

TRUST BOARD
27th January 2011

TITLE	Charitable Funds Annual Report and Accounts 2009/10
EXECUTIVE SUMMARY	<p>The Trust Board are required to approve the Annual Report and Accounts for the Trust's Charitable Funds prior to their submission to the Charity Commission.</p> <p>The Audit Committee have reviewed and approved the attached report and accounts, along with the draft management representation letter. The draft management representation letter is a standard letter required by the Trust's external auditors and there are no special items in that letter that need highlighting.</p>
BOARD ASSURANCE (Risk) / IMPLICATIONS	<p>The Board is assured by the scrutiny provided by the Audit Committee on matters of risk in relation to Charitable Funds. The Audit Committee reviewed and approved the Annual Report and Accounts and Management Representation letter at a special meeting held on 16th December 2010.</p>
STAKEHOLDER / PATIENT IMPACT AND VIEWS	<p>None obtained.</p>
EQUALITY AND DIVERSITY ISSUES	<p>None that I am aware of.</p>
LEGAL ISSUES	<p>The Annual Report and Accounts comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued by the Charity Commission. The Annual Report and Accounts have to be submitted to the Charity Commission by 31st January 2011.</p>
The Trust Board is asked to:	<p>Approve the 2009/10 Annual Report and Accounts of the Ashford and St. Peter's Hospitals Charitable Fund.</p> <p>Approve the signing of the management representations letter by the Director of Finance and Information.</p>
Submitted by:	<p>Paul Doyle, Deputy Director of Finance</p>
Date:	<p>17th January 2011</p>
Decision:	<p>For Approval</p>

TRUST BOARD
27th January 2011

**THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE
FUND**

Charity No. 1058567

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2010

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010

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THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

TRUSTEE'S ANNUAL REPORT

Introduction and Background

The Trustee during the financial year ended 31 March 2010 was the corporate body Ashford and St. Peter's Hospitals NHS Trust which was licensed as a Foundation Trust by Monitor on 1 December 2010.

Ashford and St. Peter's Hospitals NHS Foundation Trust provides acute hospital services to the residents of West Surrey, Spelthorne and its surrounding areas. The Trust has traditionally received charitable donations for the relief of people who are ill or handicapped and also for the benefit of staff, as this is seen by the Charity Commission as being conducive to the furtherance of the charitable purpose.

The 1993 Charities Act required the Trust, as Trustee of the charitable funds, to register those funds with the Charity Commission. In 2001, predecessor Charitable Funds were renamed and merged as The Ashford and St. Peter's Hospitals Charitable Fund (Charity No. 1058567). Charitable donations are allocated to funds according to the donors wishes.

The attached annual accounts comply with current statutory requirements, the Charity's governing document and the recommendations set out within the Statement of Recommended Practice (SORP) 2005.

Legal Status

The Ashford and St. Peter's Hospitals Charitable Fund was established by a supplemental deed dated 19 November 2001 on Registered Charity 1058567.

Trustees

The Trustee during the financial year ended 31 March 2010 was the corporate body Ashford and St. Peter's Hospitals NHS Trust whose directors throughout the year were as follows:

Chairman	Aileen McLeish
Chief Executive	Andrew Liles
Director of Finance & Information	John Headley
Acting Director of Nursing and Governance	Ruth Lallmahomed (to 31/07/2009)
Director of Strategy	Paul Bentley
Chief Nurse	Caroline Becher (from 01/06/2009)
Director of Workforce & Organisational Development	Raj Bhamber (from 20/04/2009)
Deputy Chief Executive	Valerie Howell (from 27/04/2009)
Acting Director of Human Resources	Petra Cunningham (to 30/04/2009)
Medical Director	Mike Baxter
Non-Executive Director	Norman Critchlow
Non-Executive Director	Peter Taylor
Non-Executive Director	Philip Beesley
Non-Executive Director	Terry Price
Non-Executive Director	Sue Ells

On 1st December 2010 Ashford and St. Peter's Hospitals NHS Trust was licensed as a Foundation Trust by Monitor and changed its name to Ashford and St. Peter's Hospitals NHS Foundation Trust.

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

**TRUSTEE'S ANNUAL REPORT
(Continued)**

Principal Addresses	<p>Ashford Hospital London Road Ashford Middlesex TW15 3AA</p> <p>St. Peter's Hospital Guildford Road Chertsey Surrey KT16 OPZ</p>
Bankers	<p>The Royal Bank of Scotland PLC 10 North Street Guildford Surrey GU1 4AF</p>
Investment Advisors	<p>Gerrard Investment Management Limited 1 Churchill Place London E14 5HP</p>
Auditors	<p>KPMG LLP 15 Canada Square Canary Wharf London E14 5GL</p>

Structure, Governance and Management

The Trustee of the Charity, which acted on behalf of the Charity throughout the course of the financial year, was the corporate body Ashford and St. Peter's Hospitals NHS Trust. On 1st December 2010 Ashford and St. Peter's Hospitals NHS Trust was licensed as a Foundation Trust by Monitor and changed its name to Ashford and St. Peter's Hospitals NHS Foundation Trust.

During the course of the year the Trustee has had monthly Finance Committee meetings where matters relating to the Charitable Fund have been considered. Twice a year extended meetings take place to allow the Finance Committee to review the Charitable Fund finances and investments in detail, with these meetings including attendance by the Fund's investment advisors. These meetings were all quorate in the financial year. The Finance Committee keep up to date with the responsibilities of the Trustee and with any changes in legislation at the Finance Committee meetings where finance papers are presented and any issues discussed.

This existing Governance Structure is being reviewed in 2010/11 with the aim of allowing greater focus on Charitable Funds by allowing the Trustee to meet separately to consider matters relating to the Charitable Funds.

As part of their induction programme through the corporate body, the Trustee's of the Ashford and St. Peter's Hospitals Charitable Fund are made aware of their responsibilities as members of the corporate trustee. This induction includes an introduction to the objectives, scope and policies of the Charitable Funds and outlines trustee responsibilities, liabilities, powers and accountability. The same information is provided for new members of the Finance Committee (which includes Charitable Funds).

The Trustee also has quarterly Audit Committee meetings where matters relating to the Charitable Fund may be considered. These meetings consider risk and audit reports and include attendance by both internal and external auditors. All of the meetings were quorate in the financial year.

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

TRUSTEE'S ANNUAL REPORT (Continued)

The Charity contains numerous funds in order to ensure that donations are spent according to donors' wishes and these include two Special Trusts:-

- Ashford Hospital Post Graduate Medical Centre Fund
- Ashford and St. Peter's Hospitals Research Fund

The Charity Commissioners have directed, by virtue of section 96 of the Charities Act 1993, that these Special Trusts shall be treated along with The Ashford and St. Peter's Hospitals Charitable Fund as a single Charity for the purposes of registration and accounting.

The Charity also has two Restricted Funds:-

- St. Peter's Mother and Child Fund
- Stephanie Marks Appeal

The Special Trusts and Restricted Funds have more specific restrictions on the way in which funds in these areas may be used.

The Charity has delegated the administration of all funds to the Ashford and St. Peter's Hospitals NHS Foundation Trust who are responsible for the day to day controls and for the preparation of the Annual Report and Accounts. The day to day management of these funds is delegated to the relevant Executive Director or the ward, department or General Manager as appropriate.

The Director of Finance, (see page 1) is responsible for internal procedures and the day to day administration of the Charity's investment portfolio which is managed by Gerrard Investment Management.

The Charity obtains any legal advice that it requires through the Trustee who has arrangements in place with legal advisers.

Objectives and Strategy

The objects of the Charity are for the Trustee to hold the funds upon trust to apply the income, and at its discretion, so far as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service wholly or mainly for the services provided by the Ashford and St. Peter's Hospitals National Health Service Foundation Trust.

Each fund within the Charity, designated or otherwise, has its own objective which can include, for example, equipment for wards and departments and funding for staff and patients benefit. Those responsible for the day to day management of funds have a responsibility not to accumulate funds unnecessarily.

The specific objectives of the Charity's Special Trusts and Restricted Funds are as follows:

Ashford Hospital Post Graduate Medical Centre Fund

This fund is used for:

"any charitable purpose or purposes relating to the National Health Service wholly or mainly for the Post Graduate Medical Centre at Ashford Hospital"

with the aim of improving medical education and facilities at the hospital.

Ashford and St. Peter's Hospitals Research Fund

This fund is used for:

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

TRUSTEE'S ANNUAL REPORT (Continued)

"any charitable purpose or purposes principally (but not exclusively) at or in connection with the Ashford and St. Peter's Hospitals, which will further the following aims:-

- a) the investigation of the causes of sickness and disease in all its forms, and the prevention, treatment, cure and defeat of sickness and disease in all its forms;
- b) the advancement of scientific and medical education and research in topics related to sickness and disease in all its forms (provided that the useful results of any research be published); and
- c) the furtherance of any other charitable purposes for the relief of persons suffering from sickness and disease in all its forms."

The St. Peter's Mother and Children's Fund

The St. Peter's Mother and Children's Fund was set up to raise funds to be applied for the charitable purposes relating wholly or mainly to the maternity, neonatal and paediatric services provided at St. Peter's Hospital.

More specifically, the fund is used to assist paediatric staff development and welfare and to provide additional equipment and facilities in connection with the hospital treatment of children and their mothers.

Stephanie Marks Appeal

The Stephanie Marks Appeal was set up to raise funds to provide for Diabetes treatment, education and management in a way that is consistent with the National Service Framework for Diabetes. Fundraising for the Appeal was brought to a close in 2008/09 and the objective for 2009/10 was to complete the building of the new diabetes centre.

Other Funds

All other funds are deemed to be General funds for the purpose of furthering the Charity's objects, within the remaining departments of the hospital.

The Charity does not make any grants to third parties.

Public Benefit Statement

The Trustee confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The Charity's objective is to support any NHS charitable purpose relating to the Ashford and St. Peter's Hospitals NHS Foundation Trust. The Trustee has ensured that this purpose is carried out for the public benefit by ensuring that money donated is used to best effect to support the hospitals' work and is in line with donors' wishes and the Charity's objectives.

Risk Management

The Trustee is committed to a regular review of the major strategic, business and operational risks which the Charity faces with a view to ensuring that appropriate systems and procedures are in place to minimise these risks. The Trustee's Audit Committee ensures that its internal audit plan tests these controls to ensure that they are effective. The Trustee has identified, monitored and reviewed the significant risks to the Charity and considers that the control framework in place is sufficient to manage and mitigate the identified risks.

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

**TRUSTEE'S ANNUAL REPORT
(Continued)**

The most significant risk the Charity faces is the fall in value of investments as a result of adverse stock market conditions. This risk has been mitigated by ensuring that Charity's investments are spread over a wide portfolio comprising equity funds, fixed income stock and cash and by taking advice from professional investment advisers.

Expenditure is closely monitored to ensure fund administrators are observing the authorisation limits delegated by the Trustee. The Trustee's Finance Committee regularly reviews the movement on the different funds to satisfy itself that funds are being spent, and for the purpose for which they were raised.

Achievements and Performance

The Financial Review section that follows sets out an analysis of the income and expenditure in 2009/10. The income of £403,000 includes donations from individuals, groups and companies £217,000 (53.9%) and legacy income £86,000 (21.3%) This compares with income of £1,412,000 in the previous financial year when income was high due to the receipt of £920k of legacy income.

Total expenditure in the year was £1,478,000 with the largest part of expenditure being the building work for the Stephanie Marks Building £853,000 (57.75%) funded from the Stephanie Marks Appeal. A total of £274,000 (18.51%) was spent on the purchase of medical and surgical equipment.

Areas of significant fundraising continued to be for the St. Peter's Mother & Children's fund which received income of £100,000 and the Ultrasound fund which received income of £41,000. Other than the Stephanie Marks Appeal previously mentioned the St. Peter's Mother & Children's fund was also a main area of expenditure with £109,000 being spent, mainly on medical equipment.

The Trustee is conscious that funds should not be needlessly accumulated and has during the year discussed this with those responsible for the day to day management of the funds.

Financial Review

Pages 11 to 19 incorporate the Annual Accounts of the Charity for the year ended 31 March 2010. A summary of the accounts is as follows:-

Income - Total income for 2009/10 is summarised as follows:

	<u>2009/10</u>	<u>2008/09</u>
	<u>£'000</u>	<u>£'000</u>
Donations and legacies	303	1,288
Investment Income	48	71
Non-Charitable Trading	-	9
Other Income	52	44
Total	<u>403</u>	<u>1,412</u>

Expenditure - Total direct expenditure, excluding fund-raising, management and administration, for 2009/10 is summarised as follows:

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

TRUSTEE'S ANNUAL REPORT
(Continued)

	<u>2009/10</u> <u>£'000</u>	<u>2008/09</u> <u>£'000</u>
Contributions to the NHS	245	238
Patients welfare and amenities	887	61
Staff welfare and amenities	145	105
Research	94	87
Other	75	83
Total	<u>1,446</u>	<u>574</u>

Investments - The Trustee has appointed Gerrard Investment Management (a subsidiary of Barclays Plc) as investment advisors. They hold the Charity's investments and at 31 March 2010 the market value of these investments was £1,952,000. There were three investments representing greater than 5% of the total market value of all investments as at 31 March 2010. These were a) Investec Fund Managers American Fund valued at £117,509 (6.02%) b) Barclays Bank Supertracker XII valued at £100,860 (5.16%) and c) Lazard Fund Mgrs Emerg Mkts valued at £110,473 (5.66%). Cash held as part of the investment portfolio totalled £40,850 (2.09%).

The Charity has Investment Management Agreements with Gerrard Investment Management which set out the investment objectives, risk profile and restrictions to be applied to their investment portfolios. The Charity adopts a medium risk profile and seeks a balanced portfolio with no investments to be made in single equities. Only investments in equity funds are permitted to ensure that risk is minimised. Twice yearly the Finance Committee meets with and reviews the performance of the investment advisors. Performance is benchmarked and in the financial year performance was considered by the Trustee to be satisfactory.

The Committee considers annually the ethical restrictions that are made to the type of investment that it believes are appropriate for the Charitable Fund to be involved in. Currently these restrictions relate to significant interests in tobacco, alcohol and armaments.

Fund Balances - the balances of funds are shown in notes 11 and 12 to the Annual Accounts.

Financial Position

The Charity's financial position at the balance sheet date is considered to be satisfactory in the context of their future plans. The Trustee confirms that on a fund by fund basis, assets are readily available and adequate to fulfil the needs of the Charity, and that there are sufficient liquid resources to meet their immediate requirements.

Reserves Policy

It is the policy of the Charity to hold reserves at a prudent level, adequate to fulfil its anticipated future needs and objectives and which takes into account the following considerations, risks and constraints:

- i) current stock market performance and levels of unrealised gains on investments held;
- ii) number and longevity of special campaigns and appeals, the level of income required and the likelihood of any surplus or deficit arising; and

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

**TRUSTEE'S ANNUAL REPORT
(Continued)**

- iii) the type of specialist equipment and amenities provided by the Charity are costly and funds must be accumulated over time.

As at 31 March 2010 the breakdown of reserves held are as follows:

	£'000
Restricted funds	447
Unrestricted funds – Designated	1,350
Unrestricted funds – Non-Designated Realised	208
Unrestricted funds – Non-Designated Unrealised	191
Total	<u>2,196</u>

The Trustee considers free reserves to be those unrestricted funds that are non-designated and have been realised. The level of realised free reserves (£208,000) is higher than that considered as required to comply with the reserves policy (which currently is £180,000 to cover three years general expenditure) and is reviewing how the level of free reserves can be reduced whilst satisfying the objects of the charity. These free reserves have been reduced from a balance of £214,000 as at 31 March 2009.

Plans for the Future

As set out above the Trustee has discussed with those responsible for the day to day management of the funds their responsibility not to accumulate funds unnecessarily. This will be reviewed again in 2010/11 to ensure funds are being spent along with a review of the Reserves Policy.

Major funds that have been reviewed by the Finance Committee and which are expected to utilise significant proportions of their funds within the next twelve months are:-

- Fracture & Treatment
- Haematology
- Children's fund
- Breast Care
- Ophthalmology

Expenditure plans for these major funds have been submitted and progress will be reviewed by the Trustee during the course of the year.

Summary

The Trustee would like to thank all those individuals and organisations who have and continue to contribute funds as well as time and effort in order to support the charitable funds.

**A McLeish
Trustee
xx January 2011**

**A Liles
Trustee
xx January 2011**

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

STATEMENT OF TRUSTEE RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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 pages 11 to 19 attached have been compiled from, and are in accordance with, the financial records maintained by the Trustee.

By Order of the Corporate Trustee, the Board of Ashford and St. Peter's Hospitals NHS Foundation Trust

A McLeish
Trustee
xx January 2011

A Liles
Trustee
xx January 2011

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

We have audited the financial statements of the Ashford and St Peters' Charitable Funds (The Charity) for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Charity's Trustees as a body, in accordance with Section 2 of the Audit Commission Act 1998 and Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to The Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The Trustees' responsibilities for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 8. 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. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Audit Commission Act 1998 and the Charities Act 1993. We also report to you, if, in our opinion, the Annual Report is not consistent with the financial statements, if The Charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND
(Continued)

evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of The Charity's affairs as at 31 March 2010 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Audit Commission Act 1998 and Charities Act 1993.

KPMG LLP

Chartered Accountants
Registered Auditor
London

xx January 2011

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED
31 MARCH 2010

	Note	Unrestricted Funds £'000	Restricted Income Funds £'000	Total Funds 2010 £'000	Total Funds 2009 £'000
Incoming Resources					
Donations, legacies and similar resources					
Donations		94	123	217	368
Legacies		74	12	86	920
Total Donations and Legacies		<u>168</u>	<u>135</u>	<u>303</u>	<u>1,288</u>
Operating Activities					
Activities for generating funds		-	-	-	9
Total Operating Activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>
Investment income		35	13	48	71
Other incoming resources	2	37	15	52	44
Total Incoming Resources		<u>240</u>	<u>163</u>	<u>403</u>	<u>1,412</u>
Resources Expended					
Costs of generating funds					
Costs of charitable activities	3, 4	393	1,066	1,459	620
Governance costs		4	-	4	4
		<u>407</u>	<u>1,071</u>	<u>1,478</u>	<u>675</u>
Total Resources Expended					
Net incoming resources		(167)	(908)	(1,075)	737
Gains/(losses) on revaluation of investment assets					
		335	90	425	(289)
Net movement in funds	5	<u>168</u>	<u>(818)</u>	<u>(650)</u>	<u>448</u>
Reconciliation of Funds					
Fund balances at 31 March 2009		1,581	1,265	2,846	2,398
Fund balances at 31 March 2010		<u>1,749</u>	<u>447</u>	<u>2,196</u>	<u>2,846</u>

The notes at pages 13 to 19 form part of these accounts.

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

BALANCE SHEET
AS AT
31 MARCH 2010

	Note	31 March 2010		31 March 2009	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	7		<u>1,952</u>		<u>1,496</u>
CURRENT ASSETS					
Debtors	8	13		2	
Cash at bank and in hand		<u>831</u>		<u>1,788</u>	
			844		1,790
TOTAL CURRENT ASSETS					
Creditors: Amounts falling due Within one year	9		(599)		(440)
NET CURRENT ASSETS/(LIABILITIES)					
			<u>245</u>		<u>1,350</u>
NET ASSETS					
			<u>2,196</u>		<u>2,846</u>
FUNDS OF THE CHARITY					
Capital Funds:					
Endowment Funds			-		-
Income Funds:					
Restricted	10		447		1,265
Unrestricted	11		1,749		1,581
TOTAL FUNDS					
			<u>2,196</u>		<u>2,846</u>

Approved by the Corporate Trustee on xx January 2011 and signed on its behalf by

A Liles **Trustee**

The notes at pages 13 to 19 form part of these accounts.

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

NOTES TO THE ACCOUNTS
31 MARCH 2010**1. Accounting Convention**

1.1 The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value, and in accordance with applicable United Kingdom accounting standards, the Charities Act 1993 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; and
 - 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 Charity are included in the Statement of Financial Activities only when distributed.
 - (ii) Assets given for use by the Charity 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 Charity 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 Charity or the amount actually realised. The basis of the valuation is disclosed in the annual report.

c) Legacies

Legacies are accounted for as incoming resources once the three criteria in 1.2 a) above are met. This will be once confirmation has been received from the representatives of the estates that all conditions attached to the legacy have been fulfilled and that payment can be legally made. The conditions of the legacy applicable to the fund will determine whether it is accounted for as unrestricted, restricted or endowment income.

d) Intangible Income

Intangible income (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.

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

NOTES TO THE ACCOUNTS
(Continued)
31 MARCH 2010**1.3 Resources Expended**

The Charity's Accounts are prepared in accordance with the accruals concept. A liability (and consequently, expenditure) is recognised in the Accounts when there is a legal or constructive obligation, capable of reliable measurement, arising from a past event.

Resources expended are split into two main categories, being the costs of generating funds and the actual costs of charitable activities. The costs of generating funds are the costs associated with generating income for the Charity. A grant is any payment that is made voluntarily to any institution or to an individual in order to further the Charity's objectives, without receiving goods or services in return. Costs of activities in the furtherance of charitable activities is expenditure incurred on the provision of goods and services.

1.4 Allocation of overheads and support costs

Overheads and support costs have been allocated between charitable activities and governance costs. The analyses of overhead and support costs are shown in Note 3.

1.5 Governance costs

Governance costs comprise all costs attributable to ensuring the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to audit together with an apportionment of overhead and support costs.

1.6 Intangible and Tangible Fixed Assets

These funds have no such retained assets.

1.7 Investment Fixed Assets

Investment fixed assets consist of quoted stocks and shares and cash held within the investment portfolio and are included in the balance sheet at market value. Valuation gains and losses are recorded in the Statement of Financial Activities with the balance sheet reflecting the revalued amounts.

1.8 Change in the Basis of Accounting

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

1.9 Cashflow Statement

The charity is exempt from preparing a cashflow statement as required by Financial Reporting Standard 1 as the size of its operations falls short of the criteria set out for a "large" charity.

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

NOTES TO THE ACCOUNTS
(Continued)
31 MARCH 2010

2. Other Incoming Resources

	Unrestricted Funds	Restricted Income Funds	Total 2010 Funds	Total 2009 Funds
	£'000	£'000	£'000	£'000
Other	<u>37</u>	<u>15</u>	<u>52</u>	<u>44</u>

None of the other incoming resources was of sufficient materially value to require separate disclosure.

3. Analysis of support costs and overheads

	Governance costs	Charitable activities	Costs of generating funds	Total 2010	Total 2009
	£'000	£'000	£'000	£'000	£'000
Management charge	-	13	-	13	88
External audit	4	-	-	4	4
Other	-	-	15	15	8
	<u>4</u>	<u>13</u>	<u>15</u>	<u>32</u>	<u>100</u>

4. Analysis of Charitable Activities

	Direct costs	Support costs	Total 2010 Funds	Total 2009 Funds
	£'000	£'000	£'000	£'000
Grants to Ashford and St. Peter's Hospitals NHS Trust	245	-	245	238
Patients welfare and amenities	887	9	896	70
Staff welfare and amenities	145	2	147	119
Research	94	1	95	99
Miscellaneous	75	1	76	94
	<u>1,446</u>	<u>13</u>	<u>1,459</u>	<u>620</u>

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

NOTES TO THE ACCOUNTS
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5. Changes in Resources Available for Charity Use

	Unrestricted Funds	Restricted Income Funds	Total 2010 Funds	Total 2009 Funds
	£'000	£'000	£000	£'000
Net movement in funds for the year	168	(818)	650	449
Net movement in tangible fixed assets	-	-	-	-
Net movement in funds available for future use	<u>168</u>	<u>(818)</u>	<u>650</u>	<u>449</u>

6. Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Income Funds	Total 2010 Funds	Total 2009 Funds
	£'000	£'000	£'000	£'000
Investments	1,555	396	1,951	1,496
Current assets	672	172	844	1,790
Current liabilities	(478)	(121)	(599)	(440)
	<u>1,749</u>	<u>447</u>	<u>2,196</u>	<u>2,846</u>

7. Fixed Asset Investments**7.1 Analysis of fixed asset investments**

	Total 2010 £'000	Total 2009 £'000
Market value at 1 April 2009	1,496	1,751
Disposals at carrying value	(1,889)	(2,034)
Acquisitions at cost	2,019	2,006
Net gain / (loss) on revaluation	326	(227)
Market value at 31 March 2010	<u>1,952</u>	<u>1,496</u>
Historic cost at 31 March 2010	<u>1,712</u>	<u>1,552</u>

7.2 Market value as at 31 March 2010

	Held in UK £'000	Held outside UK £'000	Total 2010 £'000	Total 2009 £'000
Investments listed on Stock Exchange	1,911	-	1,911	1,393
Cash held as part of the investment portfolio	41	-	41	102
Total market value of fixed asset investments	<u>1,952</u>	<u>-</u>	<u>1,952</u>	<u>1,495</u>

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

NOTES TO THE ACCOUNTS
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7.3 Analysis of gross income from investments	Held in UK £'000	Held outside UK £'000	Total 2010 £'000	Total 2009 £'000
Investments listed on Stock Exchange	40	-	40	40
Cash held as part of an investment portfolio	-	-	-	3
	<u>40</u>	<u>-</u>	<u>40</u>	<u>43</u>

7.4 Significant investments

There were three investments representing greater than 5% of the total market value of all investments as at 31 March 2010. These were: -

- Investec Fund Managers American Fund £117,509 (6.02%)
- Barclays Bank Supertracker XII £100,860 (5.16%)
- Lazard Fund Mgrs Emerg Mkts £110,473 (5.66%)

Cash held as part of the investment portfolio totalled £40,850 (2.09%)

8. Debtors

	2010 £'000	2009 £'000
Amounts falling due within one year:		
Accrued income	13	2
	<u>13</u>	<u>2</u>
No amounts fall due after more than one year.		

9. Creditors

	2010 £'000	2009 £'000
Amount falling due within one year:		
Trade creditors	23	4
Other creditors	576	436
Accruals	-	-
	<u>599</u>	<u>440</u>
No amounts fall due after more than one year.		

10. Restricted Funds

	Balance 31 March 2009 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers between funds £'000	Gains and Losses £'000	Balance 31 March 2010 £'000
Research Fund	280	31	(84)	-	55	282
Post Graduate Medical Centre Fund	57	13	(71)	-	5	4
Stephanie Marks Appeal	788	19	(807)	-	-	-
Mother & Children's Fund	140	100	(109)	-	30	161
Restricted funds	<u>1,265</u>	<u>163</u>	<u>(1,071)</u>	<u>-</u>	<u>90</u>	<u>447</u>

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

NOTES TO THE ACCOUNTS
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11. Unrestricted Funds

	Balance 31 March 2009	New designation	Utilised / Realised	Transfer Between Funds	Recogn Gains & Losses	Balance 31 March 2010
	£'000	£'000	£'000	£'000	£'000	£'000
Designated Funds:						
Orthopaedic	82	10	(31)	-	4	65
Fracture Treatment	198	19	(3)	-	13	227
Haematology	186	21	(35)	-	12	184
Rheumatology	108	2	(34)	-	6	82
Ophthalmology	157	18	(37)	-	10	148
Ultrasound	90	41	(74)	-	5	62
Diabetic Clinic	135	3	(50)	-	8	96
Other designated funds	454	91	(90)	-	30	485
	<u>1,410</u>	<u>205</u>	<u>(354)</u>	<u>-</u>	<u>88</u>	<u>1,349</u>
Non-designated funds	171	35	(53)	-	247	400
Total unrestricted funds	<u>1,581</u>	<u>240</u>	<u>(407)</u>	<u>-</u>	<u>335</u>	<u>1,749</u>

12. Post balance sheet event

There were no post balance sheet events having a material effect on the accounts.

13. Contingencies

There are no contingent gains/(losses) included in the accounts.

14. Commitments

There are no material expenditure commitments as at 31 March 2010.

15. Trustee and Related Parties Transactions

15.1 Trustee expenses reimbursed

No Trustees were reimbursed expenses during the year for carrying out their duties as Trustees of the Charity.

15.2 Trustee remuneration

No Trustees received remuneration during the year from the Charity.

15.3 Details of transactions with Trustee's or related parties

The Charity has made revenue payments to the Corporate Trustee, Ashford and St. Peter's Hospitals NHS Trust for expenses incurred on its behalf in the year. There was also a management charge made by the NHS Trust for the administration (excluding audit fee) of the charity of £13,000 (£45,000 for 2008/09).

THE ASHFORD AND ST. PETER'S HOSPITALS CHARITABLE FUND

**NOTES TO THE ACCOUNTS
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16. Change in Trusteeship

Throughout the financial year ended 31 March 2010 the Trustee was the corporate body Ashford and St. Peter's Hospitals NHS Trust but on 1st December 2010 Ashford and St. Peter's Hospitals NHS Trust was licensed as a Foundation Trust by Monitor. From that date the Trustee is therefore the corporate body Ashford and St. Peter's Hospitals NHS Foundation Trust.

KPMG LLP
Canary Wharf
12th Floor
15 Canada Square
London
E14 5GL

27th January 2011

Dear Sirs,

Management representations for The Ashford and St. Hospitals Charitable Fund

We understand that auditing standards require you to obtain representations from the Board on certain matters material to your opinion. Accordingly we confirm to the best of our knowledge and belief, having made appropriate enquiries of other Trustees and officers of the Charitable Trust, the following representations given to you in connection with your audit of the financial statements for The Ashford and St. Peter's Hospitals Charitable Funds for the year ended 31st March 2010.

We confirm that we can provide full assurance over the risks that may impact on the audit opinion.

We confirm that we have disclosed all material related party transactions relevant to the Trust and that we are not aware of any other such matters required to be disclosed in the financial statements, whether under FRS 8 or other requirements.

We confirm that we are not aware of any actual or potential non-compliance with laws and regulations that would have had a material effect on the ability of the Trust to conduct its business and therefore on the results and financial position to be disclosed in the financial statements for the year ended 31st March 2010.

We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with the Charities Commission Statement of Recommended Practice and wider UK accounting standards. We have considered and approved the financial statements.

We confirm that:

- we are responsible for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error;
- we have disclosed to you all significant facts relating to any frauds or suspected frauds known to the Board that may have affected the Trust; and
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We confirm that there are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than that already disclosed in the financial statements; and
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements.

We confirm that we are satisfied that it is appropriate for the accounts to be prepared on a going concern basis and that the disclosures included in the financial statements are a complete and accurate representation of the actions we propose to take to maintain the Fund as a going concern.

Finally, no additional significant post balance sheet events have occurred that would require additional adjustment or disclosure in the financial statements, over and above those events already disclosed.

This letter was tabled at the meeting of Ashford and St. Peter's Hospitals NHS Foundation Trust (the Corporate Trustee) on 27th January 2011.

Yours faithfully

John Headley – Director of Finance and Information, and Trustee

On behalf of the Trustees of The Ashford and St. Peter's Hospitals Charitable Fund