

**NORTH CUMBRIA UNIVERSITY  
HOSPITALS NHS TRUST CHARITABLE  
FUND**

Annual Report And Accounts

For The Year Ended 31 March 2009

**CHARITY COMMISSION FOR ENGLAND AND WALES  
REGISTRATION NUMBER: 1059946**

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## **Trustee's Report**

### **Foreword**

The Corporate Trustee presents the Charitable Fund's Annual Report together with the Audited Financial Statements for the year ended 31 March 2009.

The Charity's annual report and accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the trust deed, the Charities Act 1993, as amended by the Charities Act 2006, the Charity (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2005. The Charity's report and accounts include all the separately established funds for which the North Cumbria University Hospitals NHS Trust is the sole beneficiary.

The Charity has a Corporate Trustee: the North Cumbria University Hospitals NHS Trust. The members of the Trust Board during the financial year and up to the date of these accounts were as follows:

Eric Urquhart	- Chair (left 5 May 2008)
Mike Little	- Chair (from 6 May 2008)
Marie Burnham	- Chief Executive (left 30 June 2008)
Carole Heatly	- Chief Executive (from 1 September 2008)
Jonathan Wood	- Director of Finance & Performance (left 31 August 2009)
Alexander Brown	- Director of Nursing
Kevin Clarkson	- Chief Operating Officer/ Deputy Chief Executive
Simon Raimes	- Medical Director
Michael Bonner	- Non-Executive Director
Peter Inglis	- Non-Executive Director (left 30 November 2008)
Martin Shields	- Non-Executive Director (left 30 November 2008)
Ray Wager	- Non-Executive Director (left 30 November 2008)
Suzanne Cholerton	- Non-Executive Director (from 15 December 2008)
Judith Cooke	- Non-Executive Director (from 1 December 2008)
Philip Day	- Non-Executive Director (from 1 December 2008)
Mark Evens	- Non-Executive Director (from 14 July 2008)
Eric Gardiner	- Acting Director of Finance (from 31 August 2009)

Non-Executive Members of the Trust Board are appointed by the NHS Appointments Commission and Executive members of the Board are subject to recruitment by the NHS Trust Board.

Note that the Trust changed its name on 1 August 2008 to North Cumbria University Hospitals NHS Trust via an amendment order on statutory instrument number 1775, 2008. The name of the Charitable Fund has been amended correspondingly. This does not affect the status of the Charitable Fund in any way.

## **Reference And Administrative Details**

The Charity is called the North Cumbria University Hospitals NHS Trust Charitable Fund and is registered with the Charity Commission for England and Wales; registration number: 1059946.

The North Cumbria University Hospitals NHS Trust Charitable Fund is an umbrella charity, comprising Unrestricted General Purpose Funds and Restricted Special Purpose Funds. Creating an umbrella charity for general or unrestricted purposes wide enough to encompass all other charities administered by the same Trustee allows these restricted purpose NHS Special Purpose charities to use the same charity registration number, share bank accounts and produce a single Annual Report and Accounts. This brings significant savings in terms of administration and management costs.

### **Unrestricted General Purpose Funds**

The Trustee has discretion to apply these funds for any purpose within the objects of the Charity. However, the Trustee has adopted a policy of designating funds within the unrestricted general funds in order to respect the wishes of our generous donors wherever possible. All general purpose funds which are not designated like this are recorded as General Funds and are spent as far as possible in the optimum way to further the objects of the Charity.

### **Restricted Special Purpose Charities**

Under the Charitable Fund eight NHS Special Purpose Charities have been registered. They share the same registration number but they are separate entities, are registered with the Charity Commission and their relationship with the umbrella charity is recorded.

These NHS Special Purpose Charities are accounted for as restricted funds and their income can only be used for the purposes shown in their registration documents.

The following eight NHS Special Purpose Charities are registered with the Charity Commission. In each case the governing document is a Declaration of Trust.

#### **1) Carlisle Hospitals Radiotherapy Fund**

For any charitable purpose or purposes connected with the radiotherapy department at the Cumberland Infirmary.

#### **2) Carlisle Hospitals CT Scanner Fund**

For the relief of sickness by the provision and maintenance of a Computed Tomography Scanner for use at the Cumberland Infirmary.

#### **3) Carlisle Hospitals Children Fund**

For the relief of sickness of children who are or have been treated principally (but not exclusively) at the Cumberland Infirmary.

#### **4) North Cumbria Acute Hospitals Cancer Fund**

For any charitable purpose or purposes, principally (but not exclusively) in connection with the services provided by North Cumbria University Hospitals NHS Trust which will further the following aims:

a) the investigation of the causes of cancer and the prevention, treatment, cure and

## North Cumbria University Hospitals NHS Trust Charitable Fund – 2008/09

defeat of cancer in all its forms;

b) the advancement of scientific and medical education and research in topics related to cancer provided the useful results of such research must be published;

c) the furtherance of any other charitable purposes for the relief of persons suffering from cancer.

### **5) Carlisle Hospitals Breast Cancer Fund**

For any charitable purpose or purposes connected with the prevention, diagnosis or treatment of breast cancer principally (but not exclusively) at the Cumberland Infirmary.

### **6) Carlisle Hospitals Cardiology Fund**

For any charitable purpose or purposes connected with the prevention, diagnosis or treatment of disorders of the heart principally (but not exclusively) at the Cumberland Infirmary.

### **7) Carlisle Hospitals Renal Fund**

For any charitable purpose or purposes connected with the prevention, diagnosis or treatment of disorders of the kidneys principally (but not exclusively) at the Cumberland Infirmary.

### **8) Carlisle Hospitals Medical Equipment Fund**

For the relief of sickness by the provision and maintenance of medical, surgical and diagnostic equipment at the Cumberland Infirmary.

## **Trustee**

North Cumbria University Hospitals NHS Trust was established by the Secretary of State for Health on 1 April 2001 and is the Corporate Trustee of the Charitable Funds, governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 1993, as amended by the Charities Act 2006. The Trustee's responsibilities must be discharged separately from its responsibilities for non-charitable funds. Accountability for charitable funds is both to the Charity Commission and to the Secretary of State for Health.

The NHS Trust Board devolved responsibility for the on-going management of funds to the Charitable Funds Committee, which administers the funds on behalf of the Corporate Trustee.

## **Principal Office**

The registered address of the Charity is:

Director of Finance  
Cumberland Infirmary  
Carlisle  
Cumbria  
CA2 7HY

## **Principal Professional Advisors**

### **Bankers**

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

### **Auditors**

Audit Commission  
2nd Floor Aspinall House  
Aspinall Close  
Middlebrook  
Bolton  
BL6 6QQ

### **Investment Advisors**

HSBC Global Asset Management  
78 St James's Street  
London  
SW1A 1HL

### **Solicitors**

Ward Hadaway  
102 Quayside  
Newcastle Upon Tyne  
NE1 3DX

## **Governance And Management**

The Charitable Funds 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.
- Ensure that the approved Investment Policy by the NHS Trust Board as Corporate Trustee is adhered to and that performance is continually reviewed whilst being aware of ethical considerations.
- Keep the Trust Board fully informed on the activity, performance and risks of the Charity.
- The Director of Finance is the responsible executive officer. The accounting records and the day-to-day administration of the funds are dealt with by the Finance Department located at Cumberland Infirmary, Carlisle, CA2 7HY.

Governance is maintained by various policies and procedures, in particular the Charitable Funds Policy which is reviewed by the Committee on a regular basis. A copy of this is given to all new Board members as part of their training and induction. This Committee oversees the administration of the Charitable Funds and its minutes are presented to the full Trust Board for ratification.

In general the Trust's Standing Orders and Standing Financial Instructions and schemes of delegation cover both charitable and exchequer funds but the over-riding principle is that the separateness and integrity of each must be maintained and materiality separately assessed.

## North Cumbria University Hospitals NHS Trust Charitable Fund – 2008/09

Members of the Trust Board and the Charitable Funds Committee are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

The members of the Charitable Funds Committee in 2008/09 were:

### **Non-Executive Directors**

Peter Inglis	-Chair (left 30 November 2008)
Martin Shields	- (left 30 November 2008)
Eric Urquhart	- (left 5 May 2008)
Michael Bonner	
Mark Evens	- Chair (appointed 14 July 2008, Chair from 30 November 2008)
Mike Little	- Trust Chair (from 6 May 2008)

### **Executive Directors**

Jonathan Wood	- Director of Finance
Alexander Brown	- Director of Nursing

## **Risk Management**

The Charity operates under the Corporate and Controls Assurance policies and procedures of the NHS Trust as part of its governance arrangements. The Trust has in place as part of its risk management strategy both a risk register and a framework for the identification and minimization of risk.

The most significant risk is from possible losses due to a fall in the value of the investments. There are procedures in place to review the investment policy and the level of resources placed in the investment fund is limited to mitigate the impact of such losses.

Income and expenditure is being monitored in total to ensure that both pending and firm financial commitments remain in line with income to avoid unforeseen calls on reserves.

## **Objectives and Activities for the Public Benefit**

The Charity has the following objects:

*The Trustee shall hold the charitable fund upon trust to apply the 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.*

Charitable funds received by the Charity are accepted and held 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 and the National Health Service and Community Care Act 1990 and these funds are held on trust by the corporate body. The members of the Charitable

## North Cumbria University Hospitals NHS Trust Charitable Fund – 2008/09

Funds Committee confirm that they have referred to the Guidance provided by the Charity Commission on public benefit when reviewing aims and objectives, when planning future activities and in setting the grant making policy for the year.

The Charity carries out these objects by funding activities that benefit NHS patients of North Cumbria University Hospitals NHS or the staff that deliver patient care to those patients. These activities may improve the health of patients, improve the general patient experience, improve the skills of staff, improve working conditions for staff or improve staff morale.

### **Policy on Grant Making**

The Charitable Funds Committee has established its grant making policy to achieve its objects for the public benefit to improve patient care for NHS patients. All grants made during the year were made to North Cumbria University Hospitals NHS Trust.

The Committee follows a policy of delegation of decision making on grants to hospital managers, who in turn designate fund managers as appropriate. In this way the Trust Board seeks to maximise the input of medical, nursing and other patient care staff in the utilisation of funds and to manage the Corporate Trusteeship within the schemes of delegation of the Corporate body. Non-designated General Purpose Funds are managed by Executive Directors who make decisions on grant making related to their sphere of responsibility. The Charitable Funds Committee monitors income and grant making.

Fund managers are able to authorise grants up to the value of £5,000.

Advance approval is required from the Chief Executive or the Director of Finance for grants between £5,000 and £20,000.

The Trust Board retains the responsibility for approving in advance grants for any item over £20,000.

Policy guidelines have been approved by the Trustee and have been circulated to all staff members involved in the administration of Charitable Funds. These Policy guidelines are reviewed periodically by the Charitable Funds Committee.

### **Our Future Plans**

Mindful of the continuing changes in the NHS, including the Closer to Home initiative being pursued by NHS Cumbria, the future direction of the Charity will inevitably be shaped by such developments. The reconfiguration of services and the plans for redesigning patient care to meet future needs will influence the priorities for the spending of charitable funds.

In May 2008 the Committee adopted a formal stated reserves policy. The objective of the reserves policy is to broadly ensure that income received in any one year is approximately equal to expenditure in that year, thus ensuring that reserves do not increase disproportionately over time. The minimum level of reserves held will be limited to the average expenditure over the previous 2 years to ensure that the Charity has sufficient funds to cover likely commitments over the coming year. The policy will only be varied in



## North Cumbria University Hospitals NHS Trust Charitable Fund – 2008/09

circumstances where sufficient funds are required to meet a specific objective. Such an objective would be defined as an individual fund raising initiative or as something specifically identified in the Charity's spending plans. Once any such objective is achieved the reserves would revert to the previously defined level.

In a similar vein the Committee began to implement a way of formalising spending plans for the Charity to ensure that it is looking ahead to meet many changes that may arise in the years ahead. Key features of these plans include identifying in advance substantial items of expenditure; identifying any large items of expenditure in the Trust's capital programme that cannot be funded via its capital resources; and engaging the continual involvement of hospital managers in the ongoing planning and monitoring of the Charity's expenditure. This process is being reviewed and made more robust over time and the resulting spending plans are continually being updated.

### **How the Charitable Fund Delivered Public Benefit: Review of Finances, Achievements And Performance**

During the year, the funds continued to support a wide range of charitable and health related activities benefiting both patients and staff. In general they are used to purchase the very varied additional goods and services that the NHS is unable to provide.

The ward charitable funds receive many donations specifically given to thank the nursing staff and these are used for charitable activities that will benefit staff. The charitable funds also enable consultants and other medical staff to attend courses not funded by the NHS, which will update them on the new ideas and modern techniques in their specialties.

The net assets of the Charitable Funds as at 31 March 2009 were £3.395 million (2008: £2.998 million). Overall, net assets increased by £397,000. There was a reduction in the valuation of investments of £148,000 and an excess of income over expenditure of £545,000.

The Charity continues to rely on donations and legacies and investment income as the main sources of income. Donations and legacies are given voluntarily and by their nature are unpredictable and outside the control of the Charity. Because health care is provided free at the point of delivery under the NHS and the Charity is hospital-based, it does not actively seek to raise funds. It does however provide assistance to people or organisations in the community who wish to raise funds on its behalf.

The value of donations was £488,000 (2008: £664,000) and the value of legacies was £714,000 (2008: £77,000). Total incoming resources increased by £441,000 from the previous year. One very large legacy estimated at £594,000 was made towards the end of the financial year but will not be realisable in cash until late in the following financial year.

Of the total expenditure of £753,000 (2008: £824,000), expenditure on direct charitable activity was £703,000 (2008: £776,000) across a range of programmes.

### **Patient Care Equipment and Grants**

Over 400 grants were made for medical and surgical equipment, furniture, information technology equipment and minor building work, totalling £422,000. The following grants of over £10,000 were made during the year:

- £100,000 Heart start defibrillators
- £21,574 Thermo contour for avantguard
- £10,627 Tonometer slit lamp
- £29,145 Refurbishment of Henderson Suite
- £20,427 Furniture for West Cumberland Hospital
- £14,000 Europrobe system
- £29,485 Cardiology Echopac

### **Patients Welfare and Amenities**

Over 60 grants totalling over £5,000 were made under this heading for a wide range of purposes. Examples are: Children's toys, Christmas decorations, Christmas presents for children, refreshments for patient groups, purchase of flowers, newspapers, and quiz books.

### **Staff Education and Training**

Over 600 grants totalling £240,000 were made to staff employed by North Cumbria University Hospitals NHS Trust under this heading. Grants were made to enable staff to attend health related courses, to pay for university fees, attend conferences and study days and also for the purchase of textbooks and for subscriptions to technical periodicals. It also included sponsorship of the NHS Celebrating Excellence staff awards and the NHS Institute for Innovation training pack.

### **Staff Welfare and Amenities**

Grants totalling £33,000 were made under this heading for Long Service Awards, staff Christmas festivities and other staff functions.

### **Balance Sheet at 31 March 2009**

The only fixed assets of the Charity are its investments, with a market value at the year end of £468,000. The investments consist of a portfolio of fixed interest stocks and UK and overseas equities managed by HSBC Global Asset Management. The investments are governed with reference to the Charity's Investment Policy, which places the following ethical restrictions on the funds: "The Trustee chooses not to invest directly in companies with a significant interest in alcohol, tobacco or armaments". All investments are readily saleable.

The managed portfolio earned £17,829 in income (2008: £24,059), which is an annualised yield of 3.64% (2008: 3.75%). The performance of investments is monitored and reported on a quarterly basis. The relative performance of the fund against some relevant benchmarks over the last 2 years is shown below.

## North Cumbria University Hospitals NHS Trust Charitable Fund – 2008/09

Total Return Performance Summary:	<u>2009</u>	<u>2008</u>
NCUH Charitable Fund Managed Portfolio	-20.6%	-3.1%
Benchmark - APCIMS Balanced (TR)	-17.6%	-3.0%
FTSE All-Share TR	-29.3%	-7.7%
FTSE Actuaries Government Securities UK TR	10.3%	7.6%

Other assets consist of cash held in interest bearing accounts with HSBC and the Office of HM Paymaster General.

Of the total net assets of the Charity at 31 March 2009 of £3.395 million (2008: £2.998 million); £1.128 million (2008: £0.530 million) were owned by the Restricted Funds (Special Purpose Charities); and £2.267 million (2008: £2.468 million) were owned by the Unrestricted Funds (General Purpose Charities).

## **Trustee's Responsibility in Relation to the Financial Statements**

This report also represents the Trustee's report which is required to be prepared by the Charities Act 1993.

The Corporate Trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Charity and ensure that the financial statements comply with the Charities Act 1993, as amended by the Charities Act 2006, 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.

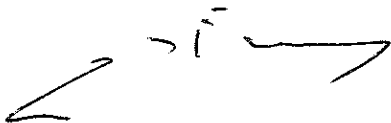
The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates, where required, that are reasonable and prudent;
- follow applicable accounting standards and statements of recommended practice;
- prepare the financial statements on the going concern basis as the Trustee considers the Charity will continue in operation for the foreseeable future.

The Trustee confirms that they have met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on the following pages have been compiled from and are in accordance with the financial records maintained by the Trustee.

On behalf of the staff and patients who have benefited from improved services due to donations and legacies, the Trustee would like to thank all patients, relatives of patients, staff and members of the community who have made charitable donations.

Approved by the Charitable Funds Committee on behalf of the Corporate Trustee on 14 December 2009 and signed on their behalf by:



**Mark Evens**  
**Chair of the Charitable Funds Committee**

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## **Independent Auditor's Report to the Trustee of North Cumbria University Hospitals NHS Trust Charitable Fund**

I have audited the financial statements of North Cumbria University Hospitals NHS Trust Charitable Fund for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

### **Respective responsibilities of trustee and auditor**

The responsibilities of the trustee for preparing the 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.

I have been appointed as auditor under section 29 of the Audit Commission Act and section 43A of the Charities Act 1993 and report in accordance with regulations made under section 44 of the Charities Act 1993. My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. I report to you whether, in my opinion, the information which comprises the commentary on the financial performance of the charity, included in the Annual Report is consistent with the financial statements. I also report to you if the charity has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

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

### **Basis of audit opinion**

I conducted my 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 judgements 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.



I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In my opinion the financial statements:

- Comply with the requirements of regulation 8 of the Charities (Accounts and Reports) Regulations 2008;
- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Charities Act 1993.

*Jackie Bellard*

**Jackie Bellard**  
*Engagement Lead*

Audit Commission  
Aspinall House  
Aspinall Close  
Middlebrook  
Horwich  
Bolton  
BL6 6QQ

27 January 2010

## Statement of Financial Activities for the year ended 31 March 2009

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2008-09 Total Funds £000	2007-08 Total Funds £000
<b>Incoming resources</b>						
Donations, Legacies and similar resources						
Donations		388	100	0	488	664
Legacies		121	593	0	714	77
Grants receivable:						
From other NHS bodies		0	0	0	0	0
Other grants receivable		0	0	0	0	0
Total Donations and Legacies	2	509	693	0	1,202	741
Operating Activities						
Activities for generating funds		0	0	0	0	0
Activities in furtherance of the charity's objectives		0	0	0	0	0
Total Operating Activities		0	0	0	0	0
Investment income	8.3	78	18	0	96	116
Other incoming resources		0	0	0	0	0
<b>Total incoming resources</b>		<b>587</b>	<b>711</b>	<b>0</b>	<b>1,298</b>	<b>857</b>
<b>Resources expended</b>						
Costs of generating funds		2	0	0	2	0
Grants to North Cumbria University Hospitals NHS Trust	3	599	104	0	703	776
Activities in furtherance of charity's objectives		0	0	0	0	0
Support costs		0	0	0	0	0
Governance Costs	4	39	9	0	48	48
<b>Total resources expended</b>	5	<b>640</b>	<b>113</b>	<b>0</b>	<b>753</b>	<b>824</b>
Net incoming/(outgoing) resources before Transfers		(53)	598	0	545	33
Gross transfer between funds		0	0	0	0	-
<b>Net incoming/(outgoing) resources</b>		<b>(53)</b>	<b>598</b>	<b>0</b>	<b>545</b>	<b>33</b>
Gains/(losses) on revaluation of own fixed assets		0	0	0	0	0
Gains/(losses) on revaluation and disposal of investment assets		(148)	0	0	(148)	(43)
<b>Net movement in funds</b>	6	<b>(201)</b>	<b>598</b>	<b>0</b>	<b>397</b>	<b>(10)</b>
Fund balances brought forward at 1 April		2,468	530	0	2,998	3,008
<b>Total Fund Balances</b>	11	<b>2,267</b>	<b>1,128</b>	<b>0</b>	<b>3,395</b>	<b>2,998</b>

The notes at pages 17 to 25 form part of this account.

**Balance Sheet as at 31 March 2009**

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March 2009 £000	Total at 31 March 2008 £000
<b>Fixed Assets</b>						
Intangible assets	7	0	0	0	0	0
Tangible assets	7	0	0	0	0	0
Inalienable & historic assets		0	0	0	0	0
Investments	8	468	0	0	468	595
<b>Total Fixed Assets</b>		<b>468</b>	<b>0</b>	<b>0</b>	<b>468</b>	<b>595</b>
<b>Current Assets</b>						
Stocks		0	0	0	0	0
Debtors	9.1	121	594	0	715	684
Short term investments/deposits	9.3	22	0	0	22	47
Cash at bank and in hand		1,707	568	0	2,275	1,743
<b>Total Current Assets</b>		<b>1,850</b>	<b>1,162</b>	<b>0</b>	<b>3,012</b>	<b>2,474</b>
Creditors: Amounts falling due within one year	10	51	34	0	85	71
<b>Net Current Assets/(Liabilities)</b>		<b>1,799</b>	<b>1,128</b>	<b>0</b>	<b>2,927</b>	<b>2,403</b>
<b>Total Assets less Current Liabilities</b>		<b>2,267</b>	<b>1,128</b>	<b>0</b>	<b>3,395</b>	<b>2,998</b>
Creditors: Amounts falling due after more than one year		0	0	0	0	0
Provisions for liabilities and charges		0	0	0	0	0
<b>Total Net Assets</b>		<b>2,267</b>	<b>1,128</b>	<b>0</b>	<b>3,395</b>	<b>2,998</b>
<b>Funds of the Charity</b>						
Capital Funds:						
Endowment Funds		0	0	0	0	0
Income Funds:						
Restricted	11.1	0	1,128	0	1,128	530
Unrestricted	11.3	2,267	0	0	2,267	2,468
<b>Total Funds</b>		<b>2,267</b>	<b>1,128</b>	<b>0</b>	<b>3,395</b>	<b>2,998</b>

The notes at pages 17 to 25 form part of this account.

The financial statements were approved by the Charitable Funds Committee and authorised for issue on 14 December 2009.

Signed:

Date:

14/12/09



## Notes to the Account

### 1. Accounting Policies

#### 1.1 Accounting Convention

The financial statements have been prepared under the historic cost convention, as modified for the revaluation of certain investments, and in accordance with applicable United Kingdom accounting standards and policies for the NHS approved by the Secretary of State and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued by the Charities Commissioners in 2005.

#### 1.2 Incoming Resources

- a) All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:
- i) entitlement - arises when a particular resource is receivable or the charity's right becomes legally enforceable;
  - ii) certainty - when there is reasonable certainty that the incoming resource will be received;
  - iii) measurement - when the monetary value of the incoming resources can be measured with sufficient reliability.
- b) Gifts in kind
- i) Assets given for distribution by the funds are included in the Statement of Financial Activities only when distributed.
  - ii) Assets given for use by the funds (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.
  - iii) Gifts made in kind but on trust for conversion into cash and subsequent application by the funds are included in the accounting period in which the gift is sold.

In all cases the amount at which gifts in kind, if any, are brought into account is either a reasonable estimate of their value to the funds or the amount actually realised.

#### c) Intangible income

Intangible income, if any, (e.g. the provision of free accommodation) is included in the accounts with an equivalent amount in outgoing resources, if there is a financial cost borne by another party. The value placed on such income is the financial cost of the third party providing the resources.

d) Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes reasonably certain. This will be once confirmation has been received from the representatives of the estates that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

**1.3 Resources expended**

The funds held on trust accounts are prepared in accordance with the accruals concept. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party.

a) Grants payable

Grants payable are payments, made to third parties (including NHS bodies) in the furtherance of the funds held on trust's charitable objectives to relieve those who are sick. They are accounted for on an accruals basis where the conditions for their payment have been met or where a third party has a reasonable expectation that they will receive the grant. This includes grants paid to NHS bodies.

b) Management and administrative costs

These are accounted for on an accruals basis and are recharges of appropriate proportions of costs incurred by North Cumbria University Hospitals NHS Trust in administering the Charitable Funds.

**1.4 Structure of funds**

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the Trustees have chosen to earmark for set purposes are classified funds. The most significant funds held within these categories are disclosed in note 11.

**1.5 Fixed Assets Investments**

Investment fixed assets are shown at market value.

- i. Quoted stocks and shares are included in the balance sheet at mid-market price, ex-dividend.
- ii. Other investment fixed assets are included at trustee's best estimate of market value.

**1.6 Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or date of purchase if later). Unrealised gains and losses are calculated as the difference between market value at the year end and opening market value (or date of purchase if later).

**1.7 Change in the Basis of Accounting**

There has been no change in the basis of accounting during the year.

**1.8 Prior Year Adjustments**

There has been no change to the accounts of prior years.

**1.9 Pooling Scheme**

An official pooling scheme is not operated for investments relating to funds.

**2. Analysis of Income**

<b>2.1 Voluntary Income</b>	Unrestricted Funds	Restricted Funds	Endowment Funds	<b>Total 2009 Funds</b>	<i>Total 2008 Funds</i>
	£000	£000	£000	<b>£000</b>	<i>£000</i>
Donations from individuals	301	87	0	<b>388</b>	<i>528</i>
Donations from Companies	87	13	0	<b>100</b>	<i>136</i>
Legacies	121	593	0	<b>714</b>	<i>77</i>
<b>Total Donations and Legacies</b>	<b>509</b>	<b>693</b>	<b>0</b>	<b>1,202</b>	<i>741</i>

**3. Resources Expended -Grants**

<b>3.1 Summary Of Grants Paid:</b>	Unrestricted Funds	Restricted Funds	Endowment Funds	<b>Total 2009 Funds</b>	<i>Total 2008 Funds</i>
	£000	£000	£000	<b>£000</b>	<i>£000</i>
Patients welfare and amenities	3	2	0	<b>5</b>	<i>4</i>
Staff welfare and amenities	32	1	0	<b>33</b>	<i>21</i>
Research	0	0	0	<b>0</b>	<i>0</i>
Contributions to NHS	564	101	0	<b>665</b>	<i>751</i>
Miscellaneous	0	0	0	<b>0</b>	<i>0</i>
<b>Total Grants Paid</b>	<b>599</b>	<b>104</b>	<b>0</b>	<b>703</b>	<i>776</i>

**3.2 Grants Made to Institutions**

Name of recipient	Aggregate amount paid £000
North Cumbria University Hospitals NHS Trust	703
Other	0
<b>Total</b>	<b>703</b>

**3.3 Grants Made to Individuals**

There were no grants made to individuals.

**4. Analysis of Governance Costs**

	Unrestricted Funds	Restricted Funds	Endowment Funds	<b>Total 2009 Funds</b>	<i>Total 2008 Funds</i>
	£000	£000	£000	<b>£000</b>	<i>£000</i>
Salaries	0	0	0	<b>0</b>	<i>0</i>
Establishment costs	0	0	0	<b>0</b>	<i>0</i>
Travel costs	0	0	0	<b>0</b>	<i>0</i>
Telephone/fax	0	0	0	<b>0</b>	<i>0</i>
Services from N.Cumbria Hospitals	29	7	0	<b>36</b>	<i>36</i>
Audit fee	6	2	0	<b>8</b>	<i>8</i>
Investment managers fee	4	0	0	<b>4</b>	<i>4</i>
Statutory Compliance	0	0	0	<b>0</b>	<i>0</i>
Miscellaneous	0	0	0	<b>0</b>	<i>0</i>
	<b>39</b>	<b>9</b>	<b>0</b>	<b>48</b>	<i>48</i>

## 5. Analysis of Expenditure

<b>5.1 Total Resources Expended</b>	Costs of Generating Funds	Activities for Charitable Objectives	Governance Costs	<b>Total 2009</b>	<i>Total 2008</i>
	£000	£000	£000	<b>£000</b>	<i>£000</i>
Staff	0	0	0	<b>0</b>	<i>0</i>
Depreciation	0	0	0	<b>0</b>	<i>0</i>
Impairments	0	0	0	<b>0</b>	<i>0</i>
Auditors remuneration:					
Audit fee	0	0	8	<b>8</b>	<i>8</i>
Other fees	0	0	0	<b>0</b>	<i>0</i>
Indemnity insurance	0	0	0	<b>0</b>	<i>0</i>
Bought-in services from NHS	0	0	36	<b>36</b>	<i>36</i>
Other	2	703	4	<b>709</b>	<i>780</i>
	<u>2</u>	<u>703</u>	<u>48</u>	<u>753</u>	<u>824</u>

## 5.2 Staff Costs

The Charity does not employ any staff and, therefore, does not have any salary or pension costs.

## 6 Changes in Resources Available for Charity Use

	Unrestricted Funds £000	Restricted Funds £000	<b>Total 2009 £000</b>	<i>Total 2008 £000</i>
Net movement in funds for the year	(201)	598	<b>397</b>	<i>(10)</i>
Net movement in tangible fixed assets:	0	0	<b>0</b>	<i>0</i>
Net movement in funds available for use	<u>(201)</u>	<u>598</u>	<u>397</u>	<u>(10)</u>

## 7 Fixed Assets

The Charity does not have any tangible or intangible fixed assets.

**8 Analysis of Fixed Asset Investments**

	<b>2009</b>	<i>2008</i>
	<b>£000</b>	<i>£000</i>
<b>8.1</b> Fixed Asset Investments:		
Market value at 31 March in prior year	595	638
Less: Disposals at carrying value	(256)	(60)
Add: Acquisitions at cost	277	60
Net gain / (loss) on revaluation	(148)	(43)
Market value at 31 March in current year	<u>468</u>	<u>595</u>
Historic cost at 31 March	<u>482</u>	<u>544</u>

Note: The net loss on revaluation of £148,000 was a result of the dramatic deterioration in the stability of the financial markets which impacted on the value of equities and other investments world-wide. Of the £148,000 some £97,000 was a realised loss (actual) and £51,000 was unrealised, i.e. the value of the investments has fallen but no actual loss was sustained because the investments had not yet been sold. Since the year end the value of investments has increased. See note 14 for further details.

<b>8.2</b> Market value at 31 March :	Held	Held	<b>2009</b>	<i>2008</i>
	in UK	outside UK	<b>Total</b>	<i>Total</i>
	£000	£000	<b>£000</b>	<i>£000</i>
Investment properties	0	0	0	0
Investments listed on Stock Exchange	210	122	332	459
Investments in a Common Deposit Fund or Common Investment Fund	107	15	122	115
Unlisted securities	0	0	0	0
Cash held as part of the investment portfolio	0	0	0	0
Investments in connected bodies	0	0	0	0
Other Investments	14	0	14	21
	<u>331</u>	<u>137</u>	<u>468</u>	<u>595</u>

**8.3 Gross Income From Investments**

	Held	Held	<b>2008-09</b>	<i>2007-08</i>
	in UK	outside UK	<b>Total</b>	<i>Total</i>
	£000	£000	<b>£000</b>	<i>£000</i>
Investments listed on Stock Exchange	11	1	12	14
Investments in a Common Deposit Fund or Common Investment Fund	4	1	5	6
Interest on cash held on deposit	78	0	78	94
Other Investments	1	0	1	2
	<u>94</u>	<u>2</u>	<u>96</u>	<u>116</u>

Note: The investments are all managed by HSBC Global Asset Management. The Charity does not hold any directly managed investments.

**9 Analysis of Debtors**

	<b>31 March 2009</b>	<i>31 March 2008</i>
	<b>£000</b>	<i>£000</i>
<b>9.1</b> Amounts falling due within one year:		
Amounts due from subsidiary and associated undertakings	<b>0</b>	<i>0</i>
Trade debtors	<b>0</b>	<i>0</i>
Prepayments	<b>0</b>	<i>0</i>
Accrued income	<b>715</b>	<i>640</i>
Other debtors	<b>0</b>	<i>44</i>
Total debtors falling due within one year	<b><u>715</u></b>	<i><u>684</u></i>
<b>9.2</b> Amounts falling due over one year:		
Amounts due from subsidiary and associated undertakings	<b>0</b>	<i>0</i>
Trade debtors	<b>0</b>	<i>0</i>
Prepayments	<b>0</b>	<i>0</i>
Accrued income	<b>0</b>	<i>0</i>
Other debtors	<b>0</b>	<i>0</i>
Total debtors falling due after more than one year	<b><u>0</u></b>	<i><u>0</u></i>
<b>Total debtors</b>	<b><u>715</u></b>	<i><u>684</u></i>

**9.3** Short term investments and deposits consists of £22,000 held in cash as part of the investment portfolio (2007/08 £47,000).

**10 Analysis of Creditors**

	<b>31 March 2009</b>	<i>31 March 2008</i>
	<b>£000</b>	<i>£000</i>
<b>10.1</b> Amounts falling due within one year:		
Loans and overdrafts	<b>0</b>	<i>0</i>
Trade creditors	<b>0</b>	<i>0</i>
Amounts due to subsidiary and associated undertakings	<b>0</b>	<i>0</i>
Other creditors	<b>30</b>	<i>19</i>
Accruals	<b>55</b>	<i>52</i>
Deferred income	<b>0</b>	<i>0</i>
Total creditors falling due within one year	<b><u>85</u></b>	<i><u>71</u></i>
<b>10.2</b> Amounts falling due after more than one year:		
Loans and overdrafts	<b>0</b>	<i>0</i>
Trade creditors	<b>0</b>	<i>0</i>
Amounts due to subsidiary and associated undertakings	<b>0</b>	<i>0</i>
Other creditors	<b>0</b>	<i>0</i>
Accruals	<b>0</b>	<i>0</i>
Deferred income	<b>0</b>	<i>0</i>
Total creditors falling due after more than one year	<b><u>0</u></b>	<i><u>0</u></i>
<b>Total creditors</b>	<b><u>85</u></b>	<i><u>71</u></i>

## 11 Analysis of Funds

11.1 Restricted Funds	Balance 31 March 2008 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance 31 March 2009 £000
A Breast Cancer	54	10	(8)	0	0	56
B Cancer	24	7	(7)	0	0	24
C Cardiology	146	23	(55)	0	0	114
D Children	20	8	(7)	0	0	21
E CT Scanner	20	1	(1)	0	0	20
F Medical Equip	1	0	0	0	0	1
G Radiotherapy	218	58	(24)	0	0	252
H Renal	47	614	(21)	0	0	640
<b>Total</b>	<b>530</b>	<b>721</b>	<b>(123)</b>	<b>0</b>	<b>0</b>	<b>1,128</b>

### 11.2 Details of Restricted Funds

Name of fund	Description of the nature and purpose of each fund
A Breast Cancer	Prevention, diagnosis and treatment of breast cancer
B Cancer	Prevention, diagnosis and treatment of cancer
C Cardiology	Prevention, diagnosis and treatment of heart disorders
D Children	Relief of sickness in children
E CT Scanner	Provision and maintenance of CT Scanner
F Medical Equip	Provision of Medical Equipment
G Radiotherapy	Relief of sickness of radiotherapy patients
H Renal	Prevention, diagnosis and treatment of kidney disorders.

11.3 Unrestricted Funds	Balance 31 March 2008 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance 31 March 2009 £000
1 Cumberland Infirmary	1,313	312	(295)	0	(41)	1,289
2 West Cumberland Hospital	1,155	275	(345)	0	(107)	978
<b>Total</b>	<b>2,468</b>	<b>587</b>	<b>(640)</b>	<b>0</b>	<b>(148)</b>	<b>2,267</b>

## 12. Related Party Transactions

During the year none of the NHS Trust Board or members of the key management staff or parties related to them has undertaken any material transactions with the North Cumbria University Hospitals NHS Trust Charitable Fund.

The Charity has made revenue and capital payments to North Cumbria University Hospitals NHS Trust, which is the Corporate Trustee of the charitable trust. In addition it made payments for governance and administration services, which are disclosed in note 5.1.

At any one time North Cumbria University Hospitals NHS Trust holds balances for debtors and creditors relating to the transactions it processes on behalf of the Charity, which are normally settled within the following month.

## 13. Committee Remuneration

None of the members of the Charitable Funds Committee have been remunerated or reimbursed from the Charitable Funds for services provided to the Charity, or for expenses incurred in relation to those services.

## 14. Post Balance Sheet Events

It is noted that the UK economy has continued to be in recession and that this has had a volatile impact on the value of the Charity's investments. The last valuation of the investments was as at 30 September 2009 when the value was £589,000 (including £34,000 in cash). This has increased from £489,000 (including £22,000 in cash) as at 31 March 2009.



## NATIONAL HEALTH SERVICE FUNDS HELD ON TRUST (ENGLAND)

### ACCOUNTS DIRECTION

The Secretary of State, with the approval of the Treasury, in pursuance of Section 98(2) of the National Health Service Act 1977 hereby gives the following direction:

1. In this direction, unless the context otherwise requires -

"the Act" means the National Health Service Act 1977;

"the Authority" means, as the case may require, a Health Authority, a Special Health Authority, a Primary Care Trust, an NHS Trust, Special Trustees appointed in pursuance of Section 29(1) of the National Health Service Reorganisation Act 1973 and Section 95(1) of the National Health Service Act 1977 (as amended) and to any trustees for an NHS Trust appointed in pursuance of Section 11 of the National Health Service and Community Care Act 1990.

2. The statement of account which it is the duty of the Authority to prepare in respect of its funds held on trust shall, in respect of the financial year ended 31 March 2001 and subsequent financial years, be as set out in the following paragraphs and Schedule.

3. The statement of accounts in respect of any Funds Held on Trust shall comprise:

- a. a foreword;
- b. a statement of financial activities;
- c. a balance sheet;
- d. a cash flow statement (but only where the total funds held on trust satisfy the size criteria set out in Section 247 of the Companies Act 1985);
- e. notes to the accounts.

4. The statement of account shall give a true and fair view of the incoming resources and application of resources of the funds held on trust in the financial year and the balance sheet shall give a true and fair view of the state of affairs of the funds held on trust at the end of the financial year in respect of which the statement of account is prepared. The statement of account shall separately show the charitable and non charitable funds held on trust. Subject to these requirements, the statement of account shall also, without limiting the information given, meet :

- a. generally accepted accounting practice in the United Kingdom including accounting standards issued or adopted by the Accounting Standards Board;
- b. all relevant guidance given by the Charity Commission, including the Statement of Recommended Practice "Accounting and Reporting by Charities";
- c. all relevant guidance given by the NHS Executive;
- d. any disclosure and accounting requirements which the Treasury may issue from time to time;

insofar as these are appropriate to the Authority's funds held on trust and are in force for the financial year for which the statement of account is to be prepared.

5. This accounts direction shall be reproduced as an appendix to the published account.

Signed *Jeff Tomlinson*

Signed by the authority of the Secretary of State for Health

Dated *15 May 2001*