

Dorset County Hospital NHS Foundation Trust Charitable Fund

Registered Charity No. 1056479

Annual Report and Accounts

for the year ended 31 March 2010

**Dorset County Hospital NHS Foundation Trust Charitable Fund
Annual Report and Accounts for the year ended 31 March 2010**

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Principal Office

The principal office for the charity is:
Trust Headquarters
Dorset County Hospital NHS Foundation Trust
Dorset County Hospital
Williams Avenue
Dorchester
Dorset DT1 2JY

Bankers

Barclays Bank Plc
10 South Street
Dorchester
Dorset DT1 1BT

Office of HM Paymaster General
Sutherland House
Russell Way
Crawley
West Sussex RH10 1UH

Citibank Plc
Government Banking Service
Dorset House (3rd Floor)
27 – 45, Stamford Street
London SE1 9PY

NatWest Bank Plc
Government Banking Service
Dorset House (3rd Floor)
27 – 45, Stamford Street
London SE1 9PY

Auditors

Edwards & Keeping
Unity Chambers
34 High East Street
Dorchester
Dorset DT1 1HA

Trustee's Annual Report

Introduction

Dorset County Hospital NHS Foundation Trust, as Corporate Trustee, presents the Annual Report for the Charitable Fund together with the Audited Financial Statements for the year ended 31 March 2010.

The annual report and accounts of the Charitable Fund for the year ended 31 March 2010 have been prepared by the Corporate Trustee in accordance with Part VI of the Charities Act 1993, the Charities (Accounts & Reports) Regulations 2008, Accounting and Reporting by Charities: Statement of Recommended Practice, 2005 (SORP) and subsequent guidance. In preparing this annual report the trustee has complied with its duty under section 4 of the Charities Act 2006 to have due regard to guidance on public benefit published by the Charity Commission. The Charitable Fund report and accounts include all the separately established funds of which Dorset County Hospital NHS Foundation Trust (DCHFT) is the primary beneficiary.

Reference and administrative details

The main charity West Dorset General Hospitals NHS Trust Charitable Fund was constituted on 10 May 1996 by a declaration of trust following the Charity Commission's model format, and was entered on the Central Register of Charities on 28 June 1996 as registered Charity No. 1056479. The charity was renamed on 15 December 2008 as Dorset County Hospital NHS Foundation Trust Charitable Fund. As at 31 March 2010, the Charity comprised 11 individual funds and the notes to the accounts distinguish the types of fund held and disclose separately details of all funds with material income or balances.

Donations and other income and assets received by the charity are accepted and administered as funds and property held on trust for purposes relating to the health service in accordance with the National Health Service Act 1977, the National Health Service and Community Care Act 1990, and the National Health Service Act 2006, and the funds are held on trust by the corporate body.

Trusteeship

The Charity has a corporate trustee: the Dorset County Hospital NHS Foundation Trust, as represented by its board of directors, and is governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2006. The Directors of the Foundation Trust at the date this report and accounts were approved and signed were:

Robin Sequeira	-	Chairman (to 31 October 2009)
Jeffrey Ellwood	-	Chairman (from 26 March 2010, Interim from 29 October 2009)
Jan Bergman	-	Chief Executive (to 14 August 2009)
Derek Smith	-	Interim Chief Executive (from 1 September 2009)
Kevin Goater	-	Acting Director of Finance (to 1 September 2009)
Terry Tonks	-	Interim Director of Finance (from 4 August 2009)
Rupert Wainwright	-	Director of Operations (to 16 October 2009)
Alison Tong	-	Director of Nursing
Tracey Peters	-	Director of Human Resources (from 7 July 2009)
James Shillito	-	Turnaround Director (from 6 October 2009 to 24 February 2010)
Dr Nick Hateboer	-	Joint Medical Director
Dr Mark Hitchcock	-	Joint Medical Director (to 28 February 2010)
Jean George	-	Director of Business Development
Peta Turnbull	-	Non-Executive Director & Chair of Trustees (Chair to 13 July 2009)
Roderick Knight	-	Non-Executive Director (Chair of Trustees from 13 July 2009)
Peter Knell	-	Non-Executive Director
Jeffrey Ellwood	-	Non-Executive Director (to 28 October 2009)
Christopher Spry	-	Non-Executive Director
Julia Gerzon	-	Non-Executive Director (from 1 September 2009)
Tracey Peters	-	Non-Executive Director (from 1 April 2009 to 6 July 2009)

The Foundation Trust Board of Directors formed on 1 June 2007 an Investment & Charitable Funds Committee, as permitted under regulation 16 of the NHS Trusts (Membership and Procedures) Regulations 1990. That committee has devolved responsibility for the on-going management and administration of the funds on behalf of the corporate trustee. The name of this committee was changed to Charitable Funds Committee on 13 July 2009 when the Investment responsibility came under the Finance & Performance Committee of the Trust.

The members of the Charitable Funds Committee who served as agents for the corporate trustee during the year ended 31 March 2010 were:

Roderick Knight	-	Non-Executive Director & Chair of Trustees (Chair from 13 July 2009)
Peta Turnbull	-	Non-Executive Director & Chair of Trustees (Chair to 13 July 2009)
Kevin Goater	-	Acting Director of Finance (to 1 September 2009)
Terry Tonks	-	Interim Director of Finance (from 4 August 2009)
Alison Tong	-	Director of Nursing

Under a scheme of delegation, the Acting/Interim Director of Finance of the Foundation Trust has day-to-day responsibility for the management of the Charitable Funds. Applications are approved under the following delegation levels:

Under £2,000	Acting/Interim/Deputy Director of Finance and Fund Administrator
Over £2,000 and under £10,000	Acting/Interim Director of Finance and the Chair of Trustees
Over £10,000	Charitable Funds Committee

Induction and training of trustees

Non-Executive Members' of the Trust Board are appointed by the Members Council of Dorset County Hospital NHS Foundation Trust and Executive members of the Board are subject to recruitment by the Dorset County Hospital NHS Foundation Trust Board of Directors. Members of the Board of Directors and the Charitable Funds Committee are not individual trustees under charity law but act as agents on behalf of the corporate trustee.

The charity provides in collaboration with the Foundation Trust an induction pack for newly appointed members of the Board of Directors and Charitable Funds Committee. This pack provides information about the charity, including the governing document, the Charitable Funds Committee terms of reference, past trustees' annual report and accounts, scope and policies and minutes, and information about trusteeship generally, including Charity Commission booklet CC3, *The Essential Trustee*. The Interim Chair gives new members of both the Board of Directors and the Charitable Funds Committee a briefing on the current policies and priorities for the charitable funds. A guided tour of the beneficiary Foundation Trust's facilities and any additional training that their role may require is also provided.

Statement of trustee's responsibilities

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operation.

The trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Structure, Governance and Management

The charity's unrestricted fund was established using the model declaration of trust and all funds held on trust as at the date of registration were either part of this unrestricted fund or registered as separate special purpose restricted funds under the main charity.

Subsequent donations and gifts received by the charity that are attributable to the original funds are added to those fund balances within the existing charity.

The corporate trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and, by the use of designated funds, the Trustee respects the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff.

Where substantial funds have been received which have specific restrictions set by a donor, a restricted fund has been established.

The separate funds registered as subsidiary charities with the Charity Commission are:

Unrestricted Funds:

General Purpose Charitable Fund
Patients General Purpose Charity
Staff General Purpose Fund

Restricted Funds:

Arts in Hospital
Children's Services Trust
Special Care Baby Unit (SCBU)
Diabetic Fund
Renal Fund
The Lillian Martin Ophthalmology Fund
West Dorset Medical Society for Post Graduate Education & Research Charity
DCHFT Cancer Services Charity

Within the unrestricted funds, designated funds exist which are allocated to Directorates in line with the Foundation Trust's management structure. If these designated funds are closed, the fund balances will revert to the appropriate general unrestricted fund. The designated funds as at 31 March 2010 were:

General Purpose - Medical & Emergency Directorate

Diabetes, Critical Care, Cardiac, Respiratory, Elderly Care, Endoscopy, Stroke, A&E/MIU and General Medicine (combined with Rheumatology, Dermatology and Gastroenterology).

General Purpose - Planned & Surgical Directorate

ENT, Orthopaedics, General Surgery, Urology, Anaesthetics & Pain Management, Ophthalmology, and General Directorate (including Theatres, Day Surgery, Pre-Assessment Unit, Surgical Admissions Lounge and Sterile Services).

Acting for the corporate trustee, the Charitable Funds Committee is responsible for the overall management of the Charitable Funds. The Committee is required to:

- Control, manage and monitor the use of the fund's resources
- Provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income.
- Ensure that 'best practice' is followed in the conduct of all its affairs fulfilling all of its legal responsibilities.
- Keep the Foundation Trust Board of Directors fully informed on the activity, performance and risks of the charity.

The accounting records and the day-to-day administration of the funds are dealt with by the Finance Department located at Dorset County Hospital, Williams Avenue, Dorchester, Dorset DT1 2JY.

Risk Management

The major risks to which the charity is exposed have been identified and considered. They have been reviewed and systems established to mitigate those risks.

The Charitable Funds Committee wishes to follow the Charity Commission's recommendation, that donations should be spent and not invested, but where significant donations are received the Committee will maintain a regular review of the investment policy to ensure that both spending and firm financial commitments remain in line with available resources.

Income and Expenditure along with commitments is monitored on a monthly basis to avoid unforeseen overspending.

Partnership working and networks

Dorset County Hospital NHS Foundation Trust is the main beneficiary of the charity and is a related party by virtue of being the corporate trustee of the charity. By working in partnership with the Trust, the charitable funds are used to best effect. When deciding upon the most beneficial way to use charitable funds, the corporate trustee has regard to the main activities, objectives, strategies and plans of the Trust.

We remain indebted to the work of many charitable organisations across Dorset who provide thousands of pounds of funds each year for Dorset County Hospital NHS Foundation Trust and in particular Dorset County Hospital. Our major contributors this year have been Three Ells Trust, Pitt-Rovers Charitable Trust, The League of Friends of The Dorchester Hospitals, The Woolbridge Motor Club, The Dorset Kidney Fund and various Golf Days, Gala Dinners and other events. We also received monies from Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust Charitable Trust for the Renal services we provide from their premises, as well as from Christchurch Rotary for the same purpose.

We would also like to thank all the individual donors and groups who have contributed a considerable amount of funds to help us provide a first class healthcare provision to our clients.

Objectives and strategy

The Charity's main fund has NHS wide objectives as follows:

"The trustees shall hold the trust fund upon trust to apply income and at their discretion, so far as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service, wholly or mainly for the services provided by Dorset County Hospital NHS Foundation Trust".

The trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Charity appointed a Fundraising Manager on 1 June 2009. A fund raising plan has been established, against which performance can be measured / monitored in future years. The first part of the marketing and communication strategy is in place through DCHFT Intranet and Internet Web Sites, with information and guidance on how to fundraise targeted at Schools, Clubs, Churches and the like, in downloadable format. The trustees have also approved the adoption of an eye catching logo which is being used on all publicity.

The charity has targeted twelve specific groups to enhance the spread of potential donors, and systems have been put in place to ensure that donating is made easy through internet, social networking sites, Debit and Credit Cards, Direct Debit, Standing Orders, telephone and paper forms. Individuals are encouraged to sign Gift Aid forms in order that Income Tax can be reclaimed to boost the initial donation by 25%. The Fundraising Manager is organising street collections, In- Hospital Publicity and Donation Boxes, a Fundraising Ball for the coming year as well as liaising with other local organisations to ensure that we are included on their list of Nominated Charities to which they will be raising funds. The charity is encouraging Regular Gifts which enable long term funding to be more secure, and a Legacy programme to ensure funds for future projects.

The Fundraising Manager is also setting up a network of volunteers, one of which is helping in the fundraising administration on a part time basis. Recruitment is ongoing and further fundraising initiatives will be developed when more help from volunteers becomes available.

"Through fundraising activities, events and appeals we will further improve the provision of high quality patient care at the cutting edge of technology throughout the Foundation Trust focusing on areas not covered or fully supported by central NHS funds."

Making our vision happen will involve all our partners, external charitable organisations, patients, staff, carers and the community. We invite you to join us to make this a reality.

If you would like to know more about how to become involved or take part in fundraising, or to make a donation, please contact the Finance Department through Dorset County Hospital on 01305 251150.

Annual Review: Our Activities

During the year, the Charity continued to support a wide range of charitable and health related activities benefiting both patients and staff. Ward and specialty charitable funds received a number of donations specifically for charitable activities within those areas.

In general they have been used to provide a variety of additional goods and services that the NHS has not funded, for example charitable funds were used to purchase additional medical equipment.

The charitable funds have also enabled medical and other staff to attend courses and conferences, not funded by the NHS, which have updated them on new ideas and modern techniques in their specialties. In conjunction with Dorset Health Trust the charity has been able to purchase the latest version of SimMan 3G which is an essential requirement in the setting up of a Simulation Skills Laboratory for DCHFT. This is a system that allows doctors, nurses and auxiliary staff realistic hands on training in the rapid assessment of acutely ill patients. This Laboratory can be shared with Paramedics, Coastguards, GP's and other local healthcare professionals.

We should also mention that Charitable Funds have also been used to improve the environment and level of service provision in several day patient and visitor areas.

Total Income of £188,000 received in the year was considerably lower than the amount donated in 2008/09, which in comparison was £504,000. This was partly due to funds received in 2008/09 amounting to £263,500 linked to the cancer suite. Also the interest and dividends receivable reduced by £23,000 due to the minimal interest rates payable on the reduced balances. Similarly, expenditure of £273,000 on charitable activities in the year was lower than the expenditure recorded in 2008/09 of £569,000 due to the contribution towards the cancer suite in that year.

Grant Making Policy

Grants are made from the charity's funds to the Dorset County Hospital NHS Foundation Trust based on funding applications – the funds comprise of three elements:

- Firstly the **Special Purpose Funds** – which are registered with the Charity Commission, are funds that are restricted through the definition of their "objects" which can be viewed on the Charity Commission website. These funds are also managed by the Directorate Managers and the fund designation is binding on the Trustee.
- Secondly, that element of the unrestricted funds considered to be **Designated Funds** – these usually result from donations where the donor nominated a particular part of the hospital or activity at the time their donation was made. Whilst their nomination is not binding on the trustee, the designated funds reflect these nominations.

These funds are overseen by Directorate Managers who can make recommendations on how to spend the money within their designated area. Fund advisers' recommendations are generally accepted and the funds can be spent at any time.

- Finally, the Dorset County Hospital NHS Foundation Trust **General Fund**, which is constituted of gifts received by the charity where donors have not expressed any preference as to its expenditure. During the year, applications for grants are invited from any member of the hospital.

Based on the applications received and their knowledge of the hospital, the Charitable Funds Committee agrees funding and priorities based on quality and value for money. Grants are targeted on projects in areas of the hospital that do not have available Designated Funds.

A Review of our Finances, Achievements and Performance

The net assets of the Charitable Funds as at 31 March 2010 were £410,000 (2009: £553,000). Overall net assets decreased by £143,000 during the year, mainly as a result of the timing of grants from funds that had been previously accumulated for specific projects

The charity continues to rely on donations and legacies as the main sources of income.

Income

Total incoming resources decreased by £316,000 to £188,000 due mainly to donations received for the DCHFT Cancer Services Fund of £272,000 in 2008/09. Other external charities also contributed £52,000 (2009: £44,000) to the funds in this financial year.

Expenditure

Of the total resources expended of £331,000 (2009: £592,000), expenditure on direct charitable activity was £273,000 (2009: £569,000) across a range of programmes. The residual £58,000 (2009: £23,000) is related to Governance and Fundraising Costs. Expenditure was lower overall compared to the previous year, due to the lower levels of income donated.

The charity invested in Buildings Schemes/Medical & Surgical Equipment £87,000 (2009: £429,000), Furniture & Fittings £56,000 (2009: £45,000), Staff Welfare and Amenities £19,000 (2009: £44,000), and Patients Welfare and Amenities £81,000 (2009: £15,000).

Detail of how the resources were expended can be seen at Note 5 to the accounts.

Achievements

The Charity made grants of £25,000 from its DCHFT Education Charity as part of the above total expenditure mainly to assist with the setting up of a Simulation Laboratory at DCHFT.

The Arts in Hospital project continued with its excellent work improving the surroundings and atmosphere of Dorset County Hospital, providing several different displays of artwork within the hospital, for patients and staff benefit.

Employees

The charity employed the Fundraising Manager from 1st June 2009, and in order to keep transaction costs to a minimum and to simplify the approval processes DCHFT are responsible for the administration of the payroll, the gross costs of which it recharges monthly to the charity. On the 1 April 2009 the Trust transferred the two Arts in Hospital employees to the charity but was still responsible for the payroll administration as above. Details of the costs incurred can be seen at Note 7 to the accounts.

Performance management

The charity relies on the Foundation Trust to identify the appropriateness of funding requests initially through its Directorate Managers.

All funding applications must advise and justify:

- What difference the proposal will make and what benefit it will provide and its priority.
- The recurring costs that might arise from such a purchase i.e. consumables, maintenance etc which have to be funded by exchequer funding.
- Why the application cannot be funded from the Foundation Trust's Exchequer funds

Each of the funds is monitored by staff of the Foundation Trust's finance department and the Investment & Charitable Funds Committee on a quarterly basis.

Change in Banking Arrangements

The Bank of England, through the Office of the Paymaster General, has withdrawn from processing bulk retail payments and receipts during the year. Therefore the Government Banking Service has arranged for the migration of the balances to either Citibank or NatWest Bank and opened accounts in both of them.

Investments

The trustee does not rely significantly on income from investments, since it has a policy to spend the donated income as soon as possible, in line with Charity Commission recommendations. The corporate trustee does not invest its charitable funds in equity-based investments. The Charity's Investment Policy 2008 clearly states that the Trustees should 'not place the funds at risk by speculative investment'. Due to the relatively small level of funds held, the Charitable Funds Committee chose not to invest the surplus above reserve levels during the year. Consequently, though the return on deposits and interest earned has reduced compared to previous years as a result of reduced rates, the capital value has not been at risk.

Bank and cash balances at the year-end totalled £541,000 of which £474,000 was held in an interest earning account with the Office of the Paymaster General. A further £66,000 was held in the trustee's high street bank for readily accessible funds. Further details are provided in note 9 to the accounts.

The trustee will constantly review the investment of funds based on the balances available at the time.

Reserves Policy

As permitted by the establishing declarations of trust, all of the funds are available to be spent at the discretion of the Trustee. However, under the Accounting and Reporting by Charities: Statement of Recommended Practice, 2005 (SORP), all charities are required to prepare and publish a Reserves Policy.

The Trustees have set a policy including a target for reserves to ensure that the charitable funds are not over committed. The target is the total of:

- the amount of any unrealised gains
- the amount of any designated funds
- the amount of any commitments or accruals due from unrestricted funds
- the estimated annual spend on unrestricted grants excluding designated funds
- the estimated annual governance costs.

Achievement of actual reserves against the target is modified by the needs of grant applicants, and the overriding object of the charity to distribute, rather than accumulate funds. The results are reviewed quarterly by the Charitable Funds Committee. At 31 March 2010, the reserves target on the above basis equated to approximately £213,000, with the actual reserves amount being £125,000, thus breaching the Reserves Policy.

Our Future Plans

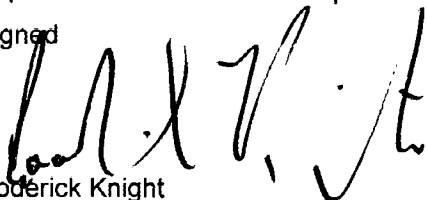
The Charitable Funds Committee has been developing a formal business plan for the charity for 2009/10. This includes the major fundraising projects for 2010/11 and beyond.

Expression of Gratitude

On behalf of all the patients and staff who have benefited from improved services due to donations and legacies, the Corporate Trustee would like to thank everyone who has contributed towards the Dorset County Hospital NHS Foundation Trust Charitable Fund in the last year.

Approved on behalf of the Corporate Trustee

Signed



Roderick Knight
Non-Executive Director and Chair of the Charitable Funds Committee,
Dorset County Hospital NHS Foundation Trust

July 2010

Independent Auditor's Report to the trustee of Dorset County Hospital NHS Foundation Trust Charitable Fund

We have audited the financial statements of Dorset County Hospital NHS Foundation Trust Charitable Fund for the year ended 31 March 2010 on pages 9 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustee in accordance with section 43 of the Charities Act 1993, and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustee and auditor

The trustee's responsibilities for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustee's Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustee's Annual Report is not consistent with those financial statements, if the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with those records or if we have not received all the information and explanations we require for our audit.

We read the Trustee's Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

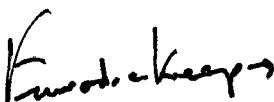
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 March 2010, and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.



17 August 2010

Edwards & Keeping
Chartered Accountants and Statutory Auditors
34 High Street East Street,
Dorchester,
Dorset DT1 1HA

Statement of Financial Activities for the year ended 31 March 2010

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	2009 Total Funds £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	3	131	55	186	479
Investment income	4	2	-	2	25
Total incoming resources		133	55	188	504
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		31	-	31	-
Charitable activities	5	123	150	273	569
Governance costs	6	11	16	27	23
Total resources expended		165	166	331	592
Net movement in funds		(32)	(111)	(143)	(88)
Fund balances brought forward at 1 April 2009		157	396	553	641
Fund balances carried forward at 31 March 2010		125	285	410	553

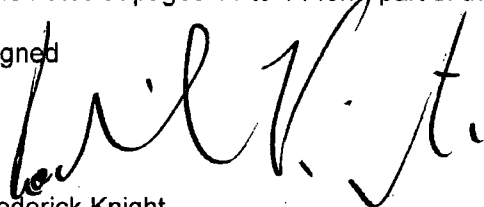
The notes at pages 11 to 14 form part of these accounts

Balance Sheet as at 31 March 2010

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	2009 Total Funds £'000
Current assets					
Debtors	8	45	-	45	91
Cash at bank and in hand	9	135	406	541	521
Total current assets		180	406	586	612
Liabilities					
Creditors: amounts falling due within one year	10	55	121	176	59
Net current assets		125	285	410	553
Net assets		125	285	410	553
The funds of the charity					
Restricted income funds	11	-	285	285	396
Unrestricted income funds	11	125	-	125	157
Total funds		125	285	410	553

The notes at pages 11 to 14 form part of these accounts

Signed



Roderick Knight
Non-Executive Director and Chair of the Charitable Funds Committee,
Dorset County Hospital NHS Foundation Trust

July 2010

Notes to the accounts**1. Accounting Policies****a) Basis of preparation**

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP) issued in March 2005, applicable UK Accounting Standards, and the Charities Act 1993.

b) Funds structure

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donor.

Unrestricted income funds comprise those funds that the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the donor has made known their non-binding wishes or where the trustees, at their discretion, have created a fund for a specific purpose.

c) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estate that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

Material legacies that have been notified but not recognised as incoming resources in the Statement of Financial Activities are disclosed in a separate note to the accounts with an estimate of the amount receivable.

d) Resources expended

Expenditure is recognised when a liability is incurred. Grant commitments are recognised when a constructive obligation arises that result in payment being unavoidable.

Grants are only made to related or third party NHS bodies and non-NHS bodies in furtherance of the charitable objects of the funds. A liability for such grants is recognised when the Trustee has given approval. The Foundation Trust has full knowledge of the plans of the Trustee, therefore a grant approval is taken to constitute a firm intention of payment, which has been communicated to the Foundation Trust, and so a liability is recognised. The SORP guidance introduced clear processes for recognising constructive obligations within the accounts. In line with the SORP guidance, commitments are now recognised as a liability where the committee has approved the payment of grants.

Contractual arrangements are recognised as goods or services supplied.

The cost of fundraising staff salaries are charged to the 'costs of generating funds'.

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity as shown in note 5.

Governance costs comprise all costs incurred in the governance of the charity. These include costs related to statutory audit, together with an apportionment of overhead and support costs.

e) Irrecoverable VAT

Where irrecoverable VAT is incurred, it is charged against resources expended under the appropriate expenditure category.

f) Pensions

The charity employed a Fundraising Manager from 1st June 2009 and Arts in Hospital staff from 1 April 2009. Any employees of the charity are entitled to join the NHS Pensions Scheme which is a multi employer defined benefit scheme administered for the benefit of NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State.

2. Related party transactions

Dorset County Hospital NHS Foundation Trust is the primary beneficiary of the charity. The charity has provided funding to the Foundation Trust for approved expenditure made on behalf of the charity. This funding of £273,000 (2009: £569,000) is detailed in note 5. Dorset County Hospital NHS Foundation Trust also charges the charity for administrative expenses of £19,000 (2009: £18,000)

During the year none of the members of the Foundation Trust Board of Directors or senior Foundation Trust staff or parties related to them were beneficiaries of the charity. Neither the Corporate Trustee nor any member of the Foundation Trust Board of Directors has received honoraria, emoluments or expenses from the Charity in the year and the Trustee has not purchased trustee indemnity insurance.

3. Voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	2010 Total £'000	2009 Total £'000
Donations	86	54	140	399
Legacies	45	1	46	20
Grants received	-	-	-	60
	<u>131</u>	<u>55</u>	<u>186</u>	<u>479</u>

4. Investment income

Investment income of £2,000 (2009: £25,000) was generated from cash held on deposit in the Office of the Paymaster General's bank account for Dorset County Hospital NHS Foundation Trust.

5. Charitable expenditure – grant funded activity

The charity made available grant support to Dorset County Hospital NHS Foundation Trust for a range of funding applications for equipment, training, and other services not funded by NHS exchequer.

	Unrestricted Funds £'000	Restricted Funds £'000	2010 Total £'000	2009 Total £'000
Buildings Schemes/Medical & Surgical Equipment	25	62	87	429
Furniture & Fittings	53	3	56	45
Artwork Expenses	2	6	8	6
Course & Conference Fees	12	10	22	30
Patients Welfare & Amenities	25	56	81	15
Staff Welfare & Amenities	6	13	19	44
	<u>123</u>	<u>150</u>	<u>273</u>	<u>569</u>

All grants were made to the Dorset County Hospital NHS Foundation Trust and the corporate trustee operates a scheme of delegation. The charity does not make grants to individuals. The total cost of making grants is disclosed on the face of the Statement of Financial Activities.

6. Governance costs

The total of Governance costs has been apportioned based on the value of the year-end balances held in the funds.

	Unrestricted Funds £'000	Restricted Funds £'000	2010 Total £'000	2009 Total £'000
Financial Services	10	14	24	19
Audit Fees	1	2	3	4
	<u>11</u>	<u>16</u>	<u>27</u>	<u>23</u>

The auditor's remuneration of £3,349 (2009: £3,450) related solely to the audit with no other additional work undertaken (2009: £nil).

7. Staff costs

Staff headcount	3
Full time equivalent	1.62
Salaries and wages	£49,000
Social security costs	£3,000
Employers' contribution to NHSPA	£7,000

There were no employees with emoluments above £60,000 in the year. There were no employees in the 2008/09 year.

8. Debtors

	2010 £'000	2009 £'000
Other debtors	45	89
Prepayments and accrued income	-	2
	<u>45</u>	<u>91</u>

Other debtors represent any sums owed to the charity by third parties at the year-end for income collected by the NHS Foundation Trust on behalf of the charity through the issuing of invoices.

9. Cash at bank and in hand

	2010 £'000	2009 £'000
Cash at bank		
Barclays deposit account	66	31
PGO deposit account	474	489
Petty Cash	1	1
	<u>541</u>	<u>521</u>

10. Creditors

	2010 £'000	2009 £'000
Other creditors	60	-
Receipts in advance	20	-
Accruals	3	3
Commitments	93	56
	<u>176</u>	<u>59</u>

Commitments are included as a legal obligation after funding authorisation has been given by the charity.

Movement in commitments during the year

	Charitable Commit- ments accrued £'000
Grant commitments recognised at 1 April 2009	56
New grant commitments charged to the statement of financial activities during the year (note 5)	273
Grants paid during the year	(236)
Grant commitments recognised at 31 March 2010	<u>93</u>

11. Funds

	Fund Balance 2009 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Fund Balance 2010 £'000
Unrestricted funds					
General Purpose	155	132	165	-	122
Staff General Purpose	1	-	-	-	1
Patients General Purpose	1	1	-	-	2
	<u>157</u>	<u>133</u>	<u>165</u>	<u>-</u>	<u>125</u>
Restricted funds					
Children's Services Trust	37	6	27	-	16
Art in Hospitals	76	5	28	-	53
Cancer Services	88	6	10	-	84
Post Graduate Education & Research	33	1	35	1	-
The Lillian Martin Ophthalmology Fund	57	-	2	-	55
Special Care Baby Unit	30	8	29	(1)	8
Renal Fund	75	29	35	-	69
	<u>396</u>	<u>55</u>	<u>166</u>	<u>-</u>	<u>285</u>
Total funds	<u>553</u>	<u>188</u>	<u>331</u>	<u>-</u>	<u>410</u>

Restricted funds arise where a donor gives money for a specific purpose. These funds can only be applied towards grants for the particular purpose specified.

12. Pension costs

Any employees of the charity are entitled to join the NHS Pensions Scheme. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the charity.

The pension charge for the year includes contributions payable to the scheme of £7,000 (2009: nil).

13. Post Balance Sheet Events

The Charitable Funds Committee has agreed that, with effect from 1st April, within the unrestricted funds the existing designation will be withdrawn and therefore the funds will become general unrestricted funds. This has no financial effect on total unrestricted funds.