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THE DOROTHY HOUSE FOUNDATION LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998



THE DOROTHY HOUSE FOUNDATION LIMITED

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FOR THE YEAR ENDED 31 MARCH 1998

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THE DOROTHY HOUSE FOUNDATION LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

AS AT 31 MARCH 1998

Trustees	Mr William Henry Thomas Sheppard	Chairman
	Dr Stephen Rye	Vice-Chairman
	Mrs Marjorie Broadhead	
	Mr Arthur Thomas Cox	Hon Treasurer
	Mr Peter James Doherty	
	Mrs Julie Elizabeth Farrar	
	The Reverend Dora Irene Frost	
	Dr Stephen Hayward	
	Mr John Haydon Jackson	
	Mr George Scott	
	Mrs Victoria Ann Taylor	
	Mrs Anne Margaret Toogood	
Secretary	Mr R W Wilson	
Registered office	Winsley Bradford on Avon Wiltshire BA15 2LE	
Registered number	1360961	
Registered charity	275745	
Bankers	National Westminster Bank plc Bath	
Solicitors	Wood Awdry Wansboroughs Chippenham	
Auditors	Moore Stephens Bath	

THE DOROTHY HOUSE FOUNDATION LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 1998

The Trustees submit the Report and Accounts for the year ended 31 March 1998.

Mission Statement:

Dorothy House is a Christian Foundation seeking to enhance the care, principally of terminally ill patients and their families, in the environment of their choice.

It offers domiciliary service, in-patient and day care facilities, using a multi-disciplinary approach to meet physical, social, emotional and spiritual needs; it offers practical help, counselling and comfort to the bereaved.

It provides a resource for education and specialist advice to extend the skills of others, thereby raising standards of care.

Philosophy:

We believe:

- that all dying patients and their families should have access to the best available treatment, care and support;
- that the patient and family should be encouraged to be active participants in setting and achieving their own realistic goals through sharing of information and by making choices;
- that patients are individuals with personal needs who have the right to live their lives to the full and die with dignity;
- in a multi-disciplinary approach to care, particularly by involvement with the primary professional carers;
- that all health care professionals should have access to available knowledge about palliative care;
- that the services should be subject to regular review and evaluation.

Aim:

We aim:

- to relieve the physical and non-physical symptoms of advanced disease, maintaining an optimum quality of life;
- to influence caring in the chosen environment – home, hospice, hospital or elsewhere, enabling independence for as long as is possible;
- to support patients, families, other carers and staff before and during bereavement;
- to facilitate communication and collaboration between agencies and services;
- to seek to influence patterns of care through education.

THE DOROTHY HOUSE FOUNDATION LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 1998

PART 1 : General Report

Governance:

The charity was created by a Trust Deed dated 15 June 1976. The charity incorporated to become a limited company on 3 April 1978 with Memorandum and Articles; it is a non-share holding company. Trustees are appointed by the members of the company, who number 50. The number of serving trustees must be not less than five and not more than fifteen. The names of the Trustees as at 31 March 1998 are appended to this report; to this list is added the names of the Trustees who retired at the Annual General Meeting in September 1997.

The Trustees appoint three sub-committees to assist in the effective management of their business; these are the Executive Committee, the Investment Group and the Remuneration Committee. The latter two are new sub-committees set up during the year. The Investment Group was convened to investigate appropriate methods of investing capital reserves and to advise the Board of Trustees on the appointment and management of an independent investment adviser. The Remuneration Committee held its first meeting in March 1998 and considers the employment terms and conditions and the remuneration of our staff. The Shops' Committee ended during the year as much of its work was operational and therefore more appropriate to devolve to the employed executive of the charity. It has now become a working group along with other such working groups on education, finance and fundraising and patient care. These working groups seek to inform Trustees on different aspects of the charity's work and are advisory in nature. Any decisions required from their work are referred back to the Board of Trustees.

The charity set up a trading subsidiary company in 1988, Minsterdeal Limited (Registered Company No 2259911) which handles a small range of bought-in goods for sale as part of fund raising activities. The Trustees appoint the directors of Minsterdeal Limited, and the whole of its profits are remitted to the charity.

Objective:

The objective of the charity is 'to promote the relief of sickness by such charitable means as the members shall from time to time think fit'. Currently, this is the care of people suffering from terminal illness or life-threatening disease, and this ranges over cancers in all their various forms, Motor Neurone Disease, AIDS, cardiac and respiratory illnesses: this list is not exhaustive and from time to time patients with other diseases are included.

Care System:

Families or close friends of the patients are included in care, participating in decisions over care regimes, place of care and related matters. Care of family/friends extends into their bereavement, where support is offered for up to a year after the patient's death.

In order to provide these services, the charity employs a range of skilled staff, including the following disciplines:

Nursing	Chaplaincy	Social Work
Medical	Physiotherapy	Lymphoedema

At all times these staff work in partnership with the Primary Care Health Team, with the aim of bringing relief to patients and family/friends in the areas of pain, aggravating symptoms, emotional and spiritual problems and social and financial difficulties. All of the Company's services relate to National Health Service services, and attempt to provide a seamless service of care for the patient wherever he/she is. All services are provided free of charge.

THE DOROTHY HOUSE FOUNDATION LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 1998

Recent Developments:

1. Hospice

The building at Winsley, a village five miles from Bath city centre, is used for Education, Day Care and Administration with a purpose built ground floor in-patient Assessment Unit. Although there is potential for up to fourteen beds to allow for meeting future demand, twelve are available for use, but, for financial reasons, only eight are occupied at any one time. This is an increase of two beds since last year in order to meet patients' needs. Bed occupancy is high with patients admitted for symptom control, respite care and for terminal care. The average length of stay is seven days. The facilities are excellent and enable patients and their families to receive a high standard of care. Statistical information is given in Appendix 2.

2. Direct Patient Care

The main thrust of the charity's activity is home care and support to primary care teams and the community hospitals. There are 14 Macmillan nurses (12 whole time equivalents): these nurses carry the name Macmillan to recognise help given by that organisation in the late 1970s and early 1980s but no income is now received from Macmillan Cancer Relief despite its local fundraising. Three nurses are employed directly by the charity and nine are employed by the Bath and West Community NHS Trust, but managed entirely by the charity and fully integrated into its activities. The Macmillan nurses visit patients in their own homes to give psycho-social support, advise general practitioners on symptom control management and offer support to district nurses and staff in the 12 community hospitals in the geographical area served by the charity (see Appendix 3). They also take part in teaching programmes organised by the Education Centre.

The charity offers a family carer service which has experienced nursing auxiliaries. This provides additional practical help, usually at night, alongside other agencies, to enable the patient to stay at home where possible and desirable. This service remains in demand. Home visits are also made by the charity's two part time physiotherapists, the chaplain, two part time lymphoedema specialists and social worker.

3. Bereavement Care

Following the death of a patient, the charity offers a follow up visit to families as part of the Bereavement Service. Grieving is a natural reaction to a death and most people feel they do not need on-going support from the Bereavement Service. However, for those who do, the charity provides one to one support and counselling from a team of professionals and volunteers, all of whom have received extensive bereavement training. The social worker offers specific bereavement support to children, either on a one to one basis or as part of a group.

4. Management

There have been several senior management changes during the year. On 1st April 1997 Ms Sarah Whitfield took up post as the Chief Executive. She has over five years senior management experience in the NHS, a nursing background and chaired a health related charity for several years. During her first year she has been carrying out a Strategic Review of the whole organisation with the help of the superintendent physiotherapist who has worked part time for the charity for 19 years. The end result will be a five year plan to take the charity to 2003 in terms of patient and educational services and financial income to support those services. Ms Whitfield has also updated certain key personnel and other policies to reflect current employment and related legislation.

The Finance Director, Mr Roy Wilson, a Chartered Certified Accountant, became full time in July 1997 and manages the fundraising department and shops as well as financial services. He was made Company Secretary in 1997.

THE DOROTHY HOUSE FOUNDATION LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 1998

The Director of Nursing, Mrs. Barbara Allen, retired in September 1997, and a new Director of Nursing was appointed in January 1998. For personal reasons she resigned three months later so there has been quite a long period of uncertainty for the nurses and other staff under her management. However, the charity has been fortunate to have a very experienced assistant Director of Nursing, Miss Jane Thomas, who has been able to provide senior nursing cover during this time.

5. Education

Education has a pivotal role to play within palliative care by providing people with the necessary training and skills to enable them to undertake high quality care for people with life threatening illnesses and to offer support to families. Therefore the charity offers a well developed external education programme to meet the needs of health professionals and others and during the year has taken some teaching sessions out to local general practices and community hospitals. The Education Department also caters for the learning needs of the charity's own staff.

Education is one of the company's charitable aims, and therefore although income is derived from course fees, room hire and sponsorship, the net direct cost in 1997/98 was £52,762.

6. Voluntary Activity:

1. Patient orientated

The charity encourages the active involvement of volunteers from the community in direct patient care. Tasks covered include driving patients to day care, preparing meals, nursing, bereavement support and befriending. This list is not exhaustive. These volunteers, numbering around 200, are selected, trained and managed by the charity.

2. Shops orientated

Each shop is managed by a paid member of staff, who recruits, trains and manages between 50 and 60 volunteers who support the individual shop. The volunteers' work ranges from the reception and sorting of donated goods through to the sale of those goods and the banking of income. The shops fulfil several important functions in addition to the raising of money for the company: they provide a useful service to the community, they provide friendship and interesting occupation for people who are pleased to help as volunteers, and most importantly they provide a friendly and easily accessible way in which members of the public can get in touch with the organisation.

3. Fundraising volunteers

There are innumerable people in the community who are raising money for the charity in a spontaneous fashion. However, there is also a loyal group of people who attach themselves to the organisation to assist with fundraising. At any one time they number 40 to 50.

All our volunteers provide an invaluable service, and the trustees take this opportunity of expressing particular thanks to each one for their loyalty and hard work.

The charity benefits very significantly from two further areas of support which are uncosted but of tangible help:

- a Bath firm of accountants which processes the charity's payroll completely free of charge
- Local National Health Service trusts, the Bath and West Community NHS Trust and the Wiltshire Community NHS Trust, both of which provide various support services (for instance personnel advice) free of charge.

THE DOROTHY HOUSE FOUNDATION LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 1998

Conclusion to Part 1

This year 1997/98 has been one of consolidation and settling down after several key senior management changes. The number of patients cared for continues to rise and particularly those who are looked after in their own home. The opening of two more beds in the in-patient Assessment Unit during the year has met the current needs of an increased number of patients who can benefit from a stay at our hospice.

PART 2 : Finance

Overview:

The charity applies its income to the provision of services and does not make grants to individuals, other charities or organisations. Normally the charity seeks or raises income solely for service provision however, exceptionally, it launched an appeal in 1992 for £1.8 million in order to finance the provision of a new hospice and headquarters facility to replace its existing premises.

This capital appeal was very successful and the total raised or promised at 1 April 1997 was £1.6 million. This achievement, coupled with economies in development and construction costs, enable the appeal to be closed in April 1997, although further receipts under existing covenants will continue to be received.

Revenue:

When the capital appeal was launched it was assumed that some part of voluntary donations, which would normally flow into revenue, would be directed to the capital appeal thereby making it difficult to increase, or indeed maintain, the general level of revenue donations.

The following figures show that the level of voluntary donations was generally maintained during the capital appeal period and indeed reached a figure of £538,000 in 1997/98.

Voluntary Income	£000
1992/93	316
1993/94	316
1994/95	250
1995/96	334
1996/97	326
1997/98	538

It should be noted that this figure of £538,000 for 1997/98 includes a donation of £51,000 towards the upgrading of educational facilities at Winsley due to be completed in June 1998.

Total income in 1997/98 showed a marked increase over 1996/97, primarily due to record figures for voluntary donations and legacies. The shops operation incurred substantial set up costs in respect of new shops opened during the year but still contributed in excess of £275,000 to net income.

Total expenditure during 1997/98 showed an increase of more than 8% over 1996/97 reflecting increased patient activity, including the opening of 2 extra beds at Winsley, and the further strengthening of management control.

THE DOROTHY HOUSE FOUNDATION LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 1998

Income:

Income is derived from many sources, but these can be categorised in five ways:

1. Voluntary Donations: these include

- spontaneous gifts from the community
- covenanted gifts
- gift-aided gifts
- donations made in memory of a person
- fund raising events initiated by the company
- grants from Trusts

During the year the Trustees have been considering ways to ensure that income matches expenditure in the coming years. With increasing competition from other charities and the national lottery, Trustees enlisted the help of a fundraising consultant in order to develop a revenue fundraising strategy. There are five strands - a major donor programme, a trusts programme, mailing to regular givers, increasing the number of static collecting boxes and a legacy campaign.

An experienced fundraising manager has been recruited to start in the next financial year with other fundraising staff to take the strategy forward.

2. National Health Service: this is income which for a few years came by way of grant from the Government but which, since 1992, has been 'earned' under contractual arrangements with the Health Authority, which are annually reviewed and audited.

3. Trading: there are two sources of income from trading:

- Dorothy House Shops – managed by the charity directly: these deal in donated goods, which are converted into cash through thirteen shops, and are situated within the geographical area throughout which patient care is provided.
- Minsterdeal Limited chiefly the sale of The Dorothy House calendars, plus a range of greetings cards, diaries, pens and Dorothy House cook-books.

4. Legacies.

5. Investment Income

The Charity Commission has recommended that sufficient cash reserves are held to temporarily meet operating costs in the event of a downturn in income. The Charity has set a minimum cash reserve level to meet this requirement and, through the Investment Group, is ensuring that all available balance sheet funds are invested in accordance with best independent professional advice.

Expenditure:

Expenditure is authorised annually by the Trustees by the approval of a budget, which sets the spending parameters for each department. This budget is monitored monthly by officers and bi-monthly by the Trustees.

Expenditure falls into three main categories:

THE DOROTHY HOUSE FOUNDATION LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 1998

1. Direct Charitable:

This comprises all expenditure directly relating to the objects of the charity and includes spending on the following services

- Home care – involving all of our caring services;
- Assessment Unit – in-patient beds used for pain control, symptom control, respite, rehabilitation;
- Day Care Unit – clinical and social activity, and respite;
- Medical services – doctors working across the whole range of services;
- Education – this department provides palliative care education to a wide range of clinical disciplines, and to other professionals, eg clergy, teachers, etc;

2. Fundraising and Publicity

3. Management and Administration

Assets:

The charity holds a small amount of shares valued at £16,564. This portfolio will be reviewed by the charity's professional investment advisors during 1998.

Property:

Towards the end of the year work was put in hand, largely funded by a major donation from a charitable trust, to develop one end of the hospice building into self contained facilities, primarily for educational purposes but also for use for fundraising events and for letting out to generate income for patient services.

Euro Currency:

The charity considers that the potential introduction of the Euro currency will not have a material effect on its finances.

Potential "Year 2000" Technology Problems:

The charity is aware of the need to consider potential "Year 2000" technology problems and is addressing this issue as part of the agreed work programme for 1998/99.

Reporting Framework:

The Accounts for the year ended 31 March 1998 have been prepared incorporating the disclosure requirements of the revised Charity Regulations 1995 and Statement of Recommended Practice (SORP) Accounting by Charities 1995.

Roy W. Wilson.

Mr. R W Wilson
Secretary

31 July 1998

THE DOROTHY HOUSE FOUNDATION LIMITED

Appendix 1

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 1998

Trustees of the Company: 1997/98

Mr William Henry Thomas Sheppard	Chairman
Dr Stephen Rye	Vice Chairman
Mrs Marjorie Broadhead	
Mr Arthur Thomas Cox	Hon Treasurer
Mr Peter James Doherty	
Mrs Julie Elizabeth Farrar	
The Reverend Dora Irene Frost	
Dr. Stephen Hayward	
Mr John Haydon Jackson	
Mr George Scott	
Mrs Victoria Ann Taylor	
Mrs Anne Margaret Toogood	

Trustees who retired at the Annual General Meeting held on 28th September 1997 were:

Mr. John David Emerson
Dr. Leonard Rowntree Redman
Miss Edith Dorothy Webb

Members of the Executive Committee:

Trustees:	Mr William Henry Thomas Sheppard
	Dr Stephen Rye
	Mr Arthur Thomas Cox
	Mrs Marjorie Broadhead
Officers:	Ms Sarah Whitfield, Chairman
	Dr Christopher Michael Barton Higgs, Medical Director
	Mr Roy Walton Wilson, Finance Director
	Miss Jane Thomas, Acting Director of Nursing - from September 1997
	Mrs Barbara Eunice Allen, Director of Nursing - until September 1997

Members of Remuneration Committee

Trustees:	Mr Peter James Doherty, Chairman
	Mr Arthur Thomas Cox
	The Reverend Dora Irene Frost

Members of Investment Committee

Trustees:	Mr John Haydon Jackson, Chairman
	Mr. Arthur Thomas Cox
	Mr. Peter James Doherty
Officer:	Mr Roy Walton Wilson

Directors of Minsterdeal 1997/98

Mr Arthur Thomas Cox
Mrs Julie Elizabeth Farrar
Mr Terence Frederick Mears
Mr Roy Walton Wilson

Mr. John McMaster, a director of Minsterdeal, died during the year. Mr. Roy Wilson was appointed as a director in May 1997.

THE DOROTHY HOUSE FOUNDATION LIMITED

Appendix 2

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 1998

PATIENT SERVICE PROVISION 1993-1998

Service	93/94	94/95	95/96	96/97	97/98
<u>Macmillan Nurse</u>					
New referrals	791	791	815	823	870
Staff w.t.e.	10.4	11.5	11	11.2	11.2
<u>Day Care</u>					
Referrals	94	104	69	72	88
Attendances	1,454	1,433	1,443	1,358	1,160
Sessions	200	203	197	200	201
<u>In-Patients Unit</u>					
Admissions	184	180	189	227	316
Deaths	40	50	48	37	59
Discharges	131	121	117	172	188
Transfer to hospital	12	11	8	15	16
Number of Beds	6	6	6	6	◆6/8
<u>Medical Consultant</u>					
Domiciliary visits	568	651	971	1,148	⊗550
Staff w.t.e.	1.79	1.87	1.87	1.87	1.87
<u>Physiotherapy</u>					
Referrals	104	135	125	157	190
Treatments	855	692	833	⊙678	1,364
Staff w.t.e.	0.42	0.42	0.42	0.60	0.60
<u>Lymphoedema care</u>					
Referrals	85	103	155	161	172
Treatments	278	359	364	613	757
Staff w.t.e.	0.35	0.35	0.42	0.60	0.60
<u>Family Carer Service</u>					
Referrals	112	257	243	255	289
Visits	435	927	1,126	1,451	1,112
<u>Social Work (current patients)</u>				Part Year	
New Referrals	-	-	56	44	68
Cases closed	-	-	50	*84	54
<u>Total Episodes of Care</u>	1,938	2,133	2,612		

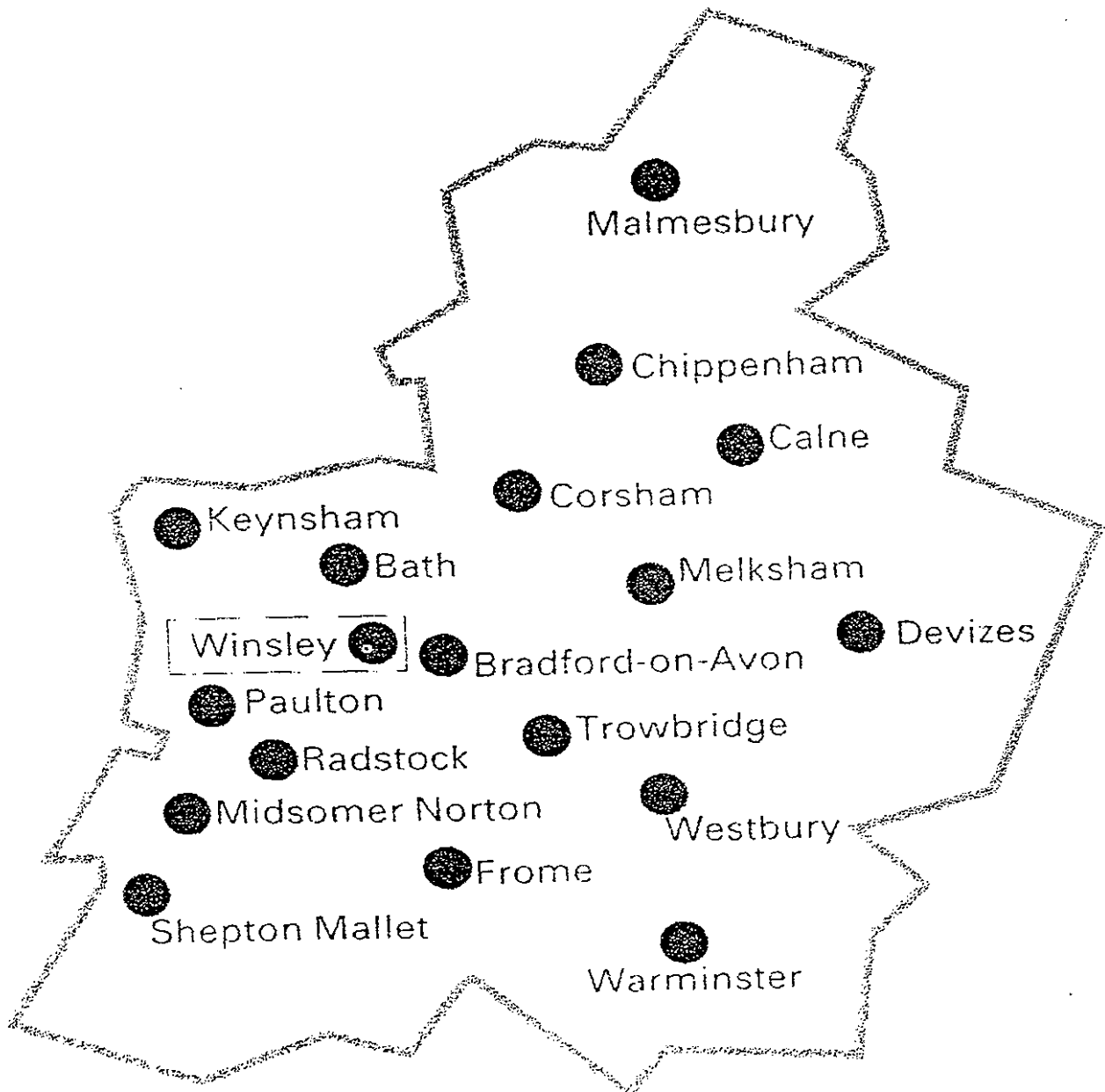
◇ Previous treatments calculated on basis of ¼hr per treatment, now calculated on sessions per patient

* high number of cases closed as bereavement cases transferred to new system
a single patient may appear in more than one service

◆ 6 beds from 01.04.97 to 02.11.97 8 beds from 03.1.97 to 31.03.98

⊗ previous figures included hospital visits

a:\stats\annual accounts



THE DOROTHY HOUSE FOUNDATION LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the group and company, and of the profit or loss of the group for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 a going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF
THE DOROTHY HOUSE FOUNDATION LIMITED

We have audited the financial statements on pages 14 to 26 which have been prepared under the historical cost convention as modified by the revaluation of certain assets and the accounting policies set out on page 16.

Respective responsibilities of trustees and auditors

As described on page 12 the trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

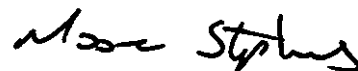
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion the financial statements give a true and fair view of the state of the group and company's affairs as at 31 March 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bath

3 August 1998.



MOORE STEPHENS
CHARTERED ACCOUNTANTS
& REGISTERED AUDITOR

THE DOROTHY HOUSE FOUNDATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 1998

	Note	Unrestricted Funds £	Restricted Funds £	Total 1998 £	Total 1997 £
Income and Expenditure					
Incoming Resources					
Donations and gifts - general	2	444,034	147,836	591,870	614,859
- shops		584,432	-	584,432	539,095
Legacies received		477,724	-	477,724	245,726
Grants receivable and contracts		373,461	295,876	669,337	668,938
Investment income	3	85,326	-	85,326	47,126
Education and training income		26,653	-	26,653	21,648
Net income of trading subsidiaries	4	20,388	-	20,388	19,870
Total Incoming Resources		2,012,018	443,712	2,455,730	2,157,262
Resources Expended					
Direct charitable expenditure:					
Patient services		874,801	336,183	1,210,984	1,162,530
Education services		79,415	-	79,415	53,853
		<u>954,216</u>	<u>336,183</u>	<u>1,290,399</u>	<u>1,216,383</u>
Other expenditure:					
Fundraising and publicity		71,678	-	71,678	40,588
Management and administration of the charity		277,730	-	277,730	275,431
		<u>349,408</u>	<u>-</u>	<u>349,408</u>	<u>316,019</u>
Charity shops		326,919	-	326,919	264,292
		<u>676,327</u>	<u>-</u>	<u>676,327</u>	<u>580,311</u>
Total Resources Expended	5	1,630,543	336,183	1,966,726	1,796,694
Net Incoming Resources before Transfers					
		<u>381,475</u>	<u>107,529</u>	<u>489,004</u>	<u>360,568</u>
Transfer between funds		-	-	-	-
Net Incoming Resources		<u>381,475</u>	<u>107,529</u>	<u>489,004</u>	<u>360,568</u>
Other Recognised Gains and Losses					
Gain/(loss) on investment assets:					
Unrealised		3,393	-	3,393	2,278
Net Movements in Funds		384,868	107,529	492,397	362,846
Fund balances brought forward at 31 March 1997		2,354,830	1,288,850	3,643,680	3,280,834
Fund balances carried forward at 31 March 1998	15/16	2,739,698	1,396,379	4,136,077	3,643,680

The notes on pages 18 to 26 form part of these accounts.

THE DOROTHY HOUSE FOUNDATION LIMITED



BALANCE SHEET AS AT 31 MARCH 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
Fixed Assets			
Tangible assets	8	2,800,852	2,791,648
Investments	9	<u>2</u>	<u>2</u>
		2,800,854	2,791,650
Current Assets			
Stocks	11	-	-
Debtors	12	114,247	75,931
Investments	13	16,564	13,171
Cash at bank and in hand		<u>1,348,457</u>	<u>841,492</u>
		1,479,268	930,594
Creditors – amounts falling due within one year	14	<u>(158,835)</u>	<u>(92,966)</u>
Net Current Assets		<u>1,320,433</u>	<u>837,628</u>
Net Assets		<u>4,121,287</u>	<u>3,629,278</u>
Income Funds	16		
Restricted funds		1,396,379	1,288,850
Unrestricted funds		<u>2,724,908</u>	<u>2,340,428</u>
		<u>4,121,287</u>	<u>3,629,278</u>

Approved by the trustees

Mr W H T Sheppard

Mr A T Cox

) 
) Trustees
) 

Dated:

31 July 1998

THE DOROTHY HOUSE FOUNDATION LIMITED

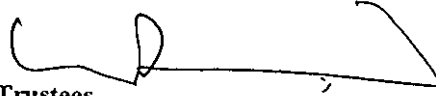

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 1998

	<u>Notes</u>	£	<u>1998</u>	£	£	<u>1997</u>	£
Fixed Assets							
Tangible assets	8		<u>2,800,852</u>			<u>2,791,648</u>	
Current Assets							
Stocks	11	1,566			1,389		
Debtors	12	114,595			77,561		
Investments	13	16,564			13,171		
Cash at bank and in hand		<u>1,352,230</u>			<u>847,754</u>		
		1,484,955			939,875		
Creditors – amounts falling due within one year	14	<u>(149,730)</u>			<u>(87,843)</u>		
Net Current Assets			<u>1,335,225</u>			<u>852,032</u>	
Net Assets			<u>4,136,077</u>			<u>3,643,680</u>	
Income Funds							
	16						
Restricted funds			1,396,379			1,288,850	
Unrestricted funds		2,724,908			2,340,428		
Non charitable trading funds		<u>14,790</u>			<u>14,402</u>		
			<u>2,739,698</u>			<u>2,354,830</u>	
			<u>4,136,077</u>			<u>3,643,680</u>	

Approved by the trustees

Mr W H T Sheppard

Mr A T Cox

) 
) Trustees
) 

Dated: 31 July 1998.

THE DOROTHY HOUSE FOUNDATION LIMITED

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
Net cashflow from operating activities	1	547,863	247,373
Investing activities			
Purchase of shares in subsidiary undertaking		-	-
Acquisition of investments		-	-
Acquisition of tangible fixed assets		(75,188)	(30,729)
Receipts from sales of tangible fixed assets		32,900	-
Receipt from sales of current Investments		-	<u>212,519</u>
Net cash outflow from investing activities		<u>(42,288)</u>	<u>181,790</u>
Increase in cash and cash equivalents		505,575	429,163
Cash and cash equivalents as at 31 March 1997		<u>846,655</u>	<u>417,492</u>
Cash and cash equivalents as at 31 March 1998		<u>1,352,230</u>	<u>846,655</u>

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 1998

1. Analysis of cashflow from operating activities

	<u>1998</u> £	<u>1997</u> £
Change in resources before revaluations	489,004	360,568
Depreciation charge	33,085	31,010
Profit/(loss) on sale of tangible fixed assets	-	15,615
(Increase)/decrease in stocks	(177)	3,592
(Increase)/decrease in debtors	(37,034)	(6,674)
Increase/(decrease) in current liabilities	<u>62,985</u>	<u>(156,738)</u>
	<u>547,863</u>	<u>247,373</u>

2. Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	<u>1998</u> £	<u>1997</u> £	<u>Change</u> <u>in year</u> £
Cash at bank and in hand	1,352,230	847,754	504,476
Bank overdrafts	<u>-</u>	<u>(1,099)</u>	<u>1,099</u>
	<u>1,352,230</u>	<u>846,655</u>	<u>505,575</u>

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1998

1. Accounting policies

1.2 Accounting conventions

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain assets, and applicable accounting standards.

1.3 Turnover

Turnover comprises amounts received plus any amounts due to the foundation which it is certain will be received.

1.4 Depreciation of tangible assets

Provision is made for depreciation on tangible assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold building:	evenly over the lease term
Fixtures and fittings:	15% per annum on cost
Computer equipment:	20% per annum on cost
Motor vehicles:	20% per annum on cost

No depreciation is provided on freehold buildings. The trustees are of the opinion that the buildings are maintained to such a standard as to make their useful economic life indefinite. As a result any charge to depreciation is immaterial and is thus not provided for.

1.5 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.6 Deferred taxation

Full provision is made for deferred taxation using the liability method except to the extent that there is reasonable probability of the tax not falling due for payment in the foreseeable future.

1.7 Legacies

Legacies are credited to the Income and Expenditure account in the period in which they are received.

1.8 Operating leases

Rentals in respect of assets held under operating leases are charged against revenue on a straight line basis over the term of the lease. Financial commitments arising from such leases are disclosed in the notes to the accounts.

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1998

2. Donations and gifts

	<u>1998</u> £	<u>1997</u> £
General donations	508,584	319,774
Covenant care	29,545	6,211
Winsley Appeal	<u>53,741</u>	<u>288,874</u>
	591,870	614,859
 Dorothy House Shops	 <u>584,432</u>	 <u>539,095</u>
	<u>1,176,302</u>	<u>1,153,954</u>

3. Investment income

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>1998</u> £	<u>Total</u> <u>1997</u> £
Bank interest received	74,732	-	74,732	29,290
Dividends received	821	-	821	360
Rents received	<u>9,773</u>	<u>-</u>	<u>9,773</u>	<u>17,476</u>
	<u>85,326</u>	<u>-</u>	<u>85,326</u>	<u>47,126</u>

4. Net income from trading activities of subsidiaries

The charity has one wholly owned trading subsidiary which is incorporated in the UK. Minsterdeal Limited retails calendars and greetings cards. The company covenants its taxable profit to The Dorothy House Foundation Limited. A summary of the company's trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

Profit and loss account Minsterdeal Limited

	<u>1998</u> £	<u>1997</u> £
Turnover	49,864	42,171
Cost of sales	<u>24,083</u>	<u>16,634</u>
Gross profit	25,781	25,537
Administration costs	<u>5,293</u>	<u>5,550</u>
Net profit before tax	20,488	19,987
Taxation	<u>100</u>	<u>117</u>
Net profit after tax	20,388	19,870
Amount covenanted to charity	<u>20,000</u>	<u>19,500</u>
Retained in subsidiary	<u>388</u>	<u>370</u>

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1998

5. Analysis of total resources expended

	Depreciation 1998 £	Staff costs 1998 £	Other 1998 £	Total 1998 £	Total 1997 £
Direct charitable expenditure					
Patient services	16,523	1,078,422	116,039	1,210,984	1,162,530
Education	-	<u>47,773</u>	<u>31,642</u>	<u>79,415</u>	<u>53,853</u>
	16,523	1,126,195	147,681	1,290,399	1,216,383
Other expenditure					
Fundraising and publicity	763	30,127	40,788	71,678	40,588
Management and administration of the charity	8,160	182,554	87,016	277,730	275,431
Charity shops	<u>7,639</u>	<u>119,146</u>	<u>200,134</u>	<u>326,919</u>	<u>264,292</u>
Total	<u>33,085</u>	<u>1,458,022</u>	<u>475,619</u>	<u>1,966,726</u>	<u>1,796,694</u>

Included in the above are the following costs:-

	1998 £	1997 £
Auditors remuneration	<u>4,500</u>	<u>4,500</u>

6. Employee information

6.1 Staff costs:

	1998 £	1997 £
Wages and salaries	1,312,616	1,143,717
Social security costs	100,835	84,607
Other pension costs	<u>44,571</u>	<u>36,943</u>
	<u>1,458,022</u>	<u>1,265,267</u>

Included within the staff wages and salaries cost for 1998 is £231,155 in respect of domiciliary nurses on the payroll of the Bath and West Community NHS Trust but whose work is directed by the Foundation. The comparative figure for 1997 was £240,135.

6.2 The average monthly number of employees (full time equivalent) during the year was made up as follows:

	No.	No.
Patient services - nursing staff	34	33
Medical	2	2
Chaplain	1	1
Social worker	1	1
Support staff	4	4
Management and administration of the charity	15	15
Dorothy House shops	<u>10</u>	<u>8</u>

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1998

6.3 The number of employees who earned more than £40,000 was:

	No.	No.
£40,001 to £45,000	1	-
£50,001 to £55,000	<u>1</u>	<u>1</u>

6.4 None of the trustees received any remuneration from the Foundation or Group.

7. **Pension scheme**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £37,561 (1997 £29,143).

The balance of the charge is paid by Bath and West Community NHS Trust. Contributions totalling £38,941 (1997 £29,689) were payable to the funds at the year end and are included in creditors.

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1998

8. Tangible fixed assets – group and company

	<u>Land and Buildings</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost:				
At 1 April 1997	2,680,213	180,455	8,485	2,869,153
Additions	31,225	43,963	-	75,188
Disposals	(32,899)	-	-	(32,899)
At 31 March 1998	<u>2,678,539</u>	<u>224,418</u>	<u>8,485</u>	<u>2,911,442</u>
Depreciation:				
At 1 April 1997	11,600	60,940	4,965	77,505
Charge for year	900	30,906	1,279	33,085
Disposals	-	-	-	-
At 31 March 1998	<u>12,500</u>	<u>91,846</u>	<u>6,244</u>	<u>110,590</u>
Net book value at 31 March 1998	<u>2,666,039</u>	<u>132,572</u>	<u>2,241</u>	<u>2,800,852</u>
Net book value at 31 March 1997	<u>2,668,613</u>	<u>119,515</u>	<u>3,520</u>	<u>2,791,648</u>
			<u>1998</u> £	<u>1997</u> £
The net book value of land and buildings comprises:				
Freehold			2,666,039	2,667,713
Short leasehold			-	900
			<u>2,666,039</u>	<u>2,668,613</u>

The net book value at 31 March 1998 represents fixed assets used for:

	<u>Land and buildings</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Direct charitable purposes				
Patient services	<u>2,482,472</u>	<u>87,304</u>	-	<u>2,569,776</u>
	2,482,472	87,304	-	2,569,776
Other purposes				
Fundraising and publicity	-	2,576	-	2,576
Management and administration of the charity	-	28,811	-	28,811
Charity shops	<u>183,567</u>	<u>13,881</u>	<u>2,241</u>	<u>199,689</u>
	<u>2,666,039</u>	<u>132,572</u>	<u>2,241</u>	<u>2,800,852</u>

The freehold land and buildings shown as relating to patient services represent the Foundation's property at Winsley. An element of this property is also used for administration purposes, education purposes and is let. The trustees however do not feel it practical to attempt to attribute the net book value over the uses.

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1998

13. Investments

	<u>1998</u> £	<u>1997</u> £
Listed and unlisted investments	<u>16,564</u>	<u>13,171</u>

The cost of the above investments was £10,790 (1997 £10,790).

14. Creditors-Amounts falling due within one year

	<u>Group</u> <u>1998</u> £	<u>Charity</u> <u>1998</u> £	<u>Group</u> <u>1997</u> £	<u>Charity</u> <u>1997</u> £
Bank loans and overdraft	-	-	1,099	1,099
Amounts owed to group companies	-	13,387	-	7,365
Corporation tax	100	-	118	-
Other taxes and social security costs	32,538	28,606	22,741	20,867
Other creditors	110,149	110,149	51,335	51,335
Accruals	<u>6,943</u>	<u>6,693</u>	<u>12,550</u>	<u>12,300</u>
	<u>149,730</u>	<u>158,835</u>	<u>87,843</u>	<u>92,966</u>

15. Restricted funds

	<u>Balance</u> <u>31-3-97</u> £	<u>Transfer</u> <u>to fund</u> £	<u>Movement in resources</u> <u>Incoming</u> £	<u>Outgoing</u> £	<u>Balance</u> <u>31-3-98</u> £
Bloomfield Suite	-	-	51,000	-	51,000
Winsley Hospice Appeal	1,278,138	-	53,741	-	1,331,879
Bath and West Community NHS Trust	-	-	295,876	(295,876)	-
Covenant Care	10,712	-	29,595	(40,307)	-
Landscaping	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>
	<u>1,288,850</u>	<u>-</u>	<u>443,712</u>	<u>(336,183)</u>	<u>1,396,379</u>

The Winsley Appeal was established in 1994 to provide for the purchase and refurbishment of the charity's hospice at Winsley. The target was to raise £1,800,000. This appeal has been formally closed.

The Bath and West Community NHS trust figure represents the cost of domiciliary nurses on the payroll of that trust but whose work is directed by The Foundation, together with pharmacy supplies.

The Covenant Care was established to secure finance to the Foundation to open further beds.

A grant of £13,500 was give by Friends for landscaping which to date has not been spent.

A grant of £51,000 was given for the Bloomfield suite renovation.

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1998

16. Analysis of group net assets between funds

	Unrestricted Funds £	Winsley Appeal £	Bloomfield suite £	Restricted funds		Total funds £
				Care Appeal £	Landscaping £	
Fund balances as at 31 March 1998 are represented by						
Tangible fixed assets	213,543	2,565,545	21,764	-	-	2,800,852
Investments	-	-	-	-	-	-
Current assets	1,420,455	-	51,000	-	13,500	1,484,955
Current liabilities	(127,966)	-	(21,764)	-	-	(149,730)
Inter fund balances	1,233,666	(1,233,666)	-	-	-	-
Total net assets	2,739,698	1,331,879	51,000	-	13,500	4,136,077
Unrealised gains included above						
On tangible fixed assets	-	-	-	-	-	-
On investments	3,393	-	-	-	-	3,393
Total unrealised Gains	3,393	-	-	-	-	3,393

17. Operating lease commitments

The company is committed to the following operating leases in respect of properties transferred from Minsterdeal Limited as at 1 April 1998:-

Operating leases which expire in:	Land and buildings	Other equipment
Less than 1 year	-	6,177
1-2 Years	16,600	-
2-5 Years	21,000	-
over 5 years	6,600	-

THE DOROTHY HOUSE FOUNDATION LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31ST MARCH 1998

	1997/98		1996/97	
	£	£	£	£
INCOME				
National Health Service				
Health Authority Contracts	375,961		365,306	
Health Authority Grants	293,376		303,632	
Total NHS Contracts And Grants		669,337		668,938
Voluntary Income		538,129		325,985
Investment Income		85,326		47,126
Net Trading Income From Shops		277,901		294,673
Legacies		477,724		245,726
Total Income		<u>2,048,417</u>		<u>1,582,448</u>
EXPENDITURE				
Direct Charitable				
Patient Services :				
Salaries, NI And Pensions	1,027,569		942,342	
Clinical Supplies And Services	46,012		51,916	
General Supplies & Services	35,017		32,409	
Establishment Costs	67,066		56,435	
Premises Costs	46,534		54,645	
Profit On Disposal Of Assets	(27,737)		0	
Depreciation	16,523		24,783	
Total Patient Services	1,210,984		1,162,530	
Education	52,762		32,205	
Total Direct Charitable	<u>1,263,746</u>		<u>1,194,735</u>	
Fundraising And Publicity				
Salaries, NI And Pensions	32,111		7,619	
Printing, Publicity, Advertising	25,298		11,741	
Consultancy	13,506		0	
Depreciation	763		0	
Total Fundraising And Publicity	<u>71,678</u>		<u>19,360</u>	
Management And Administration				
Salaries, NI And Pensions	186,177		177,213	
General Supplies & Services	1,425		1,031	
Establishment Costs	68,063		77,970	
Financial Costs	219		165	
Premises Costs	13,686		16,072	
Depreciation	8,160		2,980	
Total Management And Administration	<u>277,730</u>		<u>275,431</u>	
Total Expenditure		<u>1,613,154</u>		<u>1,489,526</u>
OPERATING SURPLUS		435,263		92,922
NET APPEAL INCOME		53,741		267,646
SURPLUS ON INCOME AND EXPENDITURE		<u>489,004</u>		<u>360,568</u>