

NorthCare Charity

Annual report and accounts for the year ended 31st March 2022

Registered charity number 1049226

Principal office: Trust Executive, Stott Lane, Salford M6 8HD

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Report of the Trustee for the year ended 31 March 2022

Foreword

The Corporate Trustee is pleased to present the Charitable Funds Annual Report together with the audited accounts for the year ended 31 March 2022. In this financial year, with thanks to the generosity of the public and organisations that support our Charity, £1,008k of income was received. During the year, £582k was spent by the Charity to complement the services provided by the Foundation Trust.

The Charity's Annual report and accounts have been prepared by the Corporate Trustee in accordance with Part 8 of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. The Charity's Report and Accounts include all the separately established funds for which the Northern Care Alliance NHS Foundation Trust is the sole beneficiary.

Administrative Details

The Corporate Trustee of the Charity is the Northern Care Alliance NHS Foundation Trust (formerly Salford Royal NHS Foundation Trust). The members of the Foundation Trust Board who represented the Corporate Trustee during the year on the Charitable Funds Committee (CFC) were as follows:

Professor Michael Luger	-	Chairman, Northern Care Alliance NHS Foundation Trust
Professor Chris Reilly	-	Non-executive Member
Mrs Christine Mayer CBE	-	Non-executive Member
Dr Hamish Steadman	-	Non-executive Member
Mr Kieran Charleson	-	Non-executive Member and Chair of CFC
Mr Tim Crowley	-	Non-executive Member
Mrs Carmen Drinkwater	-	Non-executive Member

Professional Advisers

The Charity had access to the following professional advisers during the financial year:

Bankers	Government Banking Service c/o
Lloyds Bank PLC	Corporate Services Team
King Street	The Royal Bank of Scotland
Manchester	Government Banking CST
M2 4LQ	2ndFloor, 280 Bishopsgate
	London,
	EC2M 4RB

Investment Fund Managers

Investec Wealth & Investment Limited
2 Gresham Street
London
EC2V 7QN

Statutory Auditors, Chartered Accountants

Mazars
1 St Peters Square
Manchester
M2 3DE

Solicitors

Hill Dickinson
1 St Paul's Square
Old Hall Street
Liverpool
L3 9SJ

RBC Brewin Dolphin Ltd.
1 The Avenue
Spinningfields Square
Manchester
M3 3AP

Salford Royal NHS Foundation Trust General Charitable Fund was registered with the Charity Commission on 15 September 1995. The Charity is a public benefit entity, i.e. an entity whose primary objective is to provide goods or services for community or social benefit and where any income and endowments have been received with a view to supporting the entity's primary objective rather than for a financial return to equity holders.

The Charity formally adopted the name of the NorthCare Charity in November 2020 to reflect the anticipated expansion of the Corporate Trustee to include Fairfield General Hospital, Rochdale Infirmary and the Royal Oldham Hospital.

NorthCare Charity acquired the funds of the former Pennine Acute Hospitals Charity on the 1st October 2021 to mirror the expansion of the Corporate Trustee to include Fairfield General Hospital, Rochdale Infirmary and the Royal Oldham Hospital.

The Charity is constituted of 25 Specific Charities (2020/21: 25) further devolved into 300 Designated Funds (2020/21: 188), including 120 funds transferred from the former Pennine Acute Hospitals Charity. The Charity expects at least one third of the opening balances to be spent within the year and an annual review is carried out to check whether there has been any movement on the funds. Where this has not been the case, we contact the Fund Holders who may agree that the funds be transferred to a similar fund within their directorate; this would then enable them to find a potential use for the funds. No such transfers took place in this year.

Fund Holders can request for funds to be held in their account if they have a specific project they are raising funds for. They are able to do this by applying to the Charitable Funds Committee for approval of the project, timeframe and funding amount.

The notes to the Annual Accounts distinguish the types of funds held and disclose separately all material funds.

Charitable funds received by the Charity are accepted, held and administered as funds and property held on trust for purposes relating to the health service in accordance with the National Health Service Act 1977 and the National Health Service and Community Care Act 1990 and these funds are held on trust by the corporate body.

Trustee

The Northern Care Alliance NHS Foundation Trust (formerly Salford Royal NHS Foundation Trust) is the Corporate Trustee of the Charity governed by the laws applicable to Trusts, principally the Trustees Act 2000 and the Charities Act 2011.

The Foundation Trust's Board of Directors devolved responsibility for the ongoing management of the funds to the Charitable Funds Committee which administers the funds on behalf of the Corporate Trustee. This Committee has its own terms of reference and a membership comprising of all non-executive directors of the Trust Board supported, as required, by: the Chief Finance Officer of the Trust Board; Executive Directors of Finance; Care Organisation Chief Officers and/or Directors of Finance and representatives of the current investment advisors.

The Charitable Funds Committee met four times during the financial year with attendance as follows:

Trust Board Non-Executives and Members of the CFC	Jul-21	Sep-21	Nov-21	Jan-22
Mr Kieran Charleson (Chairman of CFC)	Y	Y	Y	Y
Mr Tim Crowley	Y	Y	N	N
Mrs Carmen Drinkwater	Y	N	N	Y
Professor Michael Luger (Chairman of NCA)	Y	Y	Y	Y
Mrs Christine Mayer CBE	Y	N	Y	N
Dr Chris Reilly	Y	Y	Y	Y
Dr Hamish Stedman	Y	Y	N	Y

The Committee is supported by the Group Head of Financial Control. Representatives of the Investment Fund Managers and the External Audit team attend as required to provide specialist advice, feedback and support.

The Group Head of Financial Control, under a scheme of delegated authority approved by the Corporate Trustee, has responsibility for the management of the Charitable Funds. Delegation of the responsibility for approving expenditure is set out in the Foundation Trust's Standing Orders and the Charitable Expenditure policy.

The Group Financial Accountant acted as the principal officer overseeing the day-to-day financial management of the charitable funds during the year.

Structure, Governance and Management

The Charity's General Fund was established using the NHS Charitable Funds' Model Declaration of Trust and all funds held on trust as at the registration date were either part of that unrestricted fund or registered as separate funds under the main Charity. Subsequent donations and gifts received by the Charity that are attributable to the original funds are added to those fund balances within the existing Charity.

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and by designating funds the Corporate Trustee respects the wishes of the donors.

Where funds have been received with specific restrictions set by the donor a restricted fund is established.

The charitable funds available for spending are allocated to specialties within the Trust's management structure. Each allocation is managed by use of a designated fund within the general unrestricted fund. For example within the general unrestricted fund of General Surgery and Gastroenterology Department Fund there are designated funds that include research and development in surgery, intestinal failure and surgical critical care.

Non-executive members of the Board are appointed by the Council of Governors and Executive Members are subject to recruitment by the Board of Directors. Members of the Board and Charitable Funds Committee are not individual trustees under Charity law but act as agents on behalf of the Corporate Trustee.

Acting for the Corporate Trustee the Charitable Funds Committee is responsible for the overall management of the Charitable Funds. The Committee is required to:

- Control, manage and monitor the use of the fund's resources.
- Ensure that in the conduct of its affairs the Charity fulfils all its legal responsibilities.
- Ensure that the investment policy approved by the Trust Board as Corporate Trustee is adhered to and that performance is continually reviewed whilst being aware of ethical considerations.
- Keep the Trust Board fully informed on the activity, performance and risks of the Charity.

The accounting records and day to day administration of the funds are dealt with by the Finance Department located in Turnpike House, 631 Eccles New Road, Salford, M50 1SY.

Risk Management and reserves policy

The major risks to which the Charity is exposed have been identified and considered. There are systems in place to mitigate those risks. The most significant risks identified are possible losses from the fall in the value of the investments and the level of reserves available to mitigate the impact of such losses. These have been carefully considered and there are procedures in place to regularly review the investment policy and to ensure that both spending and financial commitments remain in line with income.

The Charity's income and expenditure is monitored on a monthly basis to record trends and make recommendations to the Charitable Funds Committee as part of the risk management process.

Fundraising Highlights

In November 2020 the NorthCare Charity brand was launched and through 2021/22 the fundraising team was fully established, web-site launched and new processes were put in place to make the charity more efficient and effective. This included the implementation of a charity database, streamlined financial systems and new charity promotional materials.

With the fundraising team in place we were able to provide support and guidance to our wonderful fundraisers. While online meetings, emails and phone calls were not ideal we were amazed by the drive of people to take on virtual challenges, online quizzes and make donations in the middle of a pandemic. We were very happy when covid restrictions were lifted and we were able to meet our fundraisers and volunteers, many for the first time.



We are incredibly grateful for our volunteer collectors who were able to return to fundraising as outdoor events resumed. The Wild in Art Gratitude project, in partnership with NHS Charities Together, saw 51 uniquely-designed human sculptures go on display for ten days in St Peter's Square, Manchester. The spectacular outdoor public art commemorated and celebrated the stories of key workers during the Covid-19 pandemic. Our collectors were there to receive donations and give out information about the charity.



The return of the Great Manchester Run saw 32 runners taking part for NorthCare, raising over £10,000 with an average raise per runner of over £320. Andy Edmunds was one of the runners who took part and raised funds for the major trauma service at Salford Royal. He was treated on the unit in 2020 when he sustained multiple head, spinal, shoulder, and chest injuries and broke several bones in a freak accident which happened during a lone cycle ride. The father-of-three was heading from his home in Ingham, Lincolnshire, to the Peak District when strong winds blew him off his bike and into the side of the road between Snake Pass and Glossop. Andy has made a good recovery and has more challenges planned.



Nigel, nicknamed 'Super Nige' by his friends, family and fellow runners at Congleton Harriers for his positive outlook on life, took on the 48.6-mile Walt Disney World Dopey Challenge and raised £5,100 for the haematology department that has cared for him over the past decade. Having battled a rare form of leukaemia twice he was reunited with the doctor who 'saved his life' to make his donation.



Businesses got involved by making donations of money, time and expertise. Funding worth £5,000 through gift in kind by J.Parker's enabled the full refurbishment of the outside spaces at The Maples care home. The home cares for patients with long-term neurological conditions (brain and spinal). The garden was transformed from an unusable concrete jungle to a beautiful Japanese inspired garden which gives staff and patients a beautiful interactive space.



The fundraising team forged strong links with NHS Charities Together who provide grants predominantly towards staff and patient wellbeing. Funds received by the the charity in previous years were put towards projects across Bury, Oldham, Salford and Rochdale. These included bariatric scooters to help patients attending appointments to move across our sites, creating wellbeing spaces within staff areas and enhancing our worship areas.



Our 'Care this Christmas' campaign to give a gift to every patient on Christmas day grew in 2021. Pretty Little Thing donated £1,500, BAM construction filled 50 bags with goodies for our maternity wards, Brass Knuckle Riders donated children's toys, students from Blue Coat School in Oldham raised money to create wonderful hampers for Royal Oldham Hospital and one of our youngest supporters, Freya, raised money to buy 70 selection boxes for our children's emergency care unit.



Objectives and Strategy

The Charity's main fund has NHS wide objectives as follows:

'The Trustee shall hold the trust fund upon trust to apply the income, and at their discretion, so far as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service'.

This is explained in more detail in the aims of the Charity approved by the Corporate Trustee which are:

To enhance the services provided by the Northern Care Alliance NHS Foundation Trust by:

- Providing support for staff education and training.
- Improving the environment for patients and staff.
- Providing benefits for the welfare of patients and staff.
- Providing health education for patients.
- Supporting the advancement of independent scientific and medical research on topics related to sickness and disease.

Ensuring that:

- All laws and regulations governing the acceptance and use of charitable funds are complied with.
- All specific donations are used for the purpose given.
- All general donations are used for the maximum benefit of the Trust, its staff and its patients.

The Trustee has due regard to the Charity Commission guidance on public benefit when reviewing and confirming these objectives.

During the year the funds continued to support a wide range of activities benefiting both patients and staff. In general they are used to purchase goods and services that go beyond the scope of the NHS. For example, during the year, the charitable funds were used to purchase specialist equipment and to improve the patient experience. The Charity's funds also help to advance education and training of staff by providing assistance for the costs of attendance at courses and conferences. The funds are also used to support medical research with an aim to promote health and improve treatment and care for patients.

Grants

Grants are normally made from the Charity's unrestricted funds – these comprise of two elements:

- The General Fund which is constituted from gifts received by the Charity where the donor has expressed no particular preference as to its expenditure. The fund is overseen by the Chief Executive with delegated authority passed to the Charitable Funds Committee and is targeted at areas and projects where there are no available Designated Funds.
- Designated Funds are funds where the donor has expressed a preference as to which ward or department the gift should benefit. Whilst this preference is not binding on the Corporate Trustee the Designated Funds reflect the nomination. The Designated Funds are overseen by the Head of Fundraising, in conjunction with Fund Holders working in the designated ward or department who make recommendations on how the money should be spent in their area. Fund Holders recommendations are generally accepted provided they meet the Charity's objects and these funds can be spent at any time.

Reserves Policy

The Charity maintains a policy which states that each fund should spend at least one third of its opening balances in the year unless there is an approved policy to hold balances for future use. The Corporate Trustee's strategy is to credit investment income to those funds that have met this criterion during the financial year with any undistributed investment income being held in the Specific Donations General Fund. During the year there was investment income of £110k (2020/21: £98k) and £173k net gains (realised and unrealised) on investments (2020/21: net gains of £760k). At 31st March 2022 there were no future commitments held against the Specific Donations General Fund.

The Trustee calculates the free reserves as that part of the Charity's unrestricted income funds that is freely available after taking into account designated funds which have been earmarked for specific purposes. The reserves currently stand at £2,655k and are calculated as follows:

	£000s
Total unrestricted funds	6,255
Less designated funds	<u>(3,600)</u>
Total free reserves	<u>2,655</u>

Designated funds are service specific and considered to be committed. The remaining General Fund is available as free reserves.

The Trustee intends that designated funds are spent within a reasonable period of receipt. The Trustee foresees a need only to maintain reserves as follows:

	£000s
Provision for 1 year normal charitable expenditure	343
3 months management and administration costs	<u>59</u>
Total reserve requirement	<u>402</u>

Available reserves exceed the requirement by £2,253k. The position is kept under review by the Committee during the year.

The Trustee continues to review the balances held in designated funds to determine whether these funds are likely to be committed in the near future and the extent to which there is a continuing need identified for any particular designated fund(s). In the event that the need identified for any designated funds no longer exists, those funds will be redirected to the general fund.

This policy is reviewed each year.

Future Plans

The main aim of the Charity is to help the Northern Care Alliance deliver outstanding care across Bury, Oldham, Rochdale and Salford by funding innovative equipment, education, research and wellbeing support. It aims to enhance the services and experience of patients and staff across the Northern Care Alliance, beyond the scope of the NHS.

NorthCare charity has developed a strategy that covers the period 2020/21 to 2024/25 and combines a place-based approach and a focus on specialist services. The strategy sets out charitable income targets for the five-year period, the investment required to establish a dedicated fundraising function and how the strategy will be mobilised.

The Charity will continue to closely review the performance of its investments and the impact of the on-going war in Ukraine and other market pressures.

Financial Review

The annual accounts for the Charity for 2021/22 include comparator financial information for the previous financial year.

The net assets of the Charitable Funds as at 31 March 2022 were £7.2 million (2020/21: £4.7million). The overall increase in net assets of £2,499k is largely attributable to the acquisition of funds from the former Pennine Acute Hospitals Charity of £1,900k (recognised as a Gift in the accounts), other income for the year of £1,008k and gains on investments of £173k, partially offset by expenditure of £582k.

Income

The Charity continues to rely on donations and investment income for its main source of funding. Donations and legacies account for 89% of the Charity's 2021/22 income with investment income making up 11%.

Overall income for the year increased from £717k to £2,908k compared to 2020/21. £1,900k of this relates to the acquisition of the funds of the Pennine Acute Hospitals Charity. The Charity received income of £234k from legacies in 2021/22 (2020/21 £97k).

The financial year saw initial increased stability in the world's economies following recovery from COVID-19 with instability returning in the early part of 2022 due to the war in Ukraine. Subsequently the investment income earned during the year (£110k) was slightly higher (12%) than that received in the previous year 2020/21 (£98k).

Expenditure

The Charity's total expenditure for 2021/22 was £582k, a decrease of £1,544k on the expenditure reported in the previous financial year. The main reason for the decrease in expenditure is due to the purchase of a surgical robot for £1,600k in the previous financial year.

Medical Research

£47k was spent from the research funds during the year, a decrease from £67k in 2020/21. £35k related to the Trust's annual management charge for administering the research funds.

Purchase of Equipment

Expenditure decreased significantly in the financial year (£19k) compared to the previous year (£1,691k), largely due to the purchase of the surgical robot £1,600k in the previous financial year.

Staff Education and Welfare

The Charity incurred expenditure of £112k on staff education and welfare in 2021/22, a significant increase from 2020/21 where expenditure was £33k. Providing access to training and development for staff beyond mandatory requirements gives opportunities for staff to establish wider professional networks, to receive training and development from leading individuals working in their chosen specialty and promotes better, safer care for patients. The Charity purchased furniture and equipment to enhance staff areas to provide access to wellbeing spaces both inside and outside.

Patient education and welfare

The Charity incurred expenditure of £156k (2020/21 £139k) in enhancing the patient education and welfare.

Management Costs

The Charity has no directly employed staff and relies on the Trust to provide administrative and financial services for which it received a charge of £35k in the current financial year (2020/21 £35k). The service includes the day-to-day management of the funds and the preparation of all statutory reports and returns. All funds held for the purposes of research have been charged a fair share of the management charge reflecting the resource required to administer these funds. These costs have been allocated to funds and are included in the above costs for equipment, research, staff and patient related funds.

In addition to this, fundraising costs of £208k (2020/21 £152k) have been incurred this financial year, these costs represent the salaries incurred by the fundraising team as well as costs incurred for marketing and fundraising event costs.

Investments

The Charity's investments are managed by the investment managers on a discretionary basis with an objective to provide a balance between capital growth and income whilst maintaining a medium level of risk. The Charitable Funds Committee receives regular updates from the investment advisers including formal quarterly reports and uses this information to review and confirm the policy on managing the portfolio.

The Corporate Trustee has adopted an ethical investment policy for the Charity as follows:

'As the Trust is required, as part of the NHS, to promote health and to provide healthcare, there shall be no investment in companies or other organisations whose main or principal business is perceived as injurious to health or is life threatening. Included within this broad criterion are firms involved in the manufacture of cigarettes, alcoholic beverages, armaments, explosives or guns'.

The investments saw growth during the first part of 2021/22 reflecting the continued recovery following the impact of the Covid-19 pandemic. The later quarter of the financial year saw increased market instability caused by the war in Ukraine. The investment portfolio experienced an overall gain in value of £173k reflecting these market conditions (2020/21: £760k gain).

The investment managers were paid management fees totalling £28k during the year (2020/21: £33k).

£1,475k of investments were transferred to the charity as part of the transfer of the former Pennine Acute Hospitals Charity funds. The charity has retained the investment manager for these funds (RBC Brewin Dolphin).

Therefore the final investment portfolio was £1,620k higher than at the end of 2020/21.

Cash Held on Deposit at 31 March

	2022 £000s	2021 £000s
At the Government Banking Service	796	744
In Lloyds TSB	<u>987</u>	<u>2</u>
Sub-Total	<u>1,783</u>	<u>746</u>
As part of investment portfolio	<u>192</u>	<u>48</u>
Total	<u>1,975</u>	<u>794</u>

Cash balances were higher at 31st March 2022 when compared to the previous year, largely as a result of the £283k of cash transferred from the former Pennine Acute Hospitals Charity and the lower level of expenditure made in year.

Cash held as part of the investment portfolio is held in nominee accounts with Investec Wealth and Investment Limited (£150k) and RBC Brewin Dolphin (£42k).

As always

The Corporate Trustee would like to thank all patients, relatives, members of the public and other supporters who have made charitable donations during the year.

Approved on behalf of the Corporate Trustee

A handwritten signature in black ink, appearing to read 'K Charleson'.

Mr Kieran Charleson
Chair of the Charitable Funds Committee / Non-Executive Director
Date: 14 March 2023

NorthCare Charity Accounts 2021/22

Statement of Trustee's Responsibilities

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period.

In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgments 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Trustee



Mr K Charleson
Chair of the Charitable Funds Committee

Date: 14 March 2023



Mr I Boyle
Chief Financial Officer

Date: 14th March 2023

Independent auditor's report to the members of NorthCare Charity

Opinion

We have audited the financial statements of NorthCare Charity (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, 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 FRS 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 charity's affairs as at 31 March 2022 and of 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 Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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.

Other information

The other information comprises the information included in the Trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 course of 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page X, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 the financial statements.

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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



David Hoose (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

58 The Ropewalk

Nottingham

NG1 5DW

Date: 15 March 2023

STATEMENT OF FINANCIAL ACTIVITIES (SoFA) for the year ended 31 March 2022

	Note	2021/22				2020/21			
		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Income and endowments from:									
Donations and legacies	3	898	0	0	898	620	0	0	620
Income from investments	6	98	12	0	110	97	1	0	98
Donation (Acquisition of Funds from Pennine Charity)	10	1,433	467	0	1,900	0	0	0	0
Total income and endowments		2,429	479	0	2,908	717	1	0	718
Expenditure on:									
Raising funds	4	(233)	(3)	0	(236)	(185)	0	0	(185)
Charitable activities	4	(323)	(23)	0	(346)	(1,939)	(2)	0	(1,941)
Total Expenditure		(556)	(26)	0	(582)	(2,124)	(2)	0	(2,126)
Net gains/ (losses) on investments	5	135	38	0	173	760	0	0	760
Net income/ (expenditure)		2,008	491	0	2,499	(647)	(2)	0	(648)
Net movement in funds		2,008	491	0	2,499	(647)	(2)	0	(648)
Reconciliation of funds									
Funds brought forward		4,246	429	11	4,686	4,893	430	11	5,334
Total funds carried forward		6,255	920	11	7,186	4,246	429	11	4,686

STATEMENT OF FINANCIAL POSITION (SoFP) as at 31 March 2022

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021/22	Total Funds 2020/21
Note	£000	£000	£000	£000	£000
Fixed Assets					
Investments	5,073	920	11	6,004	4,384
Total Fixed Assets	5,073	920	11	6,004	4,384
Current Assets					
Debtors	15	0	0	15	21
Cash at bank and in hand	1,787	0	0	1,787	746
Total Current Assets	1,802	0	0	1,802	767
Current Liabilities					
Creditors: Amounts falling due within one year	(621)	0	0	(621)	(464)
Net Current Assets	1,181	0	0	1,181	303
Total Assets less Current Liabilities	6,254	920	11	7,186	4,687
Net Assets	6,254	920	11	7,186	4,687
The funds of the Charity					
Endowment Funds	0	0	11	11	11
Restricted	0	920	0	920	429
Unrestricted	6,255	0	0	6,255	4,246
Total Funds	6,255	920	11	7,186	4,686



Mr I Boyle
Chief Financial Officer

Date: 14th March 2023

STATEMENT OF CASH FLOW to 31 March 2022

	31st March 2022 £000	31st March 2021 £000
Cash flow from operating activities		
Operational surplus/deficit	2,326	(1,408)
Dividends, interest and rents from investments	(110)	(98)
Transfer of Pennine Investments	(1,475)	0
(Increase)/Decrease in Debtors	6	79
Increase/(Decrease) in Creditors	157	(238)
Net cash generated from operating activities	904	(1,663)
Dividends, interest and rents from investments	110	98
Proceeds from sale of investments	654	1,433
(Increase)/Decrease in stockbroker account	(102)	212
Purchase of investments	(902)	(1,214)
Gain on the sale of investments	376	96
Net cash provided by investment activities	137	623
Change in Cash Equivalents during the reporting period	1,041	(1,040)
Cash and cash equivalents at the start of the period	746	1,786
Cash and cash equivalents at the end of the period	1,787	746

1. Accounting Policies

a. Basis of Preparation

The financial statements have been prepared under the historic cost basis of accounting, with the exception of investments which are included at market value.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounts are prepared on a going concern basis. The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the Charity are a fall in income from donations or investment income but the Trustee has arrangements in place to mitigate those risks.

b. Funds Structure

Restricted funds are those which are to be used in accordance with specific restrictions imposed by the donor. Where the restriction requires the gift to be invested to produce income but the Trustee has the power to spend the capital, it is classed as expendable endowment. Where the Trustee must permanently maintain the whole fund, it is known as a permanent endowment. The financial statements combine expendable and permanent endowment funds for the purposes of financial reporting.

Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the Charity's objects. Unrestricted funds include designated funds, where the donor has made known their non-binding wishes or where the Trustee, at its discretion, has created a fund for a particular activity (or activities) in the future.

The major funds held in each of these categories are disclosed at Note 9.

c. Incoming resources

All incoming resources are recognised once the Charity has entitlement to the resources, it is probable that the resource will be received and the monetary value can be measured with sufficient reliability

d. Incoming resources from legacies

Where a payment has been received or notified as receivable (by the personal representatives) after the accounting year end, but it is clear that it had been agreed by the personal representatives prior to the year end (hence providing evidence of a condition that existed at the balance sheet date), then it has been accrued in the Statement of Financial Activities and the Statement of Financial Position.

e. Resources Expended

Expenditure is recognised when a liability is incurred. Grant commitments are recognised when a constructive obligation arises that results in payment being unavoidable.

Grants payable are payments made to third parties (including NHS bodies) in the furtherance of the Charity's objectives. They are accounted for on an accruals basis where the conditions for their payment have been met or where a third party has a reasonable expectation that they will receive the grant. This includes grants paid to NHS bodies.

f. Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred

g. Allocation of overheads and support costs

Overhead and support costs have all been apportioned between Charitable Activities and Governance Costs (Note 4). The costs attributed to Charitable Activities have been further apportioned in proportion to total spend.

h. Costs of generating funds

The costs of generating funds are the costs of the Common Investment Fund management fees.

i. Charitable activity

Costs of Charitable Activities comprise all costs in pursuit of the charitable objects of the Charity. These costs comprise direct costs and apportionment of overheads.

j. Governance costs

Governance costs comprise all costs incurred in the strategic management of the Charity and ensuring compliance with statutory requirements. These costs include costs related to statutory audit and those overhead and support costs not apportioned to charitable activity.

k. Research costs

Research costs comprise of grants made for the purpose of non-commercial research carried out within the Trust. All research related expenditure is applied to the Expenditure on Charitable activities section of the Statement of Financial Activities.

l. Fixed asset investments

Investments are stated at fair value (market value) as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

m. **Pooling scheme**

An official pooling scheme is in operation covering all funds registered under the Charity's 'Umbrella' registration. The scheme was registered with the Charity Commission on 17 March 1998

n. **Realised gains and losses**

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

o. **Debtors**

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

p. **Creditors**

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

q. **Financial Instruments**

The measurement bases and accounting policies in relation to basis financial instruments are disclosed in the accounting policies for investments, debtors and creditors.

r. **Critical accounting judgements and key sources of estimation uncertainty**

Key sources of estimation and uncertainty

Valuation of fixed asset investments

As at 31 March 2022 Investec Wealth Management and RBC Brewin Dolphin provided a valuation of the Charity's investment portfolios that have been reported in these accounts. These valuations are based on the latest mid closing price quoted on the stock market or by the fund manager.

Accruals for expenditure not invoiced at the reporting date

At the end of the financial year, the Charity may have received goods and services which have not been invoiced at the reporting date. In these circumstances, an estimated value of the cost is included in the Charity's reported financial results. In some cases the estimated value is based on the quoted value provided by the supplier when the goods were ordered; in other cases, the charge may be estimated based on methods such as the number of hours of services provided or the last price paid for the same goods or service.

Apportionment of income and costs of generating funds across charitable activities

The net income earned by and costs of generating charitable funds including Trusteeship, financial services and research administration are apportioned across the charitable activities based on the average value of each fund during the year.

Note 2 – Related Party Transactions

The Northern Care Alliance NHS Foundation Trust is the Corporate Trustee of the Charity. During the year none of the Trust's Directors, Governors or Senior Trust staff or parties related to them were beneficiaries of the Charity or received honoraria, emoluments or expenses in the year.

The representatives of the Corporate Trustee (Board members) are remunerated by Northern Care Alliance NHS Foundation Trust for which a recharge is made to the Charity based on time spent on charitable funds matters which is disclosed as part of the costs of the Charity in Note 4.

The Charity makes use of the Northern Care Alliance NHS Foundation Trust finance and procurement systems. The Trust processes payments for invoices through its bank as part of the procurement system.

The total amount owed by the Charity to the Trust for invoices and recharged staff is given in note 8 with the balance settled between the organisations on a regular basis.

The Charity has not purchased trustee indemnity insurance.

Note 3 – Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2021/22 £000	Total 2020/21 £000
Donations from individuals	627	0	627	158
Corporate donations	37	0	37	365
Legacies	234	0	234	97
	898	0	898	620

Note 4 – Analysis of Expenditure

	31 March 2022		31 March 2021	
	Direct resources expended £000s	Share of administration costs £000s	Total resources expended £000s	Total resources expended £000s
Charitable activities;				
Research	46	1	47	67
Purchase of equipment	17	2	19	1,691
Staff education and welfare	98	14	112	33
Patient education and welfare	137	19	156	139
Governance costs	0	12	12	8
Expenditure on charitable activities	298	48	346	1,939
Expenditure on raising funds				
Investment Management Costs	28	0	28	33
Fund Raising Salaries	208	0	208	115
Fund Raising Non Pay Costs	0	0	0	37
Total resources expended	534	48	582	2,124

Note 5 – Analysis of Fixed Asset Investments

	Total 2021/22 £000	Total 2020/21 £000
Movement in fixed asset investments		
Market value brought forward	4,382	4,149
Transfer of Investments from Pennine	1,475	0
Additions at cost	902	1,214
Disposals at book cost	(654)	(1,433)
Net gain/(loss) on revaluation	(203)	664
Increase/(Reduction) in cash held at Investec and Brewin	102	(212)
Market value at 31st March	6,004	4,382
Historic cost at 31 March	5,102	3,169
	Total 2021/22 £000	Total 2020/21 £000
Fixed asset investments		
UK Listed Investments (Including Fixed Interest & Property)	3,365	2,303
Outside of UK investments listed on the stock exchange	2,447	2,031
	5,812	4,334
Cash held as part of investment portfolio	192	48
Total at 31 March	6,004	4,382
	Total 2021/22 £000	Total 2020/21 £000
Net gains and losses on investment assets		
Unrealised gain/(loss) on revaluation	(203)	664
Realised gain/(loss) on sale of investments	376	96
Total	173	760

Note 6 – Analysis of Income from Investments

	Total 2021/22 £000	Total 2020/21 £000
Income received from quoted investments	110	97
Interest on cash held on deposit and at bank	<u>0</u>	<u>0</u>
Total	<u>110</u>	<u>97</u>

Note 7 – Analysis of Current Assets

	Total 2021/22 £000	Total 2020/21 £000
Debtors under 1 year		
Other debtors	<u>15</u>	<u>21</u>
Total	<u>15</u>	<u>21</u>

	Total 2021/22 £000	Total 2020/21 £000
Cash at bank and in hand		
Lloyds TSB - Current Account	987	2
Government Banking Service	796	744
Petty Cash	<u>3</u>	<u>0</u>
Total	<u>1787</u>	<u>746</u>

Note 8 – Analysis of Current Liabilities

	Total 2021/22 £000	Total 2020/21 £000
Creditors under 1 year		
Northern Care Alliance Foundation Trust*	592	456
Accruals	29	8
Other creditors - Provisions for Commitments	<u>0</u>	<u>0</u>
Total	<u>621</u>	<u>464</u>

Note 9 – Analysis of Charitable Funds – Unrestricted Funds

The Charity has 300 unrestricted funds including 116 from the former Pennine Acute Charity. Individual funds with material balances (greater than £30K) are listed below.

	Opening balance	Transfer fr Pennine	Incoming resources	Resources expended	Gains and losses	Closing Balance
	£000	£000	£000	£000	£000	£000
Unrestricted Funds						
Specific Donations General	1,627	0	63	(13)	93	1,770
Hope General	450	0	618	(41)	0	1,027
Pennine General Fund	0	236	1	2	0	239
Renal Services Fund	229	0	14	(8)	0	235
Holding Account - Unrestricted	0	135	10	(17)	42	170
Heart Care	145	0	17	(14)	0	149
Neurosurgery	129	0	3	(2)	0	130
Pennine Covid-19 Donations	0	134	0	(17)	0	117
Trauma & Orthopaedics	109	0	4	(1)	0	113
Haematology Research Fund	0	110	0	(0)	0	109
Umbrella Charity	105	0	0	(1)	0	105
Neuro Theatre	2	0	101	(0)	0	102
Haematology Department	77	0	10	(1)	0	87
Breast Fund	81	0	0	(1)	0	81
Neurology	70	0	9	(1)	0	78
Haematology Unit (Ward F1	0	102	3	(31)	0	74
Icu Patients	67	0	0	(0)	0	67
Urology Training & Equip	0	66	0	(0)	0	65
Reache North West	63	0	6	(4)	0	65
Leukaemia Fund	0	64	0	(0)	0	64
Anaesthetics Department Fund	62	0	0	(2)	0	60
Movement Disorder Fund	60	0	0	(0)	0	60
Intestinal Failure Department	57	0	3	(3)	0	57
Diabetics Dept Nurses	55	0	0	(0)	0	54
Stroke Unit Fund Provhosp	0	24	25	(0)	0	50
Dermatology Department	48	0	0	(0)	0	48
Rochdale Education Centre	0	45	0	(0)	0	45
Emergency Medicine Fund	38	0	6	(2)	0	42
Oldham Community Adults	38	0	0	(0)	0	38
Oldham Community Children	32	0	1	(0)	0	32
Special Care Baby Unit Fund	0	31	2	(0)	0	32
Neuro Enterology	32	0	0	(0)	0	31
Neuro Research Fund	31	0	0	(0)	0	31
Other	641	487	74	(373)	0	829
	4,246	1,433	971	(531)	135	6,255

Note 9 – Analysis of Charitable Funds – Restricted Funds

Restricted funds	Opening balance £000	Transfer from Pennine £000	Incoming resources £000	Resources expended £000	Gains and losses £000	Closing balance £000
Neurosurgery	405	0	5	(7)	24	427
Restricted Legacies	0	156	1	(1)	5	161
John Mayo Legacy	0	165	1	(15)	5	156
Holding Account - Restricted	0	110	1	(0)	3	114
Prostate Scanner Appeal E	0	31	0	(0)	1	32
Henry Richardson	20	0	0	(0)	1	21
Endowned Funds Accumulated	4	0	0	0	0	4
Critical Care J Chadwick	0	4	0	(0)	0	4
Hospital Palliative Care	0	1	0	(0)	0	1
	429	467	9	(23)	38	920

Note 9 – Analysis of Charitable Funds – Permanent Endowment Funds

The Charity has six small endowment funds all of which were given by an anonymous donor.

The purposes of these funds are to provide a prize, from the interest earned, in recognition of the achievement of junior members of staff.

	Capital Endowed 2021/22 £000	Capital Endowed 2020/21 £000
Post Grad Centre	1.5	1.5
Cardio Respiratory	2.0	2.0
Elderly Care	2.0	2.0
Immunology	1.5	1.5
Haematology	1.5	1.5
John Harvey Green Fund	2.5	2.5
	11.0	11.0

Note 10 – Acquisition of The Pennine Acute Hospitals Charity Funds

On the 1st October 2021 following the dissolution of the Pennine Acute Hospitals NHS Trust, the remaining funds of the The Pennine Acute Hospitals Charity were acquired by the NorthCare Charity

The composition of the funds, assets and liabilities acquired are shown in the below table.

	Unrestricted Funds £000s	Restricted Funds £000s	Total Funds £000s
Fixed Assets			
Investments	1,110	365	1,475
Total Fixed Assets	1,110	365	1,475
Current Assets			
Debtors	196	65	261
Cash at bank and in hand	215	71	286
Total Current Assets	411	136	547
Current Laibilities			
Creditors falling due within one year	(92)	(30)	(122)
Net Current Assets	319	106	425
Total Net Assets	1,429	471	1,900
Funds Acquired			
Restricted		467	467
Unrestricted	1,433		1,433
	1,433	467	1,900