

THE DONNA LOUISE TRUST
CONSOLIDATED BALANCE SHEET AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

CONTENTS

PAGE NO.

2-3	CHAIRMAN'S STATEMENT
4-9	REPORT OF THE TRUSTEES
10-11	REPORT OF THE AUDITORS TO THE MEMBERS
12	CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
13	CONSOLIDATED AND CHARITY BALANCE SHEET
14	CONSOLIDATED CASH FLOW STATEMENT
15	NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT
16-22	NOTES TO THE FINANCIAL STATEMENTS

THE DONNA LOUISE TRUST
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

It is my privilege to present my first Annual Report as Chairman, having taken over from David Milburn at the Annual General Meeting last September. David was Chairman for 10 years overseeing the remarkable growth of the fledgling Trust to the organisation it is today. I would like to thank him for his careful stewardship during this time and the support he has given, and continues to give me, as I take over the mantle.

At the end of the 2009/10 financial year we are fortunate to be in a very strong position. For the first time in the Trust's history we have brought in an annual income exceeding £2 million thanks to the sterling work of our fundraising team. Our reserves at the end of the year have reached over £700,000 giving rise to feelings of optimism for the future. Our income strategy for the coming year has been carefully evaluated and is achievable and we are working on developing our care services so that we can increase the support offered to families over the coming year. This position has been achieved through the efforts of all our staff working as a unit not only to generate funds, but also holding down costs, whilst ensuring our support to the children and families who use our service remains of the highest order.

The Service

Despite the improved financial situation we are still not at the funding level where we would be able to open all our beds in the hospice. We provide overnight respite at the hospice for 4 nights a week, although we maximise the number of children staying at that time. We have, by this strategy, provided as many respite stays to children as during the last period whilst realising a significant saving on overhead costs. However we are confident that during the coming year we will see an expansion of this service as we strive to our ultimate goal of full opening. We have been open for end of life care and emergencies as and when needed. Our community team continues their vital work supporting families at home and we have also made good use of Treetops for day care and various diverse activities.

In December we said goodbye to Margaret Harvey after many years of dedicated service as our Head of Care. We look forward to her successor joining us later in 2010 and I would like to thank Jane Jones and Debbie Askey who have filled the void wonderfully during this changeover ensuring the service continues seamlessly.

Finance and Fundraising

Despite the difficulties of the external financial climate we have achieved considerable success with our fundraising endeavours throughout the year. Melanie Mills and all her staff have gone the extra mile (literally in some cases!) to ensure we are in the healthy position we now find ourselves. Fortune smiled on us in the form of a generous legacy which also helped strengthen our reserves. We received a total of £416,875 (18% of total income) from statutory sources, consisting of a direct Government grant and contributions from Stoke on Trent and South Staffordshire Primary Care Trusts. We were also successful in our bid for funding from Aiming High for Disabled Children, administered by Stoke City Council. The remainder of our income came as a result of donations and fundraising activities.

Our major fundraising event of the year was the first Ball the hospice has arranged directly (there have been others arranged by friends groups) on a balmy Sunday in July. The 'African Dream' was a huge success – both financially and socially, wonderfully organised, and hosted by one of our celebrities, Jonathan Wilkes. A special 'thank you' goes to our Patron, Robbie Williams, who generously matched the sum raised at the Ball.

THE DONNA LOUISE TRUST
CHAIRMAN'S STATEMENT (continued)
FOR THE YEAR ENDED 31 MARCH 2010

Finance and Fundraising cont.

We formed a partnership arrangement with Katharine House Hospice in Stafford to set up and run charity shops on our behalf. This innovative arrangement, which we believe is a first in the Charity sector, has enabled us to open two further shops during the course of the year. We benefit from the expertise and infrastructure that exists within Katharine House retail division whilst helping them to reduce their overheads, a true win – win situation.

We are grateful to all those who gave to us this year, both large and small amounts, to ensure that our services to our families and their very special children are maintained.

Personnel

I am pleased to welcome to our board of Trustees Julie Arkle and Karen Gladman who will bring their business acumen and experience to further strengthen the team. During the year we said goodbye to Wendy Jennings who had undertaken the role of Company Secretary since 2002. We are very grateful to Wendy for the meticulous and wise support that she gave to the Board. The role of Company Secretary is now fulfilled by Alison Brian, the Business Support Manager who provides an expert back up and administration service to the Board and the whole organisation.

I would also like to pay tribute to all our staff for their unfailing commitment and dedication to our service during a difficult year of financial restraint and change, and through their efforts we are confident the future of our Trust remains bright.

Finally, as a very 'green' Chairman, I would like to thank my fellow trustees for their support and encouragement and especially to Nuala O'Kane, our Chief Executive, for successfully leading the organisation through some very testing challenges, and for her guidance and advice to me during this, my inaugural year.

.....
Gordon Carpenter
Chairman

Date

THE DONNA LOUISE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2010

The Donna Louise Trust is a company limited by guarantee and not having a share capital under the Companies Acts 1985 and 1989 (registration number 3701610) and is registered with the Charity Commissioners as a charity (registration number 1075597) under the Charities Act 1993.

Legal and Administrative Information

Directors/Trustees

Dr Gordon Carpenter M.B., Ch.B., Dip. Comm. Paed. (Chairman)
 David Milburn FCA
 Dr John Alexander BSc, M.B., MSc., M.R.C.P., F.R.C.P.Ch
 Keith Harrison MSc
 Derek Miller LI.B
 Anthony Swift
 David Gladman BA (Hons)
 Bill Alderton AIB
 Christopher Barry BSc Eng
 John Tyler BSc (Hons) CMIOSH
 David Carr OBE, DL, MRIGS
 David Brookfield M.B., Ch.B., Dip. Comm. Paed.
 Julie Arkle
 Karen Gladman M.C.S.P., S.R.P. (appointed 21.01.2010)

Trustees are appointed in accordance with the Articles of Association of the Company, one third (or the number nearest one third) retiring at each annual general meeting and are eligible for reappointment.

Secretary	Wendy Jennings LI.B (resigned 16.12.09) Alison Brian BA (Hons), DBA (appointed 16.12.09)
Treasurer	Valerie Wood ACA
Chief Executive	Nuala O'Kane
Head of Care	Margaret Harvey RGN, RSCN, HV (resigned 31.12.09)
Acting Head of Care	Jane Jones RSCN, ONC (appointed 01.07.09)
Bankers	Barclays Bank plc PO Box 202 Town Road Hanley Stoke on Trent
Auditors	DJH Accountants Limited Porthill Lodge High Street Wolstanton Staffordshire ST5 0EZ
Legal Advisors	Knight solicitors llp The Brampton Newcastle under Lyme Staffordshire ST5 0QW
Administrative Offices (Registered Offices)	1 Grace Road Trentham Stoke on Trent Staffordshire ST4 8FN

THE DONNA LOUISE TRUST
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2010

Trustees Responsibilities

Charity Law requires us as Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Charity and of its incoming resources and application of resources for that year. In preparing those financial statements we are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements that are reasonable and prudent
- State whether the policies adopted are in accordance with the Statement of Recommended Practice 2005 and with applicable accounting standards subject to any material departures explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue business

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable us to ensure that the financial statements comply with the Charities Act 1993. We 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.

Trustees Investment Powers and Policy on Reserves

The Trustees have power to invest and expend the funds of the Charity in such a manner as they shall consider most beneficial for the achievement of the objects in accordance with Article 28 of the Articles of Association of the Charity.

Reserves in this context constitute all funds held in cash, at the Trust's bankers, or in the form of other current, medium or long term investments which may be publicly traded, which form part of the Trust's unrestricted funds available for expenditure on the Trust's charitable purposes.

The Board considers that it is desirable to hold a minimum of three months' total operating expenditure in reserve, with the strategic aim of building reserves up to £1 million, in order to smooth the effect of any adverse fluctuations in income.

The Board has also reviewed the requirement for maintaining such reserves in both a readily accessible form, such as bank current, deposit and Money Market accounts, or in longer-term investment classes. The Board currently considers it prudent to maintain all reserves in a readily accessible form of bank current, deposit and Money Market accounts.

The policy is reviewed annually by the Board and reserve levels quarterly by the Finance Committee. When the pattern of future income streams becomes more predictable the Board may, with the benefit of independent professional advice, consider appropriate forms of longer-term investment of funds held in excess of the required minimum three months' operating expenditure.

Charitable Objectives

The aim of the Charity is to improve the conditions and life of children and young adults suffering from life limiting illness in Staffordshire and South Cheshire, together with those of their families and carers. It intends to achieve this aim principally through the provision of a hospice and a home support service.

Organisational Structure

The Charity is a company limited by guarantee and is managed by the Trustees. Donna Louise Promotions Limited is a wholly owned subsidiary and is included in the group financial statements.

Recruitment of Trustees

As a matter of policy the Trust would normally expect to advertise for new trustees in both the local and national press to ensure that the most suitable candidates are selected for interview by the Remuneration and Appointments Committee on behalf of the Board. In some cases the Board may become aware of someone with particular qualifications and may invite such a person to apply for Trusteeship.

THE DONNA LOUISE TRUST
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2010

All new Trustees receive the Charity Commission's booklet giving guidance on being a charity trustee as well as following a formal induction programme specific to the Trust. In appropriate cases, by agreement with the Trustees and the applicant, a trustee designate may attend up to three trustee meetings before his/her appointment is confirmed.

Objectives and Achievements

The core purposes of the Trust are –

To provide respite and end of life care to life limited or life threatened children up to the age of 19 and support to parents and other family members.; to run a children's hospice service from our purpose built establishment in Trentham and to offer support, nursing and end of life care in the family home if required. Our service is based on need and is offered at no charge to families in the spirit of learning and listening, valuing diversity, with children and families at the heart of all that we do. In all our endeavours - care, fundraising or support services – we will act with openness, integrity, fairness and accountability and we will aim for excellence in all that we do.

During the period the Trustees held an Away Day with members of the Senior Management Team to review the current strategic plan and agree priorities for offering increased care as resources allow.

Our Objectives

To provide a quality end of life and respite care service for life limited or life threatened children and their families

- This is our primary purpose - all other objectives are in support of this primary aim.
- Throughout the period we have supported 184 children and their families.
- 38 children using our service have died during the period.
- We use the quality monitoring tool developed by Children's Hospices UK, and constantly review and refine our service accordingly.

To secure ongoing, and predictable and sustainable income

- Income totalling £416,875 was received during the period from statutory sources, a combination of direct Government Grant and local PCT contributions.
- We successfully bid for funding from the new Government initiative, Aiming High for Disabled Children. This fund is administered locally by Stoke City Council and is paying for some school holiday activities and additional counselling support for our client group.
- Funding from the National Lottery and Grant Making Trusts totalled £222,581.
- Our fundraising team exceeded their target income by £475,000 during the accounting period.

To build and maintain sufficient reserves to provide continuity of service

- We ended the financial period with reserves of £3,085,585
- Our long term aim is to build up reserves of at least £1 million.

To grow our service in a planned, incremental and affordable fashion

- We continue to offer a reduced respite service to families whilst building up resources for the future
- We plan to extend our opening pattern in the coming financial year and have earmarked a sum from reserves to ensure that this is achievable.

To provide our support and care services to all life limited or life threatened children and their families within our catchment area who wish to access us

- We publicise our services throughout Staffordshire and South Cheshire.
- Our Community Team offer support at home throughout the catchment area.
- Our in house services are available to all eligible children throughout the area.
- We offer support with transport if needed to access our services.

THE DONNA LOUISE TRUST
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2010

To maximise the use of our in-house facilities and extend the reach of our community support

- Throughout the period we have provided 1,182 episodes of in house care and 733 community visits.
- Despite having to close for respite on three nights a week, we have managed to maintain the same level of support to families as last period, with increased emphasis on community support and day care.
- End of life care has remained our priority and we have always managed to respond to that need.

To prioritise our services to families in an equitable and transparent way

- All children referred to the service are assessed by a panel and scored against a clear set of criteria.
- Each child is re-assessed at least annually to ensure that the level of support offered remains appropriate.
- Families are notified in writing of any proposed changes in care provision
- We have conducted an audit of our referral system and will implement recommended changes

To fully and appropriately utilise the skills of our staff and volunteers

- All staff received regular performance reviews and annual appraisal.
- Volunteers contributed a total of 6,575 hours.
- 7 in house staff training days were held throughout the period.
- We support staff in their continuing professional development by enabling further study and training as requested and appropriate.

We will make use of and contribute to the collective experience that has developed within the field of children's palliative care

- The Trust is a member of Children's Hospices UK, The Association for Children with Terminal and Life Threatening Conditions, The Paediatric Palliative Care Forum and Help the Hospices.
- Staff from all disciplines within the Trust engage and meet with colleagues across the children's hospice and paediatric palliative care sectors. Children's Hospices UK meetings regularly attended include Chief Executives Forum, Care Managers Forum, Finance Directors Forum, Heads of Fundraising and Volunteer Services Managers.

Where appropriate and cost effective we will seek to work in partnership with other organisations whose aims are compatible with our own

- We have formed a partnership with Katharine House Hospice for the purpose of running charity shops, and opened two further shops during the course of the year.
- We have joined forces with Acorns Children's Hospice to share the costs of databases.
- We are in active discussion with other potential partners to establish a new fundraising Lottery.

Review of Financial Position and Affairs

The Charity's financial position is laid out in the consolidated balance sheet and financial statements, which are attached. The total funds of the group at 31 March 2010 are £3,085,585.

Charity Management.

The main committees, which meet bi monthly, are Finance and General Purposes, Care Development and Clinical Governance, Fundraising Communication and Trading. The Health and Safety Committee meets quarterly. Risk is a standing agenda item at every committee meeting and an annual statement is compiled for this report. The Full Board of Trustees meets on alternate months and receives reports from each of the committees for comment and approval.

THE DONNA LOUISE TRUST
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2010

The following is a summary of the key activity from each of the Trust's sub-groups:

Finance and General Purposes

Terms of reference: Maintenance of the Trust's financial control and financial reporting and ultimate responsibility for the financial affairs of the Trust. Overview of all activities of the Trust. Remuneration and appointments of senior staff and Trustees.

- Review of annual income and expenditure forecasts for adoption by the Trust
- Appraisal and report to the Trust on management accounts.
- Review of rolling cash projections.
- Management of cash resources.
- Detailed review of overhead expenditure.

Care Development and Clinical Governance

Terms of reference: To oversee the continuous improvement of the quality of the Trust's services thereby assuring the highest standards of care. To drive forward the process of service review.

- Receive formal reports, setting direction and monitoring progress on service performance and review.
- Monitoring Care Quality Commission reports and progress towards implementation of any statutory requirements.
- The development and review of quality monitoring criteria.

Fundraising, Communications and Trading

Terms of Reference: To agree long term fundraising objectives and the fundraising strategy that will achieve them.

- Agree key performance indicators and monitor performance against these targets.
- Scrutiny of income forecast versus budget.
- Report on progress to the Trust.
- Provide practical help and guidance to achieve income targets.

Key risks affecting the Business

The Trust operates a risk averse policy in all areas of operation. It takes advice from specialist brokers and is insured by Ecclesiastical – specialist insurers in the charity field. Overall responsibility for identifying and managing risk rests with the Trust. Risk is a standing item on every committee and Full Board meeting agenda, and at each meeting identified risks are noted and appropriate action is taken.

Clinical Governance

The hospice operates in a heavily regulated environment and successfully passed its latest review by the Care Quality Commission. The Trust monitors continued compliance by reviewing the results of our comprehensive quality monitoring programme.

Funding Gap

The Trust reviews the possibility of failing to meet funding targets at its bi –monthly Full Board and committee meetings where income and expenditure is compared to budget and against forecast. It is the stated aim of the Trust to add to reserves held in order to overcome any short term cash flow problem. An overdraft facility is in place if needed. Strict policies are in place regarding reduction of the risk of fraud.

THE DONNA LOUISE TRUST
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2010

Computer and other equipment failure

Through a combination of maintenance contracts and in-house equipment testing, including daily and monthly computer back ups, the Trust aims to reduce the risk of equipment failure.

Key Staff retention

The Trust is aware of the necessity to retain high calibre staff and good recruitment and employment practice including regular training and appraisal is seen as essential in retaining staff.

Statement of disclosure to auditors

So far as the Trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware. Additionally, Trustees have taken all the necessary steps that they could reasonably take in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

APPROVED BY THE TRUSTEES

.....
Gordon Carpenter
Chairman

Date

THE DONNA LOUISE TRUST
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE DONNA LOUISE TRUST

Independent Auditor's Report to the members of The Donna Louise Trust.

We have audited the financial statements of The Donna Louise Trust for the year ended 31 March 2010 which comprise the consolidated Statement of Financial Activities, the consolidated and charity Balance Sheet, the consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The Trustees' (who are also the directors of The Donna Louise Trust for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

We planned and performed our audit so as to obtain all 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 information in the financial statements.

THE DONNA LOUISE TRUST
INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF THE DONNA LOUISE TRUST

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffs ST5 0EZ

Mr Paul Hulme FCCA (Senior Statutory Auditor)
for and on behalf of

DJH ACCOUNTANTS LIMITED
Chartered Certified Accountants
Registered Auditors

.....

THE DONNA LOUISE TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2010

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Incoming Resources				
Incoming resources from generating funds				
Voluntary Income	2,183,448	2,265	2,185,713	1,422,694
Activities for generating funds	107,136	-	107,136	131,648
Investment income	811	-	811	2,068
Total Incoming Resources	2,291,395	2,265	2,293,660	1,556,410
Resources Expended				
Cost of generating funds				
Cost of generating voluntary income	372,681	-	372,681	232,344
Fundraising trading	79,133	-	79,133	98,110
Charitable activities	1,211,654	13,752	1,225,406	1,009,426
Governance costs	36,166	-	36,166	30,780
Depreciation	21,505	44,000	65,505	92,639
Total Resources Expended	1,721,139	57,752	1,778,891	1,463,299
Net Resources before transfers	570,256	(55,487)	514,769	93,111
Gross transfers between funds	-	-	-	-
Net movement in funds	570,256	(55,487)	514,769	93,111
Fund balances at 31 March 2009	606,711	1,964,105	2,570,816	2,477,705
Fund balances at 31 March 2010	1,176,967	1,908,618	3,085,585	2,570,816

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on the annexed pages form an integral part of these financial statements

THE DONNA LOUISE TRUST
CONSOLIDATED AND CHARITY BALANCE SHEET

AS AT 31 MARCH 2010

	Note	Group		Charity	
		2010 £	2009 £	2010 £	2009 £
Fixed Assets					
Tangible Assets	9	2,299,874	2,363,808	2,299,874	2,359,750
Investments	10	-	-	2	2
		2,299,874	2,363,808	2,299,876	2,359,752
Current Assets					
Stock		-	1,856	-	-
Debtors	11	21,656	5,008	15,842	21,177
Cash at bank		836,236	272,184	792,609	208,140
Cash in hand		400	400	400	400
		858,292	279,448	808,851	229,717
Creditors - amounts falling due within one year	12	(72,581)	(72,440)	(50,537)	(50,670)
Net Current Assets		785,711	207,008	758,314	179,047
Total assets less current liabilities		3,085,585	2,570,816	3,058,190	2,538,799
Funds					
Unrestricted	13	1,176,967	606,711	1,149,572	574,694
Restricted	13	1,908,618	1,964,105	1,908,618	1,964,105
		3,085,585	2,570,816	3,058,190	2,538,799

The financial statements were approved by the Board on xxxxxx and were signed on their behalf by:

.....
Gordon Carpenter
Chairman

.....
Valerie Wood
Treasurer

The notes on the annexed pages form an integral part of these financial statements

THE DONNA LOUISE TRUST
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

	2010		2009	
	£	£	£	£
Net cash inflow from operating activities		568,262		224,900
Returns on investments and servicing of Finance				
Interest received	<u>811</u>		<u>2,068</u>	
Net cash inflow from returns on investments and servicing of finance		811		2,068
Capital expenditure				
Payments to acquire tangible assets	<u>(5,021)</u>		<u>(20,229)</u>	
Net cash outflow for capital expenditure		<u>(5,021)</u>		<u>(20,229)</u>
Net cash inflow before management of liquid resources and financing		<u>564,052</u>		<u>206,739</u>
Increase in cash in the year		<u>564,052</u>		<u>206,739</u>

DONNA LOUISE TRUST
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

1. Reconciliation of net outgoing resources to net cash flow from operating activities

	2010 £	2009 £
Net outgoing resources	514,769	93,111
Depreciation of tangible assets	65,505	92,639
Investment income	(811)	(2,068)
Decrease in stocks	1,856	502
(Increase)/Decrease in debtors	(16,648)	32,413
Increase in creditors within one year	141	8,303
Loss on disposal of fixed assets	3,450	-
Net cash outflow from operating activities	568,262	224,900

1. Analysis

	1 st April 2009 £	Cash flow £	Other non cash changes £	31 March 2010 £
Net cash:				
Cash at bank and in hand	272,584	564,052	-	836,636
Net funds	272,584	564,052	-	836,636

2. Reconciliation of net cash flow to movement in net funds

	2010 £	2009 £
Increase in cash in the year	564,052	206,739
Movement in net funds in the year	564,052	206,739
Opening bank and cash balances	272,584	65,845
Closing bank and cash balances	836,636	272,584

THE DONNA LOUISE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1. Accounting Policies

a) **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice 2005, Accounting and Reporting by Charities.

b) **Group accounts**

These financial statements consolidate the results of the charity and its wholly owned subsidiary Donna Louise Promotions Limited on a line by line basis. A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by paragraph 397 of SORP.

c) **Incoming resources**

- (i) Voluntary Income is derived from corporate, individual and community donations, grant making trusts, National Lottery Funds, and statutory sources. It is included in the Statement of Financial Activities when receivable. Legacy income is included before receipt when there is sufficient evidence of the certainty of its impending receipt and value.
- (ii) Pledges and gifts in kind having monetary value are included in the Statement of Financial Activities when received and in use, at the appropriate market value.
- (iii) Trading income from Donna Louise Promotions Limited, representing amounts receivable from Lucky Star Lottery members, promotional merchandise, court tea bar receipts, meeting room hire and shop trading, is disclosed in the Statement of Financial Activities as "Activities for Generating Funds".

d) **Investment income**

Investment income is included in the Statement of Financial Activities when received.

e) **Restricted and Unrestricted Funds**

Incoming resources with conditions attaching to future capital or revenue expenditure are classified as restricted funds until the restriction has been discharged by that expenditure. All other income is classified as unrestricted funds.

f) **Resources expended**

Costs of generating voluntary income include all direct and indirect costs of the Trust's Fundraising Department.

Fundraising trading costs include all direct and indirect costs of Donna Louise Promotions Limited Shop, Lucky Star Lottery, Tea Bars, meeting room and general merchandise.

Charitable activities include all direct and indirect costs of delivering the hospice service comprising nursing care in house and in the community, and the provision of accommodation at Treetops for children and their families.

Governance costs are all general running costs not associated with fundraising or charitable activities.

Support costs are allocated to the activity categories of Resources Expended based on reasoned estimates of staff time employed on the activities concerned.

THE DONNA LOUISE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1. Accounting Policies (Continued)

g) **Fixed Assets**

- (i) Consumable and replacement items are written off in the year incurred.
- (ii) Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	Nil
Freehold Buildings	2% straight line
Hospice fixtures, fittings and equipment	15 % straight line
Office fixtures, fittings and equipment	20 % straight line
Shop fixtures, fittings and equipment	15% straight line
Computer equipment	33 $\frac{1}{3}$ % straight line

h) **Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

i) **Stock**

Stock is valued at the lower of cost and net realisable value.

j) **Pension Costs**

The pension costs charged in the Financial Statements represent the contributions payable by the Trust during the year in accordance with FRS17.

k) **Leasing**

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

2. Voluntary Income

	Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£	£
Individuals and Community	1,163,206	-	1,163,206	532,061
National Lottery Distributors	34,672	-	34,672	68,336
Grant Making Trusts	185,644	2,265	187,909	151,274
Companies	127,129	-	127,129	160,995
Statutory income	416,875	-	416,875	371,851
Legacies	255,922	-	255,922	138,177
	<u>2,183,448</u>	<u>2,265</u>	<u>2,185,713</u>	<u>1,422,694</u>

Monies received, as Statutory Income from the Department of Health s64 specific grant scheme was £255,346 and from Stoke PCT was £93,780 and South Staffs PCT £34,105.

3. Investment Income

	Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£	£
Interest received	811	-	811	2,068

THE DONNA LOUISE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

4. Cost of generating voluntary income

	Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£	£
Salaries and staff costs	278,134	-	278,134	182,628
Running costs	45,370	-	45,370	11,834
Management costs	2,558	-	2,558	1,373
Fundraising costs	46,619	-	46,619	36,509
	372,681	-	372,681	232,344

5. Charitable Activities

	Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£	£
(i) Hospice Service				
Salaries and staff costs	809,782	1,900	811,682	710,593
Running costs	72,116	11,852	83,968	62,000
Management costs	17,989	-	17,989	12,137
(ii) Community Nursing Team				
Salaries and staff costs	303,366	-	303,366	220,652
Running costs	8,235	-	8,235	3,954
Management costs	166	-	166	90
	1,211,654	13,752	1,225,406	1,009,426

	Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£	£

6. Governance Costs

Salaries and staff costs	17,559	-	17,559	13,818
Running costs	185	-	185	918
Management costs	18,422	-	18,422	16,044
	36,166	-	36,166	30,780

Indemnity insurance costs:

	2010	2009
	£	£
To protect the Trust	5,203	4,820
To indemnify the Trustees	1,366	1,366

THE DONNA LOUISE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

7. Support costs

Support costs are allocated to the activity categories of Resources Expended based on reasoned estimates of staff time employed on the activities concerned.

Total support costs for the year is as follows:-

	2010	2009
	£	£
Salaries and staff costs	264,709	203,029
Running costs	9,508	4,557
Management costs	625	72
	<hr/> 274,842	<hr/> 207,658

8. The total staff salaries is as follows: -

	2010	2009
	£	£
Gross Salaries	1,199,569	969,787
Employers National Insurance	98,073	80,141
Employers Pension Contributions	66,221	66,192
	<hr/> 1,363,853	<hr/> 1,116,120

The average number of full time equivalent employees analysed by function, was:

	Number	Number
Hospice Service Team	21	24
Community Nursing Team	5	6
Fundraising Team	7	8
Support Service	9	10
	<hr/> 42	<hr/> 48

The number of higher paid employees whose emoluments fell between the band £60,000 to £70,000 was:

	<hr/> 1	<hr/> 1
--	----------------	---------

The Trustees received no remuneration or reimbursement of expenses from the charity during the year.

THE DONNA LOUISE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

9. Tangible Fixed Assets

Group	Land and Buildings	Fixtures Fittings and Equipment	Computer Equipment	Total
	£	£	£	£
Cost and Valuation				
At 1 April 2009	2,508,768	581,386	55,322	3,145,476
Additions at cost	-	3,392	1,629	5,021
Disposals at cost	-	(9,439)	-	(9,439)
At 31 March 2010	2,508,768	575,339	56,951	3,141,058
Depreciation				
At 1 April 2009	253,000	484,673	43,995	781,668
Charge for the year	44,000	16,051	5,454	65,505
On disposals	-	(5,989)	-	(5,989)
At 31 March 2010	297,000	494,735	49,449	841,184
Net Book Value				
At 31 March 2009	2,255,768	96,713	11,327	2,363,808
At 31 March 2010	2,211,768	80,604	7,502	2,299,874
Freehold land	308,768			
Freehold buildings	1,903,000			
	<u>2,211,768</u>			
Charity	Land and Buildings	Fixtures Fittings and Equipment	Computer Equipment	Total
	£	£	£	£
Cost and Valuation				
At 1 April 2009	2,508,768	571,947	55,322	3,136,037
Additions at cost	-	3,392	1,629	5,021
At 31 March 2010	2,508,768	575,339	56,951	3,141,058
Depreciation				
At 1 April 2009	253,000	479,292	43,995	776,287
Charge for the year	44,000	15,443	5,454	64,897
At 31 March 2010	297,000	494,735	49,449	841,184
Net Book Value				
At 31 March 2009	2,255,768	92,655	11,327	2,359,750
At 31 March 2010	2,211,768	80,604	7,502	2,299,874
Freehold land	308,768			
Freehold buildings	1,903,000			
	<u>2,211,768</u>			

The freehold buildings included above at £1,903,000 are stated at valuation by the donor, Gladman Homes Partners, less accumulated depreciation.

THE DONNA LOUISE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

10. Investments

The Trust holds 2 Ordinary £1 shares being the entire share capital of Donna Louise Promotions Ltd.

11. Debtors

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Sundry debtors	21,656	5,008	9,656	5,008
Amount due from Donna Louise Promotions Limited	-	-	6,186	16,169
	21,656	5,008	15,842	21,177

12. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Accruals	23,863	21,852	21,692	19,833
Taxation and social security	28,845	30,837	28,845	30,837
Deferred income from the Lucky Star Lottery	19,873	19,751	-	-
	72,581	72,440	50,537	50,670

13. Funds**a. Unrestricted Funds**

Unrestricted funds are represented by:

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Fixed assets	396,874	416,808	396,874	412,750
Net current assets	780,093	189,903	752,698	161,944
	1,176,967	606,711	1,149,572	574,694

**b. Restricted Funds
Group and charity**

	2010 £	2009 £
Fixed assets	1,903,000	1,947,000
Net current assets	5,618	17,105
	1,908,618	1,964,105

THE DONNA LOUISE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

14. Net Outgoing Resources

Net outgoing resources are stated after charging:

	2010	2009
	£	£
Depreciation	65,505	92,639
Remuneration of Auditors - Audit	3,277	3,231
- Other Services	1,892	3,917

15. Pension Costs

The Trust operates a defined contribution scheme for non-nursing staff. The assets of the scheme are held separately from those of the Trust in an independently administered fund. Certain qualifying staff are members of the NHS Pension Scheme. The pension cost charge represents contributions paid by the trust to both schemes and amounted to £66,221 (2009 £66,192).

16. Financial Commitments

At 31 March 2010 the charity had annual commitments under non-cancellable operating leases as follows:-

	Motor Vehicles	
	2010	2009
	£	£
Expiry date:		
Under one year	2,741	-
Two-five years	-	4,699