Dorset County Hospital
NHS Foundation Trust
Charitable Fund

Registered Charity No. 1056479

Annual Report and Accounts
for the year ended 31 March 2015
Dorset County Hospital NHS Foundation Trust Charitable Fund
Annual Report and Accounts for the year ended 31 March 2015

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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

NatWest Bank Plc
Dorset House (3rd Floor)
27 - 45 Stamford Street
London SE1 9PY

Citibank 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
Dorset County Hospital NHS Foundation Trust Charitable Fund

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 2015.

The annual report and accounts of the Charitable Fund for the year ended 31 March 2015 have been prepared by the Corporate Trustee in accordance with the Charities Act 2011, the Charity (Accounts & Reports) Regulations 2008, and Accounting and Reporting by Charities: Statement of Recommended Practice 2005 (SORP). In preparing this annual report, the Corporate Trustee has complied with its duty 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 Dorset County Hospital NHS Foundation Trust Charitable Fund was entered on the Central Register of Charities on 28 June 1996 as registered charity number 1056479. At 31 March 2015, the charity comprised 20 individual funds. The notes to the accounts distinguish the types of fund held and disclose separately details of the income, expenditure and balances associated with these funds.

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 2006 and the National Health Service and Community Care Act 1990 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 during 2014/15 and up to the date this report and accounts were approved and signed were:

Dr J Ellwood        Chairman
Mr P Greensmith    Non-Executive Director (From 1 June 2014)
Mr M Rose          Non-Executive Director (From 17 June 2014)
Mr R Knight        Non-Executive Director (1 April 2014 - 31 May 2014)
Ms T Peters        Non-Executive Director
Prof J Reid         Non-Executive Director
Ms P Turnbull      Non-Executive Director (1 April 2014 - 30 April 2014)
Mr G Stanley       Non-Executive Director
Prof M Earwicker   Non-Executive Director
Mr C Savory        Non-Executive Director (1 May 2014 – 13 May 2014)
MRS J O’Callaghan  Chief Executive (1 April 2014 – 18 July 2014)
Ms P Miller        Chief Executive (Acting From 19 July 2014, Permanent From 15 September 2014)
Ms L Walters       Director of Finance & Resources
Miss R King        Acting Director of Finance & Resources (From 1 September 2014)
Ms CA Tong         Director of Nursing
Ms P Miller        Director of Operations (1 April 2014 – 17 July 2014)
Mr R McEwan        Interim Chief Operating Officer (From 18 July 2014)
Mr M Warner        Director of Organisational Development & Workforce (From 2 March 2015)
Mr P Lear          Medical Director
The Charitable Fund Committee has devolved responsibility for the on-going management and administration of the funds on behalf of the Corporate Trustee, Dorset County Hospital NHS Foundation Trust. Membership of the Committee is limited to members of the Foundation Trust’s Board of Directors. The members of the Charitable Fund Committee who served as agents for the Corporate Trustee during the year ended 31 March 2015; and their attendance at meetings of the Committee are shown in the table below.

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</thead>
<tbody>
<tr>
<td>Mrs T Peters (From 1 June 2014)</td>
<td>Non-Executive Director &amp; Chair of Charitable Fund Committee</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Mr R Knight (1 April 2014 – 31 May 2014)</td>
<td>Non-Executive Director &amp; Chair of Charitable Fund Committee</td>
<td>✓</td>
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<tr>
<td>Ms P Turnbull (1 April 2014 – 30 June 2014)</td>
<td>Non-Executive Director &amp; Deputy Chair of Charitable Fund Committee</td>
<td>✓</td>
<td>-</td>
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<tr>
<td>Mrs L Walters</td>
<td>Director Of Finance</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Ms R King (From 1 September 2014)</td>
<td>Acting Director Of Finance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Ms CA Tong</td>
<td>Director of Nursing</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>-</td>
<td>✓</td>
</tr>
<tr>
<td>Mr P Greensmith (From 7 August 2014)</td>
<td>Non-Executive Director &amp; Deputy Chair Of Charitable Fund Committee</td>
<td>-</td>
<td>-</td>
<td>✓</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prof M Earwicker (1 April 2014 – 6 August 2014)</td>
<td>Non-Executive Director</td>
<td>✓</td>
<td>-</td>
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<tr>
<td>Mr J Ellwood (From 1 June 2014)</td>
<td>Chairman</td>
<td>-</td>
<td>-</td>
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Under a scheme of delegation, the Director of Finance of the Foundation Trust has day-to-day responsibility for the management of the Charitable Fund. Applications are approved under the following delegation levels:

- Under £2,000: Deputy Director of Finance and Fund Administrator
- Between £2,000 and £10,000: Director of Finance and the Chair of Charitable Fund Committee
- Over £10,000: Charitable Fund Committee
Role of the Board of Trustees
The primary objectives of the Board of Trustees is to take overall responsibility for everything that the charity does; to give strategic direction in determining and safeguarding the mission and vision of the charity. The Board ensures that the charity is managed properly and that its assets are protected.

Induction and training of Trustees
Non-executive members of the Trust Board are appointed by an appointments panel comprising of the Chair of the Foundation Trust, the Nomination and Remuneration Committee of the Council of Governors of the Foundation Trust and the Vice Chairman of the Foundation Trust, acting as Senior Independent Non-Executive Director. All Executive Directors are appointed by the Chief Executive, Chairman and non-executive directors of the Foundation Trust. Members of the Board of Directors and the Charitable Fund 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 Fund Committee. This pack provides information about the charity, including the governing document, the Charitable Fund Committee terms of reference, past Trustee Annual Report and Accounts, scope and policies and minutes, and information about Trusteeship generally, including Charity Commission booklet CC3, The Essential Trustee. The Chairman gives new members of both the Board of Directors and the Charitable Fund Committee a briefing on the current policies and priorities for the charitable funds; a guided tour of the Dorset County Hospital Foundation Trust’s facilities; and any additional training that their role may require.

Statement of Corporate Trustee’s responsibilities
The Corporate Trustee is responsible 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).

The law applicable to charities in England and Wales requires the Corporate Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Corporate Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 Corporate Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enables it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Corporate Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
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 funds under the main charity. Each fund within the charity has a nominated fund representative, from the Foundation Trust, who is the point of contact for staff for whom the fund may be appropriate.

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 Corporate 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 linked 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
- Cancer Services Charity
- Children’s Services Trust
- Diabetic Fund
- The Lillian Martin Ophthalmology Fund
- Renal Fund
- Special Care Baby Unit (SCBU)
- West Dorset Medical Society for Post Graduate Education & Research Charity

In addition, eight unrestricted designated funds have been set up by the Corporate Trustee along with the Boost Appeal Fund, which was established as a restricted fund.

Acting for the Corporate Trustee, the Charitable Fund Committee is responsible for the overall management of the Charitable Fund. 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.
**Dorset County Hospital NHS Foundation Trust Charitable Fund**

**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 Fund 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 and commitments are monitored on a monthly basis to avoid unforeseen overspending.

**Objectives and strategy**
Nearly 300,000 patients are cared for by the Foundation Trust each year. Good healthcare is priceless, but it comes with a big price tag. The charitable contributions help to enhance the quality of services, over and above that which the NHS provides; and make a difference and touch the lives of our community for the public benefit. Dorset County Hospital Charity aims to help fund the important extras: making patient care better, by raising funds for the latest technology and equipment; enhance patient comfort by improving the hospital environment; making the staff’s working environment and facilities better; and helping to provide better training opportunities.

The charity’s main fund has NHS wide objectives as follows:

“The Corporate Trustee 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 charity’s profile has been raised through adoption of a recognisable logo, improved exposure on the Dorset County Hospital NHS Foundation Trust internet web sites and targeted promotion of fundraising guidance to local schools, clubs and community groups. Efforts have been made to increase access to corporate gifts and legacy gifts from individuals.

During 2015 the Corporate Trustee decided to enhance the fundraising function in order to further increase the profile of the charity and to improve the level of donations received. To facilitate the improvement of the fundraising function, Andrew House was appointed as the Head of Fundraising during March 2015. The Corporate Trustee is also looking to establish a Fundraising Committee, which will be led by the Head of Fundraising.

If you would like to know more about how to become involved or take part in fundraising, or to make a donation, please contact Andrew House, Head Of Fundraising at Dorset County Hospital on 01305 253470 or send an email to: Andrew.House@dchft.nhs.uk.

**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 three elements:

- **special purpose funds**, which are registered with the Charity Commission; and are funds that are restricted through the definition of their “objects,” which can be viewed on the Charity Commission website. These funds are managed by named managers of the Foundation Trust. The fund designation is binding on the Corporate Trustee.
designated unrestricted funds, which comprise a proportion of the unrestricted funds that are earmarked, but not through a binding designation, for specific elements of the Trust’s work. These often result from donations received, 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 Corporate 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.

the general fund, which benefits from gifts received by the charity where donors have not expressed where they want their donations to be spent. Applications for money from this fund are invited from any member of the hospital. Based on the applications received and their knowledge of the hospital, the Charitable Fund 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.

The charity sends a letter to donors, explaining why it seeks to promote the use of the general funds and designates receipts to the general fund, by default, rather than to service, or department specific funds. In addition, the charity now identifies eight designated, unrestricted funds: cardiac, stroke, urology, diabetes, critical care, emergency department, ophthalmology and endoscopy. Whilst, these funds are not registered individually with the Charity Commission, they are important specific purpose funds managed by the charity.

This approach has reduced the bureaucracy of management of the funds and improved the flexibility and effectiveness of the charity’s use of its available resources.

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 the charity’s funds have been used to provide a variety of additional goods and services that the NHS has not funded. Applications for funding that were approved range from contributions for large items of medical equipment to enhanced facilities for patients and include:

- 2 En-suite Isolation Rooms based on Fortuneswell Ward
- Home adaptation for Renal Dialysis
- Barnes Ward Improvements & Equipment
- Lifestream Computer Software for Cardiology
- Two Video Laryngoscopes
- Sonosite Ultrasound Machine for Fortuneswell Ward
- Bladder Scanner for Day Surgery Unit
- Replacement Video System & Scopes For The Endoscopy Unit
- Replacement Sonosite Ultrasound Machines For The Renal Unit

The charitable funds have also enabled medical and other staff to attend courses and conferences, which have updated them on new ideas and modern techniques in their specialties. Specific funds have also been used, as directed by donors, for the benefit and wellbeing of staff, which ultimately benefits patients.

The charity continued to promote its fundraising activities through local newspaper coverage and press releases and via the charity’s Facebook page which was launched in April 2013.
Donors continued to give money through dedicated websites and direct donations through Dorset County Hospital’s Fundraising Office. Donation display boxes have been placed throughout the Trust and have been emptied regularly.

The charity was also in receipt in 2014/15 of £262,000 in legacies given to the Renal Unit, Stroke Unit and General Purpose Funds, and these have already been used to purchase equipment in these areas of the hospital.

Total income of £602,000 received in the year was higher than the amount collected in 2013/14, which in comparison was £466,000. As a consequence, expenditure of £727,000 on charitable activities was also higher than the total for 2013/14 which was £277,000.

**Supporting the charity**

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 during 2014/15 have been the following charitable organisations:

- Dorset Health Trust,
- Fortuneswell Cancer Trust,
- The Kay Kendall Leukaemia Fund,
- The Dorset Kidney Fund
- The Friends of Dorset County Hospital

We are indebted to all of the individuals and organisations who donate money and offer their time and services in support of the charity

We would also like to thank all of the other organisations that have helped raise the profile of the charity and helped in our fund-raising efforts. These include the following:

- The Heritage Lottery Fund for providing a grant of £9,000 towards the cost of the ‘Dorset County Hospital: 175 Years Of Rural Healthcare’ project developed with the Dorset History Centre, Dorset County Museum & Dorset Youth Association.
- The Alice Ellen Cooper-Dean Charitable Foundation for providing a grant of £10,000 towards the refurbishment of the Lecture Theatre at Dorset County Hospital.
- Dorchester Round Table for their £500 donation to the Special Care Baby Unit
- Mr A Strawbridge for the £1,031 that he raised through sponsorship for the Kingfisher Ward
- Alf’s Fish & Chips for their £800 donation made to the Special Care Baby Unit.

**A review of our finances, achievements and performance**

The net assets of the Charitable Fund as at 31 March 2015 were £330,000 (2014: £455,000). The overall net decrease in assets was due to the purchase of medical and surgical equipment funded by legacies received during the current and previous financial years.

The charity continues to rely on donations, fundraising and legacies as the main sources of income.
Income
Total incoming resources increased by £136,000 to £602,000. Whilst the charity did not run any appeals during 2014/15, donation levels did increase from those in 2013/14. In addition, there was a significant increase in income from grants to fund individual hospital schemes during the year.

Expenditure
Of the total resources expended of £727,000 (2014: £277,000), expenditure on direct charitable activity was £691,000 (2014: £241,000) across a range of programmes. The cost of fundraising, governance and general management of the Fund remained at £36,000 (2014: £36,000).

The charity donated to the Dorset County Hospital NHS Foundation Trust assets of £633,000 (2014: £149,000) these covered contributions to building schemes and medical and surgical equipment. It also donated furniture and fittings of £20,000 (2014: £11,000), staff welfare and amenities of £2,000 (2014: £0), patients’ welfare and amenities of £24,000 (2014: £46,000), artwork expenses of £3,000 (2014: £21,000) and course and conference fees of £9,000 (2014: £14,000).

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, such as consumables and maintenance 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 Charitable Funds Committee on a quarterly basis.

Investments
The Corporate 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 expectations. The Corporate Trustee does not invest its charitable funds in equity-based investments. The Charity’s Investment Policy 2008 states clearly that the Corporate Trustee should ‘not place the funds at risk by speculative investment’. Due to the relatively small level of funds held, the Charitable Funds Committee has chosen not to invest the surplus above reserve levels during the year; and surplus funds are not invested with fund managers. Consequently, though the return on deposits and interest earned remains low as a result of reduced bank deposit interest rates, the fund value has not been put at risk.

Bank and cash balances at the year-end totalled £609,000 of which £579,000 was held in an interest earning account with the Office of the Paymaster General. A further £29,000 was held in the Corporate Trustee’s high street bank for readily accessible funds. £800 was held as Petty Cash at the end of March 2015. Further details are provided in note 9 to the accounts.

The Corporate 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 Corporate 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 Corporate Trustee reviewed its policy on setting a reserve balance for the charitable funds; and adopted a revised policy at its meeting in November 2011. This policy sets a target for reserves to ensure that the charitable funds are not over committed. The level of reserves is based on a realistic assessment of need; and takes account of the following:

- The forecast level of income in future years;
- the level of commitments that the charity has; and
- an analysis of future needs

The policy recognises that, other than restricted funds, charitable donations are given for spending on charitable purposes; and not for investing for an uncertain future.

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. The Charitable Funds Committee agreed, at its meeting in November 2011, to set the target reserves balance at £50,000.

Our future plans
The Corporate Trustee has committed to a long term role for the charity. However, the Department Of Health has outlined future proposed changes that are likely to affect the way that NHS Charitable Funds are governed. A publication has been issued in March 2015 by the Department Of Health titled 'Conversion To Independent Status – Outline Guidance', which gives an outline of the process that the Trust, as the charity Corporate Trustee, would need to follow if it were to decide that the charity was to be run independently. The Trust's Charitable Committee is in the process of assessing and discussing this guidance, and will be indicating its future plans for the charity some time during 2015/16.

With the successful appointment of the Head of Fundraising during March 2015, in conjunction with the setting up of a Fundraising Committee, it is anticipated that future income streams can be identified and secured for the charity.

The Corporate Trustee will continue to review the investment policy and will adapt investment decisions based on the level of funds available.

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

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

May 2015
Independent Auditor’s Report to the Corporate Trustee of Dorset County Hospital NHS Foundation Trust Charitable Fund

We have audited the financial statements of the Dorset County Hospital NHS Foundation Trust Charitable Fund for the year ended 31 March 2015 on pages 12 to 18. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity’s Corporate Trustee in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity’s Corporate 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 the charity’s Corporate Trustee for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Corporate Trustee and auditor

As explained more fully in the statement of Corporate Trustee’s responsibilities, the Corporate Trustee is responsible for the preparation of financial statements which give a full and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board (APB’s) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Corporate Trustee; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustee’s Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity’s affairs as at 31 March 2015 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee’s Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not been received all the information and explanations we require for our audit.

Edwards and Keeping
Chartered Accountants and Statutory Auditor
Unity Chambers
34 High East Street
Dorchester
Dorset. DT1 1HA

6 July 2015

Edwards and Keeping is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.
Dorset County Hospital NHS Foundation Trust Charitable Fund

Statement of Financial Activities for the year ended 31 March 2015

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<th>Note</th>
<th>Unrestricted funds £000</th>
<th>Restricted funds £000</th>
<th>Total funds £000</th>
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<td><strong>Incoming resources</strong></td>
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<td>Incoming resources from generated funds:</td>
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<tr>
<td>Voluntary income</td>
<td>3</td>
<td>309</td>
<td>291</td>
<td>600</td>
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<tr>
<td>Investment income and interest</td>
<td>4</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total incoming resources</strong></td>
<td>311</td>
<td>291</td>
<td>602</td>
<td>466</td>
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<tr>
<td><strong>Resources expended</strong></td>
<td></td>
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<tr>
<td>Charitable activities - grants</td>
<td>5</td>
<td>546</td>
<td>145</td>
<td>691</td>
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<td>Governance costs</td>
<td>6</td>
<td>11</td>
<td>25</td>
<td>36</td>
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<tr>
<td><strong>Total resources expended</strong></td>
<td>557</td>
<td>170</td>
<td>727</td>
<td>277</td>
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<tr>
<td><strong>Net movement in funds for the year</strong></td>
<td>(246)</td>
<td>121</td>
<td>(125)</td>
<td>189</td>
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<td><strong>Reconciliation of funds</strong></td>
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<td>Funds brought forward at 1 April 2014</td>
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<td>Funds carried forward at 31 March 2015</td>
<td>10</td>
<td>95</td>
<td>235</td>
<td>330</td>
</tr>
</tbody>
</table>
## Dorset County Hospital NHS Foundation Trust Charitable Fund

**Balance Sheet as at 31 March 2015**

<table>
<thead>
<tr>
<th>Note</th>
<th>Unrestricted funds £000</th>
<th>Restricted funds £000</th>
<th>Total funds 2015 £000</th>
<th>Total funds 2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Current assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td>75</td>
<td>41</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>8</td>
<td>304</td>
</tr>
</tbody>
</table>

### Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9</td>
<td>250</td>
</tr>
</tbody>
</table>

### Net current assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95</td>
<td>235</td>
</tr>
</tbody>
</table>

### Net assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95</td>
<td>235</td>
</tr>
</tbody>
</table>

### Funds

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted income funds</td>
<td>-</td>
<td>235</td>
</tr>
<tr>
<td>Unrestricted income funds</td>
<td>95</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95</td>
<td>235</td>
</tr>
</tbody>
</table>

Signed

Libby Walters, Director of Finance

Dorset County Hospital NHS Foundation Trust

May 2015
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, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Charities Act 2011.

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 of those funds that the Corporate 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 Corporate Trustee, at its discretion, has created a fund for a specific purpose.

   Special purpose funds registered as linked charities when the main charity was registered may be either unrestricted designated funds or restricted funds.

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 Corporate Trustee has given approval. The Foundation Trust has full knowledge of the plans of the Corporate 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.

   Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity, representing grants to the Hospital as shown in note 5.
Dorset County Hospital NHS Foundation Trust Charitable Fund

Governance costs comprise all costs incurred in the governance of the charity. These include costs related to statutory audit, together with overhead and administration costs, apportioned on the basis of fund balances held.

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

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 £691,000 (2014: £241,000) is detailed in note 5. At 31 March 2015 the charity had made £437,000 (2014: £117,000) of grant commitments to the Foundation Trust which had not yet been paid. The Foundation Trust also charges the charity for administrative expenses of £32,000 (2014: £32,000).

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 either year and the Corporate Trustee has not purchased trustee indemnity insurance.

As an unincorporated charity, control of the charity vests with the Corporate Trustee.

3. Voluntary and fundraising income

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds £000</th>
<th>Restricted funds £000</th>
<th>Total funds 2015 £000</th>
<th>Total funds 2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>80</td>
<td>40</td>
<td>120</td>
<td>73</td>
</tr>
<tr>
<td>Legacies</td>
<td>20</td>
<td>242</td>
<td>262</td>
<td>333</td>
</tr>
<tr>
<td>Grants received</td>
<td>209</td>
<td>9</td>
<td>218</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>309</td>
<td>291</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>600</td>
<td>465</td>
</tr>
</tbody>
</table>

4. Investment income
Investment income of £1,479 (2014: £1,094) 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.

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds £000</th>
<th>Restricted funds £000</th>
<th>Total funds £000 2015</th>
<th>Total funds £000 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings schemes; medical and surgical equipment</td>
<td>485</td>
<td>148</td>
<td>633</td>
<td>149</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>19</td>
<td>1</td>
<td>20</td>
<td>11</td>
</tr>
<tr>
<td>Artwork expenses</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>Course and conference fees</td>
<td>7</td>
<td>2</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>Patients' welfare and amenities</td>
<td>32</td>
<td>(8)</td>
<td>24</td>
<td>46</td>
</tr>
<tr>
<td>Staff welfare and amenities</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>546</strong></td>
<td><strong>241</strong></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds £000</th>
<th>Restricted funds £000</th>
<th>Total funds £000 2015</th>
<th>Total funds £000 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial services</td>
<td>7</td>
<td>16</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Charitable administrator</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Auditor's remuneration</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>11</strong></td>
<td><strong>25</strong></td>
<td><strong>36</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

The auditor's remuneration of £4,080 is an accrual for 2014/15 (2013/14 £3,960). No additional services were provided in either year.
7. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other debtors</td>
<td>168</td>
<td>268</td>
</tr>
</tbody>
</table>

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

8. Cash at bank and in hand

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barclays deposit account</td>
<td>29</td>
<td>5</td>
</tr>
<tr>
<td>PGO deposit account</td>
<td>579</td>
<td>331</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>609</td>
<td>337</td>
</tr>
</tbody>
</table>

9. Creditors

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
<th>2014 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other creditors</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Accruals</td>
<td>4</td>
<td>27</td>
</tr>
<tr>
<td>Grant commitments</td>
<td>437</td>
<td>117</td>
</tr>
<tr>
<td>Total</td>
<td>447</td>
<td>150</td>
</tr>
</tbody>
</table>

Grant commitments are included as a legal obligation after funding authorisation has been given by the charity and are expected to be paid within one year of authorisation.

Movement in grant commitments during the year

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant commitments</td>
<td>437</td>
</tr>
<tr>
<td>recognised at 31 March</td>
<td></td>
</tr>
</tbody>
</table>

Grant commitments recognised at 1 April 2014

New grant commitments charged to the statement of financial activities (note 5)

Amounts paid during the year

<table>
<thead>
<tr>
<th></th>
<th>2015 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant commitments</td>
<td>437</td>
</tr>
</tbody>
</table>
10. Funds

<table>
<thead>
<tr>
<th></th>
<th>At 1 April 2014</th>
<th>Incoming resources £000</th>
<th>Outgoing resources £000</th>
<th>At 31 March 2015 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Purpose*</td>
<td>20</td>
<td>278</td>
<td>(278)</td>
<td>20</td>
</tr>
<tr>
<td>Staff General Purpose*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Patients General Purpose*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Endoscopy</td>
<td>254</td>
<td>-</td>
<td>(239)</td>
<td>15</td>
</tr>
<tr>
<td>Emergency Department</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Cardiac</td>
<td>34</td>
<td>2</td>
<td>(26)</td>
<td>10</td>
</tr>
<tr>
<td>Critical Care</td>
<td>15</td>
<td>4</td>
<td>(4)</td>
<td>15</td>
</tr>
<tr>
<td>Diabetes</td>
<td>3</td>
<td>-</td>
<td>(3)</td>
<td>-</td>
</tr>
<tr>
<td>Stroke</td>
<td>6</td>
<td>26</td>
<td>(6)</td>
<td>26</td>
</tr>
<tr>
<td>Urology</td>
<td>6</td>
<td>1</td>
<td>(1)</td>
<td>6</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Unrestricted funds</strong></td>
<td>341</td>
<td>311</td>
<td>(557)</td>
<td>95</td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children’s Services Trust*</td>
<td>8</td>
<td>10</td>
<td>(3)</td>
<td>15</td>
</tr>
<tr>
<td>Art in Hospitals*</td>
<td>4</td>
<td>9</td>
<td>(1)</td>
<td>12</td>
</tr>
<tr>
<td>Cancer Services*</td>
<td>18</td>
<td>4</td>
<td>(1)</td>
<td>21</td>
</tr>
<tr>
<td>Post Graduate Education &amp; Research*</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>The Lillian Martin Ophthalmology Fund*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special Care Baby Unit*</td>
<td>56</td>
<td>11</td>
<td>(8)</td>
<td>59</td>
</tr>
<tr>
<td>Renal Fund*</td>
<td>26</td>
<td>257</td>
<td>(157)</td>
<td>126</td>
</tr>
<tr>
<td>Diabetic Fund*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Boost Appeal Fund – Digital Mammography</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Restricted funds</strong></td>
<td>114</td>
<td>291</td>
<td>(170)</td>
<td>235</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>455</td>
<td>602</td>
<td>(727)</td>
<td>330</td>
</tr>
</tbody>
</table>

*Special purpose funds registered with the Charity Commission as linked charities

Restricted funds arise where a donor gives money for a specific purpose. They comprise the special purpose funds registered with the Charity Commission and funds arising from public appeal. These funds can only be applied towards grants for the particular purpose specified. The Corporate Trustee is confident that sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

Designated funds arise where the donor has made known their non-binding wishes or where the Corporate Trustee has created a fund for a specific purpose. They include three general purpose funds registered as linked charities with the Charity Commission. Such funds are expendable at the discretion of the Corporate Trustee.