

DUDLEY GROUP NHS CHARITY
TRUSTEE'S ANNUAL REPORT
& SUMMARY FINANCIAL STATEMENTS 2015/16

FOREWORD

The Dudley Group NHS Charity (the Charity) has a Corporate Trustee: The Dudley Group NHS Foundation Trust.

The Corporate Trustee presents the Charitable Funds Annual Report together with the Audited Summary Financial Statements for the year ended 31 March 2016.

The Charity's Annual Report and Financial Statements for the year ended 31 March 2016 have been prepared by the Corporate Trustee in accordance with the Charities Act 2011 and the Charities Statement of Recommended Practice 2015. The Charity's Annual Report and Financial Statements include all the separately established funds for which The Dudley Group NHS Foundation Trust is the sole beneficiary.

The members of the NHS Foundation Trust Board who served during the financial year were as follows:

Paula Clark – Chief Executive (Executive Director)
Paul Taylor – Director of Finance & Information (Executive Director)
Paul Harrison – Medical Director (Executive Director)
Paul Bytheway – Chief Operating Officer
Dawn Wardell – Chief Nurse (Executive Director)
Jenni Ord – Chairman (Non-Executive Director)
Jonathan Fellows – Non-Executive Director
Ann Becke – Non-Executive Director
Richard Miner – Non-Executive Director
Doug Wulff – Non-Executive Director
Julian Atkins – Non-Executive Director

Denise McMahon – Director of Nursing retired May 2015
David Badger – Chairman (Non-Executive Director) Retired December 2015
David Bland – Non-Executive Director left December 2015

The Charitable Funds are registered with the Charity Commission (no. 1056979) in accordance with the Charities Act 2011.

CHARITY TRUSTEES AND ADVISERS

Reference and Administrative details

The Dudley Group NHS Charity, registered Charity Number 1056979, was entered on the Central Register of Charities on the 22 July 1996 as amended on 14 November 2011.

The Charity is constituted of 85 individual funds as at the 31 March 2016 (2014/15: 90) and the notes to the financial statements distinguish the types of fund held and disclose separately all material funds.

Charitable funds received by the Charity are accepted and held and administered as funds and property held on trust for purposes relating to the health service in accordance with the National Health Service Act 2006 and the National Health Service and Community Care Act 1990 and these funds are held on trust by the corporate body.

Trustee

The Dudley Group NHS Foundation Trust is the Corporate Trustee of the Charitable Funds governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2011.

The NHS Foundation Trust Board devolved responsibility for the on-going management of funds to the Charitable Funds Committee which administers the funds on behalf of the Corporate Trustee.

The members of the Charitable Funds Committee who served during the financial year are as follows:

Paula Clark – Chief Executive (Executive Director)
Paul Taylor – Director of Finance & Information (Executive Director)
Jonathan Fellows – Non-Executive Director
Doug Wulff – Non-Executive Director
Julian Atkins – Non-Executive Director

David Bland – Non-Executive Director left December 2015

Principal Charitable Fund Advisers

The following officers of The Dudley Group NHS Foundation Trust are the principal charitable fund advisers:

Paula Clark, Chief Executive, and Paul Taylor, Director of Finance and Information, under a scheme of delegated authority as approved by the Corporate Trustee, have day-to-day responsibility for the management of the Charitable Fund and must personally approve, on behalf of the Corporate Trustee, all expenditure over £5,000 with an upper limit of £50,000 using their delegated authority. All Executive Directors and the Deputy Director of Finance – Financial Reporting, under a scheme of delegated authority as approved by the Corporate Trustee, approve all expenditure up to £5,000.

Heather Taylor, Financial Services Manager, advised and reported on charitable funds, including strategy, in this financial year.

Lynn Hinton, Treasury Manager, acted as the principal officer overseeing the day-to-day financial management and accounting for the charitable funds during the year.

Karen Phillips, Fundraising Manager, liaises with the wards and departments providing advice and support for the charity fundraising.

Principal Office for the Charity

Finance Department,
The Dudley Group NHS Foundation Trust,
Trust Headquarters,
Russells Hall Hospital,
Dudley,
West Midlands,
DY1 2HQ.
Telephone : 01384 321121

A full set of financial statements can be downloaded from our website www.dudleygroup.nhs.uk/our-charity or by contacting the Fundraising Manager on 01384 456111 extension 3349, or karen.phillips@dgh.nhs.uk

Principal Professional Advisers

Bankers

Government Banking Service
Southern House
7th Floor, Wellesley Grove
Croydon
Surrey
CR9 1WW

Royal Bank of Scotland
2nd Floor
280 Bishops Gate
London
EC2M 4RB

Santander Corporate & Commercial Banking
North Midlands Corporate Banking Centre
1st Floor, Venture Court
Wolverhampton Business Park
Wolverhampton
WV10 6TB

Solicitors

Mills & Reeve
Midland House
132 Hagley Road
Birmingham
B16 9NN

Investment Fund Managers

CCLA Investment Management Limited
85 Queen Victoria Street
London
EC4V 4ET

BlackRock Investment Managers Limited
Senator House
PO Box 9036
Chelmsford
CM99 2XD

Independent Auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Dudley Group NHS Foundation Trust consists of Russells Hall Hospital (Acute Hospital), Corbett Outpatient Centre and Guest Outpatient centre. The charitable funds are attributed in line with the Trust's Directorate structure. For example, charitable funds for medicine include Medical Wards, Leukaemia, Chest Clinic, Diabetes, Rheumatology, District Nurses, Rehabilitation and palliative care. The funds within Surgery include Ear, Nose and Throat (ENT), Ophthalmology, Surgical Wards, Breast Cancer Services, Audiology, Surgery and Theatres. Other funds are within Obstetrics, Gynaecology, Pathology, Critical Care, Neonatal Services, Cardiology, Gastro Intestinal Services, Renal Unit and Coronary Care. Adult Community Services include the District Nurse Teams Fund, Palliative Care, Audiology, Community Rehabilitation Fund (which includes Neurology) and the Community Heart Failure Team.

The Charity fund was established with the Charity Commission using the model declaration of trust and all funds held on trust as at the date of registration were classified as unrestricted funds or classified as designated funds under the main Charity. Subsequent donations and gifts received by the Charity that are attributable to the original funds are added to those fund balances within the existing Charity.

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund. By designating funds the key aim of the Trustee is to serve the NHS Trust for the public benefit, it respects the wishes of our generous donors to support patient care and advance the good health and welfare of patients, visitors and staff. The Trustee have complied with their duty to have had regard to the Charity Commission's guidance on public benefit, with due regard for funding decisions to demonstrate public benefit in the Charity's work.

Non-Executive Members of the Trust Board are appointed by the Trust Governors. Executive members of the Board are subject to recruitment by the NHS Foundation Trust Board. Members of the Trust Board and the Charitable Funds Committee are not individual trustee under Charity Law but act as agents on behalf of the Corporate Trustee.

The newly appointed members of the Charitable Funds Committee are provided with an induction pack which provides information about the Charity, including the Charitable Funds Committee terms of reference, Trustees' Annual Report and Financial Statements, policies and minutes, and information about trusteeship, including Charity Commission booklet CC3, The Essential Trustee. The Chair gives new members of both the NHS Foundation Trust Board and the Charitable Funds Committee a briefing on the current policies and priorities for the charitable funds.

Acting for the Corporate Trustee, the Charitable Funds Committee is responsible for the overall management of the Charitable Fund. The Committee is required to:

- Control, manage and monitor the use of the fund's resources.
- Provide support and guidance for usage of funds, whilst managing and monitoring the receipt of all income.
- Ensure that 'best practice' is followed in the conduct of all its affairs fulfilling all of its legal responsibilities.
- Ensure that the Investment Policy approved by the NHS Foundation Trust Board as Corporate Trustee is adhered to and that performance is continually reviewed whilst being aware of ethical considerations.
- Keep the Trust Board fully informed on the activity, performance and risks of the Charity.

The Charitable Funds Committee was established in 2006/07 and reports to the Trust Board. The objectives of the committee are to control the management and administration of the Charity in accordance with the Charity's purposes and in line with the Charitable Funds Investment Policy. The committee will assist in the determination of the Charitable Funds Strategy ensuring that the Charity has all the hallmarks of an effective charity, as set out in the standards issued by the Charity Commission.

The accounting records and the day-to-day administration of the funds are dealt with by the Finance Department, Trust Headquarters, Russells Hall Hospital, Dudley, West Midlands, DY1 2HQ.

RISK MANAGEMENT

The risks to which the Charity is exposed have been identified and considered.

Future levels of income

The charity is reliant on donations to allow it to support the Trust and its plans for the future.

The Trustees mitigate the risk that income will fall by engaging with the Charity Fundraiser. Fundraising activity is regularly reviewed at the Charity Committee meetings to understand what worked well and what improvements may be needed.

Fall in investment returns

The most significant risk identified was a possible loss from a fall in the value of the investments and the level of reserves available to mitigate the impact of such losses. The charity committee review the investment returns at the quarterly meetings to ensure that both spending and financial commitments remain in line with available income.

An effective system of internal financial control is maintained and operated in connection with the charitable funds as the Charity is managed under the Governance and internal controls that are in place for The Dudley Group NHS Foundation Trust. The current system of internal financial control provides reasonable assurance of the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

WORKING IN PARTNERSHIP FOR PUBLIC BENEFIT

The Dudley Group NHS Foundation Trust is the main beneficiary of the Charity and is a related party by virtue of being Corporate Trustee of the Charity. The charities objectives are for any charitable purpose or purposes relating to the National Health Service, wholly or mainly for the service provided by The Dudley Group NHS Foundation Trust. The strategy of the Charity is to work in partnership with the Trust, ensuring the funds are used to best effect, by deciding upon the most beneficial way to use charitable funds with regard to the main activities, objectives, strategies and plans of the Trust.

Our mission statement is to enhance and further improve the high quality services provided by the Trust, providing additional comfort and benefit to its patients and staff, by focusing fund expenditure on areas not covered or fully supported by NHS funds.

The charity fundraiser continues to forge strong relationships with members of staff of the hospital and community donors and fundraisers. Without the support and co-operation of the wider community the effective contribution to the Trust would be much diminished.

In accordance with the objectives and strategy of the Charity, the Financial Services Manager and the Treasury Manager regularly meet with Ward Managers and Department Heads to encourage the spending of their funds in accordance with the donor's wishes; by supporting research and procedures within the National Health Service, supporting capital developments and the purchase of medical equipment, provide training and development activities for clinical and other staff, to ensure public benefit.

The Leukaemia Appeal Fund, a separately registered Charity raises money specifically for the Georgina Unit at Russells Hall Hospital.

The Trust's Volunteer Service, managed by the Volunteer Co-ordinator, Jane Fleetwood provides a valuable service to patients, visitors and staff. For more information call 01384 456111 ext 3420 or email jane.fleetwood@dgh.nhs.uk

The Dudley Clinical Education Centre promotes and advances the study of science and medicine by supporting the professional education and development of Trust & Community staff and associated healthcare professionals. It supports key patients committed to further development, empowering their contribution to specialist teams improving quality of care. For more information call 01384 321095 or email Barbara.white@dgh.nhs.uk

ANNUAL REVIEW: OUR OBJECTIVES AND ACTIVITIES

The key aim of the Trustees to provide public benefit is by helping patients, relatives, visitors and staff by:

- Funding medical research to understand the conditions affecting our patients so that we can help develop cures and therapies in the future.
- Enhance the care the Trust can offer through the purchase of new equipment and building improvements to deliver better facilities.
- Invest in staff to create a caring environment and improved treatment for our patients, families and visitors.
- Provide direct support to patients by way of information, networking support and better facilities.

The charity currently has four main appeals:

Make our Patients Smile

provides items and services that will enhance our patients experience whilst at our hospital or outpatient centres.

Cancer

caring for the patient and the family appeal adds comfort for our cancer patient, encompassing the well-being of patients, families and carers.

Dementia

helps to prepare and provide understanding for patients and families face the challenges of the future.

Rehabilitation

supporting our patient's journey back to recovery. Helps patients work towards a better quality of life, managing pain, learning to walk or adjusting to a new way of life.

During the year, the funds continued to support a wide range of charitable and health related activities benefiting both patients and staff. Charitable funds were used to purchase much needed medical equipment, such as:

- Vital signs monitors for various wards
- Nebulisers
- Bed and chair alarm systems for various wards
- Cuddle cots for Maternity Unit
- TOF watch stimulators for Theatres
- Baby control apnea monitors

The hospital wards receive many charitable fund donations. These are often used to benefit the staff and the patients, such as:

- Leaflets providing specific ward information to patients & visitors
- Patient recliner chairs in various wards
- Patient over bed tables for various wards
- Fans for use in various wards
- Games and puzzles for Dementia patients
- DAB radios and TVs for various wards

The charitable funds also enable consultants, medical staff, nurses and allied professionals to attend additional courses which will update them on the new ideas and modern techniques in their specialties.

These activities enable the Trustee to meet its strategic priorities of supporting the work of the Trust. The Trustee's review of future plans and strategic objectives have also been infused with the need to demonstrate public benefit and by the guidance issued by the Charity Commission.

The Trust Volunteer Service continues to provide support to patients, visitors and staff with duties such as ward/clinic hostess services, way finding, helpdesk assistance, hospital radio and chaplaincy.

The charitable funds have received legacies this year totalling £12,296. The most significant legacy was for £10,000 for the benefit of the Georgina unit.

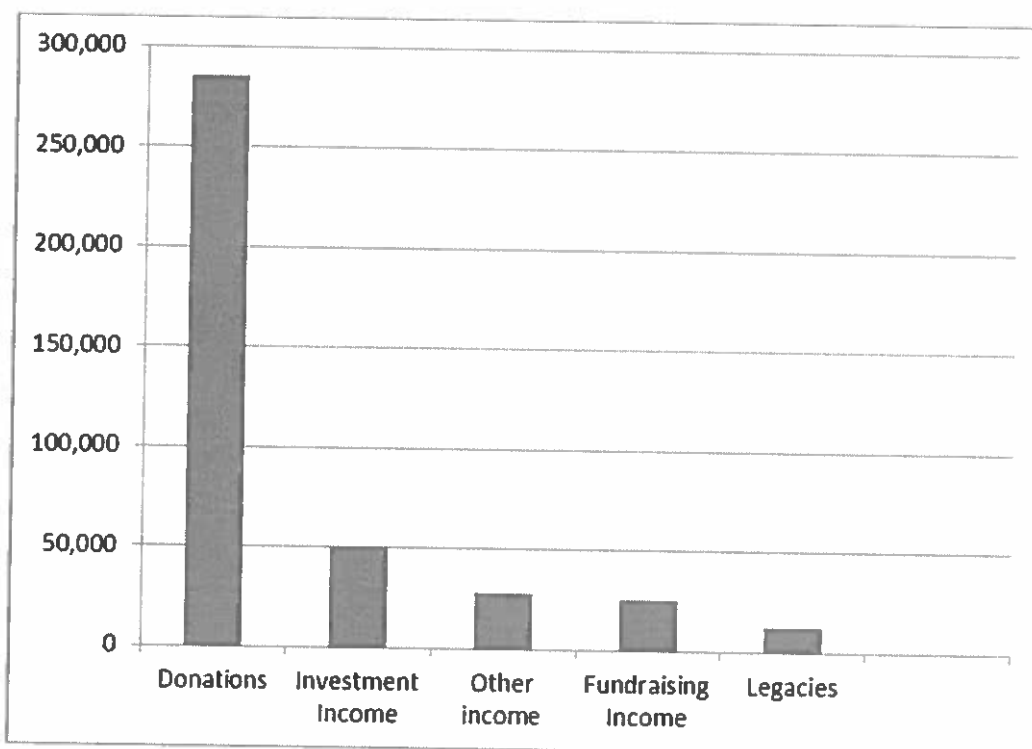
A Review of our Finances

The total value of the Charitable Funds as at 31 March 2016 was £2,420,000 (2014/15: £2,581,000). A decrease in the fund value was due to spending in line with donors wishes, a reduction in investment share value and legacies received.

The Charity continues to rely on donations, legacies and investment income as the main sources of income. Donations from individuals have increased by £15,000; the donations in memoriam have increased by £2,000 and donations via the Just Giving website have also increased by £3,000. Legacies have decreased by £94,000 and there have been no donations from Consultants compared with £14,000 received in 2014/15.

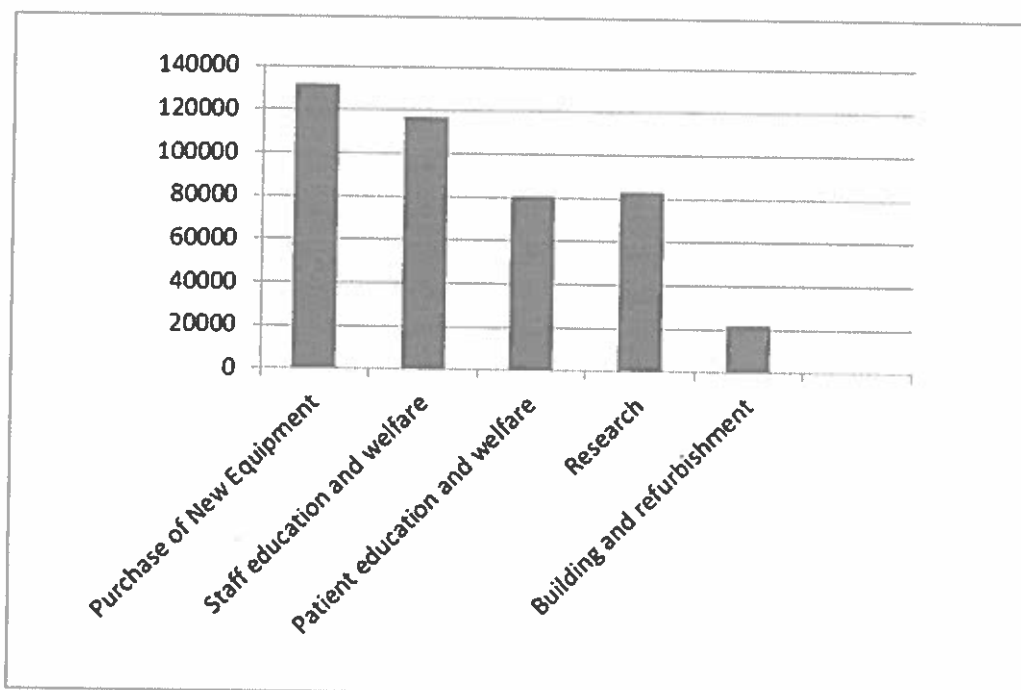
Investment Income decreased by £2,000 however, the charity has been able to maintain the same interest rates as in 2014/15 with Santander Corporate and Commercial Banking.

Where our money comes from



What we spent the money on

Of the total expenditure of £497,000 (2014/15 £667,000), expenditure on direct charitable activity was £435,000 (2014/15 £610,000) across a range of funds. Expenditure on raising funds was £62,000 (2014/15 £57,000).



Purchase of new equipment

The total amount spent was £132,000 (2014/15 £294,000) representing a vital and valuable contribution to enhancing the provision of clinical care. Purchases range from small items of equipment costing a few hundred pounds, to larger items costing thousands of pounds.

Staff education and welfare

Annual expenditure was £117,000 (2014/15 £134,000) of which £56,000 (2014/15 £64,000) was spent on external educational courses. An additional sum of £7,000 (2014/15 £9,000) was spent on travel expenses to allow attendance of these courses. A total of £31,000 (2014/15 £40,000) was spent on staff welfare, for example educational material such as medical books and journals, educational prizes and awards and non-medical equipment for the wards.

Patient education and welfare

Annual expenditure of £81,000 (2014/15 £151,000) included the purchase of furniture of £42,000 (2014/15 £53,000), for ward areas.

The sum of £3,000 (2014/15 £13,000) was spent in respect of patients information and education.

Other patient expenditure of £25,000 (2014/15 £71,000) includes items which help make the patient's stay in hospital more comfortable, such as gifts at Christmas, audio and TV equipment, information leaflets.

Research

The sum of £76,000 (2014/15 £6,000) was spent on research projects. There are currently two research programmes which provide financial support for breast cancer research and rheumatology research with our university partners, providing research support for PhD students, in this important work.

EXPENDITURE POLICY

The Dudley Group General Fund receives donations and legacies where no particular preference as to its expenditure has been expressed by donors. Applications are received from various departments within the Hospital and the Community to purchase medical equipment or items which will improve and benefit the patients and staff at the Trust. Based on their knowledge of the Hospital, the Charitable Funds Committee agrees funding and encourages spending of the charity funds. Funding is provided to areas of the Trust that do not have available Designated Funds.

The Designated Funds are overseen by Clinical Directors, Clinical Service Leads and Matrons who can make recommendations on how to spend the money within their designated area. The recommendations are generally accepted and these funds can be spent at any time.

The restricted funds are those where the donor has provided for the donation to be spent for a particular charitable purpose or where legal restrictions have been imposed by the donor at the time their donation was made.

RESERVES POLICY

The reserves policy is incorporated within the Charity Investment Policy. This policy ensures that income not required for immediate use is invested to earn interest, whilst ensuring that money identified to meet expenditure plans is available as required.

The ratio of reserves held in the short term investment deposit fund is appropriate to the advice received by the external investment managers, based upon current commitment levels of known planned expenditure in the next financial year.

A review of the investment portfolio is undertaken by the Charity Funds Committee which includes the level of reserves held, on a quarterly basis.

The total value of the funds held at 31 March 2016 in the COIF Charities deposit fund is £127,498; the Santander Corporate and Commercial Banking investment totals £1,100,000 with the balance of £53,098 held in the Government Banking Services Account. It is appropriate that the reserves remain at a level which will permit the timely realisation of long term investments, if required. Therefore the minimum reserve level is maintained between £300,000 and £350,000. This will be achieved by reinvesting income received from the investment portfolio and the excess of funds held in the Charitable Funds Government Banking Services account.

The reserve level is based upon current known commitments for future charitable expenditure and the funding required for the next financial year for financial services which maintain the Financial aspect of the charity and the charity fundraiser.

PERFORMANCE MANAGEMENT

The Charity requires the Clinical Directors, Clinical Service Leads and Matrons for each fund to provide expenditure plans for a one to three year programme. This is requested annually and plans are regularly reviewed and reported to the Charitable Funds Committee.

The role of the Clinical Service Leads and Matrons as charity fund budget managers is supported by the Charity Fundraising Co-ordinator.

INVESTMENTS

At the year-end, the sum of £1,136,000 (2014/15 £1,200,000) was held with BlackRock Investment Management Limited in Charishare Excluding Tobacco and Charinco. The COIF Charities deposit fund held a balance of £127,000 (2014/15 £37,000)

The charity's long term investments which mainly consist of UK equities have decreased in value by a total of £64,000 during the year 2015/16.

The Trustee seeks to balance 'Ethical and socially responsible investment' and risk. Therefore, investment in companies engaged in the manufacture of tobacco products is not permitted.

The investment policy requires that all monies, apart from working capital, be invested in securities to maximise the overall return consistent with an acceptable level of risk. Fund Managers are appointed for an initial three year period and the tendering process follows the NHS Trust's regulations and ensures that the requirements of the Trustee Act 2000 are met.

The performance of the investments is continuously monitored and reported on a quarterly basis by BlackRock Investment Management Limited. The reports are disseminated to the Charitable Funds Committee at the scheduled quarterly meetings.

FUTURE PLANS

The charity will work with the Trust to equip NHS staff with the skills they need to enhance patient treatment and provide financial support for research in Breast cancer research and Rheumatology research with our university partners, that provide PhD student support in this important work. This support will continue in 2016/17.

The charity will continue to provide additional equipment so that the service provided for patients and staff is enhanced.

The charity will also provide for other non-medical equipment which enhances the patients time when using the Trust facilities.

Future plans can be influenced by available resources with the Trust budgets, in that the resources required to maintain equipment purchases may exceed the benefit in obtaining the new equipment. The Trust has a policy for the purchase of equipment in that new purchases are consistent with equipment already in use, so that training can be consistent Trust wide for all staff.

Funds Held On Trust Financial Statements 2015/16

Foreword

The Dudley Group NHS Charity Funds are registered with the Charity Commission, number 1056979 and include funds in respect of The Dudley Group NHS Foundation Trust. The Financial Statements have been submitted to the Charities Commission.

The financial statements for the year ended 31 March 2016 have been prepared in accordance with the requirements in the Charities Act 2011 and the Statement of Recommended Practice 2015.

The following pages are not the full financial statements but a summary of information relating to the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement. The Summary Financial Statements have been externally scrutinised by Independent Auditors PricewaterhouseCoopers LLP and their report follows on page 18.

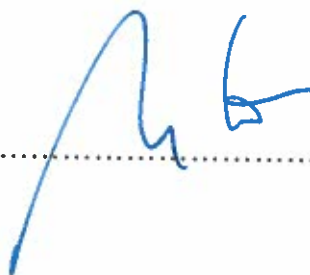
The full accounts are available from the Trust's Finance Department by writing to: Lynn Hinton, Finance Department, Trust Headquarters, Russells Hall Hospital, Dudley, West Midlands. DY1 2HQ or email lynn.hinton@dgh.nhs.uk or telephone 01384 321121.

Main Purpose of Funds Held On Trust

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

Signed

Date: 2 June 2016



Statement of trustees' responsibilities

The trustee are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year. Under that law the trustee have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee are required to:

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

The trustee are responsible for keeping accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provision of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the trustees:

Chairman  Date 2 June 2016

Trustee  Date 2 June 2016

Independent auditors' report to the trustee of The Dudley Group NHS Foundation Trust Charity

Report on the financial statements

Our opinion

In our opinion, The Dudley Group NHS Foundation Trust Charity's financial statements ("the financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources and cash flows, 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 section 144 of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

What we have audited

The financial statements, which are prepared by The Dudley Group NHS Foundation Trust Charity, comprise:

- the balance sheet as at 31 March 2016;
- the statement of financial activities for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustee has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Sufficiency of accounting records and information and explanations received

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 17, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Charity's trustee as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 27 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustee; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the trustee's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Date: *8 June 2016*

PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011.

- (a) The maintenance and integrity of The Dudley Group NHS Foundation Trust Charity website is the responsibility of the trustee; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Financial Activities for the year ended 31 March 2016

	Unrestricted Funds £000	Restricted Funds £000	Restated*	
			2015/16 Total Funds £000	2014/15 Total Funds £000
Income from:				
Donations and legacies	297	0	297	385
Investments	50	0	50	52
Charitable activities	23	2	25	31
Other	28	0	28	29
Total income	<u>398</u>	<u>2</u>	<u>400</u>	<u>497</u>
Expenditure on				
Raising funds	61	1	62	57
Charitable activities:				
Purchase of new equipment	132	0	132	294
Staff education and welfare	117	0	117	134
Patient education and welfare	81	0	81	151
Research	83	0	83	7
Building and refurbishment	22	0	22	22
Depreciation on intangible asset	0	0	0	2
Total expenditure	<u>496</u>	<u>1</u>	<u>497</u>	<u>667</u>
Net Gains/(losses) on investments	(64)	0	(64)	73
Net income/(expenditure)	<u>(162)</u>	<u>1</u>	<u>(161)</u>	<u>(97)</u>
Transfers between funds	0	0	0	0
Net Movement in funds	<u>(162)</u>	<u>1</u>	<u>(161)</u>	<u>(97)</u>
Reconciliation of Funds				
Total Funds brought forward	2,581	0	2,581	2,678
Total Funds carried forward	<u>2,419</u>	<u>1</u>	<u>2,420</u>	<u>2,581</u>

Balance Sheet as at 31 March 2016

	Unrestricted Funds £000	Restricted Funds £000	Total at 31 March 2016 £000	Restated * Total at 31 March 2015 £000
Fixed Assets				
Intangible Assets	0	0	0	0
Investments	1,136	0	1,136	1,200
Total Fixed Assets	1,136	0	1,136	1,200
Current Assets				
Debtors	31	0	31	25
Cash and cash equivalents	1,279	1	1,280	1,405
Total Current Assets	1,310	1	1,311	1,430
Creditors falling due within one year	27	0	27	49
Net Current Assets	1,283	1	1,284	1,381
Total Assets Less Current Liabilities	2,419	1	2,420	2,581
Creditors falling due after more than one year	0	0	0	0
Provisions for liabilities and charges	0	0	0	0
Total Net Assets	2,419	1	2,420	2,581
Funds of the Charity				
Restricted income funds	0	1	1	0
Unrestricted income funds	2,419	0	2,419	2,581
Total Funds	2,419	1	2,420	2,581

CHARITABLE TRUST ACCOUNT - DUDLEY GROUP NHS CHARITY - 2015/16

Cash Flow Statement for the year ended 31 March 2016

	2015/16 Total Funds £000	2014/15 Total Funds £000
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(97)	(170)
Adjustments for:		
Depreciation charge	0	2
Dividends and interest from investments	(50)	(52)
(Increase)/decrease in debtors	(6)	(9)
Increase/(decrease) in creditors	(22)	(36)
Net cash provided by (used in) operating activities	<u>(175)</u>	<u>(265)</u>
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(175)	(265)
Cash flows from investing activities:		
Dividends and interest from investments	<u>50</u>	<u>52</u>
Net cash provided by (used in) investing activities	<u>50</u>	<u>52</u>
Change in cash and cash equivalents in the reporting period	<u>(125)</u>	<u>(213)</u>
Cash and cash equivalents at 1 April	1,405	1,618
Cash and cash equivalents at 31 March	<u>1,280</u>	<u>1,405</u>
Analysis of cash and cash equivalents		
Cash in hand	53	118
Notice deposits	1,227	1,287
Total cash and cash equivalents	<u>1,280</u>	<u>1,405</u>

THANK YOU!

The Corporate Trustee would like to express its appreciation of the support received from so many groups and individuals whose generous contributions are of enormous benefit to both patients and staff throughout our Trust.



Approved on behalf of the Corporate Trustee by Paula Clark, Chief Executive,
The Dudley Group NHS Foundation Trust