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## 7b

*To consider*

### **Trustees' Annual Report and Accounts for the Year Ended 31 December 2008**

#### **Issue**

1. Whether Council approves the Trustees' Annual Report and Accounts, and the Letter of Representation, for the year ended 31 December 2008.

#### **Recommendations**

2.
  - a. To approve the Annual Report and Accounts for 2008; and to approve the Letter of Representation (paragraphs 7-12; and Annex A and Annex B).
  - b. To authorise the Chair of Council and the Chair of the Resources Committee to sign the Annual Report and Accounts for 2008; and to authorise the Chair of the Resources Committee to sign the Letter of Representation (paragraph 13).

#### **Further information**

3. If you require further information about this paper, please contact us by email: [gmc@gmc-uk.org](mailto:gmc@gmc-uk.org) or tel. 0161 923 6602

## **Background**

4. Charity trustees must produce an Annual Report and Accounts that comply with the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice for Accounting and Reporting by Charities.
5. The Annual Report and Accounts must be submitted to the Charity Commission and the Office of the Scottish Charity Regulator within 10 months of the year end.
6. In addition, the external auditors require us to provide a Letter of Representation covering the trustees' responsibilities in producing the financial statements.

## **Discussion**

7. The draft of the Annual Report and Accounts for 2008, in the required format, is at Annex A. The draft Letter of Representation is at Annex B. Both drafts were considered by the Resources Committee on 21 April 2009 and by the Audit and Risk Committee on 28 April 2009. The changes requested by those committees have been made.
8. The first part of Annex A is the Annual Report. The report begins with a Chair's Foreword, followed by an overview that highlights some of the overarching themes that informed and shaped our work in 2008: patient safety; interlocking functions; continuous improvement; wide and effective engagement with key interests; and structural change.
9. The Annual Report then describes delivery against the objectives in our 2008 Business Plan, highlighting achievements and developments under six key aims. Those aims and objectives are aligned with the Chief Executive's review of the year, which was presented to Council on 27 January 2009, although supplemented with greater detail and additional analysis.
10. The second part of Annex A is the annual accounts, which show an actual deficit of £3.7 million against a planned deficit of £5.6 million on our charitable activities. In addition, there was an actuarial gain of £2.2 million on the staff pension scheme, valued in accordance with Financial Reporting Standard 17.
11. Our general reserves as at 31 December 2008 were £17.6 million, including £0.3 million of restricted reserves and £4.3 million relating to the pension fund. This leaves £13.0 million as unrestricted reserves, which is within the range of £10 million to £15 million set by Resources Committee. Council has agreed a balanced budget for 2009, to maintain reserves at this level.

12. The external auditors, haysmacintyre, require us to provide a Letter of Representation prior to the Annual Report and Accounts being published. The Letter of Representation covers the trustees' responsibilities under the Charities Act 1993 for preparing the financial statements, confirms that all material activities and transactions undertaken by the charity have been fully disclosed in the accounting records and financial statements, and confirms that all relevant laws and regulations have been complied with.

**Recommendation:** To approve the Annual Report and Accounts for 2008 and the Letter of Representation.

13. The Annual Report and Accounts must be signed and dated by one or more trustees authorised to do so.

**Recommendation:** To authorise the Chair of Council and the Chair of the Resources Committee to sign the Annual Report and Accounts; and to authorise the Chair of the Resources Committee to sign the Letter of Representation.

### **Resource implications**

14. The 2008 Annual Report and Accounts are designed in house, creating a significant saving on the production of the 2007 report. The cost of printing approximately 1000 copies of the report will be in the region of £2,500.

### **Equality**

15. No equality and diversity implications.