

**Maidstone and Tunbridge Wells NHS  
Charitable Fund**

**Charity Number 1055215**

**Annual Report and Accounts for the year  
ended 31<sup>st</sup> March 2014**

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## **Annual Report for the year ended 31 March 2014**

The Corporate Trustee (Trustee) presents the Maidstone and Tunbridge Wells NHS Trust Charitable Funds (“the Charity’s”) annual report and the audited financial statements for the year ended 31 March 2014.

The financial statements set out on pages 18 to 29 comply with the charity’s trust deed, applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” issued in October 2005, and the Charities Act 2011.

### **Trustee Statement**

The generosity of the many people who have raised funds, given donations and made provisions in their will, is recognised by both the Trustee and staff particularly in the current financial climate. The Trustee and the staff, would like to express their sincere gratitude to all those who have made a contribution which has enabled the Charity to enhance the standard of care, services and facilities provided by the Maidstone and Tunbridge Wells NHS Trust to patients, their relatives, visitors and staff.

### **Information about the Charity**

The Maidstone and Tunbridge Wells NHS Trust (‘the Trust’) is the Corporate Trustee of the charitable fund under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990. The Charity is constituted by a Trust Deed and registered with the Charity Commissioners under charity number 1055215, and includes funds in respect of the Hospitals of the Maidstone and Tunbridge Wells NHS Trust.

During the year the Charity was situated on two main sites at Maidstone and Pembury in Kent. These are Maidstone Hospital and The Tunbridge Wells Hospital at Pembury.

The Charity is a ‘NHS Umbrella Charity’ under which there are individual sub-funds that are held for administrative purposes, principally to respect the wishes of the donors.

Within the Umbrella there were a total of 162 individual funds at the 31st March 2014 with a total value of £1,094k. The number of funds in each category is as follows:-

- 85 restricted funds.
- 2 endowment funds (capital in perpetuity) - only the net income to be spent, whilst the capital remains invested.
- 75 unrestricted or designated Funds created for donations received for use by hospitals, wards and departments to reflect donors’ wishes. These do not form a binding trust.

The major funds within each of these categories are disclosed in Note 8 in the accounts.

### **The Corporate Trustee**

Maidstone and Tunbridge Wells NHS Trust is the Corporate Trustee of the Charity.

The Trust Board effectively adopts the role of Trustee as defined by the Charity Commission (it is considered to be the agent of the Trustee). Individual members of the Board are not trustees under Charity Law.

Details of appointments and terminations within the financial year are tabled below:

<b>Executive Directors</b>	<b>Non-Executive Directors</b>	<b>Other Directors</b>
Glenn Douglas – Chief Executive	Anthony Jones – Chairman of Trust Board	Sara Mumford – Director of Infection Prevention and Control
John Headley – Finance Director (to 27 <sup>th</sup> October 2013)	Steve Tinton – Chair of Charitable Funds Committee for 2013/14	Jayne Black – Director of Transformation (joined September 2013)
Ian Miller – Interim Director of Finance (from 1 <sup>st</sup> November 2013)	Phil Wynn-Owen (Chair of Charitable Funds Committee) (left Board on 30 <sup>th</sup> December 2013)	Terry Coode – Director of Corporate Affairs
Paul Sigston – Medical Director	Sarah Dunnett (joined Board in January 2014)	Paul Bentley – Director of Strategy and Workforce
Angela Gallagher – Chief Operating Officer	Kevin Tallett	
John Kennedy – Interim Director of Nursing (left 30 June 2013)	Sylvia Denton	
Avey Bhatia – Chief Nurse (joined Board on 1 <sup>st</sup> July 2013)	Beverley Evans (left 3 <sup>rd</sup> April 2013)	Stephen Smith (Associate Non-Executive Director)

None of the Board Directors have received any remuneration from the Charity in this financial year for work relating to their responsibilities for the Charity as agent of the Corporate Trustee. (2012/13 none)

The principal office of the Charity is:

Trust Headquarters  
Maidstone and Tunbridge Wells NHS Trust  
Maidstone Hospital  
Hermitage Lane  
Maidstone  
Kent ME16 9QQ

**Principal advisors:**

External Auditor Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP	Bankers Citibank Citibank NA, London Branch 25 Canary Wharf London E14 5LB
Solicitors Brachers Solicitors Sommerfield House 59 London Road Maidstone Kent ME16 8JH	Bankers National Westminster Bank Kent Corporate Business Centre PO Box 344 Maidstone Kent ME14 1AT
Investment Managers Charities Aid Foundation 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA	Bankers Lloyds TSB 2 <sup>nd</sup> Floor 11 Earl Grey Street Edinburgh EH3 9BN
	Bankers Santander Business Banking Bridle Road Bootle Merseyside L30 4GB
	Bankers Clydesdale Bank 6/8 London Road Unit 5 Peveril Court Crawley RH10 8JB

## **Governance and Management of the Charity**

### **Governance**

The Board of the Maidstone and Tunbridge Wells NHS Trust became responsible for the funds with effect from the 1 April 2000, following the merger of the Kent and Sussex Weald NHS Trust, which was based at Tunbridge Wells and the Mid Kent Healthcare Trust, which was located at Maidstone. The Board delegates the daily stewardship of the funds to the Charitable Funds Committee of the Trust, which within its annual programme of meetings, includes relevant training and updates as required to assist in the performance of its role as Trustee.

The Charitable Funds Committee plans to meet at least three times a year.

The proceedings and decisions of the committee are recorded. The minutes of each meeting are formally agreed by the Chairman of the Committee and circulated to all members.

### **Recruitment and Training of Board and Committee Members**

All Board and committee members undertake a two day induction programme within the Trust upon joining. They are also able to focus on a particular area of the Trust in which they have a special interest or concern.

### **Management of the Charity**

The Charitable Funds Committee has a tightly controlled scheme of authorisation in place in order to spend the funds. This is achieved by delegating the day to day expenditure to the duly authorised fund holders. The fund holders consist mainly of ward managers, senior medical staff or senior department managers. Each individual fund holder is approved by the general manager or Clinical Director of the Directorate, and also made aware of the Trust's Standing Orders and Standing Financial Instructions, that apply to Charitable Funds. Each fund holder receives a detailed financial statement of the fund each month.

### **Risk Management**

The major risks to the Charity have been assessed, and in the Board's opinion, all necessary action has been taken and procedures have been put in place to minimise those risks wherever possible. The risk policies and financial controls of the Trust also apply to the Charitable Funds. The Corporate Trustee has identified that the only major area of financial risk for the Charitable Funds is the performance of the investments.

To mitigate the risk of investment performance the Corporate Trustee has adopted a relatively low risk policy, but 50% of funds will remain exposed to those risks normally associated with investing in stocks and shares and regarded as medium to long term investment. The cash balances will be invested in bank accounts which have a low credit risk (a minimum rating of 'Fitch AA-' / 'Moody's AA3') and covered by the Financial Services compensation scheme up to a maximum of £85,000 per 'authorised institution'. The maximum investment in each banking institution will be £100,000 and therefore the maximum risk on each investment is £15,000.

## **Investment Powers**

The investment powers of the charitable fund are stated in the Declaration of Trust registered with the Charity Commission, which provides for the following:

*“to invest the trust fund and any part thereof in the purchase of or at interest upon the security of such stocks, funds, securities or other investments of whatsoever nature and where so ever situate as the trustee in their discretion think fit but so that the trustee:*

- a) shall exercise such power with the care that a prudent person of business would in making investments for a person for whom he felt morally obliged to provide;*
- b) shall not make any speculative or hazardous investment (and, for the avoidance of doubt, this power to invest does not extend to the laying out of money on the acquisition of futures and traded options);*
- c) shall not have power under this clause to engage in trading ventures; and*
- d) shall have regard to the need for diversification of investments in the circumstances of the Charity and to the suitability of proposed investments.”*

## **Investment strategy**

The investment strategy of the charity is defined, by the charitable fund committee on behalf of the corporate trustee as follows:

*“to maximise total returns whilst minimising any risk to the total value of the fund in both the short to medium term.”*

The strategy identifies the current preferred investment mix for the charity as:

- 50% Cash;
- 25% Equities; and
- 25% Bonds.

The Charitable Funds Committee monitors the performance of the investments on a regular basis.

## **Professional Advisors**

The External Audit is performed by Grant Thornton UK LLP. In addition, TIAA, the internal auditors of the Trust, review on a planned basis the systems and procedures put in place by the Corporate Trustee.

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

The key objective of the Trustee of the Maidstone and Tunbridge Wells NHS Charity is to ensure that donations and legacies received are used in accordance with the wishes of the donor and the aims of the Trust.

The Corporate Trustee confirms that the guidance provided by the Charity Commission has been referred to with regard to the need for public benefit when reviewing their aims and objectives and future activities.

The purpose of the Charity is to provide benefit to the public by supporting the prevention and treatment of illness in all its forms and to promote research and education in healthcare through:

- Improving the patient and carer experience;
- Improving healthcare facilities and equipment;
- Facilitating high quality research programmes;
- Encouraging and supporting innovation in the development of services; and
- Supporting the training, personal development and welfare of staff.

The objects of the umbrella Charity are stated in the Trust deed as follows:-

*“The Trustee shall hold the trust fund upon trust to apply the income, and at their discretion, so far as may be permissible, the capital, for such purposes relating to Hospital Services (including Research); or to any other part of the Health Service associated with any hospital as the Trustee think fit.”*

The restricted funds have individual specified purposes that govern their use, in conjunction with the objects of the umbrella Charity.

## **Strategy for Achieving its Objectives**

The Charitable Funds are used to support the overall objectives of the Trust, and include the provision of a wide range of equipment and facilities for both patients and staff. This allows the Trust to develop its services through new equipment and facilities and to provide training for staff which enhances their skills and knowledge allowing them to improve their contribution to the provision of its services to the public benefit.

The development of the Trust's services may be dependent on both the Charitable Funds and the funds received from the Exchequer. This interdependency provides opportunities for the Charity to contribute to services which make a greater impact than the cash sum would make on its own.

## **Reserves and Commitments**

Charity Reserves as defined under SORP 2005 (GL51) are those funds which become available to the charity to be spent at the Trustee's discretion in furtherance of the charity's objectives, excluding funds which are spent or committed or could only be realised through the disposal of fixed assets. These are therefore classified as 'free'.

The Corporate Trustee has not made any changes to policies during the year and still requires that commitments against each fund are made only when the resources needed are available.

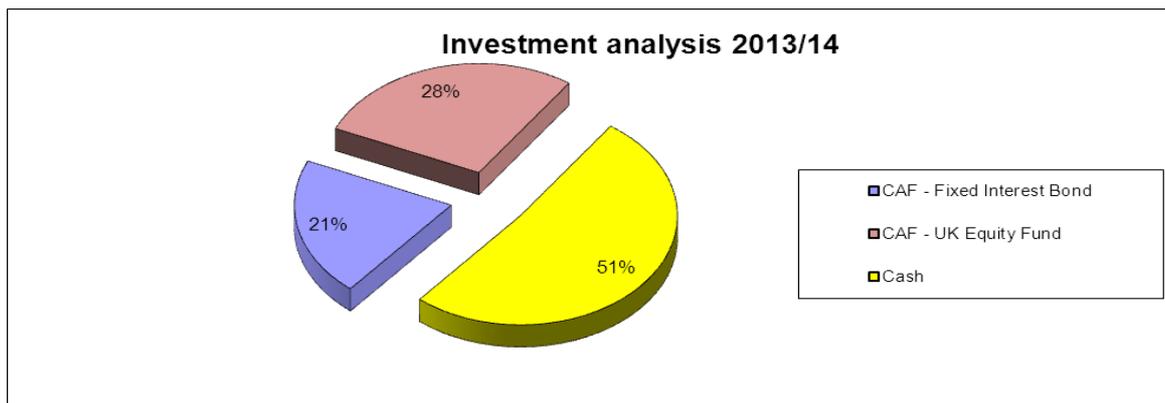
Major items of expenditure for both goods and services are agreed in advance in order that the necessary liquid resources can be released from the Investment Managers on a planned and timely basis. None of the funds held by the Investment Managers are committed on a long term basis as the Corporate Trustee has a policy to put the funds to the best possible use as quickly as is reasonably possible, taking into consideration any particular restrictions imposed by individual donors.

### Investment Performance

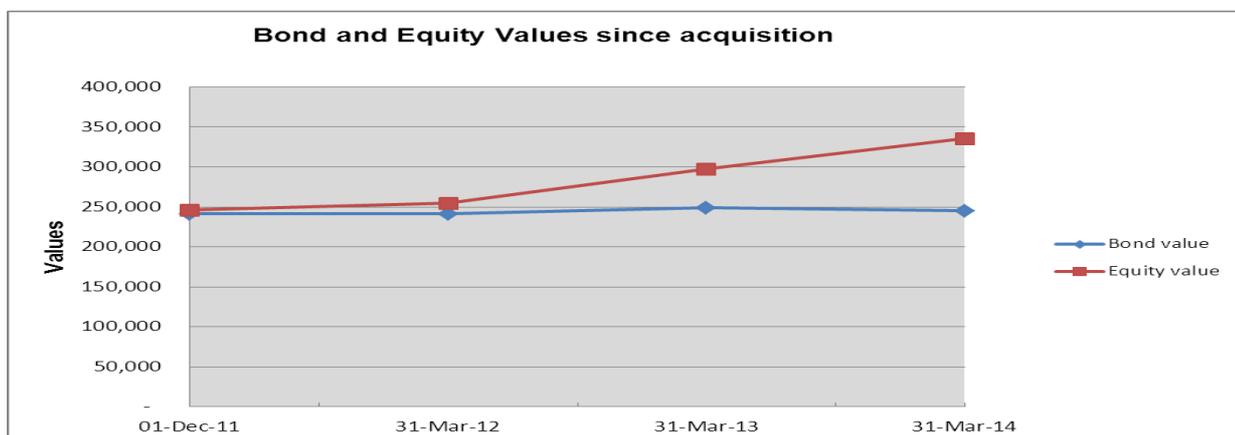
Investment income for the year was £25k (2012/13 £24k). In the current economic climate this is considered to indicate an acceptable performance for an investment strategy based on a low risk portfolio of investments. The total performance return on the portfolio of the investments (equity and bond) was £6k which equates to a 1.12% on the opening portfolio value (2012/13 2.49%).

The value of equities and bonds varies according to market forces with the CAF bonds and equities portfolio increasing in market value to £581k at 31 March 2014 (£547k at 31 March 2013). The cash investment at 31 March 2014 was £615k (£520k at 31 March 2013).

The current asset portfolio of cash and investment allocation totalling £1,194k at 31.03.14 is shown in the following graph:



Although the cash allocation at 51% is broadly in line with the strategy of Cash 50%, Bonds 25%, Equities 25%, the mix of bonds (21%) and equities (28%) is not completely in line due to the fact that the equity investments have performed better over time. The graph below demonstrates the performance of the bonds and equities since their purchase in December 2011.

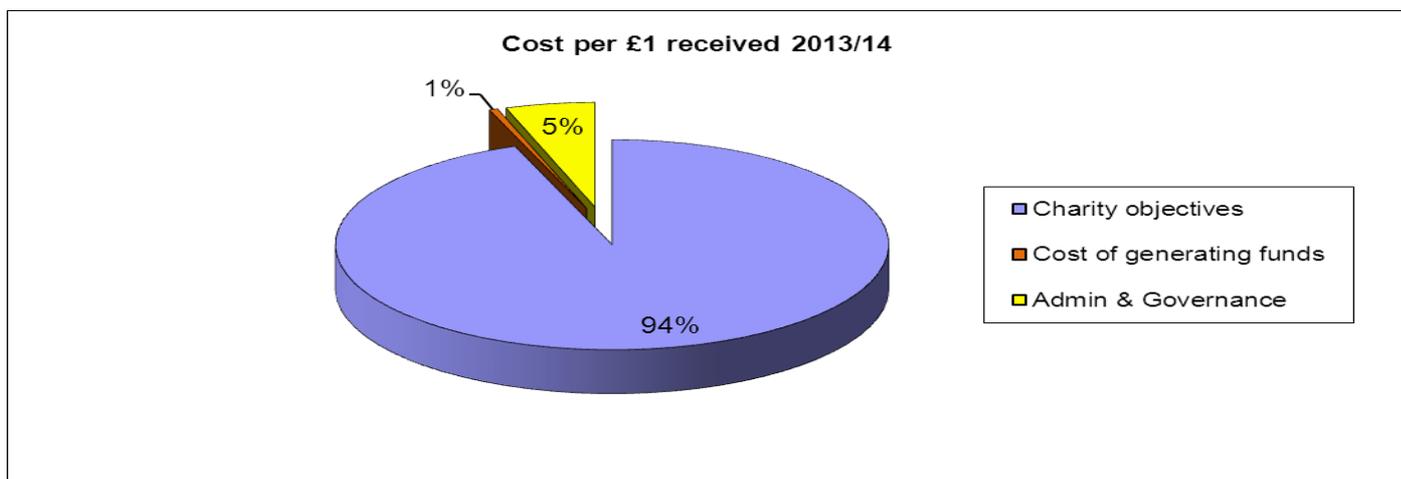


Performance of the portfolio is monitored and reviewed on a quarterly basis by the Charitable Funds Committee.

### Achievement of public benefit

The Trust has achieved its objectives to enhance services and amenities for the public both as patients and visitors as well as staff through the purchase of equipment and support for projects.

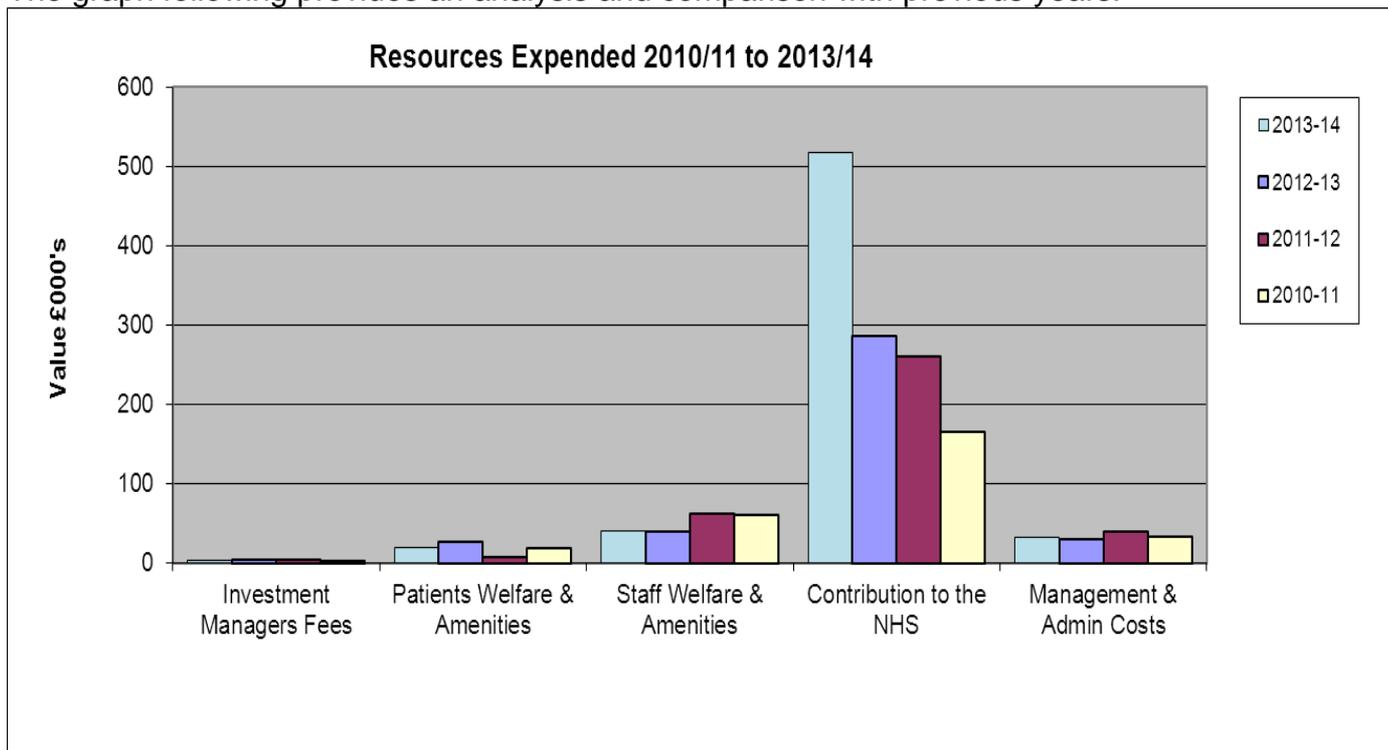
The graph below shows that in this financial year for every £1 raised, 94pence was spent in achieving the objectives of the charity. Although a 'cost-per-pound' raised ratio can be misleading as many factors can affect the analysis, it can be a useful guide to both donors and the corporate trustee.



### Expenditure

Total resources expended by the Charity within this financial year were £613k (2012/13 £386k), of which £578k (94%) was a direct contribution to the Trust (2012/13 £351k 91%).

The graph following provides an analysis and comparison with previous years:



Charitable expenditure for the year is detailed below.

### **Medical Equipment – Total spend £429k (2012/13 £221k)**

Medical equipment has been purchased within the reporting year to provide additional resources to enhance the quality of treatment, services and amenities within the Trust.

The most significant purchases were:

- Echogastroscope (£86k) to replace the existing oesophageal EUS scope which is over 6 years old.
- Purchase of a replacement ultrasound machine for the breast care unit at Maidstone Hospital to support the development of new and improved techniques around the treatment for breast care patients (£83k).
- The Peggy Wood Foundation funded the purchase of an EBUS scope (£59k) for the Endoscopy unit at Maidstone Hospital to set up the EBUS service. A procedure that ensures that lung cancer is more accurately staged
- Trolley Life Guards (£37k) to replace 15 patient trolleys at a cost of £2,500 each.
- BodyBox – Lung Function Machine (£27k) ensuring non-urgent lung function tests are carried out within 2 weeks.

### **Other Direct Contributions to the NHS – Total spend £41k (2012/13 £65k)**

Expenditure in this category includes fixtures and fittings, production of a video for the birthing centre patients and nursing staff to provide additional support for the Oncology Department on a pilot basis to establish if the additional resourcing improved the patient experience. The pilot was deemed successful and the additional support has been funded from Trust exchequer funds for 2014/15.

### **Information Technology – Total spend £48k (2012/13 £0)**

Expenditure supported the implementation of 'Patient Knows Best' web services.

### **Patient Welfare and amenities – Total spend £20k (2012/13 £26k)**

90% (£18k) of the expenditure in this category provides complementary physiotherapy service for patients with multiple sclerosis to enable patients to maintain higher levels of ability.

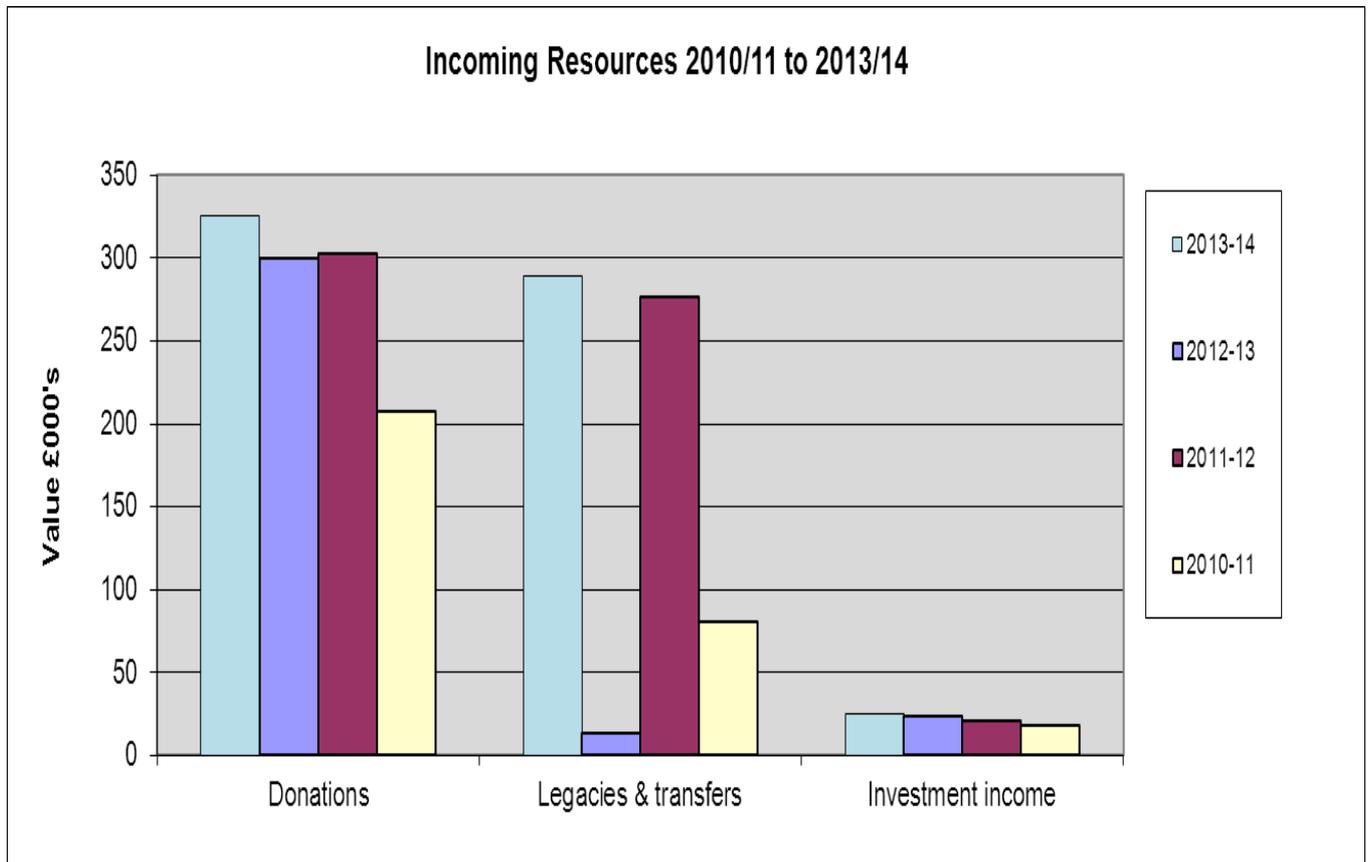
### **Staff Amenities and Welfare – Total spend £40k (2012/13 £39k)**

Staff throughout the Trust 'go the extra mile' to ensure the best quality of care for patients. The corporate Trustee recognises this commitment and the hard work and care given to patients and to those who visit the Trust.

63% of expenditure in this category is as support for additional training, allowing staff to develop within their roles and allowing them to enhance patient care and experience.

## Income

The graph below shows an analysis of income sources for the current and two previous financial years:



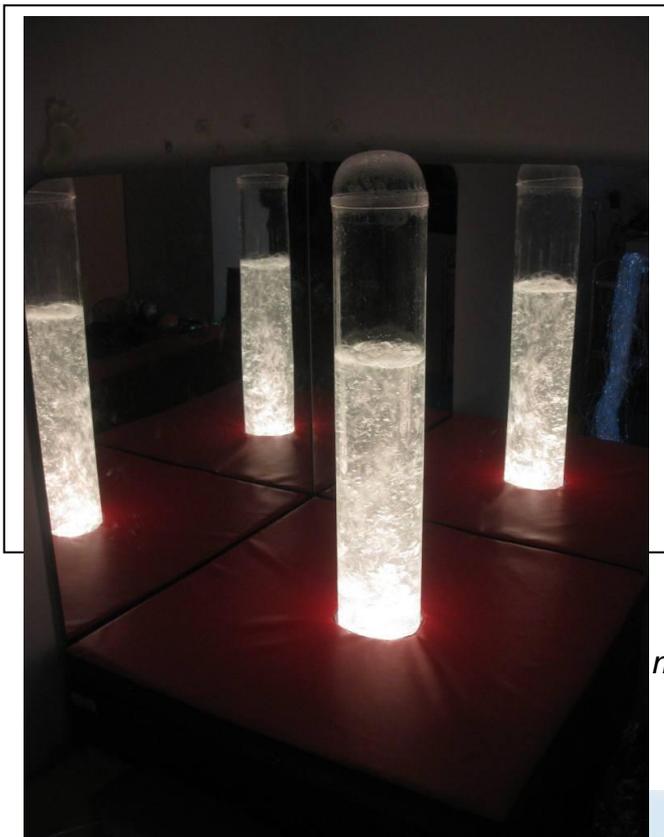
The majority of income received by the Charity is from grateful patients and relatives who wish to support the Trust in appreciation of the work and care provided by the Trust staff.

The total voluntary income received from all sources was £615k. A total of £326k was received from donations and £289k from legacies.

The Trust received the following significant donations (over £10k) during the year:

	£000's
Peggy Wood Foundation – To purchase an Ultrasound machine for the Breast care Unit at Maidstone Hospital	83
Peggy Wood Foundation – To purchase an EBUS Scope for the Endoscopy Unit at Maidstone Hospital	59
Merck Serono Ltd – To support complimentary therapy for Multiple Sclerosis patients	20
Peggy Wood Foundation – To purchase a Microscope and Camera System for the Breast care Unit at Maidstone Hospital	12

*Southborough Rotary Club donations funded a new sensory room the children's ward at Tunbridge Wells Hospital.*



*marathon to raise £800 for the Neonatal Unit at*



## Legacies

Legacies were received from the estates of the following:

	£000's
The late Ruth Green for the Maidstone Hospital Medical Equipment fund	261
The late John Lockhart for the Maidstone Hospital Oncology ward funds	11
The Late Frances Maynard for the Upper Gastrointestinal fund of Maidstone Hospital	10
The Late Jean Gravenell for the Maidstone Hospital Oncology ward funds	5
The Late Leonard Petch for the Oncology wards of the Maidstone and Tunbridge Wells NHS Trust	2

The Trust holds no material assets bequeathed to the charity but subject to a life tenancy interest held by a third party.

The Corporate Trustee is most appreciative of every gift and sends thanks to all who have supported the Trust in this way.

## Fundraising

The Trust has an active 'just giving' page that received donations of £19k this year compared to £4k last year.

Gift Aid is being encouraged and staff are reminded to ask donors to use the donation and gift aid forms to increase their donation.

## Intangible Income

The Statement of Financial Activity does not include any estimation of intangible income in respect of volunteers' services or the free use of Trust premises.

## **Looking Forward**

The Trustee is dedicated to strengthening the long term viability of the Charity, working in partnership with the Trust to achieve their aim to deliver a first class healthcare service for our patients.

The Trust is a member of the Association of NHS Charities and continues to work with colleague organisations to ensure best practice in the Charity's activities.

Additionally the Trust commissioned a consultant to advise on fundraising opportunities for the Trust and the Trustee will be considering this report in 2014/15.

## **Making donations**

There are several ways that the generosity of those wishing to donate to our funds can be enhanced through tax saving schemes such as Gift Aid and through the internet on [www.justgiving.com](http://www.justgiving.com).

We hope that you will continue to support the Trust as it seeks to enhance patient care and support staff in delivering a first class service to patients, relatives and visitors.

If you would like to find out more about the work of the Charity, make a donation, or raise funds, please contact the Trust at the principal office (details on page 3), via our website at [www.mtw.nhs.uk](http://www.mtw.nhs.uk) or complete the attached form at the end of the report and send it to us.

**The following pages show the financial accounts for the year ended 31 March 2014.**

## Statement of Trustee responsibilities in respect of the Trustee annual report and the financial statements

Under charity law, the Corporate Trustee is responsible for preparing the Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the Charity and of the financial position at the end of the year.

In preparing these financial statements, generally accepted accounting practice entails that the trustee:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, 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 its activities.

The trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustee to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

As far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware and 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 18 – 19 attached have been compiled from and are in accordance with the financial records maintained by the trustee.

By Order of the Trustee

Signed:



Anthony Jones,  
Chairman of Trust Board  
Maidstone and Tunbridge Wells NHS Trust

Date: 8.1.15.....

## **Independent auditor's report to the trustees Maidstone and Tunbridge Wells NHS Trust Charitable Fund**

We have audited the financial statements of Maidstone and Tunbridge Wells NHS Trust Charitable Fund for the year ended 31 March 2014 which comprise the statement of financial activities, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. 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 auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees are responsible for the preparation of financial statements which give a true and fair view. We have been appointed as auditor under section 149 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2014, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Matters on which we are required to report by exception**

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

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

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Grant Thornton House, Melton Street, Euston Square, London, NW1 2EP  
Date: 12 - 1 - 15

## Statement of Financial Activities for the year ended 31 March 2014

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2013/14 Total Funds £000	2012/13 Total Funds £000
<b>Incoming resources</b>	2					
Donations		69	257	0	326	300
Legacies		10	279	0	289	13
<b>Total Donations and Legacies</b>		<b>79</b>	<b>536</b>	<b>0</b>	<b>615</b>	313
Investment income		5	20	0	25	24
<b>Total incoming resources</b>		<b>84</b>	<b>556</b>	<b>0</b>	<b>640</b>	337
<b>Resources expended</b>	3					
Costs of generating funds	3.1	(1)	(2)	0	(3)	(5)
<b>Charitable Activities</b>						
Activities in furtherance of Charity's objectives	3.2	(81)	(497)	0	(578)	(351)
Governance and administration	3.3	(7)	(25)	0	(32)	(30)
<b>Total resources expended</b>		<b>(89)</b>	<b>(524)</b>	<b>0</b>	<b>(613)</b>	(386)
<b>Net incoming / (outgoing) resources</b>		<b>(5)</b>	<b>32</b>	<b>0</b>	<b>27</b>	(49)
Gains / (losses) on revaluation and disposal	4	7	23	0	30	51
<b>Net movement in Funds</b>	4	<b>2</b>	<b>55</b>	<b>0</b>	<b>57</b>	2
Fund Balances brought forward at 31 March 2013		275	753	9	1037	1037
<b>Fund balances carried forward at 31<sup>st</sup> March 2014</b>		<b>277</b>	<b>808</b>	<b>9</b>	<b>1094</b>	

The notes at pages 20 to 29 form part of these financial statements

## Balance Sheet as at 31 March 2014

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2013/14 Total Funds £000	2012/13 Total Funds £000
<b>Fixed Assets</b>	5					
Investments	5.1	149	432	0	581	558
<b>Total Fixed Assets</b>		<b>149</b>	<b>432</b>	<b>0</b>	<b>581</b>	<b>558</b>
<b>Current Assets</b>	6					
Cash at bank and in hand	6.1	155	451	9	615	520
Debtors due within one year	6.2	1	0	0	1	74
<b>Total current Assets</b>		<b>156</b>	<b>451</b>	<b>9</b>	<b>616</b>	<b>594</b>
Creditors due within one year	7.1	(28)	(75)	0	(103)	(115)
<b>Net Current Assets / (Liabilities)</b>		<b>128</b>	<b>376</b>	<b>9</b>	<b>513</b>	<b>479</b>
<b>Total Net Assets</b>		<b>277</b>	<b>808</b>	<b>9</b>	<b>1094</b>	<b>1037</b>
<b>Funds of the Charity</b>	8					
Endowment Funds					9	9
Restricted Funds					808	753
Unrestricted Funds					277	275
<b>Total Funds</b>					<b>1094</b>	<b>1037</b>

For purposes of splitting assets / liabilities by category, endowment funds are categorised as cash, restricted and unrestricted by transaction where available, otherwise apportioned by fund category balance.

The notes at pages 20 to 29 form part of these financial statements

Signed on behalf of the Trustee:



Anthony Jones,  
Chairman of Trust Board  
Maidstone and Tunbridge Wells NHS Trust

Date: 8.1.15

## Notes to the financial statements for the year ended 31 March 2014

### 1. Principal accounting policies

#### 1.1. Accounting Convention

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005 and the Charities Act 2011. A summary of the principal accounting policies, which have been applied consistently, are set out below.

##### *Basis of preparation*

The financial statements are prepared in accordance with the historical cost convention, except for Investments, which are included at market value. During the year, the Charity reviewed its accounting policies and made no changes.

#### 1.2. Incoming Resources

##### *Donations, grants, legacies and gifts in kind (voluntary Income)*

Donations and grants are credited to revenue on a receivable basis. It is not the Charity's policy to defer income even where a pre-condition for use is imposed.

Legacies are accounted for upon receipt.

Incoming resources from Capital Endowments are placed into an income fund when received. Income will be placed into funds in accordance with donors' wishes, but without forming a binding trust, unless a signed document is received and approved by the Trustee.

Gifts in kind are valued at a reasonable estimate of their value to the Charity.

Gifts donated for resale are included as income when they are sold.

##### *Intangible Income*

Intangible income, which comprises donated services or use of Trust property, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is material, quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

##### *Investment Income*

Investment Income and gains and losses on investments are credited / charged to the funds quarterly using the average fund balance to apportion the gain / loss.

#### 1.3. Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Overheads have been allocated pro rata to the value of the individual funds on a quarterly basis.

##### *Exceptional Items*

Exceptional Items are shown on the face of the Sofa under the category to which they relate with further detail, where appropriate, provided in the notes.

##### *Costs of generating funds*

The costs of generating funds are the costs associated with generating income for the funds held on trust. This will include the costs associated with Investment Managers and other promotional and fundraising events including any trading activities.

#### *Charitable Activities*

Expenditures are given as grants made to third parties (including NHS bodies) in furtherance of the charitable objectives of the funds. They are accounted for on an accruals basis, in full, as liabilities of the Charity when approved by the Trustee and accepted by the beneficiaries.

#### *Governance and administration*

These are accounted for on an accruals basis and are recharges of appropriate proportions of the staff costs and overheads from Maidstone and Tunbridge Wells NHS Trust. These costs are calculated on an average fund balance of the individual funds and allocated on a quarterly basis. Administration and Governance costs are submitted to the Charitable funds Committee for approval. Governance costs include audit fees.

#### *Irrecoverable VAT*

Any irrecoverable VAT is charged to the Statement of Financial Activities.

#### *Recognition of liabilities*

Liabilities are recognised as and when an obligation arises to transfer economic benefits as a result of past transactions or events.

### **1.4. Structure of funds**

Unrestricted funds are general funds, which are available for use at the discretion of the Trustee in furtherance of the objectives of the Charity. Funds which are not legally restricted but which the Trustee has chosen to earmark for set purposes are designated funds.

Where there is a legal restriction or a binding agreement with a donor, on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. There are a number of funds currently classified as restricted where there is no evidence to support this classification. The Trust is continuing its work to correct this classification where appropriate.

Endowment Funds are funds that hold capital in perpetuity. Investment income resulting from these capital holdings may be utilised in accordance with the donor's wishes.

Transfers between funds are made at the discretion of the Trustee, taking account of any restrictions imposed by the donor.

The purposes of each fund with a balance in excess of £10,000 at the year-end are set out in note 8.1 to the financial statements.

### **1.5. Finance and Operating Leases**

The Charity has no finance or operating leases

### **1.6. Fixed Assets**

#### *Tangible Fixed Assets*

The Charity held no tangible fixed assets during the year.

#### *Investments Fixed Assets*

Investments held by the Trustee's investment advisers are included at closing market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposal are combined in the Statement of Financial Activities. All investments held are pooled across all of the funds. Please see investment strategy on page 8 for further information.

#### *Investment properties*

The Charity held no investment properties during the year

### **1.7. Stocks**

The Charity held no stocks during the year

### **1.8. Gains and losses**

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). Investment income and gains/losses are allocated quarterly according to the average fund balance, to the appropriate fund and included within the Statement of Financial Activities.

### **1.9. Cash and Cash equivalents**

Operational cash is represented by the balance on the charity bank accounts at the balance sheet date. Cash investments are the deposits in interest bearing accounts that are readily convertible to cash with no risk of change in value.

The Charitable Fund qualifies as a small entity and as a consequence, it is exempt from the requirement to publish a cash flow statement under Financial Reporting standard 1 (revised) Cash Flow Statements.

### **1.10. Pensions**

The Charity has no employees.

### **1.11. Prior Year Adjustments**

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

## 2. Incoming Resources

				2013/14	2012/13
<b>Voluntary Income</b>	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	<b>Total Funds £000</b>	Total Funds £000
Donations	69	257	0	<b>326</b>	300
Legacies	10	279	0	<b>289</b>	13
<b>Total Donations and Legacies</b>	<b>79</b>	<b>536</b>	<b>0</b>	<b>615</b>	<b>313</b>
<b>Investment income</b>					
Dividends from investment portfolio	1	5	0	<b>6</b>	6
Interest from investment portfolio	4	14	0	<b>18</b>	18
Bank Interest	0	1	0	<b>1</b>	0
<b>Total Investment income</b>	<b>5</b>	<b>20</b>	<b>0</b>	<b>25</b>	<b>24</b>
<b>Total incoming resources</b>	<b>84</b>	<b>556</b>	<b>0</b>	<b>640</b>	<b>337</b>

### 3. Resources Expended

<b>3.1. Cost of generating funds</b>	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds	<b>2013/14 Total Funds £000</b>	2012/13 Total Funds £000
Investment managers fees	(1)	(2)	0	(3)	(5)
<b>Total cost of generating funds</b>	<b>(1)</b>	<b>(2)</b>	<b>0</b>	<b>(3)</b>	<b>(5)</b>

<b>3.2. Charitable Activities</b>	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds	<b>2013/14 Total Funds £000</b>	2012/13 Total Funds £000
<b>Patients welfare and amenities</b>					
Hospitality	(1)	(1)	0	(2)	(5)
Other	0	0	0	0	0
Complimentary Therapies	(18)	0	0	(18)	(21)
<b>Total patients welfare and amenities</b>	<b>(19)</b>	<b>(1)</b>	<b>0</b>	<b>(20)</b>	<b>(26)</b>
<b>Staff welfare and amenities</b>					
Training	(12)	(13)	0	(25)	(29)
Hospitality	(0)	(7)	0	(7)	(3)
Christmas Events	(4)	(3)	0	(7)	(5)
Other	(1)	(0)	0	(1)	(2)
<b>Total staff welfare and amenities</b>	<b>(17)</b>	<b>(23)</b>	<b>0</b>	<b>(40)</b>	<b>(39)</b>

<b>Contributions to the NHS</b>					
Medical and Rehabilitation Equipment	(37)	(392)	0	(429)	(221)
Furniture and Fittings	(7)	(3)	0	(10)	(54)
Other	(1)	(19)	0	(20)	(11)
IT	0	(48)	0	(48)	0
Nursing Staff Salary Support	(0)	(11)	0	(11)	0
<b>Total contribution to Maidstone and Tunbridge Wells NHS Trust</b>	<b>(45)</b>	<b>(473)</b>	<b>0</b>	<b>(518)</b>	<b>(286)</b>

<b>3.3. Governance &amp; Administration Costs</b>	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	<b>2013/14 Total Funds £000</b>	2012/13 Total Funds £000
Governance – Salaries and overheads	(6)	(21)	0	(27)	(27)
Governance – Audit Fees (external)	(1)	(4)	0	(5)	(3)
<b>Total governance &amp; admin costs</b>	<b>(7)</b>	<b>(25)</b>	<b>0</b>	<b>(32)</b>	<b>(30)</b>
<b>Total resources expended</b>	<b>(89)</b>	<b>(524)</b>	<b>0</b>	<b>(613)</b>	<b>(386)</b>

### 3.4. Employee Information

The Charity does not employ any staff directly, although members of the finance team support the administration function of the Charity. Their costs have been included in note 3.3.

During the year none of the members of the NHS Trust Board or senior NHS staff or parties related to them were beneficiaries of the Charity. Neither the Corporate Trustee nor any member of the NHS Trust Board has received honoraria, emoluments, or expenses in the year and the Corporate Trustee has not purchased trustee indemnity insurance.

### 4. Net Movements in Funds

				2013/14	2012/13
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Total Funds £000
Net Incoming/(outgoing) resources before other recognised gains and losses	(5)	32	0	27	(49)
Gains/Losses on Investments	7	23	0	30	51
<b>Total net movement in funds</b>	<b>2</b>	<b>55</b>	<b>0</b>	<b>57</b>	<b>2</b>
<b>Fund balances at 1 April 2013</b>	<b>275</b>	<b>753</b>	<b>9</b>	<b>1037</b>	<b>1037</b>
<b>Fund balances carried forward at 31 March 2014</b>	<b>277</b>	<b>808</b>	<b>9</b>	<b>1094</b>	

### 5. Analysis of Movement of Fixed Asset Investments

5.1. Investments	Carrying value at 01/04/13 £000	Additions to investment at cost £000	Disposals at carrying value £000	Net gain / (loss) on revaluation £000	Carrying value at 31/03/2014 £000
Schroder Alternative Diverse Fund LE Units (UK)	11	0	(7)	(4)	0
CAF Bond Income Fund (UK)	249	0	0	(4)	245
CAF Equity Growth Fund (UK)	298	0	0	38	336
<b>Total Fixed Asset Investments</b>	<b>558</b>	<b>0</b>	<b>(7)</b>	<b>30</b>	<b>581</b>

## 6. Current Assets

<b>6.1. Cash and cash investments</b>	<b>2013/14</b>	2012/13
	<b>Total Funds £000</b>	Total Funds £000
<b>Cash Investments:</b>		
Santander	82	80
Clydesdale	82	80
Lloyds	0	85
CAF	80	80
Nat West	85	85
<b>Operational Bank Accounts:</b>		
GBS bank account	189	76
Nat West bank account	97	34
<b>Total Cash and Cash Investments</b>	<b>615</b>	<b>520</b>

<b>6.2. Debtors</b>	<b>2013/14</b>	2012/13
	<b>Total Funds £000</b>	Total Funds £000
Amounts falling due within one year	1	74
<b>Total Debtors due within one year</b>	<b>1</b>	<b>74</b>

## 7. Current Liabilities

<b>7.1. Creditors</b>	<b>2013/14</b>	2012/13 *
	<b>Total Funds £000</b>	Total Funds £000
Amounts falling due within one year		
Trade Creditors	(57)	(77)
Other Creditors	(8)	(15)
Owed to Maidstone and Tunbridge Wells NHS Trust	(30)	(20)
Accruals	(8)	(3)
<b>Total Creditors due within one year</b>	<b>(103)</b>	<b>(115)</b>

\* 2012/13 Comparators restated to provide additional analysis

## 8. Details of Funds

	Balance 1 April 2013 £000	Incoming resources £000	Resources Expended £000	Gain & (losses) on revaluation & disposal of investment assets £000	Balance 31 March 2014 £000
<b>Permanent Endowment Funds</b>					
Endowment Funds (2 funds)	9	0	0	0	9
<b>Total Endowment Funds</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b>Restricted Funds</b>					
DGH General Fund (Maidstone)	48	17	(61)	1	5
DGH Patients Amenity Fund	11	0	0	0	11
Medical Equipment Fund (M/S)	0	264	(237)	4	31
CT Scanner Pembury	13	0	0	0	13
Haematology Fund	25	2	(1)	1	27
Stroke Unit Fund (M/S)	8	4	(1)	0	11
Oncology Equipment Fund	261	4	(7)	7	265
Medical Imaging Ultrasound	16	6	(2)	0	20
Gynaecology Oncology	11	0	0	0	11
CT Scanning Fund Maidstone	23	10	(4)	1	30
Pierre Fabre Grant Fund	79	2	(14)	2	69
Cellular Pathology Fund	24	0	(1)	1	24
Cardio Respiratory Fund	20	0	0	0	20
Diabetes Centre Fund	53	6	(6)	1	54
Oncology Centre Fund	10	66	(8)	2	70
Other Restricted Funds (closing balance <£10,000 70 funds)	151	175	(182)	3	147
<b>Total Restricted Funds</b>	<b>753</b>	<b>556</b>	<b>(524)</b>	<b>23</b>	<b>808</b>
<b>Unrestricted Funds</b>					
Lung Function Fund	15	0	0	0	15
Haematology Development Fund	18	0	(2)	0	16
Special Care Baby Unit TWH	16	22	(16)	0	22
Pembury General Fund	11	0	0	0	11
Neurology Fund	55	20	(19)	1	57
Gastrointestinal Fund	2	10	0	0	12
Other Unrestricted Funds (closing balance < £10,000 69 funds)	158	32	(52)	6	144
<b>Total Unrestricted Funds</b>	<b>275</b>	<b>84</b>	<b>(89)</b>	<b>7</b>	<b>277</b>
<b>Total Funds</b>	<b>1037</b>	<b>640</b>	<b>(613)</b>	<b>30</b>	<b>1094</b>

### 8.1. Nature and Purpose of Material Funds (Closing balance > £10,000)

<b>Restricted Funds</b>	<b>Nature and purpose of Fund</b>
DGH Patients Amenity Fund	Supports Maidstone Hospital.
Medical Equipment Maidstone	Supports Maidstone Hospital
CT Scanner Tunbridge Wells	Supports the CT Scanning Department Tunbridge Wells Hospital
Haematology Fund	Supports the Haematology Department at Maidstone Hospital
Oncology Equipment Fund	Supports the Oncology Centre for the purchase of Equipment.
Stroke Unit Maidstone Fund	Supports the Stroke Unit at Maidstone Hospital
Medical Imaging Ultrasound	Supports the Medical Imaging and Ultrasound Department at Maidstone Hospital.
Gynaecology Oncology Fund	Supports the Gynaecology Oncology Department at Maidstone Hospital
CT Scanner Fund Maidstone	Supports the CT Scanning Department at Maidstone.
Pierre Fabre Grant Fund	Supports the Oncology Department at Maidstone Hospital with specialist procedures.
Gastrointestinal Fund	Supports the Gastrointestinal Unit at Maidstone Hospital
Cellular Pathology Fund	Supports the Cellular Pathology Unit at Maidstone Hospital
Oncology Centre Fund	Supports the Oncology Centre at Maidstone Hospital
Cardio Respiratory Fund	Supports the Cardio Respiratory Unit at the Tunbridge Wells Hospital
Diabetes Centre Fund	Supports the Diabetes Centre based at Tunbridge Wells Hospital for patients with diabetes and associated conditions.
<b>Unrestricted Funds</b>	
Lung Function Fund	Supports the Lung Function Clinic at the Tunbridge Wells Hospital
Haematology Department Fund	Supports the development of Haematology across all sites of the Trust
Special Care Baby Unit Fund	Supports the Special Care Baby Unit at Tunbridge Wells Hospital
Neurology Fund	Supports the Neurology Department at Tunbridge Wells Hospital
Pembury General Fund	Supports Tunbridge Wells Hospital at Pembury

## 9. Charity Tax

Maidstone and Tunbridge Wells NHS Trust Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## 10. Related Parties

The Charity is established to hold the charitable funds of the Maidstone and Tunbridge Wells NHS Trust.

During the year none of the NHS Trust Board or members of key management staff or parties related to them has undertaken any material transactions with the Maidstone and Tunbridge Wells NHS Trust.

The Charity has made revenue and capital payments, in the form of grants, to the Maidstone and Tunbridge Wells NHS Trust, the Corporate Trustee of the charity. In addition £27k (2012/13 £27k) was payable by the Charity to the Trust in respect of contribution to salaries and overheads to support the administration of the Charity. The amount due at the balance sheet date to Maidstone and Tunbridge Wells NHS Trust was £30k.

	<b>2013/ 2014</b>	<b>2013/ 2014</b>	<b>2012/ 2013</b>	<b>2012/ 2013</b>
	Turnover of connected Organisation £000	Net Profit / (Loss) for the connected Organisation* £000	Turnover of connected Organisation £000	Net Profit / (Loss) for the connected Organisation £000
Maidstone and Tunbridge Wells NHS Trust	<b>375,714</b>	<b>(12,374)</b>	<b>367,391</b>	<b>129</b>

\*Based on NHS breakeven duty performance.

## 11. Events after the reporting year

The charity has identified £15k, included in the reported balances, that is to be transferred to Kings College Hospitals in 2014/15.

**Maidstone and Tunbridge Wells NHS Trust Charity Donation Form**  
**Registered Charity Number 1055215**

Name: \_\_\_\_\_

Address: \_\_\_\_\_ Post Code: \_\_\_\_\_

Email: \_\_\_\_\_

**PURPOSE OF DONATION**

Whilst recognising that this does not form a binding trust I request that my donation of

£..... Is to be used for: (please delete as applicable)

Wherever it will be most useful

Patients and staff at the Maidstone Hospital / Tunbridge Wells Hospital (Pembury)

The following specific purpose/department .....

**Payment Methods**

- 1 Cheques made payable to **Maidstone and Tunbridge Wells NHS Trust**
- 2 Standing Order -Please call us on 01622 224500 and ask for Sue Osborne
- 3 Make A Donation By Phone – If you would prefer to make a donation over the phone, please call us on 01622 224500. If you have an email address, we can send you bank details for electronic payments. We will require a remittance advice to enable us to receipt your donation. We currently accept the following cards: Maestro UK; MasterCard; Solo; Visa;
- 4 Visit our 'just giving' page [www.justgiving.com](http://www.justgiving.com)

**Gift Aid**

If you are a UK taxpayer the Maidstone and Tunbridge Wells NHS Trust Charity (MTW) can reclaim the tax you have paid on every donation you make. You must have paid sufficient UK income or capital gains tax to cover the claim. For every £1 you give we can claim 25p back from the HM Revenue & Customs at no extra cost to you.

.....YES, I am a UK taxpayer and would like MTW to reclaim tax on this and any future donations I may make.

Date ...../...../..... Signature.....

.....Please tick here if you DO NOT wish the Maidstone and Tunbridge Wells NHS Trust Charity to contact you by phone or post about our work

.....Please tick here if you DO NOT wish the Maidstone and Tunbridge Wells NHS Trust Charity to contact you by email.

**Please return to:**

**Maidstone and Tunbridge Wells NHS Trust, Financial Services, Maidstone Hospital, Hermitage Lane, Maidstone, Kent ME16 9QQ Telephone 01622 224500 [www.mtw.nhs.uk](http://www.mtw.nhs.uk)**

**THANK YOU FOR YOUR SUPPORT**