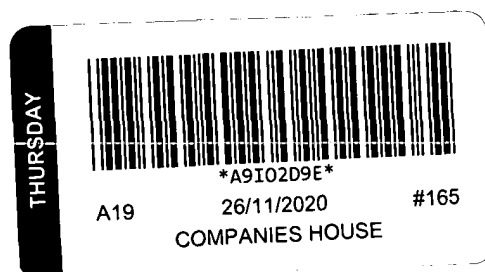
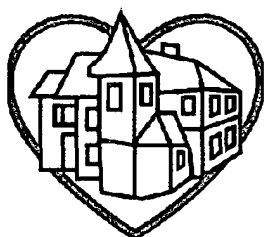
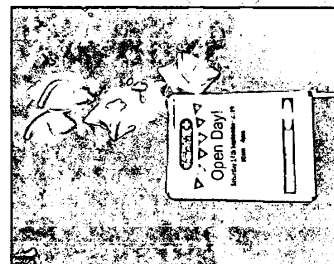
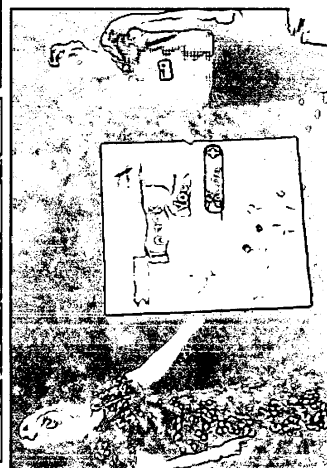
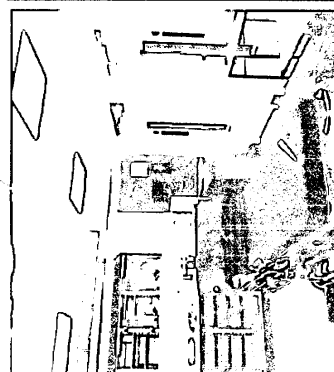
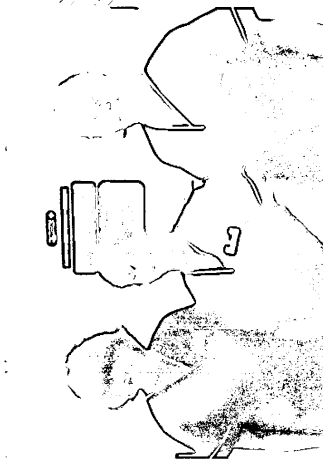
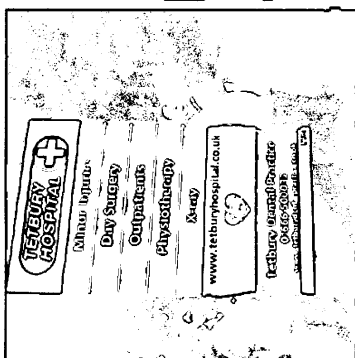
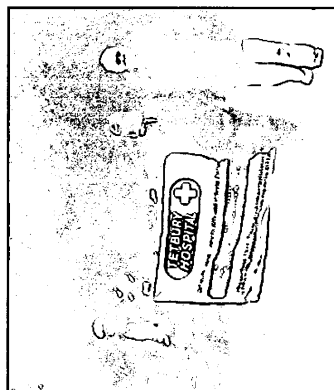
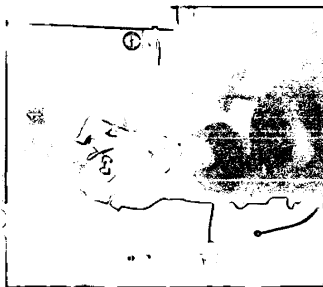
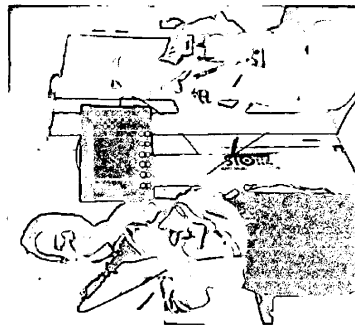




Annual  
Report &  
Financial  
Statements  
for the year  
ended  
31 March  
2020



A COMPANY LIMITED BY  
GUARANTEE  
COMPANY REGISTRATION  
NUMBER: 2681604  
CHARITY NUMBER:  
1008926



**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

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FOR THE YEAR ENDED 31 MARCH 2020**

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**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**CHAIRMAN'S STATEMENT**

**YEAR ENDED 31 MARCH 2020**

**Overview**

Last year I opened my Chairman's Statement by observing that we lived in uncertain times and that the environment in which we operated was very difficult, especially from a financial perspective. Little changed before the COVID-19 pandemic struck at the end of the financial year 2019/2020. Everyone involved in the delivery of our services was well aware of these challenges and I am pleased to say that on all metrics we delivered on the Trust's objectives: to provide integrated, seamless healthcare for the people of local communities that is safe, effective and centred around the patient. The Trust owns and runs Tetbury Hospital with a mission to deliver a wide variety of healthcare services. These services are provided to Gloucestershire Clinical Commissioning Group, Wiltshire Clinical Commissioning Group, NHS England and other NHS bodies, private individuals and health insurance companies. Our patient attendances during the year are shown below. More details are provided in the Strategic Report within the Trustees' Report.

	<b>2020</b>	<b>2019</b>
Minor injuries	<b>2,123</b>	2,247
Outpatients and radiology	<b>12,547</b>	12,517
Private GP Service	<b>147</b>	110
Day surgery	<b>1,421</b>	1,355
Total	<b><u>16,238</u></b>	<u>16,299</u>

Despite patient attendances being slightly down on the previous year, the income from the operation of the Hospital rose from £2,426,017 in 2018/19 to £2,575,139 in 2019/20. However, as in the previous year, costs continued to rise and, from a financial perspective, the case mix of our business deteriorated. The reduction in outpatient consulting and orthopaedics and the need to close our dermatology service, because no consultant was available, all came at a considerable cost. The deficit in the operating activities of the Hospital widened, as is shown in the financial headlines below:

	<b>2020 £</b>	<b>2019 £</b>
Net Hospital deficit, including rental income, before depreciation	<b>(112,648)</b>	(69,457)
Depreciation charges	<b>(191,954)</b>	(184,541)
Net Hospital deficit	<b>(304,602)</b>	(253,998)
Net income from The Friends of Tetbury Hospital fundraising	<b>26,447</b>	17,369
Donations and legacies received	<b>44,593</b>	93,757
Investment and other income	<b>30,537</b>	31,597
Overall deficit before investment gains or losses	<b><u>(203,025)</u></b>	<u>(111,275)</u>

## **Financial Review**

A net Hospital deficit before depreciation of £112,648 was recorded. Offsetting this, the generous support of individuals and local organisations in the form of donations, legacies and the fundraising activities of the Friends of Tetbury Hospital raised a tremendous total of £71,040. Investment income contributed £30,537, resulting in a loss before depreciation of £11,071. The depreciation charge of £191,954 reflects continued investment in fixed assets over a number of years. During the year the Trustees authorised the spending of £361,683 on new capital assets. The completion of the new procedure room and the upgrade of the recovery area in the Day Surgery Unit were notable milestones in our determination to invest in state-of-the-art facilities. The NHS makes no direct contribution to these capital costs.

## **Effect of COVID-19**

A report on the implications of the COVID-19 crisis is given by the CEO on pages 6-7. The majority of the events of the crisis fall, of course, in the financial year to March 2021 not the year under review, but the fall off of activity in the last two months of the financial year 2019/20 had a significant impact. The effect of lockdown on our business in the financial year 2020/21 has been dramatic and the implications will continue for months, and indeed years, to come. We are grateful that the Commissioners recognise that Tetbury Hospital is strategically important to the healthcare services in Gloucestershire and that we should be part of the ongoing recovery programme. As a result, the Commissioners have assisted the Hospital with a short-term financial lifeline but there is no guarantee that financial assistance will continue to be provided beyond September of this year. Unless additional financial assistance is provided by Commissioners, Hospital services may need to be cut.

I would like to highlight that our Minor Injuries Unit remained open at all scheduled times throughout the crisis and my thanks go to Matron and her staff for their tireless efforts to maintain this service in the face of overwhelming challenges. The refurbishment of the Day Surgery Unit, as noted above, has significantly assisted our re-opening, given the required compliance with social distancing regulations.

## **Permanent Endowment Funds**

The permanent endowment funds exist to ensure that the Hospital will remain financially sound and must be held by the Trust permanently. Any income arising from it can be used by the Trust for operational purposes.

The Trustees are fully aware that, as Trustees, they are custodians of the Trust's assets and the investment of the Trust's permanent endowment funds are carefully monitored. In 2016 the Trustees conducted an asset allocation review and the investments were allocated across three funds, managed by Schroders, to maximise the income generated. Following this review, 70% of total assets were allocated to two UK equity income funds and 30% to a UK bond fund. The Board reduced the permanent endowment funds' financial market exposure by moving £100,000 into ring fenced cash in June 2018 and a further £100,000 in October 2018. This allocation remained unchanged throughout 2019 and into 2020. The funds performed well, generating an income return on investments of 4.0% in 2018/19 (£36,231) and 4.6% in 2019/20 (£30,537).

### **Permanent Endowment Funds (continued)**

In March 2020, however, the COVID-19 crisis erupted into financial markets causing very sharp and sudden falls in equity markets in particular. COVID-19 also had an immediate and significant impact on the Hospital's activities. The Hospital's financial and cash flow situation was therefore highly uncertain at that time. In order to ensure that the Trust had the liquidity it needed to weather the storm, and protect it against further losses, the Finance Committee and the Board took the decision firstly to liquidate the UK bond fund (which had held up very well in the turbulence) and then to liquidate the equity funds.

I wrote to the Charity Commission on March 18<sup>th</sup> to request outline permission for the Board to have emergency access to the permanent endowment funds, if it were to be needed for immediate operational purposes as the crisis unfolded. This request was acknowledged and noted by the Charity Commission.

In the event it has not, so far, been necessary to access the permanent endowment funds to meet operating expenditure. Following the negotiation of block payments from our Commissioners, together with the Government's furlough scheme during lockdown, the immediate cash lifeline from the permanent endowment funds was not required and the Charity Commission were informed accordingly. However, the Board is able to submit a further application to the Charity Commission should the need arise in the coming months. At the time of writing, the liquidated funds are in the process of being invested in a cautious managed strategy advised and administered by Smith & Williamson.

The theoretical loss on arising from the liquidation of the investments, as noted within these accounts, is £126,277. This is a reflection of the fall in financial markets following the COVID-19 crisis from the high notional value at which they were trading in March 2019 when the market value of investments stood at £590,273. When the investments were liquidated, the value of the fund was £453,996 which was still above the well above the historic cost value of £401,583 so the Trustees were content that in comparison to the original cost of the investment, no loss had been sustained. See note 13 for further details.

### **Conclusion**

As ever, my thanks go to so many individuals and teams who make unstinting efforts to keep our facility open. The senior management team, the administrative and clinical staff, our volunteers and our Friends all play a vital part in the delivery of our services. I must also thank my fellow trustees for giving of their time freely and generously and not flinching from the difficult decisions that the COVID-19 crisis thrust upon us.

**Jeremy Lodwick**  
Chairman

CHIEF EXECUTIVE'S REPORT ON THE IMPACT OF COVID-19

YEAR ENDED 31 MARCH 2020

The COVID-19 pandemic had a substantial effect on the financial year 2019/20 because we experienced a significant reduction in activity in February and March 2020 as patients chose not to attend their appointments or planned surgery due to increasing concerns over COVID-19. On 20<sup>th</sup> March 2020, however, the country went into lockdown, and the impact on the financial year 2020/21 will, therefore, be much more extensive.

The measures taken in response to the virus sought to limit the harm to individuals from the virus and preserve healthcare capacity for the severely ill. During the lockdown period Tetbury Hospital remained open to Minor Injuries and X-ray. We also continued to provide some telephone consultations and clinically reviewed the medical records of patients on our waiting list to ensure no harm came to those who were unable to attend the Hospital. When the lockdown restrictions began to ease, we began to open up the Outpatient Department to face to face consultations and, by the 23<sup>rd</sup> July 2020, most our services were back up and running, although at a significantly reduced capacity. Unfortunately, the sharp reduction in patient activity during the initial 3 months of lockdown had a significant impact upon the Hospital's income.

Throughout these challenging times Tetbury Hospital worked with our colleagues in Wiltshire and Gloucestershire to plan the role it would take in supporting the NHS. As such, we have redeployed appropriately trained staff to the front line, we reduced the number of clinics we delivered to free consultants to work at alternative hospitals and we lent out ventilators and other lifesaving equipment to help in the fight against COVID-19.

These actions, and partnership working, have resulted in the NHS providing the Hospital with a financial support package from April 2020. Our Clinical Commissioners recognise that we are *strategically important to healthcare services in Gloucestershire and that we will be part of the ongoing recovery programme*. The Commissioners put a block funding package in place which provided a lifeline to the Hospital, giving us a measure of income stability during the first half of 2020/21. Currently the way we are paid for our services has changed from NHS patient tariff to a combination of patient tariff and block funding, although this has yet to be secured beyond September of this year.

Some things have now changed and will not go back to the way they were before COVID-19. Our outpatient consultations will continue to be delivered by telephone or video, wherever possible, only patients who need to be seen face to face, due to the nature of their condition, or the tests they need will be asked to attend the Hospital. We hope that at some point, in the not so distant future, patients will be able to use our waiting areas again, but for now, patients need to wait in their cars and are called when we are ready to see them. Our clinics now see fewer patients as we change PPE between patients, and clean thoroughly after each consultation. This, of course, has a negative impact on the income we can generate - with the productivity of a clinic going down whilst the costs of delivering a clinic continues to rise. While the funding from our Commissioners in the first half of 2020/21 covered the costs that cannot be mitigated, the re-opening of our services in the second half will lead to a significant shortfall and additional funding is essential if we are to be able to continue to provide all of our services.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**CHIEF EXECUTIVE'S REPORT ON THE IMPACT OF COVID-19**

**YEAR ENDED 31 MARCH 2020**

The decision to refurbish our Day Surgery Unit (which was completed in August 2019) was prescient because the refurbishment created a clean air procedure room which means we can safely undertake many procedures and reduce the risk of spreading coronavirus to our patients and our staff. The ward area is more spacious too, so patients can recover and still maintain good social distancing. Again, we are changing the way we work, so patients will be called at home prior to surgery to go through paperwork, rather than going through it with the admitting nurse on the day of their surgery - this reduces the time they are in the building. We have many patients waiting for their operations. There are also some procedures we cannot do until more is known about the effects of COVID-19.

Despite this, the outlook moving forward is positive as we work with our commissioners to explore how we can help the NHS provide safe care that is accessible in a timely manner. However, the Hospital's focus has had to change from growing the business to maintaining the business and our fundraising focus has changed from purchasing equipment to supporting the operational delivery of services.

During 2020/21 many planned capital programmes have been postponed as our resources are focused on operational delivery. As we emerge from these difficult times there will be the need to build our reserves to enable future investment. The financial package offered by the NHS does not provide a surplus that can be invested; it is purely to see us through these unprecedented times.

The COVID-19 crisis has been a difficult time for staff and volunteers, but we are resilient, and we are rebuilding our services. We will continue to serve our community and deliver a safe, effective, caring, responsive and well-led healthcare service.

My thanks go to our local community for their understanding and generosity, our patients for their forbearance whilst we navigated our way through this new environment, to staff who have stepped up to the challenge with resilience and determination and, finally, to our volunteers who had to cancel planned fundraising events and find new ways to support our financial appeal. I am so grateful of you all.

**Zena Dalton  
Chief Executive**



**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**YEAR ENDED 31 MARCH 2020**

<b>Registered charity name</b>	Tetbury Hospital Trust Limited
<b>Charity registration number</b>	1008926
<b>Company registration number</b>	2681604
<b>Registered office</b>	Malmesbury Road Tetbury Gloucestershire GL8 8XB

**Key Management Personnel**

**Directors and Trustees**

The Directors of Tetbury Hospital Trust are also its Trustees. The Trustees who served the company during the year and until the date of signing, and the sub-committees on which they served, were as follows:

Mr G Barnes (resigned on 22 October 2019)  
Mrs K Callaghan 8  
Mrs L Kunzler 1  
Mr J Lodwick (Chairman) 1, 2, 3, 4, 5, 6, 7, 8  
Mr A Pooley 1  
Mr R Turnor 2, 3  
Dr A Walsh 1, 4, 7  
Miss A Wyatt 2 (appointed on 28 October 2019)

**Committees to the Board**

**Chaired by Trustees:**

Strategy Committee (1)	Chairman	Mr A Pooley
Finance Committee (2)	Chairman	Mr J Lodwick
Risk and Audit (4)	Chairman	Mr J Lodwick
Information Governance Committee (5)	Chairman	Mr J Lodwick
Health & Safety Committee (6)	Chairman	Mr J Lodwick
Workforce and Wellbeing Committee (8)	Chairman	Mrs K Callaghan

**Not chaired by Trustees:**

Friends Committee (3)	Chairman	Mrs K Landale
Medical Advisory Committee (7)	Chairman	Mr M Rigby, Medical Director

The Chairman has an ex-officio appointment on all committees

<b>Company Secretary</b>	Dr A Walsh
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**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**YEAR ENDED 31 MARCH 2020**

**Key Management Personnel**

**Executive Team**

The management of the Hospital is overseen by an executive team employed by the Trust during the year. This comprised as follows:

Mrs Z Dalton	Chief Executive
Mr M Rigby	Medical Director
Mrs S Taylor	Matron

Mrs Z Dalton is the designated Accountable Officer, Care Quality Commission Registered Manager and Senior Information Risk Owner. The executive team are non-voting Board members

**Senior Management Team**

The senior management team employed by The Trust during the year comprised as follows:

Mrs J Jones	Management Accountant (retired 13 March 2020)
Mrs S Nicholas	Management Accountant (appointed 13 January 2020)
Mrs S J Jones	Head of Information, IT and Administration
Mrs N O'Hanlon	Estates and Facilities Lead

**Auditors**

Bishop Fleming LLP  
Chartered Accountants  
& Statutory Auditor  
16 Queen Square  
Bristol  
BS1 4NT

**Bankers**

Lloyds Bank  
14 Castle Street  
Cirencester  
Gloucestershire  
GL7 1QJ

**Investment managers**

Schroders  
PO Box 1102  
Chelmsford  
CM99 2XX

**Solicitors**

Tanners  
Lancaster House  
Thomas Street  
Cirencester  
Gloucestershire  
GL7 2AX

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

The Trustees, who are also directors for the purposes of company law, present their annual directors' report together with the financial statements of the company for the year ended 31 March 2019 which are also prepared to meet the requirements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

Tetbury Hospital Trust Limited 'The Trust' is a charitable company limited by guarantee, incorporated on 28 January 1992 and registered as a charity on 27 February 1992. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association dated 28 January 1992 and amended by special resolutions dated 13 October 1997, 2 April 2003, 14 November 2011 and 31 January 2017.

The subscribers to the Memorandum of Association of the Trust and such other persons as are admitted to membership, in accordance with the Articles, are Members of the Trust. The Members may, at their absolute discretion, decline to accept any individual co-opted as a Trustee by the existing Board and need not give reasons for so doing. The Board of Trustees may, at its discretion, levy subscriptions on all Members of the Trust at such rates as it shall determine. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

**Recruitment and Appointment of Trustees**

Trustees are appointed by ordinary resolution of the Members in a general meeting. Trustees may also be co-opted by the Board, to fill a vacancy, which is then ratified by the Members.

Under the requirements of the Memorandum and Articles of Association one third of the Trustees must retire by rotation and may be re-elected at each Annual General Meeting.

The Trust's work involves operating in partnership with General Practitioners, Clinical Commissioning Groups (CCGs), privately owned companies, other third sector organisations and NHS Trusts to provide Health Services to the local community. The Board of Trustees seek to ensure that the needs arising from this are appropriately reflected through a diversity of skills amongst the Trustees.

Traditional business skills, as well as medical expertise, are represented on the Board. To maintain this broad skill mix, Trustees are requested to provide a list of their skills and in the event of particular skills being lost due to retirement, individuals with the appropriate skills are invited to offer themselves for election to the Board.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Trustee Induction and Training**

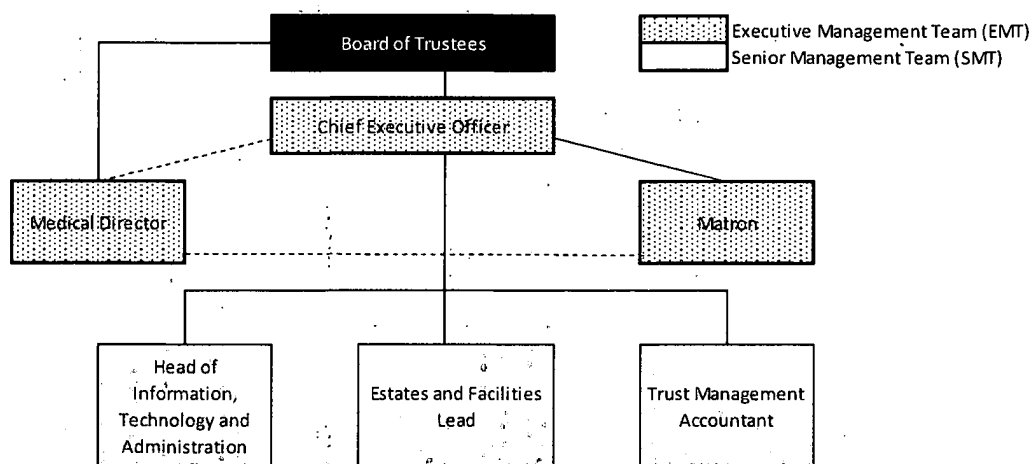
Existing Trustees are already familiar with the practical work of the Trust. New Trustees are fully briefed by the Chairman and the Chief Executive and are given a guided tour of the Hospital by the Chief Executive. They are also provided with relevant Charity Commission and Care Quality Commission publications. All trustees receive relevant on-line NHS training.

When considered necessary, or relevant, the Trustees take professional advice from either the Trust's Solicitors or Auditors.

**Organisational Structure**

The Trustees, who must not be less than three and must not be more than eleven in number, are responsible for the administration of the Trust. The Board meets on a regular basis to review the operation of the Hospital and to determine the policies and strategy of the Trust. There are elected sub-committees, as detailed on page 8 of these accounts, who also meet regularly throughout the year to assist the Trustees and the Chief Executive to run the Trust effectively and safely. These committees report to the Board and concentrate on clinical and commercial risk, audit, strategy and finance.

The Chief Executive is appointed by the Trustees and is responsible for managing all aspects of the Trust's affairs. The Chief Executive carries out this function with the assistance of the Executive Team and the Senior Management team. The Executive Team sit on the Board and, on behalf of the Trustees, oversee the safe running of the Hospital. The Executive Team consists of the Chief Executive, the Medical Director and the Matron, they are not Trustees and they do not hold voting rights.



The Friends of Tetbury Hospital, as the fund-raising arm of the Trust, organise various fund-raising events during the year.

The Chief Executive attends all committees.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Related Parties**

In so far as it is complementary to the Trust's objectives, the Trust is guided by both local and national policy. The Trust has dealings with several Clinical Commissioning Groups (CCGs) and works closely with GPs in the area. The CCGs monitor the Hospital's performance through reports on agreed quality standards which the Trust reports on at regular intervals. Any connection between the Trust's Key Management and these, or any other connected organisations, must be fully disclosed to the Board of Trustees.

The Trust must comply with the Health and Social Care Act. Its compliance to the regulations is monitored and audited internally, and externally by the Care Quality Commission.

**Pay Policy for Key Management Staff**

The Trustees consider that the Board of Trustees, the Executive Team and the Senior Management Team comprise the Key Management personnel of the Trust in charge of directing and controlling, running and operating the Hospital on a day to day basis. All Trustees give their time freely and no Trustee received remuneration or other benefit from their work in the year. Details of Trustees' expenses are disclosed in note 9 to the accounts.

The pay for the Executive and Senior Management Team is reviewed by the Board of Trustees annually and is normally increased in accordance with average earnings. Although not obligated to conform to NHS pay scales, these are considered and used as a benchmark during the annual pay review. NHS pay scales are generally adjusted on an annual basis to account for increases in the cost of living. Consideration is also given to staff performance during the pay review and adjusted as appropriate.

**Risk Management**

The Trustees have appraised the risks to which the Trust is exposed with a view to establishing, where necessary, various systems to avoid unnecessary exposure and to ensure that where such exposure is unavoidable, adequate control measures are in place to manage the risks within acceptable parameters. The Trust works with several external specialists to mitigate risks.

The Trust has a business continuity plan and major incident plan, and both were actioned during the COVID-19 emergency.

Each department in the Hospital holds a risk register. Risks are reviewed monthly and are reported by departmental managers. These are monitored by the Hospital Quality Committee and the Risk and Audit Committee. The Hospital Quality Committee is chaired by the Chief Executive and reports to the Medical Advisory Committee and the Risk and Audit Committee. Any changes to the risk register are reported to the Board. A 'staying COVID secure' risk assessment is in place within the Trust and local Standard Operating Procedures have been adjusted to take into account Government advice and guidance.

The Chief Executive, Management Accountant and Matron meet with our Commissioners regularly to discuss, negotiate and monitor quality standards and income values against agreed contract quality standards and agreed indicative contract income targets. In March 2020 negotiations started and agreement with the Commissioners was achieved to facilitate a financial support package for the first part of 2020/21. It is hoped that this will continue for the full financial year although shortfalls are expected as previously noted.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Risk Management (continued)**

Internal control risks are minimised by the implementation of procedures to ensure the compliance of staff, volunteers, patients and visitors with health and safety regulations.

The Trust has policies in place which staff are made aware of and follow to ensure that potential risks are reported. These include but are not limited to: Health and Safety Policy, Whistleblowing Policy, Incident Reporting Policy (including serious incident reporting processes), Safeguarding Children Policy, Safeguarding Vulnerable Adults Policy, Duty of Candour Policy and Complaints Policy. The Trust has also appointed one of the Trustees, Kathy Callaghan, as a 'freedom to speak up guardian'.

**AIMS, OBJECTIVES AND ACTIVITIES**

When reviewing the Trust's aims and objectives the Trustees have considered the Charity Commission's general guidance on public benefit.

The Trust's objectives are to provide integrated, seamless healthcare for the people and local communities that is safe, effective and centred around the patient.

Most treatments provided by the Hospital are free of charge to the patients with over 95% of patient appointments being NHS funded. The Trust owns and runs Tetbury Hospital with a mission to preserve and develop, wherever possible, healthcare services for the benefit of the local community. The Trust will continue to widen its area of activity, where possible, while remaining consistent with its objects set out above and continue to support our commitment to the local community.

During the year, the Hospital offered the following services:

- A minor injuries unit run by Emergency Nurse Practitioners
- Day case surgery
- Consultant-led outpatient services
- X-ray
- Physiotherapy
- Phototherapy
- Non-consultant led clinics such as audiology and complementary therapies
- Private general practice services

In order to provide these services, the Trust employs a range of staff skilled in management and administration as well as medical and nursing staff. At all times these staff work within the NHS Charter, Care Quality Commission (CQC) standards and the Competition and Markets Authority (CMA) private healthcare market investigation order with the aim of providing the best in care throughout the Hospital.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

Throughout the year, the Trust continued to provide services at Tetbury Hospital to Gloucestershire CCG, Wiltshire CCG, and to other NHS commissioners and providers, private individuals and health insurance companies. The significant headings under this activity are identified below. From late February 2020 the delivery of our services began to be affected by the worldwide coronavirus pandemic.

The number of patients using our minor injury service was slightly down on previous years, but this is an unscheduled service so patient numbers are variable year on year.

Our outpatient activity did not increase significantly in 2019/20 as planned. There were two contributing factors: firstly, the new orthopaedic triage service in Gloucestershire which offers a range of alternative therapies prior to referring patients to hospital for an operation; and secondly, the unfortunate closing of our dermatology service because we were unable to find a consultant for the vacant position.

Our day case surgery has increased, and the case mix has changed as we increased activity in some areas to reduce waiting times and to offset the impact of losing dermatology.

Patient attendances during the year were:

	2020	2019	
Minor Injuries	2,123	2,247	↓5%
Outpatients & Radiology	12,547	12,517	↑0.2%
Private GP service	147	110	↑34%
Day Surgery	1,421	1,355	↑4.9%

The Board has continued actively to seek ways of obtaining additional funding, including the increase of consultant led clinics and expansion of surgical activities. However, at this point in time, the commissioning environment we find ourselves in has changed from national tariff to block contracting as we deal with the impact of the COVID-19 crisis. Therefore, until we are able to move back to a fully tariff-based system, where patient choice rewards us financially, service growth will require closer negotiations with our Commissioners.

During the year, the letting of the first floor of the building to an NHS dental practice brought in £66,917 (2019 £65,297), and rental income from the use of the physiotherapy department by Gloucestershire Care Services NHS Trust brought in £17,244 (2019 £17,244). An additional amount of £2,352 (2019 £2,352) was received from a private physiotherapy practice.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**Strategic Developments**

**Day Surgery Unit**

The building work within the Day Surgery Unit (DSU) was completed in August 2019 and we have improved privacy for our patients. Due to the increased floor space we can now easily accommodate the new social distancing requirements.

To celebrate the completion of the building work we held an open day in September 2019 for our community to look around the Hospital. This event was well attended with talks and demonstrations provided by consultants. We also use the space to host education events for doctors, opticians and physiotherapists.

We increased the procedures we are able to offer in urology and thanks to the door to door appeal we were able to purchase additional equipment which meant that patients could have their diagnostic cystoscopy here rather than travel to the large acute hospitals.

Our Day Surgery Unit temporarily closed on the 20<sup>th</sup> March 2020 as the country went into lockdown but activity had been affected from late February with groups of people at higher risk of infection being asked to isolate and others following the Government advice at the time which was to 'stay at home, protect the NHS and save lives'.

**Minor Injuries**

The Minor Injuries Unit (MIU) accepts walk-in patients and ambulances directed to the service and continues to deliver valued emergency care to our local community. We continue to support and work with other healthcare providers within Gloucestershire and Wiltshire to ensure patients are treated closer to home in an environment which is suitable for their ailments. It is staffed and led by experienced and highly skilled Emergency Nurse Practitioners (ENPs) and Emergency Care Practitioners (ECP). Additional staff have been employed this year, so staff no longer work alone, and the Trust have been working with the commissioning groups in its consultation to develop Urgent Treatment Centres (UTCs). The Board approved plans to move the Minor Injuries Unit to the physiotherapy annex; this was actioned earlier than anticipated due to social distancing requirements within the waiting areas arising from COVID-19. Further investment will be needed in the re-located unit when funding is available. This will involve certain structural alterations and a new patient administration system to enable NHS111 to book into appointment slots.

Our MIU remained open for emergency care during lockdown.

**Imaging**

The Trust continues to deliver first class diagnostic services for hospital patients and local GPs on a near full-time basis. Our X-ray department remained open for emergency care during lockdown.



**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**Strategic Developments**

**Outpatients**

The Trust has welcomed a number of new consultants during the year to run additional clinics.

We are continuing to work with Commissioners to develop our services and broaden the portfolio of NHS treatments we offer our local community. As a result of COVID19 our waiting times for first appointments have reduced, we remained open to telephone consultations during lockdown, however, GP, opticians and dental services were severely disrupted which resulted in far fewer referrals into our hospital.

This year we saw a reduction in dermatology consultations and orthopaedic consultations. Regrettably, our dermatology service was not sustainable as we were unable to appoint a consultant dermatologist to provide oversight of the service. As a result, our numbers reduced throughout the year and the service closed on 31<sup>st</sup> March 2020. The new orthopaedic MSKAPS (Musculoskeletal Advanced Practitioner Service) triage service meant that all orthopaedic referrals were redirected by GPs to the specialist service and referrals to our service have dropped following its introduction.

Our outpatient department temporarily closed to face to face consultations from the 20<sup>th</sup> March 2020 as the country went into lockdown. As previously stated, activity was affected from late February as a result of the Government advice at the time, which was to stay at home, protect the NHS and save lives as well as groups of people at higher risk of infection being asked to isolate. Our DNA (did not attend) rate increased through this period.

We did continue to provide telephone consultations, during lockdown, where possible.

Our private GP service continued to grow, and a number of consultants are choosing Tetbury as a location for both NHS work and private work. Unfortunately, due to COVID-19 our private GP service has been suspended as the GP's focus on their NHS practice.

**Physiotherapy**

Physiotherapy at the Trust continues to be provided by Gloucestershire Health and Care NHS Foundation Trust (GHCNHSFT), and independent private providers. The physiotherapy service was closed from the 20<sup>th</sup> March 2020 as the country went into lockdown. The MIU has since moved into the department, and when GHCNHSFT is in a position to reopen this service, it is hoped we can find suitable accommodation for them.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

**FINANCIAL REVIEW**

Although the Hospital is a well-managed and treasured asset in the heart of its local community, in recent years it has struggled to make an operational surplus and as previously mentioned in the Chairman's Statement, despite a small increase in the Hospital's income the costs have continued to rise and the deficit in the operating result from Hospital activity widened, as is shown below:

	2020 £	2019 £
Net Hospital deficit, including rental income, before depreciation	(112,648)	(69,457)
Depreciation charges	(191,954)	(184,541)
Net Hospital deficit	(304,602)	(253,998)
Net income from donations, legacies and fundraising	71,040	111,126
Investment and other income	30,537	31,597
Overall deficit before investment gains or losses	(203,025)	(111,275)

The generous support from individuals and local organisations in the form of donations, as well as the fundraising achieved by the Friends, has helped the Trustees to renew and increase the fixed assets of the Trust and we remain very grateful for this support. During the year, a total of £361,683 (2019 £131,481) was spent on new capital assets, including the following:

- Build costs on account of the new procedures room (the completion of work started in the previous year)
- Flexible fibber cystoscopes x 3
- Urology dilators
- Mini hysteroscope
- Colour video printer
- Pharmacy fridge
- Ozil torsional handpiece x 3
- Vela Tango 100 chair

The NHS makes no direct contribution to these capital costs.

A more detailed breakdown of the composition of the deficit incurred can be found in the Chairman's Statement, on pages 3 to 5, and in notes 2 to 6 of these accounts whilst the Chief Executive's Statement, on pages 6 to 7, deals with the anticipated impact of the COVID-19 crisis on the results in 2020/21.

**Principal Funding Sources**

The principal funding source for the Trust during the year was from the treatment of NHS patients at the Hospital. Fees are charged by the Hospital to appropriate CCGs, with the majority of the income arising from Gloucestershire CCG and Wiltshire CCG. However, as previously mentioned, income is currently being provided to the Hospital by the NHS through block funding as the Hospital deals with the impact of the COVID-19 crisis although it is hoped that we will be able to move back to a tariff based system, where patient choice rewards us financially, in the not too distant future.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

**FINANCIAL REVIEW (continued)**

**Principal Funding Sources (continued)**

In addition, the Hospital continues to raise funds from alternative sources. Other funding sources have included investment income, donations and legacies, rentals from the Hospital's first floor and private patients. The Friends of Tetbury Hospital, through regular fundraising events, make a valuable contribution to funds and the Trustees are very grateful for their continued support. See fundraising paragraph, below, for further details.

**Fundraising**

The Trustees see fundraising as an integral and necessary activity, required to support and strengthen the services of the Hospital. The Trust did not employ professional fundraisers to act on its behalf in 2019/20, however, in 2020/21 the opportunity arose to redeploy a member of staff into this position and a fundraising strategy has been developed and the COVID-19 appeal was launched in June 2020 which has superseded the 2020 door-to-door appeal.

The Trust also has a fundraising committee known as 'The Friends of Tetbury Hospital', which reports to the Board. Friends' meetings are held at the Hospital (more recently via virtual meeting groups) and the meetings are attended by the Hospital's Chief Executive. The Friends are instrumental in organising a number of fundraising events throughout the year and usually organise a local house-to-house fundraising appeal. All members of the Friends Committee are volunteers and all the individuals collecting on behalf of the Hospital during the house-to-house appeal are known personally to the Friends Committee. The distribution and collection of donation boxes, used during fundraising events and placed with local businesses, are monitored by the Friends Committee who follow agreed procedures.

The Friends of Tetbury Hospital Committee have been instrumental in supporting the new fundraising strategy, working creatively to support the Hospital. Our in-house fundraiser will work with the CEO to source grant money wherever possible.

**Investment Policy**

The powers to invest are given in the Memorandum of Association and include the power 'to invest the monies of the Trust not immediately required for its own purposes in or upon such investments, securities or property as may be thought fit'. The Trustees had previously invested the Trust's permanent endowment funds in specialist unit trusts, designed for the charity sector. Although content with the performance of these investments, the Trustees took the decision to liquidate the investment portfolio before the end of year in order to ensure that the Trust had the liquidity it needed to weather the COVID-19 storm. At the time of writing, the liquidated funds are in the process of being invested in a cautious managed strategy advised and administered by Smith & Williamson.

The income return on investments was 4.6% (2019: 4%) in the year.

See the Chairman's Statement for further details.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

**FINANCIAL REVIEW (continued)**

**Reserves Policy**

Restricted funds can only be used for particular restricted purposes within the charitable objects of the Trust. Restrictions arise when specified by the donor or when funds are raised by the Friends for particular restricted purposes. The amounts in the restricted funds represent the monies still remaining for future expenditure. Where donations have been made to the Trust as a contribution towards the purchase of a specific capital asset the Trust is deemed to have fulfilled its obligation once the fixed asset has been purchased. At that point, the appropriate amount is transferred out of restricted to unrestricted reserves. At the end of the year the Trust held restricted funds of £1,000 (2019: £612). See note 18 for more details.

The Trust's unrestricted reserves, defined as funds which are available to be spent at the discretion of the Trustees in furtherance of the Trust's objects, are derived from the Trust's charitable and trading activities or from legacies and donations to the Trust which hold no donor restriction upon them as to their use. The Trust's unrestricted reserves are used to fund the Hospital's ongoing operations.

The Trustees review the level of reserves held by the Trust on an annual basis. The Trustees currently consider it prudent to hold free reserves of between two and four months equivalent of the Trust's annual running costs on the basis that this would provide sufficient protection in the event of a sudden and unforeseen fall in the hospital's income.

At the end of the year the Trust held unrestricted funds of £2,263,292 (2019: £2,466,705). Of this amount £1,871,826 (2019: £1,705,237) is represented by a fixed asset designated fund, comprising the Trust's premises and other fixed assets. At the end of the previous year the Trustees also held funds of £286,060 within a capital commitment designated fund relating to the committed capital expenditure for the upgrade and refurbishment of the Hospital's procedure room. As this capital project had been completed during the year, no funds were required to be set aside at the end of this year. The remaining funds amount to £391,466 and are the free reserves of the Trust. This falls below two months of the Trust's annual expenditure, so the free reserves are not within the policy set by the Board. The Trustees have been aware of challenging times that the Hospital has faced in recent years and had pushed ahead with the creation of the new procedure room to enable a greater diversity in treatments being offered by the Hospital. It is hoped that this increased diversity will result in increased income in future years, which will lead to the sustainability of the Hospital. This may well be the case in the long run but in the short term, the Hospital's plans for the expansion of treatments has been forestalled by the impact of COVID-19.

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also the Directors of Tetbury Hospital Trust Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including income and expenditure, of the Trust for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2020**

**TRUSTEES' RESPONSIBILITIES STATEMENT (continued)**

- 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 company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**STATEMENT AS TO DISCLOSURE TO OUR AUDITORS**

In so far as the Trustees are aware at the time of approving the Trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Trust's auditor is unaware; and
- the Trustees, having made enquiries of fellow Trustees that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITOR**

The Trustees appointed Bishop Fleming LLP, Chartered Accountants and Registered Auditors, as auditor for the Trust. Bishop Fleming LLP have expressed their willingness to continue in office and their reappointment will be proposed at the Annual General Meeting.

The Trustees Annual and Strategic Reports were approved by the Trustees, and signed on their behalf, by: -



Jeremy Ledwick  
Chairman

Date: 02/09/20

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TETBURY HOSPITAL TRUST LIMITED**

**YEAR ENDED 31 MARCH 2020**

**OPINION**

We have audited the financial statements of Tetbury Hospital Trust Limited (the 'charitable company') for the year ended 31 March 2020 which 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 FRS 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 charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

**BASIS FOR OPINION**

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**MATERIAL UNCERTAINTY RELATING TO GOING CONCERN**

We draw attention to note 1 in the financial statements which refers to the impact of COVID-19 on the operations of the charity. These matters indicate that a material uncertainty exists that may cast some doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TETBURY HOSPITAL TRUST LIMITED (continued)**

**YEAR ENDED 31 MARCH 2020**

**OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report) For the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

- As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TETBURY HOSPITAL TRUST LIMITED (continued)**

**YEAR ENDED 31 MARCH 2020**

**RESPONSIBILITIES OF TRUSTEES (CONTINUED)**

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' 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 Auditors' 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 auditors' report.

**USE OF OUR REPORT**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Joseph Scaife, Senior Statutory Auditor**  
**For and behalf of**  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

Date: 6 November 2020



**TETBURY HOSPITAL TRUST LIMITED**  
**COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

**YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
<b>INCOME</b>						
Donations & legacies	2	38,116	14,215	–	52,331	93,757
<i>Income from charitable activities</i>						
Operation of Tetbury Hospital	3	2,575,139	–	–	2,575,139	2,426,017
<i>Income from other trading activities:</i>						
Fundraising & rental income	4	90,090	–	–	90,090	87,685
Investment income	5	30,537	–	–	30,537	36,231
<b>TOTAL INCOME</b>		<b>2,733,882</b>	<b>14,215</b>	<b>–</b>	<b>2,748,097</b>	<b>2,643,690</b>
<b>EXPENDITURE</b>						
<i>Expenditure on raising funds:</i>						
Fundraising costs	6	7,231	1,740	–	8,971	9,499
Subletting costs	6	32,461	–	–	32,461	29,293
<i>Expenditure on charitable activities</i>						
Operation of Tetbury Hospital	6,7	2,906,690	–	3,000	2,909,690	2,716,173
<b>TOTAL EXPENSES</b>		<b>2,946,382</b>	<b>1,740</b>	<b>3,000</b>	<b>2,951,122</b>	<b>2,754,965</b>
Net (expenditure)/income before investment results		(212,500)	12,475	(3,000)	(203,025)	(111,275)
Net (loss)/gain on investments		–	–	(126,277)	(126,277)	(5,744)
<b>TOTAL (EXPENDITURE)/INCOME</b>		<b>(212,500)</b>	<b>12,475</b>	<b>(129,277)</b>	<b>(329,302)</b>	<b>(117,019)</b>
<b>TRANSFERS BETWEEN FUNDS</b>		<b>9,087</b>	<b>(12,087)</b>	<b>3,000</b>	<b>–</b>	<b>–</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(203,413)</b>	<b>388</b>	<b>(126,277)</b>	<b>(329,302)</b>	<b>(117,019)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		2,466,705	612	962,658	3,429,975	3,546,994
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,263,292</b>	<b>1,000</b>	<b>836,381</b>	<b>3,100,673</b>	<b>3,429,975</b>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared. All of the above amounts relate to continuing activities. The accompanying accounting policies and notes, on pages 27 to 41, form an integral part of these financial statements.

See note 11 for fund accounting comparative figures.

**TETBURY HOSPITAL TRUST LIMITED**  
**COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**31 MARCH 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	12	2,038,211	1,874,622
Investments	13	–	590,273
		<u>2,038,211</u>	<u>2,464,895</u>
<b>CURRENT ASSETS</b>			
Stocks		45,802	45,802
Debtors	14	562,998	603,475
Cash at bank and in hand		873,758	863,591
		<u>1,482,558</u>	<u>1,512,868</u>
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(420,096)</u>	<u>(547,788)</u>
<b>NET CURRENT ASSETS</b>		<u>1,062,462</u>	<u>965,080</u>
<b>TOTAL NET ASSETS</b>		<u><u>3,100,673</u></u>	<u><u>3,429,975</u></u>
<b>FUNDS</b>			
Endowment funds	17	836,381	962,658
Restricted funds	18	1,000	612
Unrestricted funds			
Fixed asset designated fund	19	1,871,826	1,705,237
Capital commitment designated fund	19	–	286,060
Free reserves	19	391,466	475,408
<b>TOTAL FUNDS</b>		<u><u>3,100,673</u></u>	<u><u>3,429,975</u></u>

These financial statements were approved by the Board of Trustees and authorised for issue on and are signed on their behalf by:

**Jeremy Lodwick**  
**Chairman**

The accompanying accounting policies and notes, on pages 27 to 41, form an integral part of these financial statements

**TETBURY HOSPITAL TRUST LIMITED**  
**COMPANY LIMITED BY GUARANTEE**

**CASH FLOW STATEMENT**

**YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>21</b>	<b>(128,823)</b>	<b>(86,876)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income received	5	27,181	31,571
Interest received	5	3,356	4,660
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Expenditure on tangible fixed assets	12	(361,683)	(131,481)
Proceeds on disposal of tangible fixed assets		6,140	285
Disposal from investment portfolio	13	463,996	200,000
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>10,167</b>	<b>18,159</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		<b>863,591</b>	<b>845,432</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>		<b>873,758</b>	<b>863,591</b>

The accompanying accounting policies and notes, on pages 27 to 41, form an integral part of these financial statements

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**Trust Information**

Tetbury Hospital Trust Limited is a company limited by guarantee and a charity, registered at the Charity Commission in England and Wales. The principal office is Malmesbury Road, Tetbury, Gloucestershire, GL8 8XB.

**Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Tetbury Hospital Trust meets the definition of a public benefit entity under FRS 102.

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

The Trust's functional and presentational currency is pounds sterling.

**Going concern**

The Hospital is operating in an uncertain environment due to the COVID-19 crisis. While the funding from our Commissioners in the first half of 2020/21 covered the costs that cannot be mitigated, the re-opening of our services in the second half will lead to a significant shortfall and additional funding is essential if we are to be able to continue to provide all of our services. The Trustees and key management staff are reviewing the situation on a regular basis and cash flow forecasts and out-turn projections are being updated regularly to provide timely and reliable management information. At the time of signing these accounts, the Trustees consider that the Hospital should be able to continue as a going concern but recognise that a material uncertainty exists that casts some doubt on the Hospital's ability to continue as a going concern - this may result in the Hospital being unable to realise its assets and discharge its liabilities in the normal course of business.

**Incoming resources**

**Operational income**

Income is recognised, on an accruals basis, when the Trust has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance in relation to the letting of rooms or other specific service is deferred until the criteria for income recognition are met.

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**1. ACCOUNTING POLICIES (continued)**

**Legacies**

For legacy income, entitlement is taken as the earlier of the date on which either the Trust is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a distribution is received from an estate. Receipt of a legacy is only considered probable when the amount can be measured reliably, and the Trust has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Trust and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

**Donations and gifts**

Donations and gifts, including those arising from fund raising events and appeals, are recognised when received. When donations are received in accordance with gift aid provisions the gross amount is recognised and the taxation recoverable included under debtors until received. When donations are made to the Hospital for a specific purpose, the donation is recorded as restricted income and when a donation relates to the purchase of a specific capital asset these funds are transferred to unrestricted funds after the asset has been purchased on the basis that the Trust has fulfilled its obligation once the asset has been purchased.

Donated equipment for use in the Hospital is included in incoming resources and fixed assets when the benefit to the Trust is reasonably quantifiable and measurable.

Donated professional services are recognised on the basis of the value of the gift to the Trust which is the amount the Trust would have been willing to pay to obtain that service on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

No amounts are included in the financial statements for the services donated by volunteers.

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably.

**Investments**

Investments are stated at market value at the balance sheet date. Unrealised gains and losses arising on revaluation are allocated to the permanent endowment fund. Investment income generated is recognised when receivable. Gains and losses arising on the disposal of investments are calculated on the carrying market value of the investments brought forward. Unrealised gains and losses arising on revaluation are recognised in the statement of financial activities. Investment income generated by the endowment fund is unrestricted.

**Financial instruments**

Financial instruments are recognised in the Trust's balance sheet when it becomes a party to the contractual provisions of the financial instrument.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**1. ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

**Trade debtors**

Trade debtors are non-interest bearing and are stated at original invoiced amount less an appropriate allowance for irrecoverable amounts.

**Cash**

Cash comprises cash at bank and in hand.

**Trade creditors**

Trade creditors are non-interest bearing and are stated at the original invoiced amount.

**Income from financial instruments**

Interest is accrued and credited to the profit and loss account in the period to which it relates.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

**Fund accounting**

Details on the nature and purpose of each fund are set out in notes 17, 18 and 19. Income arising is credited to specific funds and the associated costs charged to the same fund. Investment income and gains and losses are allocated to the appropriate fund. The categories of fund are defined as follows:

**Unrestricted funds**

These are funds which can be used in accordance with the charitable objects of the Trust at the discretion of the Trustees.

**Designated funds**

These are funds which have been set aside from unrestricted funds, by the Trustees, for specific purposes. The amounts in the funds represent monies ring-fenced for a specific future purpose.

**Restricted funds**

These are funds that can only be used for particular restricted purposes within the charitable objects of the Trust. Restrictions arise when specified by the donor or when funds are raised by the Friends for particular restricted purposes. The amounts in the funds represent the monies held for future expenditure. Where donations have been made to the Trust as a contribution towards the purchase of a specific capital asset these funds are transferred out of restricted to unrestricted funds on the basis that the Trust has fulfilled its obligation when the asset has been purchased.

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**1. ACCOUNTING POLICIES (continued)**

**Permanent endowment funds**

The Tetbury Hospital permanent endowment fund was created from the proceeds of a public appeal in 1992/3 to save Tetbury Hospital from closure by the Gloucestershire Health Authority. To ensure that the Hospital remained financially sound, and be preserved for generations to come, the fund must be permanently held by the Trust while income arising is treated as unrestricted and used in furtherance of the Hospital's objects. Any capital gains or losses arising on the investments forms part of the endowment fund.

**Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. The Trust is not VAT registered so expenditure is recorded inclusive of VAT which cannot be recovered.

Costs attributable to the provision of services within the Hospital are allocated to Hospital service costs and appropriately analysed under functional headings.

**Fixed assets**

Tangible fixed assets are stated at their purchase price together with any incidental acquisition costs. Expenditure is only capitalised on individual assets with a cost exceeding £500.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
Property improvements	- 2.5%, 10% or 20% straight line
Medical and office equipment	- 10% - 50% straight line
Fixtures & fittings	- 10% - 33% straight line

**Stocks**

Stocks predominantly consist of medical and pharmaceutical supplies which are valued on a 'first in, first out' basis at the lower of cost and net realisable value.

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**1. ACCOUNTING POLICIES (continued)**

**Pension costs**

The Trust makes contributions into two separate pension schemes.

One scheme is the NHS defined benefits pension scheme and contributions are made for all eligible employees who choose to opt into the scheme. The assets of the scheme are held separately from those of the Trust. The annual contributions payable is charged to the statement of financial activities.

The NHS Pension Scheme is a multi-employer defined benefit scheme administered for the benefit of NHS staff, practitioners and practice and approved employer staff. Past and present employees are covered by the provisions of the NHS Pension Scheme. Members of the Scheme accrue an index linked pension based on either their final salary or reckonable pay per year of membership, depending upon the section of the Scheme to which they belong. Additional benefits include a lump sum on retirement, continued (reduced) pensions for a spouse on the death of the member and benefits for dependents on death or permanent incapacity in service. The Trust are unable to confirm the Trust's share of the underlying assets and liabilities of the NHS Pension Scheme and, therefore, the Scheme is accounted for as a defined contribution scheme.

The NHS Pension Scheme provides that in the event that a single employer has individuals contributing to the Scheme then any remaining liability for benefits payable under the Scheme falls on that employer. Since the main participating employers are NHS Trusts, the Trustees consider it highly improbable that such a liability will ever fall to the Trust. The most recent 2016 scheme valuation identified the need to increase the employer contributions from 14.3% to 20.6% from 1 April 2019. Employers are also required to pay a scheme administration levy of 0.08% of pensionable pay, bringing the total contribution due from employers to £20.68%. For the 2019-20 and 2020-21 scheme years, employers are responsible for paying 14.38% of contributions, with the remaining 6.3% being funded centrally. The Trust made employer's contributions of £43,257 in the year (2019 £39,812). The Trustees are satisfied that the ongoing employer's contributions can be budgeted for without detriment to the Trust's ongoing activities.

Under the terms of auto enrolment, the Trust also makes contributions into a defined contribution scheme for all qualifying staff. This scheme is operated for all qualifying staff who choose to opt into the scheme. The employer's contribution rate varies between 2% and 8%.

The total pension contributions made by the Trust in the year amounted to £60,152 (2019 £51,700). An amount of £54 (2019 £7,409) was due to pension providers at the year end.

**Leasing commitments**

Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease.



**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**2. DONATIONS AND LEGACIES**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
<b>Donations</b>				
Donations	21,028	14,125	35,243	69,941
Gift aid donations	17,088	–	17,088	23,139
<b>Legacies</b>				
Legacies received	–	–	–	677
	<u>38,116</u>	<u>14,215</u>	<u>52,331</u>	<u>93,757</u>

**3. INCOME FROM THE OPERATION OF TETBURY HOSPITAL**

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Outpatients	1,086,199	1,086,199	1,072,335
Day surgery	1,294,547	1,294,547	1,170,239
Minor injuries	169,094	169,094	154,991
Other	25,299	25,299	28,452
	<u>2,575,139</u>	<u>2,575,139</u>	<u>2,426,017</u>

**4. FUNDRAISING AND RENTAL INCOME**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Fundraising events income	23,173	–	23,173	22,388
Rents from subletting Hospital rooms	66,917	–	66,917	65,297
	<u>90,090</u>	<u>–</u>	<u>90,090</u>	<u>87,685</u>

**5. INVESTMENT INCOME**

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Investment income received	27,181	27,181	31,571
Bank interest receivable	3,356	3,356	4,660
	<u>30,537</u>	<u>30,537</u>	<u>36,231</u>

**TETBURY HOSPITAL TRUST LIMITED**  
**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**6. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Healthcare professionals & nursing £	Depreciation and profit on disposal £	Other costs £	Total 2020 £	Total 2019 £
Fundraising	—	—	8,971	8,971	9,499
Subletting	—	15,155	17,306	32,461	29,293
Charitable activities:					
Outpatients	727,771	48,091	508,754	1,284,616	1,211,015
Day surgery	1,017,101	111,972	302,329	1,431,402	1,308,494
Minor injuries	96,838	6,662	58,482	161,982	155,496
Other	—	10,074	21,616	31,690	31,168
	<u>1,841,710</u>	<u>176,799</u>	<u>891,181</u>	<u>2,909,690</u>	<u>2,716,173</u>
	<u>1,841,710</u>	<u>191,547</u>	<u>917,458</u>	<u>2,951,122</u>	<u>2,754,965</u>

**7. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

	2020 £	2019 £
Depreciation and profit or loss on disposals	191,954	184,541
Auditors' remuneration:		
- audit of the financial statements	7,760	7,800
- other services	<u>2,000</u>	<u>—</u>

**8. OPERATING LEASES**

At the year end the Trust had the following obligations under future minimum lease payments under non-cancellable operating leases:

	2020 £	2019 £
Payments due:		
Not later than one year	4,223	3,856
Later than one year and not later than five years	<u>462</u>	<u>3,380</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**9. ANALYSIS OF STAFF COSTS AND EMOLUMENTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL**

Total staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	1,037,014	877,038
Social security costs	77,529	65,106
Other pension costs	59,849	51,701
	<u>1,174,392</u>	<u>993,845</u>

Total staff costs increased in 2019/20 compared to the previous year because a consultant, who had previously worked for the Hospital on a self-employed basis, was employed by the Hospital.

The number of employees whose remuneration for the year fell within the following bands, were:

	2020	2019
	No	No
£80,000 to £89,999	1	-
£90,000 to £99,999	1	1
	<u>1</u>	<u>1</u>

This remuneration includes an employer's pension contribution of £11,817 (2019 £11,817) made by the Trust on behalf of this employee during the year.

The Trustees were not paid or in receipt of other benefits from employment with the Trust (2019 £nil). No Trustee received payment for professional or other services supplied to the Trust (2019 £nil).

The key management personnel of the Trust, as previously stated in the Trustees' Report, comprise of the Trustees, the Executive Team and Senior Management Team. The total remuneration of the key management personnel of the Trust was £296,213 (2019 £288,737).

**10. STAFF NUMBERS**

The average number of employees and workers during the year, calculated based on full-time equivalents, was as follows:

	2020	2019
	No	No
Number of consultants and nursing staff	12	11
Number of management, administrative and estate support	17	17
	<u>29</u>	<u>28</u>

The average number of employees and workers during the year, on a per head basis, was as follows:

	2020	2019
	No	No
Number of consultants and nursing staff	26	25
Number of management, administrative and estate support	32	31
	<u>58</u>	<u>56</u>

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**11. PREVIOUS YEAR FUND ACCOUNTING COMPARATIVES**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2019 £
<b>INCOME</b>				
Donations & legacies	78,191	15,566	–	<b>93,757</b>
<i>Income from charitable activities</i>				
Operation of Tetbury Hospital	2,426,017	–	–	<b>2,426,017</b>
<i>Income from other trading activities:</i>				
Fundraising & rental income	78,031	9,654	–	<b>87,685</b>
Investment income	36,231	–	–	<b>36,231</b>
<b>TOTAL INCOME</b>	<b>2,618,470</b>	<b>25,220</b>	<b>–</b>	<b>2,643,690</b>
<b>EXPENDITURE</b>				
<i>Expenditure on raising funds:</i>				
Fundraising costs	8,481	1,018	–	<b>9,499</b>
Subletting costs	29,293	–	–	<b>29,293</b>
<i>Expenditure on charitable activities</i>				
Operation of Tetbury Hospital	2,713,173	–	3,000	<b>2,716,173</b>
<b>TOTAL EXPENSES</b>	<b>2,750,947</b>	<b>1,018</b>	<b>3,000</b>	<b>2,754,965</b>
Net income/(expenditure) before investment results	(132,477)	24,202	(3,000)	<b>(111,275)</b>
Net loss on investments	–	–	(5,744)	<b>(5,744)</b>
<b>NET INCOME</b>	<b>(132,477)</b>	<b>24,202</b>	<b>(8,744)</b>	<b>(117,019)</b>
<b>TRANSFERS BETWEEN FUNDS</b>	<b>40,959</b>	<b>(43,959)</b>	<b>3,000</b>	<b>–</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>(91,518)</b>	<b>(19,757)</b>	<b>(5,744)</b>	<b>(117,019)</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	2,558,223	20,369	968,402	<b>3,546,994</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>2,466,705</b>	<b>612</b>	<b>962,658</b>	<b>3,429,975</b>

**TETBURY HOSPITAL TRUST LIMITED**  
**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**12. TANGIBLE FIXED ASSETS**

	Freehold land £	Freehold buildings £	Property improve- ments £	Fixtures & fittings £	Medical & office equipment £	Total £
<b>COST</b>						
At 1 April 2018	80,000	153,480	2,021,118	412,800	1,179,654	3,847,052
Additions	—	—	304,049	2,723	54,911	361,683
Disposals	—	—	—	—	(44,547)	(44,547)
<b>At 31 March 2019</b>	<b>80,000</b>	<b>153,480</b>	<b>2,325,167</b>	<b>415,523</b>	<b>1,190,018</b>	<b>4,164,188</b>
<b>DEPRECIATION</b>						
At 1 April 2018	—	44,913	749,144	294,076	884,297	1,972,430
Charge for the year	—	3,070	53,060	42,508	99,456	198,094
Write back on disposals	—	—	—	—	(44,547)	(44,547)
<b>At 31 March 2019</b>	<b>—</b>	<b>47,983</b>	<b>802,204</b>	<b>336,584</b>	<b>939,206</b>	<b>2,125,977</b>
<b>NET BOOK VALUE</b>						
<b>At 31 March 2020</b>	<b>80,000</b>	<b>105,497</b>	<b>1,522,963</b>	<b>78,939</b>	<b>250,812</b>	<b>2,038,211</b>
At 31 March 2019	80,000	108,567	1,271,974	118,724	295,357	1,874,622

The tangible fixed assets are all used for the charitable purposes of the Trust. In the Trustees' opinion, there have been no events or circumstances which indicate that the carrying value of fixed assets may have been impaired.

**13. INVESTMENTS**

**Movement in market value**

	2020 £	2019 £
Market value at 1 April	590,273	796,017
Disposals during the year	(463,996)	(200,000)
Realised/unrealised losses in the year	(126,277)	(5,744)
Market value at 31 March	—	590,273
Historical cost at 31 March	—	401,583

Before the year end the Trustees decided to liquidate the investment portfolio and move the funds into cash reserves as a result of cash flow concerns and the future economic uncertainty arising from the global crisis relating to COVID-19. The annual £3,000 transfer from unrestricted funds to endowment funds to cover the depreciation charge relating to a fixed asset held in endowment funds is now held in cash and now forms part of the net current assets held by this fund at the end of the year (see note 20).

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**14. DEBTORS**

	2020	2019
	£	£
Trade debtors	334,778	295,395
Prepayments and accrued income	228,220	308,080
	<u>562,998</u>	<u>603,475</u>

**15. CREDITORS: Amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	235,946	367,634
PAYE and social security	21,200	18,453
Other creditors and accruals	162,950	158,601
Deferred income	—	3,100
	<u>420,096</u>	<u>547,788</u>

Deferred income relates to fees received from private patients in advance of their treatment.

**16. FINANCIAL INSTRUMENTS**

	2020	2019
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure:		
Investments	—	590,273
Financial assets measured at amortised cost:		
Trade debtors	343,238	295,395
Cash at bank and in hand	873,758	863,591
Accrued income	466	34,449
	<u>1,217,462</u>	<u>1,783,708</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost:		
Trade creditors	235,946	367,634
Accruals	162,950	158,601
	<u>398,896</u>	<u>526,235</u>

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**17. ENDOWMENT FUNDS**

	Balance at 1 April 2019 £	Outgoing resources £	Realised loss in the year £	Transfers £	Balance at 31 March 2020 £
Permanent endowment funds	<u>962,658</u>	<u>(3,000)</u>	<u>(126,277)</u>	<u>3,000</u>	<u>836,381</u>

The Tetbury Hospital permanent endowment funds were created from the proceeds of a public appeal in 1992 to ensure that the Hospital would remain financially sound and be preserved for generations to come. The funds must be permanently held by the Trust while income arising on it must be used by the Trust to operate the Hospital. Any capital gains or losses arising on the investments form part of the funds.

In 2004 the Trust utilised part of the permanent endowment funds to purchase the freehold land and buildings. The total purchase cost of this freehold land and buildings amounted to £229,185. Of this cost, £80,000 related to freehold land and the remaining £149,185 related to freehold buildings. The freehold buildings are depreciated on a straight-line basis over a period of 50 years which amounts to an annual charge of £3,000. The Trustees have agreed that the same sum of money will be transferred, each year, from unrestricted funds to endowment funds to fairly adjust for the reduction in the value of the freehold building held by the endowment funds.

**18. RESTRICTED FUNDS**

	Balance at 1 Apr 2019 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2020 £
Coventry Building Society donations towards a resus trolley and ocular plastics	612	—	—	612	—
Parmacosmos UK Ltd donation towards iron infusion pump	—	600	—	600	—
Friends of Tetbury Hospital door to door fundraising for a flexi- cystoscope	—	12,615	1,740	10,875	—
Coventry Building Society donations towards an ophthalmology chair	—	1,000	—	—	1,000
	<u>612</u>	<u>14,215</u>	<u>1,740</u>	<u>12,087</u>	<u>1,000</u>

**TETBURY HOSPITAL TRUST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**19. UNRESTRICTED FUNDS**

	Balance at 1 Apr 2019 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2020 £
<b>Fixed Asset</b>					
Designated fund	1,705,237	—	—	166,589	1,871,826
<b>Capital</b>					
Commitment					
Designated fund	286,060	—	—	(286,060)	—
<b>Free reserves</b>	475,408	2,733,882	(2,946,382)	128,558	391,466
	<u>2,466,705</u>	<u>2,733,882</u>	<u>(2,946,382)</u>	<u>9,087</u>	<u>2,263,292</u>

The Fixed Asset Designated fund represents the fixed assets of the Trust, except for the freehold land and buildings held by the endowment funds.

The Capital Commitment Designated fund represented the capital build costs that the Trust was committed to at the end of last year in relation to the new procedures room.

The Free reserves represent the unrestricted funds of the Trust that are not represented by fixed assets or designated for a specific purpose. The net balance of the fund transfers within the unrestricted funds balances out to £9,087 which is explained below:

	£
Transfer to endowment funds to replace asset value lost through depreciation	(3,000)
Funds transferred from restricted funds after meeting restriction conditions	12,087
	<u>9,087</u>



**TETBURY HOSPITAL TRUST LIMITED**  
**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**AS AT 31 MARCH 2020**

	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Net current assets/ (liabilities) £</b>	<b>Total £</b>
<b>Permanent endowment funds</b>	<b>166,385</b>	<b>–</b>	<b>669,996</b>	<b>836,381</b>
<b>Restricted funds</b>	<b>–</b>	<b>–</b>	<b>1,000</b>	<b>1,000</b>
<b>Unrestricted funds</b>				
Fixed asset designated fund	1,871,826	–	–	1,871,826
Free reserves	–	–	391,466	391,466
	<b>1,871,826</b>	<b>–</b>	<b>391,466</b>	<b>2,263,292</b>
<b>Total funds</b>	<b>2,038,211</b>	<b>–</b>	<b>1,062,462</b>	<b>3,100,673</b>

**AS AT 31 MARCH 2019**

	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Net current assets/ (liabilities) £</b>	<b>Total £</b>
<b>Permanent endowment funds</b>	<b>169,385</b>	<b>509,273</b>	<b>203,000</b>	<b>962,658</b>
<b>Restricted funds</b>	<b>–</b>	<b>–</b>	<b>612</b>	<b>612</b>
<b>Unrestricted funds</b>				
Fixed asset designated fund	1,705,237	–	–	1,705,237
Capital commitment designated fund	–	–	286,060	286,060
Free reserves	–	–	475,408	475,408
	<b>1,705,237</b>	<b>–</b>	<b>761,468</b>	<b>2,466,705</b>
<b>Total funds</b>	<b>1,874,622</b>	<b>509,273</b>	<b>965,080</b>	<b>3,429,975</b>

**TETBURY HOSPITAL TRUST LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH GENERATED FROM OPERATING ACTIVITIES**

	2020 £	2019 £
<b>Continuing activities</b>		
Net movement in funds	(329,302)	(117,019)
Deduct investment income	(27,181)	(31,571)
Add back depreciation of tangible fixed assets	198,094	184,827
Deduct profit on disposal of assets	(6,140)	(285)
Deduct bank interest receivable	(3,356)	(4,660)
Add back losses on investments	126,277	5,744
Decrease/(increase) in debtors	40,477	(300,597)
Decrease/(increase) in stock	-	(1,762)
(Decrease)/increase in creditors	(127,692)	178,447
<b>Net cash outflow from operating activities</b>	<u>(128,823)</u>	<u>(86,876)</u>

**22. LIMITED BY GUARANTEE**

The Trust does not have any share capital having been incorporated under guarantee. In the event of an insolvent winding up the liability of the Members is limited to £1 each.

**23. RELATED PARTY DISCLOSURE**

Donations were made to the Trust by some Trustees, but the amounts involved were not material to either the Trust or the Trustee.

The husband of one of the Hospital's former matrons is a private GP who provides services to the Hospital. The fees charged to the Hospital were not material to either the GP or the Trust.

The wife of the Hospital's Medical Director is a GP who provides medical services to the Hospital in the form of day surgery procedures, outpatient consultations and private GP consultations. The fees charged to the Hospital were not material to the GP or the Trust.

**24. CAPITAL COMMITMENTS**

At the year end the Trust had no commitments relating to any future capital expenditure (2019: £286,060 in relation to the building of a new procedures room).