

NATIONAL HEALTH SERVICE

WEST HERTFORDSHIRE HOSPITALS NHS TRUST

**FUNDS HELD ON TRUST
ANNUAL ACCOUNTS 2003-04**

The accounts of the Funds Held on Trust by the Trust

FOREWORD

These accounts have been prepared by the Trustees under section 98(2) of the National Health Service Act 1977 (as amended) in the forms which the Secretary of State has, with the approval of Treasury, directed.

STATUTORY BACKGROUND

The trustees have been appointed under s11 of the NHS and Community Care Act 1990.

The West Hertfordshire Hospitals NHS Trust charitable funds held on trust are registered with the Charity Commission (Registration No:1052210) and include funds in respect of the West Hertfordshire Hospitals.

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

The main purpose of the charitable funds held on trust is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the West Hertfordshire Hospitals NHS Trust.

Statement of trustees' responsibilities

The trustees are responsible for:

- ♦ keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the funds held on trust and to enable them to ensure that the accounts comply with requirements in the Charities Act 1993 and those outlined in the directions issued by the Secretary of State;
- ♦ establishing and monitoring a system of internal control; and
- ♦ establishing arrangements for the prevention and detection of fraud and corruption.

The trustees are required under the Charities Act 1993 and the National Health Service Act 1977 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the financial position of the funds held on trust, in accordance with the Charities Act 1993. In preparing those accounts, the trustees are required to:

- ♦ apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- ♦ make judgements and estimates which are reasonable and prudent;
- ♦ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The trustees confirm that they have met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 3 to 13 attached have been compiled from and are in accordance with the financial records maintained by the trustees.

By Order of the Trustees

Signed: (NB sign in any colour ink other than black)

Chairman Date..... 2004

Trustee Date..... 2004

Independent Auditors' Report to the Trustees of the XXX Funds Held On Trust

I/we have audited the financial statements on pages x to y which have been prepared in accordance with the Statement of Recommended Practice 2000: Accounting and Reporting by Charities and with the accounting policies relevant to the National Health Service.

Respective Responsibilities of Trustees and Auditors

As described on page 1, the Trustees are responsible for the preparation of financial statements in accordance with the Statement of Recommended Practice 2000: Accounting and Reporting by Charities and directions issued by the Secretary of State. My/our responsibilities, as independent auditors, are established by statute, the Code of Audit Practice issued by the Audit Commission and my/our profession's ethical guidance.

I/we report to you my/our opinion as to whether the financial statements give a true and fair view of the financial position and result of operation of the charitable funds.

In accordance with regulations made under section 44 of the Charities Act 1993, the charity has been granted a dispensation under section 9(2)(a) of the Charities (Accounts and Reports) Regulations 1995, permitting the audit to be carried out by the auditor appointed by the Audit Commission.

Basis of audit opinion

I/we conducted our audit in accordance with the Charities Act 1993, the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission, which requires compliance with relevant auditing standards 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 Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the fund's circumstances, consistently applied and adequately disclosed.

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

Opinion

In my/our opinion, the financial statements give a true and fair view of the funds held on trust at 31 March 2003 and of the incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice 2000: Accounting and Reporting by Charities.

Signature:..... Date:.....

(NB sign in any colour ink other than black)

Name:.....

Address:.....

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Statement of Financial Activities for the year ended 31 March 2004

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	2002-03 Total Funds £000
Incoming resources						
Donations, Legacies and similar resources						
Donations		5	792	0	797	622
Legacies		55	374	0	429	642
Grants receivable:						
From other NHS bodies		0	0	0	0	0
Other grants receivable		0	0	0	0	0
Total Donations and Legacies		60	1,166	0	1,226	1,264
Operating Activities						
Activities for generating funds		0	78	0	78	67
Activities in furtherance of the charity's objectives		0	0	0	0	0
Total Operating Activities		0	78	0	78	67
Investment income	6.3	2	81	0	83	75
Other incoming resources	2	(2)	46	0	44	223
Total incoming resources		60	1,371	0	1,431	1,629
Resources expended						
Costs of generating funds	3.3	24	37	0	61	61
Charitable expenditure						
Grants payable						
To other NHS bodies		0	0	0	0	0
Other grants payable		0	0	0	0	163
Activities in furtherance of charity's objectives	3.1	16	596	0	612	933
Support costs	3.4	0	349	0	349	366
Management and administration	3.2	2	62	0	64	62
Total resources expended	4.1	42	1,044	0	1,086	1,585
Net incoming/(outgoing) resources before Transfers		18	327	0	345	44
Gross transfer between funds		26	(26)	0	0	0
Net incoming/(outgoing) resources		44	301	0	345	44
Gains/(losses) on revaluation of own fixed assets		0	0	0	0	0
Gains/(losses) on revaluation and disposal of investment assets		(50)	705	3	658	(687)
Net movement in funds	5	(6)	1,006	3	1,003	(643)
Fund balances brought forward at 31 March 2003		89	1,730	8	1,827	
Fund balances carried forward at 31 March 2004		83	2,736	11	2,830	(643)

The notes at pages 5 to 13 form part of this account.

Balance Sheet as at 31 March 2004

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March 2004 £000	Total at 31 March 2003 £000
Fixed Assets						
Intangible assets		0	0	0	0	0
Tangible assets		0	0	0	0	0
Inalienable & historic assets		0	0	0	0	0
Investments	6.1/6.2	64	2,120	9	2,193	1,546
Total Fixed Assets		64	2,120	9	2,193	1,546
Current Assets						
Stocks		0	0	0	0	0
Debtors	7.1	10	321	1	332	143
Short term investments and deposits		0	0	0	0	0
Cash at bank and in hand		9	295	1	305	282
Total Current Assets		19	616	2	637	425
Creditors: Amounts falling due within one year	8.1	0	0	0	0	144
Net Current Assets/(Liabilities)		19	616	2	637	281
Total Assets less Current Liabilities		83	2,736	11	2,830	1,827
Creditors: Amounts falling due after more than one year	8.2	0	0	0	0	0
Provisions for liabilities and charges		0	0	0	0	0
Total Net Assets		83	2,736	11	2,830	1,827
Funds of the Charity						
Capital Funds:						
Endowment Funds	9.1	-	-	11	11	8
Income Funds:						
Restricted	9.3	-	2,736	-	2,736	1,730
Unrestricted		83	-	-	83	89
Total Funds		83	2,736	11	2,830	1,827

The notes at pages 5 to 13 form part of this account.

Signed:

Date:

Notes to the Account

Accounting Policies

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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 2000.

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 are brought into account is either a reasonable estimate of their value to the funds or the amount actually realised. The basis of the valuation is disclosed in the annual report.

c) Intangible income

There has been no intangible income during the year

Incoming Resources
(continued)

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 expanded

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) Cost of generating funds

The cost of generating funds are the costs associated with generating income for the funds held on trust. This will include the costs associated with investment management and the cost of employing a Fund raising Manager.

b) Grants payable

There was no grants paid during the year.

c) Management and administrative costs

These are accounted for on an accruals basis and are recharges from the West Hertfordshire Hospitals NHS Trust covering audit fees and accounting services.

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 major funds held within these categories are disclosed on notes 9.3 and 9.4

1.5 Fixed Assets

The Trust has no Fixed Assets.

1.6 Investment Fixed Assets

Investment fixed assets are shown at market value.

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

1.7 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).

1.8 Intangible Fixed Assets

The Trust has no Intangible Fixed Assets

1.9 Pensions Contributions

Staff whose costs are charged to these accounts are all employed by the West Hertfordshire Hospitals NHS Trust which is responsible for any pension liabilities.

1.10 Change in the Basis of Accounting

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

1.11 Prior Year Adjustments

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

1.12 Pooling Scheme

An official pooling scheme is operated for investments relating to the funds of West Hertfordshire Hospitals NHS Trust Common Investment Fund.

Details of other material incoming resources	2		Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2004 Funds	Total 2003 Funds
			£000	£000	£000	£000	£000
		Material incoming resources					
		A	0	0	0	0	
		B	0	0	0	0	
		C	0	0	0	0	
		D	0	0	0	0	
		E	0	0	0	0	
		F	0	0	0	0	
		G	0	0	0	0	
		H	0	0	0	0	
		I	0	0	0	0	
		J	0	0	0	0	
		K	0	0	0	0	
		L	0	0	0	0	
		M	0	0	0	0	
		N	0	0	0	0	
		Others	(2)	46	0	44	223
		Total other incoming resources	(2)	46	0	44	223

Details of Resources Expended - Other	3.1		Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2004 Funds	Total 2003 Funds
			£000	£000	£000	£000	£000
		Other:					
		Patients welfare and amenities	0	11	0	11	10
		Staff welfare and amenities	0	11	0	11	13
		Research	0	0	0	0	0
		Contributions to NHS	0	119	0	119	0
		Miscellaneous	16	455	0	471	910
			16	596	0	612	933

Analysis of Management and Administration Costs	3.2		Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2004 Funds	Total 2003 Funds
			£000	£000	£000	£000	£000
		Salaries	0	0	0	0	0
		Establishment costs	0	0	0	0	0
		Travel costs	0	0	0	0	0
		Telephone/fax	0	0	0	0	0
		Annual General Meeting	0	0	0	0	0
		Audit fee	(8)	16	0	8	0
		Investment managers fee	0	0	0	0	0
		Statutory Compliance	0	0	0	0	0
		Miscellaneous	10	46	0	56	62
			2	62	0	64	62

Costs of Generating Funds	3.3		Total costs	Total funds raised
			2004	2004
			£000	£000
		Fund raising costs	53	78
		Investment Management Costs etc. etc	8	83
			61	161

Support costs	3.4		Total	Total
			2004	2003
			£000	£000
		<i>Cancer Salaries</i>	250	265
		<i>Other Salaries</i>	99	101
			<u>349</u>	<u>366</u>

Analysis of Total Resources Expended	4.1	Costs of Generating Funds	Costs of Activities for Charitable Objectives	Support Costs	Management and Administration	Total 2004	Total 2003	
		£000	£000	£000	£000	£000	£000	
		Staff	12	0	349	0	361	366
		Depreciation	0	0	0	0	0	0
		Impairments	0	0	0	0	0	0
		Auditors remuneration:						
		Audit fee				8	8	8
		Other fees	0	0	0	0	0	0
		Indemnity insurance	0	0	0	0	0	0
		Bought-in services from NHS	0	0	0	53	53	54
		Other	49	612	0	3	664	1,157
			61	612	349	64	1,086	1,585

Analysis of Staff Costs	4.2		Total	Total
			2004	2003
			£000	£000
		Salaries and wages	297	316
		Social security costs	33	31
		Other pension costs	31	19
			<u>361</u>	<u>366</u>
		Average monthly number of employees in the year:	<u>14</u>	<u>14</u>

	Total	Total
	2004	2003
	£000	£000
Total emoluments of employees (remuneration plus benefits for tax purposes)	<u>361</u>	<u>366</u>

Pension Contributions for Senior Employees	4.3	The following pension contributions were made for senior employees within the following ranges:	Value of Contributions	Number of staff receiving contributions
			£000	
		£50,001 to £60,000	0	0
		£60,001 to £70,000	0	0
		£70,001 to £80,000	0	0
		£80,001 to £90,000	0	0
		£90,001 to £100,000	0	0
		over £100,000	0	0
		<i>No employee earns in excess of £50,000</i>		

Senior Employees	4.4	The following number of senior employees received emoluments falling within the following ranges:	Number	Number
			2004	2003
		£50,001 to £60,000	0	0
		£60,001 to £70,000	0	0
		£70,001 to £80,000	0	0
		£80,001 to £90,000	0	0
		£90,001 to £100,000	0	0
		over £100,000	0	0
		<i>No employee earns in excess of £50,000</i>		

CHARITABLE TRUST ACCOUNT - WEST HERTFORDSHIRE HOSPITALS NHS TRUST - 2003/2004

Changes in Resources Available for Charity Use	5				Total 2004 Funds £000	Total 2003 Funds £000
		Unrestricted	Restricted	Endowment		
		Funds £000	Funds £000	Funds £000		
		Net movement in funds for the year	(6)	1,006	3	1,003
		Net movement in tangible fixed assets:	0	0	0	0
		Net movement in funds available for future activities	<u>(6)</u>	<u>1,006</u>	<u>3</u>	<u>1,003</u>
						<u>(643)</u>
Analysis of Fixed Asset Investments	6			2004	2003	
	6.1	Fixed Asset Investments:		£000	£000	
		Market value at 31 March		1,546	2,233	
		Less: Disposals at carrying value		(423)	(683)	
		Add: Acquisitions at cost		412	1,491	
		Net gain on revaluation		658	(1,495)	
		Market value at 31 March		<u>2,193</u>	<u>1,546</u>	
		Historic cost at 31 March		<u>2,167</u>	<u>2,172</u>	
	6.2	Market value at 31 March :	Held in UK £000	Held outside UK £000	2004 Total £000	2003 Total £000
		Investment properties	0	0	0	0
		Investments listed on Stock Exchange	1,615	509	2,124	1,545
		Investments in a Common Deposit Fund or Common Investment Fund	0	0	0	0
		Unlisted securities	0	0	0	0
		Cash held as part of the investment portfolio	69	0	69	1
		Investments in connected bodies	0	0	0	0
		Other investments	0	0	0	0
			<u>1,684</u>	<u>509</u>	<u>2,193</u>	<u>1,546</u>
	6.3	Total gross income	Held in UK £000	Held outside UK £000	2003-04 Total £000	2002-03 Total £000
		Investment properties	0	0	0	0
		Investments listed on Stock Exchange	68	0	68	63
		Investments in a Common Deposit Fund or Common Investment Fund	0	0	0	0
		Unlisted securities	0	0	0	0
		Cash held as part of the investment portfolio	15	0	15	12
		Investments in connected bodies	0	0	0	0
		Other investments	0	0	0	0
			<u>83</u>	<u>0</u>	<u>83</u>	<u>75</u>

CHARITABLE TRUST ACCOUNT - WEST HERTFORDSHIRE HOSPITALS NHS TRUST - 2003/2004

Analysis of	7	31 March 2003	
		£000	£000
Debtors	7.1	Amounts falling due within one year:	
		Amounts due from subsidiary and associated undertakings	0
		Trade debtors	0
		Prepayments	4
		Accrued income	290
		Other debtors	38
		Total debtors falling due within one year	143
	7.2	Amounts falling due over one year:	
		Amounts due from subsidiary and associated undertakings	0
		Trade debtors	0
		Prepayments	0
		Accrued income	0
		Other debtors	0
		Total debtors falling due after more than one year	0
		Total debtors	143
<hr/>			
Analysis of	8	31 March 2003	
		£000	£000
Creditors	8.1	Amounts falling due within one year:	
		Loans and overdrafts	0
		Trade creditors	0
		Amounts due to subsidiary and associated undertakings	0
		Other creditors	78
		Accruals	66
		Deferred income	0
		Total creditors falling due within one year	144
	8.2	Amounts falling due after more than one year:	
		Loans and overdrafts	0
		Trade creditors	0
		Amounts due to subsidiary and associated undertakings	0
		Other creditors	0
		Accruals	0
		Deferred income	0
		Total creditors falling due after more than one year	0
		Total creditors	144

Analysis of Funds	9							
	9.1 Endowment Funds	Balance	Incoming	Resources	Transfers	Gains and	Balance	
		31 March	Resources	Expended		Losses		31 March
		2003						2004
		£000	£000	£000	£000	£000	£000	
	(list individually)							
	A <u>Love of Roses</u>	8		0	0	3	11	
	B <u></u>						0	
	C <u></u>						0	
	D <u></u>						0	
	E <u></u>						0	
	F <u></u>						0	
	G <u></u>						0	
	H <u></u>						0	
	Others (number of funds)						0	
	Total	8	0	0	0	3	11	

Details of material funds - endowment funds	9.2	Name of fund	Description of the nature and purpose of each fund
		A Love of Roses	Purchase of Commemorative Brooch
		B	
		C	
		D	
		E	
		F	
		G	
		H	

9.3 Restricted Funds	Balance 31 March 2003 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and Losses £000	Balance 31 March 2004 £000
Material funds						
(list individually)						
A CT Scanner	63	70	(88)	0	20	65
B Early Arthritis Study	31	1	(29)	42	13	58
C Gurney Bequest	46	2	(17)	0	17	48
D Corporate BP Monitors	72	0	(6)	0	18	84
E Cancer Centre	74	302	(38)	0	51	389
F Cancer Support	99	266	(253)	0	36	148
G Cancer research	352	18	(42)	0	140	468
H						0
Others (302)	993	712	(571)	(68)	410	1,476
Total	1,730	1,371	(1,044)	(26)	705	2,736

Details of material funds - restricted funds	9.4	Name of fund	Description of the nature and purpose of each fund
		A CT Scanner	New / Replacement Scanners
		B Early Arthritis Study	Rheumatology Research
		C Gurney Bequest	Medical Equipment / Training
		D Corporate BP Monitors	Blood Pressure Monitors
		E Cancer Centre	Cancer Research
		F Cancer Support	Production of Information re cancer and support services
		G Cancer research	Cancer Research
		H	

Details of material transfers between funds	9.5	Transfer		Reason	Amount £000
		from fund	to fund		
		Rheumatology Fund	Early Rheumatology Arthritis	Rationalisation of Rheumatology Funds	42
		Rheumatology Fund	Rheumatology Clinical	See Above	24
		Rheumatology Fund	Early Arthritis Study	See Above	20

**Connected
Organisations**

10

Name, nature of connection, description of activities undertaken and details of any qualification: expressed by their auditors	2003-04		2002-03	
	Turnover of Connected Organisation £	Net Profit/ (Loss) for the Connected Organisation £	Turnover of Connected Organisation £	Net Profit/ (Loss) for the Connected Organisation £
West Hertfordshire Hospitals N.H.S Trust board members act as trustees of the charity.	215,098,000	(519,000)	210,257,000	11,668,000