

SOUTHERN HEALTH AND SOCIAL CARE TRUST

**ANNUAL REPORT AND ACCOUNTS OF THE TRUST FUNDS
HELD BY THE SOUTHERN HEALTH AND SOCIAL CARE
TRUST**

YEAR ENDED 31 MARCH 2018

SOUTHERN HEALTH AND SOCIAL CARE TRUST
TRUST FUNDS

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2018

Laid before the Northern Ireland Assembly under Article 90(5) of the Department of Health and Personal Social Services (NI) Order 1972 (as amended by the Audit and Accountability Order 2003) by the Department of Health

On

Xx June 2018

SOUTHERN HEALTH AND SOCIAL CARE TRUST

TRUST FUNDS

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Annual Report of the Trustees of the Trust Funds held by the Southern Health and Social Care Trust for the year ended 31 March 2018

INTRODUCTION

This is the annual report for the Trust Funds held by the Southern Health and Social Care Trust ('Trust Funds') 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 Southern 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 & Republic of Ireland (FRS 102)" ("The Charity SORP").

REFERENCE AND ADMINISTRATIVE DETAILS

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Comments

If you have any comments about this report or would like extra copies please telephone 028 3756 0118.

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 members of the Southern Health and Social Care Trust were the trustees of the Trust Funds during 2017/18. This constituted the following:

Non-executive members

Mrs R Brownlee	Chair
Mrs S Rooney	Chair of Endowments and Gifts Committee
Mrs H McCartan	Chair of Audit Committee

Ms E Mullan
Mr J Wilkinson
Ms G Donaghy
Mr M McDonald
Mrs P Leeson

Executive members

Mr S Devlin	Chief Executive (from 19 March 2018)
Mr F Rice	Interim Chief Executive (April 2016 to March 2018)
Mr S McNally	Acting Interim Chief Executive (to 9 July 2017 and from 15 November 2017 to 17 March 2018)
Mr S McNally	Director of Finance & Procurement (from 10 July 2017 to 14 November 2017)
Ms H O'Neill	Acting Director of Finance & Procurement (to 9 July 2017 and from 15 November 2017)
Mr P Morgan	Director of Children & Young People's Services / Executive Director of Social Work
Dr R Wright	Medical Director
Mrs A McVeigh	Executive Director of Nursing, Midwives & AHPs & Director of Older People and Primary Care Services (to 15 October 2017)
Mrs H Trouton	Interim Executive Director of Nursing, Midwives & AHPs from 22 January 2018)

Other Members

Mrs A Magwood	Director of Performance and Reform
Mrs V Toal	Director of Human Resources & Organisational Development
Mrs E Gishkori	Director of Acute Services
Mr B McMurray	Acting Director of Mental Health & Disability Services (to 31 December 2017)
Mrs C Harney	Interim Director of Mental Health & Disability Services (from 2 January 2018)
Mrs M McClements	Interim Director of Older People and Primary Care Services (from 2 October 2017)

The Trustees have delegated responsibility for the on-going management of funds to the Endowments and Gifts Committee.

The Southern Health and Social Care Trust (SHSCT) 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 Trust Funds had applied to the Charity Commission for Northern Ireland (CCNI) to register as a charity however following engagement with CCNI, these applications have been withdrawn to allow restructuring of the charitable trusts held by HSC organisations in advance of seeking registration. It is acknowledged this restructuring will take some time to complete. The charity number is currently outstanding.

The Trustees employed the following professional advisors during the year:

Auditors

Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Bankers

Bank of Ireland
13 Market Street
Lurgan
BT66 6AR

Solicitors

Directorate of Legal Services
Business Services Organisation
2 Franklin Street
Belfast
BT2 8DQ

Investment Managers

NI Central Investment Fund for Charities (NICIFC)
The Lighthouse Building
4th Floor, 1 Cromac Place
Gasworks Business Park
Ormeau Road,
Belfast
BT7 2JB

Structure, Governance and Management

The Trust Funds held by the Southern Health and Social Care Trust are governed by the Health and Personal Social Services (NI) Order 1972. The Trust Board acts as “corporate trustee” for the Trust Funds. Trust Board members are recruited by the Department of Health in accordance with its recruitment procedures and are appointed by the Minister for Health.

The Endowments and Gifts Committee is the committee responsible for providing assurance to the Trust Board on all aspects of the stewardship and management of funds donated or bequeathed to the Trust.

The Terms of Reference of the Endowments and Gifts Committee cover the following:

- Constitution – The Committee is established to administer the E&G Funds. It is authorised by the Trust 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. All employees are directed to cooperate with any request made by the Committee.
- Membership – Not less than 3 Non Executive Directors, 1 of whom shall act as the Committee’s Chair; the Director of Acute Services (or their nominee); the designated Director with responsibility for Estates (or their nominee). The Director of Finance or their representative shall normally attend meetings.

The Committee may seek the attendance of other parties if deemed necessary.

- Quorum – Three members, including two Non Executive Directors and one Director.
- Frequency of meetings – the E&G Committee will meet no fewer than 4 times per year. The Chair of the Committee may convene additional meetings as is deemed necessary.

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

- To ensure that appropriate arrangements are in place to oversee the administration, including banking arrangements, of E&G Funds, their investment and disbursement.
- The normal purposes to which funds may be applied include all relevant expenditure likely to enhance the provision of health and social care services in accordance with current legislation relating to E&G Funds as well as Standing Financial Instructions, associated operational procedures of the Trust and the wishes of the donor.
- Satisfy itself that Endowments & Gifts 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 Endowments & Gifts fund will be maintained with the Trust's general estate and inventory of assets;
- Seek assurance that funds are not unduly or unnecessarily accumulated;
- Ensure that a Trustees' Report is produced as part of the production of annual accounts for Endowments and Gifts;
- Seek assurance that expenditure from Endowments & Gifts 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 Endowments & Gifts Funds;

Reporting arrangements: The minutes of meetings of the Committee shall be formally recorded and approved at the subsequent Committee meeting prior to submission to Trust Board for approval. The Committee will report to the Board annually on its work.

During 2017/18, the Committee held 5 meetings to oversee the administration of the Endowments and Gifts Trust funds, their investment and disbursement. Attendance was as follows:

Mrs S Rooney	Chair	Non Executive Director	5 of 5 meetings
Mr M McDonald		Non Executive Director	5 of 5 meetings
Mrs H McCartan		Non Executive Director	5 of 5 meetings
Ms G Donaghy (to 30 June 2017)		Non Executive Director	1 of 1 meeting
Mrs P Leeson (to 30 June 2017)		Non Executive Director	0 of 1 meeting
Mrs E Gishkori		Director of Acute Services	4 of 5 meetings
Mrs V Toal		Director of HR&OD (incl Estates Services)	5 of 5 meetings

The Director of Finance is responsible for the day to day management and control of the administration of the Trust Funds and reports to the Endowments and Gifts Committee. The Director of Finance has responsibility to ensure that Charitable Trust funds are managed appropriately with regard to their purpose and requirements; that full accounting records are maintained and that devolved decision making or delegated arrangements are in accordance with the policies and procedures agreed by the Endowments and Gifts Committee.

BSO Internal Audit includes the Trust Funds as part of their rolling programme of audits. The SHSCT Audit Committee carries out an oversight role in reviewing Internal Audit reports and the annual accounts.

There are no key management personnel employed by the Trust Funds and there are no employees. All management and administration duties are performed by employees of the Southern HSC Trust and the Trust Funds are charged a management fee for their services.

Objectives and Activities

The objectives for the Trust Funds held by the Southern Health and Social Care Trust in 2017/18 were to ensure that charitable donations received by the Trust were appropriately managed, invested, expended and controlled, in a manner that was consistent with the purposes for which they were given and with the Trust's Standing Financial Instructions and Departmental guidance and legislation.

Funds are used to support expenditure in the following areas to progress the objective of the Trust Funds:

- New equipment;
- Enhance the patient/client environment/ treatment experience
- Staff education and training / skills enhancement; and
- Academic Research and Development.

Main Activities of the Trust Funds for the year 17/18

The Endowments and Gifts Committee continued to meet regularly to advise on and approve expenditure requests from the Fund Managers, in accordance with their terms of reference and the ongoing objectives for the use of the Funds.

The Endowments and Gifts Committee has been proactive during 2017/18 in seeking to promote Endowments and Gifts across the Southern HSC Trust. This included a press release thanking the community for their donations and support, and provision of leaflets and posters for Trust wards and facilities with information for service users about making donations. A short video has also been produced for release on social media with information about making a donation to the SHSCT Charitable Trust Funds.

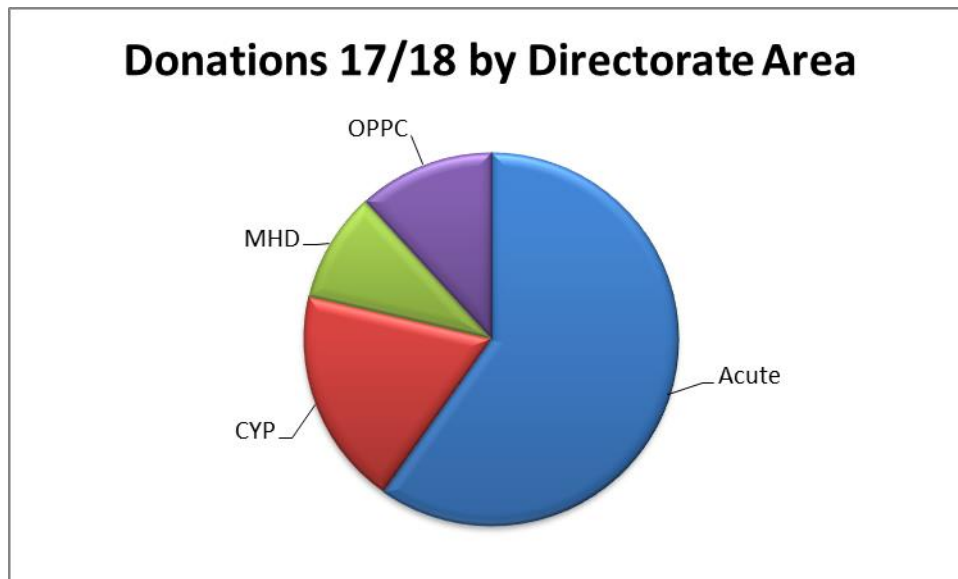
Following a recommendation from the external auditor from their audit of the 16/17 Trust Fund accounts, the E&G Committee has arranged for a detailed exercise during 17/18 to re-assess the classification of funds and to ensure that donors' wishes are being upheld. Legal and professional advice has been obtained to determine what constitutes a legal restriction versus a non-binding preference by a donor and Trust funds have been classified in accordance with this advice as at 31 March 2018. The documentation regarding donations has been revised and approved by the E&G Committee, a communications plan has been drawn up and training sessions for staff were provided in March 2018 and more are scheduled during 2018/19 so that the revised arrangements are operational from April 2018. This exercise also required the review of historical donations to ensure the appropriate classification of funds as restricted or unrestricted. This review was completed and informed the preparation of the Trust Funds annual accounts for 2017/18. The prior year fund balances have been restated as detailed in Note 12.2.

The Endowments and Gifts Committee continued to promote rationalisation of Trust Funds where possible in 2017/18, the purpose of which is twofold – to ensure appropriate use of all funds, irrespective of the size of the donation and to reduce the administration associated with having a very large number of funds.

The Endowments and Gifts Committee revised their Terms of Reference during the year and have adopted the revised Terms of Reference. There were only minor amendments made, including specific reference to producing a Trustees' Report annually; detailing the reporting arrangements between E&G Committee and Trust Board; and updated membership of non executive directors.

Achievements and Performance

Total donations to the Trust Funds for 2017/18 were £216k. Within this there were very many generous donations from patient and client groups, their families and carers, and other community fundraising efforts.



One legacy was received for a specific purpose:

- ❖ Children in care

Donations – Some examples include:

- ❖ Donations in memory of loved ones who were patients of SHSCT
- ❖ Fundraising donations from service users and their families in recognition of excellent care delivered by the SHSCT
- ❖ Fundraising donations from local businesses, schools and community groups
- ❖ Resuscitation training
- ❖ Donation for Acute care at home equipment
- ❖ Fundraising for TV and IMEX screen for facility

The Caraher family from Cullyhanna raised £5,045 for Daisy Hill Hospital Children's Ward in memory of their son Ciarán who would have turned 21 in June. The Carahers would like to express their heartfelt thanks to everyone who helped to organise a fantastic programme of events in Cullyhanna. The Fun Family Weekend included a Tractor Run, a Country and Jiving night, a Family Fun day and Barbeque.



Accepting the cheque on behalf of the Children's Ward at Daisy Hill Hospital, Ward Manager Sr Bronagh Corr said: "On behalf of all of our staff and patients I would like to thank the Carahers and everyone who contributed to their amazing fundraising efforts for such generosity. This very welcome donation will be used to buy equipment

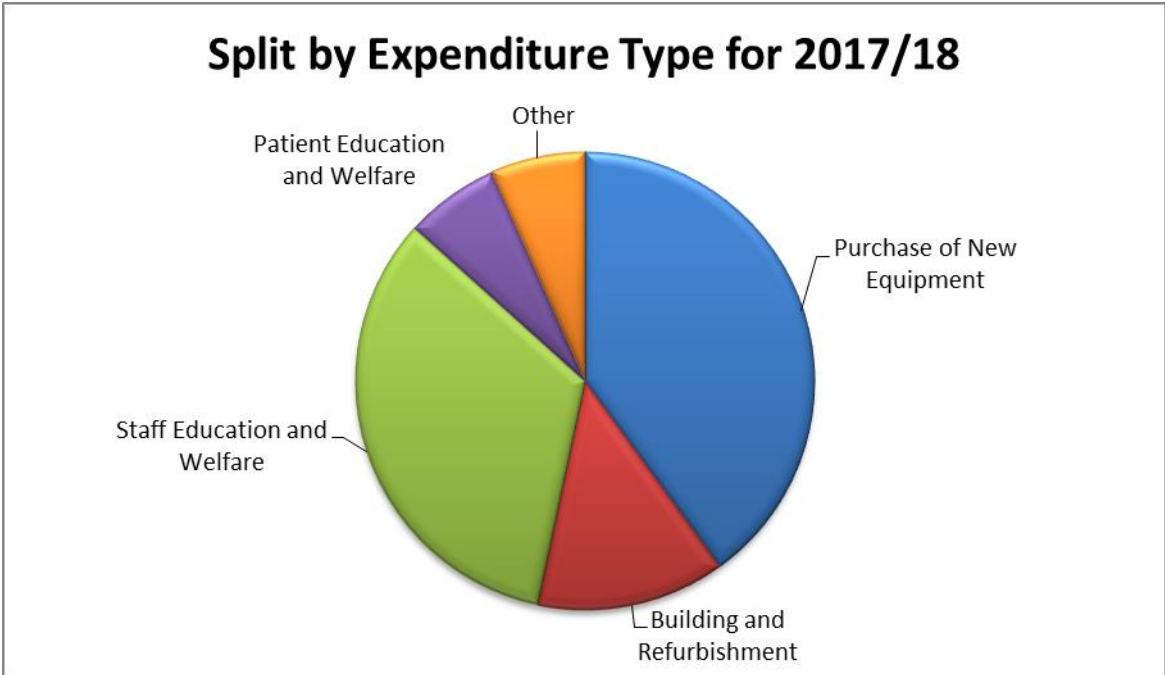
for our new Paediatric Unit which will be opening early next year."

From April 2018, the Charitable Trust Funds will only accept donations into four Directorate wide Funds – Acute, Older People and Primary Care (OPPC), Children's and Young People's Services (CYPS) and Mental Health and Learning Disability (MHLD).

During the year the Trust Funds continued to be spent on activities commensurate with its objectives. £233k was expended on charitable activities, in accordance with the Trust Fund’s policies and procedures.

Examples of improvements the Trust Funds have supported financially during 2017/18 as a result of donations and legacies received include:

- ❖ Educational video for paediatric surgery journey
- ❖ Line Therapy chairs
- ❖ Emergency patient clothing
- ❖ Staff specialist training – including lymphedema, advanced communication, sensory training – this is staff education over and above that which would normally be provided
- ❖ Cardio respiratory monitors
- ❖ Reflexology for cancer patients



The Northern Ireland Central Investment Fund for Charities (NICIFC) continues to hold funds invested on behalf of the SHSCT Trust Funds. During 2017/18, the Endowments and Gifts Committee continued to review the performance of funds invested through NICIFC. The net market value of funds invested with the NICIFC at 31 March 2018 was £3,011k. This is 88.6% of the total value of Trust Funds.

The balance of funds held with the NICIFC has a loss in value of £59k in 2017/18 when compared to a gain of £399k 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

Introduction

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with FRS102 in the UK and Republic of Ireland and with relevant guidance issued by the Department of Health.

Where there is a legal restriction on the purposes to which a fund may be applied, 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 an endowment fund. The Trust has seven endowment funds.

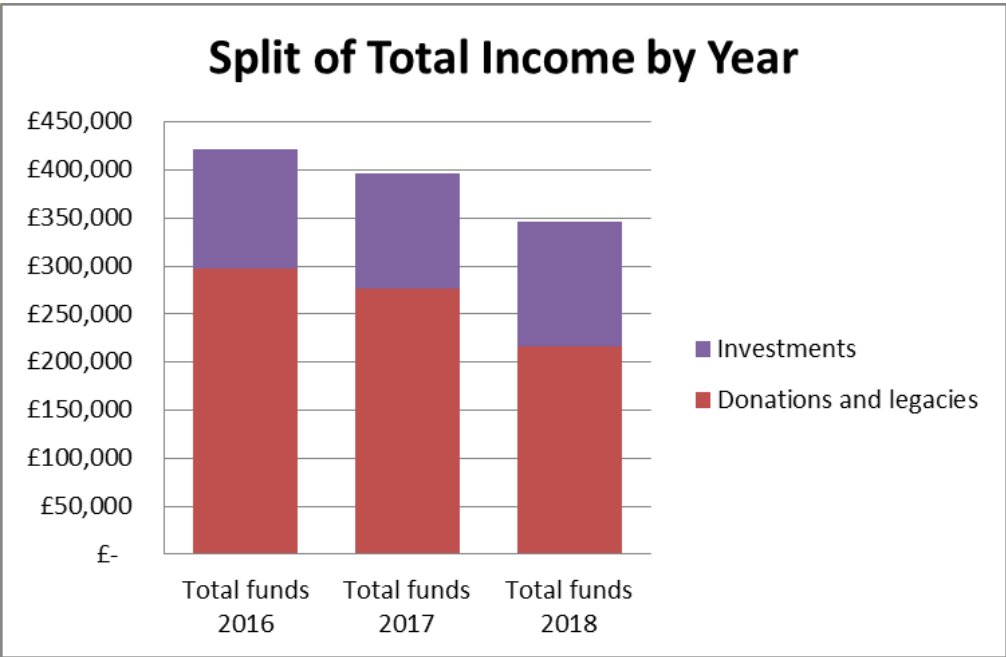
During 2017/18 the Trustees continued to review the terms of donations dating back to 2011 to consider whether the terms of donation met the definitions of restricted and unrestricted funds. As the funds had been reclassified from unrestricted to restricted funds in 2016/17, there was no further reclassification required in 2017/18.

The restricted funds in existence prior to 1 April 2011 continue to exist and will continue to do so until the balance is utilised or reduced to a level which is appropriate to be transferred to another fund. This ongoing process will be incorporated into the Fund restructuring work which will commence in 2018/19.

Review of the year 2017/18

Income

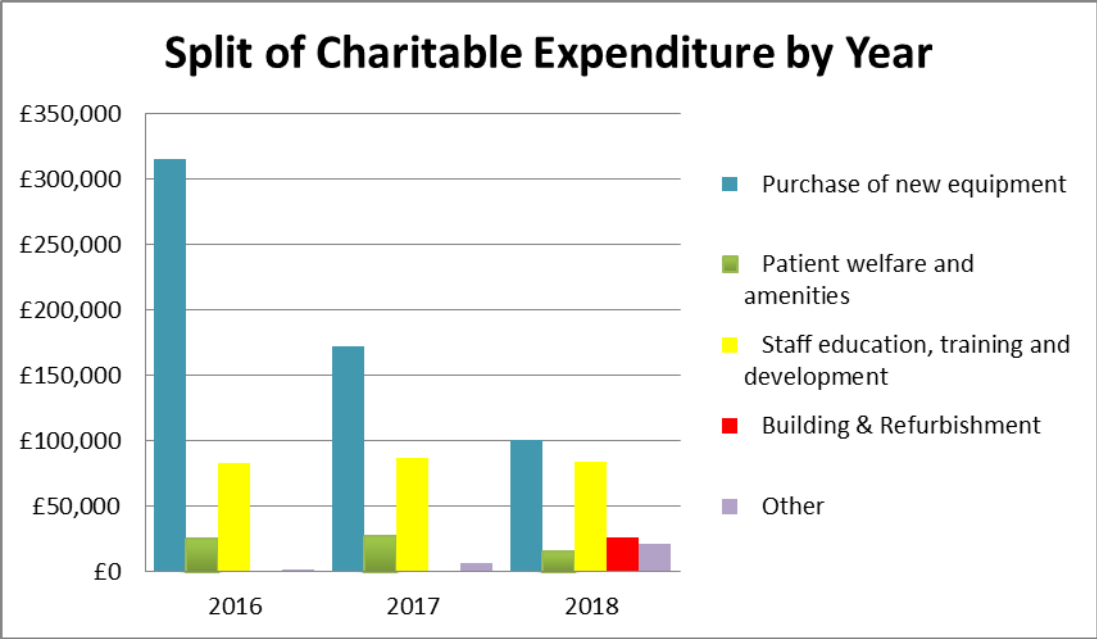
During the year income totalling £346k was received, a decrease of £50k compared to the prior year. £216k was received in donations and legacies compared to £276k in 2016/17. Investment income rose by £10k compared to 2016/17.



Gifts in kind received in 2017/18 amounted to £21k (included within corporate donations) and included items such as the provision of courses, conferences and award events including travel and accommodation and gift cards. They are included at a reasonable estimate of their value to the Trust Funds.

Expenditure

Total resources expended for the year amounted to £248k, a decrease of £53k from 2016/17. Governance and support costs for the financial administration of the funds amounted to £40k. This comprised £35k, representing a levy of approximately 10.1% of incoming resources for administration as agreed by the Endowments and Gifts Committee, and £5k audit fees. The administration costs were higher than in previous years due to the extensive exercise carried out to review historical donations. In addition there were Investment management costs of £15k charged by the Investment Management Company based on the value of the portfolio held by NICIFC.



Financial Position at Year End

Total fund balances were £3,398k at 31 March 2018, consisting of £3,362k of restricted funds and £36k of endowment funds. This is a total increase of £44k from the previous year.

Financial Controls

The Trustees are aware of their financial responsibilities for the money that is held on trust. The Chair of the Endowments and Gifts Committee reports to the Trust Board on a regular basis and fund managers are circulated with details of their fund balances throughout the year. Detailed financial procedures are provided to Fund Managers, including delegated authority levels.

The Trustees' delegated authority levels for the Funds are as follows:

For the 4 Directorate wide funds:

- Expenditure up to £10,000 must be approved by a Director for the relevant fund
- Expenditure over £10,000 and less than £50,000 must be approved by a Panel consisting of the Director for the relevant fund, a Director who is a member of the E&G Committee, a staff side representative and a member of staff who has responsibility for patient / client focus
- Expenditure over £50,000 must be approved by the Chief Executive or the Director of Finance, having been first recommended by the Panel.

For the restricted funds in existence before 1 April 2011:

- Expenditure up to £1,000 must be approved by the designated Fund Manager
- Expenditure over £1,000 and less than £10,000 must be approved by the relevant Director
- Expenditure over £10,000 and less than £50,000 must be approved by the Chief Executive
- Expenditure over £50,000 must be jointly approved by the Chief Executive and one Director member of the E&G Committee

Statement of Risk

The management of risk in relation to the Trust Funds is closely aligned with the Southern Health and Social Care Trust's risk management strategy and procedures.

The major risks to which the Trust Funds are exposed have been reviewed by the Board of the Southern HSC Trust and systems have been established to mitigate these risks. The major risks identified are falls in income due to the fluctuation of legacies and donations received and an adverse change in the stock market conditions. These risks are mitigated by regular reviews of income and expenditure requests, forecasts and by the annual investment performance reviews by the Endowments and Gifts Committee and advice from the external investment manager. This may result in the investment portfolio being changed if the Trustee considers the investments held are exposed to unnecessary risks.

The Trust Funds are indebted to the generosity of patients, clients, their families and carers, well-wishers and friends who have donated so generously to the work of the Trust Funds.

Reserves Policy

The SHSCT Trust Funds holds £nil in reserves as at 31 March 2018 (2017: £nil)

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

Investment Policy

The SHSCT Trust Funds has invested in the NICIFC. NICIFC was set up in 1965 through the Charities Act (Northern Ireland) 1964, with the aim of providing charities with the opportunity to invest all or part of their assets in a centrally pooled fund, administered by the Department for Communities. The Fund is managed by recognised fund managers, with its investment policy and performance reviewed on a quarterly basis by a locally based advisory committee, appointed by the Department.

The NICIFC operates as a discretionary managed fund, with participating Charities allocated a proportionate number of shares based on the size of their investment and the most recent valuation (share price). The Fund invests in fixed-interest securities, UK & foreign equities and selected unitised funds. The allocation between these asset classes is reviewed and adjusted periodically, in line with the Fund's investment policy.

The Department for Communities concluded a review of the Northern Ireland Central Investment Fund for Charities during 2017/18. The Fund will continue to be managed by the Department and the investment manager (currently Standard Life Wealth). Under the review, new additions to the fund were temporarily suspended in 2016/17; this suspension was lifted during 2017/18 with the Fund reopened to investment by both existing and new charity investors. There has been no change to the process of making withdrawals from the fund.

The balance of the Trust Funds monies are held in bank accounts under the HSC banking services contract.

The Endowments and Gifts Committee reviewed its Investment Policy in 2017/18. It has not made any changes to the existing policy and will continue to review the investment policy and portfolio annually.

Plans for Future Periods

The key focus for the Endowments and Gifts Committee in 2018/19 and beyond will be the preparations for the restructuring of the Trust Funds required in order to proceed with the CCNI registration application. This will include review of the purpose of the Funds, provision of governing documents and potentially seeking Court approval to effect any movement or transfer between Funds or any other changes to the Funds. This process will be carried out in conjunction with the Department of Health and the other HSCNI bodies, and taking cognisance of legal

and professional advice. It is anticipated that this process will continue for 18 to 24 months.

Further work is also planned to deliver more training on the new Trust Funds documentation to Fund Managers, and to raise awareness across SHSCT managers, staff and the wider public of the process for making donations to SHSCT Trust Funds.

Signed on behalf of the Trustees:

(Chief Executive)

Date:

7 June 2018

**The Accounts of the Trust Funds held by
Southern Health and Social Care Trust**

For the year ended 31 March 2018

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

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

Audit Certificate

Audit Certificate

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

Statement of Financial Activities for the year ended 31 March 2018

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2018 Total Funds £000	2017 Total Funds £000
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	2	-	216	-	216	276
Investments	3	-	130	-	130	120
Total Income		-	346	-	346	396
EXPENDITURE ON:						
Raising Funds	4	-	-	-	-	-
Investment Management Costs		-	(15)	-	(15)	(14)
Charitable Activities	6	-	(233)	-	(233)	(287)
Total Resources Expended		-	(248)	-	(248)	(301)
(Losses)/Gains on Investment Assets		-	(58)	(1)	(59)	399
Net Movement in Funds		-	40	(1)	39	494
Adjustment to add back: Notional Audit Fee		-	5	-	5	5
Net Movement in Funds excluding Notional Audit Fees		-	45	(1)	44	499
RECONCILIATION OF FUNDS						
Fund balances brought forward at 1 April 2017	13	-	3,317	37	3,354	2,855
Fund balances carried forward at 31 March 2018	12	-	3,362	36	3,398	3,354

The notes at pages 21 to 34 form part of this account.

All gains and losses recognised in the reporting period are included in the SOFA and relate to continuing activities.

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

Balance Sheet as at 31 March 2018

	Note	Total Funds 31 March 2018 £000	Total Funds 31 March 2017 £000
Fixed Assets			
Investments	9	3,011	3,070
Total Fixed Assets		<u>3,011</u>	<u>3,070</u>
Current Assets			
Debtors	10	151	87
Cash at bank and in hand		<u>257</u>	<u>227</u>
Total Current Assets		408	314
Creditors: Amounts falling due within one year	11	(21)	(30)
Net Current Assets		<u>387</u>	<u>284</u>
Total Assets less Current Liabilities		3,398	3,354
Net Assets		<u>3,398</u>	<u>3,354</u>
Funds of the Charity			
Restricted income funds	12	3,362	3,317
Unrestricted income funds	12	-	-
Endowment funds	12	36	37
Total Charity Funds		<u>3,398</u>	<u>3,354</u>

The notes at pages 21 to 34 form part of this account.

The financial statements were approved by the Trustees on 7 June 2018 and signed on its behalf by:

Signed: _____

Name: Shane Devlin (Chief Executive)

Date: 7 June 2018

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

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) with additional disclosures as required by FRS 102 and with relevant guidance issued by the Department of Health.

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 include those charities with a gross income exceeding £500,000 in the reporting period. The Trust Funds held by the Southern Health and Social Care Trust had a gross income of less than £500,000 during 2017/18 and therefore the Trust Funds are exempt from cash flow preparation.

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

The financial statements have been presented in sterling which is also the functional currency of the Southern Health and Social Care Trust Funds.

The Trust Funds meet the definition of a public benefit entity under FRS 102.

The financial statements have been prepared on a going concern basis.

1 (b) Structure of Funds

Where there is a legal restriction on the purpose for which a fund may be used, the fund is classified either as an endowment fund, where the donor has expressly provided that only the income of the fund may be expended, or as a restricted fund, where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

The major funds held in each of these categories are disclosed in Note 12.

1 (c) 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;

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

- i) probability – where there is reasonable certainty that the incoming resource will be received;
- ii) measurement – when the monetary value of the incoming resources can be measured with sufficient reliability.

1 (c) (i) Income from donations and legacies

This includes all income received by the Trust Funds that is a gift or bequest made on a voluntary basis, for any purpose.

Legacies are recognised when it is probable that they will be received.

1 (c) (ii) Income from charitable activities

This included income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions specifying the provision of particular goods or services by the charitable funds.

1 (c) (iii) Other Income

This includes income from groups that have undertaken fundraising activities, income from charity vouchers and any other miscellaneous income.

1 (c) (iv) Investment Income

This is income earned from holding assets for investment purposes and includes dividends and interest.

1 (d) 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 (d) (i) Expenditure on raising funds

This includes all expenditure incurred by the Trust Funds on the management of its investment funds.

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

1 (d) (ii) Expenditure on charitable activities

This includes all expenditure by the Trust Funds in undertaking activities that further its charitable aims for the benefit of its beneficiaries as shown in Note 6. These costs where not wholly attributable, are apportioned between the categories of charitable expenditure.

1 (d) (iii) Allocation of Support Costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include the Management Fee paid to the Southern Health and Social Care Trust for provision of clerical and administration support. These costs have been allocated between expenditure on charitable activities. The bases on which support costs have been allocated are set out in Note 5.

1 (e) Fixed Asset Investments

Investments are stated at market value as at the Balance Sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year. Details of movements in fixed asset investments during the year are shown in Note 9.

1 (f) 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 opening market value (purchase date if later). Unrealised gains and losses are those gains or losses arising from increases or decreases in the value of investments that have not been sold (hence unrealised) at the reporting period end. These are calculated as the difference between the carrying value at the year end and opening market value (or purchase date if later).

Unrealised gains and losses are allocated across the appropriate funds (i.e. those funds for which investments are held) according to the closing value of funds at the year-end.

1 (g) Gifts in Kind

Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

In all cases the amount at which the gifts are brought into the 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 Trustees' Annual Report.

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 within Corporate Donations when receivable.

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.

1 (h) Tangible fixed assets

The Trust Funds do not have any tangible fixed assets (2017: £Nil)

1 (i) Debtors

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discount due.

1 (j) Creditors

Creditors are recognised where the Trust Funds have a present obligation resulting from a past event that will probably result in the transfer of monies to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1 (k) Financial Instruments

Financial assets measured at fair value comprise cash in bank and at hand and Fixed Asset Investments and Financial assets measured at amortised cost comprise other debtors and accrued income, net of bad debt provisions.

There are no financial liabilities measured at fair value. Financial liabilities measured at amortised cost comprise of other creditors

1 (l) Going Concern

There are no material uncertainties about the Trust Funds ability to continue as a going concern.

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

1 (m) Key Judgements and Assumptions

The Trust Funds make estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal the related actual results. The most significant areas of uncertainty that affects the carrying value of assets held by the Trust Funds are the level of investment return and the performance of investment markets.

2. Analysis of income from Donations and Legacies

	Unrestricted Funds £000	Restricted Funds £000	2018 Total Funds £000	2017 Total Funds £000
Donations from individuals	-	119	119	154
Corporate donations	-	25	25	29
Legacies	-	2	2	13
Other	-	70	70	80
Total	-	216	216	276

3. Gross Investment Income

	2018 Total Funds £000	2017 Total Funds £000
Gross income earned from:		
Fixed asset equity and similar investments	130	120
Total	130	120

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

4. Expenditure on Raising Funds

	Restricted Funds £000	2018 Total £000	2017 Total £000
Investment Management Fee	15	15	14
	<u>15</u>	<u>15</u>	<u>14</u>

5. Analysis of Governance and Support Costs across expenditure

	Administration Costs £000	Audit £000	2018 Total £000	2017 Total £000
Medical research	(5)	-	(5)	-
Purchase of new equipment	16	2	18	12
Building and refurbishment	5	1	6	-
Staff education and welfare	13	2	15	6
Patient education and welfare	3	-	3	2
Other	3	-	3	-
	<u>35</u>	<u>5</u>	<u>40</u>	<u>20</u>

Administration costs represent a levy of approximately 10.1% of incoming resources for the financial administration of the funds.

Support costs and Governance costs are apportioned pro rata across charitable expenditure.

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

6. Analysis of Charitable Expenditure

	Charitable Activities £000	Support Costs £000	2018 Total £000	2017 Total £000
Medical research	(27)	(5)	(32)	(6)
Purchase of new equipment	87	18	105	173
Building and refurbishment	29	6	35	-
Staff education and welfare	72	15	87	87
Patient education and welfare	14	3	17	27
Other	18	3	21	6
	<u>193</u>	<u>40</u>	<u>233</u>	<u>287</u>

7. Auditor's Remuneration

The Auditor's remuneration of £5,000 (2017: £5,000) related solely to the audit, with no other additional work undertaken.

8. Trustees' Remuneration

During the year the Trustees received no remuneration or expenses reimbursements (2017: £Nil)

The SHSCT Trust Funds has no employees and so incurred no staff costs (2017: Nil)

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

9. Analysis of Fixed Asset Investments

Fixed Asset Investments are measured initially at cost and subsequently at fair value (market value) at the balance sheet date.

9.1. Movement in Fixed Asset Investment

	2018 £000	2017 £000
Market value at 1 April 2017	3,070	2,671
(Loss)/Gain on revaluation	(59)	399
Market value at 31 March 2018	<u>3,011</u>	<u>3,070</u>
Historic cost at 31 March 2018	<u>1,923</u>	<u>1,923</u>

9.2. Market Value as at 31 March 2018

	Held in UK £000	2018 Total £000	2017 Total £000
Investments in a Common Deposit Fund or Investment Fund	3,011	3,011	3,070
Total market value of fixed asset investments	<u>3,011</u>	<u>3,011</u>	<u>3,070</u>

10. Analysis of Debtors

	2018 £000	2017 £000
Amounts falling due within one year		
Accrued Income	15	-
Other debtors	136	87
	<u>151</u>	<u>87</u>

11. Analysis of Creditors

	2018 £000	2017 £000
Amounts falling due within one year		
Other creditors	<u>21</u>	<u>30</u>

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

12. Analysis of Trust Funds

Endowment Funds are funds donated to the SHSCT Trust Funds, the capital value of which may be invested and the interest earned thereon may be spent. The capital must be retained intact.

Restricted Funds are funds donated for a specific purpose and donations where the donor has indicated a wish for the donation to be used in a specific way.

12.1. Endowment Funds

	Fund at 1 April 2017 £000	Incoming resources £000	Resources expended £000	Transfers £000	Losses £000	Fund at 31 March 2018 £000
DHH legacy Mrs Hussey Deburgh 2	3	-	-	-	-	3
Banbridge Community Nursing Fund - CIP	26	-	-	-	(1)	25
Mary Adams Trust CIP	2	-	-	-	-	2
Armagh Community Hospital – Primate Robinson Charity	3	-	-	-	-	3
Other (individually less than 5%)	3	-	-	-	-	3
Endowment funds total	37	-	-	-	(1)	36

Restricted Funds

	Fund at 1 April 2017 (Restated) £000	Incoming resources £000	Resources expended £000	Transfer s £000	Losses £000	Fund at 31 March 2018 £000
Other (individually less than 5%)	2,365	273	(194)	-	(41)	2,403
Neo- Natal Unit	431	29	(30)	-	(7)	423
Mandeville Unit	521	44	(19)	-	(10)	536
Total Restricted funds	3,317	346	(243)	-	(58)	3,362
Grand Total	3,354	346	(243)	-	(59)	3,398

The above expenditure excludes the notional audit fee of £5k.

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

12.2. Comparative figures for Endowment Funds

	Fund at 1 April 2016 £000	Incoming resources £000	Resources expended £000	Transfers £000	Losses £000	Fund at 31 March 2017 £000
DHH legacy Mrs Hussey Deburgh 2	3	-	-	-	-	3
Banbridge Community Nursing Fund - CIP	23	-	-	-	3	26
Mary Adams Trust CIP	2	-	-	-	-	2
Armagh Community Hospital – Primate Robinson Charity	3	-	-	-	-	3
Other (individually less than 5%)	3	-	-	-	-	3
Endowment funds total	34	-	-	-	3	37

Comparative figures for Restricted Funds

	Fund at 1 April 2016 (Restated) £000	Incoming resources £000	Resources expended £000	Transfer s £000	Gains £000	Fund at 31 March 2017 (Restated) £000
Other (individually less than 5%)	2,085	150	(152)	-	282	2,365
Neo- Natal Unit	323	91	(35)	-	52	431
Mandeville Unit	413	155	(109)	-	62	521
Total Restricted funds	2,821	396	(296)	-	396	3,317
Grand Total	2,855	396	(296)	-	399	3,354

The above expenditure excludes the notional audit fee of £5k.

Prior year fund balances have been restated due to the reclassification of balances across funds, as described in the Annual Report of the Trustees (page 8).

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

Restricted Funds:

The Restricted Funds listed above represent donations received to support expenditure in the following areas:

- Patient / Client / Relative / Visitor Comfort and Amenity, including enhancement to the physical environment and facilities, entertainment, education and support and the provision of aids, appliances and other equipment to individuals or groups;
- Staff appreciation, to include the funding of general hospitality, social events and celebrations within the “Gifts, Hospitality and Sponsorship Policy”;
- Staff Education and Training and other forms of skill enhancement;
- Up to 5% of the Directorate Fund balance may be used for Academic Research and Development, in areas of interest associated with services directly provided by the Trust. Commercial research will be fully funded by the sponsor organisation.
- Neonatal Fund – This fund provides enhancements to services and amenities associated with new born babies during the first month after their birth.
- Mandeville Fund - This fund provides enhanced locally based cancer treatment services and treatment for a number of blood disorders. Chemotherapy and numerous clinical procedures are carried out in the Mandeville Unit in addition to supportive therapy and blood transfusions.

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

12.3 Analysis of Trust Funds

	Restricted Funds	Endowment Funds	2018 Total	2017 Total
	£000	£000	£000	£000
Fixed asset investments	2,975	36	3,011	3,070
Cash at bank and in hand	257	-	257	227
Current Assets	151	-	151	87
Current Liabilities	(21)	-	(21)	(30)
	<u>3,362</u>	<u>36</u>	<u>3,398</u>	<u>3,354</u>

13. Comparative figures for the Statement of Financial Activities

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2017 Total Funds £000
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies	-	276	-	276
Investments	-	120	-	120
Charitable Activities	-	-	-	-
Total Income	<u>-</u>	<u>396</u>	<u>-</u>	<u>396</u>
EXPENDITURE ON:				
Raising Funds				
Investment Management Costs	-	(14)	-	(14)
Charitable Activities	-	(287)	-	(287)
Total Resources Expended	<u>-</u>	<u>(301)</u>	<u>-</u>	<u>(301)</u>
Gains/(Losses) on Investment Assets	-	396	3	399
Net Movement in Funds		491	3	494
Adjustment to add back:				
Notional Audit Fee	-	5	-	5
Net Movement in Funds excluding Notional Audit Fees	<u>-</u>	<u>496</u>	<u>3</u>	<u>499</u>
RECONCILIATION OF FUNDS				
Fund balances brought forward at 1 April 2016	-	2,821	34	2,855
Fund balances carried forward at 31 March 2017	<u>-</u>	<u>3,317</u>	<u>37</u>	<u>3,354</u>

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

14. Financial Instruments

	2018 Total £000	2017 Total £000
Financial Assets measured at fair value through the SOFA	3,268	3,297
Financial Assets measured at amortised cost	151	87
	<hr/> 3,419 <hr/>	<hr/> 3,384 <hr/>
	2018 Total £000	2017 Total £000
Financial Liabilities measured at fair value through the SOFA	-	-
Financial Liabilities measured at amortised cost	21	30
	<hr/> 21 <hr/>	<hr/> 30 <hr/>

Financial assets measured at fair value through the SOFA comprise cash in bank and at hand and Fixed Asset Investments.

Financial assets measured at amortised cost comprise other debtors and accrued income, net of bad debt provisions.

There are no financial liabilities measured at fair value through the SOFA. Financial liabilities measured at amortised cost comprises of other creditors

15. Transfer between Funds

There were no transfers between funds in the year ended 31 March 2018.

16. Financial Guarantees, Indemnities and Letters of Comfort

The SHSCT Trust Funds has not entered into any financial guarantees, indemnities or provided letters of comfort. (2017: £Nil)

17. Investment Management Costs

Expenditure of £15,038 (2017: £14,299) was incurred on portfolio management within NICIFC and is disclosed within Note 5.

SOUTHERN HSC TRUST

TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

18. Related Party Transactions

Board Members (and other senior staff) take decisions both on Trust Funds 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.

During the year none of the Trustees or members of the key management staff or parties related to them at the SHSCT have undertaken any transactions with the Trust Funds.

The Trust Funds have made revenue and capital payments to the Southern Health and Social Care Trust where the Trustees are also members of the Trust Board. In 17/18 the Charitable Trust paid £57,688 (16/17: £109,636) to the Southern HSC Trust and owed £Nil (16/17: £16,192) to the Southern HSC Trust as at 31 March 2018. The Trust Funds received £498 (16/17: £750) from the Southern HSC Trust during 17/18 and was owed £64,080 (15/16: £20,932) from the Southern HSC Trust.

19. Financial Commitments

The Southern Health and Social Care Trust Funds have no contingencies or commitments. (2017: £Nil)

20. Ultimate Holding Organisation and Registered Address

The ultimate controlling party of the Trust Funds is Southern HSC Trust. Copies of the 2018 Annual Report and Accounts of Southern HSC Trust can be obtained by writing to Director of Finance, Southern HSC Trust.

Registered Address of Trust Funds:

Southern Health and Social Care Trust
Trust Headquarters
Southern College of Nursing
Craigavon Area Hospital
68 Lurgan Road
Portadown
BT63 5QQ

21. Post Balance Sheet Events

There have been no material events after the Balance Sheet date which would have a material effect on the accounts.

ISBN Number

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