



**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2011**

SALISBURY HOSPICECARE TRUST LIMITED
(a company limited by guarantee)

Company registration number 06525170
Charity registration number 1123314

SALISBURY HOSPICECARE TRUST LIMITED
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FOR THE YEAR ENDED 31 MARCH 2011**

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**CHAIR AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

The trustees present their report with the financial statements of the charity for the year ended 31st March 2011.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number	1123314
Company number	06525170
Principal address and registered office	Salisbury Hospice Odstock Road Salisbury, SP2 8BJ
Trustees	Dr Shaun McGee (Chair) Ceri Hurford-Jones (Vice-chair) Colette Martindale (Honorary Secretary) Robert Newman (Treasurer) Mr Ian Downie Dr Chris Glaysher Mr Doug McKenna Andrew Mercer Dr Debbie Vyas
Chief Executive	Sara Morley
Auditors	Fawcetts Chartered Accountants and Statutory Auditors Windover House St Ann Street Salisbury, SP1 2DR
Bankers	National Westminster Bank plc 48 Blue Boar Row Salisbury, SP1 2DF
Solicitors	Trethowans London Road Office Park London Road Salisbury, SP1 3HP
Investment Managers	Cazenove Capital Management Limited 12 Moorgate London, EC2R 6DA

LETTER FROM THE CHAIR

Welcome to our annual report for 2010/11, a year which has seen substantial changes within the charity as we respond to a fast changing landscape. It is 30 years since the charity was founded to fund two home care nurses following an appeal set up by the then Mayor of Salisbury Derrick Alford and led by the charity's first chair local physician Dr Peter Gillam. Subsequently the charity funded the building of Salisbury Hospice (opened in 1987 with 6 beds) and substantial additions in 1995, 2000, 2002 and 2003. Today Salisbury Hospice has 10 beds, a day centre and offers support and advice not just in the hospice building but across the Salisbury District Hospital site and out into the community. The trustees are proud to be able to continue our support of Salisbury Hospice, in collaboration with our funding partner Wiltshire Primary Care Trust and Salisbury NHS Foundation Trust which is responsible for providing and managing the service.

The financial demands on the charity have changed considerably since 1981. The charity has stepped up its financial support to Salisbury Hospice from £454k in 2005 to £927k in the year ending March 2011. Sadly the charity has not remained immune to the effects of the recession and charitable income has not kept pace with the financial demands of the service we support. In common with many other charities legacy income was lower than expected in both 2009/10 and 2010/11 and we ended this financial year with a substantial deficit. However, the trustees have been conservative in their approach to the charity's reserve policy and any shortfall has been offset by a healthy balance sheet and there are no immediate concerns. That said, this is clearly not a sustainable position long term and in February 2010 the trustees took the decision to review the basic structures of the charity given the increased, and likely increasing financial demands on our resources.

Following an external review led by finance and fundraising consultants with charity expertise the trustees took the decision to increase substantially our investment in the infrastructure of the charity to ensure the long term financial health of Salisbury Hospicecare Trust. Our first step was to recruit a chief executive and I am therefore delighted to announce that Sara Morley was appointed and took up this role in January 2011. I do hope you will join me in welcoming Sara to the charity and supporting her through what will no doubt be both a rewarding and challenging time.

Finally I would like to say thank you to all our supporters and fundraising volunteers without whom none of what we have achieved this year would have been possible. The tough economic climate is likely to continue for some time and your continuing support is vital to the future of Salisbury Hospice.

DR SHAUN MCGEE
CHAIR

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1. Who we are

Salisbury Hospicecare Trust, registered charity number 282484, was established by a Deed of Trust dated 1st April 1981. On 1st April 2008 the charity was incorporated as a limited company, Salisbury Hospicecare Trust Limited (registered charity number 1123314). A scheme to transfer the assets of the charity to the limited company was approved by the Charity Commission on 15th January 2009.

1.2. What we do

By fundraising and careful management of the charity's net assets – which at March 2011 totalled £4,428,362 – the charity is both joint commissioner with Wiltshire Primary Care Trust and grant maker to Salisbury NHS Foundation Trust for the provision of specialist palliative care services.

The primary objectives of the charity are the relief of suffering in cancer and other life limiting illnesses and the promotion of related research. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting any grant making policy for the year. The charity carries out these objectives through the financial support of the palliative care services based in Salisbury Hospice run by Salisbury NHS Foundation Trust.

1.3. The specialist palliative care services we support

There are 6 key strands to the services provided by Salisbury Hospice, patients and relatives may access some or all of these services as needed. All patients are referred either by their GP or Salisbury District Hospital.

1.3.1. *Inpatients.* In 2010-11 the hospice saw 273 inpatients in the 10 bed unit. More than half of the inpatients who came to the hospice left to return home and the average length of stay was around 10 days.

1.3.2. *Day Centre.* The Peter Gillam Day Centre provides services to both inpatients and patients from the community. It is a place where patients can relax. Last year 72 patients used the day centre and 172 people used the complementary therapy services provided by the day centre.

1.3.3. *Community Care.* The community care team is made up of qualified nurses with at least five years' experience plus specialist training in palliative care. Patients are referred via GPs and district nurses. The team offers advice and support to patients and acts as a conduit to hospice services. The service covers a

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wide area, reaching south as far as Ringwood, north to Upavon, east to Bramshaw and west to Mere. The number of patients visited by the community care team in 2010-11 was 348, including 2,204 home visits and over 4,700 telephone consultations.

1.3.4. Hospital Palliative Care Team. Salisbury Hospice is unique in having a hospital palliative care team who support patients within the main hospital building of Salisbury District Hospital. Last year the team met with 423 patients and made 1,571 visits to patients in Salisbury District Hospital.

1.3.5. Family Support and Bereavement Counselling. Bereavement counselling is offered for up to a year. This includes individual sessions, group sessions and telephone calls. The group sessions allow people in a similar situation to go on and create their own support group. The number of relatives who received bereavement counselling in 2010-11 was 150.

1.3.6. Outpatient services. These are visits by patients to the hospice to see the team of 3 specialist palliative care consultants, last year they met with 515 patients.

1.4. Trustees

The charity is administered by a board of nine unpaid trustees. They have been selected from a variety of relevant backgrounds including medical, nursing, accounting, law, personnel management, public relations and community representatives. The trustees meet quarterly and in addition oversee finance and investments, the work of the officers to the trustees, and clinical advisors. All policy decisions are taken by the board of trustees.

Prospective trustees are invited to attend a trustees' meeting and are provided with relevant literature and explanations to inform them of their responsibilities and the procedures and work of the charity. Any subsequent appointment is made by the board of trustees. The trustees are seeking to introduce a more formal induction programme in the future.

1.5. Profiles of the trustees

Dr Shaun McGee (chair and member of F & I Committee)

Shaun has been both chair and trustee of the charity since 2006, and member of the Finance and Investments Committee since February 2011. He was educated at the University of Oxford and studied medicine at St Thomas's Hospital Medical School, London. He was appointed consultant radiologist in Salisbury in November 1995, from his previous post as Associate Professor in Radiology, Duke University Medical Centre, North Carolina, USA. He is also an examiner for the Royal College of Radiologists, and a member of the National Cancer Peer Review team. He is supported by his wife Janet, who is a GP partner in Fordingbridge.

Ceri Hurford-Jones (vice chair)

Ceri has been a trustee of the charity since 2006. He is the managing director of independent local radio station Spire FM in Salisbury, where he has been based for over twelve years. Other posts held by Ceri include: Vice Chair of The Salisbury City Centre Partnership, Director of Salisbury and District Chamber Of Commerce, a member of The Salisbury Diocese Communication Group and board member of Salisbury Cathedral Enterprises Ltd.

Robert Newman (trustee & chair of F & I Committee)

Robert has been a trustee of the charity since 2009. He was born and educated in Salisbury and qualified as a chartered accountant with a local firm before joining one of the "Top" firms in Southampton. He joined Moore Stephens as a partner in 1985. Robert is also treasurer of Salisbury & District Chamber of Commerce.

Colette Martindale (trustee)

Colette has been a trustee of the charity since 2004. She started her nursing career as a student nurse in 1973 at St Thomas's Hospital, London. After qualifying she continued to work at St Thomas's as a staff nurse, night sister and for the final two years as an Orthopaedic Ward Sister. She moved to Salisbury in 1989 and has worked in various senior nurse roles at the hospital. Colette is currently the Directorate Senior Nurse for Clinical Support and Family Services and she is also a Governor of the Foundation Trust.

Dr Debbie Vyas (trustee and member of F & I Committee)

Debbie has been a trustee of the charity and a member of the Finance and Investments Committee since 2008. She is a GP at Three Swans Surgery in Salisbury.

Mr Doug McKenna (trustee and past treasurer)

Doug has been a trustee of the charity since 1995. He has been clinical lead for gynaecological cancer surgery since 1989 at Salisbury NHS Foundation Trust and is an Honorary Lecturer at Southampton University. He is also a volunteer examiner at Al-Quds University Medical School, the first Palestinian university with campuses in both Jerusalem and the West Bank. Until 5 years ago Doug was in a band playing Eastern European folk music which released two albums and played at several festivals. He is still an occasional performer.

Mr Ian Downie (trustee)

Ian has been a trustee of the charity since 2010. After studying dentistry in Liverpool and a wide variety of jobs around that city, Ian migrated to the warmer climate of the south coast. He then studied medicine at Southampton training in oral and maxillofacial surgery. He is now consultant oral and maxillofacial surgeon at Salisbury NHS Foundation Trust. Ian has also run the South West anatomy course for 14 years; he teaches head and neck anatomy at the Royal College of Surgeons and has held the post of post graduate medical tutor at

Salisbury for 7 years. He was also clinical director for cancer services at Salisbury NHS Foundation Trust for 3 years.

Andrew Mercer (trustee)

Andrew was appointed a trustee of the charity in December 2006. Qualifying as a solicitor in 1989, Andrew has been a partner with Trethowans LLP since 1995, joining its management board in 2003 and becoming chair in 2009. A collaboratively trained family lawyer and accredited specialist with resolution he is recognised in both Chambers and the Legal 500. Previously a competitive swimmer and long distance World Record holder he is now an avid sports supporter through his children, who play county hockey and academy football, as well as reluctant stable hand at their BSJA show jumping and one-day eventing. Andrew is also a Bath Rugby season ticket holder.

Dr Chris Glaysher (trustee)

Chris has been a trustee of the charity since 2001. He has worked as a general practitioner in Salisbury for 32 years, and up to retirement from medical practice in September 2010 he also worked as a specialist doctor in palliative medicine for 8 years.

1.6. Our staff

During 2010/11 the following members of staff worked for Salisbury Hospicecare Trust:

- Sara Morley (chief executive) from January 2011
- John Lakeman (fundraising co-ordinator)
- Anne Edwards (finance manager)
- Sue Turnbull (fundraising administrator)
- Celia Scott (fundraising administrator)
- Liz Bacon (finance administrator)

1.7. Finance and Investments Committee

The Finance and Investments Committee meets quarterly before the meeting of the main trustee board. The committee oversees all financial matters of the charity and receives regular reports from both the charity's investment managers and auditors.

Members

Robert Newman (chair)

Debbie Vyas

Doug McKenna (stepped down February 2011)

Shaun McGee (from February 2011)

1.8. Risk Management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the reserves at the levels stated in 3.3, combined with the annual review of the controls over key financial systems carried out through an internal review programme, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks

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which the charity faces and confirm that they have established systems to mitigate any significant risks.

1.9. Partnerships - Wiltshire PCT and Salisbury NHS Foundation Trust

The charity has an on-going shared contract with Wiltshire Primary Care Trust to purchase jointly the full range of palliative care services from Salisbury NHS Foundation Trust. Therefore patients, relatives and carers in the area covered by Salisbury NHS Foundation Trust benefit, which includes all of Wiltshire and parts of Hampshire and Dorset. The commissioners, ie Wiltshire PCT and Salisbury Hospicecare Trust, meet with Salisbury NHS Foundation Trust on a quarterly basis to review delivery of the contract. The charity also has a direct relationship with Salisbury NHS Foundation Trust and makes grants outside the contract for specific projects not covered by the contract.

2. AIMS AND OBJECTIVES

The charity provides financial support for the palliative care service based at Salisbury Hospice, and for the relief of suffering in cancer and other life limiting illnesses and the promotion of related research. The aim of the charity is to fund, jointly with Wiltshire Primary Care Trust, the full range of palliative care services from Salisbury NHS Foundation Trust. In addition the charity provides funding for services over and above the contracted expenditure, as requested by clinical advisors.

3. FINANCIAL REVIEW

3.1. Money received – money spent

Income from fundraising, investments and other activities (ie excluding the grant from Wiltshire Primary Care Trust) amounted to £683,622 (2009/10: £913,372). Expenditure (excluding the £1,346,000 given under the Salisbury NHS Foundation Trust contract) amounted to £526,088 (2009/10: £457,989). The charity ended the year with a net deficit of £449,466 (2009/10: deficit of £152,529).

Realised and unrealised profits on investments were £192,080 (2009/10: £756,704). This meant that there was an overall net deficit for the year of £257,386 (2009/10: surplus of £604,175).

3.2. Investments and management of funds

The quoted investments are managed by investment manager Cazenove Capital Management Limited, who are authorised to make transactions on a discretionary basis. The attitude of the trustees to risk is medium/low and the total return to the charity is to be maximised by both capital appreciation and income growth. The investment manager reports to the chief executive who in turn reports to the trustees on a regular basis.

Like many voluntary sector organisations the charity has benefited from substantial income from legacies which by their very nature are

unpredictable. Conversely the charity's expenditure, which is mainly composed of salaries, is largely predictable and requires payment to be made on a regular basis. The charity therefore holds adequate liquid funds in short term deposits to ensure that monies are available when needed and are not subject to short term stock market fluctuations.

3.3. Reserves policy

The trustees continue to monitor the level of the charity's reserves that amount to £4,433,236 (2009/10: £4,690,622) and which they believe to be adequate.

<i>Designated Funds</i>	<i>2010/11</i>	<i>2009/10</i>
Protection of Services Fund	£2,000,000	£2,000,000
Care in the Community Fund	£532,459	£532,459
Facilities Improvement Fund	£712,519	£750,000
<i>Unrestricted Funds</i>	<i>2010/11</i>	<i>2009/10</i>
General Fund	£1,177,910	£1,396,260

The Protection of Services Fund was established to enable the current level of activities to be maintained if the funding arrangements with Wiltshire Primary Care Trust were to be significantly reduced.

The Care in the Community Fund reflects the commitment to palliative care home services.

The Facilities Improvement Fund was set up to ensure that the charity remains in a financial position to develop further and expand facilities for cancer care, to modernise the facilities within the hospice and increase accommodation and education facilities as needed.

The General Fund includes funds both unrestricted and undesignated and is used to smooth out fluctuations in voluntary and investment income.

At the end of the year under review there were free reserves of £168,747.

As part of the charity's strategic review (see plans for the future below) its reserve policy will be reviewed in line with future needs.

4. PLANS FOR THE FUTURE

The trustees have commissioned the new chief executive, Sara Morley, to undertake a strategic review of all the workings of the charity which will result in a clear plan for the way forward to be adopted by the end of the next financial year. This is an exciting time for the charity, in common with many of the other 30 plus charities supporting palliative care services within the NHS, we recognise the need for change if we are to meet the

challenges of the future. The impact of the recession on the NHS and an increasing death rate mean challenging times ahead for the charity.

PUBLIC BENEFIT

The trustees of Salisbury Hospicecare Trust have taken note of the Charity Commission guidance on Public Benefit.

TRUSTEE RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year.

In doing so the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006.

The trustees 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

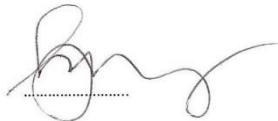
So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution will be proposed at the Annual General Meeting that Fawcetts be reappointed as auditors to the charity for the ensuing year.

Approved by the trustees on 30 August 2011 and signed on their behalf by

Dr Shaun McGee
(Chair)

A handwritten signature in black ink, appearing to read 'Dr Shaun McGee', written over a horizontal dotted line.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SALISBURY HOSPICECARE TRUST LIMITED

We have audited the financial statements of Salisbury Hospicecare Trust Limited for the year ended 31st March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of Salisbury Hospicecare Trust Limited for the purposes of company law) are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and are properly prepared in accordance with the Companies Act 2006. We report to you whether in our opinion the information given in the Trustees Report is consistent with the financial statements. We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

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

BASIS OF 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

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
SALISBURY HOSPICECARE TRUST LIMITED**

are appropriate to the charity'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.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Report is consistent with the financial statements.

Simon Ellingham FCA DChA (Senior Statutory Auditor)
for and on behalf of Fawcetts
Chartered Accountants and Statutory Auditors
Windover House
St Ann Street
Salisbury
SP1 2DR

Dated: 31 August 2011



**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
INCOMING RESOURCES						
Income from charitable activities						
Grants from Primary Care Trust		739,000	-	-	739,000	738,607
Income from trading activities	2	42,283	-	-	42,283	95,207
Fundraising events	3	70,588	-	-	70,588	78,900
Fees and other income		6,088	-	-	6,088	11,099
Income from generated funds						
Donations and gifts	4	231,714	-	1,089	232,803	229,200
Legacies		129,023	-	-	129,023	289,315
Community fundraising		96,703	-	-	96,703	97,422
Investment income	5	106,134	-	-	106,134	112,229
Total incoming resources		1,421,533	-	1,089	1,422,622	1,651,979
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising and publicity	6	60,470	-	-	60,470	55,829
Trading expenses	2	11,690	-	-	11,690	72,671
Charitable activities	6	1,730,875	37,481	2,644	1,771,000	1,672,708
Governance costs	6	28,928	-	-	28,928	3,300
Total resources expended		1,831,963	37,481	2,644	1,872,088	1,804,508
NET INCOMING/(OUTGOING) RESOURCES		(410,430)	(37,481)	(1,555)	(449,466)	(152,529)
OTHER RECOGNISED GAINS AND LOSSES						
Gains/(losses) on investment assets						
Realised		2,896	-	-	2,896	(8,251)
Unrealised		189,184	-	-	189,184	764,955
NET MOVEMENT IN FUNDS		(218,350)	(37,481)	(1,555)	(257,386)	604,175
Fund balances brought forward at 1 April 2010		1,396,260	3,282,459	11,903	4,690,622	4,086,447
Fund balances carried forward at 31 March 2011		1,177,910	3,244,978	10,348	4,433,236	4,690,622

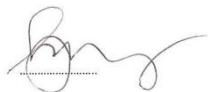
The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

**BALANCE SHEET
AS AT 31 MARCH 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	9	20,034	
Investments	10	4,234,107	4,176,551
		<u>4,254,141</u>	<u>4,176,551</u>
CURRENT ASSETS			
Stock	11	1,678	5,640
Debtors	12	15,657	205,384
Cash at bank and in hand		303,734	373,661
		<u>321,069</u>	<u>584,685</u>
CREDITORS			
Amounts falling due within one year	13	(141,974)	(70,614)
		<u>179,095</u>	<u>514,071</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		4,433,236	4,690,622
		=====	=====
FUNDS			
Unrestricted funds		1,177,910	1,396,260
Designated funds	14	3,244,978	3,282,459
Restricted funds	15	10,348	11,903
		<u>4,433,236</u>	<u>4,690,622</u>
		=====	=====

The financial statements were approved by the Board of Trustees on 30 August 2011 and signed on its behalf by:

Dr Shaun McGee
Chair



Robert Newman
Honorary Treasurer



The notes on pages 17 to 27 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities: Charities SORP 2005, applicable accounting standards and the Companies Act 2006.

The charity has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement.

Income Recognition

Income received for specific purposes is treated as restricted. All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is accounted for on a receipts basis.

Investment income is accounted for in the period in which the charity is entitled to the receipt.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Income tax recoverable in relation to investment income is recognised at the time the investment income is received.

Resources Expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Depreciation

Depreciation is calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets over their expected useful lives. This applies to assets with a value of £250 or more. The bases used to calculate depreciation are as follows:

Computers	Straight line over three years
Office equipment	Straight line over five years

Funds Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds which have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of an appeal. Such donations and grants are treated as income in the year of receipt. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Consolidated Accounts

The charity has a dormant subsidiary company, Salisbury Hospice Trading Limited, which has never traded and which has no assets or liabilities. Consolidated accounts have not been prepared as the trustees are of the opinion that they would be of no real value to the members in view of the insignificant amounts involved.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

2. TRADING ACTIVITIES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Income:					
Hospice shop	29,541	-	-	29,541	73,545
Sale of purchased goods	12,742	-	-	12,742	21,662
Total Income	42,283	-	-	42,283	95,207
Expenses:					
Costs of Hospice shop	-	-	-	-	45,657
Cost of goods for resale	11,690	-	-	11,690	9,254
Write off of Joint Venture	-	-	-	-	17,760
Total Expenses	11,690	-	-	11,690	72,671
Net surplus/(deficit)	30,593	-	-	30,593	22,536

Since 2008, the charity has run The Hospice Shop in partnership with Dorothy House Hospice. Income and expenditure is shared equally. Since 1st April 2010, Dorothy House Hospice has given the charity 50% of the net income after deduction of operating expenditure.

3. INCOME FROM FUNDRAISING EVENTS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Midnight Walk	40,794	-	-	40,794	40,500
10K Run	1,830	-	-	1,830	5,529
Raffle	3,498	-	-	3,498	11,464
Up the Downs	4,463	-	-	4,463	5,951
Light Up A Life	3,646	-	-	3,646	3,364
Tisbury whist and lunch	8,672	-	-	8,672	-
Santa Dash	1,504	-	-	1,504	-
Others	6,181	-	-	6,181	12,092
	70,588	-	-	70,588	78,900

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

4. DONATIONS AND GIFTS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Individuals	77,403	-	1,089	78,492	89,846
In Memoriam	112,698	-	-	112,698	139,354
Organisations and Trusts	41,613	-	-	41,613	-
	<hr/> 231,714	-	1,089	232,803	229,200 <hr/>

5. INVESTMENT INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Listed investments	105,227	-	-	105,227	102,944
Bank deposit interest	906	-	-	906	9,285
	<hr/> 106,134	-	-	106,134	112,229 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

Fundraising and Publicity

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Staff costs	32,379	-	-	32,379	32,236
Direct events expenses	24,131	-	-	24,131	16,178
Publicity and public relations	3,960	-	-	3,960	7,415
	60,470	-	-	60,470	55,829

Charitable Activities

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Administration:					
Staff costs	109,105	-	-	109,105	53,404
Office costs	5,974	-	-	5,974	9,468
Other costs	10,780	-	-	10,780	16,159
Depreciation	6,878	-	-	6,878	-
Hospice:					
Clinical contract fee	1,325,372	-	-	1,325,372	1,314,203
NHS recharges	208,940	-	-	208,940	209,667
Bereavement expenses	2,884	-	634	3,518	3,586
Volunteer expenses	16,587	-	-	16,587	15,888
Repairs and maintenance	6,788	37,481	-	44,269	6,553
Training and education	7,164	-	-	7,164	7,307
Family support service	1,561	-	-	1,561	2,813
Peter Gillam Day Centre	23,299	-	-	23,299	31,003
Sundry expenses	5,543	-	2,010	7,553	2,657
	1,730,875	37,481	2,644	1,771,000	1,672,708

Governance Costs

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Audit fee	3,400	-	-	3,400	3,300
Consultancy fees	19,534	-	-	19,534	-
Legal fees	5,994	-	-	5,994	-
Trustees' expenses	-	-	-	-	-
	28,928	-	-	28,928	3,300

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

7. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging/crediting:

	2011	2010
	£	£
Depreciation	6,878	-
Auditors' remuneration	3,400	3,300
	<u>10,278</u>	<u>3,300</u>

8. STAFF COSTS

	2011	2010
	£	£
Wages and salaries	94,311	82,328
Social security costs	5,986	3,312
Pay in lieu of notice	41,187	-
	<u>141,484</u>	<u>85,640</u>

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

	2011	2010
	£	£
Administration	<u>2</u>	<u>1</u>

No employee earned £60,000 per annum or more (2009/10: none).

Five members of staff work for the charity. Three of them are paid for through the NHS Foundation Trust, which then charges this cost to the charity. The social security costs above are the actual employer's national insurance costs paid by the charity for the two members of staff it directly employs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

9. FIXED ASSETS

	Computers	Office Equipment	Total
	£	£	£
Cost			
As at 1 April 2010	-	-	-
Additions	11,216	15,696	26,912
Disposals	-	-	-
As at 31 March 2011	11,216	15,696	26,912
Depreciation			
As at 1 April 2010	-	-	-
Charge for the year	3,739	3,139	6,878
Disposals	-	-	-
As at 31 March 2011	3,739	3,139	6,878
Net Book Value at 31 March 2011	7,477	12,557	20,034
Net Book Value at 31 March 2010	-	-	-

During the period there was investment in a new database system. It was agreed that this cost would be capitalised as office equipment and that the cost would be depreciated at a rate of 20% per annum.

10. FIXED ASSET INVESTMENTS

	£
Valuation at 1 April 2010	4,176,551
Additions	584,804
Disposals	(716,432)
Revaluations	189,184
At 31 March 2011	4,234,107

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

11. STOCK

	2011	2010
	£	£
Stock for resale	<u>1,678</u>	<u>5,640</u>

12. DEBTORS

	2011	2010
	£	£
Legacies	4,626	183,840
Other debtors	5,839	9,544
Tax recoverable	5,192	12,000
	<u>15,657</u>	<u>205,384</u>

13. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	79,637	61,455
Accruals	19,097	3,760
Other creditors	43,240	5,399
	<u>141,974</u>	<u>70,614</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

14. DESIGNATED FUNDS

The funds of the charity include the following designated funds which have been set aside by the trustees out of unrestricted funds for specific purposes:

	Balance as at 1 April 2010 £	New designatio ns £	Utilised/ released £	Balance as at 31 March 2011 £
Protection of Services Fund	2,000,000	-	-	2,000,000
Care in the Community Fund	532,459	-	-	532,459
Facilities Improvement Fund	750,000	-	(37,481)	712,519
	3,282,459	-	(37,481)	3,244,978

Protection of Services Fund

The fund is to ensure that the charity has adequate resources available so that the current level of activities can be maintained during the three year rolling contract in the event of a significant reduction in Wiltshire Primary Care Trust funding.

Care in the Community Fund

This fund is intended for the expansion of the charity's work within the community including Cottage Hospitals, together with the palliative care home service which is fully funded by Salisbury Hospicecare.

Facilities Improvement Fund

This fund has been created in order that the charity will be in a financial position to develop and expand facilities for cancer care, to modernise the facilities within the Unit, and increase accommodation and education facilities as needed.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

15. RESTRICTED FUNDS

	Balance at 1 April 2010 £	Incoming Resources £	Resources Expended £	Balance at 31 March 2011 £
Bereavement Fund	7,532	-	(634)	6,898
Staff Fund	2,360	416	(2,010)	766
PGSC Fund	366	673	-	1,039
Tisbury Lodge Fund	1,645	-	-	1,645
	11,903	1,089	(2,644)	10,348

Bereavement Fund

The Trust receives funds for the purpose of treating child bereavement issues.

Staff Fund

The Trust holds a small amount of funds provided by gifts to the Hospice for staff on their behalf until the funds are required.

PGSC Fund

The charity receives funds for the benefit of the Peter Gillam Support Centre.

Tisbury Lodge Fund

The charity receives funds to purchase specific equipment.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Fixed assets	1,009,163	3,244,978	-	4,254,141
Net current assets	168,747	-	10,348	179,095
	1,177,910	3,244,978	10,348	4,433,236

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

16. RELATED PARTY TRANSACTIONS

Since 1 April 1996 the relationship between Salisbury Hospicecare Trust Limited, Wiltshire Primary Care Trust and Salisbury NHS Foundation Trust has been placed on a contractual basis. The original agreement was for a period of three years to 31 March 1999 with a provision for termination at twelve months notice by any party. To improve the financial security to Salisbury Hospicecare Trust Limited the agreement has been amended to a three year rolling agreement.

In the financial year ending March 2011 the total sum given to Salisbury NHS Foundation Trust under the contract was £1,346,000 (2009/10: £1,346,519), Wiltshire Primary Care Trust provided funding of £739,000 (2009/10: £738,607) and Salisbury Hospicecare Trust Limited provided £607,000. Salisbury Hospicecare Trust Limited separately provided funding for services and equipment to Salisbury NHS Foundation Trust outside of the contract which amounted to £303,953 in 2010/11. Thus the total funding provided by Salisbury Hospicecare Trust Limited in 2010/11, including amounts both in and outside of the contract and excluding that provided by Wiltshire Primary Care Trust, was £910,953.

At the balance sheet date Salisbury Hospicecare Trust Limited owed Salisbury NHS Foundation Trust £73,316 (2009/10: £53,676).