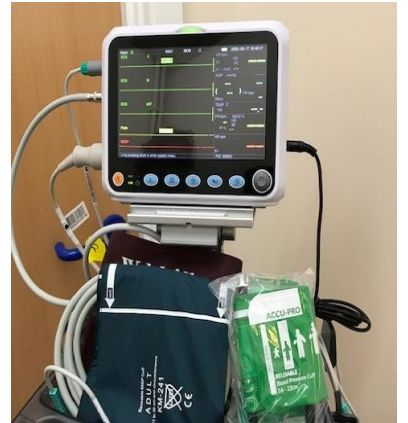




Annual
Report &
Financial
Statements
for the year
ended
31 March
2021



A COMPANY LIMITED BY
GUARANTEE
COMPANY REGISTRATION
NUMBER: 2681604
CHARITY NUMBER:
1008926



**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2021

Last year I opened my Chairman's Statement by observing that we lived in uncertain times. Throughout the year ended March 31st 2021 uncertainty ebbed and flowed in every area of the Hospital's operations. However, I am confident in saying now that we are looking forward with greater clarity than I would ever have imagined at various times over the past twelve months.

A full report on the impact of COVID-19 on our business follows on pages 5-6 of these Financial Statements. I would highlight that, despite the exceptionally difficult operating environment, our Minor Injuries Unit and X-Ray department remained open throughout the lockdown periods, our Outpatient department re-opened in June 2020 and our Day Surgery Unit re-opened in July 2020. At the time of writing our operating theatre is running at above 70% capacity. No lines of business have been permanently closed and no staff have been made redundant. Every staff member – whether in clinical, administrative or in facilities management roles – has contributed to the recovery effort. The patient attendance numbers, shown in the table below, are testament to the fact that we did not buckle under COVID-19.

	2021	2020
Minor injuries	1,792	2,123
Outpatients and radiology	10,182	12,547
Private GP Service	–	147
Day surgery	976	1,421
Total	<u>12,950</u>	<u>16,238</u>

The financial headlines for the Trust's operating result and the overall surplus generated by the Trust were heavily influenced by the pandemic. Throughout the year we worked closely with our Clinical Commissioning Groups (CCGs) and I thank them for their support. From April to September the Hospital negotiated a block payment contract as payment based on activity was not a viable option whilst our services were almost entirely closed. We moved back to payment based on activity from October, with an additional financial safety net provided by the CCG, as well as a direct contribution for unavoidable COVID-19 costs incurred in the re-opening of our operations. The Hospital also benefitted from the Coronavirus Job Retention Scheme for those staff placed on furlough and from a contribution to staffing costs for those members of staff seconded to other hospitals in response to requests for emergency assistance during the pandemic. These support measures were by no means a given and required a great deal of complex negotiation. The finances of the Trust were also managed by a reduction in costs where possible. The Trust's financial results, including the additional support secured, are summarised in the table below:

	2021	2020
	£	£
Net Hospital surplus/(deficit), including rental income, before depreciation	117,635	(112,648)
Government furlough funding	84,333	–
Contributions from GHNHSFT relating to staff secondment	19,623	–
Contributions from Gloucestershire CCG towards COVID-19 costs	23,842	–
Depreciation charges	(175,485)	(191,954)
Net Hospital surplus/(deficit)	69,948	(304,602)
Net income from The Friends of Tetbury Hospital fundraising	56,897	26,447
Donations and legacies received	76,759	44,593
Investment and other income	1,557	30,537
Overall surplus/(deficit) before investment gains or losses	<u>205,161</u>	<u>(203,025)</u>

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2021

I must highlight the magnificent response of our community to our COVID-19 Emergency Appeal as well as the many donations and legacies received during the year. The success of the fundraising campaign enabled us to re-build our financial reserves and essential maintenance work on the roof, that had been deferred, can now be undertaken. We are also planning a major upgrade to our Minor Injuries Unit and improved pedestrian access around the main entrance and front of the hospital building. The Trustees are keen to make progress on these projects to enhance the experience of our patients when they come for treatment.

As noted above, the Hospital received significant financial support from the CCGs during the year. We have reverted to a more normal operating model in the current financial year. The Trustees have approved a budget that forecasts an operating surplus on activity, but this is by no means a certainty – many influences on our performance lie outside of our control. Fundraising will remain a central plank in our business strategy.

As ever, my thanks go to so many individuals who make unstinting efforts to keep our Hospital functioning smoothly. Our senior management team, the administrative and clinical staff, the maintenance and cleaning staff, our volunteers and Friends all play a vital role in the delivery of our services. I must also thank my fellow Trustees for giving of their valuable time freely and generously.

**Jeremy Lodwick
Chairman**

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

CHIEF EXECUTIVE'S REPORT ON THE IMPACT OF COVID-19

YEAR ENDED 31 MARCH 2021

As the pandemic began to take hold in March 2020, NHS organisations were directed by the Government to postpone all non-urgent elective operations by 15th of April 2020. There was no national directive for the Independent Sector, of which we are a part. The Board of Trustees met twice a week, via conference calls, to discuss the unfolding Government directives and we assessed how to keep our patients and staff safe as well as taking steps to minimise the impact of the crisis on the Trust's cashflow and reserves.

This was a difficult and anxious time for our staff. The Hospital went from a hive of activity treating patients, to one where patients were choosing not to attend due to concerns over the virus. The decision to close our Outpatient department and Day Surgery Unit was made at the end of March 2020 but we managed to keep our Minor Injury Unit and X-Ray department open, and they remained so throughout the pandemic.

The local independent sector hospitals who had overnight beds helped by treating NHS patients in their hospitals. We offered our hospital building to the NHS but it was not required for the frontline response to the pandemic. We helped the NHS by seconding our staff and loaning our ventilators and other lifesaving equipment to Gloucestershire Hospitals NHS Foundation Trust (GHNHSFT).

We began to place staff on furlough leave from 7 April 2020, and we also seconded staff to Gloucestershire Hospitals NHS Foundation Trust (GHNHSFT). Not all staff were furloughed or seconded and many continued to work at the Hospital and from home to maintain our clinical and non-clinical services.

A request for a support package was made to our Clinical Commissioning Groups (CCGs) in April 2020. We successfully negotiated three support packages. The CCGs recognised the Hospital was strategically important to healthcare services and that we were unable to provide our normal contracted service in full but were part of the COVID19 response by providing resources where possible. The CCGs were:

- Gloucestershire CCG (GCCG)
- Bath and North East Somerset, Swindon and Wiltshire CCG (BSWCCG), and
- NHS England and NHS Improvement South West (NHSE/ISW)

'Block-funding contracts' were negotiated and put in place until October 2020. These block-funding contracts meant that the Hospital received a regular income stream, regardless of patient attendances and this financial support package, together with access to the Coronavirus Job Retention Scheme in the first few months of the first lockdown, was vital for the Hospital's survival. It was this support that meant we were able to re-open, following the ending of the national lockdown, and play a role in helping to reduce NHS waiting times for surgery.

At the end of June, our Outpatient department re-opened. Fewer patients were seen in clinics to begin with so we could introduce, and become accustomed to, social distancing rules and the new cleaning protocols for clinic rooms. At the end of July (when our ventilators were no longer needed at GHNHSFT) our Day Surgery Unit re-opened. This was a difficult time for us as our costs began to increase, but our NHS income remained static on the negotiated block contract. Thankfully, the increased demand in private practice helped us through these months and subsidised the shortfall in NHS funding.

By September 2020 we had redesigned our patient pathways to maintain safety and ensure they were as efficient as possible. As COVID-19 safety measures became 'the norm' for our staff and patients, patient activity began to increase.

The block-funding contracts negotiated with our Commissioners came to an end, and from October the Hospital moved back to its conventional form of income being payments based on activity. This is called 'payments by results' where income is based on nationally agreed tariffs. However, the risk of further lockdowns or service closures due to staff becoming ill and/or needing to self-isolate during the year was mitigated by agreeing a financial safety net with BSWCCG and GCCG for the rest of the financial year.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

CHIEF EXECUTIVE'S REPORT ON THE IMPACT OF COVID-19

YEAR ENDED 31 MARCH 2021

Due to the pandemic, the Trustees agreed to postpone fundraising for the refurbishment of the Minor Injuries Unit (MIU). It is important that our MIU refurbishment plans continue at pace to ensure the service is ready to meet the published standards of an Urgent Treatment Centre (UTC).

We also reduced our costs further by delaying our move over to a new Patient Administration System (PAS) and freezing most of our estates budget so only the most essential work was carried out. This is one of the reasons why our year end surplus is in such a positive position. Due to the age of our hospital building, it is unwise to pause our remedial estates programme for a long period of time so this year we plan to replace a leaking roof, above the MIU, in readiness for the refurbishment and we will also begin the transition to the new PAS system.

Month by month the Hospital has seen an increase in activity, and in March 2021 our theatres were running at 72% capacity. There is still room for growth and the future is looking very good. We are very busy, and as the NHS surgical waiting times have dramatically increased due to the pandemic, we will continue to assist the NHS in its recovery.

It is also important that we continue to seek grants and charitable donations and grow our private practice to supplement the Hospital's NHS income. The number of patients we see privately remains low at just 4.31% of our total patient numbers. However, the financial surplus we achieve from private practice enables us to subsidise our NHS services.

This year we have successfully commissioned new NHS support services such as an echocardiogram service. This service means our patients do not need to travel to a larger hospital to have their diagnostic test before seeing our consultant cardiologists.

I am so grateful to our staff and volunteers, it has been a challenging year for us all, but we navigated our way through it, and we have emerged stronger. My thanks go to all the local businesses, community groups and residents who have not only supported us for many years by fundraising for equipment but also showed such generosity during the COVID crisis.

**Zena Dalton
Chief Executive**

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 MARCH 2021

Registered charity name	Tetbury Hospital Trust Limited
Charity registration number	1008926
Company registration number	2681604
Registered office	Malmesbury Road Tetbury Gloucestershire GL8 8XB

Key Management Personnel

Directors and Trustees

The Directors of Tetbury Hospital Trust are also its Trustees. The Trustees who served the company during the year and until the date of signing, and the sub-committees on which they served, were as follows:

Mrs K Callaghan 5
Mrs L Kunzler 1
Mrs K Landale (appointed 16 March 2021) 1,6
Mrs T Lochery (appointed 16 March 2021)
Mr J Lodwick (Chairman) 1, 2, 3, 4, 5, 6, 7
Mr A Pooley 1
Mr R Turnor 2, 6
Dr A Walsh (retired 27 October 2020)
Miss A Wyatt 2

Committees to the Board

Chaired by Trustees:

Strategy Committee (1)	Chairman	Mr A Pooley
Finance Committee (2)	Chairman	Mr J Lodwick
Information Governance Committee (3)	Chairman	Mr J Lodwick
Health & Safety Committee (4)	Chairman	Mr J Lodwick
Workforce and Wellbeing Committee (5)	Chairman	Mrs K Callaghan
Friends Committee (6)	Chairman	Mrs K Landale

Not chaired by Trustees:

Medical Advisory Committee (7)	Chairman	Mr M Rigby, Medical Director
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The Chairman has an ex-officio appointment on all committees

Company Secretary	Miss A Wyatt
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**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 MARCH 2021

Key Management Personnel

Executive Team

The management of the Hospital is overseen by an executive team employed by the Trust during the year. This comprised as follows:

Mrs Z Dalton	Chief Executive
Mr M Rigby	Medical Director
Mrs S Taylor	Matron

Mrs Z Dalton is the designated Accountable Officer, Care Quality Commission Registered Manager and Senior Information Risk Owner. The executive team are non-voting Board members

Senior Management Team

The senior management team employed by The Trust during the year comprised as follows:

Mrs S Nicholas	Management Accountant (resigned 10 August 2020)
Mr R Hunt	Management Accountant (appointed 7 July 2020)
Mrs S J Jones	Head of Information, IT and Administration
Mrs N O'Hanlon	Estates and Facilities Lead

Auditors

Bishop Fleming LLP
Chartered Accountants
& Statutory Auditor
16 Queen Square
Bristol
BS1 4NT

Bankers

Lloyds Bank
14 Castle Street
Cirencester
Gloucestershire
GL7 1QJ

Investment managers

Smith & Williamson Financial Services Ltd
25 Moorgate
London
EC2R 6AY

Solicitors

Tanners
Lancaster House
Thomas Street
Cirencester
Gloucestershire
GL7 2AX

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

The Trustees, who are also directors for the purposes of company law, present their annual directors' report together with the financial statements of the company for the year ended 31 March 2021 which are also prepared to meet the requirements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Tetbury Hospital Trust Limited 'The Trust' is a charitable company limited by guarantee, incorporated on 28 January 1992 and registered as a charity on 27 February 1992. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association dated 28 January 1992 and amended by special resolutions dated 13 October 1997, 2 April 2003, 14 November 2011 and 31 January 2017.

The subscribers to the Memorandum of Association of the Trust and such other persons as are admitted to membership, in accordance with the Articles, are Members of the Trust. The Members may, at their absolute discretion, decline to accept any individual co-opted as a Trustee by the existing Board and need not give reasons for so doing. The Board of Trustees may, at its discretion, levy subscriptions on all Members of the Trust at such rates as it shall determine. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

Trustees are appointed by ordinary resolution of the Members in a general meeting. Trustees may also be co-opted by the Board, to fill a vacancy, which is then ratified by the Members.

Under the requirements of the Memorandum and Articles of Association one third of the Trustees must retire by rotation and may be re-elected at each Annual General Meeting.

The Trust's work involves operating in partnership with General Practitioners, Clinical Commissioning Groups (CCGs), privately owned companies, other third sector organisations and NHS Trusts to provide Health Services to the local community. The Board of Trustees seek to ensure that the needs arising from this are appropriately reflected through a diversity of skills amongst the Trustees.

Traditional business skills, as well as medical expertise, are represented on the Board. To maintain this broad skill mix, Trustees are requested to provide a list of their skills and in the event of particular skills being lost due to retirement, individuals with the appropriate skills are invited to offer themselves for election to the Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustee Induction and Training

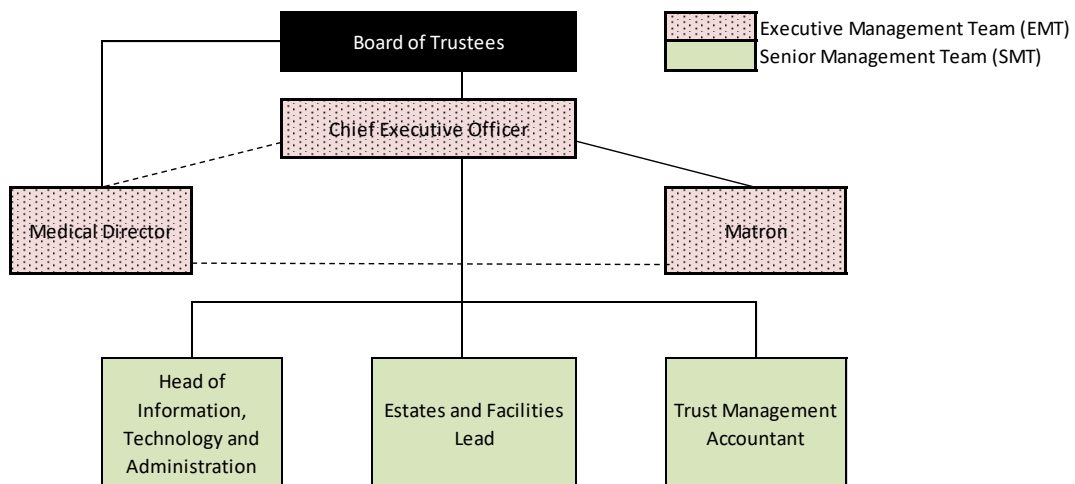
Existing Trustees are already familiar with the practical work of the Trust. New Trustees are fully briefed by the Chairman and the Chief Executive and are given a guided tour of the Hospital by the Chief Executive. They are also provided with relevant Charity Commission and Care Quality Commission publications. All trustees receive relevant on-line NHS training.

When considered necessary, or relevant, the Trustees take professional advice from either the Trust's Solicitors or Auditors.

Organisational Structure

The Trustees, who must not be less than three and must not be more than eleven in number, are responsible for the administration of the Trust. The Board meets on a regular basis to review the operation of the Hospital and to determine the policies and strategy of the Trust. There are elected sub-committees, as detailed on page 7 of these accounts, who also meet regularly throughout the year to assist the Trustees and the Chief Executive to run the Trust effectively and safely. These committees report to the Board and concentrate on clinical and commercial risk, audit, strategy and finance.

The Chief Executive is appointed by the Trustees and is responsible for managing all aspects of the Trust's affairs. The Chief Executive carries out this function with the assistance of the Executive Team and the Senior Management team. The Executive Team sit on the Board and, on behalf of the Trustees, oversee the safe running of the Hospital. The Executive Team consists of the Chief Executive, the Medical Director and the Matron, they are not Trustees and they do not hold voting rights.



The Friends of Tetbury Hospital, as the fundraising arm of the Trust, organise various fundraising events during the year.

The Chief Executive attends all committees.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties

In so far as it is complementary to the Trust's objectives, the Trust is guided by both local and national policy. The Trust has dealings with several Clinical Commissioning Groups (CCGs) and works closely with GPs in the area. The CCGs monitor the Hospital's performance through reports on agreed quality standards which the Trust reports on at regular intervals. Any connection between the Trust's Key Management and these, or any other connected organisations, must be fully disclosed to the Board of Trustees.

The Trust must comply with the Health and Social Care Act. Its compliance to the regulations is monitored and audited internally, and externally by the Care Quality Commission.

Pay Policy for Key Management Staff

The Trustees consider that the Board of Trustees, the Executive Team and the Senior Management Team comprise the Key Management personnel of the Trust in charge of directing and controlling, running and operating the Hospital on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration or other benefit from their work in the year. Details of Trustees' expenses are disclosed in note 9 to the accounts.

The pay for the Executive and Senior Management Team is reviewed by the Board of Trustees annually and is normally increased in accordance with average earnings. Although not obligated to conform to NHS pay scales, these are considered and used as a benchmark during the annual pay review. NHS pay scales are generally adjusted on an annual basis to account for increases in the cost of living. Consideration is also given to staff performance during the pay review and adjusted as appropriate.

The cost-of-living award was delayed until February 2021 and performance related pay has not yet been awarded.

Risk Management

The Trustees have appraised the risks to which the Trust is exposed with a view to establishing, where necessary, various systems to avoid unnecessary exposure and to ensure that where such exposure is unavoidable, adequate control measures are in place to manage the risks within acceptable parameters. The Trust works with several external specialists to mitigate risks.

The Trust has a business continuity plan and major incident plan, and both were actioned during the COVID-19 emergency.

Each department in the Hospital holds a risk register. Risks are reviewed monthly and are reported by departmental managers. These are monitored by the Hospital Quality Committee and the Risk and Audit Committee. The Hospital Quality Committee is chaired by the Chief Executive and reports to the Medical Advisory Committee and the Risk and Audit Committee. Any changes to the risk register are reported to the Board. A 'staying COVID secure' risk assessment is in place within the Trust and local Standard Operating Procedures have been adjusted to take into account Government advice and guidance.

The Chief Executive, Management Accountant and Matron meet with our Commissioners regularly to discuss, negotiate and monitor quality standards and income values against agreed contract quality standards and agreed indicative contract income targets.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk Management (continued)

In 2021/22 the Risk and Audit committee will be disbanded, and a more comprehensive risk review system put in place. The Finance Committee will manage financial risk and audit and the Medical Advisory Committee will manage clinical risk and audit. The Hospital Quality Committee co-ordinates the regular review of risks with staff who deliver services.

Internal control risks are minimised by the implementation of procedures to ensure the compliance of staff, volunteers, patients and visitors with health and safety regulations.

The Trust has policies in place which staff are made aware of and follow to ensure that potential risks are reported. These include but are not limited to: Health and Safety Policy, Whistleblowing Policy, Incident Reporting Policy (including serious incident reporting processes), Safeguarding Children Policy, Safeguarding Vulnerable Adults Policy, Duty of Candour Policy and Complaints Policy. The Trust has also appointed one of the Trustees, Kathy Callaghan, as a 'freedom to speak up guardian'.

AIMS, OBJECTIVES AND ACTIVITIES

When reviewing the Trust's aims and objectives the Trustees have considered the Charity Commission's general guidance on public benefit.

The Trust's objectives are to provide integrated, seamless healthcare for the people and local communities that is safe, effective and centred around the patient.

Most treatments provided by the Hospital are free of charge to the patients with over 95% of patient appointments being NHS funded. The Trust owns and runs Tetbury Hospital with a mission to preserve and develop, wherever possible, healthcare services for the benefit of the local community. The Trust will continue to widen its area of activity, where possible, while remaining consistent with its objects set out above and continue to support our commitment to the local community.

During the year, the Hospital offered the following services:

- A minor injuries unit run by Emergency Nurse Practitioners
- Day case surgery
- Consultant-led outpatient services
- X-ray
- Non-consultant led clinics such as audiology and complementary therapies

In order to provide these services, the Trust employs a range of staff skilled in management and administration as well as medical and nursing staff. At all times these staff work within the NHS Charter, Care Quality Commission (CQC) standards and the Competition and Markets Authority (CMA) private healthcare market investigation order with the aim of providing the best in care throughout the Hospital.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The MIU and X-Ray departments remained open during the pandemic. Our patient volumes through these services were understandably less than the previous year, a drop of 16%. This was a result of our community keeping themselves safe and staying at home during the first lockdown. After the first lockdown the MIU became busier and was receiving patients from further afield as many MIUs in Gloucestershire and Wiltshire remained closed.

Our Outpatient department closed to 'face-to-face' consultations in March 2020 and re-opened at the end of June. During the closure, some of our doctors continued to consult with patients via telephone. It took a while for our Outpatient clinics to fill with patients when we re-opened as our referrals come from GPs, dentists, and opticians and they had been closed or were delivering a reduced service and the Hospital had managed to clear the majority of its outpatient waiting lists through telephone consultations.

There were some specialities where telephone consultations were not possible for all patients, for example ophthalmology. This was our first speciality to re-open, and we have seen a significant growth in referrals since the easing of restrictions.

Our Day Surgery Unit closed in March 2020 and re-opened at the end of July. No surgery took place for four months, this explains the drop in patient numbers of 31% in year. Once open the unit became very busy as a long surgical waiting list had been created from the telephone consultations, and we benefited from being one of a very few locations in the county who could deliver private practice.

To enable social distancing and additional cleaning protocols to be put in place, initially the volume of outpatient and day surgery patients had to be reduced, which impacted negatively on our costs against our income tariffs. Private practice helped to offset this effect, and now our through-put is back to pre-COVID levels, and our sessions are increasing as we work to reduce waiting lists.

Patient attendances during the year were:

	2021	2020	
Minor Injuries	1,792	2,123	↓16%
Outpatients & Radiology	10,182	12,547	↓19%
Private GP service	–	147	
Day Surgery	976	1,421	↓31%

The Board has continued to actively seek ways of obtaining additional funding, including the increase of consultant led clinics and expansion of surgical activities. As previously mentioned, at the start of 2020/21 we negotiated some block-funding contracts and these contracts supported us whilst our activity levels were low due to lockdown. We agreed with our commissioners to move back to national tariff in October, which meant we went back to being paid on the basis of patient attendance.

At the start of the year, Gloucestershire Health and Care NHS Foundation Trust (GHCNHSFT) chose to serve notice on the space rented from the Hospital for the provision of a physiotherapy department. The rental received from the physiotherapy agreement was £2,315 (2020: £17,244). Although we were sad to see the physiotherapy service close, as we know it is valued by our local community, the Hospital has been able to utilise the vacant space and this area now houses the Minor Injury Unit which we are planning to refurbish in due course to improve patient flow through this service.

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Departmental Performance

Day Surgery Unit

Our Day Surgery Unit closed on the 20 March 2020 and re-opened on the 27 July 2020. During our closure we supported the NHS by seconding some staff to the front line and lending our equipment, which included ventilators and personal protective equipment (PPE).

We continue to follow Public Health England (PHE) guidance for maintaining services within health and care settings. This involves COVID testing all patients 72 hours prior to surgery, maintaining social distance between patient cubicles and following the PPE rules to keep our patients and staff safe.

Since reopening the Day Surgery Unit, we have increased the number of theatre sessions we use for NHS operating, and we have increased the procedures we are able to offer in many specialities. Additional insured or self-paying patients choosing to have treatment have been welcomed.

Minor Injuries

The Minor Injuries Unit (MIU) accepts walk-in patients and ambulances directed to the service and continues to deliver valued emergency care to our local community. We continue to support and work with other healthcare providers within Gloucestershire and Wiltshire to ensure patients are treated closer to home in an environment which is suitable for their ailments. It is staffed and led by experienced and highly skilled Emergency Nurse Practitioners (ENPs) and Emergency Care Practitioners (ECP).

As previously mentioned, when the physiotherapy service had vacated the annex, the MIU was able to utilise the available space which enabled it to comply with Public Health England guidance. The Board are moving forward with plans to refurbish the area to future-proof the delivery of services. If our MIU transitions into an Urgent Treatment Centre (UTC) it is important that we meet the required standards. One example of the required standards is for NHS111 to be able to directly book appointment slots for patients to be seen. The project to move over to a new patient administration system with this functionality was deferred in this financial year but will be delivered by March 2022.

Imaging

The Trust continues to deliver first class diagnostic services for hospital patients and local GPs on a near full-time basis. Our X-ray department remained open for emergency care during lockdown.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Strategic Developments

Outpatients

Our outpatient department closed to face-to-face consultations from the 20 March 2020 and re-opened in late June 2020.

The Trust has welcomed several new consultants during the year to run additional NHS clinics and several consultants chose us as a location for their private practice.

We are continuing to work with Commissioners to develop our services and broaden the portfolio of NHS treatments we offer our local community. As a result of COVID-19, the backlog of patients waiting for surgery throughout the country has increased dramatically so our waiting times for first appointments have increased and we are working hard to put on additional clinics, so patients do not have to wait too long. Our waiting times remain lower than many other providers in the county. Where possible, telephone consultations have continued.

We have seen a significant increase in referrals for all our specialities, but notably in general surgery, orthopaedics, and ophthalmology.

Physiotherapy

Physiotherapy at the Trust was provided by Gloucestershire Health and Care NHS Foundation Trust (GHCNHSFT), and independent private providers. As previously stated, the physiotherapy service was closed from the 20 March 2020 and GHCNHSFT made the decision not to return to the Hospital.

FINANCIAL REVIEW

This year has been turbulent, but the Hospital has managed to navigate its way through the first lockdown, with the support of our local Clinical Commissioning Group, and we have emerged from the pandemic in a relatively strong position.

From April to September the Trust negotiated a block-funding contract, as payment based on activity was not a viable option due to services being closed. From October we moved to payments based on activity, which is how we are normally funded. This is called payments by results, where the income is based on nationally agreed tariffs. The risk of further lockdowns or service closures due to staff becoming ill and/or needing to self-isolate during the year was mitigated by agreeing a financial safety net with BSWCCG and GCCG for the rest of the year.

The Hospital also benefited from the Coronavirus Job Retention Scheme, and we were received a contribution to staffing costs through the secondment of some members of staff to other hospitals. We also accessed COVID-19 support money from the Government via GCCG to fund additional costs that the Hospital had incurred that were directly attributed to COVID-19.

The Hospital's surplus of £117,635 this year is very encouraging but has only been achievable through the of support packages secured by Hospital, the deferral of maintenance and capital expenditure, our COVID19 fundraising appeal and by virtue of the fact that since re-opening the Hospital has been able to take advantage of putting on additional clinics to help clear NHS waiting lists and through private patient income.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW (continued)

The turn-around in the Hospital's results in 2021 is significant when compared to the previous year and it should be remembered that the previous year was particularly difficult as COVID-19 had a significant impact on the Hospital's income in the last quarter of the year when there was a marked decline in as patient attendance in the lead up to many of the Hospital's services closing on 20 March 2020.

A detailed breakdown of our results for the year is provided below:

	2021	2020
	£	£
Net Hospital surplus/(deficit), including rental income, before depreciation	117,635	(112,648)
Government furlough funding	84,333	–
Contributions from GHNHSFT relating to staff secondment	19,623	–
Contributions from Gloucestershire CCG towards COVID-19 costs	23,842	–
Depreciation charges	(175,485)	(191,954)
Net Hospital surplus/(deficit)	69,948	(304,602)
Net income from The Friends of Tetbury Hospital fundraising	56,897	26,447
Donations and legacies received	76,759	44,593
Investment and other income	1,557	30,537
Overall surplus/(deficit) before investment gains or losses	<u>205,161</u>	<u>(203,025)</u>

Due to the COVID-19 crisis, the Trustees agreed to defer larger items of capital expenditure, so the Hospital's capital expenditure was significantly lower in 2020/21 than previous years with a total of just £33,404 (2020 £361,683) being spent on new capital assets, including the following:

- Cardiac defibrillators x 2
- Ophthalmology hand-held auto refractor
- Remote control footswitch for equipment used in dental surgery
- Mobile theatre light

The NHS makes no direct contribution to these capital costs.

Notes 2 to 6 of these accounts provide further details relating to the Hospital's income and expenditure.

Looking ahead to this coming year, the on-going future of the Hospital is far more certain than it was this time last year. As the COVID-19 restrictions continue to be lifted, the Hospital's future ability to return to normal operation and to further increase the level of services available means that the Trustees are confident that the Hospital will be able to generate sufficient income to ensure its ongoing financial security and budgets that have been prepared confirm this. The Trustees are optimistic about the Hospital's future as the Hospital has emerged from a difficult year in a strong position with not only a secure and reliable staffing team but a strong network of associate consultants forming part of the Hospital's team which has enabled us to offer an increased range of patient treatments. Therefore, we will be able to continue to help the NHS reduce surgical waiting times and will now restart our capital replacement programme and deliver postponed projects.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW (continued)

Principal Funding Sources

The principal funding source for the Trust during the year was from the treatment of NHS patients at the Hospital. Fees are charged by the Hospital to appropriate CCGs, with most of the income arising from GCCG and BSWCCG. However, as previously mentioned, income up until September 2020 was provided to the Hospital by the NHS through block funding as the Hospital dealt with the impact of the COVID-19 crisis. The Hospital then moved back to a tariff-based system mid-year, whereby the Hospital was paid based on patients treated.

In addition, the Hospital continues to raise funds from alternative sources. Other funding sources have included investment income, donations and legacies, rentals from the sub-letting of surplus space and private patients. The Friends of Tetbury Hospital, through regular fundraising events, make a valuable contribution to funds and the Trustees are very grateful for their continued support. Further details are provided in the fundraising section below.

Fundraising and Donations

Unfortunately, the Hospital does not have access to the NHS Charities Together funds which is the charity that the nation so generously contributed to following the success of Captain Sir Tom Moore's fundraising exploits. However, with the support of the Friends of Tetbury Hospital we ran our own very successful emergency COVID-19 appeal, as our normal events could not take place. For obvious reasons the usual door-to-door appeal could not be conducted so, with the help of the Hospital's Fundraising Manager, the Friends launched a direct appeal to residents, businesses and other supporting trusts. This appeal was communicated using posters, social media and by direct mailshot, including 450 hand-written letters from the Chair of Trustees. As well as this appeal, the Friends utilised other ways of raising funds such as the publishing of a popular cookbook and the sale of hand-crafted mugs. The fundraising efforts of the Friends has been justly rewarded with a net income of £57k received this year, more than double the income usually received, and we are very grateful to the Friends committee for the effort involved and local community for their generosity of spirit.

The generous support from individuals and local organisations in the form of donations, as well as the fundraising achieved by the Friends, has not only helped the Hospital to remain financially secure but also to renew and increase the fixed assets of the Trust. We remain very grateful for this support and further details of the restricted fund donations made to the Hospital in 2020/21 can be found in note 18 to the accounts.

Investment Policy

The powers to invest are set out in the Memorandum of Association and include the power 'to invest the monies of the Trust not immediately required for its own purposes in or upon such investments, securities or property as may be thought fit'. The Trustees had previously invested the Trust's permanent endowment funds in specialist unit trusts, designed for the charity sector. Although content with the performance of these investments, the Trustees took the decision to liquidate the investment portfolio at the end of the previous financial year to ensure that the Trust had the liquidity it needed to weather the COVID-19 storm. These funds have since been reinvested and are managed through a cautious strategy advised and administered by Smith & Williamson.

The income return on investments was 0.02% (2020: 4%) in the year.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW (continued)

Reserves Policy

Tetbury Hospital holds permanent endowment funds which were created from the proceeds of a public appeal in 1992 to ensure that the Hospital would remain financially sound and be preserved for generations to come. The funds must be permanently held by the Trust while income arising on it must be used by the Trust to operate the Hospital. Any capital gains or losses arising on the investments form part of the funds. At the end of the year the Trust held endowment funds of £828,431 (2020: £836,381).

Restricted funds can only be used for particular restricted purposes within the charitable objects of the Trust. Restrictions arise when specified by the donor or when funds are raised by the Friends for particular restricted purposes. The amounts in the restricted funds represent the monies still remaining for future expenditure. Where donations have been made to the Trust as a contribution towards the purchase of a specific capital asset the Trust is deemed to have fulfilled its obligation once the fixed asset has been purchased. At that point, the appropriate amount is transferred out of restricted to unrestricted reserves. At the end of the year the Trust held restricted funds of £1,000 (2020: £1,000). See note 18 for more details.

The Trust's unrestricted reserves, defined as funds which are available to be spent at the discretion of the Trustees in furtherance of the Trust's objects, are derived from the Trust's charitable and trading activities or from legacies and donations to the Trust which hold no donor restriction upon them as to their use. The Trust's unrestricted reserves are used to fund the Hospital's ongoing operations.

The Trustees review the level of reserves held by the Trust on a regular basis which is at least annually. The Trustees currently consider it prudent to hold free reserves of between two and four months equivalent of the Trust's annual costs, net of depreciation, on the basis that this would provide sufficient protection in the event of a sudden and unforeseen fall in the hospital's income.

At the end of the year the Trust held unrestricted funds of £2,469,796 (2020: £2,263,292). Of this amount £1,731,557 (2020: £1,871,826) is represented by a fixed asset designated fund, comprising the Trust's premises and other fixed assets. Trustees also agreed to create another designated fund, totalling £180,000, which represents some of the larger items of expenditure originally planned for 2020/21 but deferred due to the COVID-19 pandemic, as a matter of prudence. The remaining funds amount to £558,239 (2020: £391,466) which represent the free reserves of the Trust. This level of free reserves equals approximately two and a half months of the Trust's annual costs (total expenditure, net of depreciation, for the year ended March 2021 was £2,631,210), so the free reserves held by the Trust at the year-end are within the policy set by the Board.

Further details relating to the Trust's funds, including an analysis of the net assets between the funds, can be found in notes 19 and 20.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also the Directors of Tetbury Hospital Trust Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including income and expenditure, of the Trust for the year. In preparing these financial statements, the Trustees are required to:

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

TRUSTEES' RESPONSIBILITIES STATEMENT (continued)

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

In so far as the Trustees are aware at the time of approving the Trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Trust's auditor is unaware; and
- the Trustees, having made enquiries of fellow Trustees that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

The Trustees appointed Bishop Fleming LLP, Chartered Accountants and Registered Auditors, as auditor for the Trust. Bishop Fleming LLP have expressed their willingness to continue in office and their reappointment will be proposed at the Annual General Meeting.

The Trustees Annual and Strategic Reports were approved by the Trustees, and signed on their behalf, by: -

Jeremy Lodwick

Jeremy Lodwick
Chairman

Date: 28 July 2021

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TETBURY HOSPITAL TRUST LIMITED

YEAR ENDED 31 MARCH 2021

OPINION

We have audited the financial statements of Tetbury Hospital Trust Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure 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 requirements of the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TETBURY HOSPITAL TRUST LIMITED

YEAR ENDED 31 MARCH 2021

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

We have nothing to report in respect of the following matters in relation to which we to report to you if, in our opinion:

- the Charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustee's responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Identifying and assessing potential risks related to irregularities

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019 and FRS 102. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or avoid a material penalty. These included data protection regulations, health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TETBURY HOSPITAL TRUST LIMITED

YEAR ENDED 31 MARCH 2021

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members, as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Scaife

Joseph Scaife FCA, DChA (Senior Statutory Auditor)

For and behalf of

Bishop Fleming LLP

Chartered Accountants & Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 4 August 2021

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME						
Donations & legacies	2	64,262	12,497	–	76,759	52,331
<i>Income from charitable activities</i>						
Operation of Tetbury Hospital	3	2,808,082	–	–	2,808,082	2,575,139
<i>Income from other trading activities:</i>						
Fundraising & rental income	4	125,458	–	–	125,458	90,090
Investment income	5	1,557	–	–	1,557	30,537
TOTAL INCOME		2,999,359	12,497	–	3,011,856	2,748,097
EXPENDITURE						
<i>Expenditure on raising funds:</i>						
Fundraising costs	6	7,983	–	–	7,983	8,971
Subletting costs	6	32,117	–	–	32,117	32,461
Investment fees	6	–	–	1,343	1,343	–
<i>Expenditure on charitable activities</i>						
Operation of Tetbury Hospital	6	2,759,192	3,060	3,000	2,765,252	2,909,690
TOTAL EXPENSES		2,799,292	3,060	4,343	2,806,695	2,951,122
Net income/(expenditure before investment results		200,067	9,437	(4,343)	205,161	(203,025)
Net loss on investments		–	–	(6,607)	(6,607)	(126,277)
TOTAL (EXPENDITURE)/ INCOME	7	200,067	9,437	(10,950)	198,554	(329,302)
TRANSFERS BETWEEN FUNDS		6,437	(9,437)	3,000	–	–
NET MOVEMENT IN FUNDS		206,504	–	(7,950)	198,554	(329,302)
RECONCILIATION OF FUNDS						
Total funds brought forward		2,263,292	1,000	836,381	3,100,673	3,429,975
TOTAL FUNDS CARRIED FORWARD		2,469,796	1,000	828,431	3,299,227	3,100,673

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared. All of the above amounts relate to continuing activities. The accompanying accounting policies and notes, on pages 27 to 43, form an integral part of these financial statements.

See note 11 for fund accounting comparative figures.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	1,894,942	2,038,211
Investments	13	656,886	–
		<u>2,551,828</u>	<u>2,038,211</u>
CURRENT ASSETS			
Stocks		65,000	45,802
Debtors	14	457,480	562,998
Cash at bank and in hand		864,364	873,758
		<u>1,368,844</u>	<u>1,482,558</u>
CREDITORS: Amounts falling due within one year	15	<u>(639,445)</u>	<u>(420,096)</u>
NET CURRENT ASSETS		<u>747,399</u>	<u>1,062,462</u>
TOTAL NET ASSETS		<u><u>3,299,227</u></u>	<u><u>3,100,673</u></u>
FUNDS			
Endowment funds	17,20	828,431	836,381
Restricted funds	18,20	1,000	1,000
Unrestricted funds			
Fixed Asset designated fund	19,20	1,731,557	1,871,826
Deferred Expenditure designated fund	19,20	180,000	–
Free reserves	19,20	558,239	391,466
TOTAL FUNDS		<u><u>3,299,227</u></u>	<u><u>3,100,673</u></u>

These financial statements were approved by the Board of Trustees and authorised for issue on 28 July 2021 and are signed on their behalf by:

Jeremy Lodwick

**Jeremy Lodwick
Chairman**

The accompanying accounting policies and notes, on pages 27 to 43, form an integral part of these financial statements

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	21	684,758	(128,823)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received	5	1,014	27,181
Interest received	5	543	3,356
CASH FLOWS FROM FINANCING ACTIVITIES:			
Expenditure on tangible fixed assets	12	(32,216)	(361,683)
Proceeds on disposal of tangible fixed assets		–	6,140
Disposal from investment portfolio	13	–	463,996
Investment management fees withdrawn from portfolio	13	1,343	–
Additions to investment portfolio	13	(664,000)	–
Dividend income rolled into investment portfolio	13	(836)	–
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(9,394)	10,167
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		873,758	863,591
CASH AND CASH EQUIVALENTS CARRIED FORWARD		864,364	873,758

The accompanying accounting policies and notes, on pages 27 to 43, form an integral part of these financial statements

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Trust Information

Tetbury Hospital Trust Limited is a company limited by guarantee and a charity, registered at the Charity Commission in England and Wales. The principal office is Malmesbury Road, Tetbury, Gloucestershire, GL8 8XB.

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Tetbury Hospital Trust meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Trust's functional and presentational currency is pounds sterling.

Going concern

The Trustees believe that the Hospital's financial statements should be prepared on a going concern basis, despite the ongoing impact of COVID-19 on certain aspects of the Hospital's activities and fundraising events. This assessment is on the grounds that current and future sources of funding will be adequate for the Charity's needs, combined with the surplus returned in the 12-month period under review and the high level of reserves held by the Charity. As the COVID-19 restrictions continue to be lifted, the Hospital's future ability to return to normal operation and to further increase the level of services available means that the Trustees have confidence in the Charity's ability to continue as a going concern.

The Trustees have reviewed budgets prepared for a period of twelve months from the date of approval of these financial statements, which includes no foreseeable events which would impact the Charity's ability to continue operating as a going concern.

Incoming resources

Operational income

Income is recognised, on an accruals basis, when the Trust has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance in relation to the letting of rooms or other specific service is deferred until the criteria for income recognition are met.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Legacies

For legacy income, entitlement is taken as the earlier of the date on which either the Trust is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from an estate. Receipt of a legacy is only considered probable when the amount can be measured reliably, and the Trust has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Trust and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations and gifts

Donations and gifts, including those arising from fund raising events and appeals, are recognised when received. When donations are received in accordance with gift aid provisions the gross amount is recognised and the taxation recoverable included under debtors until received. When donations are made to the Hospital for a specific purpose, the donation is recorded as restricted income and when a donation relates to the purchase of a specific capital asset these funds are transferred to unrestricted funds after the asset has been purchased on the basis that the Trust has fulfilled its obligation once the asset has been purchased.

Donated equipment for use in the Hospital is included in incoming resources and fixed assets when the benefit to the Trust is reasonably quantifiable and measurable.

Donated professional services are recognised on the basis of the value of the gift to the Trust which is the amount the Trust would have been willing to pay to obtain that service on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

No amounts are included in the financial statements for the services donated by volunteers.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably.

Investments

Investments are stated at market value at the balance sheet date. Unrealised gains and losses arising on revaluation are allocated to the permanent endowment fund. Investment income generated is recognised when receivable. Gains and losses arising on the disposal of investments are calculated on the carrying market value of the investments brought forward. Unrealised gains and losses arising on revaluation are recognised in the statement of financial activities. Investment income generated by the endowment fund is unrestricted.

Financial instruments

Financial instruments are recognised in the Trust's balance sheet when it becomes a party to the contractual provisions of the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Financial instruments (continued)

Trade debtors

Trade debtors are non-interest bearing and are stated at original invoiced amount less an appropriate allowance for irrecoverable amounts.

Cash

Cash comprises cash at bank and in hand.

Trade creditors

Trade creditors are non-interest bearing and are stated at the original invoiced amount.

Income from financial instruments

Interest is accrued and credited to the profit and loss account in the period to which it relates.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Fund accounting

Details on the nature and purpose of each fund are set out in notes 17, 18 and 19. Income arising is credited to specific funds and the associated costs charged to the same fund. Investment income and gains and losses are allocated to the appropriate fund. The categories of fund are defined as follows:

Unrestricted funds

These are funds which can be used in accordance with the charitable objects of the Trust at the discretion of the Trustees.

Designated funds

These are funds which have been set aside from unrestricted funds, by the Trustees, for specific purposes. The amounts in the funds represent monies ring-fenced for a specific future purpose.

Restricted funds

These are funds that can only be used for particular restricted purposes within the charitable objects of the Trust. Restrictions arise when specified by the donor or when funds are raised by the Friends for particular restricted purposes. The amounts in the funds represent the monies held for future expenditure. Where donations have been made to the Trust as a contribution towards the purchase of a specific capital asset these funds are transferred out of restricted to unrestricted funds on the basis that the Trust has fulfilled its obligation when the asset has been purchased.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Permanent endowment funds

The Tetbury Hospital permanent endowment fund was created from the proceeds of a public appeal in 1992/3 to save Tetbury Hospital from closure by the Gloucestershire Health Authority. To ensure that the Hospital remained financially sound, and be preserved for generations to come, the fund must be permanently held by the Trust while income arising is treated as unrestricted and used in furtherance of the Hospital's objects. Any capital gains or losses arising on the investments forms part of the endowment fund.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. The Trust is not VAT registered so expenditure is recorded inclusive of VAT which cannot be recovered.

Costs attributable to the provision of services within the Hospital are allocated to Hospital service costs and appropriately analysed under functional headings.

Fixed assets

Tangible fixed assets are stated at their purchase price together with any incidental acquisition costs. Expenditure is only capitalised on individual assets with a cost exceeding £500.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
Property improvements	- 2.5%, 10% or 20% straight line
Medical and office equipment	- 10% - 50% straight line
Fixtures & fittings	- 10% - 33% straight line

Stocks

Stocks predominantly consist of medical and pharmaceutical supplies which are valued on a 'first in, first out' basis at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Pension costs

The Trust makes contributions into two separate pension schemes.

One scheme is the NHS defined benefits pension scheme and contributions are made for all eligible employees who choose to opt into the scheme. The assets of the scheme are held separately from those of the Trust. The annual contributions payable is charged to the statement of financial activities.

The NHS Pension Scheme is a multi-employer defined benefit scheme administered for the benefit of NHS staff, practitioners and practice and approved employer staff. Past and present employees are covered by the provisions of the NHS Pension Scheme. Members of the Scheme accrue an index linked pension based on either their final salary or reckonable pay per year of membership, depending upon the section of the Scheme to which they belong. Additional benefits include a lump sum on retirement, continued (reduced) pensions for a spouse on the death of the member and benefits for dependents on death or permanent incapacity in service. The Trust are unable to confirm the Trust's share of the underlying assets and liabilities of the NHS Pension Scheme and, therefore, the Scheme is accounted for as a defined contribution scheme.

The NHS Pension Scheme provides that in the event that a single employer has individuals contributing to the Scheme then any remaining liability for benefits payable under the Scheme falls on that employer. Since the main participating employers are NHS Trusts, the Trustees consider it highly improbable that such a liability will ever fall to the Trust. The most recent 2016 scheme valuation identified the need to increase the employer contributions from 14.3% to 20.6% from 1 April 2019. Employers are also required to pay a scheme administration levy of 0.08% of pensionable pay, bringing the total contribution due from employers to £20.68%. For the 2019-20 and 2020-21 scheme years, employers are responsible for paying 14.38% of contributions, with the remaining 6.3% being funded centrally. The Trust made employer's contributions of £48,323 in the year (2020: £43,257). The Trustees are satisfied that the ongoing employer's contributions can be budgeted for without detriment to the Trust's ongoing activities.

Under the terms of auto enrolment, the Trust also makes contributions into a defined contribution scheme for all qualifying staff. This scheme is operated for all qualifying staff who choose to opt into the scheme. The employer's contribution rate varies between 2% and 8%.

The total pension contributions made by the Trust in the year amounted to £62,800 (2020: £60,152). An amount of £54 (2020: £54) was due to pension providers at the year end.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Donations				
Donations	26,258	12,497	38,755	35,243
Gift aid donations	21,004	–	21,004	17,088
Legacies				
Legacies received	17,000	–	17,000	–
	<u>64,262</u>	<u>12,497</u>	<u>76,759</u>	<u>52,331</u>

3. INCOME FROM THE OPERATION OF TETBURY HOSPITAL

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Outpatients	617,368	617,368	1,086,199
Day surgery	1,029,160	1,029,160	1,294,547
Minor injuries	71,500	71,500	169,094
Block funding from BSWCCG, GCCG & NHS England	957,963	957,963	–
Contributions from Gloucestershire CCG towards COVID-19 costs	23,842	23,842	–
Contributions from GHNHSFT relating to staff secondment	19,623	19,623	–
Government furlough funding	84,333	84,333	–
Other	4,293	4,293	25,299
	<u>2,808,082</u>	<u>2,808,082</u>	<u>2,575,139</u>

4. FUNDRAISING AND RENTAL INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Fundraising events income	58,541	–	58,541	23,173
Rents from subletting	66,917	–	66,917	66,917
	<u>125,458</u>	<u>–</u>	<u>125,458</u>	<u>90,090</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Investment income received	1,014	1,014	27,181
Bank interest receivable	543	543	3,356
	<u>1,557</u>	<u>1,557</u>	<u>30,537</u>

**TETBURY HOSPITAL TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Healthcare professionals & nursing £	Depreciation and profit on disposal £	Other costs £	Total 2021 £	Total 2020 £
Fundraising	–	–	7,983	7,983	8,971
Subletting	–	17,226	14,891	32,117	32,461
Investment management fees	–	–	1,343	1,343	–
Charitable activities:					
Outpatients	501,187	51,271	483,452	1,035,910	1,284,616
Day surgery	664,317	95,379	773,546	1,533,242	1,431,402
Minor injuries	108,596	11,609	75,895	196,100	161,982
Other	–	–	–	–	31,690
	<u>1,274,100</u>	<u>158,259</u>	<u>1,332,893</u>	<u>2,765,252</u>	<u>2,909,690</u>
	<u>1,274,100</u>	<u>175,485</u>	<u>1,357,110</u>	<u>2,806,695</u>	<u>2,951,122</u>

7. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2021 £	2020 £
Depreciation and profit or loss on disposals	175,485	191,954
Auditors' remuneration:		
- audit of the financial statements	9,900	7,760
- other services	–	2,000
	<u>9,900</u>	<u>2,000</u>

8. OPERATING LEASES

At the year end the Trust had the following obligations under future minimum lease payments under non-cancellable operating leases:

	2021 £	2020 £
Payments due:		
Not later than one year	1,848	4,223
Later than one year and not later than five years	5,544	462
	<u>1,848</u>	<u>4,223</u>
	<u>5,544</u>	<u>462</u>

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

9. ANALYSIS OF STAFF COSTS AND EMOLUMENTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Total staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	1,078,803	1,037,014
Social security costs	85,044	77,529
Other pension costs	62,800	59,849
	<u>1,226,647</u>	<u>1,174,392</u>

Total staff costs increased in 2020/21 compared to the previous year because a consultant, who had previously worked for the Hospital on a self-employed basis, was employed by the Hospital for a full year during this year but only for part of the year in 2019/20.

The key management personnel of the Trust, as previously stated in the Trustees' Report, comprise of the Trustees, the Executive Team and Senior Management Team. The total remuneration of the key management personnel of the Trust was £297,408 (2020: £296,213).

The number of employees whose remuneration for the year fell within the following bands, were:

	2021	2020
	No	No
£90,000 to £99,999	1	1
£150,000 to £159,999	1	-
	<u>1</u>	<u>1</u>

This remuneration includes an employer's pension contribution of £12,892 (2020: £11,817) made by the Trust on behalf of these employees during the year.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

10. STAFF NUMBERS

The average number of employees and workers during the year, calculated based on full-time equivalents, was as follows:

	2021	2020
	No	No
Number of employed consultants and nursing staff	13	12
Number of management, administrative and estate support	17	17
	<u>30</u>	<u>29</u>

The average number of employees and workers during the year, on a per head basis, was as follows:

	2021	2020
	No	No
Number of employed consultants and nursing staff	25	26
Number of management, administrative and estate support	32	32
	<u>57</u>	<u>58</u>

64 consultants and Allied Healthcare Professionals (AHPs) currently hold practising privileges at the Hospital and are classified as contractors.

The Trustees were not paid or in receipt of other benefits from employment with the Trust (2020: nil). No Trustee received payment for professional or other services supplied to the Trust (2020: nil).

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

11. PREVIOUS YEAR FUND ACCOUNTING COMPARATIVES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
INCOME				
Donations & legacies	38,116	14,215	–	52,331
<i>Income from charitable activities</i>				
Operation of Tetbury Hospital	2,575,139	–	–	2,575,139
<i>Income from other trading activities:</i>				
Fundraising & rental income	90,090	–	–	90,090
Investment income	30,537	–	–	30,537
TOTAL INCOME	2,733,882	14,215	–	2,748,097
EXPENDITURE				
<i>Expenditure on raising funds:</i>				
Fundraising costs	7,231	1,740	–	8,971
Subletting costs	32,461	–	–	32,461
<i>Expenditure on charitable activities</i>				
Operation of Tetbury Hospital	2,906,690	–	3,000	2,909,690
TOTAL EXPENSES	2,946,382	1,740	3,000	2,951,122
Net (expenditure)/income before investment results	12,475	(3,000)	(203,025)	(111,275)
Net (loss)/gain on investments	–	–	(126,277)	(126,277)
TOTAL (EXPENDITURE)/ INCOME	(212,500)	12,475	(129,277)	(329,302)
TRANSFERS BETWEEN FUNDS	9,087	(12,087)	3,000	–
NET MOVEMENT IN FUNDS	(203,413)	388	(126,277)	(326,302)
RECONCILIATION OF FUNDS				
Total funds brought forward	2,466,705	612	962,658	3,429,975
TOTAL FUNDS CARRIED FORWARD	2,263,292	1,000	836,381	3,100,673

**TETBURY HOSPITAL TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

12. TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Property improve- ments £	Fixtures & fittings £	Medical & office equipment £	Total £
COST						
At 1 April 2020	80,000	153,480	2,325,167	415,523	1,190,018	4,164,188
Additions	–	–	–	2,960	29,256	32,216
Disposals	–	–	–	–	(8,519)	(8,519)
At 31 March 2021	80,000	153,480	2,325,167	418,483	1,210,755	4,187,885
DEPRECIATION						
At 1 April 2020	–	47,983	802,204	336,584	939,206	2,125,977
Charge for the year	–	3,070	60,730	36,500	75,185	175,485
Write back on disposals	–	–	–	–	(8,519)	(8,519)
At 31 March 2021	–	51,053	862,934	373,084	1,005,872	2,292,943
NET BOOK VALUE						
At 31 March 2021	80,000	102,427	1,462,233	45,399	204,883	1,894,942
At 31 March 2020	80,000	105,497	1,522,963	78,939	250,812	2,038,211

The tangible fixed assets are all used for the charitable purposes of the Trust. In the Trustees' opinion, there have been no events or circumstances which indicate that the carrying value of fixed assets may have been impaired.

13. INVESTMENTS

Movement in market value

	2021 £	2020 £
Market value at 1 April	–	590,273
Additions during the year	664,000	–
Dividend income received rolled into portfolio	836	–
Disposals during the year	–	(463,996)
Investment management fees withdrawn from portfolio	(1,343)	–
Realised/unrealised losses in the year	(6,607)	(126,277)
Market value at 31 March	656,886	–
Historical cost at 31 March	664,836	–

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

13. INVESTMENTS (continued)

Towards the end of last year end the Trustees decided to liquidate the investment portfolio and move the funds into cash reserves as a result of cash flow concerns and the future economic uncertainty arising from the global crisis relating to COVID-19. The Trustees agreed to re-invest these and other previously liquidated funds once they felt stability had been regained. The annual £3,000 transfer from unrestricted funds to endowment funds to cover the depreciation charge relating to a fixed asset held in endowment funds is currently held in cash and now forms part of the net current assets held by this fund at the end of the year (see note 20).

14. DEBTORS

	2021	2020
	£	£
Trade debtors	216,275	334,778
Prepayments and accrued income	241,205	228,220
	<u>457,480</u>	<u>562,998</u>

15. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	270,296	235,946
PAYE and social security	38,071	21,200
Other creditors and accruals	319,930	162,950
Deferred income	11,148	–
	<u>639,445</u>	<u>420,096</u>

Deferred income relates to fees received from private patients in advance of their treatment.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

16. FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure:		
Investments	656,886	–
Financial assets measured at amortised cost:		
Trade debtors	216,275	334,778
Cash at bank and in hand	864,364	873,758
Accrued income	64,768	466
	<u>1,802,293</u>	<u>1,217,462</u>
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade creditors	270,296	235,946
Accruals	319,930	162,950
	<u>590,226</u>	<u>398,896</u>

17. ENDOWMENT FUNDS

	Balance at 1 April 2020 £	Outgoing resources £	Realised loss in the year £	Transfers £	Balance at 31 March 2021 £
Permanent endowment funds	<u>836,381</u>	<u>(4,343)</u>	<u>(6,607)</u>	<u>3,000</u>	<u>828,431</u>

The Tetbury Hospital permanent endowment funds were created from the proceeds of a public appeal in 1992 to ensure that the Hospital would remain financially sound and be preserved for generations to come. The funds must be permanently held by the Trust while income arising on it must be used by the Trust to operate the Hospital. Any capital gains or losses arising on the investments form part of the funds.

In 2004 the Trust utilised part of the permanent endowment funds to purchase the freehold land and buildings. The total purchase cost of this freehold land and buildings amounted to £229,185. Of this cost, £80,000 related to freehold land and the remaining £149,185 related to freehold buildings. The freehold buildings are depreciated on a straight-line basis over a period of 50 years which amounts to an annual charge of £3,000. The Trustees have agreed that the same sum of money will be transferred, each year, from unrestricted funds to endowment funds to fairly adjust for the reduction in the value of the freehold building held by the endowment funds.

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

18. RESTRICTED FUNDS

	Balance at 1 Apr 2020 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2021 £
Coventry Building Society:					
Ophthalmology chair	1,000	–	–	–	1,000
Thermometers	–	250	(250)	–	–
Bench	–	300	(300)	–	–
Laptops	–	1,100	–	(1,100)	–
Tetbury Lions:					
Defibrillators	–	4,537	–	(4,537)	–
Tetbury Feoffees					
Vital signs monitor	–	500	(500)	–	–
Florence Cohen Trust					
Auto-refractor	–	3,500	–	(3,500)	–
Jack Lane Trust					
Instrument trays	–	2,000	(2,000)	–	–
M Robinson					
Staff chocolates	–	10	(10)	–	–
Audi (Tetbury)	–	300	–	(300)	–
Bench					
	<u>1,000</u>	<u>12,497</u>	<u>(3,060)</u>	<u>(9,437)</u>	<u>1,000</u>

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

19. UNRESTRICTED FUNDS

	Balance at 1 Apr 2020 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2021 £
Fixed Asset designated fund	1,871,826	–	–	(140,269)	1,731,557
Deferred Expenditure designated fund	–	–	–	180,000	180,000
Free reserves	391,466	2,999,359	(2,799,292)	(33,294)	558,239
	<u>2,263,292</u>	<u>2,999,359</u>	<u>(2,799,292)</u>	<u>6,437</u>	<u>2,469,796</u>

The Fixed Asset designated fund represents the fixed assets of the Trust, except for the freehold land and buildings held by the endowment funds.

The Deferred Expenditure designated fund represents some of the larger items of expenditure originally planned for 2020/21 but deferred as a matter of prudence due to the COVID-19 pandemic. The expenditure identified and ear-marked within this fund is as follows:

New patient administration system (PAS) - £50k
Essential roof repairs - £80k
Initial costs relating to the refurbishment of the Minor Injury Unit - £50k

The Free reserves represent the unrestricted funds of the Trust that are not represented by fixed assets or designated for a specific purpose. The net balance of the fund transfers within the unrestricted funds balances out to £6,437 which is explained below:

Transfer to endowment funds to replace asset value lost through depreciation	£ (3,000)
Funds transferred from restricted funds after meeting restriction conditions	9,437
	<u>6,437</u>

TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

AS AT 31 MARCH 2021

	Tangible fixed assets £	Investments £	Net current assets/ (liabilities) £	Total £
Permanent endowment funds	<u>163,385</u>	<u>656,886</u>	<u>8,160</u>	<u>828,431</u>
Restricted funds	<u>–</u>	<u>–</u>	<u>1,000</u>	<u>1,000</u>
Unrestricted funds				
Fixed Asset designated fund	1,731,557	–	–	1,731,557
Deferred Expenditure designated fund	–	–	180,000	180,000
Free reserves	–	–	558,239	558,239
	<u>1,731,557</u>	<u>–</u>	<u>738,239</u>	<u>2,469,796</u>
Total funds	<u>1,894,942</u>	<u>656,886</u>	<u>743,399</u>	<u>3,299,227</u>

AS AT 31 MARCH 2020

	Tangible fixed assets £	Investments £	Net current assets/ (liabilities) £	Total £
Permanent endowment funds	<u>166,385</u>	<u>–</u>	<u>669,996</u>	<u>836,381</u>
Restricted funds	<u>–</u>	<u>–</u>	<u>1,000</u>	<u>1,000</u>
Unrestricted funds				
Fixed asset designated fund	1,871,826	–	–	1,871,826
Free reserves	–	–	391,466	391,466
	<u>1,871,826</u>	<u>–</u>	<u>391,466</u>	<u>2,263,292</u>
Total funds	<u>2,038,211</u>	<u>–</u>	<u>1,062,462</u>	<u>3,100,673</u>

**TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Continuing activities		
Net movement in funds	198,554	(329,302)
Deduct investment income	(1,014)	(27,181)
Add back depreciation of tangible fixed assets	175,485	198,094
Deduct profit on disposal of assets	–	(6,140)
Deduct bank interest receivable	(543)	(3,356)
Add back losses on investments	6,607	126,277
Decrease in debtors	105,518	40,477
Increase in stock	(19,198)	–
Increase/(decrease) in creditors	219,349	(127,692)
Net cash inflow/(outflow) from operating activities	684,758	(128,823)

22. LIMITED BY GUARANTEE

The Trust does not have any share capital having been incorporated under guarantee. In the event of an insolvent winding up the liability of the Members is limited to £1 each.

23. RELATED PARTY DISCLOSURE

Donations were made to the Trust by some Trustees, but the amounts involved were not material to either the Trust or the Trustee.

The husband of one of the Hospital's former matrons is a private GP who provides services to the Hospital. The fees charged to the Hospital were not material to either the GP or the Trust.

The wife of the Hospital's Medical Director is a GP who provides medical services to the Hospital in the form of day surgery procedures, outpatient consultations and private GP consultations. The fees charged to the Hospital were not material to the GP or the Trust.

24. CAPITAL COMMITMENTS

At the year end the Trust had no commitments relating to any future capital expenditure (2020: nil).