

TETBURY HOSPITAL TRUST LIMITED
COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022



Annual
Report &
Financial
Statements
for the year
ended
31 March
2022

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 2022



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

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

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

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2022

I am pleased to report that the year to 31 March 2022 can be judged a success in all aspects of our operations. As the pandemic receded, all our major lines of business were up and running throughout the year - after over 18 months of either closure or partial operation. Everyone involved in delivering our services - clinical staff, administrative staff, facilities managers and volunteers - had to redouble their efforts as patient numbers rebuilt to pre-pandemic levels. I'm proud to say they did this, and more. Patient attendance numbers reached record highs and this is detailed in the table below, broken down by departments:

The patient attendance numbers are shown in the table below:

	2022	2021
Minor injuries	2,236	1,792
Outpatients and radiology	16,095	10,182
Day surgery	2,216	976
Total	<u>16,391</u>	<u>12,950</u>

We are pleased to be playing our part in the post pandemic recovery plans of our major NHS partners, primarily the commissioning groups but also primary and acute care providers. Our role in the provision of first-class healthcare services across a wide range of specialisations to our local communities has never been more vital. We expect the current level of activity to continue well into the forecastable future. I am particularly pleased that we are now able to treat illness as well as injury and that from 1 April 2022 our Minor Injuries Unit (MIU) was commissioned as a Minor Injuries and Illness Unit (MIIU). There has been a considerable increase in the clinics offered by consultants in Outpatients Department. We are also hosting a wider range than ever of specialities in our Day Surgery Unit, which is currently attaining a near 100% utilisation rate.

The Trust's financial results are summarised in the table below:

	2022	2021
	£	£
Net Hospital surplus, including rental income, before depreciation	281,175	117,635
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	(147,545)	(175,485)
Net Hospital surplus	133,630	69,948
Net income from The Friends of Tetbury Hospital fundraising	7,226	56,897
Donations and legacies received	91,914	76,759
Investment and other income	5,042	1,557
Overall surplus before investment gains or losses	<u>237,812</u>	<u>205,161</u>

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

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2022

The Hospital's net operating surplus improved very significantly, despite the withdrawal of much of the pandemic related support received during the previous year. The overall surplus was, yet again, boosted by very generous support via donations, legacies and from fundraising.

In April 2022 our CEO for the past 8 years, Zena Dalton, left us for a senior position at another healthcare provider. Zena led our organisation with distinction during her time as CEO, never more so than during the early stages of the pandemic when decisions had to be made at breakneck speed. She left with the thanks and best wishes of all staff and Trustees. I'm pleased to say that we have already welcomed Laura Williams as our new CEO.

Several major significant spending projects, totalling circa £250,000 have been approved by the Board for delivery during the financial year 2022/23. Mostly these are essential mechanical and engineering works that cannot be deferred. The planned capital spending projects on upgrading our exterior walkways and the Minor Injuries and Illness Unit are still under active review but more likely for delivery in the financial year 2023/24. We are still forecasting an operating surplus for the current year, even after this heavy expenditure programme, albeit at a lower level than in 2021/22. Fundraising will remain a central plank in our business strategy to supplement our operating businesses.

I am also particularly pleased to be able to say that the Board has recently learnt that following an inspection by the Care Quality Commission, Tetbury Hospital has been rated as 'Good' in relation to all of the following criteria:

- Are services safe?
- Are services effective?
- Are services caring?
- Are services responsive to peoples' needs?
- Are services well-led?

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**

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 MARCH 2022

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 4
Mrs L Kunzler (resigned 17 January 2022)
Mrs K Landale 1,5
Mrs T Lochery
Mr J Lodwick (Chairman) 1, 2, 3, 4, 5, 6
Mr A Pooley 1
Mr R Turnor 2, 5
Mrs L Wall (appointed 22 February 2022) 1
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
Workforce and Wellbeing Committee (4)	Chairman	Mrs K Callaghan
Friends Committee (5)	Chairman	Mrs K Landale

Not chaired by Trustees:

Medical Advisory Committee (6)	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 2022

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 (resigned 9 May 2022)
Ms L Williams	Chief Executive (appointed 16 May 2022)
Mr M Rigby	Medical Director
Mrs S Taylor	Matron

Ms L Williams 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:

Mr R Hunt	Management Accountant
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
10 Temple Back
Bristol
BS1 6FL

Bankers

Lloyds Bank
14 Castle Street
Cirencester
Gloucestershire
GL7 1QJ

Investment managers

Evelyn Partners
45 Gresham Street
London
EC2V 7BG

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 2022

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 2022 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.

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

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustee Induction and Training

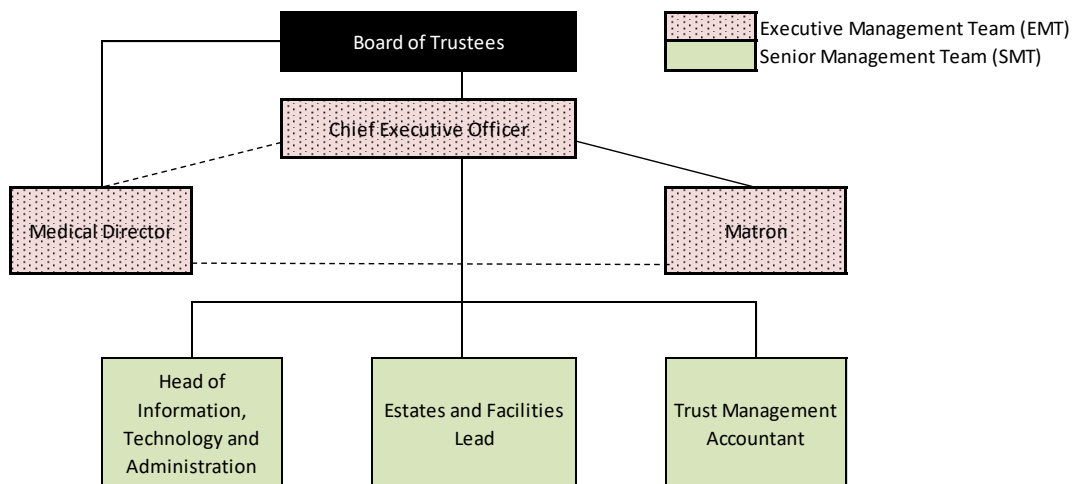
Existing Trustees are already familiar with the practical work of the Trust. New Trustees are fully briefed by the Chairman and the Chief Executive and are given a guided tour of the Hospital by the Chief Executive. They are also provided with relevant Charity Commission and Care Quality Commission publications. 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 5 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 2022

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. 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.

In order to make employment by the Trust more attractive to present and future staff in a very competitive market, a staff bonus scheme was introduced in the year to 31 March 2022 and the accounts for this year include a provisional bonus accrual of £16k which will be shared by all staff on a pro-rata basis.

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. The Hospital Quality Committee is chaired by the Chief Executive and reports to the Medical Advisory 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 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk Management (continued)

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 attendances 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 illness and 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
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TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Throughout the past year, the Trust has played a key role within the Gloucestershire and Wiltshire health system by supporting the NHS to address the elective backlog. This is one of the key strengths of Tetbury Hospital Trust as we operate an efficient day surgery unit which hosts a wide variety of specialities offering patient's the choice to choose Tetbury for their NHS surgery. This has seen the Hospitals activity continue to increase and has attracted a number of additional Consultants that have requested practice privileges at the Trust. In addition to supporting the NHS with the elective backlog, the Hospital has been working hard to bring down wait times to pre-pandemic levels. The Hospital has brought down the wait time for cataract surgery to 10 weeks from first appointment to surgery which is significantly less than other providers across the county and beyond. Due to the significant increase in activity, the Trust is now looking to run additional activity from our procedure room to continue supporting the NHS and ensuring that patients receive the care they need at the right time.

Whilst the Hospital has been busy delivering NHS services, we've also been working hard to implement the learning received from our CQC inspection in 2016. The Hospital is very proud to have been awarded 'Good' following our recent re-inspection which had been delayed due to Covid. We are proud to deliver personalised, patient-centred and high-quality care to all those that access our services at Tetbury Hospital. Our values are highly regarded by patients and are regularly commended in our patient feedback. We are excited by the year ahead and continue to be a strong partner in the Gloucestershire health and care system. We value patient feedback and are planning a series of community engagement events to ensure that we continue to offer services that are valued by the local community.

Patient attendances during the year were:

	2022	2021	
Minor Injuries	2,236	1,792	↑25%
Outpatients & Radiology	16,391	10,182	↑61%
Day Surgery	2,216	976	↑127%

Departmental Performance

Day Surgery Unit

The Day Surgery Unit (DSU) hosts a range of specialities including ophthalmic, general and gynaecology surgery. The past year has seen an increase in Theatre activity which now regularly attains a 100% utilisation. Whilst this demonstrates that we are highly valued and utilised, we are always exploring ways to improve by moving some specialties with appropriate patient surgical cases into the Procedure Room to release some further capacity in our Theatre. By reviewing our efficiency and utilisation, we have been able to offer additional services including hernia repair and vasectomy. These are procedures which have significant wait times in the NHS and we are proud to offer good access and wait times to patients requiring these services.

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

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

Departmental Performance (continued)

Day Surgery Unit (continued)

DSU has benefited from a new smoke extractor system in the operating theatre to protect staff from surgical plume and we have also increased our instrumentation to accommodate the additional throughput of patients. We have an excellent reputation amongst our visiting Consultant body who continue to recommend us to colleagues who have requested to increase the time they spend at Tetbury Hospital. Our well-equipped unit has up to date equipment, which is another reason that Consultants and Clinicians enjoy working at Tetbury Hospital Trust.

Minor Injuries

The Minor Injuries Unit (MIU) accepts walk-in patients to the service and continues to deliver valued emergency care to our local community and surrounding area. The service is nurse led and is staffed by experienced and highly skilled Emergency Nurse Practitioners (ENPs).

MIU is a highly valued service by the local community and we are now able to see illness in addition to injury now that the MIU has been commissioned as a Minor Injuries and Illness Unit (MIIU) since 1 April 2022. The service accepts walk in patients and direct booked appointments from NHS 111 with the aim of reducing the pressure on primary care and acute services across Gloucestershire. As part of our improvement plans, the Unit is due to be refurbished to increase capacity in our patient areas and provide a separate adult and child waiting room. There are also plans to review extended opening hours and provide a weekend service due to the increase in demand.

We saw a significant increase in attendances during 2021/2022 and welcomed two triage nurses to work alongside ENPs to manage the increase in attendances and in preparation for becoming an MIIU.

Imaging

The Trust continues to deliver first class diagnostic services for hospital patients and local GPs on a near full-time basis.

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

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

Departmental Performance (continued)

Outpatients

The Trust has seen a considerable increase in attendances through our outpatient department during the financial year under review. The Trust has welcomed new Consultants to run additional clinics including offering ECG monitoring as part of our cardiac services. This is supporting Gloucestershire Hospitals Trust by offering additional clinics to clear their backlog following the ongoing health crisis. The Trust has launched a nurse-led Zio patch clinic which provides the latest technology in cardiac monitoring with minimal disruption to patients' lives by providing accurate diagnostic data.

More of our Consultants are choosing Tetbury as a location for both NHS work and private work and the Trust has been approached by an ENT Consultant wanting to offer a smell clinic in response to individuals experiencing long-Covid symptoms. We continue to review the specialities offered at Tetbury to maximise patient choice.

FINANCIAL REVIEW

As noted last year, the Trust emerged from the pandemic in a relatively strong position in 2020/21. This was consolidated in 2021/22 with an increase in the net Hospital surplus, including rental income and before depreciation to £281,175 compared with the previous year's surplus of £117,635.

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

	2022	2021
	£	£
Net Hospital surplus, including rental income, before depreciation	281,175	117,635
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	(147,545)	(175,485)
Net Hospital surplus/(deficit)	133,630	69,948
Net income from The Friends of Tetbury Hospital fundraising	7,226	56,897
Donations and legacies received	91,914	76,759
Investment and other income	5,042	1,557
Overall surplus/(deficit) before investment gains or losses	237,812	205,161

**TETBURY HOSPITAL TRUST LIMITED
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TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW (continued)

The importance of the contributions received from fundraising, donations and legacies is evident. Whilst below the level of 2020/21, which was enhanced by the success of the COVID 19 Emergency Appeal, these additional sources of income enabled a total of £65,391 (2021 £33,404) to be spent on new capital assets, including the following:

- Gas fired water heater – to upgrade the system that was struggling to keep up with the demands for hot water
- Mini hysteroscope – for gynaecology examinations
- Hopkins telescopes (various sizes) x 7 with fibre optic light cables – to increase the availability of this equipment allowing the Hospital to see higher volumes of patients requiring laparoscopic procedures
- Diathermy machine - for sealing blood vessels during operations, with a smoke remover to remove the smoke arising from the procedure
- Ultra-view headlight - for the ENT consultants to have a better view of the nose and throat wearing the examination light on their heads
- Swivel arm with light - operating lamp for the procedure room enabling the Hospital to further develop its services

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.

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.

Patient analysis continues to show that the vast majority of patient attendances continue to be NHS patients coming for NHS treatments, with 95% of the total patients NHS compared to 5% private. The income achieved from private patients was 23% of total hospital income. No NHS activity has to be turned away because of a lack of capacity resulting from private activity and as our private patient activity makes a significant contribution to the funding of our services to the NHS, the Board is satisfied that it is in the interests of our community that we should continue to provide these activities in tandem with and in support of our primary NHS-centric activities.

In addition, the Hospital continues to raise funds from alternative sources. Other funding sources include investment income, donations and legacies, rental income from the sub-letting of surplus space and fundraising contributions from events organised by The Friends of Tetbury Hospital. 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.

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

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW (continued)

Principal Funding Sources (continued)

Fundraising and Donations

The Friends of Tetbury Hospital gradually returned to some face-to-face fundraising events in the summer of 2021. These were limited to outdoor garden events as people started to feel safer in social settings. The annual door-to-door collection did not run again in June 2021, due to the ongoing Covid situation. However, the Friends ran a very successful Christmas stall over two weekends in December, that will now become an annual event. The film night at the Dolphins Hall resumed in March and was well attended. We are indebted to the Friends committee for their effort and time, that is given freely, to organise events such as these.

Grants awarded from grant making trusts and foundations helped us to undertake necessary roof repairs and purchase essential medical equipment. Additionally support from local organisations and fundraising by our own clinical team - that included a wing walk and a marathon - have been key in contributing to the income received. Ongoing generous support from individuals in the form of donations and legacies, together with fundraising from the Friends, has achieved a net income of £99,140. We remain, as always, incredibly grateful to our community and donors. Further details of the restricted fund donations made to the Hospital in 2021/22 can be found in note 18 of the accounts.

Investment Policy

The powers to invest surplus funds 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 have invested the Trust's permanent endowment funds in a cautious medium term investment portfolio advised and administered by Smith and Williamson, a leading private client and charity investment adviser.

The income return on investments was 0.75% (2021: .02%) in the year. Further details on investments can be found in note 13.

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 £783,741 (2021: £828,431).

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

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW (continued)

Reserves Policy

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 £1,100 (2021: £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 £2,713,694 (2021: £2,469,796). Of this amount £1,651,948 (2021: £1,731,557) is represented by a fixed asset designated fund, comprising the Trust's premises and other fixed assets. Trustees also agreed to increase the designated fund to £250,000, which represents some of the larger items of expenditure planned for 2022/23. The remaining funds amount to £811,746 (2021: £558,239) 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 2022 was £3,911,262), 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 2022

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: 2 August 2022

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

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

YEAR ENDED 31 MARCH 2022

OPINION

We have audited the financial statements of Tetbury Hospital Trust Limited (the 'charitable company') for the year ended 31 March 2022 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 2022

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 2022

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: 16 August 2022

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

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

YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME						
Donations & legacies	2	40,122	51,792	–	91,914	76,759
<i>Income from charitable activities</i>						
Operation of Tetbury Hospital	3	4,150,963	–	–	4,150,963	2,808,082
<i>Income from other trading activities:</i>						
Fundraising & rental income	4	76,400	–	–	76,400	125,458
Investment income	5	5,042	–	–	5,042	1,557
TOTAL INCOME		4,272,527	51,792	–	4,324,319	3,011,856
EXPENDITURE						
<i>Expenditure on raising funds:</i>						
Fundraising costs	6	15,566	–	–	15,566	7,983
Subletting costs	6	36,611	–	–	36,611	32,117
Investment fees	6	–	–	6,186	6,186	1,343
<i>Expenditure on charitable activities</i>						
Operation of Tetbury Hospital	6	3,978,454	46,690	3,000	4,028,144	2,765,252
TOTAL EXPENSES		4,030,631	46,690	9,186	4,086,507	2,806,695
Net income/(expenditure before investment results		241,896	5,102	(9,186)	237,812	205,161
Net loss on investments		–	–	(38,504)	(38,504)	(6,607)
TOTAL (EXPENDITURE)/ INCOME	7	241,896	5,102	(47,690)	199,308	198,554
TRANSFERS BETWEEN FUNDS		2,002	(5,002)	3,000	–	–
NET MOVEMENT IN FUNDS		243,898	100	(44,690)	199,308	198,554
RECONCILIATION OF FUNDS						
Total funds brought forward		2,469,796	1,000	828,431	3,299,227	3,100,673
TOTAL FUNDS CARRIED FORWARD		2,713,694	1,100	783,741	3,498,535	3,299,227

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 25 to 41, 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 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	12	1,812,333	1,894,942
Investments	13	617,150	656,886
		<u>2,429,483</u>	<u>2,551,828</u>
CURRENT ASSETS			
Stocks		76,500	65,000
Debtors	14	581,943	457,480
Cash at bank and in hand		1,175,423	864,364
		<u>1,833,866</u>	<u>1,368,844</u>
CREDITORS: Amounts falling due within one year	15	<u>(764,814)</u>	<u>(639,445)</u>
NET CURRENT ASSETS		<u>1,069,052</u>	<u>747,399</u>
TOTAL NET ASSETS		<u><u>3,498,535</u></u>	<u><u>3,299,227</u></u>
FUNDS			
Endowment funds	17,20	783,741	828,431
Restricted funds	18,20	1,100	1,000
Unrestricted funds			
Fixed Asset designated fund	19,20	1,651,948	1,731,557
Deferred Expenditure designated fund	19,20	250,000	180,000
Free reserves	19,20	811,746	558,239
TOTAL FUNDS		<u><u>3,498,535</u></u>	<u><u>3,299,227</u></u>

These financial statements were approved by the Board of Trustees and authorised for issue on 2 August 2022 and are signed on their behalf by:

Jeremy Lodwick

**Jeremy Lodwick
Chairman**

The accompanying accounting policies and notes, on pages 25 to 41, form an integral part of these financial statements

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

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	21	369,720	684,758
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received	5	4,954	1,014
Interest received	5	88	543
CASH FLOWS FROM FINANCING ACTIVITIES:			
Expenditure on tangible fixed assets	12	(65,391)	(32,216)
Proceeds on disposal of tangible fixed assets		456	–
Investment management fees withdrawn from portfolio	13	6,186	1,343
Additions to investment portfolio	13	–	(664,000)
Dividend income rolled into investment portfolio	13	(4,954)	(836)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		311,059	(9,394)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		864,364	873,758
CASH AND CASH EQUIVALENTS CARRIED FORWARD		1,175,423	864,364

The accompanying accounting policies and notes, on pages 25 to 41, 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 2022

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

As previously anticipated, the Hospital's ability to return to normal operation and to further increase the level of services has resulted in the Hospital achieving positive results in the year under review. Budgets have been prepared and reviewed by the Trustees for the 2022/23 year ahead which, despite some significant spends on repairs and capital additions, show a positive out-turn with nothing of concern being anticipated that would jeopardise the Trust's status as a going concern. The Trustees consider that the current reserves of the Trust to be robust and this will continue to protect the long-term viability of the Trust. As such, the Trustees believe that the Hospital's financial statements should be prepared on a going concern basis

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 2022

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 2022

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 2022

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 2022

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 were responsible for paying 14.38% of contributions, with the remaining 6.3% being funded centrally. Although it was widely anticipated that there would be a reduction in the centrally funded contribution, no such adjustment has been made and it has been confirmed that this transitional arrangement will continue in 2022-23 as well. The Trust made employer's contributions of £64,320 in the year (2021: £48,323). 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 £81,700 (2021: £62,800). An amount of £38 (2021: £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 2022

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Donations				
Donations	22,339	51,792	74,131	38,755
Gift aid donations	13,783	–	13,783	21,004
Legacies				
Legacies received	4,000	–	4,000	17,000
	<u>40,122</u>	<u>51,792</u>	<u>91,914</u>	<u>76,759</u>

3. INCOME FROM THE OPERATION OF TETBURY HOSPITAL

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Outpatients	1,411,598	1,411,598	617,368
Day surgery	2,560,378	2,560,378	1,029,160
Minor injuries	178,987	178,987	71,500
Block funding from BSWCCG, GCCG & NHS England	–	–	975,963
Contributions from Gloucestershire CCG towards COVID-19 costs	–	–	23,842
Contributions from GHNHSFT relating to staff secondment	–	–	19,623
Government furlough funding	–	–	84,333
Other	–	–	4,293
	<u>4,150,963</u>	<u>4,150,963</u>	<u>2,808,082</u>

4. FUNDRAISING AND RENTAL INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Fundraising events income	8,346	–	8,346	58,541
Rents from subletting	68,054	–	68,054	66,917
	<u>76,400</u>	<u>–</u>	<u>76,400</u>	<u>125,458</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Investment income received	4,954	4,954	1,014
Bank interest receivable	88	88	543
	<u>5,042</u>	<u>5,042</u>	<u>1,557</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Healthcare professionals & nursing £	Direct costs £	Depreciation and profit on disposal £	Allocated support costs £	Total 2022 £	Total 2021 £
Fundraising	–	1,120	–	14,446	15,566	7,983
Subletting	–	–	17,226	19,385	36,611	32,117
Investment management fees	–	6,186	–	–	6,186	1,343
Charitable activities:						
Outpatients	769,852	81,865	41,240	568,705	1,461,662	1,035,910
Day surgery	1,135,167	583,835	79,844	538,985	2,337,831	1,533,242
Minor injuries	127,255	19,329	9,235	72,832	228,651	196,100
	<u>2,032,274</u>	<u>685,029</u>	<u>130,319</u>	<u>1,180,522</u>	<u>4,028,144</u>	<u>2,765,252</u>
	<u>2,032,274</u>	<u>692,335</u>	<u>147,545</u>	<u>1,214,353</u>	<u>4,086,507</u>	<u>2,806,695</u>

7. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2022 £	2021 £
Depreciation and profit or loss on disposals	174,545	175,485
Auditors' remuneration: - audit of the financial statements	<u>11,100</u>	<u>9,900</u>

8. OPERATING LEASES

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

	2022 £	2021 £
Payments due:		
Not later than one year	3,302	1,848
Later than one year and not later than five years	<u>6,552</u>	<u>5,544</u>

**TETBURY HOSPITAL TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

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

Total staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	1,455,566	1,078,803
Social security costs	118,865	85,044
Pension costs	81,700	62,800
	<u>1,656,131</u>	<u>1,226,647</u>

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 £336,554 (2021: £301,754).

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

	2022	2021
	No	No
£90,000 to £99,999	–	1
£100,000 to £109,999	1	–
£150,000 to £159,999	–	1
£200,000 to £209,999	1	–
	<u>–</u>	<u>–</u>

This remuneration includes an employer's pension contribution of £14,682 (2021: £12,892) made by the Trust on behalf of these employees during the year.

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YEAR ENDED 31 MARCH 2022

10. STAFF NUMBERS

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

	2022	2021
	No	No
Number of employed consultants and nursing staff	17	13
Number of management, administrative and estate support	21	17
	<u>38</u>	<u>30</u>

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

	2022	2021
	No	No
Number of employed consultants and nursing staff	33	25
Number of management, administrative and estate support	35	32
	<u>68</u>	<u>57</u>

66 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 (2021: nil). No Trustee received payment for professional or other services supplied to the Trust (2021: nil).

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YEAR ENDED 31 MARCH 2022

11. PREVIOUS YEAR FUND ACCOUNTING COMPARATIVES

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

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YEAR ENDED 31 MARCH 2022

12. TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Property improve- ments £	Fixtures & fittings £	Medical & office equipment £	Total £
COST						
At 1 April 2021	80,000	153,480	2,325,167	418,483	1,210,755	4,187,885
Additions	–	–	–	28,047	37,344	65,391
Disposals	–	–	–	–	(337)	(337)
At 31 March 2022	80,000	153,480	2,325,167	446,530	1,247,762	4,252,939
DEPRECIATION						
At 1 April 2021	–	51,053	862,934	373,084	1,005,872	2,292,943
Charge for the year	–	3,070	60,729	18,363	65,838	148,000
Write back on disposals	–	–	–	–	(337)	(337)
At 31 March 2022	–	54,123	923,663	391,447	1,071,373	2,440,606
NET BOOK VALUE						
At 31 March 2022	80,000	99,357	1,401,504	55,083	176,389	1,812,333
At 31 March 2021	80,000	102,427	1,462,233	45,399	204,883	1,894,942

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

	2022 £	2021 £
Market value at 1 April	656,886	–
Additions during the year	–	664,000
Dividend income received rolled into portfolio	4,954	836
Investment management fees withdrawn from portfolio	(6,186)	(1,343)
Realised/unrealised losses in the year	(38,504)	(6,607)
Market value at 31 March	617,150	656,886
Historical cost at 31 March	669,788	664,836

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YEAR ENDED 31 MARCH 2022

13. INVESTMENTS (continued)

Towards the end of last year end the Board decided to re-invest the previously liquidated funds into a new investment portfolio 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 in respect of both the 2020/21 and 2021/22 years. This amounts to a combined total of £6,000 which now forms part of the net current assets held by the endowment funds at the end of the year (see note 20).

The income received by the endowment portfolio is unrestricted income and since the funds have been re-invested, the income totalling £5,790 has been rolled back into the investment portfolio. This income belongs to unrestricted funds and, therefore, the unrestricted funds now hold part of the investment portfolio (see note 20).

14. DEBTORS

	2022	2021
	£	£
Trade debtors	178,346	216,275
Prepayments and accrued income	403,597	241,205
	<u>581,943</u>	<u>457,480</u>

15. CREDITORS: Amounts falling due within one year

	2022	2020
	£	£
Trade creditors	424,613	270,296
PAYE and social security	37,476	38,071
Other creditors and accruals	275,275	319,930
Deferred income	27,450	11,148
	<u>764,814</u>	<u>639,445</u>

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

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YEAR ENDED 31 MARCH 2022

16. FINANCIAL INSTRUMENTS

	2022	2021
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure:		
Investments	617,150	656,886
Financial assets measured at amortised cost:		
Trade debtors	178,346	216,275
Cash at bank and in hand	1,175,422	864,364
Accrued income	297,589	64,768
	<u>2,268,507</u>	<u>1,802,293</u>
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade creditors	424,613	270,296
Accruals	275,569	319,930
	<u>700,182</u>	<u>590,226</u>

17. ENDOWMENT FUNDS

	Balance at 1 April 2021	Outgoing resources	Realised loss in the year	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Permanent endowment funds	<u>828,431</u>	<u>(9,186)</u>	<u>(38,504)</u>	<u>3,000</u>	<u>783,741</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 belong to the unrestricted funds of the Trust to support the day to day activities of 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
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

18. RESTRICTED FUNDS

	Balance at 1 Apr 2021 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2022 £
Coventry Building Society: <i>Funds originally donated toward ophthalmology chair but subsequently agreed to fund laptops</i>	1,000		–	(1,000)	–
<i>Mobile trolley for a diathermy machine</i>	–	1,100	–	–	1,100
Tetbury Lions: <i>Donation towards a hysteroscope</i>	–	3,002	–	(3,002)	–
Card Factory: <i>Donation towards a Diathermy machine</i>	–	1,000	–	(1,000)	–
The James Dyson Foundation <i>Donation of two fans for outpatients and minor injuries</i>	–	700	(700)	–	–
Hans & Julia Rausing Trust: <i>Donation towards the roof repairs</i>	–	44,000	(44,000)	–	–
Patient donations: <i>M Brooks, ophthalmology</i>	–	100	(100)	–	–
<i>C Giddings, ophthalmology</i>	–	100	(100)	–	–
Employee donations: <i>J Cotterell, various items of equipment for outpatients</i>	–	1,790	(1,790)	–	–
	1,000	51,792	(46,690)	(5,002)	1,100

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YEAR ENDED 31 MARCH 2022

19. UNRESTRICTED FUNDS

	Balance at 1 Apr 2021 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2022 £
Fixed Asset designated fund	1,731,557	–	–	(79,609)	1,651,948
Deferred Expenditure designated fund	180,000	–	–	70,000	250,000
Free reserves	558,239	4,272,527	(4,030,631)	11,611	811,746
	<u>2,469,796</u>	<u>4,272,527</u>	<u>(4,030,631)</u>	<u>2,002</u>	<u>2,713,694</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 planned for 2022/23. The expenditure identified and ear-marked within this fund is as follows:

- Back-up generator and enabling works
- Replacement boilers for plant room
- Control panel for new boilers
- Operating microscope
- New handpieces (DSU)
- UPS system (DSU)
- Bispectral Index Monitor (DSU)
- Phaco machine (DSU)
- Optical urethrotome (DSU)
- Endometrial ablation set (DSU)
- Laparoscopy set (DSU)

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 £2,002 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	5,002
	<u>2,002</u>

TETBURY HOSPITAL TRUST LIMITED
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YEAR ENDED 31 MARCH 2022

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

AS AT 31 MARCH 2022

	Tangible fixed assets £	Investments £	Net current assets/ (liabilities) £	Total £
Permanent endowment funds	<u>160,385</u>	<u>611,360</u>	<u>11,996</u>	<u>783,741</u>
Restricted funds	<u>–</u>	<u>–</u>	<u>1,100</u>	<u>1,100</u>
Unrestricted funds				
Fixed Asset designated fund	1,651,948	–	–	1,651,948
Deferred Expenditure designated fund	–	–	250,000	250,000
Free reserves	–	5,790	805,956	811,746
	<u>1,651,948</u>	<u>5,790</u>	<u>1,061,746</u>	<u>2,713,694</u>
Total funds	<u>1,812,333</u>	<u>617,150</u>	<u>1,069,052</u>	<u>3,498,535</u>

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>

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YEAR ENDED 31 MARCH 2022

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

	2022	2021
	£	£
Continuing activities		
Net movement in funds	199,308	198,554
Deduct investment income	(4,954)	(1,014)
Add back depreciation of tangible fixed assets	148,000	175,485
Deduct profit on disposal of assets	(455)	–
Deduct bank interest receivable	(88)	(543)
Add back losses on investments	38,504	6,607
(Increase)/decrease in debtors	(124,463)	105,518
Increase in stock	(11,500)	(19,198)
Increase/(decrease) in creditors	125,368	219,349
Net cash inflow from operating activities	<u>369,720</u>	<u>684,758</u>

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.

24. CAPITAL COMMITMENTS

At the year end the Trust had no commitments relating to any future capital expenditure (2021: nil).