

## Bundle Board of Trustees 13 December 2018

### Agenda attachments

#### 00. Agenda Trustee Meeting.docx

- 1 Welcome and Introductions
- 2 Declarations of Interest
- 3 Minutes of last Trustee Meeting  
03. Minutes 27 September 2018 v2.docx
- 4 Approval of Annual Report and Accounts  
04. Approval of Annual Report and Accounts.docx
- 5 Response Provided to the Auditor General  
05. Response provided to the Auditor General.docx
- 6 Funds Held on Trust Report  
06. Funds Held on Trust Report ( Inc Annual Accountmts).pdf
- 7 Charitable Funds ISA 260 2017-18  
07. Charitable Funds ISA 260 2017-18.pdf

## TRUSTEE MEETING AGENDA

13<sup>th</sup> DECEMBER 2018

12.30 p.m. – 1.00 p.m.

Board Room, University Hospital Llandough.

Time	Subject	Executive Lead
12.30	1. Welcome and Introductions	Chair
	2. Declarations of Interest	Chair
	3. Minutes of last Trustee meeting	Chair
	4. Approval of Annual Report and Accounts	Deputy Director of Finance
	5. Response Provided to the Auditor General	Deputy Director of Finance
	6. Funds Held on Trust Report	Deputy Director of Finance
	7. Charitable Funds ISA 260 2017-18	Deputy Director of Finance
1.00	Finish	



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Caerdydd a'r Fro  
Cardiff and Vale  
University Health Board

**UNCONFIRMED MINUTES OF THE TRUSTEE MEETING  
HELD ON THURSDAY 27 SEPTEMBER 2018  
BOARD ROOM, UNIVERSITY HOSPITAL LLANDOUGH**

**Present:**

Maria Battle	Chair
Abigail Harris	Director of Planning
Dawn Ward	Independent Member – Trade Union
Charles Janczewski	Vice Chair
Eileen Brandreth	Independent Member – ICT
Dr Fiona Jenkins	Director of Therapies and Health Sciences
Prof Gary Baxter	Independent Member – Cardiff University
Dr Graham Shortland	Medical Director
John Antoniazzi	Independent Member – Estates
John Union	Independent Member – Finance
Len Richards	Chief Executive
Martin Driscoll	Director of Workforce and OD
Michael Imperato	Independent Member – Legal
Robert Chadwick	Director of Finance
Ruth Walker	Executive Nurse Director
Sara Moseley	Independent Member – Third Sector
Dr Sharon Hopkins	Director of Public Health
Steve Curry	Chief Operating Officer

**In Attendance:**

Nicola Foreman	Director of Corporate Governance
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**Secretariat**

Julia Harper

**Apologies:**

Akmal Hanuk	Independent Member – Community
Cllr Susan Elsmore	Independent Member – Local Authority

**UHBT 18/019**

**WELCOME AND INTRODUCTIONS**

The Chair welcomed everyone to the meeting that had been called to consider a recommendation about the realisation of gains.

**UHBT 18/020**

**APOLOGIES FOR ABSENCE**

Apologies for absence were noted.

## **UHBT 18/021      DECLARATIONS OF INTEREST**

The Chair invited Members to declare any interests in the proceedings on the agenda. None were declared.

## **UHBT 18/022      MINUTES OF THE MEETING HELD ON 29 MARCH 2018**

The Trustee **RECEIVED** and **APPROVED** the minutes of the meeting held on 29<sup>th</sup> March 2018.

## **UHBT 18/023      MATTERS ARISING**

There were no matters arising.

## **UHBT 18/024      REALISATION OF GAINS**

The Director of Finance, Mr Robert Chadwick presented the report and commented on the advice received by the Charity's external Fund advisers. There was a strong suggestion that with uncertain global events, consideration should be given to withdrawing ten percent of the gains for charitable uses. This would help with cash flow going forward.

**ASSURANCE** was provided by:

- The financial strength of the charity.
- Good financial performance during the period.

The Trustees:

- **APPROVED** the withdrawal of approximately £0.700m from the portfolio.

## **UHBT 18/025      REVIEW OF THE MEETING AND ANY URGENT BUSINESS**

There was nothing further to add to the meeting.

## **UHBT 18/026      DATE OF NEXT MEETING**

The next meeting would be held at 9am on 13<sup>th</sup> December 2018 to consider the Charity's Accounts and Annual Report.

<b>Report Title:</b>	<b>APPROVAL OF THE FUNDS HELD ON TRUST FINAL ACCOUNTS 2017/18 FOR THE CARDIFF AND VALE UNIVERSITY LOCAL HEALTH BOARD CHARITY</b>					
<b>Meeting:</b>	<b>Trustee Meeting</b>				<b>Meeting Date:</b>	<b>13<sup>th</sup> December 2018</b>
<b>Status:</b>	<b>For Discussion</b>	<b>For Assurance</b>	<b>For Approval</b>	√	<b>For Information</b>	
<b>Lead Executive:</b>	<b>Director of Finance</b>					
<b>Report Author (Title):</b>	<b>Head of Financial Services</b>					

#### **SITUATION**

To receive and consider for approval the Funds on Trust Annual Report and Accounts 2017/18, and the ISA 260 Audit Report. The following documents are included:

- Funds Held on Trust Report ( Incorporating Final Accounts)
- ISA 260 Audit Report ( Including Letter of Representation)
- Response provided to the Auditor General for Wales Audit Enquiries Letter

#### **REPORT:**

#### **BACKGROUND**

The draft Funds held on Trust Annual Report and Accounts were submitted to the Charitable Funds Committee on the 11<sup>th</sup> September 2018.

The audited version of the Annual Report and Accounts and the ISA 260 report from the Wales Audit Office have been reviewed by the Charitable Funds Committee on the 11<sup>th</sup> December 2018.

#### **ASSESSMENT**

The Annual Report and Accounts of the Charity have been prepared in accordance with SORP 2015. These have been subject to external review by the Auditor General for Wales. Their assessment is detailed in the ISA 260 report which includes their opinion, findings and recommendations. Their conclusion is that the annual report and accounts show a true and fair view for the financial year 2016/17.

During the course of the audit there were a number of uncorrected non-material misstatements with the net effect of those amounting to £15,598 understatement of expenditure. These were not considered material to the 2017/18 statements and have therefore not been adjusted in the accounts. The Auditor General for Wales will set out specific recommendations from the audit to be considered by the Charity at a later date.

**ASSURANCE** is provided by:

- The response provided to the auditor enquiries letter from the Auditor General for Wales
- Audited Accounts show a true and fair view and are un-qualified
- Strong financial controls substantiated by substantial internal audit assurance rating

**RECOMMENDATION**

The Board is asked to:

- **CONSIDER** the Annual Report and Accounts for 2017/18, Letter of Representation and ISA 260 Report from the Auditor General for Wales.
- **RECOMMEND** the approval of the Annual Report and Accounts for 2017/18, based on the assurances given.
- **CONFIRM** the statement made in the Letter of Representation to the Auditors and recommend approval of this document. The approval will need to be specifically reflected in the minutes to allow the Chair and the Chief Executive to sign the letter on behalf of the Trustees.

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance				
2. Deliver outcomes that matter to people		7. Be a great place to work and learn				
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	√			
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us				
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives				
Sustainable Development Principles: Five ways of working	Prevention	Long term	Integration	Collaboration	√	Involvement





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**Reference:** MJ1/NG

**Date issued:** 19 September 2018

Dear Chris

## Cardiff and Vale University Local Health Board's Funds Held on Trust 2017/18 - audit enquiries to those charged with governance and management

As your external auditors we are responsible for obtaining reasonable assurance that the financial statements taken, as a whole, are free from material misstatement, whether caused by fraud or error. I also set out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on the audit of the Funds Held on Trust (FHOT) financial statements. These considerations are relevant to both:

- management; and
- the trustees, who are deemed to be 'those charged with governance'.

I have set out below the areas of governance on which I am seeking views.

Management's processes in relation to:

- undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud;
- identifying and responding to risks of fraud in the organisation;
- communication to employees of views on business practice and ethical behaviour; and
- communication to those charged with governance the processes for identifying and responding to fraud.

I am also seeking views on:

- management's and the trustees' awareness of any actual or alleged instances of fraud;
- how management and the trustees gain assurance that all relevant laws and regulations have been complied with;
- whether there is any potential litigation or claims that would affect the financial statements;
- management processes to identify, authorise, approve, account for and disclose related party transactions and relationships and the trustees' oversight of these processes; and
- the information you provide will inform our understanding of the UHB and its business processes and support our work in providing an audit opinion on your 2017-18 financial statements.

I would be grateful if you could complete the attached tables in **Appendices 1 to 3**. Your responses should be formally considered and communicated to us on behalf of both management and those charged with governance by 31 October 2018. In the meantime, if you have queries, please contact me on 07748 181679 or by e-mail at [mark.jones@audit.wales](mailto:mark.jones@audit.wales)

Yours sincerely

Mark Jones  
Audit Manager

## Appendix 1

### Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management, and the trustees 'those charged with governance'. Management, with the oversight of the trustees, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

### What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets; or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how the trustees exercise oversight of management's processes. We are also required to make enquiries of both management and the trustees as to their knowledge of any actual, suspected or alleged fraud and for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

## Enquiries of management - in relation to fraud

Question	2017-18 Response
1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?	The assessed risk is extremely low as management are not aware of any fraud or potential fraud that would materially impact on the financial statements. This assessment is made on the basis of a robust and comprehensive counter fraud and internal audit services. Any potential fraud cases are rigorously investigated and pursued by counter fraud. Internal Audit also undertake a detailed annual review of charitable funds and the main financial systems from which the financial statements are prepared, both of which has been reviewed as giving substantial assurance.
2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?	The Health Board's internal auditors annually review charitable funds and the fundamental financial systems upon which the financial statements are based. This is also supported by a robust and well-resourced counter fraud programme. All senior staff in the Finance Department comply with professional ethics and accounting standards and any deliberate mis-statements would likely result in the individual being struck off from their professional body.
3. What arrangements are in place to report fraud issues and risks to the trustees?	The Audit Committee agrees a Counter Fraud Work Plan at the start of the year. It then receives regular Counter Fraud progress reports at all of its normal business meetings. It also receives an annual counter fraud report which details the work that has been

## Enquiries of management - in relation to fraud

Question	2017-18 Response
	undertaken during the year, together with a Self-Risk Assessment.
4. How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?	<p>All staff have access to the Standards of Behaviours Framework Policy via the Intra and Internet plus this is included upon recruitment and at induction. Consultant Medical and Dental Staff are reminded of the need to declare interests etc, when completing their job plans. This has been re-enforced throughout the year by the Assistant Medical Director – Workforce and the Clinical Boards, Board members are made aware of the policy on recruitment and are also prompted to complete a declaration on an annual basis. This requires them to confirm that they have read and understood the policy. ‘Declarations of Interest’ is also a standing item on the agenda of all Board and Committee meetings, including the Board of Trustees and Charitable Funds Committee meetings. In addition, the Standards of Behaviours Framework policy has been circulated and also raised at the Health Systems Management Board to ensure that it is cascaded through Clinical Boards. This has been done to make sure that expectations of ethical governance and standards of conduct and behaviour are being communicated to all professional staff and not only to Medical and Dental staff.</p>

## Enquiries of management - in relation to fraud

### Question

5. Are you aware of any instances of actual, suspected or alleged fraud since 1 April 2017?

### 2017-18 Response

All actual and suspected fraud is fully reported to the Audit Committee at its regular business meeting in its private session via a counter fraud progress report. There were no actual or suspected frauds relating to Funds Held on Trust in 2017/18.

## Enquiries of those charged with governance – in relation to fraud

Question	2017-18 Response
1. How do the trustees exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has established to mitigate those risks?	The Board/charity has delegated the review and monitoring of management processes for identifying and responding to fraud risks to the Audit Committee. This monitoring is supported by the work of the Audit Committee and the internal audit and counter fraud functions for which the Finance Director is the lead Executive. The Audit Committee receives regular reports on counter fraud matters and on the adequacy of internal control that exist within the Health Board/charity and on the actions being taken to mitigate these risks. The Chair of the Audit Committee is an Independent Member of the Board and reports back to the Health Board on these matters and the minutes of both the public and private meetings of the Audit Committee are included in the meeting papers of the Board.
2. Are you aware of any instances of actual, suspected or alleged fraud since 1 April 2017?	No, as part of their private meetings, the Board receives minutes from the private meeting of the Audit Committee, which includes any significant points highlighted in the Counter Fraud Progress Reports. There has been no suspected or actual fraud relating to funds held on Trust in 2017/18.

## Appendix 2

### Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, the trustees are responsible for ensuring that the Fund's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements; and
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

### What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management and the trustees as to whether the Fund is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

## Enquiries of management – in relation to laws and regulations

Question	2017-18 Response
1. How have you gained assurance that all relevant laws and regulations have been complied with?	Assurances are gained via the Charitable Funds Committee and other appropriate Board Committees where these issues are discussed.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2017, or earlier with an ongoing impact on the 2017-18 financial statements?	There have been no instances of non-compliance or suspected non-compliance with relevant laws and regulations relating to the Funds Held on Trust during this period.
3. Are there any potential litigations or claims that would affect the financial statements?	Management is not aware of any potential litigations or claims that would affect the financial statements.
4. Have there been any reports from other regulatory bodies, which indicate non-compliance?	No such reports have been issued.

## Enquiries of those charged with governance – in relation to laws and regulations

Question	2017-18 Response
1. How do trustees, in their role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	Assurances are gained via the Charitable Funds Committee and other appropriate Board Committees where these issues are discussed.
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	No.

## Appendix 3

### Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

### What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

## Enquiries of management – in relation to related parties

### Question

1. Confirm that you have disclosed to the auditor:
  - the identity of any related parties, including changes from the prior period;
  - the nature of the relationships with these related parties; and
  - details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions.

2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?

### 2017-18 Response

Yes, these have been disclosed.

Staff are required to make declarations in accordance with the Standards of Behaviour Framework Policy, incorporating Gifts, Hospitality and Sponsorship. All Board members and other relevant staff are asked to make a declaration on an annual basis, which is then recorded and published in the Declarations of Board Members' Interests. Where a Board Member's interests change during the year, they have a personal responsibility to declare this and inform the Board Secretary.

These related party transactions are identified in the Charity's Annual Report 2017/18. For all Committees and the Board there is a standing agenda item at the beginning of each meeting called 'Declaration of Interest' in relation to items on the agenda.

**Enquiries of the those charged with governance – in relation to related parties**

**Question**

1. How do the trustees, in their role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?

**2017-18 Response**

The Audit Committee receives bi-annual reports relating to compliance with the policy and the Gifts, Hospitality and Sponsorship Register. The Charitable Funds Committee will also scrutinise the Annual Accounts of the Charity which contain details of related party transactions.



## Cardiff & Vale Health Charity Annual Report 2017-18

**Every donation making healthcare better**



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## Message from our Chair



Welcome to the 2017/18 annual report of the Charitable Funds Committee of Cardiff & Vale Health Charity, and my first message as Chair.

I am delighted to report that this year, the Health Charity spent £1.785 million in support numerous good causes throughout Cardiff and Vale University Health Board. Examples of the impact of this money on our patients and staff are included in the report – I hope you find these stories as interesting and inspiring as we do.

Of course, the Health Charity relies on the support of our generous fundraisers and donors, and in 2017/18 we showed a strong financial performance, generating income of £1.460 million. It is pleasing to note that both donations and staff lottery income increased – a testament to the hard work and care shown in our hospitals and community health centres.

The Health Charity's portfolio had a small loss of £0.119million this year compared to a £0.938million gain in 2016/17. The overall movement in funds was a decrease of £0.350million, represented by net expenditure of £0.444million and gains on revaluation of fixed assets of £0.094million.

In 2017/18, the Health Charity experienced many special 'firsts'. I was delighted that the Our Orchard fund was the chosen charity of Cllr Stuart Egan, the Mayor of the Vale of Glamorgan. The Mayor's support in fundraising and promoting the project was fundamental to the official launch of Our Orchard on 7 April 2017, and the outstanding progress made during the year.

In 2016/17 the Charity made monies available to pump prime projects by the community groups, charities and community interest companies that are an integral partner of delivering health and social care objectives in Cardiff and the Vale. The funded projects supported people in recovery from addiction, young carers, people with acquired head injuries and several others – a snapshot of the value the third sector provides. Following the successful introduction and assessment of this scheme in 2017/18 the Charitable Funds Committee plan to invest further to ensure that the 2018/19 Scheme is also a success.

And finally, but also for the first time in our history, Cardiff & Vale Health Charity has been chosen as one of the official associate charities of the Cardiff University Cardiff Half Marathon in October 2018. We launched our recruitment campaign in December 2017, and by the end of March 2018 had more than 250 runners committed to running and raising funds for their chosen ward or department. I am very proud that people are inspired to raise money and engage in a healthier, more active lifestyle, and my sincere thanks and admiration to those who have signed up.

This campaign has involved substantial investment from the Health Charity and our fundraising team, but much credit is due to the many staff members who have generously volunteered to encourage, motivate and train new runners for the Cardiff Half challenge – people like Spiro Pezaros, who has supported a group of new runners from their first Couch to 5k session in January to 10k runs in June. Their commitment, as ever, is remarkable.

**Akmal Hanuk**  
**Chair, Charitable Funds Committee**



## About Cardiff & Vale Health Charity

Cardiff & Vale Health Charity is the official charity supporting all the work of Cardiff and Vale University Health Board.

Our aim is to enhance and support the vital healthcare provided by the Health Board every day to the nearly half a million people living in Cardiff and the Vale of Glamorgan, and the many more patients who are referred from across Wales to specialities such as paediatric intensive care, specialist children's services, renal services, cardiac services, neurology, bone marrow transplantation and medical genetics. We do this by making sure that every penny of every donation goes on patients, not fundraising costs – and donations are spent by senior doctors and nurses working on each ward.

Our dedicated charitable funds – numbering more than 300 – provide monies that enhance NHS provision in 8 hospitals and 17 health centres by paying for vital medical equipment, specialist training, enhanced patient facilities and medical research. We seek particularly to fund art and other aesthetic improvements that have been shown to improve the experience of our short and longer-term patients.

Cardiff and Vale University Health Board is one of the largest NHS organisations in the UK. Our hospitals include:

University Hospital of Wales	Barry Hospital
Noah's Ark Children's Hospital for Wales	Rookwood Hospital
University Dental Hospital	St. David's Hospital
University Hospital, Llandough	Cardiff Royal Infirmary

This report is an opportunity for us to thank all of our fundraisers, for your hard work and generosity in supporting Cardiff & Vale Health Charity and the funds that are close to your hearts.

Over the following pages, we share some of your inspiring stories; we know our staff and patients also have stories of the difference your donations have made.

## **Our Fundraising Support Team**

Our small staff team is here to support and co-ordinate all of the fundraising that takes place by our donors and fundraisers. Most importantly, we thank every donor – whether donating by cash, cheque, regular gift, or online giving.

We are always delighted to hear from our supporters, so please get in touch with us to let us know about the type of fundraising you want to do, to ask for help and to get any advice you may need. Please remember to send us photos of your fundraising, so that we can share your stories on our website, facebook and twitter accounts!

We endeavour to meet every new member of UHB staff at the monthly corporate induction sessions, to introduce ourselves and ensure that they are confident in handling any cash that might be donated. Engagement with staff – and staff being confident in acting as our ambassadors! – is a key element of the ongoing growth of the Health Charity.

## **Volunteers**

Many thanks to the volunteers who have supported the Health Charity over the last year. Our volunteers come from all walks of life and include staff, patients, members of the public and businesses; all of whom are very generous with both time and their fundraising efforts. It would never be possible to thank every volunteer individually but we are so appreciative of your hard work!! We are always looking to encourage more volunteers to support us, so if you know anyone who is interested, please do not hesitate to get in touch

## **Cardiff & Vale Staff Lottery**

This year has been successful in terms of promoting our staff lottery; in 2017-18 the total Staff membership income has again increased, by over £32,000

We are very grateful to the staff who choose to support the Health Charity. The £1,000 weekly prize has again been won by 52 staff members, all of whom have been delighted to hear the news!



The Staff Lottery Super Draw and Mega Draw are now established as annual events, and each make a substantial contribution to the lottery's on-going growth. This year, Epyllt Glyn Jones, a Speech and Language Therapist, won the car, and Suzie Bequer-Moreno, from Patient Experience, won £10,000.

## Fundraising Highlights

### The Make It Better Fund

The Make It Better Fund is the name given to the Health Charity's general purpose 'pot'. The fund is open for project bids from staff across the UHB, which are then assessed by the Make It Better (Staff Lottery) Panel. Much of the fundraising for this appeal comes from the proceeds for the staff lottery, and because of this, the panel welcomes the submission of bids that improve the health and wellbeing of staff.

Below we've outlined a few of the projects our donors have made possible this year, all of which have made a real difference to our patients. These examples show our commitment to every donation making healthcare better

#### A7 activity room

Jackie is the activities co-ordinator for ward A7 at University Hospital of Wales, and she wanted to make the day room more welcoming for people with dementia. Her idea was to buy special games, puzzles, crafting equipment and interactive lighting to help people relax and take their mind off being in hospital. The NHS is not always able to fund these kinds of projects, but thanks to your donations, Jackie really has been able to Make It Better for everyone using the space.



#### New crockery launch

New blue crockery for every ward in University Hospital Llandough has been purchased with donations to the Make It Better Fund. The blue crockery weighs less and is much brighter than the old white plates, but still feels like china.



This investment of just £20,000 in new crockery will make a huge difference to patients. Research shows that blue plates help people eat more, which is essential for the 40% of patients who are malnourished when they arrive in hospital. These plates are specially designed to be easy to use, even if you only have use of one arm, visual impairment or dementia. They have a more 'at home' feel than the white crockery and we know that this helps in our patients' recovery.

## **Creativity, Dance and Movement in Recovery Project.**

This is a range of creative art workshops, particularly focussing on movement, dance, and mindfulness in the UHL Gallery, Stroke Unit and Sunroom for Gwanwyn 2018. The workshops encourage creative expression whilst also improving mobility, strength, social interaction and stress reduction, and practical falls prevention. All contributing to a holistic approach to health and wellbeing for our patients.

## **Sessions of Drama & Arts for Young Onset Dementia Friendship Group**

The project proposal for the young onset dementia service (YOD) to work collaboratively with two external therapists who would jointly provide sessions applying expertise in arts, drama, and creative work to the weekly YOD service friendship group, improving mood and cognitive functioning and emotional wellbeing, enhancing our ability to sustain home care giving and reducing the need for admissions. It also gives an opportunity to increase social interactions and encourage creative thinking!

## **Paediatric Area of the Trauma Department**

Children receiving treatment at the plaster cast clinic in University Hospital of Wales' Trauma Clinic will find the time passes a lot more quickly, thanks to the amazing new wall murals in the waiting room. The artwork was funded by the Cardiff and Vale Health Charity's Make It Better Fund, for general projects that enhance the service provided to patients. The Charity also supported a new display board for waiting times, and a children's activity table and new books for the waiting area.

## **Staff Recognition Awards**

UHB staff work incredibly hard and show exemplary good will and dedication to care for our patients and keep them well. Our main event to acknowledge and thank staff is the Staff Recognition Awards.



Once again, thanks to the support from the Make it Better fund, we were able to host an inspirational night in City Hall. The night was all about recognising staff achievement and letting our staff know that their commitment is valued and the work they do is noticed, respected and celebrated by the organisation. With some music and dancing thrown in!!

## **Thank you to all our Supporters and Donors**

We are continually inspired by the generosity of all those who support the work of the Health Board by Donating to our Health Charity and we would like to thank you all.

### **Trusts and Foundations**

- Thank you to the members of the Llanidloes Fundraising Committee who generously gave a £1030.00 cheque this year to the Better Life Appeal.
- Also this year, we successfully applied for a grant from Big Lottery Fund Wales, which enabled us to hold a PhotoRenga project for our acquired brain injury patients and staff at Rookwood Hospital in April.

### **Thank you to our corporate partners and supporters**

We would like to thank all the companies and their employees who have supported the Charity this year with donations, sponsorship and their time.

- Admiral
- Cardiff Saracens RFC
- Howdens Joinery, based in Watford
- Matalan Llantrisant
- Cardiff Airport Bucket collection
- Lia's Kitchen and Green City Events
- Principality
- Griffin Mill
- Little Crown Inn
- ASDA
- Cottrell Park Golf
- Gleeds
- Cardiff City Football Club
- Morrisons
- Marks and Spencers – Culverhouse Cross

### **Thank you to our Individual Supporters**

When patients want to show their gratitude for the care received in our Hospitals, they come to The Cardiff and Vale Health Charity. We are always grateful for the support from patients, their friends and family, those who donate to our appeals and on a monthly basis. It is this support that allows us to support those whose need is greatest within our care environments. Your generosity, is, as always amazing – Thank you.

### **Thank you to our Supporters and Community Groups**

The enthusiasm of our volunteer fundraisers continues to inspire us. There are many fantastic examples of those who support the charity. Every single person deserves acknowledgement, but to name everyone would be impossible, so we would like to mention a few examples to highlight the kind of support we receive and to thank them all.

## Our Appeals



### The Better Life Appeal

A big thank you to our fundraisers who have raised an extraordinary amount this year for the Better Life Appeal. Every donation to this fund will be used to benefit the 370+ adults with cystic fibrosis living in Wales.

- **Cllr Jeff Edmunds**, Mayor of Llanelli for 2017-18, fundraised an amazing £4,000.
- Twenty-two year old Cystic Fibrosis patient **Chris Lipscombe** raised £1,342.65 in sponsorship, by running 40 miles. What an achievement!
- **Paula Down**, went on to hold a gala evening which was then match funded by **Barclays Bank**. This has resulted in a grand total of £3,420.
- Huge thanks to our friends in Penarth, **Peter and Rhys Goodfellow**, raised £3,850 during the **Good Friday Golf Day**.



**Phil Gloster**, A Cystic Fibrosis patient, walked from his home in Porthmadog to his clinic appointment at University Hospital Llandough, walking a total of 165 miles (roughly 24 miles per day).

- **Clare Kingdon** donated a sum of £1,400 in memory of her husband Gareth.
- **Huw Brace**, a Cystic Fibrosis patient who completed an amazing 428-mile bike ride in just three days to raise a wonderful £729 for the Better Life Appeal.
- **Helen Stabler**, one of our staff members, organised an evening of glamour and fun raising £1,140. Helen was inspired to fundraise by her work in caring for CF patients.



The Haematology department at University Hospital of Wales cares for patients with a wide range of blood-related illnesses. Donations to our capital appeal for #TeamHaem will help build a brand new ward, clinic, chemotherapy day unit, and research laboratory.

- **Linda Pook**, through selling her amazing cakes has raised a total of £900.00
- The staff and customers at **ASDA** kindly donated £200 towards the Haematology Day Unit
- A number of wonderful knitted items were donated by **Marian Lewis** which once sold raised £94.50 for the #TeamHaem fund.

## The PROP Appeal

The Prop Appeal benefits patients in the regional Neurosciences Specialist Rehabilitation Unit, currently based at Rookwood Hospital. Patients generally have a serious and life changing disability, and often have to cope with re-learning all aspects of daily living. Money raised by the Appeal is used to create a more stimulating environment for patients.

- Pontypool Rugby Club raised £3,000 in memory of **Roger Addison** during a fundraising raising fixture.
- At the Principality Stadium French and Welsh rugby fans kindly gave an amazing £576.00 in our bucket collection.
- Our wonderful runners at the Cardiff and Bath half marathons, too many to name individually but together raising phenomenal amounts for the Charity and it's appeals



- **Emma Chapman**, who raised £725!
- **Amy, Cerys and Kim** ran in memory of Claire Nokes and raised an amazing £6,835.30.
- **Claire Nokes' father, Dr Len Nokes**, is involved in Cardiff City Football Club, who have generously raised and donated £1,848.67 to the Prop Appeal this year

## Our Orchard 🌿 Ein Berllan



As University Hospital Llandough rapidly becomes the second biggest hospital in Wales, it is also developing into a centre for rest, recovery and rehabilitation. The Hospital has long-term patients who can be in hospital for a considerable period of time.

Our Orchard will be a unique space; within the hospital grounds but open to the community, fully wheelchair accessible, it will be a place where patients and staff can get away from the hospital smell and the noisy wards, and be outside in the fresh air with their visitors.

### Our Orchard Appeal

- Our Orchard was fortunate to be one of the chosen charities of **Cllr Stuart Egan**, the Mayor of the Vale of Glamorgan 2017-18 raising £4,359.08. Stuart also organised a sponsored head shave by UHB and UNISON staff and raised £600.
- **Karen Burke** raised an amazing £1,471.26 in sponsorship by running the Cardiff Half Marathon .
- The wonderful singers of **Llandough Hospital Choir** have kindly donated a total of £713.54





Cardiff & Vale Health Charity 1056544

## The Breast Centre Appeal

The Breast Centre at University Hospital Llandough is a specialist provider of breast cancer treatment and therapies, and was entirely developed and refurbished by donations. More recently, donations are used to support the complimentary therapy provision patients receive during treatment.



The pink tie Breast Centre Ball is an annual fundraising event for the Breast Centre supported by its wonderful patrons including Julien Macdonald. The event is always wonderful and the support received on the night is always phenomenal.

- **Irene Hicks** continues to be one of the biggest supporters of the Breast Centre and her tireless fundraising has resulted in her raising more than £70,000 to date including over £25,000 In this year alone.



Strictly Top Dancer 2018 was a 'Strictly' wonderful event at the SSEW Swalec Stadium to raise funds for the Breast Centre Appeal. Eight teams trained for 6 months to create routines for the event in May. They learned new skills and raised over £45,000 for the appeal.

- **Gerry Stacey** took on an amazing cycle challenge for the Breast Centre and raised over £400
- **Judith Thomas** raised over £1,200 for the Breast Centre appeal



## And for our other funds . . . !

- **Kirsty Hollidge**, who donated an amazing £1,394.50 for our Radiology department, to introduce music for patients during MRI scans.
- Cardiff Bay 10k in June.
- Representatives from the **Trauma and Orthopedics directorate** raised £500 to benefit patients in their clinics and wards!
- **Rachel Norman** raised an awesome £280 from her Cardiff Bay 10k, for the Nurses Fund for the gastro ward at University Hospital of Wales.
- The team from **the Village Gym and Hotel** completed the Bay 10k and raised an amazing £1,213 for our patients on stroke and cardiac wards. Thanks so much!
- **Natasha Barton**, A nurse on ward B6 in University Hospital of Wales. Natasha took part in a number of Triathlons, including:

The Porthcawl Triathlon  
 The Cardiff Triathlon  
 The Long Course Weekend  
 Ride London on Sunday 30 July

She also plans to participate in the Tenby Ironman on Sunday 10 September and the Cardiff Half Marathon on Sunday 2 October!  
 She has so far raised over £800 for her patients



- A big thank you to **Richard Jones**, who took on the Yorkshire Three Peaks Challenge in August, and raised an awesome £2,308.75 for Ward T4 at the University Hospital of Wales.

Richard was diagnosed with a brain tumour in 2013 after suffering life-changing seizures. Unable to work or drive, Richard underwent surgery to have the tumour removed in January 2014

## Legacies

Between April 2017 and March 2018 the Health Charity recorded **£305,582.39** in legacies. On behalf of all the staff and patients at Cardiff and Vale University Health Board, we are grateful to those individuals who remembered our wards and departments in their will, and who have been able to support the areas of healthcare in Cardiff and the Vale that matter most to them.

Management of legacies are a key responsibility for the Charity, and we seek to ensure that legacy donations are used in absolute accordance with the wishes of the giver. Detailed below are the legacy gifts we have recorded this year, and the services that have benefitted from these kind donations.

• Mrs Rudge	Renal Care	£1,000
• Miss Butterworth	Better Life Appeal	£2.91
• Mr Biggs	Cardiac research	£15.56
This sum was part of a generous legacy bestowed in 2016-17.		
• Mr Frederick Hann	Asthma Research	£46,500
• Mrs S Rees	Neonatal Intensive Care Department	£2,000
• Mrs M Fairweather.	The Breast Care Unit, Wards East 1 West 2 in UHL, Haematology UHL General Patients fund	£10,000
• Mr Davies	B4 Neurosurgery Ward	£5,000
• Mr Halloway	General Surgery Ward West 1 UHL	£500
• Mrs C Watts	UHW Neurology services	£50.40
• Mrs A Wright	General purpose UHW	£30,000
• Mr G Davies	Children's Hospital	£95.72
• Mr Davies	Cardiac Care	£5,000
• Miss C Jones	Breast Care	£4,822.80
• Mr P Jourdain	General Purpose	£12,595
• Mrs L Williams	Liver Unit	£10,000
• Mr G Powell	General Purpose	£3,000
• Mrs C Phillips	Asthma Research	£175,000

If you would like more information on how to leave a gift in your will to Cardiff & Vale Health Charity, please contact the Charity office on 029 2184 1802.

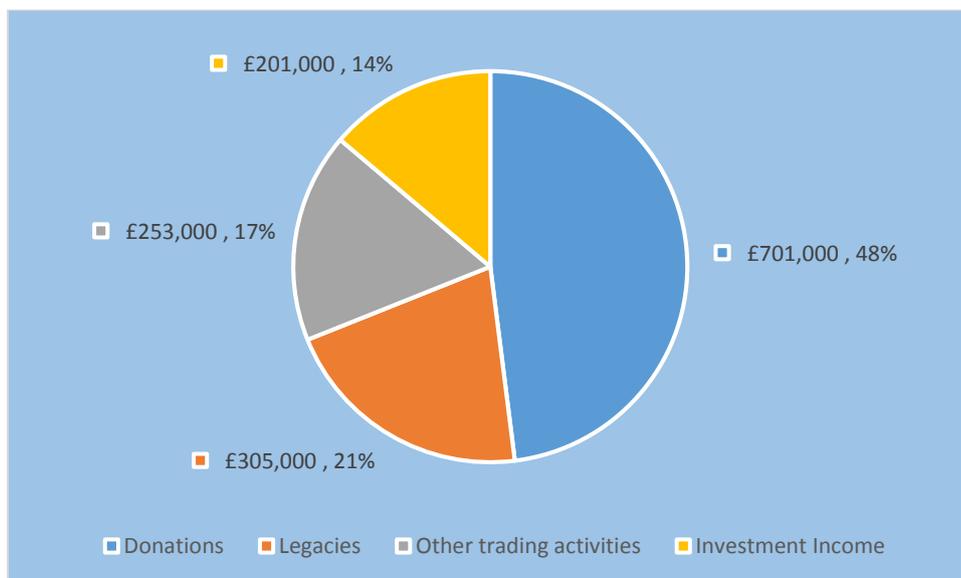
## Financial Achievements and Performance

### Income Summary

Incoming resources for the year 2017/18 totalled £1.460m, which represents a decrease of £0.145m from the previous financial year.

The Charity's income was generated from donations, legacies, investment income and other trading activities.

### Income Analysis



#### Donations (48% - £0.701m)

The Charity is very grateful to have received donations of £0.701m to help us achieve our goals and objectives.

#### Legacies (21% - £0.305m)

The Charity received £0.305m in legacies. We are extremely grateful to those individuals who remembered our wards and departments in their will.

#### Other Trading Activities (17% - £0.253m)

The Charity generated £0.227m from the Cardiff and Vale Staff Lottery and a further £0.026m from other trading activities.

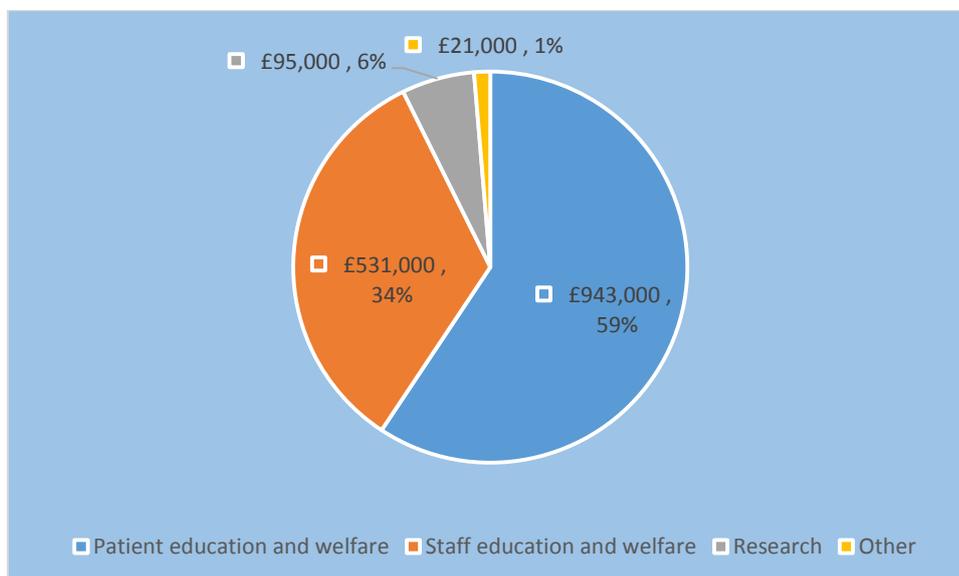
#### Investment Income (14% - £0.201m)

Dividends and Interest from the Charity's Investment Portfolio was £0.201m.

## Expenditure Summary

In 2017/18 expenditure on charitable activities was £1.590m. This included patient education and welfare, staff education and welfare, research and other expenditure.

## Expenditure Analysis



## Investments and Performance

During 2017/18 the Charity had market value losses of £0.119m.

## Overall financial position

The overall value of the Charity as at 31<sup>st</sup> March 2018 has decreased from an opening balance of £10.595m to £10.245m. This movement of £0.350m is represented by net expenditure of £0.325m, investment losses of £0.119m and asset revaluation of £0.094m.

## **Structure, Governance and Management**

### **The Charity**

The Health Charity was created on 3rd June 1996 by Declaration of Trust and following reorganisations of health services, was amended by Supplementary Deed on 12th July 2001 and 2nd December 2010. Cardiff and Vale University Local Health Board (UHB) is the Corporate Trustee for the Health Charity. The UHB delegates responsibility for the management of the funds to the Charitable Funds Committee. The aim of the Corporate Trustee (Trustee) is to raise and use charitable funds to provide the maximum benefit to the patients of Cardiff and Vale UHB and associated local health services in Cardiff and the Vale of Glamorgan, by supplementing and not substituting government funding of the core services of the NHS.

### **Registration**

The Charitable Funds held by the Cardiff and Vale NHS Trust transferred to the Cardiff and Vale UHB by virtue of Statutory Instrument 2009 No. 1558 The National Health Service Trusts (Transfer of Staff, Property, Rights and Liabilities) (Wales) order 2009. The supplemental deed dated 2nd December 2010 formally changed the name of the Health Charity to Cardiff and Vale University Local Health Board General Purpose Charity – Registered Charity number 1056544. The Health Charity has a number of constituent charities and these are listed below:

- Catherine Jenkins
- Education and Training General Charity
- Rookwood Hospital Charity
- Rookwood Hospital General Charity
- Research and Development General Charity
- Staff and Patient Welfare and General Charity
- Training Research and Education Fund
- UHW General Charity

The registration also encompasses Cardiff and Vale University Health Board (Expendable Funds) Common Investment Fund. This combines the funds of the Health Charity into one pool for investment purposes.

### **Constitution**

Cardiff and Vale University Local Health Board holds charitable funds as sole corporate trustee and the board members of the Health Board are jointly responsible for the management of those charitable funds. The membership of the board was as follows at the time the annual report was approved.

## Independent Members

Maria Battle	Chair
Prof Marcus Longley	Vice Chair (until 30/09/17)
Charles Janczewski	Vice Chair (from 01/10/17)
Akmal Hanuk	Independent Member – Local Community
Dawn Ward	Independent Member – Trade Union (from 01/02/18)
Eileen Brandreth	Independent Member – Information, Communication and Technology
Elizabeth Treasure	Independent Member – University (until 31/12/17)
Gary Baxter	Independent Member – University (From 01/01/18)
Ivar Grey	Independent Member – Finance (Until 30/03/17)
John Union	Independent Member - Finance (From 01/10/17)
John Antoniazzi	Independent Member – Estates (From 16/01/17)
Margaret McLaughlin	Independent Member – Third Sector (Until 30/09/17)
Sara Moseley	Independent Member – Third Sector (From 01/10/17)
Martyn Waygood	Independent Member – Legal (Until 30/09/17)
Michael Imperato	Independent Member – Legal (From 01/10/2017)
Stuart Egan	Independent Member – Trade Union (Until 31/12/2017)
Susan Elsmore	Independent Member – Local Authority

## Officer Members

Len Richards	Chief Executive (From 19/06/17)
Dr Sharon Hopkins	Interim Chief Executive (Until 18/06/17) then reverting back to Director of Public Health
Fiona Kinghorn	Interim Director of Public Health (Until 16/08/17)
Robert Chadwick	Director of Finance
Julie Cassley	Interim Director of Workforce and OD (Until 30/09/17)
Martin Driscoll	Director of Workforce and OD (From 01/10/17)
Abigail Harris	Director of Planning
Alice Casey	Executive Programme Director (Until 31/05/17)
Fiona Jenkins	Director of Therapies and Health Sciences
Graham Shortland	Medical Director
Ruth Walker	Executive Nurse Director
Steve Curry	Acting Chief Operating Officer (From 01/04/17) Substantive in post from November 17

## Charitable Funds Committee

The Committee is empowered with the responsibility to:

- Control, manage and monitor the use of the funds resources for the public benefit, having regard for the guidance issued by the Charity Commission
- Agree Governance arrangements for standards and monitoring
- Review strategy to maximise benefits to the Health Charity
- Determine the Health Charity's investment strategy
- Agree expenditure plans
- Determine fundraising objectives and strategy

The members of the committee who served during 2017/18 are listed below:

Martyn Waygood	Chair CFC
Margaret McLaughlin	Independent Member – Third Sector
Akmal Hanuk	Independent Member – Community / Chair CFC
Stuart Egan	Independent Member - Community
Christopher Lewis	Deputy Director of Finance
Fiona Jenkins	Executive Director of Therapies
Maria Battle	Chair – Cardiff & Vale Health Board

## **Charitable Funds**

Our Charity is made up of more than 300 different funds, each with a specific purpose whether for research, training or for a specific area of a hospital or department. All money received is allocated to these funds. The general purpose fund is used where the donor wishes the Charity to allocate money to support projects and activities most in need of support across the whole of the UHB. Each fund is managed by a specialist fund holder – generally a specialist in the particular field relevant to the fund. The Charity is responsible for providing guidance, financial information and advice to fund holders.

We manage three types of funds:

Unrestricted funds – these are general funds and are those funds that may be spent at the discretion of the Trustees to enhance the services across the UHB

Restricted funds – these can only be spent in accordance with the restrictions imposed when the funds were donated, granted or raised by the Charity.

Endowment funds – where capital funds are made available to our Charity and the Trustees are legally required to invest or retain them. Where a permanent endowment exists, Trustees have no automatic power to spend the capital. If the fund is an expendable endowment, trustees have the power to convert capital to income.

The day to day administration of funds is undertaken by:

Charitable Fund Department, Cardiff and Vale University Health Board  
6th Floor, Brecknock House,  
University Hospital of Wales,  
Heath Park, Cardiff, CF14 4XW

## **Investment Risk Management**

Cazenove Capital Management screen the investments prior to purchase for compliance with the ethical policy. In addition existing holdings are screened on a regular basis to ensure continued compliance. If the fund were to purchase a position in a holding which did not comply and was identified as part of the post purchase process, Cazenove Capital Management would proceed with selling the investment.

The risk is mitigated by agreeing an Investment Policy with the Investment Managers. This policy includes ethical consideration which states that there is to be no investment in companies which manufacture Alcohol, Tobacco, or Armaments, these being contrary to the UHB's health policies.

## **Reserves Policy**

The strategy of the Corporate Trustee is to apply charitable funds within a reasonable time of receipt, ideally within one to two years, unless there are specific requirements attached to income. Historically, the level of expenditure has been generally approximated to the level of income, with greater than required reserves held to manage any fluctuations.

The current reserves policy states that the Charity should hold the following reserves:

- A separate fixed asset investment reserve, based on 10% of the value fixed asset investments (circa £550,000)
- A minimum of £500,000 to ensure that there is sufficient funds for on-going commitments

From a process point of view there is no individual fund that holds all the reserves, however the current level of reserves is considered more than adequate for current needs. Going forward the Charity will review the reserves policy.

## **Investment Contract Risk**

Cardiff and Vale Health Charity currently has a contract with Cazenove Capital Management which was awarded in September 2015 for an initial period of two years with an option to extend for a further two years. The Charitable Funds Committee agreed to exercise the option of extending the contract for a further two years to September 2019.

The Charity seeks to maximise the total return on funds while adopting a conservative policy on risk and flexible structure in respect of Asset Class Distribution. The portfolio is structured to enable a range of investments in order to yield a competitive rate of return. The investment director has delegated authority to purchase and sell investments as market opportunities arise. The Investment Managers formally attend and report to the Charitable Funds Committee twice a year.

## **Financial Control Risk**

A financial control procedure, expenditure guideline, governance framework and strategy have been developed to ensure that there are sufficient management controls in place to:

- Ensure that spending is in accordance with objects and priorities agreed by the Charitable Funds Committee
- Ensure the criteria for spending charitable monies are fully met
- Ensure that accounting records are maintained
- Ensure devolved decision making is within specific parameters.

Internal Audit also undertakes annual reviews to evaluate the adequacy of procedures and controls, to ensure compliance and to provide reasonable assurance over:

- Achievement of management objectives for the systems
- Economic and efficient use of resources
- Compliance with policies and procedures
- Safeguarding of assets

The Internal Audit reports are presented to both the Charitable Funds Committee and the Audit Committee, and this is a key measure in mitigating control risk.

## Advisors

<b>Bankers</b>	Government Banking Service Southern House 7th Floor Wellesley Grove Croydon CF9 1WW	NatWest Bank Plc 3rd Floor One Kingsway Cardiff CF10 3AQ
<b>Investment Managers</b>	Cazenove Capital Management 12 Moorgate London EC2R 6DA	
<b>External Auditors</b>	Auditor General for Wales 24 Cathedral Road Cardiff CF11 9LJ	
<b>Internal Auditors</b>	NWSSP Internal Audit Department 1st Floor, Brecknock House Heath Park Cardiff CF14 4XW	
<b>VAT Advisors</b>	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX	

# **CARDIFF AND VALE HEALTH CHARITY ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

## **Foreword**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

## **Statutory Background**

The Cardiff and Vale University Local Health Board is the corporate trustee of the charity under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990.

The Trustees have been appointed under s11 of the NHS and Community Care Act 1990.

## **Main Purpose of the Funds Held on Trust**

The main purpose of the charity is to apply income for any charitable purposes relating to the National Health Service wholly or mainly for the services provided by the Cardiff and Vale University Local Health Board.

**CARDIFF AND VALE HEALTH CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Funds Total 2017/18 £000
<b>Incoming resources from generated funds</b>					
Donations and Legacies	4	648	358	0	1,006
Other trading activities	5	0	253	0	253
Investments	6	150	50	1	201
Other					
<b>Total incoming resources</b>		<b>798</b>	<b>661</b>	<b>1</b>	<b>1,460</b>
<b>Expenditure on :</b>					
Raising funds	7	93	102	0	195
Charitable activities	8	1,220	349	21	1,590
Other		0	0	0	0
<b>Total expenditure</b>		<b>1,313</b>	<b>451</b>	<b>21</b>	<b>1,785</b>
Net gains / (losses) on investments	14	-92	-26	-1	-119
<b>Net income / (expenditure)</b>		<b>-607</b>	<b>184</b>	<b>-21</b>	<b>-444</b>
Transfer between funds		19	-19	0	0
<b>Net movement in funds</b>		<b>-588</b>	<b>165</b>	<b>-21</b>	<b>-444</b>
Gains / (losses) on revaluation of fixed assets	13			94	94
<b>Reconciliation of Funds</b>		<b>-588</b>	<b>165</b>	<b>73</b>	<b>-350</b>
Total Funds brought forward as at 1 April 2017	20	6,647	1,498	2,450	10,595
<b>Total Funds carried forward as at 31 March 2018</b>		<b>6,059</b>	<b>1,663</b>	<b>2,523</b>	<b>10,245</b>

The notes on pages 27 to 41 form part of these accounts

**CARDIFF AND VALE HEALTH CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017**

		Unrestricted funds	Restricted funds	Endowment funds	Funds Total 2016/17 (Restated) £000
	Note	£000	£000	£000	£000
<b>Incoming resources from generated funds</b>					
Donations and Legacies	4	869	322	0	1,191
Other trading activities	5	0	228	0	228
Investments	6	146	39	1	186
Other					
<b>Total incoming resources</b>		<b>1,015</b>	<b>589</b>	<b>1</b>	<b>1,605</b>
<b>Expenditure on :</b>					
Raising funds	7	86	95	0	181
Charitable activities	8	751	274	22	1,047
Other		0	0	0	0
<b>Total expenditure</b>		<b>837</b>	<b>369</b>	<b>22</b>	<b>1,228</b>
Net gains / (losses) on investments	14	736	196	6	938
<b>Net income / ( expenditure)</b>		<b>914</b>	<b>416</b>	<b>-15</b>	<b>1,315</b>
Transfer between funds		-62	62	0	0
<b>Net movement in funds</b>		<b>852</b>	<b>478</b>	<b>-15</b>	<b>1,315</b>
Gains / (losses) on revaluation of fixed assets	13			66	66
<b>Reconciliation of Funds</b>		<b>852</b>	<b>478</b>	<b>51</b>	<b>1,381</b>
Total Funds brought forward as at 1 April 2016		5,795	1,020	2,399	9,214
<b>Total Funds carried forward as at 31 March 2017</b>	<b>20</b>	<b>6,647</b>	<b>1,498</b>	<b>2,450</b>	<b>10,595</b>

**CARDIFF AND VALE HEALTH CHARITY  
BALANCE SHEET AS AT 31 MARCH 2018**

	Note	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 31 March 2018 £000	Total 31 March 2017 (Restated) £000
<b>Fixed assets:</b>						
Tangible Assets	13	0	0	2,480	2,480	2,406
Investments	14	5,093	1,341	43	6,477	6,596
<b>Total fixed assets</b>		<b>5,093</b>	<b>1,341</b>	<b>2,523</b>	<b>8,957</b>	<b>9,002</b>
<b>Current assets:</b>						
Debtors	15	177	61	0	238	239
Cash and cash equivalents	16	908	303	0	1,211	1,487
<b>Total current assets</b>		<b>1,085</b>	<b>364</b>	<b>0</b>	<b>1,449</b>	<b>1,726</b>
<b>Liabilities:</b>						
Creditors: Amounts falling due within one year	17	119	42	0	161	133
<b>Net current assets / (liabilities)</b>		<b>966</b>	<b>322</b>	<b>0</b>	<b>1,288</b>	<b>1,593</b>
<b>Total assets less current liabilities</b>		<b>6,059</b>	<b>1,663</b>	<b>2,523</b>	<b>10,245</b>	<b>10,595</b>
<b>Total net assets / (liabilities)</b>		<b>6,059</b>	<b>1,663</b>	<b>2,523</b>	<b>10,245</b>	<b>10,595</b>
<b>The funds of the charity:</b>						
Endowment Funds	20	0	0	43	43	44
Revaluation Reserve	20	0	0	2,480	2,480	2,406
Restricted income funds	20	0	1,663	0	1,663	1,498
Unrestricted income funds	20	6,059	0	0	6,059	6,647
<b>Total funds</b>		<b>6,059</b>	<b>1,663</b>	<b>2,523</b>	<b>10,245</b>	<b>10,595</b>

The notes on pages 27 to 41 form part of these accounts

Director of Finance

Mr Robert Chadwick

Date.....

**CARDIFF AND VALE HEALTH CHARITY**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDING**  
**31 MARCH 2018**

	Note	Total Funds 2017-18 £000	Total Funds 2016-17 £000
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	18	<b>-477</b>	<b>5</b>
<b>Cash flows from investing activities:</b>			
Dividend, interest and rents from investments	6	201	186
Movement in Investment Cash	14	-110	225
Proceeds from the sale of investments	14	579	1,960
Purchase of investments	14	-469	-1,485
<b>Net cash provided by (used in) investing activities</b>		<b>201</b>	<b>886</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>-276</b>	<b>891</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	16	1,487	596
<b>Cash and cash equivalents at the end of the reporting period</b>	16	<b>1,211</b>	<b>1,487</b>

The notes on pages 27 to 41 form part of these accounts

## NOTES TO THE ACCOUNTS

### 1. Accounting policies

#### a) Basis of Preparation

The financial statements have been prepared under the historic cost convention, with the exception of tangible fixed assets and investments which have been included at a valuation.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom And Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a “true and fair” view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a “true and fair view”. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended practice effective from 1 April 2005 which has since been withdrawn.

The Trustees consider that there are no material uncertainties about the Charity’s ability to continue as a going concern. There are no material uncertainties affecting the current year’s accounts.

In future years, the key risks to the Charity are a fall in income from donations or a fall in investment income but the Trustees have arrangements in place to mitigate those risks (see the Investment Risk Management and Reserves Policy sections of the annual report for more information).

The Charity meets the definition of a public benefit entity under FRS 102

b) Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as:

- A restricted fund or
- An endowment fund

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub analysed between those where the trustees have the discretion to spend the capital

(expendable) and those where there is no discretion to expend the capital (permanent endowment).

Those funds which are neither endowment nor restricted income fund, are unrestricted income funds which are sub analysed between designated (earmarked) funds where the trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are at the trustees' discretion, including the general fund which represents the charity's reserves.

**c) Incoming resources**

All incoming resources are recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet.

**d) Income resources from legacies**

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted
- The executors have established that there are sufficient assets in the estate to pay the legacy and
- All conditions attached to the legacy have been fulfilled or are within the Charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income generation are met.

**e) Income resources from endowment funds**

The incoming resources received from the invested endowment fund are wholly restricted.

**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 each category of expense shown in the

Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event
- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- The amount of the obligation can be measured or estimated reliably. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

A constructive obligation arises when:

- We have communicated our intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant
- We have made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant
- There is an established pattern of practice which indicates to the recipient that we will honour our commitment.

The Trustees have control over the amount and timing of grant payments and consequently where approval has been given by the trustees and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

Where an intention has not been communicated, then no expenditure is recognised but an appropriate designation is made in the appropriate fund. If a grant has been offered but there is uncertainty as to whether it will be accepted or whether conditions will be met then no liability is recognised but a contingent liability is disclosed.

#### g) **Allocation of support costs**

Support costs are those costs which do not relate directly to a single activity. These include staff costs, costs of administration, internal and external audit costs. Support costs are apportioned on an average fund balance basis.

#### h) **Fundraising costs**

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and a fee paid to a related party, the Health Board, under a fundraising agreement. The fee is used to pay the salaries and overhead costs of the Health Board's fundraising office.

**i) Charitable Activities**

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 8.

**j) Debtors**

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

**k) Cash and cash equivalents**

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, usually in 90 day notice interest bearing savings accounts.

**l) Creditors**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.

**m) 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 carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

**n) Fixed Assets**

Investments are stated at market value at balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Tangible fixed assets are valued at current cost as follows:

- i) The land and buildings in respect of Rookwood Hospital was revalued as at 1<sup>st</sup> April 2017, and the revaluation reflected the restriction to hospital use only. Where appropriate between valuations an appropriate index, supplied from the Welsh Government, is applied to revalue the asset.
- ii) Equipment is valued at the lower of estimated net replacement cost or recoverable amount;
- iii) Assets in the course of construction are valued at current cost.
- iv) Capitalisation threshold is £5,000
- v) Movements in revaluation are recorded in the revaluation reserve on the balance sheet

Professional valuations are carried out by the District Valuer Service every five years, which (as the commercial arm of the Valuation Office Agency) is part of HMRC. The valuations are carried out in accordance with Institute of Chartered

Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Welsh Government and HM Treasury. Movements in revaluations are recognised in the Revaluation Reserve.

## **Depreciation**

- i) Depreciation is charged 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 revalued amount over the assessed remaining life of the asset as advised by the professional valuers;
- ii) Equipment is depreciated on current cost over the estimated life of the asset using the following standard lives (guidance on standard lives has been issued under WHC (2000) 07 “FRS15 tangible fixed assets”);
- iii) Impairments, where incurred in the year, are separately identified in note 7 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.
- iv) The estimated remaining life of the assets are split between engineering (15 years) and structure (45 years).

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

## **2. Prior Year Restatement (Fixed Asset Investments)**

To correctly state the market value of the cash element within the portfolio, fixed asset investments reduced by £55k 31 March 2018, £42k at 31 March 2017 and £34k 31 March 2016. This has resulted in a reduction of the funds for the same value.

## **3. Related party transactions**

Cardiff and Vale University Local Health Board is the Corporate Trustee of the Charity.

During the year, other than noted below, there are no other material related party transactions involving the Corporate Trustee, board members or senior key management staff.

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 benefit personally from such decisions. Declarations of personal interest have been made and are available to be inspected by the public.

The Local Health Board has close links with Cardiff University which includes the sharing of staff as well as sharing accommodation on the University Hospital of Wales Site.

<b>Related Party</b>	<b>Payments to related party</b>	<b>Receipts from related party</b>	<b>Amounts owed to related party</b>	<b>Amounts due from related party</b>
	£000	£000	£000	£000
Cardiff and Vale Health Board	348		41	11
Cardiff University	28			
University of South Wales	12			
Cardiff City Council	5			
Vale of Glamorgan		4		
Abertawe Bro-Morgannwg	3			
Teenage Cancer Trust	42			

The table below includes the names of the individual board members and the relationship with the related party.

<b>Board Member</b>	<b>Related Party Relationship</b>
Marie Battle	Council member Cardiff University
Mrs Eileen Brandeth	Director of Information Technology at Cardiff University
Cllr Susan Elsmore	Elected member for Health Housing & Wellbeing for the city of Cardiff Council
Gary Baxter	Vice Chancellor of the college of Biomedical and life sciences at Cardiff University
Professor Marcus Longley	Director of the Welsh Health Institute for Health and Social at the University of South Wales
Lance Carver	Director of Social Services Vale of Glamorgan
Mrs Abigail Harris	Relative is Trustee of the Teenage Cancer Trust
Christopher Lewis	Wife is the Assistant Director of Finance at Abertawe Bro Morgannwg

#### 4. Income from donations and legacies

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2017-18 £000	Total 2016-17 £000
Donations	525	176	0	701	616
Legacies	123	182	0	305	575
	<b>648</b>	<b>358</b>	<b>0</b>	<b>1,006</b>	<b>1,191</b>

#### 5. Other trading activities

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2017-18 £000	Total 2016-17 £000
Staff lottery	0	227	0	227	193
Other trading	0	26	0	26	35
	<b>0</b>	<b>253</b>	<b>0</b>	<b>253</b>	<b>228</b>

#### 6. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Endowment funds £000	Total 2017-18 £000	Total 2016-17 £000
Fixed asset equity and similar investments.	148	49	1	198	185
Short Term Investments	2	1	0	3	1
Deposits and cash on deposit					
	<b>150</b>	<b>50</b>	<b>1</b>	<b>201</b>	<b>186</b>

#### 7. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted funds £000	Total 2017-18 £000	Total 2016-17 £000
Fundraising office	73	24	97	84
Fundraising events	0	72	72	71
Investment management fees	20	6	26	26
	<b>93</b>	<b>102</b>	<b>195</b>	<b>181</b>

## 8. Analysis of charitable activity

	<b>Activities taken directly</b>	<b>Support costs</b>	<b>Total 2017-18</b>	<b>Total 2016-17</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Patient education and welfare	876	67	<b>943</b>	624
Staff education and welfare	495	36	<b>531</b>	295
Research	88	7	<b>95</b>	63
Other	0	0	<b>0</b>	43
Depreciation	20	1	<b>21</b>	22
	<b>1,479</b>	<b>111</b>	<b>1,590</b>	<b>1,047</b>

## 9. Grants

The charity does not make grants to individuals. The charity does not make grants to the Health Board, the charity does operate a Charitable Funds Bids Panel, which upon receipt of an invoice, on occasion requires the reimbursement of monies to the Health Board. During 2016/17 the Charity approved a sum of £0.02m to the Third Sector. No grants were made available for the period 2017/18.

<b>Organisation/ Activity</b>	<b>2017/18</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
YMCA Cardiff – Skills for Caring Project	0	3
Care & Repair Cardiff & the Vale – Healthy@Home Project	0	2
Student Volunteering Cardiff – Volunteer Travel and Project Activity costs	0	5
Headway Cardiff – Way Ahead Information and Self-Management Project	0	1
Creative Therapies Collective - Singing for Lung Health Cardiff	0	2
ACE (Action in Caerau and Ely) – ACE Wellbeing	0	5
Recovery Cymru – Remote Recovery Support	0	2
<b>Total</b>	<b>0</b>	<b>20</b>

## 10. Allocation of support costs

	<b>Raising funds £000</b>	<b>Charitable activities £000</b>	<b>Total 2017-18 £000</b>	<b>Total 2016-17 £000</b>
<b>Governance</b>				
External audit ( WAO)	0	10	<b>10</b>	10
Internal Audit	0	9	<b>9</b>	9
Investment management fees	26	0	<b>26</b>	26
<b>Total governance</b>	<b>26</b>	<b>19</b>	<b>45</b>	<b>45</b>
Finance and administration	0	92	<b>92</b>	91
	<b>26</b>	<b>111</b>	<b>137</b>	<b>136</b>

	<b>Unrestricted funds £000</b>	<b>Restricted Income funds £000</b>	<b>Endowment funds £000</b>	<b>Total Funds 2017-18 £000</b>
Raising funds	20	6	0	<b>26</b>
Charitable activities	87	23	1	<b>111</b>
	<b>107</b>	<b>29</b>	<b>1</b>	<b>137</b>

## 11. Trustees' remuneration, benefits and expenses

The charity does not make any payments for remuneration nor to reimburse expenses to the charity trustees for their work undertaken as trustee.

## 12. Auditor's remuneration

The auditor's remuneration of £0.01m (2016/17:£0.01m) relates to the audit of the statutory annual report and accounts only.

### 13. Tangible fixed Assets

	Freehold land and buildings 2017/18 £000	Freehold land and buildings 2016/17 £000
<b><u>Cost or valuation</u></b>		
<b>Opening Balance</b>	2,512	2,446
Additions	0	0
Revaluations	-12	66
Disposals	0	0
Impairments	0	0
	<hr/>	<hr/>
<b>Closing Balance</b>	<b>2,500</b>	<b>2,512</b>
<b><u>Accumulated depreciation</u></b>		
<b>Opening Balance</b>	106	84
Disposals	0	0
Revaluations	-106	0
Impairments	0	0
Charge for year	20	22
	<hr/>	<hr/>
<b>Closing Balance</b>	<b>20</b>	<b>106</b>
<b>Opening NBV</b>	<b>2,406</b>	<b>2,362</b>
<b>Closing NBV</b>	<b>2,480</b>	<b>2,406</b>

Rookwood Hospital is the only Tangible Fixed Asset recognised in "Freehold Land and Buildings"

Following a revaluation of the NHS assets across Wales the Rookwood site was revalued as at a valuation date of 1st April, 2017. The valuation was consistent to the previous valuation in 2007 and 2012 reflecting the restriction to hospital use only.

## 14.Fixed asset investments

### Movement in fixed assets investments

	Investments Listed on Stock Exchange	Cash Held in Investment Portfolio	Total 2017-18	Total 2016-17 (Restated)
	£000	£000	£000	£000
Market value brought forward	6,343	253	6,596	6,358
Add: additions to investments at cost	469		469	1,485
Less disposals at carrying value	(551)		(551)	(1,738)
Add any gain / (loss) on revaluation	(147)		(147)	716
Movement of cash held as part of the investment portfolio		110	110	(225)
<b>Market value as at 31st March 2018</b>	<b>6,114</b>	<b>363</b>	<b>6,477</b>	<b>6,596</b>

The loss on revaluations related to the unrealised loss, however the overall loss of £0.119m (2016-17 £0.938m gain) as showing in the Statement of Financial Activities is calculated by also adjusting for realised gains of £0.028m (2016-17 £0.222m).

As at 31 March 2018 the following Investment was considered material: UBS ETF MSCI USA Socially Responsible ETF: This holding represents 7.7% of the total portfolio

The main shorter term risk from financial instruments lies in the combination of capital volatility and consistency in annual income. The environment for safe haven assets in the UK remains challenging as sustained low interest rates has made seeking yield from high Quality bonds and cash difficult. The risk facing the bond market in this environment is that when interest rates do start to rise and move towards historical normal levels, there will be the significant risk of a fall in capital values. Also the mature bull market for equities where valuations are more stretched and therefore the focus remains on finding value and avoiding overbought stocks.

Looking ahead to 2019 and the particular issue of Brexit, whilst this is certainly a risk or a “known unknown” it would be improper to skew the portfolio for a particular outcome given it is unclear what the end result will be in March of next year. As such the portfolio remains roughly neutral in equities against the long term strategy as earnings growth is still coming through and we also hold assets classes such as bonds, properties and alternatives for diversification purposes. The Cardiff and Vale Portfolio is being managed in line with other charities on a similar risk mandate by Cazenove Capital. Against the long term strategy the portfolio is neutrally weighted in equities, property and alternatives while being underweight in bonds with a tactical position in cash. The cash position is used to add to equities as and when opportunities arise.

The Charity’s Investments are handled by investments advisors appointed by the Charity using the appropriate Health Board purchasing contract process. The Charity operates an investment policy that provides for a high degree of diversification of holdings within investment asset classes. A large proportion of investments are made with companies listed on a UK stock exchange or incorporated in the UK. The majority of expenditure is financed from donations and legacies and there are no borrowings, therefore the Charity is not exposed to significant liquidity risk. The Investment Management Company attends the Charitable Funds Committee twice a year to discuss all aspects of investment performance and the factors influencing the performance. The asset class allocation is an integral part of the discussion as this is intrinsically linked to minimising risk within the portfolio.

## 15. Analysis of current debtors

<b>Debtors under 1 year</b>	<b>Total 31 March 2018 £000</b>	<b>Total 31 March 2017 £000</b>
Accrued income		
Other debtors	164	237
Prepayments	74	0
	<u>238</u>	<u>237</u>
<b>Debtors over 1 year</b>		
Other debtors	0	2
	<u>0</u>	<u>2</u>
<b>Total debtors</b>	<u><b>238</b></u>	<u><b>239</b></u>

## 16. Analysis of cash and cash equivalents

	<b>31 March 2018 £000</b>	<b>31 March 2017 £000</b>
Cash in hand	1,211	1,487
	<u>1,211</u>	<u>1,487</u>

## 17. Analysis of liabilities

	<b>Total 31 March 2018 £000</b>	<b>Total 31 March 2017 £000</b>
<b>Creditors under 1 year</b>		
Other creditors	143	114
Accruals	18	19
	<u>161</u>	<u>133</u>
<b>Total creditors</b>	<u><b>161</b></u>	<u><b>133</b></u>

## 18. Reconciliation of net income / expenditure to net cash flow from operating activities

	Total 2017-18 £000	Total 2016-17 (Restated) £000
<b>Net income / (expenditure) (per Statement of Financial Activities)</b>	<b>(444)</b>	1,315
<b>Adjustment for:</b>		
Depreciation charges	20	22
(Gains) / losses on investments	119	(938)
Dividends, interest and rents from investments	(201)	(186)
(Increase) / decrease in debtors	1	(56)
Increase / (decrease) in creditors	28	(152)
<b>Net cash provided by (used in) operating activities</b>	<b><u>(477)</u></b>	<b><u>5</u></b>

## 19. Role of volunteers

The Charity is extremely grateful to have such wonderful support from so many kind people who continually give their time, support and energy to help raise funds for the Cardiff and Vale Health Charity.

The Charity aims to work more closely with Health Board volunteers in order to develop more specific Charity Champion roles, including supporting our runners at the Cardiff Half Marathon and supervising the charity collection tins. In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

## 20. Analysis of Funds

### a. Analysis of endowment fund movements

	Balance 1 April 2017 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2018 £000
Catherine Jenkins	44	1	(1)		(1)	43
	<b>44</b>	<b>1</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>	<b>43</b>

### b. Analysis of restricted fund movements

	Balance 1 April 2017 (Restated) £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2018 £000
Cystic Fibrosis Better Life Appeal Fund	259	84	(13)	(5)		325
Breast Centre appeal fund	174	103	(39)	(14)		224
Phillips Legacy (Asthma Research)	0	177	(2)			175
Murphy Legacy ( Morfa Day Unit)	103	4	(3)			104
Childrens Video Telemetry Appeal	87	5	(2)			90
Chidgey Legacy - Rheumatoid Arthritis	88	3	(2)			89
Trust Staff Lottery	118	230	(259)			89
Other funds	669	55	(131)		(26)	567
	<b>1,498</b>	<b>661</b>	<b>(451)</b>	<b>(19)</b>	<b>(26)</b>	<b>1,663</b>

### c. Analysis of unrestricted and material designated fund movements

	Balance 1 April 2017 (Restated) £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2018 £000
Unrestricted Delegated	1,349		-73	19	(92)	1,203
Unrestricted Non Delegated	1,129	14	-176			967
UHW Nurses	204	56	-27			233
Lung Research (Llan)	162	10	-5			167
Biggs Legacy Cardiac Research	154	6	-4			156
Geriatric Research (UHW)	148	6	-22			132
UHW Patients General	90	32	-1			121
Leukaemia & Lymphoma	122	13	-18			117
Haematology Day Unit	88	28	-22			94
Orchard Llandough	90	13	-19			84
Other funds	3,111	620	-946			2,785
	<b>6,647</b>	<b>798</b>	<b>-1,313</b>	<b>19</b>	<b>(92)</b>	<b>6,059</b>

### d. Revaluation Reserve

	Balance 1 April 2017 £000	Income £000	Expenditure (Depreciation) £000	Transfers £000	Gains and losses £000	Balance 31 March 2018 £000
Rookwood Hospital Charity	2,406		-20	0	94	2,480
	<b>2,406</b>		<b>-20</b>	<b>0</b>	<b>94</b>	<b>2,480</b>

## Additional notes

### 21. Commitments

All commitments are funded from unrestricted general funds.

<b>Name of commitment</b>	<b>£000</b>
Patient WIFI (CFC15/027) ( 1 Year)	46
Third Sector Grants (CFC16/124) ( 1 Year)	25
Horatio's Garden ( CFC16/143) ( 1-3 Years)	500
Screen Bids ( CFC 16/159) ( 1 year)	25
Nutrition and Hydration extension on on medical wards (CFC16/160) (1-2 years)	295
Lung Research Studies (CFC 16/161) ( 1 year)	170
	<u>1,061</u>

### 22. Donated Assets

During the year the Charity purchased assets to the value of £0.271m. These are included in the Charity's Statement of Financial Activities and are classified as Donated Assets in the LHB Financial Statements.

### 23. Post Balance Sheet Events

The financial statements are required to reflect the conditions applying at the end of the financial year. Therefore no adjustments are made for any changes in fair value of investments between 31 March 2018 and the date the financial statements are approved. The fair value of investments held by the Charity at 31<sup>st</sup> March 2018 has changed in the intervening period as follows:

	31 March 2018	03 December 2018
	£000	£000
Investment	6,477	5,971

**STATEMENT OF FINANCIAL TRUSTEE RESPONSIBILITIES**

As Financial Trustee of the funds held on trust I am responsible for:

- the maintenance of financial records appropriate to the activities of the fund(s).
- the establishment and monitoring of a system of internal control.
- the establishment of arrangements for the prevention of fraud and corruption.
- the preparation of annual financial statements which give a true and fair view of the funds held on trust and the results of their operations.

.....2018

..... Financial Trustee

**STATEMENT OF TRUSTEE RESPONSIBILITIES  
IN RESPECT OF THE ACCOUNTS**

The trustee is required to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. The trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee confirms that they have complied with the above requirements in preparing the accounts.

**By order of the trustee**

Signed:

Trustee ..... Dated ..... 2018

Financial Trustee ..... Dated ..... 2018

The independent auditor's report of the Auditor General for Wales to the Trustee of Cardiff and Vale University Local Health Board Charity

### *Report on the audit of the financial statements*

#### Opinion

I have audited the financial statements of Cardiff and Vale University Local Health Board Charity for the year ended 31 March 2018 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

#### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Report on other requirements

### Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information in the annual report and accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, 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 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

## Responsibilities

### Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee responsibilities set out on page 43, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

**Adrian Crompton**  
**Auditor General for Wales**  
**18<sup>th</sup> December 2018**

**24 Cathedral Road**  
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WALES AUDIT OFFICE  
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Auditor General for Wales

# Audit of Financial Statements Report and Management Letter – Cardiff and Vale University Local Health Board Charity

Audit year: 2017-18

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The team who delivered the work comprised Mike Usher, Mark Jones, David Burrige and Sheila Craig

# Contents

This document summarises the conclusions on the audit of the Board's 2017-18 charity financial statements. The Auditor General intends to issue an unqualified audit report on the financial statements. There are some issues to report to you prior to their approval.

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# Summary report

## Introduction

- 1 The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the Cardiff and Vale University Local Health Board Charity (the Charity) at 31 March 2018 and its income and expenditure for the year then ended.
- 2 We do not try to obtain absolute assurance that the financial statements are correctly stated but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
- 3 The quantitative level at which we judge such misstatements to be material for the Charity is £35,700. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and reporting sensitivity. We consider the disclosure of related party transactions to be material by nature.
- 4 International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to 'those charged with governance', in sufficient time to enable appropriate action. This report sets out for consideration the matters arising from the audit of the Charity's 2017-18 financial statements, which require reporting under ISA 260.

## Status of the audit

- 5 We received the draft financial statements on 11 September 2018. We have substantially completed the audit work and are therefore reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. We have already discussed these issues with the Health Board's Deputy Director of Finance.

## Proposed audit report

- 6 It is the Auditor General's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#). The proposed audit report is set out in [Appendix 2](#).

## Significant issues arising from the audit

### Uncorrected misstatements

- 7 We set out below the non-material misstatements we identified in the financial statements, which have been discussed with management but remain uncorrected.

#### Expenditure is understated by £15,598 due to expenditure being accounted for in the wrong financial year

- 8 In May 2018 the Charity paid £6,660 towards the cost of the 'Staff Recognition Awards' event, which was held in March 2018. The Charity should have recognised this cost as expenditure in 2017-18 (with an accrual at 31 March 2018), but it overlooked the transaction. This oversight resulted in both 2017-18 expenditure and the year-end accruals being understated by £6,660.
- 9 Last year we reported ten uncorrected errors relating to expenditure, all of which had been accounted for in the wrong financial year. The errors totalled £8,938, being 2017-18 expenditure that had been incorrectly recorded in 2016-17. The expenditure in the 2017-18 financial statements is therefore understated by £8,938.

#### The balance of unrestricted funds is understated by £3,580 due to an invalid accrual being raised

- 10 In November 2016 the Charity raised a purchase order for display panels at a cost of £3,580. The Charity received and paid for the panels in 2016, but it did not match the paid invoice to the order. This error resulted in the £3,580 being accounted for as a liability as at both 31 March 2017 and 31 March 2018, based on the unmatched order. The unrestricted funds balance at 31 March 2018 is therefore understated by £3,580.

#### There are two classification errors in the income and expenditure disclosures due to incorrect accounting entries.

- 11 As at 31 March 2017 a supplier owed the Charity £16,800 in respect of faulty goods. This amount was recognised as a debtor in last year's financial statements, with expenditure being reduced by the same amount. During 2017-18 the supplier paid the Charity £14,400, thereby reducing the debt. However, the Charity incorrectly posted £8,400 of the payment to income and expenditure codes
- 12 The Charity paid an invoice of £7,360 for crockery for use by patients at hospitals. The Charity incorrectly posted the expenditure to 'Staff Education and Welfare' instead of 'Patient Education and Welfare'.

### Overall impact of the above misstatements

- 13 Given the nature of the errors found, we undertook additional transaction testing to evaluate the potential for the financial statements to be materially misstated. The results of our additional testing were satisfactory and we were therefore able to conclude that the above misstatements, and the weaknesses in the Charity's internal financial control processes, do not represent a risk of material misstatement in the 2017-18 financial statements.
- 14 Management have decided not to correct these misstatements as they are immaterial both individually and collectively. While the misstatements do not adversely affect the audit opinion, we report them to you to seek your confirmation that you agree not to amend them. [Appendix 1](#) is based on the misstatements not being amended.

## Corrected misstatements

- 15 There are misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. These corrections are set out in [Appendix 3](#).
- 16 The most significant amendment was to correct the accounting treatment for fixed assets investments. We found that fixed asset investments have been overstated for a number of years and concluded that a prior period adjustment was required. The error has occurred because the amount of investment income owed at each year end is included in both debtors and in value of the fixed asset investments.
- 17 Accordingly, £55,000 has been removed from the value of fixed asset investments at 31 March 2018. The prior year figures have also been corrected as the errors are material to the financial statements. Therefore, £42,000 has been removed from fixed asset investments at 31 March 2017 and £34,000 as at 31 March 2016. An additional note (Note 2) has been added to the financial statements to explain this prior year adjustment.

## Other significant issues arising from the audit

- 18 During the audit we consider a number of matters, both qualitative and quantitative, relating to the financial statements and report any significant issues arising to you:
- **While we have no significant concerns about the qualitative aspects of your accounting practices and financial reporting, there are areas that need to be improved.** In many respects we found the information provided to be relevant, reliable, and easy to understand. We found the accounting policies and estimates to be appropriate and the draft financial statements to be unbiased, fair and clear. However, the draft financial statements submitted for audit contained numerous errors, which better preparation and a more robust quality assurance review would have identified and corrected prior to audit. The weaknesses gave rise to a significant amount of amendment that could have been avoided. Also, based on the last two

years' audits, we still have concerns over the procedures for ensuring that expenditure is accounted for in the correct financial year. We will set out our formal recommendations in a separate report that will be issued to the Charity.

- **We did not encounter any significant difficulties during the audit**  
Generally, we received information in a timely and helpful manner and were not restricted in our work.
- **There were no significant matters discussed and corresponded upon with management which we need to report to you.**
- **There are no other matters significant to the oversight of the financial reporting process that we need to report to you.**
- **We did not identify any material weaknesses in your internal controls.**
- **There are not any other matters specifically required by auditing standards to be communicated to those charged with governance.**

## Independence and objectivity

- 19 As part of the finalisation process, we are required to provide you with representations concerning our independence. We can confirm that we have complied with ethical standards and in our professional judgment we are independent, and our objectivity has not been compromised. There are no relationships between the audit team and the Charity that we consider to bear on our objectivity and independence.

# Appendix 1

## Final Letter of Representation

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

13 December 2018

### Representations regarding the 2017-18 financial statements

This letter is provided in connection with your audit of the financial statements of Cardiff and Vale University Local Health Board Charity for the year ended 31 March 2018 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### Management representations

#### Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the Charities Act 2011; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

#### Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.

- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects the Cardiff and Vale University Local Health Board Charity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

### Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and consequently these items have not been adjusted for in the 2016-17 accounts. A summary of these are set out below:

### Expenditure accounted for in the wrong period

- A payment of £6,660 on 11 May 2018 for the cost of the Staff Recognition Awards event held on 9 March 2018 not accrued for in 2017-18; and

- ten payments totalling £8,938 made in 2016-17 which relate to goods and services received in 2017-18, which was not recorded as prepayments in the 2016-17 financial statements and therefore recorded as 2017-18 expenditure.

#### **Unrestricted fund balances understated due to an invalid accrual**

- An accrual of £3,580 for display panels recognised in error in both 2017 and 2018 for goods and services already received and paid for in 2016.

#### **Classification errors in income and expenditure**

- Income and expenditure both overstated by £8,400 due to posting errors in the bringing forward of a debtor and subsequent receipts in relation to refunds due from a supplier; and
- a payment of £7,360 for crockery for use by patients at hospitals incorrectly recorded as being for the benefit of Staff Education and Welfare instead of Patient Education and Welfare.

### **Representations by those charged with governance**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Trustee on 13 December 2018. We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Chief Executive

13 December 2018

Signed by:

Trustee Chair

13 December 2018

# Appendix 2

## The independent auditor's report of the Auditor General for Wales to the Trustee of Cardiff and Vale University Local Health Board Charity

### Report on the audit of the financial statements

#### Opinion

I have audited the financial statements of Cardiff and Vale University Local Health Board Charity for the year ended 31 March 2018 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

#### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Report on other requirements

### Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information in the annual report and accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, 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 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

## Responsibilities

### Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee responsibilities set out on page 43, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

#### **Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under 150 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

**Adrian Crompton**  
**Auditor General for Wales**  
**18 December 2018**

**24 Cathedral Road**  
**Cardiff**  
**CF11 9LJ**

# Appendix 3

## Summary of corrections made to the draft financial statements which should be drawn to the attention of the Trustee of Cardiff and Vale University Local Health Board Charity

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

### Exhibit 1: Summary of corrections made to the draft financial statements

Value of correction	Nature of correction	Reason for correction
£55,000	Decrease in Fixed Asset Investments (Note 14) and Analysis of Funds Balances as at 31 March 2018 (Note 20).	The value of the investments included cash held by the investment fund manager that was ready to be paid to the Charity in April 2018. However, a debtor was also raised for this amount and therefore it had been double counted.
£48,000 (31 March 2017)  £34,000 (31 March 2016)	Decrease in Fixed Asset Investments (Note 14) and Analysis of Funds Balances as at 31 March 2017 (Note 20) and 31 March 2016.	The above investments' error was also found to have been made in the prior year's financial statements. As the value is considered material to these accounts, a prior year adjustment was needed to restate the 31 March 2017 position.
£46,000	Decrease in accruals (Note 17) and expenditure in Analysis of Charitable Activity Note (Note 8).	The funding for providing Wi-Fi at hospital sites in 2018-19 was erroneously recorded as a 2017-18 cost and therefore included in accruals and expenditure.
£74,000	Prepayments disclosed separately (Note 15).	Prepayments were disclosed as part of the other debtors' figure in Note 15, rather than being disclosed separately as required by the SORP.

Value of correction	Nature of correction	Reason for correction
£3,000	Additional payment disclosure added to the related party note for Abertawe Bro Morgannwg LHB (Note 3).	We advised that the Deputy Director of Finance (DDOF), as a member of the Charitable Funds Committee, should complete a related party return. The DDOF's subsequent declaration resulted in an additional related party disclosure.
£4,000	Additional receipts disclosure added to the related party note for the Vale of Glamorgan Council (Note 3).	This disclosure relates to the declaration of a non-executive member of the Board, which had been incorrectly omitted from the related party disclosure.
£19,604	Note 9 prior-year grants paid was added to the financial statements.	This note had been omitted. We note that there was no expenditure in 2017-18, but the prior-year comparators are still required.
£2,000	Reclassification of long-term debtors to short term (Note 15)	A long-term debtor of £2,000 was being paid by instalments. The two remaining instalments were due in April and May 2018, and thereby not long term.
Various	Presentational adjustments	Various, which included: <ul style="list-style-type: none"> <li>• adjustments to ensure consistency between the primary statements and notes;</li> <li>• adjustments to ensure compliance with the SORP;</li> <li>• adjustments to improve the clarity of disclosures; and</li> <li>• adjustments to remove formatting and clerical errors.</li> </ul>

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