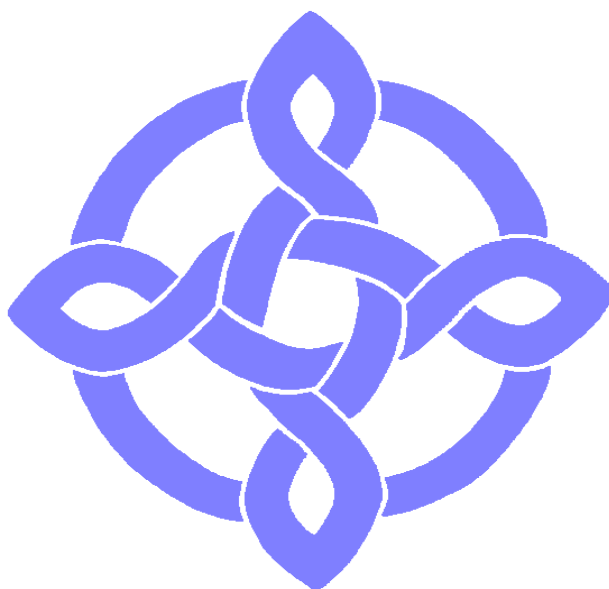


**Cwm Taf NHS General
Charitable Fund**

TRUSTEES' ANNUAL REPORT

**For the Charitable Funds managed by
Cwm Taf University Health Board**

2018-19



FOREWORD

The Annual Report for the year ended 31 March 2019 has been prepared by the Trustees of Cwm Taf NHS General Charitable Fund in accordance with Part 8 of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2005. This should be read together with the Cwm Taf NHS Charitable Funds Annual Accounts, which are appended to the report.

So far as the Trustees are aware, there is no relevant information of which the entity's independent examiners are unaware, and the Trustees have taken all the steps that should have been taken to make themselves aware of any relevant information and to establish that the entity's independent examiners are aware of that information.

The assets of the Charity are detailed in the Annual Accounts that follow the Trustee's report. No assets are held on behalf of either charity by another charity or by a Trustee of the Charity.

REFERENCE AND ADMINISTRATIVE DETAILS

The full name of the charity is:

Cwm Taf NHS General Charitable Fund

There are two special purpose subsidiary charities:

- Cwm Taf NHS Research and Training Charity
- Cwm Taf NHS Staff and Patients Welfare Charity

The registration number of the charity is 1049765. The charity is not registered as a company.

The principal registered address of the charity is:

Cwm Taf University Health Board
Finance Department
Dewi Sant Hospital
Pontypridd
CF37 1LB

Statutory Background

Cwm Taf University Health Board is the corporate trustee of the funds held on trust under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990. The role of the trustee however, is essentially performed by the Board of Cwm Taf UHB.

The Corporate Trustee

Those persons who have acted as Directors of the Corporate Trustee during the financial period 1st April 2018 to 31st March 2019 are as follows:

Executive Directors:

Mrs A J Williams	Chief Executive	
Mr S J Webster	Director of Finance	From 11 th April 2018
Mr M Thomas	Interim Director of Finance	To 10 th April 2018
Mr J Palmer	Chief Operating Officer	
Mr A Lawrie	Director of Primary, Community & Mental Health Services	
Mr K Asaad	Medical Director	
Mrs L Williams	Director of Nursing, Midwifery and Patient Care	To 10 th August 2018
Mrs A Hopkins	Interim Director of Nursing, Midwifery and Patient Care	From 3 rd September 2018
Ms R Treharne	Director of Planning and Performance Deputy Chief Executive	
Mrs J M Davies	Director of Workforce and Organisational Development	
Dr K Nnoaham	Director of Public Health	
Mr R Williams	Director of Corporate Services & Governance/Board Secretary	
Miss G Roberts	Acting Director of Corporate Services & Governance / Board Secretary	From 1 st September 2018

Independent Members:

Prof M Longley	Chairman	
Mrs M Thomas	Vice Chair	
Mr P Griffiths	Independent Member- Finance	
Mr J Hehir	Independent Member- Legal	
Dr. C B Turner	Independent Member- Information Technology/Information Governance	To 31 st December 2018
Mr K Montague	Independent Member- Community	
Cllr R Smith	Independent Member – Local Authority	
Mr M Jehu	Independent Member- Community	
Mrs J Sadgrove (nee Dowden)	Independent Member – University	
Mrs G Jones	Independent Member – Staff	To 11 th April 2018
Mrs ND Miligan	Independent Member – Staff	From 19 th August 2018
D Jouvenat	Independent Member- Third Sector	From 30 th August 2018

Bankers

Barclays Bank
93/94 Taff Street
Pontypridd
Mid Glamorgan
CF37 4YH

Internal Auditors

NHS Wales Shared Services Partnership
Audit & Assurance Services
4-5 Charnwood Court,
Heol Billingsley,
Parc Nantgarw,
Cardiff
CF15 7QZ

Independent Examiners

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

Investment Advisors

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

STRUCTURE, GOVERNANCE and MANAGEMENT

The charity is made up of a total of 90 individual funds as at 31st March 2019 (2017-18: 89). Notes 19b and 19c of the accounts distinguish the types of funds held and disclose separately all material funds.

Cwm Taf UHB is the corporate trustee of the charitable fund. The role of trustee is performed by the Board of Cwm Taf UHB. The Chairman and Independent Members are appointed by the Minister for Health and Social Services of the Welsh Government. The Executive Directors are officers of the UHB and are appointed according to Health Board policy and procedure, their appointment being approved by the Board of the UHB. Appropriate training and induction is received on initial appointment followed by periodic development sessions to further develop the understanding of their roles and responsibilities. The Trustees receive no remuneration or expenses from these charitable funds for their trustee duties.

The Board of Cwm Taf UHB is in overall control of all funds held by the Charity. Due to the number of funds held for specific purposes, the Trustees delegate day-to-day administration to Fund Managers. These managers oversee the balances of funds and identify expenditure needs where appropriate.

In accordance with the scheme of delegation any expenditure up to £5k can be approved by the designated fund signatories, subject to confirmation from the Finance Department that sufficient funds are available and the expenditure item is consistent with the fund's objectives. Applications for the remaining expenditure are submitted to the Chief Executive or Deputy Chief Executive for approval and authorisation, on behalf of the Trustees.

The accounting records and day-to-day administration of the funds are dealt with by the Finance Department located at Dewi Sant Hospital, Albert Road, Pontypridd, Mid Glamorgan, CF37 1LB.

Exposure to Risk

The Chief Executive of the UHB together with the other directors is responsible for ensuring that an effective system of financial control is maintained. The Chief Executive and other directors are also responsible for reviewing the effectiveness of this system. The Charity operates under the same standing financial instructions and financial control procedures that are applied to the Board's main operations.

Income and Expenditure is monitored for each individual fund to ensure that spending and firm financial commitments remain within available funds. The Trustees receive periodic reports highlighting the main issues and risks facing the Charity.

The Charity has identified and examined all major risks that they are exposed to and systems have been established to mitigate these risks. This is supported by the use of Internal Audit to monitor the existing systems to confirm the existence of suitable controls and that these controls are operational. There are no major risks that have been identified other than those associated with the normal

fluctuations in the value of investments and the level of reserves available to mitigate the impact of any losses. There are procedures in place to continually review the investment policy and to ensure that spending and financial commitments remain in line with available resources.

BRIDGEND BOUNDARY CHANGE

The Cabinet Secretary for Health and Social Services announced on 14 June 2018 that from 1 April 2019, the responsibility for providing healthcare services for the people in the Bridgend County Borough Council (BCBC) area will move from Abertawe Bro Morgannwg UHB to Cwm Taf UHB.

The Local Health Boards (Area Change) (Wales) (Miscellaneous Amendments) Order 2019 transfers the principal local government area of Bridgend from Abertawe Bro Morgannwg UHB to Cwm Taf UHB. The Order also changes the health board names to Cwm Taf Morgannwg University Health Board and Swansea Bay University Health Board. In accordance with the Local Health Boards (Area Change) (Transfer of Staff, Property and Liabilities) (Wales) Order 2019 made on 19th March 2019 and effective on 1 April 2019 assets and liabilities relating to Bridgend services will transfer from Swansea Bay UHB to Cwm Taf Morgannwg UHB on 1 April 2019.

As a consequence of the above change, where services transfer then any charitable funds associated with those services will also transfer to Cwm Taf UHB.

The impact of the transfer for Cwm Taf NHS General Charitable Funds is estimated to increase the fund balances by £1m.

The Charity will need to be renamed to Cwm Taf Morgannwg NHS General Charitable Fund from 1st April 2019 to reflect the geography of the population for which it serves, and to be consistent with the Health Board's name change.

OBJECTIVES and ACTIVITIES for the public benefit

Objects and Purposes

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

Following the establishment of Cwm Taf NHS General Charitable Fund the objects of the charity are:

The Trustees shall hold the funds upon trust to apply the income, and at their discretion so far as permissible, the capital, for any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by Cwm Taf UHB.

The Cwm Taf NHS General Charitable Fund is funded by donations and legacies received from patients, their relatives, and the general public and other external

organisations. It is a grant-making charity, the purpose of which is the relief of those who are ill or disabled and the advancement of education through training.

The overall strategy of the Charity, to enable it to provide this support is achieved by the following means:

- Patients Expenditure - Through the purchase of small equipment and the provision of services and facilities not normally provided or in addition to the normal NHS provision.
- Staff Expenditure -
 - a) Motivation of staff, by improving staff facilities and by providing services that improve staff well-being.
 - b) Education support for staff supplementing that provided by the UHB.
- Capital Equipment - By the purchase of equipment.
- Research - By the funding of staff and purchase of equipment used in the research and development projects carried out by the UHB.

The role of trustee of the Charity is performed by the corporate body of Cwm Taf UHB and the majority of grant payments made by the Charity are made to the UHB as contributions to the NHS. Other grant payments are made for patient and staff welfare and amenities. The Charity meets its objective by applying its funds and income to make such grant payments, examples of which are given in the *Financial Review* section of this report.

Grant Making Policy

The Grant making policy is dictated by the objects and purposes of the Charity for the public benefit. Grant payments are made for exclusively charitable purposes in support of Cwm Taf UHB. The Fund Managers who have delegated management of the individual funds may identify possible expenditure provided it falls within the object of the fund, is a reasonable charge to charitable funds and is in furtherance of the objects of the charity. Each item of expenditure is monitored to ensure compliance with these criteria and is then submitted for approval in line with the scheme of delegation of duties.

ACHIEVEMENTS and PERFORMANCE

To fulfil the charitable aims and objectives, the strategy of the charitable funds under the control of Cwm Taf UHB, as Corporate Trustee, is to support the UHB by providing funds to support a wide range of charitable and health related activities benefiting both patients and staff. In general they are used to purchase the varied additional goods and services that the NHS is unable to provide.

The Charity relies on the generosity of patients, their relatives and other donors who are familiar with or have experienced the care of the services within the Cwm Taf UHB for its income.

The charity is registered with HMRC to recover gift aid income and £920 was received via this scheme during the year. In addition £2k of income was raised via online donations using the "Just Giving" web site and gift aid was recovered where applicable.

During the year the Charity paid grants of £194k (2017-18: £249k); these are detailed in note 7 of the accounts.

Examples of how the Charity has achieved its objectives are:

Patients Expenditure -	Patients welfare and amenities included purchase of chairs, bed / chair sensors, bariatric couch, toys, hand free telephones and height adjusters for the wards to enable effective and efficient care facilities.
Research -	Research grants were largely used to enable staff to attend conferences and cover the costs associated with study leave.
Technical -	This included purchases of Marsden weighing scales for intensive care wards.
Capital -	This included a neonatal and My Dementia Improvement for the Prince Charles Hospital

Further details of expenditure are shown in the *Financial Review*.

The Charity has adopted an investment strategy which aims to deliver a positive real return with a minimum of risk. The Trustees appointed CCLA Investment Management Limited as independent investment advisors. Details of investments and returns are highlighted in the *Investment* section below.

FINANCIAL REVIEW

Reserves Policy

Reserves are those funds retained which can be freely used at the discretion of the Trustees in furtherance of any of the Charity's objectives. Reserves therefore do not include funds that have restrictions on them or funds that have been obtained for a specific purpose.

As the Charity's financial procedures do not allow expenditure to be committed without the funds in place then the charity will always be able to meet its commitments as they fall due. The unrestricted reserves at 31st March 2019 stand at £1,251k, with £46k from this amount being committed for future expenditure.

Movement in Net Assets

The net assets of the Charitable Funds as at 31st March 2019 were £2,203k (2017-18:£2,095k). This comprised of unrestricted funds of £1,251k (2017-18:£1,078k) and restricted funds of £952k (2017-18:£1,017k). Overall net assets increased by £108k reflecting an excess of income over expenditure. The Charity's Trustees are under a duty to apply the charity's income within a

reasonable time of receiving it. Fund managers have, therefore, been actively encouraged to identify expenditure that would further the objectives of the Charity.

Income

The charity continues to rely on donations, legacies and investment income as the main sources of income.

The Trustees are extremely grateful to those members of the public and staff who have made contributions to the charitable funds during the last financial year.

The table below demonstrate the various sources of income for the year 2018-19.

STATEMENT OF INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Unrestricted £000	Restricted £000	2018-19 £000	2017-18 £000
Donations	83	56	139	149
Legacies	0	0	0	105
Activities For Generating Funds	0	0	0	0
Interest and dividends	31	33	64	62
Incoming Resources from Charitable Activities	0	6	6	6
Total Incoming Resources	114	95	209	322

Donations

During 2018-2019 a total of £139k (2017-18:£149k) was received in the form of donations. This represented 67% (2017-18:46%) of incoming resources received during the financial year.

A variety of donations were received throughout the year, a few examples of which are listed below:

- A total of £18,400 to the Palliative Hospital Fund.
- A total of £8,500 was donated during the year to the Giving to Pink fund for purchases for a specialist Breast Care Unit.
- A total £8,300 was donated for the Intensive Care Unit at the Prince Charles Hospital.
- £5,000 was donated to the Urology Fund.

Legacies

During the year the Charity was not the beneficiary of any legacies (2017-18: 4 legacies totalling £105k).

All legacies, where contact details are available, are acknowledged by the Chief Executive with a letter of thanks to the family.

Investments

CCLA Investment Management Limited is appointed as Investment Advisors to the Charity. As at 31st March 2019 a total amount of £1,500k was invested in COIF Charities Ethical Investment Fund. The market value of the investments at 31st March 2019 was £1,840k (2017-18: £1,703k).

Exposure to fluctuations in the value of its investments are continually reviewed and reported to the Corporate Trustees. Quarterly Investment reports are prepared by CCLA and an annual presentation from the Investment Advisors updates the Trustees on the current and forecast market trends.

During the year the Charity received £64k (2017-18: £62k) as a dividend on the Ethical Investment Fund. The objective going forward is to maximise dividend income via further investment of cash held over and above that required for operational purposes and to maintain liquidity.

During 2018-19 an unrealised gain of £137k on investment was recognised in the accounts, thus resulting in a cumulative unrealised gain on the investment of £340k as at 31st March 2019. Charges levied by CCLA are reflected within the market price of the units, and therefore, the value of the investment at the Balance Sheet date.

Expenditure

The Charity is primarily a grant making body, providing grants to the Cwm Taf UHB, from which many areas of service provision benefit. During 2018-19 charitable expenditure on direct charitable activity, including support costs, totalled £238k (2017-18: £289k).

ANALYSIS OF EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2019

Unrestricted	Restricted	2018-19	2017-18
£000	£000	£000	£000

Fundraising trading: costs of goods sold and other costs	0	0	0	0
Charitable Activities	75	163	238	289
Total Resources Expended	75	163	238	289

The detail of the expenditure on Charitable Activities is shown in the annual accounts within Note 7.

A number of specific highlights during the year for charitable expenditure are listed below

- £46k has been used to purchase Neonatal for the Prince Charles Hospital.
- £8k has been used to purchase My Dementia Improvement for the Prince Charles Hospital.
- £37k has been used to develop and maintain the website for the colorectal research, education and training purposes.
- £4k has been used to purchase chairs for the benefit of patients suffering from strokes.
- £4k was used to purchase specialist weighing machines for the Intensive Care unit.
- £5k has been used towards membership fees for the postgraduate medical staff.
- £22k was spent to enhance the environment across a number of wards at the Ysbyty Cwm Cynon Hospital.

Support Costs

The support costs of administration for 2018-19 were £44k (2017-18: £40k). These figures are shown in the annual accounts within Note 7 and Note 10 under support costs and split between finance and administration costs.

The charity does not directly employ any members of staff, finance and administration costs relate to the cost of staff recharged from Cwm Taf University Local Health Board.

The dividend income for the year increased to £64k (2017-18: £62k). This income has sufficiently covered the administration cost for the year of £44k. The remaining income of £20k was distributed to funds on the basis of their average fund balances.

As an ongoing process the Trustees are actively promoting the review, and with the agreement of the Fund Managers, consolidation of both the smaller and least used funds. This process, by necessity, takes account of the purposes for which the fund was created but should, in the future, assist in maintaining the low cost of administration.

On behalf of the staff and patients who have benefited from the improved services the Trustees would like to thank all patients, relatives, staff and members of the public who have made charitable donations and helped with fundraising activities. The level of activity will continue to be dependent upon the generosity of these donors and the receipt of legacies.

Signed

Chairman: _____ Date:
Cwm Taf UHB

On behalf of the Trustees