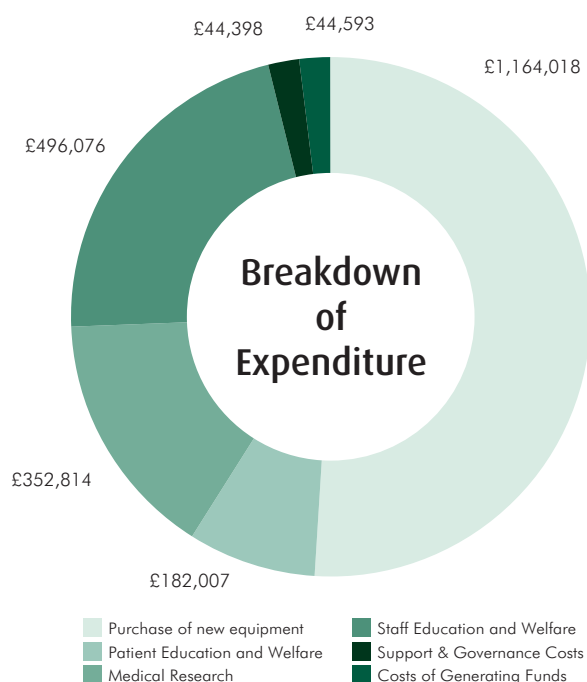
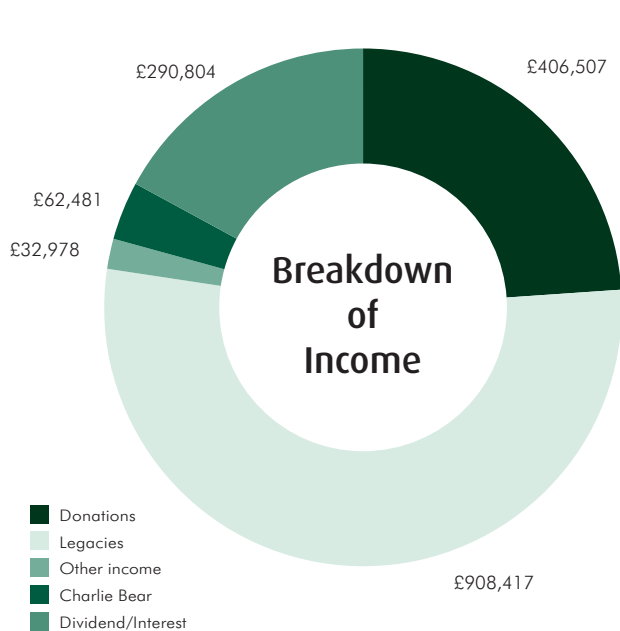
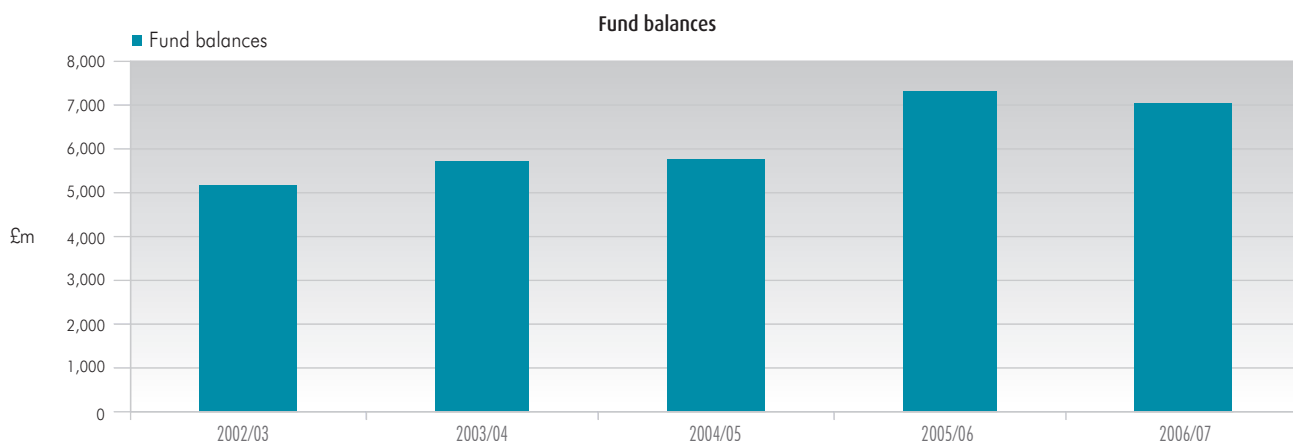
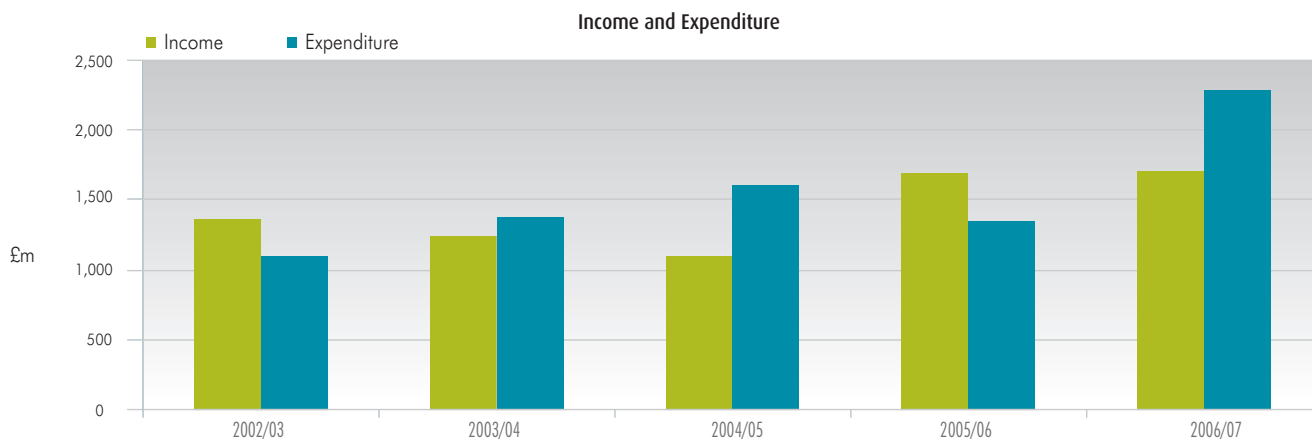


# Newcastle upon Tyne Hospitals NHS Charity

Registered Charity Number 1057213

## 1 Financial Overview 2006/07



## 2 Objective and Activities

“For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by the Newcastle upon Tyne Hospitals NHS Foundation Trust”

The Charity’s aim is to complement NHS resources in The Newcastle upon Tyne Hospitals NHS Foundation Trust to increase patient comfort and enhance facilities for both patients and staff. By complementing NHS resources the Charity enables the Trust to be one on the leading edge of both specialised service provision and clinical, scientific and technological developments in the field of health and the promotion of Newcastle’s national and international reputation as a leading academic centre by supporting research.

### *The Charity*

- Purchases service-enhancing equipment enabling medical treatments to be improved.
- Improves amenities for patients so the time spent in hospital is more comfortable.
- Enhances facilities for staff so improving working lives.
- Funds research and development activities which ultimately improve patient care.

“We will continue to enhance the services provided by The Newcastle upon Tyne Hospitals NHS Foundation Trust”

## 3 Reference and Administration

**Charity Name** **The Newcastle upon Tyne Hospitals NHS Charity**  
**Registration Number** **1057213**

**Trust (Charitable) Funds Committee**

### ***Non Executive Directors***

R S Middleton (Chairman until October 2006, when term as Non Executive Director ended)

Mrs H Parker (Chairman from November 2006)

Mrs P Dodds

Mrs L Conlon

### ***Executive Directors***

Mr L R Fenwick (Chief Executive)

Dr T J Walls (Medical Director)

Mr R B Steven (Finance Director)

### **Advisers:**

**Investment Managers**

CCLA Investment Management Ltd, 80 Cheapside, London EC2V 6DZ

**Bankers**

HSBC PLC, 110 Grey Street, Newcastle upon Tyne NE1 6JG

**External Auditors**

The Audit Commission, Nickalls House, Metro Centre, Gateshead, Tyne & Wear, NE11 9NH

**Internal Audit**

Northumbria Internal Audit, 3 North Terrace, Newcastle upon Tyne NE2 4AD

**Administrative Office**

Room 203, Cheviot Court, Freeman Hospital, High Heaton, Newcastle upon Tyne.

**Newcastle  
Healthcare  
Charity**

There are additional Trust (Charitable) Funds for the benefit of the Royal Victoria Infirmary, Newcastle General Hospital and Walkergate Hospital and which form part of The Newcastle upon Tyne Hospitals NHS Foundation Trust. These funds are held by the Newcastle Healthcare Charity and are not the subject of either this Report or accompanying Accounts. The Newcastle Healthcare Charity has provided a Statement and this is included on pages 156-157.

Many wards and departments were able to purchase items of equipment which greatly enhance that funded by mainstream NHS Funds.

## 4 Structure, Governance and Management

The Charity was formed by a Declaration of Trust dated 16th July 1996 as The Freeman Group of Hospitals NHS Charity and which was amended by a Supplemental Deed dated 17th March 1999 to the Newcastle upon Tyne Hospitals NHS Charity.

The Newcastle upon Tyne Hospitals NHS Foundation Trust acts as the Corporate Trustee. The Funds are administered by a Standing Committee of the Trust Board known as the Trust (Charitable) Funds Committee which meets quarterly with other meetings convened as and when necessary. Members of the Trust Board are remunerated by the NHS Trust and Committee members receive no remuneration or expenses from the Charity. Induction of committee members is provided by a detailed information pack containing relevant charity commission guidance and information specific to the Charity, on going training is provided as required.

A dedicated team provides administration, financial and fundraising support within the Trust; the Charity does not directly employ any members of staff. The Newcastle upon Tyne Hospitals NHS Foundation Trust issues contracts of employment and recharges the Charity for costs incurred in relation to both staffing and related non-pay expenditure.

The Charity Registered is the General Purposes Fund (known as the Umbrella Fund), with an additional seventeen subsidiary funds largely reflecting clinical specialties, which are also registered with the Charity Commission. Operationally the subsidiary funds are further subdivided to reflect the wishes of respective donors and the proposed utilisation, and at 31st March 2007 there were 181 sub, i.e. individual, Funds.

Funds have designated advisers to whom balances are communicated on a quarterly basis. The Funds are administered in accordance with Financial Procedure Notes communicated to Fund Advisers by a charity specific information pack and seminars. Adherence to the procedures is monitored by Internal and External Auditors, the Trust's Audit Committee and ultimately by the Trust Board as part of the structured controls assurance framework within the Trust.

The majority of expenditure applications are initiated by Fund advisers and are subject to an approval process identified as part of The Newcastle upon Tyne Hospitals NHS Foundation Trust's overall Scheme of Delegation and Corporate Governance procedures. The exceptions to this are the dedicated Research Funds for which the Scientific Committee (advising both the Newcastle upon Tyne Hospitals Charity and The Newcastle

Healthcare Charity) considers applications for research projects and makes recommendations to the Trust (Charitable) Funds Committee and the Charlie Bear for Cancer Care Fund which is administered by a Sub-Committee and which reports to the Trust (Charitable) Funds Committee.

### Risk Management

The Corporate Trustee considers the Charity has the necessary practices currently in place to assess Governance, Operational, Financial, External and Compliance risks. These have been identified in a Risk Management Schedule specific to the Charitable Funds, which is presented annually to the Corporate Trustee i.e. the Trust Board. This Schedule identifies risk areas, the potential impact of these risks and the steps taken to mitigate the risks to the Charity. The Trust (Charitable) Funds Committee review the schedule on a regular basis. Working practices and procedures conform to the Charity Commission's guidelines and are subject to scrutiny by Internal and External Audit.

## 5 Financial Review

Income in the year increased by £13,000 to £1,701,000. Income from donations increased by £155,000 but legacy income decreased by £151,000. Donations are received from a wide spectrum of individuals, companies and other organisations. The Trust received a number of legacies during the year which have benefited various areas of the Trust as well as research funds. The Cardiothoracic Unit and the Northern Centre for Cancer Treatment alone have benefited from £719,000, both of these specialties are currently undergoing major changes and it is envisaged that this funding will contribute to enhancements in those areas that could not be funded utilising NHS resources.

Investment income of £291,000 showed an increase of £18,000 over 2005/06.

**Expenditure in the year increased by £929,000.** Many wards and departments were able to purchase items of equipment which greatly enhance that funded by mainstream NHS funds. As a result of legacies received in both 2005/06 and 2006/07, a significant commitment of £1,000,000 in relation to the purchase of a Tomotherapy Scanner has been recognised in the Purchases of new equipment total of £1,163,000. This scanner will be situated in a new building forming part of the Transforming Newcastle Hospitals project.

Grants awarded for both Patient education and welfare (£182,000) and staff education and welfare (£497,000) have

increased by £117,000 and £361,000 respectively. Most expenditure on welfare and amenities involves small amounts but which, in total, make a substantial contribution to making patient stays more comfortable. The expenditure in these areas is on items such as furniture and furnishings and additional comforts for patients at Christmas, which make a real difference to patients' experiences and environment.

A number of staff members have been assisted by charitable funds to attend courses and conferences, which have helped keep them abreast of new developments in their field. Staff members who attend then pass on what they have learned to their colleagues.

Grant's to fund medical research amount to £353,000, a reduction of £174,000, however in the year to 31st March 2007, the Trustees awarded twenty six grants as a result of successful applications compared to only fifteen the previous year. These represent pump priming funding for research programmes, which allow researchers to put together a case for further, more substantial funding of more large-scale projects.

Cost of generating funds has increased by £8,000 to £45,000. The Trust Fundraising Manager provides guidance and support for fundraising activities evidenced by the increase in fundraising events held throughout the year. The Charlie Bear for Cancer Care Fund continues to raise funds firstly by organising various events and secondly by the sale of goods within the Patient Waiting Area at the Northern Centre for Cancer Treatment.

**The market value of Funds held at 31st March 2007 was £7,058,000**, representing a reduction of £241,000 since the previous year-end. Expenditure exceeded income by £583,000 and investment gains totalled £342,000.

Of the eighteen registered Funds only one, the Charlie Bear for Cancer Fund, is reliant on proactive fundraising and because it expends resources significantly faster than the other Funds it is invested via the money market. In the case of the other Funds the majority of assets held which are not required to meet outstanding liabilities continue to be invested via the Charities Official Investment Fund (COIF), the majority being held in a diversified Common Investment Fund with a portfolio chosen by the manager, CCLA Investment Management Ltd, and comprising equities, property and cash. The equities comprise shareholdings in public companies with stock market quotations; however the portfolio refrains from the direct investment in companies that derive a substantial amount of their profit from investment in tobacco.

The Committee continues to scrutinise closely both the investment medium and investment performance and considers that the COIF Common Investment Fund remains satisfactory on both counts.

**Reserves policy** is reviewed by The Trust (Charitable) Funds Committee annually. Formal Policy statements are prepared each year for the General Purposes Fund and also for the largest Fund in each of the seventeen subsidiaries. The Committee

presents the Policies annually to the Corporate Trustee, i.e. the Trust Board.

The detailed Accounts for the year ended 31st March 2007 have been approved by the Corporate Trustee, i.e. the Board of Directors, and are included in a separate section of this document (pages 221 to 234).

The members of the Committee on behalf of the Trust wish to record their gratitude to the volunteers, other individuals, families and organisations that have contributed so generously to the Charitable Funds in the form of donations, legacies and fundraising events. The efforts of these people have hugely contributed to the quality of care offered by The Newcastle upon Tyne Hospitals NHS Foundation Trust.

**Mrs H A Parker**

*Chairman, Trust (Charitable) Funds Committee and Non Executive Director*

May 2007

