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THE DOROTHY HOUSE FOUNDATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1995



THE DOROTHY HOUSE FOUNDATION LIMITED

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FOR THE YEAR ENDED 31ST MARCH 1995

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THE DOROTHY HOUSE FOUNDATION LIMITED

COMPANY INFORMATION

AS AT 31ST MARCH 1995

Members of Council:

Mrs. M. Toogood (Chairman)
Mrs. M. Broadhead
Mr. A. T. Cox
Mr. P. J. Doherty
Mr. J. D. Emerson
Mr. J. Jackson
Miss M. O. Lacey
Reverend N. Pearce
Dr. L. R. Redman
Dr. S. Rye
Mr. W. H. T. Sheppard
Miss E. D. Webb
Mrs. I. V. Weller

Treasurer:

Mr. A. T. Cox

Secretary:

Mr. T. F. Mears

Registered Office:

164 Bloomfield Road,
Bath,
Avon.
BA2 2AT

Bankers:

National Westminster Bank Plc.,
15 Wellsway,
Bath.
BA2 4QL

Solicitors:

Wood Awdry Wansbroughs
3 St Mary Street,
Chippenham.
SN15 3JL

Auditors:

Moore Stephens,
Chartered Accountants,
30 Gay Street,
Bath.
BA1 2PA

THE DOROTHY HOUSE FOUNDATION LIMITED

REPORT OF THE COUNCIL

FOR THE YEAR ENDED 31ST MARCH 1995

The Members of the Council present the Audited Financial Statements for the year ended 31st March 1995.

Results:

The success of the Capital Appeal for funds to develop premises at Winsley was anticipated, at the start of the year, to have an effect on general donations. Also, it was known that the proceeds from several annual events would be directed to the Appeal rather than to general donations. It was foreseen, therefore, that donations would be down on 1993/94: this occurred, to the amount of £56,000. Income from legacies is always unpredictable, and is regarded as precarious in terms of forecasting: this year has clearly demonstrated the wisdom of not relying too heavily on legacies, as at £118,000 this was £86,000 less than the previous year. However, from the Dorothy House shops, an increased return has helped to maintain the total income at a level which has ensured the liquidity of the organisation.

The overall surplus of £744,369 for the year includes net proceeds from the Winsley Development Appeal Fund of £587,599.

Review of Business and Future Developments

Continued growth in demand for services offered by the Foundation has put pressure on the organisation, chiefly on the Macmillan Nursing service, and additional hours have been allocated to this staff group. However, it is likely that further increases will be needed in the next year or two, and this will apply also to physiotherapy and to some non-care groups of staff. Council are pursuing a policy of no growth without identifiable income to support it, and the organisation's officers will need to work at this challenge if demand from its patients and their informal carers is to be met.

Much activity has centred on the Appeal, and as the main contract work at Winsley was virtually complete by 31st March, a high public profile has been generated, partly for fund-raising purposes, but also to ensure that the public are aware of the excellent facilities for patient care and for education provided by the new premises.

The main areas of concern for 1995/96 are:

- i) to extend beds-in-use from 6 to 10 as and when resources allow:
- ii) to ensure that existing services, both patient care and non-patient activity, are properly supported by adequate staffing:
- iii) to limit growth in any area to remain within resources available.

Reserves

The amount proposed to be transferred to reserves this year is £744,369 (1994 £495,462).

THE DOROTHY HOUSE FOUNDATION LIMITED

REPORT OF THE COUNCIL

FOR THE YEAR ENDED 31ST MARCH 1995 (CONTINUED)

Council of Management

Members of Council serving during the year were:

Mrs. M. Toogood (Chairman)
Mrs. M. Broadhead
Reverend T. D. H. Catchpool (Resigned 28.9.94)
Mr. A. T. Cox
Mr. P. J. Doherty
Mr. J. D. Emerson
Mr. J. Jackson
Miss. M. O. Lacey
Reverend N. Pearce
Dr. L. R. Redman
Dr. S. Rye
Mr. W. H. T. Sheppard
Miss E. D. Webb
Mrs. I. V. Weller

Retiring members: Mrs. Marjorie Broadhead is due to retire this year, and offers herself for re-election. Miss Muriel Lacey and Mrs. Irene Weller are due to retire, and wish to do so.

Auditors

The Company's Auditors, Moore Stephens, have indicated their willingness to remain in office and a proposal for their reappointment will be put to the Annual General Meeting.

ON BEHALF OF THE COUNCIL

A. Margaret Toogood

MRS. M. TOOGOOD
CHAIRMAN

18th July 1995.

THE DOROTHY HOUSE FOUNDATION LIMITED

STATEMENT OF COUNCILS RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The members of council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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 for 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 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of members of council and auditors

As described on page 4 the members of council are responsible for the preparation of 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 members of council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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. However the evidence available to us was limited because this charity in common with many others of similar size and organisation derives a substantial proportion of its income from donations which cannot be fully controlled until they are entered in the accounting records, and are not therefore susceptible to independent audit verification. There were no other satisfactory audit procedures that we could adopt to confirm that donations were completely recorded. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from the limitation in audit scope

Except for any adjustments that might have been found necessary had we been able to obtain sufficient evidence concerning donations, in our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st March 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the Company is entitled for the year ended 31st March 1995 to the exemptions conferred by Section 248 of the Companies Act 1985 from the requirement to prepare Group accounts.

Bath
18th July 1995.

Moore Stephen
MOORE STEPHENS
CHARTERED ACCOUNTANTS
& REGISTERED AUDITOR

THE DOROTHY HOUSE FOUNDATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		<u>£</u>	<u>£</u>
Turnover from Continuing Operations			
- General		883,683	912,880
Covenant and Gift Aid	5	210,000	150,000
from subsidiary company			
		<hr/>	<hr/>
		1,093,683	1,062,880
Patient Services		895,487	803,073
Property and Administration			
Costs		185,020	174,034
		<hr/>	<hr/>
		(1,080,507)	(977,107)
		<hr/>	<hr/>
		13,176	85,773
Investment Income	4	2,493	1,127
Interest Receivable		22,646	20,053
		<hr/>	<hr/>
Surplus for the Year on			
General Income and Expenditure		38,315	106,953
<u>Add:</u> Legacies Received	1	118,455	203,902
Net Appeal Fund Income	10	587,599	184,607
		<hr/>	<hr/>
Surplus for the Year before			
Taxation from Continuing			
Operations	2/10	£744,369	£495,462
		<hr/>	<hr/>

There were no other recognised gains or losses in the year.

THE DOROTHY HOUSE FOUNDATION LIMITED

BALANCE SHEET AS AT 31ST MARCH 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		<u>£</u>	<u>£</u>
<u>Fixed Assets</u>			
Tangible Assets	6	2,775,303	1,162,185
Investments	6	10,762	59,529
		<hr/>	<hr/>
		2,786,065	1,221,714
<u>Current Assets</u>			
Debtors	7	110,373	92,090
Cash at Bank and in Hand		650,589	711,075
		<hr/>	<hr/>
		760,962	803,165
<u>Creditors</u>			
Amounts falling due within one year	8	(304,302)	(62,991)
		<hr/>	<hr/>
<u>Net Current Assets</u>		456,660	740,174
		<hr/>	<hr/>
<u>Total Assets Less Current Liabilities</u>		3,242,725	1,961,888
<u>Creditors:</u>			
Amounts falling due in more than one year	9	536,621	400
		<hr/>	<hr/>
		£2,706,104	£1,961,488
		<hr/>	<hr/>
<u>Capital and Reserves</u>			
General Fund	10	2,703,231	1,958,862
Education - Children Fund	11	2,873	2,626
		<hr/>	<hr/>
		£2,706,104	£1,961,488
		<hr/>	<hr/>

These Financial Statements were approved by the Council on 18th July 1995

MRS. M. TOOGOOD.....*A. Margaret Toogood*)
 MR. A. T. COX.....*A. T. Cox*) COUNCIL MEMBERS

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995

1. Principal Accounting Policies

As in previous years, the Financial Statements are prepared in accordance with the historical cost convention.

a) Turnover

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

b) Depreciation

Depreciation is charged in order to write off the costs of the Fixed Assets over their expected useful lives. The rates used are:

Fixtures, Fittings and Equipment	-	15% - 20% straight line
Educational Equipment	-	20% straight line

Statement of Standard Accounting Practice No 12 states that a provision for depreciation on Buildings should be made. However the Council is of the opinion that it is neither appropriate nor necessary to provide depreciation on properties. Therefore no such provision has been made in the financial statements.

The Standard also states that the value relating to freehold properties should be split between land and buildings. The Council considers it doubtful that this can be done on a realistic basis leaving any calculation of depreciation open to serious doubt. Therefore they are not able to quantify the depreciation which would have been charged if the Standard had been applied.

c) Legacies

Legacies are credited to the Income and Expenditure Accounts, in the year in which they are received.

2. Surplus for the Year

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
This is stated after charging:		
Depreciation	10,308	12,822
Auditors' Remuneration	<u>2,000</u>	<u>2,000</u>

3. Staff Costs

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Wages and Salaries	859,771	744,130
Social Security Costs	64,611	61,589
Other Pension Costs	<u>24,667</u>	<u>27,479</u>
	<u>£949,049</u>	<u>£833,198</u>

Included within the staff wages and salaries cost for 1995 is £191,851 in respect of domiciliary nurses on the payroll of the District Health Authority but whose work is directed by the Foundation. The comparative figure for 1994 was £189,078.

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995 (CONTINUED)

3. Staff Costs (Continued)

The average weekly number of employees during the year was as follows:

	<u>1995</u>	<u>1994</u>
	<u>No</u>	<u>No</u>
*Nursing Staff (Full time equivalent)	27.79	25.78
Administration and Education (Full time equivalent)	13.21	12.87
Medical (Full time equivalent)	1.79	1.79
Chaplain (Full time equivalent)	1.00	0.33
Social Worker (Full time equivalent)	1.00	-
	<u>44.79</u>	<u>40.77</u>

* The In-Patient Unit relies also upon a number of "bank" staff.

Management Remuneration

None of the Members of Council received any remuneration from the Company.

Pension Schemes

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £18,630 (1994 £16,820).

The balance of the charge is paid by Bath and West Community NHS Trust.

Contributions totalling £1,541 (1994 £934) were payable to the funds at the year end and are included in creditors.

4. Investment Income

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Income from listed Investments	£2,493	£1,127
	<u> </u>	<u> </u>

5. Covenanted Income from Subsidiaries

Earnings from the subsidiary company, Minsterdeal Limited, were paid over by deed of covenant and by Gift Aid.

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995 (CONTINUED)

6a. Tangible Assets

<u>Cost</u>	<u>Freehold Property</u>					<u>Total</u>
	<u>Winsley</u>	<u>Moorland</u>	<u>164 & 166</u>	<u>Education</u>	<u>Fixtures,</u>	
	<u>£</u>	<u>Road Shop</u>	<u>Bloomfield</u>	<u>Equipment</u>	<u>Fittings &</u>	
		<u>£</u>	<u>Road</u>	<u>£</u>	<u>Equipment</u>	<u>£</u>
At 1st April 1994	735,726	183,567	212,519	1,439	89,200	1,222,451
Additions during year	1,617,965	-	-	-	5,461	1,623,426
At 31st March 1995	2,353,691	183,567	212,519	1,439	94,661	2,845,877
<u>Depreciation</u>						
At 1st April 1994	-	-	-	1,439	58,827	60,266
Charge for the year	-	-	-	-	10,308	10,308
At 31st March 1995	-	-	-	1,439	69,135	70,574
<u>Net Book Value</u>						
At 31st March 1995	2,353,691	183,567	212,519	-	25,526	2,775,303
At 31st March 1994	735,726	183,567	212,519	-	30,373	1,162,185

The freehold property 164, Bloomfield Road is subject to the terms of an undertaking dated 16th October 1980 between the company and the Cancer Relief MacMillan Fund, whereby, in consideration of the grant made to the company by the Cancer Relief MacMillan Fund towards the purchase of the property, the company will return to the Cancer Relief MacMillan Fund the net proceeds of sale of the property if this company no longer requires the property for its charitable objectives.

6b. Fixed Asset Investments

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Subsidiary Companies (Note 12)	2	2
Other Investments not listed	-	8,295
Other listed Investments	<u>10,760</u>	<u>51,232</u>
	£10,762	£59,529

The market value of the above investments was £10,039 at 31st March 1995 (£50,942 at 31st March 1994).

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995 (CONTINUED)

7. Debtors

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Amounts owed by Group Companies	25,000	25,000
Other Debtors	81,342	63,074
Prepayments and Accrued Income	<u>4,031</u>	<u>4,016</u>
	£110,373	£92,090

8. Creditors: Amounts falling due within one year

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Bank Loans and Overdrafts	42	2
Other Taxation and Social Security	18,436	13,602
Other Creditors	31,675	46,254
Accruals	3,949	2,933
Loans	<u>250,200</u>	<u>200</u>
	£304,302	£62,991

9. Creditors: Amounts falling due in more than one year

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Deposited Covenants	-	400
Loan	<u>536,621</u>	<u>-</u>
	£536,621	£ 400

The loan is contractually repayable on 31st December 2004, however the terms of the contract are such that The Dorothy House Foundation are endeavouring to repay such earlier as and when cash flow permits. It carries interest from 31st December 1995 at 1% below the National Westminster Bank base rate. £250,000 of the loan balance repaid since the year end is shown within creditors due within one year.

10. Reconciliation and Analysis of movements in the Funds
for the year ended 31st March 1995

	<u>Unrestricted Funds</u>		<u>Total</u>
	<u>General</u> <u>£</u>	<u>Designated</u> <u>£</u>	<u>£</u>
Income	1,182,861	640,415	1,823,276
Indirect Expenditure	(148,717)	(52,816)	(201,533)
Opening value of Funds	<u>1,879,252</u>	<u>79,610</u>	<u>1,958,862</u>
Funds available for use	2,913,396	667,209	3,580,605
Charitable Expenditure	<u>(877,374)</u>	<u>-</u>	<u>(877,374)</u>
	2,036,022	667,209	2,703,231
Transfer	<u>1,617,965</u>	<u>(1,617,965)</u>	<u>-</u>
	3,653,987	(950,756)	2,703,231

Designated fund represents monies raised through the appeal to generate monies for the development of the Winsley property as a new hospice. Monies are transferred from designated fund to the general fund as development costs are incurred.

THE DOROTHY HOUSE FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995 (CONTINUED)

11. Education - Children Fund

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Balance B/fwd	2,626	2,618
Income Received	<u>247</u>	<u>8</u>
Balance C/fwd	<u>£2,873</u>	<u>£2,626</u>

12. Subsidiary Companies

The investment represents this Company's ownership of all the allotted share capital of Minsterdeal Limited, a company incorporated in the United Kingdom.

Minsterdeal Limited operates a number of shops selling goods donated by the public. The aggregate capital and reserves of Minsterdeal Limited at 31st March 1995 were £17,455 and its profit for the year then ended was £10,622.

The Company also acts as guarantor in respect of leases to Minsterdeal Limited for its shop properties at Westgate Buildings in Bath and 15, Silver Street, in Trowbridge. These leases were transferred to The Dorothy House Foundation as from 1st April 1995.

13. Company Status

The Company is a registered charity and is limited by guarantee.

14. Capital Commitments

During the year the Foundation continued development of a replacement hospice at the site in Winsley near Bath. At the end of the year £1,571,999 worth of the contracted commitment of £1,716,861 had been expended.

A public appeal for funds to finance this development is in progress.

15. Post Balance Sheet Events

As of 1st April 1995 the company's subsidiary transferred its trade in donated goods to The Dorothy House Foundation. This is unlikely to have any significant effect on the overall results of The Dorothy House Foundation due to the fact that Minsterdeal's profits have in the past been covenanted over to The Dorothy House Foundation.

16. Operating Lease Commitments

The Company is committed to the following operating leases in respect of properties transferred from Minsterdeal Limited as at 1st April 1995:-

Operating leases which expire in:-	Land and Buildings
1 - 2 years	£10,150
2 - 5 years	£14,000
over 5 years	£80,600

THE DOROTHY HOUSE FOUNDATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1995

	<u>1995</u>		<u>1994</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Income</u>				
Donations and Collections		223,118		279,547
Covenant Income (net)		9,732		10,773
Tax Recoverable on Covenants and Gift Aid		10,434		8,963
Sundry Grants		6,557		16,960
Dividends and Minsterdeal Ltd Income		212,493		151,127
NHS Contracts/Grants		361,005		331,886
Legacies		118,455		203,902
Interest		22,646		20,053
<u>Directly Funded Expenditure</u>				
Education Centre Expenses	52,866		50,000	
Cancer Relief MacMillan Fund Grant	(52,866)	-	(50,000)	-
Salaries and National Insurance of Nurses	219,971		214,751	
Bath and West Community NHS Trust	(219,971)	-	(214,751)	-
		964,440		1,023,211
<u>Expenditure</u>				
<u>Patient Services</u>				
Salaries, National Insurance and Pensions	558,444		481,975	
Car Expenses	34,641		28,796	
Food and Domestic Expenses	14,097		12,556	
Doctors and Daycare Expenses	(635)		2,841	
Lymphoedema Expenses	6,518		3,148	
Sundries	9,585		9,006	
	<u>622,650</u>		<u>538,322</u>	
<u>Administration Costs</u>				
Salaries and National Insurance	103,691		101,590	
Printing and Stationery	10,258		10,435	
Publicity and Meeting Expenses	4,916		4,543	
Postages and Telephones	8,699		8,971	
Travelling and Conference Expenses	2,222		2,319	
Audit	3,921		3,059	
Sundry Expenses and Subscriptions	15,010		5,967	
	<u>148,717</u>		<u>136,884</u>	
<u>Property and Equipment Costs</u>				
Water Rates, Light, Heat and Insurance	9,765		7,921	
Repairs to Buildings	2,504		2,737	
Winsley Site Net Costs	13,726		13,670	
Depreciation - Equipment, Furniture and Fittings	10,308		12,822	
	<u>36,303</u>		<u>37,150</u>	
		807,670		712,356
<u>Operating Surplus for Year</u>		156,770		310,855
<u>Winsley Development:-</u>				
Net Appeal Income		587,599		184,607
<u>Overall Surplus for Year on Income and Expenditure</u>		<u>£744,369</u>		<u>£495,462</u>

WINSLEY DEVELOPMENT APPEAL FUND

TRANSACTIONS FOR 12 MONTHS TO 31ST MARCH 1995

	During the Year <u>£</u>	Cumulative to Date <u>£</u>
Appeal Income	640,415	894,130
<u>Less: Fund Raising Costs</u>	<u>52,816</u>	<u>116,666</u>
<u>Net Appeal Income</u>	<u>£587,599</u>	<u>£777,464</u>
 <u>Development Costs to Date</u>		 <u>£1,728,220</u>