

The Annual Report and Accounts of the Charitable Trust Funds held
by the South Eastern HSC Trust
for the year ended 31 March 2018

Laid before the Northern Ireland assembly under Article 91(5) of the
Health and Personal Social Services (NI) Order 1972 as amended by
the Audit and Accountability Order 2003 by the Department of Health.

On

29 June 2018

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Annual Report of the Trustees of the Charitable Trust Funds held by the South Eastern HSC Trust for the year ended 31 March 2018

INTRODUCTION

Background

Prior to 1 April 1995 the charitable funds of various organisations within the Eastern Health and Social Services Board ('EHSSB') were managed by the EHSSB, as Trustee, under Article 79 of the Health and Personal Social Services Order (Northern Ireland) 1972. On 1 April 1995 these charitable funds were transferred from the Eastern Health and Social Services Board to the individual Trusts and Agency, including those of the Ulster Community and Hospitals Trust and the Down and Lisburn Trust. On 1st April 2007 both of the Trusts ceased to exist and became part of the South Eastern HSC Trust.

In order to maximise the total return from investment of the Charitable Trust funds, the Northern Ireland Health and Social Services Charities Common Investment Fund was established by an Order dated 30 March 1995, made by the Department of Health (DoH) under Section 25 of the Charities Act (Northern Ireland) 1964. The charitable funds of the South Eastern HSC Trust are invested within this Common Investment Fund. A committee is in place to manage the operations of the Common Investment Fund.

REFERENCE AND ADMINISTRATIVE DETAILS

Address of Principal office

South Eastern Health and Social Care Trust
Trust Headquarters
Ulster Hospital
Upper Newtownards Road
Belfast
BT23 4AD

Trustee Arrangements

Under the Health and Personal Social Services (NI) Order 1972, as amended by Article 16 of the Health and Personal Social Services (NI) Order 1991, the Board of the South Eastern HSC Trust are the Trustees of the Charitable Funds. During 2017/18 this constituted the following:

Non-executive members

Colm McKenna (Chairman)
Noel Brady
Dr Maura Briscoe
Maynard Mawhinney
Joan O'Hagan
Helen Minford
Laura O'Neill
Jonathan Patton

Executive members

Mr H McCaughey	Chief Executive
Mr S McGoran	Director of Hospital Services
Mrs B Mongan	Director of Adult Services & Prisons Healthcare
Mr N Guckian	Director of Finance and Estates
Dr C Martyn	Medical Director
Ms N Patterson	Director of Primary Care, Elderly and Nursing
Mrs M Weir	Director of Human Resources
Mrs R Coulter	Director of Planning, Information & Performance Management
Mr B Whittle	Director of Children's Services/Social Work

Auditors

Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Bankers

Bank of Ireland
82, Main Street
Bangor
Co Down
BT20 4AG

Bank of Ireland
Belfast City Branch
Donegal Place
Belfast
BT1 5BX

Principal Advisors

(Advisors in relation to the Common Investment Fund)
Brewin Dolphin Limited
8 Laganbank Road
Belfast
BT1 3LR

Structure, governance and management

The Trust Board have established a Charitable Funds Committee, which is authorised by the Board to undertake any activity within its terms of reference. It is authorised to seek advice from whatever source it deems to be appropriate in order to fulfil its function.

Membership of the Charitable Funds Committee during 2017/18 was as follows:

Mr N Guckian	Director of Finance and Estates
Ms N Patterson	Director of Primary Care, Elderly and Nursing
Dr C Martyn	Medical Director
Mr B Grimley	Assistant Director of Finance
Mrs H Minford	Non-executive Director (Chair)
Mrs L O'Neill	Non-executive Director

There was an 80% attendance at meetings during the year.

During 2017/18, the Committee held 3 meetings to oversee the administration of the Charitable Trust funds, their investment and disbursement.

The roles and responsibilities of the Charitable Funds Committee in relation to the management and governance of the Trust Funds were as follows:

- Satisfy itself that Charitable funds are managed in line with guidance in the Trust's Standing Financial Instructions, Departmental guidance and legislation;
- Ratify the creation of a new fund by the Director of Finance where funds and/or other assets are received from donors in circumstances where the wishes of the donor cannot be accommodated within the scope of an existing fund;
- Make recommendations on the potential for rationalisation of funds within statutory guidelines;
- Seek assurance that assets in ownership of, or used by, the Charitable Trust fund will be maintained with the Trust's general estate and inventory of assets;
- Seek assurance that funds are not unduly or unnecessarily accumulated;
- Seek assurance that expenditure from Charitable Funds is subject to appropriate value for money considerations including proper procurement procedures where applicable;
- Ensure that Annual Accounts are prepared in accordance with DoH guidelines and submitted to the Trust Board within agreed timescales;

- On behalf of the Trust Board, and on the advice of the Senior Management Team, the Committee will authorise appropriate policies and procedures in relation to Charitable Trust funds.

Objectives and Activities

The objectives of the South Eastern HSC Trust's Charitable Funds Committee are to ensure that charitable donations received by the Trust are appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the Trust's Standing Financial Instructions, Departmental guidance and legislation.

The current objectives for the year are in line with the defined and specified purpose for which the individual funds were formed. An annual expenditure budget has been set for each individual fund which is based upon the receipts of the previous year.

Charitable funds expenditure for the year has been summarised below:

	£000
Purchase of new equipment	210
Building & refurbishment	4
Staff education and welfare	31
Patient education and welfare	110
Other	3
Total	358

Achievements and Performance

During the year the Charitable Funds continued to engage in activities commensurate with its objectives. £358k was expended on charitable activities, in accordance with the Trust's policies and procedures in relation to expenditure from Charitable Funds. Charitable fund expenditure was used to purchase £210k of new and specialist equipment and £110k on patients' education and welfare and £31k on staff education and welfare. All expenditure during the year was consistent with the purpose of the funds and used to enhance the care and treatment of clients.

The Common Investment Fund (CIF) continues to hold funds invested on behalf of the South Eastern Charitable Trust Funds. During 2017/18, the Charitable Trust Committee continued to review the performance of funds invested through CIF. The net market value of funds invested with the CIF at 31 March 2018 was £5,551k.

The balance of funds held with the CIF has a loss in value of £134k in 2017/18 when compared to a gain of £826k in the prior year. This is due to a decrease in valuation of this investment at the year end. The nature of this investment is such that it will fluctuate in line with prevailing economic circumstances.

Financial Review

This is the annual report for the Trust Funds held by the South Eastern Health and Social Care Trust for the year from 1 April 2017 to 31 March 2018.

Under Article 91 of the Health and Personal Social Services (NI) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the South Eastern Health and Social Care Trust is required to prepare annual accounts in respect of endowments and other property held on trust by it in a form determined by the Department of Health (DoH). This format is in accordance with the requirements of the '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)' ("the Charity SORP").

Where there is a legal restriction on the purposes to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and the capital cannot be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the Trustees have chosen to earmark for set purposes are classified as designated funds.

Review of the year 2017/18

Income

During the year income totalling £346k was received, a decrease of £34k from 2016/2017. £209k was received in donations compared to £250k in 2016/17. Investment income is up by £7k from 2016/17, due to market performance.

Expenditure

Total direct charitable expenditure for the year amounted to £358k, a decrease of £130k from 2016/17. This expenditure was primarily on purchase of equipment and patient education and welfare at £320k. The remainder of expenditure was on staff education and other at £38k.

Governance costs for the financial administration of the fund amounted to £72k.

Financial position at year end

Total fund balances were £5,771k, consisting of £4,953k of restricted funds and £757k of unrestricted funds. Endowment funds totalled £61k.

Financial Controls

The Trustees are aware of their financial responsibilities for the money that is held on trust. Appropriate policies and procedures are in place to ensure these responsibilities are adequately discharged, and these are reviewed on a regular basis.

Statement of risk

The management of risk in relation to the Charitable Trust Funds is closely aligned with the South East HSC Trust's risk management procedures.

Reserves policy

The Charitable Trust Funds does not currently enter into future commitments and so have not created any reserves for this. Activities are authorised only when funding is available.

Investment Policy

For investment purposes the balances on the Charitable Trust Funds of all Trusts in Legacy EHSSB area are pooled and invested in the Common Investment Fund (CIF). The CIF portfolio returned 0.22% over the last year, this compares to a return of 1.78% for the WMA Balance Benchmark and 0.22% for the FTSE100 over the same period. Since inception the portfolio has returned 24.07%, while the WMA Balanced Benchmark has returned 31.83% and the FTSE100 has returned 19.17%

Plans for future periods

The Charitable Funds Committee has established budgets for all funds managed by the South Eastern HSC Trust, with a balance of £10k or greater. These budgets are monitored on an ongoing basis. The Trust plans to continue to use the Common Investment Fund for the investment of surplus funds and, as part of that common arrangement, will continue to seek professional advice in relation to the investment of funds in the current uncertain economic climate.

Introduction of the Charities Act (NI 2008)

The Charities Act (NI) 2008 provides the broad legislative framework for charities in Northern Ireland. It established the requirement for a compulsory register of all charities operating in Northern Ireland, it provided a charity test to define what is and what is not a charity, it put in place new requirements for all public collections and it established a Charity Commission. While the legislation provides this broad framework, amendments are required to the legislation which have not yet been approved by the Assembly. There is currently a register in place. The South Eastern HSC Trust Funds is on the deemed list of charities as it is registered with Her Majesty's Revenue and Customs for charitable tax purposes.

The test to define what constitutes a charity under the legislation requires 2 criteria to be met; namely to be established for charitable purposes and to provide

a public benefit. An examination of the Act and the draft guidance from the Charity Commission indicates that the Trust's Charitable Funds meet these criteria and therefore is required to register as a charity. Registration application was submitted to the Charities Commission NI in January 2015; however the Charities Commission NI withdrew all applications for registration by HSCNI Trusts in December 2016 to facilitate discussions with the Department of Health and HSCNI Trusts on the way forward. These discussions will be progressed in 2018/19.

Statement of Accounting Officer Responsibilities

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Department of Health, has directed the South Eastern HSC Trust to prepare for each financial year a statement of accounts in respect of endowments and other property held on trust by it in a form determined by the Department of Health. The financial statements are prepared on an accruals basis and must provide a true and fair view of the activities of the Funds.

In preparing the financial statements the Accounting Officer is required to;

- follow the guidance within the HSC Manual of Accounts issued by the Department of Health including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis.
- state whether applicable accounting standards as set out in Charities SORP (FRS102) have been followed, and disclose and explain any material departures in financial statements.
- keep proper accounting records.
- ensure an effective system of internal control and establishing arrangements for the prevention and detection of fraud and corruption.

The Permanent Secretary of the Department of Health as Accounting Officer for health and personal social services resources in Northern Ireland has designated Mr Hugh McCaughey of South Eastern Health and Social Care Trust as the Accounting Officer for the South Eastern Health and Social Care Trust. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the South Eastern Health and Social Care Trust's assets, are set out in the Accounting Officer Memorandum, issued by the Department of Health.

CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 15 to 26) which I am required to prepare on behalf of the South Eastern Health and Social Care Trust have been compiled from and are in accordance with the accounts and financial records maintained by the South Eastern Health and Social Care Trust and in accordance with the accounting policies for HSC Charitable Trust Funds as approved by the Department of Health.



Director of Finance

6th June 2018

Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (page 15 to 26) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Chairman

6th June 2018

Date



Chief Executive

6th June 2018

Date

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST - CHARITABLE TRUST FUNDS

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the South Eastern Health and Social Care Trust for the year ended 31 March 2018 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise: the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out within them.

In my opinion the financial statements:

- give a true and fair view of the state of the South Eastern Health and Social Care Trust's Charitable Trust Fund's affairs as at 31 March 2018 and of its incoming and expenditure of resources for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of South Eastern Health and Social Care Trust in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information

The Trust and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Trust and Accounting Officer for the financial statements

The Trust and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

I am required to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial statements conform to the authorities which govern them.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
 - the financial statements are not in agreement with the accounting records; or
 - I have not received all of the information and explanations I require for my audit;
- or

Report

I have no observations to make on these financial statements.



KJ Donnelly

*Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU*

22 June 2018

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

Statement of Financial Activities for the year ended 31 March 2018

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Prior Year Funds £000
Income and Endowments from:						
Voluntary Income	2	5	204	0	209	250
Investment income	3	18	119	0	137	130
Total Income		23	323	0	346	380
Expenditure on:						
Charitable Activities	6	(33)	(325)	0	(358)	(488)
Governance Costs	5	(15)	(57)	0	(72)	(74)
Total resources expended		(48)	(382)	0	(430)	(562)
Other Recognised gains(losses)	12	(17)	(117)		(134)	826
Net Income/Expenditure		(42)	(176)		(218)	644
Transfers between funds						
Gross transfers between funds	8	0	0	0	0	0
Net Movement in Funds		(42)	(176)		(218)	644
Adjustment to add back: Notional Audit Fee	10	5	0	0	5	5
Net Movement in Funds excluding Notional Audit Fees		(37)	(176)	0	(213)	649
Reconciliation of funds:						
Fund balances brought forward at 1 April 2017		794	5,129	61	5,984	5,335
Fund balances carried forward at 31 March 2018		757	4,953	61	5,771	5,984

The notes at pages 15-26 form part of this account.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

Balance Sheet as at 31 March 2018

	Notes	Total Funds 31 March 2018 £000 £	Prior Year Funds 31 March 2017 £000 £
Fixed Assets			
Tangible assets	11	100	100
Investments:			
Common Investment Fund	12	5,551	5,549
Total Fixed Assets		5,651	5,649
Current Assets			
Debtors	13	31	20
Cash at bank and in hand		130	393
Total Current Assets		161	413
Liabilities			
Creditors: Amounts falling due within one year	14.1	(41)	(78)
Net Current Assets/ (Liabilities)		120	335
Total Assets less Current Liabilities		5,771	5,984
Creditors: Amounts falling due after more than one year	14.2	0	0
Total Net Assets		5,771	5,984
The Funds of the Charity			
Restricted income funds	15	4,953	5,152
Endowment funds	15	61	61
Total restricted funds		5,014	5,213
Unrestricted income funds	15		
Unrestricted income funds		662	676
Revaluation reserve		95	95
Total unrestricted funds		757	771
Total charity funds		5,771	5,984

The notes at pages 15-26 form part of this account.

Signed:



Date: 6th June 2018

Hugh McCaughey
Accounting Officer

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

Notes to the accounts

1. Accounting policies

1 (a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) (FRS 102) and with relevant guidance issued by the Department of Health. Where appropriate prior year comparatives have been restated. The financial statements have been prepared on a going concern basis. Update Bulletin 1 issued February 2016 amended the Charities SORP and a Statement of Cash Flows is now only required for larger charities. Larger charities are those charities with a gross income exceeding £500,000 in the reporting period. The Trust Funds of the South Eastern Health and Social Care Trust have a gross income of less than £500,000 and is therefore exempt from cash flow preparation. The Trust Fund meets the definition of a public benefit entity under FRS 102.

1 (b) Incoming resources

All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:

- i) entitlement – arises when a particular resource is receivable or the charity's right becomes legally enforceable;
- ii) certainty – where there is reasonable certainty that the incoming resource will be received;
- iii) measurement – when the monetary value of the incoming resources can be measured with sufficient reliability.

1 (c) Incoming resources from legacies

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

1 (d) Gifts in kind

- i) Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.
- ii) Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.
- iii) Gifts made in kind but on trust for conversion into cash and subsequent application by the charity are included in the accounting period in which the gift is sold.

In all cases the amount at which the gifts in kind are brought into account is either a reasonable estimate of their value to the charity or the amount actually realised. The basis of the valuation is disclosed in the annual report.

1 (e) Intangible income

Intangible income (e.g. the provision of free accommodation) is included in the accounts with an equivalent amount in outgoing resources, if there is a financial cost borne by another party. The value placed on such income is the financial cost of the third party providing the resources.

1 (f) Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1 (g) Allocation of support costs and overheads

Support costs and overheads have been allocated between Governance Costs and Charitable Activities. Costs which are not wholly attributable to an expenditure category have been apportioned. The analysis of support costs and the bases of apportionment applied are shown in note 5. Where costs are shared by two or more charitable activities, support costs have been apportioned between categories and this is analysed in note 6.

1 (h) Costs of generating funds

The costs of generating funds are the cost of investment management fees.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

1 (i) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs comprise direct costs and an apportionment of overhead and support costs as shown in note 5.

1 (j) Governance costs

Governance costs comprise all costs incurred in the governance of the charity. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.

1 (k) Fixed assets

Capitalisation

All assets falling into the following categories are capitalised:

- i) computer software licences are capitalised as intangible assets where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £5,000;
- ii) tangible assets which are capable of being used for a period which could exceed one year, and have a cost in equal to or greater than £5,000;
- iii) groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £1,000 or more.

Valuation

Intangible fixed assets held for operational use are valued at historical cost. Surplus intangible assets are valued at net recoverable amount. Tangible fixed assets are valued as follows:

- i) land, buildings, installations, and fittings are stated at open market value for their existing use. Valuations are carried out professionally at five-yearly intervals. Between valuations an appropriate index is applied to revalue the assets.
- ii) equipment is valued at estimated net current replacement cost;
- iii) assets in the course of construction are valued at current cost.

Depreciation

Depreciation is charged on a straight line basis on each main class of tangible asset as follows:

- land and assets in the course of construction are not depreciated;
- buildings, installations, and fittings are depreciated on their current revalued amount over the assessed remaining life of the asset as advised by the professional valuers;
- equipment is depreciated evenly over the estimated life of the asset.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

Impairments

Impairments, where incurred in the year are separately identified in Note 11 and charged to the funds of the charity where caused by price fluctuations and to the Statement of Financial Activities for the year when the impairment was recognised.

1 (l) Donated assets

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

1 (m) Investment fixed assets

Investment Fixed Assets are shown at 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.

Property assets are not depreciated but are shown at market valuation.

Quoted stocks and shares are included in the balance sheet at mid-market price ex-div.

Other investment fixed assets are included at trustees' best estimate of market value.

1 (n) Realised and Unrealised gains and losses

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

1 (o) Financial Instruments

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The charity's investments are reported in the South Eastern HSC public accounts as financial instruments under note 12.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

1 (p) Funds structure

Where there is a legal restriction on the purposes to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment fund. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the Trustees have chosen to earmark for set purposes are classified as designated funds.

1 (q) Pensions

The Charitable Trust Funds have no employees.

1 (r) Charitable Trust Account Consolidation

From 2013-14 the FReM consolidation accounting policy requires the HSC Trusts and ALBs financial statements to consolidate the financial performance and accounts of controlled charitable organisations and funds held on trust. The HSC Trusts and ALBs has accounted for these transfers using merger accounting as required by the FReM. It is important to note however the distinction between public funding and the other monies donated by private individuals still exists. All funds have been used by South Eastern Health and Social Care Trust as intended by the benefactor. It is for the Gifts and Endowments/Charitable Trust Fund Committee within Trusts to manage the internal disbursements. The committee ensures that charitable donations received by the Trust are appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the Trust's Standing Financial Instructions, Departmental guidance and legislation. All such funds are allocated to the area specified by the benefactor and are not used for any other purpose than that intended by the benefactor. Charitable Trust Funds Accounts continue to be prepared and laid separately before the Assembly

1 (s) Transition to FRS 102

The Trust has presented its results under FRS102 . There are no changes in accounting policies and there are no numerical or disclosure changes in the previously reported results and total funds, therefore no reconciliation in results is required.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

2. Analysis of voluntary income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 Funds £000	Total 2017 Funds £000
Donations from individuals	5	204	209	239
Legacies	0	0	0	11
Total	<u>5</u>	<u>204</u>	<u>209</u>	<u>250</u>

3. Gross investment income

	2018 Total Funds £000	2017 Total Funds £000
Gross income earned from:		
Fixed asset equity and similar investments	137	130
Total	<u>137</u>	<u>130</u>

4. Incoming resources from charitable activities

There are no incoming resources from charitable activities.

5. Allocation of support costs and overheads

	2018 Total Funds £000	Allocated to Governance £000	Charitable activities £000	2017 Total Funds	Basis of apportionment
Financial Administration	67	67	0	69	Fully allocated to Governance
Internal Audit	5	5	0	5	Fully allocated to Governance
Total	<u>72</u>	<u>72</u>	<u>0</u>	<u>74</u>	

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

6. Analysis of charitable expenditure

	Grant funded activity	Support Costs	Total 2018	Total 2017
	£000	£000	£000	£000
Medical research	0	0	0	0
Purchase of new equipment	210	0	210	336
Building and refurbishment	4	0	4	13
Staff education and welfare	31	0	31	42
Patient education and welfare	110	0	110	87
Other	3	0	3	10
Total	358	0	358	488

7. Analysis of grants

In 2017/2018 grants payable of £120k (£161k 2016/2017) related to expenditure made from charitable trust funds for the purchase of medical equipment. This equipment has been donated to and is for the use by the South Eastern HSC Trust. The unconditional legal title of these assets has been passed to the South Eastern HSC Trust. The expenditure in respect of these items is included in SEHSCT Consolidated Accounts (Note 5) under the “donations of new equipment”.

8. Transfers between funds

There were no transfers between Unrestricted and Restricted Funds during the year.

9. Analysis of staff costs:

No staff costs were incurred during the year and the fund has no employees.

10. Auditor’s remuneration

The auditor’s remuneration of £5k related solely to the audit with no other additional work undertaken (2017 £5k).

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

11. Total tangible fixed assets

	Freehold Land	Total
	£000	£000
Cost or valuation		
Balance at 1 April 2017	100	100
Cost/Valuation at 31 March 2018	<hr/> 100	<hr/> 100
Accumulated Depreciation:		
Balance at 1 April 2017	0	0
Balance at 31 March 2018	<hr/> 0	<hr/> 0
Net Book Value at 31 March 2018	<hr/> 100	<hr/> 100
Net Book Value at 31 March 2017	<hr/> 100	<hr/> 100
Historic cost at 31 March 2018	<hr/> 2	<hr/> 2

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

12. Analysis of fixed asset investments

12.1 Investments in a Common Investment Fund

	2018 £000	2017 £000
Market value at 1 April	5,549	5,093
Net cash inflow/(outflow)	0	(500)
Share of income	137	130
Share of realised gains/(losses)	7	33
Share of unrealised gains/(losses)	(142)	793
Market value at 31 March	<u>5,551</u>	<u>5,549</u>

12.2 Movement in fixed asset investment

There was a net movement in fixed assets investments of £2k during the year.

12.3 Market value as at 31 March 2018

	Held in UK £000	Held outside UK £000	2018 Total £000	2017 Total £000
Investments in CIF	5,551	0	5,551	5,549
Total market value of fixed asset investments	<u>5,551</u>	<u>0</u>	<u>5,551</u>	<u>5,549</u>

13. Analysis of debtors

	2018 £000	2017 £000
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13.1 Amounts falling due within one year

Other debtors	31	20
Total	<u>31</u>	<u>20</u>

13.2 Amounts due over one year:

No debtors were due over one year.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

14. Analysis of creditors

14.1 Amounts falling due within one year

	2018 £000	2017 £000
Accruals	41	78
Total	<u>41</u>	<u>78</u>

14.2 Amounts falling due after more than one year

No creditors were due over one year.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

15. Analysis of charitable funds

	Balance at 1 April 2017 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Fund at 31 March 2018 £000
Endowment funds						
Down & Lisburn Endowment Fund	61	0	0	0	0	61
Other (individually less than 5%)	0	0	0	0	0	0
Endowment funds total	61	0	0	0	0	61
Restricted Funds						
Robert Moorhead Bequest	448	14	(75)	0	(9)	378
McDermot Fund	665	73	(120)	0	(16)	602
UHD Ethel Agar	1,157	27	(5)	0	(26)	1,153
UHD Special Care Baby Unit	344	24	(17)	0	(8)	343
Other (individually less than 5%)	2,515	185	(165)	0	(58)	2,477
Grand Total	5,129	323	(382)	0	(117)	4,953

Endowment funds are used to generate income whilst maintaining the capital value of the funds. Income earned from these funds are apportioned against all other funds and used for charitable purposes.

Analysis of unrestricted and material designated funds	Balance at 1 April 2017 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Fund at 31 March 2018 £000
Bangor Hospital General	134	3	(2)	0	(3)	132
Ulster Hospital General	389	13	(33)	0	(8)	361
Ards Community Hospital	53	1	(1)	0	(1)	52
Bangor Community Hospital	130	3	(2)	0	(3)	129
Mental Health General	50	1	(4)		(1)	46
Other (individually less than 5%)	38	2	(1)	0	(1)	38
Total	794	23	(43)	0	(17)	757

Some of the opening balances are not the same as the closing balances in the previous year's accounts. This is because the individual funds listed can change year to year dependent on meeting the 'more than 5% of total value' criteria.

SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS

16. Contingencies

There are no contingent losses or gains.

17. Commitments

There are no material commitments.

18. Financial Guarantees

There are no material guarantees given.

19. Related party transactions

During the year none of the Trustees or members of the key management staff or parties related to them has undertaken any material transactions with the South Eastern HSC Charitable Trust Funds.

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not seek to benefit personally from such decisions. Declarations of personal interest have been made in both capacities and are available to be inspected by the public.

The Charitable Trust has made revenue and capital payments to the South Eastern HSC Trust where the Trustees are also members of the Trust.

The administration of the Trust Funds of the South Eastern HSC Trust is carried out by employees of South Eastern H&SC Trust. The cost to the Trust Funds for the year amounted to £72k (£69k 2016/2017) and is included within Financial Administration in Note 5. No trustee expenses were reimbursed by Charitable Trust Funds.

Date authorised for Issue

The Accounting Officer authorised the issue of these financial statements on 22 June 2018.