

**DUDLEY GROUP NHS CHARITY**

**TRUSTEE'S ANNUAL REPORT**

**& SUMMARY FINANCIAL STATEMENTS 2020/21**

## FOREWORD

The Dudley Group NHS Charity (the Charity) has a Corporate Trustee: The Dudley Group NHS Foundation Trust.

The Corporate Trustee presents the Charitable Funds Annual Report and Summary Financial Statements for the year ended 31 March 2021.

The Charity's Annual Report and Financial Statements for the year ended 31 March 2021 have been prepared by the Corporate Trustee in accordance with the Charities Act 2011 and the Charities Statement of Recommended Practice 2015. The Charity's Annual Report and Financial Statements include all the separately established funds for which The Dudley Group NHS Foundation Trust is the sole beneficiary.

The members of the NHS Foundation Trust Board who served during the financial year were as follows:

Dame Yve Buckland DBE	Chairman (Non-Executive Director)
Diane Wake	Chief Executive (Executive Director)
Tom Jackson	Finance Director (Executive Director)
Karen Kelly	Chief Operating Officer (Executive Director)
Mary Sexton	Chief Nurse (Executive Director)
Julian Hobbs	Medical Director (Executive Director)
Adam Thomas	Chief Information Officer (Executive Director)
James Fleet	Chief People Office (Executive Director)
Richard Miner	Non-Executive Director (Left 31 March 2021)
Julian Atkins	Non-Executive Director
Jonathan Hodgkin	Non-Executive Director
Catherine Holland	Non-Executive Director
Liz Hughes MBE	Non-Executive Director
Gary Crowe	Non-Executive Director
Vijith Randeniya	Non-Executive Director (16 November 2020 previously Associate)
Lowell Williams	Associate Non-Executive Director

Ian James	Associate Non-Executive Director (Left 31 October 2020)
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The Charitable Funds are registered with the Charity Commission (no. 1056979) in accordance with the Charities Act 2011.

## **CHARITY TRUSTEES AND ADVISERS**

### **Reference and Administrative details**

The Dudley Group NHS Charity, registered Charity Number 1056979, was entered on the Central Register of Charities on the 22 July 1996 as amended on 14 November 2011.

The Charity is constituted of 63 individual funds as at the 31 March 2021 (2019/20: 70) and the notes to the financial statements, as per the Financial Accounts 2020/21 distinguish the types of fund held and disclose separately all material funds.

Charitable funds received by the Charity are accepted and held and administered as funds and property held on trust for purposes relating to the health service in accordance with the National Health Service Act 2006 and the National Health Service and Community Care Act 1990 and these funds are held on trust by the corporate body.

### **Trustee**

The Dudley Group NHS Foundation Trust is the Corporate Trustee of the Charitable Funds governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2011.

The NHS Foundation Trust Board devolved responsibility for the on-going management of funds to the Charitable Funds Committee which administers the funds on behalf of the Corporate Trustee.

The members of the Charitable Funds Committee who served during the financial year are as follows:

Diane Wake	Chief Executive (Executive Director)
Tom Jackson	Director of Finance & Information (Executive Director)
Julian Atkins	Non-Executive Director (Chair of the Committee)
Jonathan Hodgkin	Non-Executive Director
Richard Miner	Non-Executive Director (left 31 March 2021)

## **Principal Charitable Fund Advisers**

The following officers of The Dudley Group NHS Foundation Trust are the principal charitable fund advisers:

Diane Wake, Chief Executive, and Tom Jackson, Director of Finance, under a scheme of delegated authority as approved by the Corporate Trustee, have day-to-day responsibility for the management of the Charitable Fund and must personally approve, on behalf of the Corporate Trustee, all expenditure over £5,000 with an upper limit of £50,000 using their delegated authority. All Executive Directors and the Deputy Director of Finance – Financial Reporting, under a scheme of delegated authority as approved by the Corporate Trustee, approve all expenditure up to £5,000.

Heather Taylor, Head of Financial Services, advised and reported on charitable funds, including strategy, in this financial year.

Lynn Hinton, Charity Finance Manager, acted as the principal officer overseeing the day-to-day financial management and accounting for the charitable funds during the year.

Liz Abbiss, head of communications, advised and made proposals for fundraising and spending strategy in this financial year.

Karen Phillips, Fundraising Manager, liaises with the wards and departments providing advice and support for the charity fundraising.

## **Principal Office for the Charity**

Finance Department,  
The Dudley Group NHS Foundation Trust,  
Trust Headquarters,  
Russells Hall Hospital,  
Dudley,  
West Midlands,  
DY1 2HQ.  
Telephone: 01384 321121

A full set of financial statements can be downloaded from our website [www.dudleygroup.nhs.uk/our-charity](http://www.dudleygroup.nhs.uk/our-charity) or by contacting the Charity Finance Manager, on 01384 321121(direct line) or [dgft.financial.services@nhs.net](mailto:dgft.financial.services@nhs.net)

## **Principal Professional Advisers**

### **Bankers**

NatWest  
RBS European Operations Centre,  
Brampton Road,  
Newcastle-under-Lyme,  
Staffordshire,  
ST5 0QX

Santander UK plc  
Corporate & Commercial Banking  
1/35, 287-301 St Vincent Street  
Glasgow  
G2 5HN

### **Solicitors**

Mills & Reeve  
78-84 Colmore Row  
Birmingham  
B3 2AB

### **Investment Fund Managers**

BlackRock Investment Managers Limited  
PO Box 545  
Darlington  
DL1 9TQ

### **Independent Auditors**

Grant Thornton LLP  
The Colmore Building  
20 Colmore Circus Queensway  
Birmingham  
B4 6AT

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Dudley Group NHS Foundation Trust consists of Russells Hall Hospital (Acute Hospital), Corbett Outpatient Centre and Guest Outpatient Centre. The charitable funds are attributed in line with the Trust's Directorate structure. For example, charitable funds for Medicine include Medical Wards, Leukaemia, Respiratory, Diabetes, Rheumatology, Rehabilitation and Palliative care. The funds within Surgery include Ear, Nose and Throat (ENT), Ophthalmology, Surgical Wards, Breast Cancer Services, Surgery and Theatres. Other funds are within Obstetrics, Gynaecology, Pathology, Critical Care, Neonatal Services, Cardiology, Gastro Intestinal Services, Renal Unit and Coronary Care. Adult Community Services include the District Nurse Teams Fund, Audiology and the Community Rehabilitation Fund (which includes Neurology).

The Charity fund was established with the Charity Commission using the model declaration of trust and all funds held on trust as at the date of registration were classified as unrestricted funds or classified as designated funds under the main Charity. Subsequent donations and gifts received by the Charity that are attributable to the original funds are added to those fund balances within the existing Charity.

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund. By designating funds, the key aim of the Trustee is to serve the NHS Trust for the public benefit, it respects the wishes of our generous donors to support patient care and advance the good health and welfare of patients, visitors and staff. The Trustee have complied with their duty to have had regard to the Charity Commission's guidance on public benefit, with due regard for funding decisions to demonstrate public benefit in the Charity's work.

Non-Executive Members of the Trust Board are appointed by the Trust Governors. Executive members of the Board are subject to recruitment by the NHS Foundation Trust Board. Members of the Trust Board and the Charitable Funds Committee are not individual trustee under Charity Law but act as agents on behalf of the Corporate Trustee.

The newly appointed members of the Charitable Funds Committee are provided with an induction pack which provides information about the Charity, including the Charitable Funds Committee terms of reference, Trustees' Annual Report and Financial Statements, policies and minutes, and information about trusteeship, including Charity Commission booklet CC3, The Essential Trustee. The Chair gives new members of both the NHS Foundation Trust Board and the Charitable Funds Committee a briefing on the current policies and priorities for the charitable funds.

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

- Control, manage and monitor the use of the fund's resources.
- Provide support and guidance for usage of funds, whilst managing and monitoring the receipt of all income.
- Ensure that 'best practice' is followed in the conduct of all its affairs fulfilling all of its legal responsibilities.
- Ensure that the Investment Policy approved by the NHS Foundation Trust Board as Corporate Trustee is adhered to and that performance is continually reviewed whilst being aware of ethical considerations.
- Keep the Trust Board fully informed on the activity, performance and risks of the Charity.

The Charitable Funds Committee was established in 2006/07 and reports to the Trust Board. The objectives of the committee are to control the management and administration of the Charity in accordance with the Charity's purposes and in line with the Charitable Funds Investment Policy. The committee will assist in the determination of the Charitable Funds Strategy ensuring that the Charity has all the hallmarks of an effective charity, as set out in the standards issued by the Charity Commission.

The accounting records and the day-to-day administration of the funds are dealt with by the Finance Department, Trust Headquarters, Russells Hall Hospital, Dudley, West Midlands, DY1 2HQ.

## **RISK MANAGEMENT**

The risks to which the Charity is exposed have been identified and considered.

### **Future levels of income**

The charity is reliant on donations to allow it to support the Trust and its plans for the future. The Trustees mitigate the risk that income will fall by engaging with the Charity Fundraiser. Fundraising activity is regularly reviewed at the Charity Committee meetings to understand what worked well and what improvements may be needed.

### **Fall in investment returns**

The most significant risk identified was a possible loss from a fall in the value of the investments and the level of reserves available to mitigate the impact of such losses. The charity committee review the investment returns at the quarterly meetings to ensure that both spending and financial commitments remain in line with available income.

An effective system of internal financial control is maintained and operated in connection with the charitable funds as the Charity is managed under the Governance and internal controls that are in place for The Dudley Group NHS Foundation Trust. The current system of internal financial control provides reasonable assurance of the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

## **WORKING IN PARTNERSHIP FOR PUBLIC BENEFIT**

The Dudley Group NHS Foundation Trust is the main beneficiary of the Charity and is a related party by virtue of being Corporate Trustee of the Charity. The charities objectives are for any charitable purpose or purposes relating to the National Health Service, wholly or mainly for the service provided by The Dudley Group NHS Foundation Trust. The strategy of the Charity is to work in partnership with the Trust, ensuring the funds are used to best effect, by deciding upon the most beneficial way to use charitable funds regarding the main activities, objectives, strategies and plans of the Trust.

Our mission statement is to enhance and further improve the high quality services provided by the Trust, providing additional comfort and benefit to its patients and staff, by focusing fund expenditure on areas not covered or fully supported by NHS funds.

The charity fundraiser continues to forge strong relationships with members of staff of the hospital and community donors and fundraisers. Without the support and co-operation of the wider community the effective contribution to the Trust would be much diminished. The head of communications has also ensured that public thanks for the enormous fundraising goodwill has been achieved.



In accordance with the objectives and strategy of the Charity, the Head of Financial Services and the Charity Finance Manager liaise with Ward Managers and Department Heads to encourage the spending of their funds in accordance with the donor's wishes; by supporting research and procedures within the National Health Service, supporting capital developments and the purchase of medical equipment, provide training and development activities for clinical and other staff, to ensure public benefit.

The Leukaemia Appeal Fund, a separately registered Charity raises money specifically for the Georgina Unit at Russells Hall Hospital.

The Trust's Volunteer Service, managed by the Volunteer Co-ordinator, Jane Fleetwood provides a valuable service to patients, visitors and staff. For more information call 01384 456111 ext. 3420 or email [jane.fleetwood@nhs.net](mailto:jane.fleetwood@nhs.net)

The Dudley Clinical Education Centre promotes and advances the study of science and medicine by supporting the professional education and development of Trust & Community staff and associated healthcare professionals. It supports key patients who are committed to further development of staff, by assisting in the training which empowers their contribution to specialist teams to improve the quality of care for all patients. For more information contact Kate Holmes, Medical Education Manager on 01384 321095 or email [kate.holmes8@nhs.net](mailto:kate.holmes8@nhs.net)

## **ANNUAL REVIEW: OUR OBJECTIVES AND ACTIVITIES**

The key aim of the Trustees to provide public benefit is by helping patients, relatives, visitors and staff by:

- Funding medical research to understand the conditions affecting our patients so that we can help develop cures and therapies in the future.
- Enhance the care the Trust can offer through the purchase of new equipment and building improvements to deliver better facilities.
- Invest in staff to create a caring environment and improved treatment for our patients, families and visitors.
- Provide direct support to patients by way of information, networking support and better facilities.

The key aims continued to be applied even though the Trust had COVID-19 restrictions in place, prioritising patients, relatives and staff directly in response to the pandemic by offering support to these groups.

The charity currently has six main appeals:

### **Dementia Appeal**

Patients with dementia need to feel respected and valued for who they are now, as well as in the past. We aim to raise awareness, to help prepare and provide understanding for patients and families to face the challenges of the future.

### **Children's Appeal**

To provide a comfortable, reassuring environment for the children and their families in the hospital, by providing a reassuring base during their care and treatment.

### **Cancer Appeal**

Caring for the patient and their family adds comfort and care for our cancer patient, encompassing the well-being of patients, families and carers.

### **Baby Bereavement Appeal**

To improve the facilities available to families who are adjusting to the death of their baby. The dedicated bereavement suite will be a calming, comfortable and private space with access to specialist equipment in a less clinical setting.

### **Children's Emergency Department Appeal**

Helping us to change the way we treat our younger patients by making their experience the best it can be.

### **COVID-19 Emergency Appeal**

Supporting Dudley Group staff, patients and volunteers affected by the COVID-19 pandemic.

During the year, the funds continued to support a wide range of charitable and health related activities benefiting both patients and staff. Charitable funds were used to purchase much needed medical equipment, such as:

- Ultrasound Machine for the Critical Care Unit
- Bladder scanner for Community Nurses
- Ultrasound Machine for Sexual Health Services, Adult Community Services
- Digital Reminiscence Technology for dementia patients for various wards
- Shockwave Therapy equipment for Corbett Outpatient Centre
- Mattress warmer for the Day Surgery Theatres at Corbett Outpatient Centre
- Stella 150 Ventilator for the Respiratory Ward
- Rehabilitation equipment for Dudley Rehabilitation Service at Corbett Outpatient Centre
- Video Fluoroscopy Chair for Speech Therapy & Radiology

The hospital wards and departments receive many charitable fund donations. These are often used to benefit the staff and the patients, such as:

- I Pads for Junior Doctors training re COVID-19 social distancing requirements
- Patient electric reclining chairs for the Stroke Unit
- Glideaway folding beds for patient relatives use on the children's ward
- Patient elite chairs with pressure reducing cushions for Coronary Care Unit
- TVs for the children's ward, the stroke unit and ward C7
- LED sky lights for ward C4 - Georgina Unit

The COVID-19 pandemic donations supported staff and patients by providing:

- Additional rest areas for staff, seating in ward areas, picnic benches placed in the grounds, coffee making facilities for the Critical Care Unit staff. Coffee facilities and Microwaves for the Out-patients staff.
- Additional staff lockers to allow social distancing in ward areas.
- Wellbeing services provided across the Trust for staff to access.
- Linen provided to volunteers to make additional scrubs.
- Thank you gifts to staff, volunteers & our PFI partner staff
- Care packages for patients & staff
- Pager call system & additional chairs for maternity clinics to allow social distancing
- Fold away beds for the Maternity Unit
- Chaplains – Christian wooden holding crosses, Rosary beads, Muslim & Islamic prayer beads, Buddhism books
- Medical Babybays for the Maternity Unit
- Digital Reminiscence Technology for dementia patients for wards C3, C5 and C7
- Vein viewer for the Capacity Department

The charitable funds also enable consultants, medical staff, nurses and allied health professionals to attend additional courses which will update them on the new ideas and modern techniques in their specialties. Due to the pandemic many courses were cancelled or deferred whilst COVID-19 restrictions remain in place. Staff working in the Maternity, Children's and Neonatal Units were able to complete e-learning courses which were necessary for the care of their patients during this pandemic year.

These activities enable the Trustee to meet its strategic priorities of supporting the work of the Trust. The Trustee's review of future plans and strategic objectives have also been infused with the need to demonstrate public benefit and by the guidance issued by the Charity Commission.

The Trust Volunteer Service usually has around 500 volunteers from the local community providing support with duties such as ward/clinic hostess services, way finding, helpdesk assistance and chaplaincy. However, the pandemic meant that many of the volunteers were shielding according to government guidelines resulting in reduced numbers of individuals offering support.

The volunteer service was supported by individuals from the local community, furloughed from their own work, who applied to volunteer in support of the NHS at this difficult time.

The volunteers took belongings to and from reception for relatives and patients, ran errands between wards for staff, allowing staff to remain in their areas caring for patients. A volunteer driver service was established to help delivery medication to our most vulnerable patients and deliver urgent PPE supplies to community clinics.

Volunteers also helped with marshalling, both at the hospital and in the local community when the vaccination programme commenced.

We look forward to the return of previous volunteers who are no longer shielding, in the continuation of their valuable contribution to the Trust.

The charitable funds have received two legacies this year totalling £2,000, for the benefit of Ward C4 Georgina Unit (£500) and the Rheumatology Research Fund (£1,500)

## **A Review of our Finances**

The total value of the Charitable Funds as at 31 March 2021 was £2,410,000 (2019/20: £1,876,000). The increase in the overall fund value of £534,000 was mainly due to the increase in donated income, grant income from NHS Charities Together and more significantly the valuation of investments held at 31<sup>st</sup> March 2021 which has increased by £219,000. This is due to the recovery of the worldwide stock markets, after the initial impact of the COVID-19 pandemic in March 2020.

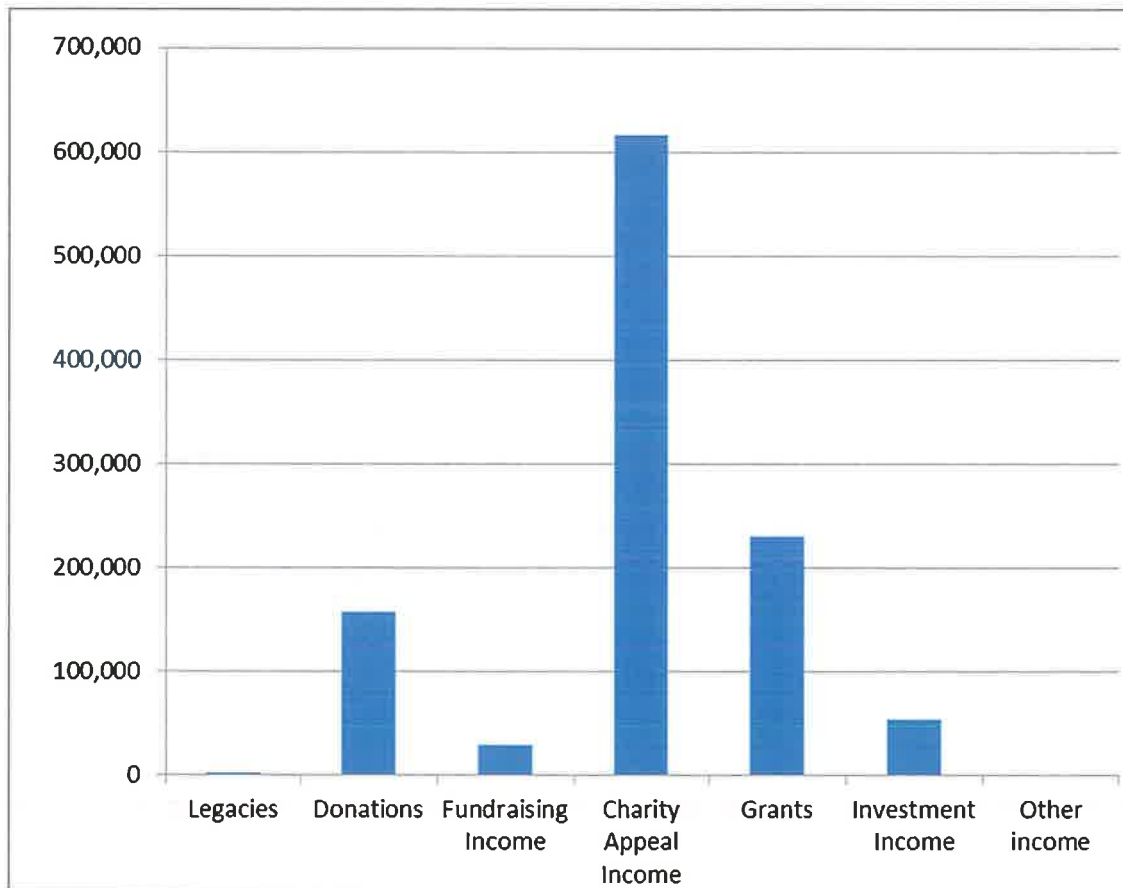
The Charity continues to rely on donations, legacies and investment income as the main sources of income. Donations from individuals have decreased by £24,000, but donors have directed their donations towards the COVID-19 appeal instead. Donations in memoriam have decreased by £13,000, but this is likely to relate to the reduced number of funeral attendees due to the COVID-19 restrictions. The donations received in respect of the charity appeals have increased by £594,000, which includes the generous donation by InTouch Games of £500,000, other appeal income is £20,000 a reduction of £2,000. Grant income increased by £225,000 however, this was due to the NHS Charities Together Grants of £222,000 with an increase of £3,000 from other grant income. Legacies have decreased by £23,000 however; this can be attributed to the impact on the housing market sales which slowed down by the COVID-19 lockdowns and social distancing.

Investment Income increased by £12,000, although £6,700 of this related to additional interest from BlackRock relating to 2019/20.

The close of the 2019/20 financial year was overshadowed by the COVID-19 outbreak which has had an effect upon the operation of the charity, mainly in respect of the impact on the Charity investments.

The improvement in the 2020/21 financial year demonstrates the generosity of the public in its support of the NHS and its staff, and in the recovery of the investments.

## Where our money comes from



The Charity received overwhelming support and generosity from our local businesses, communities & NHS Charities Together in relation to the COVID-19 pandemic.

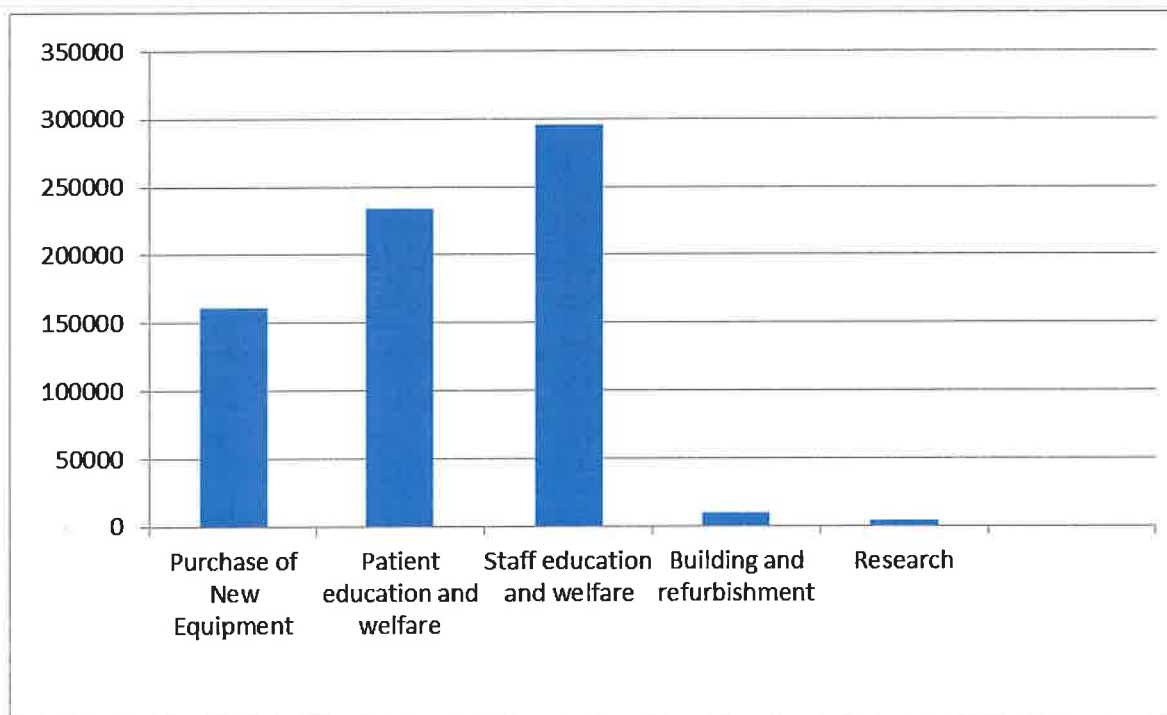
Local businesses provided hot meals, cakes, pizzas, fish & chips, curry meals, halal meals, toiletries for staff, hand cream, bread, fruit and vegetables, PPE, bottled water, carbonated drinks, tea and coffee.

The community not only offered their time to support various schemes put in place by the Trust, but they also fundraised for our benefit.

The donations and grants received were used to enhance the well-being of NHS Staff, volunteers and patients affected by COVID-19. The income was used to fund well-being packs, gifts for staff and volunteers on wards or departments, such as food or meal deliveries and refreshments, wash kits, overnight stay kits, furniture for rest rooms, for example. To provide support for patient's mental health through isolation with electronic communication devices so they could talk to family and friends.

## What we spent the money on

Of the total expenditure of £777,000 (2019/20 £487,000), expenditure on direct charitable activity was £698,000 (2019/20 £408,000) across a range of funds. Expenditure on raising funds was £79,000 (2019/20 £79,000). There was an overall increase of £290,000 on last year's expenditure, mainly due to emergency COVID-19 expenditure.



### Purchase of new equipment

The total amount spent was £161,000 (2019/20 £91,000) representing a vital and valuable contribution to enhancing the provision of clinical care. Purchases range from small items of equipment costing a few hundred pounds, to larger items costing thousands of pounds.

### Staff education and welfare

Annual expenditure was £296,000 (2019/20 £97,000) of which £22,000 (2019/20 £43,000) was spent on external educational courses, mainly e-learning courses. Funding of £5,000 was provided by NHS Charities Together for Nursing Leadership Support with an additional £3,600 from Covid Appeal donations for medical ultrasound courses for 2 staff required to support the treatment of Covid patients. An additional sum of £400 (2019/20 £3,000) was spent on travel expenses to allow attendance of courses, but greatly reduced this year due to more e learning courses being accessed. A total of £132,000 (2019/20 £51,000) was spent on staff welfare, for example educational material such as medical books and journals, educational prizes, long service awards and equipment for the wards, other staff welfare of £122,000 related to pandemic support from the provision of Via Vita wellbeing services, thank you gifts in appreciation of their hard work, support and commitment to the patients, their relatives and colleagues.

## **Patient education and welfare**

Annual expenditure of £233,000 (2019/20 £109,000) included the purchase of furniture of £69,000 (2019/20 £35,000), for ward areas. The increase relates to the additional purchase of bariatric chairs and reclining chairs for all ward areas.

The sum of £600 (2019/20 £3,000) was spent in respect of patients and patient relatives' information and education. The reduced level of expenditure was due to the impact of COVID-19 and the cessation of normal hospital services.

Other patient expenditure of £142,000 (2019/20 £71,000) includes items which help make the patient's stay in hospital more comfortable, such as gifts at Christmas, audio and TV equipment. The expenditure also included the purchase of LED Sky panel for each bed bay on ward C4 Georgina Unit of £47,000. Additional expenditure was incurred this year due to COVID-19 patient care packages, pagers for the maternity clinics to allow social distancing

## **Research**

The sum of £4,000 (2019/20 £8,000) was spent on rheumatology research projects, a reduction on last financial year due to COVID-19 restrictions.

## **Building, Refurbishment and Computer Equipment**

The cost for building and refurbishment was £10,000 (2019/20 £103,000) but a 2019/20 creditor valued at £21,000 was subsequently paid by the Dudley Group NHS Foundation Trust. Therefore, showing a negative spend in the 2020/21 financial statements.

There were specific COVID-19 expenditure items which related to aerial installation on MHDU, a Think Centre Computer in Theatres and a printer on the Respiratory Ward. The baby bereavement appeal fund purchased a laptop for the baby bereavement nurses.

The total spent was significantly less this year due to the restrictions imposed due to the COVID-19 pandemic.



## **EXPENDITURE POLICY**

The Dudley Group Patient and Staff Welfare Fund receives donations and legacies where no particular preference as to its expenditure has been expressed by donors. Applications are received from various departments within the Hospital and the Community to purchase medical equipment or items which will improve and benefit the patients and staff at the Trust. Based on their knowledge of the Hospital, the Charitable Funds Committee agrees funding and encourages spending of the charity funds. Funding is provided to areas of the Trust that do not have available Designated Funds.

The Designated Funds are overseen by Clinical Directors, Clinical Service Leads and Matrons who can make recommendations on how to spend the money within their designated area. The recommendations are generally accepted, and these funds can be spent at any time.

The Restricted Funds are those where the donor has provided for the donation to be spent for a particular charitable purpose or where legal restrictions have been imposed by the donor at the time their donation was made.

## **RESERVES POLICY**

The reserves policy is incorporated within the Charity Investment Policy. This policy ensures that income not required for immediate use is invested to earn interest, whilst ensuring that money identified to meet expenditure plans is available as required.

The ratio of reserves held in the short-term investment deposit fund is appropriate to the advice received by the external investment managers, based upon current commitment levels of known planned expenditure in the next financial year.

A review of the investment portfolio is undertaken by the Charity Funds Committee which includes the level of reserves held, on a quarterly basis.

The total value of the funds held at 31 March 2021 in the Santander Corporate and Commercial Banking investment totals £500,000 with the balance of £534,000 held in the Government Banking Services Account. It is appropriate that the reserves remain at a level which will permit the timely realisation of long-term investments, if required. Therefore, the minimum reserve level is maintained at £250,000 and based upon current known commitments for future charitable expenditure and the funding required for the next financial year for financial services which maintain the financial aspect of the charity and the charity fundraiser.

The reserve level will be achieved by reinvesting income received from the investment portfolio and the excess of funds held in the Charitable Funds Government Banking Services account.

## **PERFORMANCE MANAGEMENT**

The Charity requires the Clinical Directors, Clinical Service Leads and Matrons for each fund to provide expenditure plans for a one-to-three-year programme. This is requested annually, and plans are regularly reviewed and reported to the Charitable Funds Committee.

The role of the Clinical Directors, Clinical Service Leads and Matrons as charity fund budget managers is supported by the Charity Fundraising Co-ordinator.

## **INVESTMENTS**

At the year-end, the sum of £1,405,000 (2019/20 £1,186,000) was held with BlackRock Investment Management Limited in BLK Charities UK Equity ESG Fund and BLK Charities UK Bond Fund.

The charity's long-term investments which mainly consist of UK equities have increased in value by a total of £219,000 during the year 2020/21, due to the recovery on the worldwide stock markets from the effect of the COVID-19 pandemic in the 2019/20 accounts.

The Trustee seeks to balance 'Ethical and socially responsible investment' and risk. Therefore, investment in companies engaged in the manufacture of tobacco products is not permitted.

The investment policy requires that all monies, apart from working capital, be invested in securities to maximise the overall return consistent with an acceptable level of risk. Fund Managers are appointed for an initial three-year period and the tendering process follows the NHS Trust's regulations and ensures that the requirements of the Trustee Act 2000 are met.

The performance of the investments is continuously monitored and reported on a quarterly basis by BlackRock Investment Management Limited. The reports are disseminated to the Charitable Funds Committee at the scheduled quarterly meetings.

## **Funds Held On Trust Financial Statements 2020/21**

### **Foreword**

The Dudley Group NHS Charity Funds are registered with the Charity Commission, number 1056979 and include funds in respect of The Dudley Group NHS Foundation Trust. The Financial Statements have been submitted to the Charities Commission.

The financial statements for the year ended 31 March 2021 have been prepared in accordance with the requirements in the Charities Act 2011 and the Statement of Recommended Practice 2015.

The following pages are not the full financial statements but a summary of information relating to the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement. These statements have been checked for consistency with the externally audited financial statements by Independent Auditors Grant Thornton LLP and their report follows on page 21.

The financial statements are available from the Trust's Finance Department by writing to: Charity Finance Manager, Finance Department, Trust Headquarters, Russells Hall Hospital, Dudley, West Midlands. DY1 2HQ or email [dgft.financial.services@nhs.net](mailto:dgft.financial.services@nhs.net) or telephone 01384 321121.

### **Main Purpose of Funds Held On Trust**

The main purpose of charitable funds held on trust is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by The Dudley Group NHS Foundation Trust.

Signed



Date: 5 July 2021

## **FUTURE PLANS**

The charity will continue to work with the Trust to equip NHS staff with the skills they need to enhance patient treatment and provide financial support for research and pilot new projects which will enhance patient care. It will continue to provide additional equipment so that the service provided for patients and staff is enhanced and will also provide for other non-medical equipment which enhances the patients time when using the Trust facilities.

Future plans can be influenced by available resources with the Trust budgets, in that the resources required to maintain equipment purchases may exceed the benefit in obtaining the new equipment. The Trust has a policy for the purchase of equipment in that new purchases are consistent with equipment already in use, so that training can be consistent Trust wide for all staff.

In 2018/19 the Trust was successful in its bid for funding for £20 million from the STP capital fund to radically redesign the emergency department and resuscitation area, to improve patient care and experience.

The Trust is submitting the business case to NHS Improvement in May 2021, with the full business case being submitted in January 2022.

The charity launched a major Children's Emergency Department Appeal to raise £100,000 in conjunction with the STP capital funding. The charity will work alongside the Trust to support the redesign of the Emergency Department, paying particular attention to improving the experience of our patients. The two areas of focus will be in the children's waiting area and consulting rooms, equipping them with sensory items for distraction, improving the environment where teenagers are treated and improving the relative's room and providing quiet areas for patients and their relatives to take time out from the clinical environment.

The Corporate Trustee will decide the most appropriate spend from the COVID-19 appeal, which will benefit staff, volunteers & patients as part of the Trust's continued support for the effects of the COVID-19 pandemic.

The Trustees have a two-stage plan for next year 2021/2022. They will be supporting a combination of the following from the remaining COVID-19 appeal fund; a wellbeing pod which is an external rest area for 10-20 staff to use whilst socially distancing, virtual staff awards to recognise the staff in an extremely difficult year, a birthing pool in the Maternity Unit and refurbishment of the staff rest areas.

The charity is submitting a bid to NHS Charities Together for stage three funding for £110,000 with the criteria being for the sole purpose of supporting the wellbeing of the staff. The Trustees will be supporting the refurbishment of staff rest areas and the provision of a staff wellbeing officer if the funding is provided, around June or July 2021.

## Statement of trustees' responsibilities

The trustee are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year. Under that law the trustee have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustee are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the trustees:

Chairman  Date 5 July 2021

Trustee  Date 5 July 2021

## **Independent auditor's report to the corporate trustee of Dudley Group NHS Charity**

### **Opinion**

We have audited the financial statements of Dudley Group NHS Charity (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 requirements of the Charities Act 2011.

### **Basis for opinion**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the charity to cease to continue as a going concern.

In our evaluation of the trustee's conclusions, we considered the inherent risks associated with the charity's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the corporate trustee and the related disclosures and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the corporate trustee with respect to going concern are described in the 'Responsibilities of the corporate trustee for the financial statements' section of this report.

#### **Other information**

The corporate trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the corporate trustee for the financial statements**

As explained more fully in the Statement of Trustee's Responsibilities set out on page 20, the corporate trustee is responsible for the preparation of the financial statements which 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 corporate 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 the corporate trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (The Charities Act 2011, the Charities SORP 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);
- We enquired of management, concerning the charity's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.



- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by evaluating incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and the risk of fraud in revenue recognition in relation to voluntary income. We determined that the principal risks were in relation to:
  - journal entries that altered the financial performance for the year;
  - potential management bias in determining accounting estimates, especially in relation to accruals of income and expenditure at the end of the financial year.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a particular focus on significant journals at the end of the financial year which impacted on the financial performance;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the sector in which the charity operates
  - understanding of the legal and regulatory requirements specific to the charity, including:
    - the provisions of the applicable legislation
    - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of accrued income.
- In assessing the potential risks of material misstatement, we obtained an understanding of:

- the charity's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the charity's control environment, including the policies and procedures implemented by the charity corporate trustee to ensure compliance with the requirements of the financial reporting framework.

#### **Use of our report**

This report is made solely to the charity's corporate trustee, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's corporate trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its corporate trustee as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants

#### **Birmingham**

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

8 July 2021

## Dudley Group NHS Charity – 2020/21

### Statement of Financial Activities for the year ended 31 March 2021

			2020/21	2019/20
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£000	£000	£000	£000
<b>Income from</b>				
Donations and legacies	173	834	1,007	248
Investments	40	14	54	42
Charitable activities	30	2	30	58
Other	1	0	1	1
<b>Total income</b>	<b>244</b>	<b>848</b>	<b>1,092</b>	<b>349</b>
<b>Expenditure on</b>				
Raising funds	37	42	79	79
Charitable activities	358	320	678	390
Other Expenditure	14	6	20	18
<b>Total expenditure</b>	<b>409</b>	<b>368</b>	<b>777</b>	<b>487</b>
<b>Net income/(expenditure)</b>	<b>(165)</b>	<b>480</b>	<b>315</b>	<b>(138)</b>
Net Gains/(losses) on investments	219	0	219	(174)
<b>Net income/(expenditure) after</b>	<b>54</b>	<b>480</b>	<b>534</b>	<b>(312)</b>
<b>Gains/(losses) on investments</b>				
Transfers between funds	7	(7)	0	0
<b>Net Movement in funds</b>	<b>61</b>	<b>473</b>	<b>534</b>	<b>(312)</b>
<b>Reconciliation of Funds</b>				
Total Unrestricted Funds brought forward	1,821	0	1,821	2,113
Total Restricted Funds brought forward	0	55	55	75
<b>Total Funds carried forward</b>	<b>1,882</b>	<b>528</b>	<b>2,410</b>	<b>1,876</b>

## Dudley Group NHS Charity – 2020/21

### Balance Sheet as at 31 March 2021

	Unrestricted Funds £000	Restricted Funds £000	Total at 31 March 2021 £000	Total at 31 March 2020 £000
<b>Non Current Assets</b>				
Intangible Assets	0	0	0	0
Investments	1,405	0	1,405	1,186
Debtors over 1 year	0	0	0	1
<b>Total Fixed Assets</b>	<b>1,405</b>	<b>0</b>	<b>1,405</b>	<b>1,187</b>
<b>Current Assets</b>				
Debtors	18	3	21	11
Cash and cash equivalents	500	534	1,034	741
<b>Total Current Assets</b>	<b>518</b>	<b>537</b>	<b>1,055</b>	<b>752</b>
Creditors falling due within one year	41	9	50	63
<b>Net Current Assets</b>	<b>477</b>	<b>528</b>	<b>1,005</b>	<b>689</b>
<b>Total Assets Less Current Liabilities</b>	<b>1,882</b>	<b>528</b>	<b>2,410</b>	<b>1,876</b>
Creditors falling due after more than one year	0	0	0	0
Provisions for liabilities and charges	0	0	0	0
<b>Total Net Assets</b>	<b>1,882</b>	<b>528</b>	<b>2,410</b>	<b>1,876</b>
<b>Funds of the Charity</b>				
Restricted income funds	0	528	528	55
Unrestricted income funds	1,882	0	1,882	1,821
<b>Total Funds</b>	<b>1,882</b>	<b>528</b>	<b>2,410</b>	<b>1,876</b>

## Dudley Group NHS Charity – 2020/21

### Cash Flow Statement for the year ended 31 March 2019

	2020/21 Total Funds £000	2019/20 Total Funds £000
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	315	(138)
Adjustments for:		
Depreciation charge	0	0
Dividends and interest from investments	(54)	(42)
(Increase)/decrease in debtors	(9)	0
Increase/(decrease) in creditors	13	31
Net cash provided by (used in ) operating activities	239	(149)
<b>Cash flows from operating activities:</b>		
Net cash provided by (used in) operating activities	239	(149)
<b>Cash flows from investing activities:</b>		
Dividends and interest from investments	54	42
Net cash provided by (used in) investing activities	54	42
Change in cash and cash equivalents in the reporting period	293	(107)
<b>Cash and cash equivalents at 1 April</b>	741	848
<b>Cash and cash equivalents at 31 March</b>	1,034	741
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	534	241
Notice deposits	500	500
<b>Total cash and cash equivalents</b>	1,034	741

## **THANK YOU!**

**The Corporate Trustee would like to express its appreciation of the support received from so many groups and individuals whose generous contributions are of enormous benefit to both patients and staff throughout our Trust.**

A handwritten signature in dark ink, appearing to read 'Diane Wake', is centered on the page.

Approved on behalf of the Corporate Trustee by Diane Wake, Chief Executive, The Dudley Group NHS Foundation Trust