

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

Annual Report And Accounts
For The Year Ended 31 March 2010

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

Contents

	Page
Trustee’s Report	3
Reference and Administrative Details	4
Governance and Management	6
Public Benefit	8
Review of Finances and Performance	9
Trustee’s Responsibility	13
Auditor’s Report	14
Financial Statements	16

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 2010.

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 deed of trust, 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: 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:

Mike Little	- Chair
Carole Heatly	- Chief Executive
Jonathan Wood	- Director of Finance & Performance (left 31 August 2009)
Eric Gardiner	- Acting Director of Finance (from 1 September 2009 to 31 January 2010)
Alistair Mulvey	- Director of Finance & Performance (from 1 February 2010)
Alexander Brown	- Director of Nursing, Quality and Governance
Kevin Clarkson	- Chief Operating Officer/ Deputy Chief Executive
Simon Raimes	- Medical Director
Michael Bonner	- Non-Executive Director (acting Chair from 7 December 2009 to 31 May 2010)
Suzanne Cholerton	- Non-Executive Director
Judith Cooke	- Non-Executive Director
Philip Day	- Non-Executive Director
Mark Evens	- Non-Executive Director

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 Trust Board.

Reference And Administrative Details

The name of the Charity is North Cumbria University Hospitals NHS Trust Charitable Fund. It was established under the Umbrella Charity Model by a declaration of trust dated 29 October 1996, as amended by supplemental deed dated 28 January 2003 and by supplemental deed dated 6 October 2009. It is registered with the Charity Commission, number 1059946.

The Charity is a charitable trust and is administered and managed by the corporate trustee, which is North Cumbria University Hospitals NHS Trust.

The Charity is an umbrella charity which comprises of the following funds:

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 the donors wherever possible. All general purpose funds which are not designated like this are recorded as General Funds, still under the unrestricted funds umbrella, and are spent as far as possible in the optimum way to further the wider 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. In each case the governing document is a Declaration of Trust.

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.

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 defeat of cancer in all its forms;
- b) the advancement of scientific and medical education and research in topics

North Cumbria University Hospitals NHS Trust Charitable Fund – 2009/10

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. Further details are given under the governance and management section below.

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 Trust's Finance Department located at Cumberland Infirmary, Carlisle, CA2 7HY.

North Cumbria University Hospitals NHS Trust Charitable Fund – 2009/10

Governance is maintained by various policies and procedures, in particular the Charitable Fund's Governing Document. This was reviewed and extensively amended during the year and the new version was adopted by the Committee in February.

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.

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 2009/10 were:

Non-Executive Directors

Mark Evens - Committee Chair (up to 7 September 2010)
Philip Day - Committee Chair (from 8 September 2010)
Mike Little - Trust Chair
Michael Bonner - Acting Trust Chair (7 December 2009 to 31 March 2010)

Executive Directors

Jonathan Wood - Director of Finance & Performance (left 31 August 2009)
Eric Gardiner - Acting Director of Finance (from 1 September 2009 to 31 January 2010)
Alistair Mulvey - Director of Finance & Performance (from 1 February 2010)
Alexander Brown - Director of Nursing

The minutes of the Committee are presented to the Trust Board for ratification.

Risk Management

The Charity operates under the corporate 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 minimisation 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 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. Unrestricted 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.

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

For expenditure of over £20,000 the approval of the Trustee is required.

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

With a new Government now in place there will be some significant changes in the NHS. 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.

The Committee has a formal reserves policy, the main objective which 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 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 has formalised spending plans for the Charity to ensure that it is looking ahead to meet the 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. Fund holders are asked to meet with members of the Finance staff to give more detail about the intended use of their funds.

In addition the Committee has invited three clinicians to join the Committee in order to further enhance the decision making in respect of making grants.

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 many 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 2010 were £3.731 million (2009: £3.395 million). Overall, net assets increased by £336,000. There was an

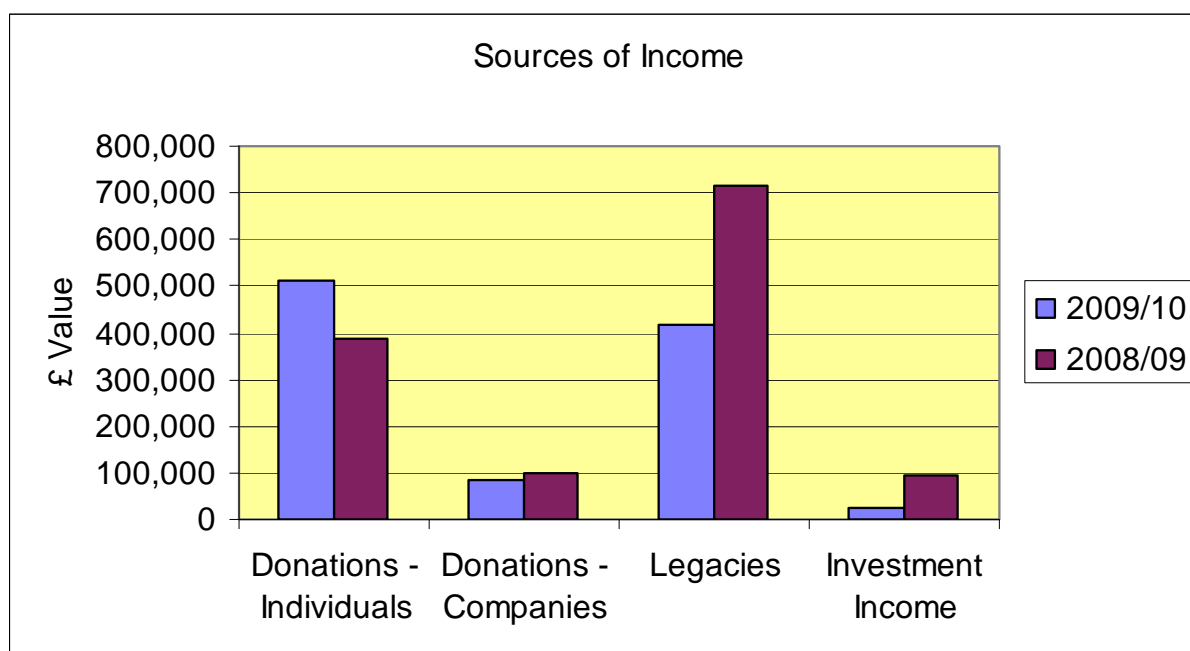
North Cumbria University Hospitals NHS Trust Charitable Fund – 2009/10

increase in the valuation of investments of £158,000 to £626,000 (2009: £468,000) and an excess of income over expenditure of £179,000.

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 £594,000 (2009: £488,000) and the value of legacies was £417,000 (2009: £714,000). Total incoming resources decreased by £263,000 from the previous year.

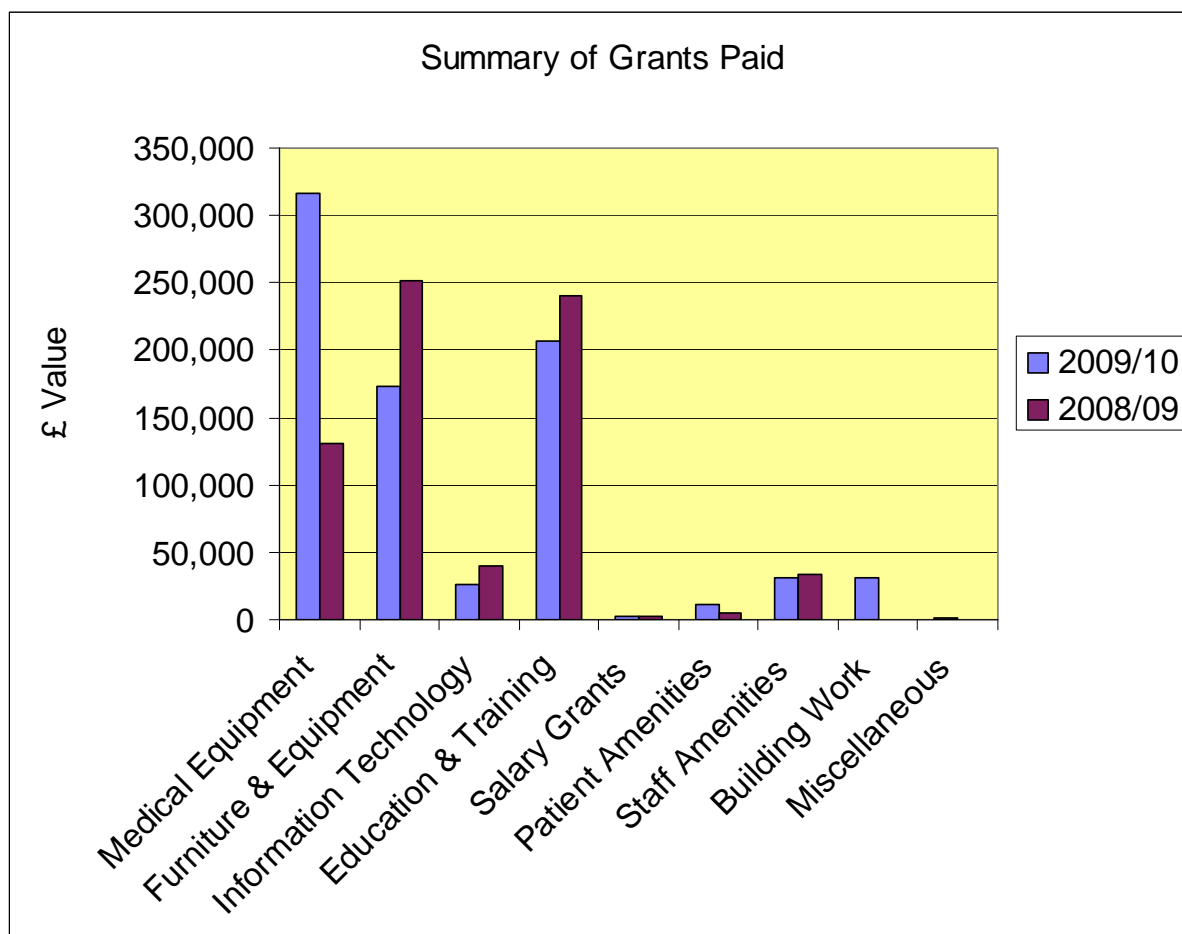
The value and the sources of income for this year and last is displayed in the following chart.



Expenditure

Of the total expenditure of £856,000 (2009: £753,000) expenditure on direct charitable activity was £799,000 (2009: £703,000) across a range of programmes.

A summary of grants paid is shown in the chart below.



Patient Care Equipment and Grants

Over 450 grants were made for medical and surgical equipment, furniture, information technology equipment and minor building work, totalling £546,000 (2009: £422,000). The grants paid in this category included the following:

- £85,409 Baby Tagging Electronic System
- £9,750 Defibrillators
- £9,052 Tonometer and Slit Lamp
- £14,996 Patient Transfer Chairs
- £15,600 Patient Monitors
- £16,740 Pathology Microscope and Camera
- £11,147 VScan System
- £25,705 Televisions and Associated Equipment in Elderly Care Units
- £9,717 Air Conditioning in Cardiology Rooms

Patients Welfare and Amenities

Over 50 grants totalling £11,000 (2009: £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,

North Cumbria University Hospitals NHS Trust Charitable Fund – 2009/10

newspapers, and quiz books.

Staff Education and Training

Over 650 grants totalling £207,000 (2009: £240,000) were made to staff employed by North Cumbria University Hospitals NHS Trust. Grants were made to enable staff to attend health related courses, to pay for university fees, enrol on leadership courses, attend conferences and study days and to purchase textbooks and subscribe to technical periodicals. It also included sponsorship of the North Cumbria University Hospitals Celebrating Excellence staff awards.

Staff Welfare and Amenities

Grants totalling £31,000 (2009:£33,000) were made under this heading for Long Service Awards, staff Christmas festivities and other staff functions.

Balance Sheet at 31 March 2010

The only fixed assets of the Charity are its investments, with a market value at the year end of £626,000 (2009: £468,000). The investments consist of a portfolio of equities and fixed interest stocks 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 £16,054 in income (2009: £22,405), which is an annualised yield of 2.50% (2009: 4.58%). 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.

Total Return Performance Summary:	<u>2010</u>	<u>2009</u>
NCUH Charitable Fund Managed Portfolio	35.0%	-20.6%
Benchmark - APCIMS Balanced (TR)	32.5%	-17.6%
FTSE All-Share TR	52.3%	-29.3%
FTSE Actuaries Government Securities UK TR	0.8%	10.3%

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

The total net assets of the Charity as at 31 March 2010 of £3.731 million (2009: £3.395 million) are divided as follows:

Restricted Funds (Special Purpose Charities) £1.282 million (2009: £1.128 million)

Unrestricted Funds (General Purpose Charities) £2.449 million (2009: £2.267 million).

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 27 October 2010 and signed on their behalf by:



Philip Day
Chair of the Charitable Funds Committee

Independent Auditor's Report to the Trustee of North Cumbria University Hospitals Charitable Fund

I have audited the financial statements of North Cumbria University Hospitals Charitable Fund for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustee(s), 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 trustee's responsibilities 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 prepared in accordance with the Charities Act 1993. I also report to you my opinion as to whether the information which comprises How the Charitable Fund Delivered Public Benefit: Review of Finances, Achievements and Performance, included in the Trustee's Annual Report, is consistent with the financial statements.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Trustee's report, Reference and Administrative Details, Governance and Management, Public Benefit, and Trustee's Responsibility. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to other information.

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.

Trust Practice

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
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 March 2010 and of its incoming resources and application of resources, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993; and
- information which comprises How the Charitable Fund Delivered Public Benefit: Review of Finances, Achievements and Performance, included in the Annual Report, is consistent with the financial statements.

Jackie Bellard

Engagement Lead and Officer of the Audit Commission

Aspinall House
Aspinall Close
Middlebrook
Bolton
BL6 6QQ

27 January 2010

Statement of Financial Activities for the year ended 31 March 2010

		Unrestricted Funds £000	Restricted Funds £000	2009-10 Total Funds £000	2008-09 Total Funds £000
Incoming resources					
Donations, Legacies and similar resources					
Donations		415	179	594	488
Legacies		310	107	417	714
Grants receivable:					
From other NHS bodies		0	0	0	0
Other grants receivable		0	0	0	0
Total Donations and Legacies	2	<u>725</u>	<u>286</u>	<u>1,011</u>	<u>1,202</u>
Operating Activities					
Activities for generating funds		0	0	0	0
Activities in furtherance of the Charity's objectives		0	0	0	0
Total Operating Activities		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Investment income	8.3	16	8	24	96
Other incoming resources		0	0	0	0
Total incoming resources		<u>741</u>	<u>294</u>	<u>1,035</u>	<u>1,298</u>
Resources expended					
Costs of generating funds		0	0	0	2
Grants to North Cumbria University					
Hospitals NHS Trust	3	680	119	799	703
Activities in furtherance of charity's objectives		0	0	0	0
Support costs		0	0	0	0
Governance Costs	4	36	21	57	48
Total resources expended	5	<u>716</u>	<u>140</u>	<u>856</u>	<u>753</u>
Net incoming/(outgoing) resources before Transfers		25	154	179	545
Gross transfer between funds		0	0	0	0
Net incoming/(outgoing) resources		25	154	179	545
Gains/(losses) on revaluation of own fixed assets		0	0	0	0
Gains/(losses) on revaluation and disposal of investment assets	8	157	0	157	(148)
Net movement in funds	6	<u>182</u>	<u>154</u>	<u>336</u>	<u>397</u>
Fund balances brought forward at 1 April		2,267	1,128	3,395	2,998
Total Fund Balances	11	<u>2,449</u>	<u>1,282</u>	<u>3,731</u>	<u>3,395</u>

The notes on pages 18 to 26 form part of this account.

Balance Sheet as at 31 March 2010

	Note:	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March 2010 £000	Total at 31 March 2009 £000
Fixed Assets						
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	626	0	0	626	468
Total Fixed Assets		626	0	0	626	468
Current Assets						
Stocks		0	0	0	0	0
Debtors	9.1	97	572	0	669	715
Short term investments/deposit	9.3	17	0	0	17	22
Cash at bank and in hand		1,840	767	0	2,607	2,275
Total Current Assets		1,954	1,339	0	3,293	3,012
Creditors: Amounts falling due within one year	10	131	57	0	188	85
Net Current Assets/(Liabilities)		1,823	1,282	0	3,105	2,927
Total Assets less Current Liabilities		2,449	1,282	0	3,731	3,395
Creditors: Amounts falling due after more than one year		0	0	0	0	0
Provisions for liabilities and charges		0	0	0	0	0
Total Net Assets		2,449	1,282	0	3,731	3,395
Funds of the Charity						
Capital Funds:						
Endowment Funds		0	0	0	0	0
Income Funds:						
Restricted	11.1	0	1,282	0	1,282	1,128
Unrestricted	11.3	2,449	0	0	2,449	2,267
Total Funds		2,449	1,282	0	3,731	3,395

The notes on pages 18 to 26 form part of this account.

The financial statements were approved by the Charitable Funds Committee and authorised for issue on 27 October 2010.

Signed:

Date:

25/1/2011

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. The Charity does not have any endowment funds at present. Other funds are classified as unrestricted funds. In cases where the donor expresses a wish for use of the funds the Charity designates those funds accordingly but is not placed under any legal obligation by doing so.

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

There is no official pooling scheme for investments relating to funds.

2. Analysis of Income

2.1 Voluntary Income	Unrestricted Funds	Restricted Funds	Total 2010 Funds	<i>Total 2009 Funds</i>
	£000	£000	£000	<i>£000</i>
Donations from individuals	341	171	512	<i>388</i>
Donations from companies	74	8	82	<i>100</i>
Legacies	310	107	417	<i>714</i>
Total Donations and Legacies	725	286	1,011	<i>1,202</i>

3. Resources Expended -Grants

3.1 Summary Of Grants Paid:

	Unrestricted Funds	Restricted Funds	Total 2010 Funds	<i>Total 2009 Funds</i>
	£000	£000	£000	<i>£000</i>
Medical Equipment	238	79	317	<i>130</i>
Furniture & Equipment	167	6	173	<i>251</i>
Information Technology	26	1	27	<i>40</i>
Education & Training	185	21	206	<i>241</i>
Salary Grants	2	0	2	<i>2</i>
Patient Amenities	9	2	11	<i>5</i>
Staff Amenities & Functions	31	0	31	<i>34</i>
Building Work	21	10	31	<i>0</i>
Miscellaneous	1	0	1	<i>0</i>
Total Grants Paid	680	119	799	<i>703</i>

3.2 Grants Made to Institutions

Name of recipient	Aggregate amount paid £000
North Cumbria University Hospitals NHS Trust	799
Total	799

3.3 Grants Made to Individuals

There were no grants made to individuals.

4. Analysis of Governance Costs

	Unrestricted Funds	Restricted Funds	Total 2010 Funds	<i>Total 2009 Funds</i>
	£000	£000	£000	<i>£000</i>
Salaries	0	0	0	<i>0</i>
Establishment costs	0	0	0	<i>0</i>
Travel costs	0	0	0	<i>0</i>
Legal costs	0	6	6	<i>0</i>
Services from North Cumbria Hospitals	23	12	35	<i>36</i>
Audit fee	5	3	8	<i>8</i>
Investment manager's fee	7	0	7	<i>4</i>
Statutory compliance	0	0	0	<i>0</i>
Miscellaneous	1	0	1	<i>0</i>
	36	21	57	<i>48</i>

5. Analysis of Expenditure**5.1 Total Resources Expended**

	Costs of Generating Funds	Activities for Charitable Objectives	Governance Costs	Total 2010	<i>Total 2009</i>
	£000	£000	£000	£000	<i>£000</i>
Staff	0	0	0	0	<i>0</i>
Depreciation	0	0	0	0	<i>0</i>
Impairments	0	0	0	0	<i>0</i>
Auditors remuneration:					
Audit fee	0	0	8	8	<i>8</i>
Other fees	0	0	0	0	<i>0</i>
Indemnity insurance	0	0	0	0	<i>0</i>
Bought-in services from NHS	0	0	35	35	<i>36</i>
Other	0	799	14	813	<i>709</i>
	0	799	57	856	<i>753</i>

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	Total 2010 £000	<i>Total 2009 £000</i>
Net movement in funds for the year	182	154	336	<i>397</i>
Net movement in tangible fixed assets:	0	0	0	<i>0</i>
Net movement in funds available for use	182	154	336	<i>397</i>

7 Fixed Assets

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

8 Analysis of Fixed Asset Investments

8.1 Fixed Asset Investments	2010	<i>2009</i>
	£000	<i>£000</i>
Market value at 31 March in prior year	468	<i>595</i>
Less: Disposals at carrying value	(246)	<i>(256)</i>
Add: Acquisitions at cost	247	<i>277</i>
Net gain / (loss) on revaluation	157	<i>(148)</i>
Market value at 31 March in current year	626	<i>468</i>
Historic cost at 31 March	504	<i>482</i>

Note: The net gain on revaluation of £157,000 (2008/09: loss of £148,000) was mainly as a result of the improved economic conditions since the dramatic deterioration in the stability of the financial markets in 2008/09.

Of the £157,000 some £22,000 was an actual realised profit (2008/09: loss of £97,000) and £135,000 was unrealised (2008/09: loss of £51,000). An unrealised gain is where the book value of the investments has risen but no actual profit has been taken because the investments has not yet been sold.

8.2 Market value at 31 March	Held in UK £000	Held outside UK £000	2010 Total £000	<i>2009</i> <i>Total</i> <i>£000</i>
Investment properties	0	0	0	<i>0</i>
Investments listed on Stock Exchange	278	143	421	<i>332</i>
Investments in a Common Deposit Fund or Common Investment Fund	116	27	143	<i>122</i>
Unlisted securities	0	0	0	<i>0</i>
Cash held as part of the portfolio	0	0	0	<i>0</i>
Investments in connected bodies	0	0	0	<i>0</i>
Other Investments	41	21	62	<i>14</i>
	435	191	626	<i>468</i>

8.3 Gross Income From Investments	Held in UK £000	Held outside UK £000	2009-10 Total £000	<i>2008-09</i> <i>Total</i> <i>£000</i>
Investments listed on Stock Exchange	8	1	9	<i>12</i>
Investments in a Common Deposit Fund or Common Investment Fund	4	2	6	<i>5</i>
Interest on cash held on deposit	8	0	8	<i>78</i>
Other Investments	1	0	1	<i>1</i>
	21	3	24	<i>96</i>

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

9 Analysis of Debtors

	31 March 2010	31 March 2009
	£000	£000
9.1 Amounts falling due within one year:		
Amounts due from subsidiary and associated undertakings	0	0
Trade debtors	0	0
Prepayments	0	0
Accrued income	669	715
Other debtors	0	0
Total debtors falling due within one year	<u>669</u>	<u>715</u>

Accrued income includes £664,000 for legacies that have not been realised in cash as at 31 March 2010.

9.2 Amounts falling due over one year:		
Amounts due from subsidiary and associated undertakings	0	0
Trade debtors	0	0
Prepayments	0	0
Accrued income	0	0
Other debtors	0	0
Total debtors falling due after more than one year	<u>0</u>	<u>0</u>
Total debtors	<u>669</u>	<u>715</u>

9.3 Short term investments and deposits consists of £17,000 held in cash as part of the investment portfolio (2008/09 £22,000).

10 Analysis of Creditors

	31 March 2010	31 March 2009
	£000	£000
10.1 Amounts falling due within one year:		
Loans and overdrafts	0	0
Trade creditors	0	0
Amounts due to subsidiary and associated undertakings	0	0
Other creditors	163	30
Accruals	25	55
Deferred income	0	0
Total creditors falling due within one year	<u>188</u>	<u>85</u>
10.2 Amounts falling due after more than one year:		
Loans and overdrafts	0	0
Trade creditors	0	0
Amounts due to subsidiary and associated undertakings	0	0
Other creditors	0	0
Accruals	0	0
Deferred income	0	0
Total creditors falling due after more than one year	<u>0</u>	<u>0</u>
Total creditors	<u>188</u>	<u>85</u>

Other creditors £163,000 consists of the balance owing to North Cumbria University Hospitals NHS Trust. The Trust processes purchase invoice transactions for the Charity and the balance is payable monthly in arrears.

11 Analysis of Funds

11.1 Restricted Funds	Balance 31 March 2009 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance 31 March 2010 £000
Breast Cancer	56	34	(6)	0	0	84
Cancer	24	3	(3)	0	0	24
Cardiology	114	129	(76)	0	0	167
Children	21	11	(14)	0	0	18
CT Scanner	20	0	(2)	0	0	18
Medical Equipment	1	0	0	0	0	1
Radiotherapy	252	58	(18)	0	0	292
Renal	640	59	(21)	0	0	678
Total	1,128	294	(140)	0	0	1,282

11.2 Details of Restricted Funds

<u>Name of fund</u>	<u>Description of the nature and purpose of each fund</u>
Breast Cancer	Prevention, diagnosis and treatment of breast cancer
Cancer	Prevention, diagnosis and treatment of cancer
Cardiology	Prevention, diagnosis and treatment of heart disorders
Children	Relief of sickness in children
CT Scanner	Provision and maintenance of CT Scanner
Medical Equipment	Provision of medical equipment
Radiotherapy	Relief of sickness of radiotherapy patients
Renal	Prevention, diagnosis and treatment of kidney disorders.

11.3 Unrestricted Funds

	Balance 31 March 2009 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance 31 March 2010 £000
Cumberland Infirmary	1,289	495	(468)	0	12	1,328
West Cumberland Hospital	978	246	(248)	0	145	1,121
Total	2,267	741	(716)	0	157	2,449

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 of £799,000 to North Cumbria University Hospitals NHS Trust, which is the Corporate Trustee of the Charitable Trust (2008/09: £703,000).

In addition it made payments for governance and administration services of £35,000 (2008/09: £36,000).

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. The Charity has a creditor balance, as at 31/03/10 of £163,000 owed to the North Cumbria University Hospitals NHS Trust (2008/09: £30,000).

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

There are no post balance sheet events.

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*