
Financial Statements

BETSI CADWALADR UNIVERSITY CHARITY & OTHER RELATED CHARITIES

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 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

STATUTORY BACKGROUND

The Betsi Cadwaladr 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 Betsi Cadwaladr University Local Health Board.

Statement of Financial Activities for the year ended 31 March 2018

	Note	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2017-18 £000
Incoming resources from generated funds:				
Donations and legacies	3	1,137	876	2,013
Other trading activities	5	347	56	403
Investments	6	41	26	67
Total incoming resources		1,525	958	2,483
Expenditure on:				
Raising Funds	7	309	29	338
Charitable activities	8	1,391	1,371	2,762
Total expenditure		1,700	1,400	3,100
Net gains / (losses) on investments	15	83	37	120
Net income / (expenditure)		(92)	(405)	(497)
Transfer between funds	20	(103)	103	0
Net movement in funds		(195)	(302)	(497)
Reconciliation of Funds				
Total Funds brought forward	21	4,510	3,584	8,094
Total Funds carried forward		4,315	3,282	7,597

Statement of Financial Activities for the year ended 31 March 2017

	Note	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2016-17 £000
Incoming resources from generated funds:				
Donations and legacies		1,087	1,044	2,131
Other trading activities		306	50	356
Investments		41	27	68
Total incoming resources		1,434	1,121	2,555
Expenditure on:				
Raising Funds		274	35	309
Charitable activities		861	552	1,413
Total expenditure		1,135	587	1,722
Net gains / (losses) on investments		623	434	1,057
Net income / (expenditure)		922	968	1,890
Transfer between funds		(1)	1	0
Net movement in funds		921	969	1,890
Reconciliation of Funds				
Total Funds brought forward		3,589	2,615	6,204
Total Funds carried forward		4,510	3,584	8,094

Balance Sheet as at 31 March 2018

	Note	Unrestricted funds £000	Restricted Income funds £000	Total 31 March 2018 £000	Total 31 March 2017 £000
Fixed assets:					
Tangible assets	14	135	0	135	0
Investments	15	4,151	3,421	7,572	7,440
Total fixed assets		4,286	3,421	7,707	7,440
Current assets:					
Debtors	16	467	374	841	700
Cash and cash equivalents	17	487	389	876	430
Total current assets		954	763	1,717	1,130
Liabilities:					
Creditors: Amounts falling due within one year	18	(917)	(882)	(1,799)	(470)
Net current assets / (liabilities)		37	(119)	(82)	660
Total assets less current liabilities		4,323	3,302	7,625	8,100
Creditors: Amounts falling due after more than one year	18	(8)	(20)	(28)	(6)
Total net assets / (liabilities)		4,315	3,282	7,597	8,094
The funds of the charity:					
Restricted income funds	21		3,282	3,282	3,584
Unrestricted income funds	21	4,315		4,315	4,510
Total funds		4,315	3,282	7,597	8,094

The notes on pages 32 to 45 form part of these accounts

Signed :

Name :(Chair of Trustees)

Date : 13th December 2018

Statement of Cash Flows for the year ending 31 March 2018

	Note	Total Funds 2017-18 £000	Total Funds 2016-17 £000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	19	391	(2,371)
Cash flows from investing activities:			
Dividend, interest and rents from investments	6	67	68
Proceeds from the sale of investments	15	1,248	3,420
Purchase of investments	15	(1,182)	(1,701)
Increase / (decrease) in cash awaiting investment	15	(78)	201
Net cash provided by (used in) investing activities		55	1,988
Change in cash and cash equivalents in the reporting period		446	(383)
Cash and cash equivalents at the beginning of the reporting period	17	430	813
Cash and cash equivalents at the end of the reporting period	17	876	430

Note on the accounts

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at fair value.

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 investment income but the trustees have arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

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

(b) Funds structure

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. The Charity's restricted funds tend to result from appeals or legacies for specified purposes.

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 endowment) and those where there is no discretion to expend the capital (permanent endowment). The charity has no permanent endowment funds.

Those funds which are neither endowment nor restricted income funds, 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. The major funds held in each of these categories are disclosed in note 21.

(c) Incoming resources

Income consists of donations, legacies, income from charitable activities and investment income.

Donations are accounted for when received by the charity. All other income is 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 as deferred income.

(d) Incoming resources from legacies

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

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 recognition are met.

(e) 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.

(f) Recognition of expenditure and associated liabilities as a result of grants

Grants payable are payments made to linked, related party or third party NHS bodies and non NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

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.

(f) Recognition of expenditure and associated liabilities as a result of grants (cont.)

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 have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 11.

(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 Boards' 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) Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price (or value of the asset on a full replacement cost basis if donated), costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Tangible fixed assets are capitalised if they are capable of being used for more than one year and have a cost equal to or greater than £5,000.

Land is stated at open market value. Valuations are carried out professionally at five-yearly intervals with an impairment review undertaken in all other years. No depreciation is applied to land.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the SoFA.

(k) Investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors. Further information on the charity's investments can be found in note 15.

(l) Debtors

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

(m) 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 notice interest bearing savings accounts.

(n) 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.

(o) 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 closing and opening carrying values, adjusted for purchases and sales.

2. Related party transactions

During the year none of the Trustee's Representatives or members of the key management staff or parties related to them has undertaken any material transactions with the Betsi Cadwaladr University Health Board Charitable Funds.

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

The Charity has made grant payments for revenue and capital to the Betsi Cadwaladr University Health Board. Such payments are for specific items which are in furtherance of the Charity's objectives. The Betsi Cadwaladr University Health Board prepares its accounts in accordance with the FRS 102, whereas the Charity prepares its accounts in accordance with FRS 102. The Charity therefore recognises a constructive obligation when it awards a grant, whereas the Health Board recognises it when the grant is received. This creates a timing issue as the Charity recognises expenditure before the Health Board does.

In its accounts and under FRS 102, the Charity recognises that it has made grant payments to the Betsi Cadwaladr University Health Board totalling £2.86 million (2016-17: £1.32 million). Under the FRS and IFRS, grant payments to the Betsi Cadwaladr University Health Board totalled £1.66 million (2016-17: £4.68 million). The audited accounts of the Betsi Cadwaladr University Health Board are included in their annual report and are available from their website.

Name	Details	Interests
Dr E Moore	Executive Medical Director	Wife is the Clinical Director of Breast and Endocrine Surgery at the Royal Liverpool and Broadgreen University.
Mr G M Lang	Executive Director of Strategy	Governor of Coleg Cambria.
Mr C Wright	Director of Corporate Services	No declaration was received during the 2017/18 financial year as Mr Wright left the Health Board in May 2017. During the previous financial year Mr Wright had disclosed that his partner was a Director of University Hospital of South Manchester NHS Foundation Trust (UHSM). This Trust became part of a newly formed Manchester University NHS Foundation Trust on 1st October 2017.
Mrs M Hanson	Vice Chair	Undertakes occasional lecturing/supervision at Chester University for which payment can be claimed. Member of Public Health Wales Advisory Board and Fellow of the Royal Society for Public Health.
Mrs M W Jones	Independent Member	Member of the Development Board of Bangor University
Cllr B Feeley	Independent Member	Elected County Councillor and Cabinet Member for Denbighshire County Council.
Ms J Dean	Independent Member and Trades Union Representative	Partner is a part-time employee of Bangor University.
Cllr C Carlisle	Independent Member	As a member of Conwy County Borough Council sits on the group that looks at the provision of CAMHS services within Conwy.
Mrs N Stubbins	Associate Board Member - Director of Social Services	Statutory Director of Social Services, Denbighshire County Council.

Material transactions between the Charity and related parties disclosed above during 2017-18 were as follows:	Expenditure with related party £000	Amounts owed to related party £000
Bangor University	8	0
Conwy County Borough Council	6	1
Denbighshire County Council	5	4
University of Chester	4	3

There was no income from or amounts due from these related parties.

3. Income from donations and legacies

	Unrestricted funds £000	Restricted Income funds £000	Total 2017-18 £000	Total 2016-17 £000
Donations	1,137	33	1,170	1,162
Legacies	0	843	843	969
	1,137	876	2,013	2,131

4. Role of volunteers

Like all charities, the Betsi Cadwaladr University Health Board Charity is reliant on a team of volunteers for our smooth running. Our volunteers perform two roles:

- Fund advisors – Within the Charity there are 370 designated funds which are identified to specific areas and/or services. Every fund has at least one fund advisor, who acts as the authorised signatory on the fund for purchases up to £5,000 and receives monthly statements as to the income and expenditure on the fund. Fund advisors are responsible for ensuring that the expenditure they authorise from their funds is appropriate and fits in with the objects of the fund and the Charity. They are also responsible for ensuring that their designated fund is never in a deficit position.
- Fundraisers – A number of volunteers actively support the Charity by running in aid of events such as coffee mornings, sponsored walks and sports tournaments, as well as supporting events directly organised by the charity.

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.

5. Other trading activities

Income from other trading activities arises from fundraising events that are organised by the charity, or by volunteers in aid of the charity. These include events such as coffee mornings, cake bakes, sporting challenges and sponsored walks.

6. Gross investment income

	Unrestricted funds £000	Restricted Income funds £000	Total 2017-18 £000	Total 2016-17 £000
Fixed asset equity and similar investments	41	26	67	67
Short term investments, deposits and cash on deposit	0	0	0	1
	41	26	67	68

7. Analysis of expenditure on raising funds

	Unrestricted funds £000	Restricted Income funds £000	Total 2017-18 £000	Total 2016-17 £000
Fundraising office	195	0	195	186
Fundraising events	81	4	85	53
Investment management	26	20	46	49
Support costs	7	5	12	21
	309	29	338	309

8. Analysis of charitable activity

	Grant funded activity £000	Support costs £000	Total 2017-18 £000	Total 2016-17 £000
Grants for NHS Capital expenditure	1,104	39	1,143	326
Staff education and welfare	652	29	681	276
Patient education and welfare	886	33	919	824
Medical research (commitment not required)	(13)	1	(12)	(13)
Other	30	1	31	0
	2,659	103	2,762	1,413

9. Analysis of grants

The charity does not make grants to individuals. All grants are made to the Health Board to provide for the care of NHS patients in furtherance of our charitable aims. The total cost of making grants, including support costs, is disclosed on the face of the Statement of Financial Activities and the actual funds spent on each category of charitable activity, is disclosed in note 7.

The Trustees operate a scheme of delegation for the charitable funds, under which fund advisors manage the day to day disbursements on their projects, in accordance with the directions set out by the Trustees in the Charity Standing Financial Instructions. Funds managed under the scheme of delegation represent ongoing activities and it is not possible to segment these activities into discrete individual grant awards. The Trustees do make grant awards based on invited applications from the Health Board.

10. Movements in funding commitments

	Current liabilities £000	Non-current liabilities £000	Total 31 March 2018 £000	Total 31 March 2017 £000
Opening balance at 1 April (see note 18)	291	6	297	2,842
Movement in liabilities	1,118	22	1,140	(2,545)
Closing balance at 31 March (see note 18)	1,409	28	1,437	297

As described in notes 8 and 9, the charity awards a number of grants in the year. Many grants are awarded and paid out in the same financial year. However, some grants, especially those relating to research and development or for funding a specific posts are multi-year grants paid over a longer period.

11. Allocation of support costs

Governance costs are those support costs which relate to the strategic and day to day management of a charity.

Support and overhead costs are allocated between fundraising activities and charitable activities based on the proportion of expenditure incurred against them both during the year. These support and overhead costs are then further allocated to unrestricted and restricted funds based on the balance held in these funds.

	Raising funds £000	Charitable activities £000	Total 2017-18 £000	Total 2016-17 £000
Governance				
External audit	1	9	10	10
Finance and administration	5	42	47	44
Total governance	6	51	57	54
Finance and administration	5	44	49	52
Other costs	1	8	9	9
	12	103	115	115

	Unrestricted funds £000	Restricted Income funds £000	Total Funds 2017-18 £000	Total Funds 2016-17 £000
Raising funds	7	5	12	21
Charitable activities	57	46	103	94
	64	51	115	115

12. 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.

13. Auditors remuneration

The auditors remuneration of £10,250 (2016-17 £10,250) related solely to the audit of the statutory annual report and accounts.

14. Tangible fixed assets

	Freehold land 2017-18 £000	Freehold land 2016-17 £000
Cost and valuation		
Balance brought forward	0	0
Additions	135	0
Disposals	0	0
Balance at 31st March	135	0
Depreciation and impairments		
Balance brought forward	0	0
Disposals	0	0
Impairment	0	0
Balance at 31st March	0	0
Net book value at 1st April	0	0
Net book value at 31st March	135	0

During the year, a piece of land located in Porthmadog was donated to the charity, for the benefit of the Madog Community & Hospital fund. The land was independently and professionally valued at open market value by the District Valuer in March 2018. The charity intends to dispose of the land on the open market.

15. Fixed asset investments

Movement in fixed assets investments

	Total 2017-18 £000	Total 2016-17 £000
Market value brought forward	7,440	8,303
Add: additions to investments at cost	1,182	1,701
Less disposals at carrying value	(1,208)	(3,437)
Increase / (decrease) in cash awaiting investment	38	(184)
Add net gain / (loss) on revaluation	120	1,057
Market value as at 31st March	7,572	7,440

All investments are carried at their fair value.

All of the Charity's investments are held within a portfolio managed by Rothschild Wealth Management Limited.

The key objective of the portfolio is to preserve and grow the investments' value in real terms, in order to continue to support charitable distributions over the long term. In order to meet this objective, the Trustees have agreed on a 'balanced' approach for the investment strategy. A 'balanced' portfolio is intended to achieve steady growth over the long term through a diversified approach to investment. Attention is paid to avoiding the worst of the downside and capturing some, but not all, of the upside of financial market returns. Capital preservation in real terms over a long time horizon is the primary objective, and some volatility is acceptable in order to achieve this.

In line with this investment strategy, the portfolio has a 65% allocation to return assets. Return assets are expected to drive long-term performance but are also likely to be volatile over shorter periods. In addition, the portfolios maintain a 35% allocation to diversifying assets. These assets are included to provide real diversification and protection in difficult market conditions. Overall, the portfolios remain relatively defensively positioned. This approach provides protection on the downside, but allows the addition of return assets opportunistically, taking advantage of attractive prices particularly during market turbulence.

The environment for investors remains challenging and fraught with risks. In managing our portfolios, Rothschild Wealth Management Limited assess these risks and the potential impact they will have on the portfolio on an on-going basis. They also adjust investments to make the most of opportunities and to protect against risks as they see them. Risks promote uncertainty and make markets unpredictable over short periods. A solid allocation to diversifying assets and portfolio protection has therefore been maintained, resulting in risk within the portfolio being considerably lower than the broader equity markets.

16. Analysis of current debtors

Debtors under 1 year	Total 31 March 2018 £000	Total 31 March 2017 £000
Accrued income	708	588
Prepayments	2	20
Other debtors	131	92
	841	700

17. Analysis of cash and cash equivalents

	Total 31 March 2018 £000	Total 31 March 2017 £000
Cash in hand	876	430
	876	430

No cash or cash equivalents or current asset investments were held in non-cash investments or outside of the UK.

18. Analysis of liabilities

	Total 31 March 2018 £000	Total 31 March 2017 £000
Creditors under 1 year		
Trade creditors	47	31
Creditors owed to BCU	215	60
Accruals for grants owed to NHS bodies	1,409	291
Other accruals	128	88
	1,799	470
Creditors over 1 year		
Accruals for grants owed to NHS bodies	28	6
	28	6
Total creditors	1,827	476

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

	Total 2017-18 £000	Total 2016-17 £000
Net income / (expenditure) (per Statement of Financial Activities)	(497)	1,890
Adjustment for:		
(Gains) / losses on investments	(120)	(1,057)
Dividends, interest and rents from investments	(67)	(68)
Donated fixed assets	(135)	0
(Increase) / decrease in debtors	(141)	(308)
Increase / (decrease) in creditors	1,351	(2,828)
Net cash provided by (used in) operating activities	391	(2,371)

20. Transfer between funds

There have been the following transfers between material designated funds:

- £89,311 was transferred from Investment Gains (unrestricted) to all restricted funds to refund them for the net effect of interest, investment gains/loss and charity costs.
- £14,700 was transferred from the Maternal Health Project (unrestricted) to the Betsi-Quthing Fund (restricted) as the project was incorporated back into the overall Betsi-Quthing scheme, where the funding originated from.
- £976 was transferred from the C-Difficile Research Study Fund (restricted) to General Funds (unrestricted) as the project had completed with a small under spend and the original funding had come from General Funds.
- £10,157 was transferred from the Cancer Fund- YMW (unrestricted) to the Cancer Support Group - YMW (unrestricted) as the fund was closed.
- £1,157 was transferred from the Human Resources Training - West fund (unrestricted) to Ysbyty Gwynedd General Purposes (unrestricted) as the fund was closed.
- £643 was transferred from the Research & Development - West fund (unrestricted) to Ysbyty Gwynedd General Purposes (unrestricted) as the fund was closed.
- £450,000 was transferred from Investment Gains (unrestricted) to Staff Engagement Strategy (unrestricted) to fund a project that was approved by the charity.

21. Analysis of funds

a. Analysis of restricted fund movements

	Balance 1 April 2017 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2018 £000
Ysbyty Gwynedd General Purposes	450	8	(18)	9	6	455
Wrexham Medical Institute	274	2	(12)	5	4	273
General Fund, YGC	203	46	(10)	5	3	247
North Wales Cancer Appeal	121	119	(9)	7	2	240
Cardiology Department, YGC	154	54	(37)	3	2	176
Llandudno General Purposes	168	3	(7)	3	2	169
Leukaemia/Allied Blood Disease, YMW	166	1	(6)	3	2	166
Wrexham Maelor General Fund	138	22	(7)	4	3	160
Cancer Fund, YGC	163	130	(153)	9	6	155
Cardiology Fund, YMW	141	21	(29)	3	2	138
Pathology Leukaemia/Haematology, YGC	117	1	(7)	2	2	115
BCU Legacies Fund	294	(237)	0	0	0	57
Alaw Ward, YG	126	75	(169)	3	0	35
Other Funds	1,069	713	(936)	47	3	896
	3,584	958	(1,400)	103	37	3,282

The objects of each of the restricted funds are to benefit the patients of the area, department or service stated in the funds' name, in accordance with the Charity's overall objectives. There is one fund listed above that is not aligned to a specific area:

- The BCU Legacies fund holds the accruals for legacies where probate has been granted, but we have not yet received the cash. This fund is used to protect the designated funds from fluctuations in the final legacy received. When the legacy is received it will be credited to the designated fund specified in the Will and the accrual will be reversed out from the BCU Legacies fund.

The Trustees have set an opening or closing balance of £100,000 or above as the threshold for the separate reporting of material designated funds. In the interests of accountability and transparency a complete breakdown of all such funds is available upon written request.

b. Analysis of unrestricted and material designated fund movements

	Balance 1 April 2017 £000	Income £000	Expenditure £000	Transfers £000	Gains and losses £000	Balance 31 March 2018 £000
Cancer Charitable Fund - Glan Clwyd	461	108	(9)	0	0	560
Investment Gains	856	190	(159)	(539)	83	431
Cancer Support Group - YMW	191	70	(17)	10	0	254
Alaw Ward, YG	63	191	(6)	0	0	248
Staff Engagement Strategy	0	0	(245)	450	0	205
Madog Community & Hospital	0	135	0	0	0	135
Palliative Care Fund - YMW	121	36	(24)	0	0	133
Llandudno General Purposes	130	0	0	0	0	130
Ysbyty Gwynedd General Purposes	127	1	0	2	0	130
Gynae Services - West	97	8	(1)	0	0	104
Cardiology Department, YGC	93	9	0	0	0	102
Diabetes & Endocrinology - Centre	104	2	(5)	0	0	101
Other Funds	2,267	775	(1,234)	(26)	0	1,782
	4,510	1,525	(1,700)	(103)	83	4,315

The objects of each of the unrestricted funds are to benefit the patients of the area, department or service stated in the funds' name, in accordance with the Charity's overall objectives. There is one fund listed above that is not aligned to a specific area:

- The Investment Gains fund holds the unallocated and unrealised gains and losses on the investment portfolio. This fund is used to protect the other designated funds from fluctuations in the investment values.

The General Purposes Funds includes all donations for which a donor has not expressed any preference as to how the funds shall be spent. These funds are applied for any charitable purpose to the benefit of the patients of the Health Board, at the discretion of the Trustees.

The Trustees have set an opening or closing balance of £100,000 or above as the threshold for the separate reporting of material designated funds. In the interests of accountability and transparency a complete breakdown of all such funds is available upon written request.

22. Post balance sheet events

There is one post balance sheet event which has not been adjusted for in the accounts:

The accounting statements are required to reflect the conditions applying at the end of the financial year. No adjustments are therefore made for any changes in the market value of the investments between the 1st April 2018 and the date the accounting statements are approved. The market value of the investments held by the Charity as at the 31st March 2018 have increased by a material amount in the intervening period as follows:

	31 March	30 November		
	2018	2018	Movement	Movement
	£000	£000	£000	%
Investments	<u>7,572</u>	<u>7,770</u>	<u>198</u>	<u>2.61%</u>

There is one post balance sheet event which has been adjusted for in the accounts:

An adjustment has been made in the accounts for the reduction in June 2018 of the Workforce Development Strategy funding commitment by £205,000 to £245,000, following a significant amendment in scope of some projects included within the Strategy that had previously been presented to the Trustees by the Health Board. As this is an adjusting post balance sheet event, the effects of this reduction have been reflected in the accounts. Expenditure on Charitable Activities for staff education and welfare has been reduced by £205,000 and Funding Commitments have been reduced by the same amount. The monies released as a result have been returned to the fund, increasing the Total Funds carried forward at 31 March 2018 from £4,110,000 to £4,315,000.

Statement of the Trustee's Finance Representative's Responsibilities

As the Trustee's Finance Representative for the Charity, I am responsible for:

- the maintenance of financial records appropriate to the activities of the funds.
- 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 Charity and the results of its operations.

In fulfilment of these responsibilities I confirm that the financial statements set out on pages 29 to 45 attached have been compiled from and are in accordance with the financial records maintained by the Trustee and with applicable accounting standards and policies for the NHS.

.....
Russell Favager
Trustee's Finance Representative

13th December 2018

Statement of the Trustee's Responsibilities in Respect of the Accounts

The Trustee's Representatives are required under the National Health Services Act 1997 to prepare accounts for each financial year. The Welsh Government, with the approval of HM Treasury, directs that these accounts give a true and fair view of the financial position of the Charity. In preparing those accounts, the Trustee's Representatives are required to:

- apply on a consistent basis accounting policies laid down by the First Minister for Wales with the approval of HM Treasury.
- make judgements and estimates which are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Trustee's Representatives confirm that they have complied with the above requirements in preparing the accounts.

The Trustee's Representatives are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Government. 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.

By order of the Trustees

Trustee's Representative

13th December 2018

Trustee's Finance Representative

13th December 2018

Audit report of the Auditor General to the Trustee of the Betsi Cadwaladr University Health Board Charity

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Betsi Cadwaladr University 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 the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have 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 trustees are 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, 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 trustees' 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 trustees for the financial statements

As explained more fully in the statement of trustee's responsibilities set out on page 47, the trustees are 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 trustees determine 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 trustees are 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 section 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. This description forms part of my auditor's report.

Adrian Crompton
Auditor General for Wales

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