p>

Saunders Nathan  
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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

<b>Report Title:</b>	<b>Cardiff &amp; Vale Health Charity Annual Report 2020/21</b>			<b>Agenda Item no.</b>	<b>3.3</b>
<b>Meeting:</b>	<b>Board of Trustee Meeting</b>			<b>Meeting Date:</b>	<b>20<sup>th</sup> January 2022</b>
<b>Status:</b>	<b>For Discussion</b>	<b>For Assurance</b>	<b>For Approval</b>	✓	<b>For Information</b>
<b>Lead Executive:</b>	<b>Ruth Walker, Executive Nurse Director</b>				
<b>Report Author (Title):</b>	<b>Joanne Brandon, Director of Communication, Arts, Health Charity and Engagement</b>				

### Background and current situation:

Cardiff & Vale Health Charity is a member of NHS Charities Together and on the 26<sup>th</sup> October 2021 submitted a bid for an “NHS Stage 3: Covid-19 Recovery Grant” of £259,800 for two separate projects (summarized below).

The Health Charity received notification of grant approval for the whole amount on 3<sup>rd</sup> December, 2021 and has subsequently commenced work on Project 1- Outdoor Staff Havens, following Charitable Funds Committee approval\* on 7<sup>th</sup> January 2022\*.

As Project 2 exceeds the delegated limits of the Charitable Funds Committee (i.e. £125k), the NHSCT grant of £180,000 for Project 2, requires expenditure approval by the Board of Trustees.

### Outline of projects approved for funding by NHS Charities Together

#### **1) Outdoor Staff Havens - £79,800\* ( for information only – approved by CFC on 07.01.22)**

To create outdoor staff havens at University Hospital of Wales, University Hospital Llandough, Cardiff Royal Infirmary, St David’s Hospital and Barry Hospital to allow staff to access an environment to rest and reflect. Each outdoor space should be welcoming, calming and provide seating areas and other areas of interest such as art/sculptures, plants, trees and calming sounds.

#### **2) Develop Child Health Social Prescribing - £180,000\*\* - for approval by Board of Trustees**

Developing Social prescribing to support Covid-19 recovery for the emotional health and wellbeing of children and young people.

The project outlined in the proposal will improve the emotional wellbeing of children and young people in Cardiff and the Vale of Glamorgan between the ages of 11-18, whose primary support requirement is aligned to the impact of COVID-19 on their mental health, although it is acknowledged that there may also be other issues the child or young person needs support with.

This project is intended as a ‘proof of concept’ to test that social prescribing is a suitable form of support for children and young people who have presented with emotional wellbeing needs. It will do so by providing additional capacity to the emotional wellbeing system, through the development of a social prescribing model as organisations move forward with COVID recovery. It will also increase the capacity of the service area in the short term; responding to the increase in need as a result of COVID 19, reaching more children and young people and enable services to be directed at those most in need.

Socially prescribed activities will also provide added value in supporting a wide range of charitable purposes, for example, reducing the impact of poverty by socially prescribing an activity that may have been unaffordable or inaccessible.

### Activities

A social prescribing team of 3 staff (Lead, Graduate Mental Health Worker and Administrative Assistant) will be recruited and located within the Health Board's Single Point of Access (SPOA) for children and young people's emotional wellbeing and mental health. It is proposed that the Social Prescribing Lead, Graduate Mental Health worker and Band 4 Admin are integrated into the Single Point of Access at C&V UHB to lead on and develop this model, working in partnership with Stage 3 Covid-19 Recovery Grant Application From: April 2021 Page 10 Early Help Services. The social prescribing team would work closely with the SPOA triage team to highlight cases where CYP may benefit from participating in social prescribing and to direct them to appropriate activities in a timely manner regardless of whether the CYP will need to access further support.

### Executive Director Opinion/Key Issues to bring to the attention of the Board/Committee:

I support the submission of this paper for approval of the restricted funds as requested and commend the Health Charity on its successful applications for funding from NHSCT which supports the Health Board's Covid Recovery and Redesign Plan.

### Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc.):

- Reputational risk to the Health Charity and Cardiff University Health Board, in the event of the non-timely use of grants received from external charities
- Potential delays in evaluation reports required by NHSCT in respect of project delivery timescales
- Impact of non-implementation of proposed project in services which have been identified as most impacted by Covid-19 and a priority for recovery monies from charitable funds

### Recommendation:

The Board of Trustees is asked to:

- Approve the spend of £180,000 for the Child Health Social Prescribing Project, which has been provided by NHSCT for agreed projects.

### Shaping our Future Wellbeing Strategic Objectives

*This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report*

1. Reduce health inequalities	✓	6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing	✓	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	✓

4.	Offer services that deliver the population health our citizens are entitled to expect	√	9.	Reduce harm, waste and variation sustainably making best use of the resources available to us	
5.	Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10.	Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	
<b>Five Ways of Working (Sustainable Development Principles) considered</b> <i>Please tick as relevant, click <a href="#">here</a> for more information</i>					
Prevention		Long term		Integration	
				Collaboration	√
					Involvement
					√
<b>Equality and Health Impact Assessment Completed:</b>		Not Applicable			

<b>Report Title:</b>	<b>Charitable Funds Committee – Chair’s Report</b>				<b>Item Number:</b>	
<b>Meeting:</b>	<b>Board of Trustee</b>				<b>Meeting Date:</b>	<b>20/01/2022</b>
<b>Status:</b>	<b>For Discussion</b>		<b>For Assurance</b>		<b>For Approval</b>	<b>For Information</b> X
<b>Lead Executive:</b>	<b>Committee Chair and Independent Member - Community</b>					
<b>Report Author (Title):</b>	<b>Corporate Governance Officer</b>					

## SITUATION

To provide the Board of Trustee with a summary of key issues discussed at the Charitable Funds Committee held on 7<sup>th</sup> December 2021

The following issues were discussed at the Charitable Funds Committee Held on 7<sup>th</sup> December 2021.

## HEALTH CHARITY FINANCIAL POSITION & INVESTMENT UPDATE

The Committee was provided with a financial update report which provided information on the year to date financial performance of the Charity to the period 31<sup>st</sup> October 2021. The report also assessed the forecasted financial position of the Charity against commitments already made.

The Committee were advised of two key issues which included:

- The Trustee’s had agreed at their meeting of the 12th October to withdraw £0.250m from the Charity’s investment portfolio and this was received by the Charity on the 19th October 2021.
- The stock market had continued its rally into the financial year with gains of £0.457m to the end of October 2021.

The Committee was advised that the Health Charity had started the financial year with a balance of £9.147m and had received income of £0.742m with expenditure of £1.179m.

It was noted that investment gains of £0.457m had been seen which meant that the fund balance had positively improved by £20k during the period and it was noted that the closing balance of the period was £9.167m.

The Committee was advised that there had been a reduction in the donations received in comparison to the previous year, which for 2020/21 included some significant acts of generosity from individuals and a large contribution from NHS Charities.

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The Committee was advised that it would be important to note that the charity had net current closing assets of £156k for which £550k was now supported by cash which meant that the cash position was “good” which would allow the charity to ensure that the payments needed to be made could be made.

It was noted that the investment portfolio started the financial year with a market value of £6.368m and that the value had increased to £6.575m at the end of October 2021.

The Committee was advised that whilst the charity had a net worth of £9.167m, it was structured around undelegated and delegated funds where financial responsibility had been delegated to named fund holders and Heads of Service.

Within the funds were general reserves with a value of £0.695m made up of the following:

- Consolidated general reserve fund balance of £0.238m;
- Year to date investment gains of £0.457m;

It was concluded that the key financial risk was the performance of the investment portfolio which was underpinning the year to date financial position and general reserves balance.

## FINANCIAL TRAINING SESSION ON CHARITABLE FUNDS

The Committee received a training session the Charitable Funds which included:

- Legal status and purpose
- Management of Charitable Funds
- Delegation of Funds
- Financial Performance
- Investment Management
- Reserves Policy
- Other Financial Matters and Good Governance.

The Committee was advised that the training session would be provided to the Board of Trustee members at their next meeting on 20<sup>th</sup> January 2022.

## HEALTH CHARITY - INTERNAL FUNDING

The Committee was advised that Independent Members had asked for the costs of the fundraising team and to provide a paper in March 2022 to the Charitable Funds Committee.

It was noted that some preliminary costings had been done which included;

- Actual team costs of around £320k which did not include the salary of the Director of Communications or the running costs contributed by the Health Board.
- Within the Health Charity team there were 3 members of staff who were designated fundraisers (1 full time and 2 part time) with costs of £115,945.

It was noted that an analysis of the 3 fundraisers as well as other staff had been undertaken around the amount of time being utilised for 6 areas which included:

- The work done with all of the appeals and funds.
- The writing of Bids.
- Events and relationship building.
- Management and Administration.
- Spending of the funds.
- Promotional activity.

The Committee was advised that the Health Charity team had fundraised around £1.8m as a result of all of the above but noted that further work was required to break it down into financial years which would be provided at the March Charitable Funds Committee meeting.

It was noted that NHS Charities Together had awarded the Health Charity £259,800 off the back of one of the bids put forward by the team which demonstrated that a lot of time was being invested in other areas and not just fundraising.

The Chair of the Committee provided thanks to the Director of Communications and all of the Health Charity Team.

## **ROOKWOOD HOSPITAL – DISPOSAL OPTIONS & UPDATE**

The Committee received an update report on Rookwood Hospital and the disposal options for the site.

## **OVER £25K BIDS FOR APPROVAL**

The Committee was asked to consider 3 bids.

- 1) Welsh Transplant Game – 5-year funding – flexible funding between £25k and 40k.
- 2) Refurbishment of Resuscitation Training Room - £12,032.74
- 3) The Employee Wellbeing Service - £392,000

- Bid 1 was approved and supported by all members.
- Bid 2 was rejected pending further review. It was agreed that the bid author could contact the Deputy Director of Finance to seek revenue funding.
- Bid 3 was partly approved to the sum of £49k to underwrite the service until the new Financial Year and to seek alternative methods of funding alongside the Health Board's

IMTP.

FUNDRAISING REPORT

The Committee received and noted the fundraising report.

STAFF BENEFITS GROUP REPORT

The Committee received and approved the Staff Benefits Group report.

STAFF LOTTERY BIDS PANEL

The Committee received and approved the Staff Lottery Bids Panel report.

HEALTH CHARITY UPDATE REPORTS

- Wales and Africa (Rachel Gidman)

The Committee received and noted the content of the Wales and Africa Annual Report.

- Breast Centre Appeal – Annual Report

The Committee received and noted the Breast Centre Appeal Annual Report, including the progress and activities of the said Appeal.

ANY OTHER BUSINESS

The Director of Communications asked the Committee to consider and approve promoting a member of her team from a band 6 to a band 7 following the increased responsibilities of the Head of Arts and Health Charity who was required to work in various locations across the Health Board.

The Committee approved the request.

RECOMMENDATION:

The BOARD OF TRUSTEES is asked to:

- NOTE the updates shared within this Chair’s Report

Shaping our Future Wellbeing Strategic Objectives			
This report should relate to at least one of the UHB’s objectives, so please tick the box of the relevant objective(s) for this report			
1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	X
2. Deliver outcomes that matter to people	X	7. Be a great place to work and learn	X
3. All take responsibility for improving our health and wellbeing	X	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	X

4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time	X	10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	X
<b>Five Ways of Working (Sustainable Development Principles) considered</b> <i>Please tick as relevant, click <a href="#">here</a> for more information</i>			
Prevention		Long term	X
		Integration	
		Collaboration	
		Involvement	
Equality and Health Impact Assessment Completed:	Not Applicable		

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Kind and caring  
Caredig a gofalgar

Respectful  
Dangos parch

Trust and integrity  
Ymddiriedaeth ac uniondeb

Personal responsibility  
Cyfrifoldeb personol

**CARING FOR PEOPLE  
KEEPING PEOPLE WELL**



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Caerdydd a'r Fro  
Cardiff and Vale  
University Health Board