

## **The Princess Alexandra Hospital NHS Trust Charitable Fund**

### **Annual Report and Accounts 2016/17**

## THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND ANNUAL REPORT AND ACCOUNTS 2016/17

### OUR BACKGROUND

The Princess Alexandra Hospital NHS Trust Charitable Fund (the "Charity"), was formed under a trust deed dated 21 March 1996 and is registered with the Charity Commission, registration number 1054745.

The Princess Alexandra Hospital NHS Trust Charitable Fund is registered as an Umbrella Fund which encompasses three unrestricted special funds; The Princess Alexandra Hospital General Fund, The St Margaret's Hospital General Fund and The Herts and Essex Hospital General Fund.

The Trustee of the Charity is The Princess Alexandra Hospital NHS Trust (the "Trust"), a Body Corporate. This responsibility is managed by the Board members, with voting rights, of the Trust.

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 1977 and the National Health Service and Community Care Act 1990 and these funds are held on trust by the corporate body.

The beneficiaries of the Charity are the patients, staff and visitors of The Princess Alexandra Hospital NHS Trust.

### OUR OBJECTIVES

Through fundraising activities, events and appeals we will further improve the provision of high quality patient care at the cutting edge of technology throughout the Trust, focusing on areas not covered or fully supported by central NHS funds. The Trust Board confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's activities and objectives and in planning future activities.

The Trust Board shall hold the Charitable Fund, and apply the income where applicable, and at their discretion the capital for any charitable purposes or purposes relating to the National Health Service. Within the single registered charity there are a number of funds for the Trust, each managed by a fund manager. There is specific criteria documented and funds should be spent in line with the purposes of the fund. This criteria is for internal guidance only and has no legal standing. However, expenditure from funds given by the general public must be seen as being appropriate and in line with their wishes. The receipt given for donations is in line with Charity Commission guidelines and states that the funds will be used for the general purposes of (the) charity, and (I) desire they use such sum to ... This means that the Charity will try to spend the cash in accordance with the donor's wishes, but retains the right to use discretion. Unless raised for a specific object, Charitable Funds should be spent within a three year time period for the purposes of the fund and should not be built up for future years.

### OUR ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

During the year, the funds continued to support a wide range of charitable and health related activities benefiting both patients and staff. In general they are used to purchase the very varied additional goods and services that the NHS is unable to provide. Charitable funds were used to purchase much needed medical equipment; for example, a Sherlock 3CG Monitor and related accessories for Williams Day Unit and a Diagnostic Tympanometer for Audiology, plus also new blinds for the clinic rooms in OPD at St Margaret's Hospital.

The ward charitable funds receive many donations specifically given to thank the nursing staff and these are used for charitable activities that will benefit staff. The charitable funds also enable consultants and other medical staff to attend courses, not funded by the NHS, which will update them on the new ideas and modern techniques in their specialities.

The charity makes available funds to sponsor non commercial research in areas where the Trust has considerable expertise with a view to developing new therapies for treating and caring for patients. This peer reviewed programme, which is approved by the NHS Trust Research Ethics Committee, is supported by way of fundraising events (see note 7).

The Princess Alexandra Hospital General Purpose Fund receives donations and legacies that can be used for the benefit of all staff and patients of The Princess Alexandra Hospital NHS Trust.

Fundraising events and appeals continued to be held during 2016/17 and are proving to be very successful. A Cycle Trek through Vietnam & Cambodia which took place in September 2016 generated income of £83,908. A dinner held at the RAC Club in London generated income of £42,722. The ITU Equipment Appeal has raised a net amount of £3,702 as at 31 March 2017.

### FUTURE PLANS

Mindful of the many changes in the NHS the future direction of the charity will be shaped by changes in the NHS. The reconfiguration of services and the plans for redesigning patient care to meet the needs of the future will influence the priorities for spending charitable funds. However, the Charity will continue to meet its objectives in the future.

A Fundraising Co-Ordinator has now been appointed to implement the fundraising strategy for the Charity as a whole and implement ways to generate more funds to allow the objectives of the Charity to be achieved.

**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND  
ANNUAL REPORT AND ACCOUNTS 2016/17**

## **FINANCIAL REVIEW**

These financial statements have been prepared under the historic cost convention and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. These can be found on pages 7-14 of this report.

The Charity is constituted of 114 individual funds as at 31 March 2017 (107 in 2015/16).

### **Income**

The Charity received income for the year totalling £924,000, an increase of £169,000 compared to 2015/16.

This income is comprised of donations of £271,000 (increased from £241,000 in 2015/16), the majority of which were made by patients and visitors (in excess of 1000 donations).

The charity received one legacy in 2016/17. An amount of £17,600 was received for ITU. The legacy has yet to be used, and the full balance remains in the fund.

The Charity received investment income of £978 (£1,235 in 2015/16).

Income from activities for generating funds totalling £634,000 (£507,000 in 2015/16) has been received into the Charity. Of this income, £608,000 was raised for the purposes of research, £3,000 for the Water Ball event, £3,000 for the Sky Dive event, £12,000 for the ITU Equipment Appeal Fund and £8,000 for the Improving Cancer Services Appeal.

### **Expenditure**

During the year the Charity provided support in the form of education and training, and the supply of medical equipment and expended resources totalling £492,000 (£535,000 in 2015/16).

These comprised contributions to The Princess Alexandra Hospital NHS Trust of £399,000 (£463,000 in 2015/16), of which the majority were for medical equipment, computer hardware and software and furniture for the wards. Expenditure of £6,000 (£10,000 in 2015/16) was made for staff welfare and amenities and £87,000 (£62,000 in 2015/16) for patient welfare and amenities.

### **Investments**

Investments held by the Charity have been acquired in accordance with the powers available to the Trust Board. The policy for the current investments is to hold cash funds in secure interest bearing bank accounts.

The investments realised a slightly decreased level of income in 2016/17 to those received in 2015/16, due to use of cash resources during the financial year, which therefore decreased interest earned on the cash investments held.

### **Reserves Policy**

The Charity does not have a Reserves Policy. However, the Trust Board confirms that the Charity's assets are available and adequate to fulfill the obligations of the Charity.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Princess Alexandra Hospital NHS Trust Charitable Fund was formed under a trust deed dated 21 March 1996 and is registered with the Charity Commission, registration number 1054745.

The responsibility for the identification, implementation and monitoring of the strategic direction of the Charity is performed by the Trust Board of Directors. This is made up of a Chairperson, eight Executive Directors (three non-voting), including the Chief Executive, and five Non-Executive Directors. The Executive Directors are responsible for the day-to-day running of the Charity. The Non-Executive Directors are appointed by the Secretary of State for Health or independently by the Board for their specialist expertise and/or local knowledge.

Appointments to Executive Director posts, including that of the Chief Executive, follow a common process. Posts are normally advertised nationally and short-listed candidates meet with senior Trust and local health economy staff prior to formal interview. The final decision on appointments is made by an interview panel, chaired by the Trust Chair, which includes executive level staff from NHS Improvement and local Clinical Commissioning Groups (CCG's), other Trust Non-Executive Directors and an external assessor.

There are no formal training procedures in place for the Trust Board relating specifically to the Charity.

The Trust Board have adopted policies which achieve the objects stated by ensuring funds are used for the purpose for which the donor intended and are not accumulated unless part of a greater project or fund raising scheme.

**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND  
ANNUAL REPORT AND ACCOUNTS 2016/17**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

**Risk Management**

The Trust Board have the overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. The systems of financial control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- regular consideration by the Charitable Funds Committee of financial results;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Trust Board will continue to monitor risks and set up or amend formal policies to mitigate them. There is a formal, Trust wide risk management process in place, detailed in the Trusts' Governance and Risk Management Strategy and it is the intention of the Trust Board to perform a review of the following categories of risk; governance and management, operational, external factors and compliance with laws and regulations. The Trust Board will identify the primary risks applicable to the Trust in each category and develop action plans to mitigate the risks identified.

**REFERENCE AND ADMINISTRATIVE DETAILS**

The Princess Alexandra Hospital NHS Trust Charitable Fund is registered with the Charity Commission, registration number 1054745. Its working name is The Princess Alexandra Hospitals Charity.

The Princess Alexandra Hospital NHS Trust Charitable Fund is registered as an Umbrella Fund which encompasses three unrestricted special funds whose names and objects are as follows:

*The Princess Alexandra Hospital General Fund*

For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by The Princess Alexandra Hospital.

*The St. Margaret's Hospital General Fund*

For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by The St. Margaret's Hospital.

*The Herts & Essex Hospital General Fund*

For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by The Herts & Essex Hospital.

The purposes of the unrestricted funds are to support any charitable purpose relating to the NHS; 113 particular designated funds and 1 unrestricted fund have been created to reflect the non binding wishes of donors (107 in 2015/16).

The Charity's assets consist of cash investments, which are available and adequate to fulfil the obligations of all the above funds.

The Charity has no unpaid volunteers and no paid employees but is supported in its activities by The Princess Alexandra Hospital NHS Trust. The administrative function is performed by the Finance Department of The Princess Alexandra Hospital NHS Trust, the services of which are reimbursed by the Charity.

For day to day operations the Charitable Funds adhere to the Standing Orders and Standing Financial Instructions of the Corporate body (The Princess Alexandra Hospital NHS Trust).

**Our Principal Office**

The Princess Alexandra Hospital NHS Trust Charitable Fund  
Hamstel Road  
Harlow  
Essex  
CM20 1QX

**Trustees**

The Trustee of the Charity is The Princess Alexandra Hospital NHS Trust governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2011. This responsibility is managed by the Board members, with voting rights, of the Trust.

Board members for the period 1 April 2016 to 31 March 2017 are listed below:

**Chairman**

Douglas Smallwood (1 April 2016 to 3 October 2016)  
Andrew Holden - Acting Chairman (3 October 2016 - 30 November 2016)  
Alan Burns (from 1 December 2016)

**Executive Directors**

Phil Morley  
Trevor Smith  
Trevor Smith  
Simon Covill  
Andy Morris  
Nancy Fontaine  
Jim McLeish  
Marc Davis  
Stephanie Lawton  
Liz Booth

Chief Executive Officer (to 22 February 2017)  
Acting Chief Executive Officer (from 22 February 2017)  
Chief Financial Officer (to 22 February 2017)  
Acting Chief Financial Officer (from 22 February 2017)  
Medical Director  
Chief Nurse  
Director of Business Delivery (non-voting)  
Director of Pathways and Partnerships (non-voting)  
Chief Operating Officer  
Director of HR (non-voting)

**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND  
ANNUAL REPORT AND ACCOUNTS 2016/17**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**

**Non Executive Directors**

Stephen Bright	(from 3 October 2016)
Neil Goulden	(1 April to 18 May 2016)
Andrew Holden	
Christopher Roberts	(to 1 January 2017)
Pam Court	
James Anderson	

The Trustees are assisted in their work by a number of professional advisors, as detailed below:

**Independent Examiners**

Ernst & Young LLP  
400 Capability Green  
Luton  
LU1 3LU

**Bankers**

Barclays Bank PLC	RBS
Water Gardens	280 Bishopsgate
Harlow	London
Essex	EC2M 4RB
CM20 1AN	

**PARTNERSHIP WORKING AND NETWORKS**

The Princess Alexandra Hospital NHS Trust Charitable Fund is one of over 250 NHS linked charities in England and Wales who are eligible to join the Association of NHS Charities. As a member charity, we have the opportunity to discuss matters of common concern and exchange information and experiences and to participate in conferences and seminars which offer support and education for our trustees.

We remain indebted to the work of the volunteers of the Harlow League of Hospital Friends who raise substantial amounts each year through a range of fundraising events including coffee mornings and hospital fetes, and the WRVS who support us at St Margaret's Hospital.

**HAVING READ ALL ABOUT US, PLEASE CONSIDER SUPPORTING OUR WORK**

There are many ways in which the staff and public can help to raise funds for the Charity, these include:

**Making a donation** – donations can be made by cash or cheque, and these donations can be received by the ward or department concerned, via the Cashier's office within Princess Alexandra Hospital or by post to the Finance Department. Donations can also be made online through [www.justgiving.com/pahnhs](http://www.justgiving.com/pahnhs).

**Holding or taking part in a fundraising event** – everything from a cake sale to a sponsored silence at school or a quiz, trek or running event.

**Setting up a regular donation** by completing a standing order form.

**Leaving a gift** to the Charitable Fund in your will.

Please contact the Fundraising Team at The Princess Alexandra Hospitals Charity for more ideas on how you could help.

**THANK YOU**

On behalf of the staff and patients who have benefited from improved services due to donations and legacies, the Corporate Trustee would like to thank all patients, relatives and staff who have made charitable donations.

**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND  
ANNUAL REPORT AND ACCOUNTS 2016/17**

**TRUSTEE STATEMENTS**

**Statement of Trust Board's Responsibilities in respect of the financial statements.**

Under charity law, the Trust Board are responsible for preparing the Trustee's Annual Report and Accounts for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice requires that the Board of Directors:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the recommendations of SORP have been followed, subject to any material departures disclosed and explained in the financial statements
- State whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trust Board are required to act in accordance with the Trust Deed and the rules of the charity within the framework of trust law. The Trust Board are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trust Board to ensure that, where any statements of accounts are prepared by the Trust Board under section 132(1) of the Charities Act 2011, those Directors have general responsibility for taking such steps as are reasonably open to the Trust Board to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trust Board confirm that they have met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 7 to 14 attached have been compiled from and are in accordance with the financial records maintained by the Trust Board.

By Order of the Trust Board



**Pam Court**  
**Non-Executive Director**  
Date



**Trevor Smith**  
**Chief Financial Officer**  
Date

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## **Independent examiner's report to the trustee of The Princess Alexandra Hospital NHS Trust - Charitable Fund**

I report on the accounts of the The Princess Alexandra Hospital NHS Trust -Charitable Fund for the year ended 31 March 2017, which are set out on pages 7 to 14.

This report is made solely to the Charity's trustee, as a body, in accordance with section 149 of the Charities Act 2011 and regulations made under section 149 of that Act. The examination has been undertaken so that we might state to the trustees those matters that are required to be stated in an examiner'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 charity and the trustee, as a body, for this examination, for this report, or for the statements made.

### **Respective responsibilities of trustee and independent examiner**

The charity's trustee is responsible for the preparation of the accounts. The trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

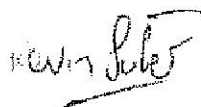
### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 130 of the 2011 Act; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Acthave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Kevin Suter  
Cipfa  
For and on behalf of Ernst & Young LLP  
Luton  
1 December 2017



**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND**  
**ANNUAL REPORT AND ACCOUNTS 2016/17**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2017**

	Note	Unrestricted Funds	Designated funds	Endowment Funds	Total Funds	Prior Period Total Funds
		£000	£000	£000	£000	£000
<b>Income and endowments from:</b>						
Donations and legacies	3	21	268	0	289	247
Other trading activities	4	0	634	0	634	507
Investments	5	0	1	0	1	1
<b>Total</b>		<b>21</b>	<b>903</b>	<b>0</b>	<b>924</b>	<b>755</b>
<b>Expenditure on:</b>						
Raising funds	1g/6	0	(255)	0	(255)	(225)
<b>Charitable activities</b>						
- Contributions to the Trust	7	(8)	(252)	0	(260)	(165)
- Medical Research	7	0	(171)	0	(171)	(310)
- Patient welfare and amenities	7	0	(87)	0	(87)	(63)
- Staff welfare and amenities	7	0	(6)	0	(6)	(10)
<b>Total</b>		<b>(8)</b>	<b>(771)</b>	<b>0</b>	<b>(779)</b>	<b>(773)</b>
<b>Net income/(expenditure)</b>		<b>13</b>	<b>132</b>	<b>0</b>	<b>145</b>	<b>(18)</b>
<b>Transfers between funds</b>		<b>(2)</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net movement in funds</b>		<b>11</b>	<b>134</b>	<b>0</b>	<b>145</b>	<b>(18)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		16	441	0	457	475
<b>Total funds carried forward</b>		<b>27</b>	<b>575</b>	<b>0</b>	<b>602</b>	<b>457</b>



**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND  
ANNUAL REPORT AND ACCOUNTS 2016/17**

**BALANCE SHEET AS AT 31 MARCH 2017**

	Note	Total Funds	Prior Year Funds
		£000	£000
<b>Current Assets:</b>			
Debtors	13	114	83
Short term deposits	14	574	483
Cash at bank and in hand	14	17	16
<b>Total Current Assets</b>		<b>705</b>	<b>582</b>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	15	(100)	(125)
<b>Net Current Assets</b>		<b>605</b>	<b>457</b>
Creditors: Amounts falling due after more than one year	15	(3)	0
<b>Total Net Assets</b>		<b>602</b>	<b>457</b>
<b>The Funds of the Charity:</b>			
Endowment funds	18	0	0
Unrestricted funds	18	28	16
Designated funds	18	574	441
<b>Total Charity Funds</b>		<b>602</b>	<b>457</b>

**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND  
ANNUAL REPORT AND ACCOUNTS 2016/17**

**STATEMENT OF CASH FLOWS AS AT 31 MARCH 2017**

	Note	Total Funds £000	Prior Year Funds £000
<b>Cash flows from operating activities:</b>			
Net cash provided by/(used in) operating activities	16	91	(2)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments	5	1	1
Purchase of investments		0	0
Net cash provided by/(used in) investing activities		1	1
<b>Change in cash and cash equivalents in the reporting period</b>		<b>92</b>	<b>(1)</b>
Cash and cash equivalents at the beginning of the reporting period	14	499	500
Cash and cash equivalents at the end of the reporting period	14	591	499

These financial statements were approved by the Trust Board on 30th November 2017 and signed on their behalf



**Pam Court**  
Non-Executive Director  
Date



**Trevor Smith**  
Chief Financial Officer  
Date

**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND  
ANNUAL REPORT AND ACCOUNTS 2016/17**

**NOTES TO THE ACCOUNTS**

**1. Accounting Policies**

**(a) Basis of Preparation**

These financial statements have been prepared under the historic cost convention and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

**Going concern:**

The Trust Board consider that the Charity is a going concern. Fund balances are stable, with growth predicted for the future year. The Trust Board consider that there are no material uncertainties about The Princess Alexandra Hospital NHS Trust Charitable Fund and its ability to continue as a going concern. There are no material uncertainties affecting the current years accounts.

**(b) Funds structure**

The Princess Alexandra Hospital NHS Trust Charitable Fund is registered as an Umbrella Fund encompassing three unrestricted special funds whose names and objects are:

**The Princess Alexandra Hospital General Fund**

For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by The Princess Alexandra Hospital.

**The St. Margaret's Hospital General Fund**

For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by The St Margaret's Hospital.

**The Herts & Essex Hospital General Fund**

For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by The Herts and Essex Hospital.

The purposes of the unrestricted funds are to support any charitable purpose relating to the NHS; 113 particular designated funds and 1 unrestricted fund have been created to reflect the non-binding wishes of donors (107 in 2015/16).

**(c) Incoming Resources**

Cash donations, gifts, legacies, investment income and income from fund raising events are included in the full statement of financial activities as soon as the conditions for receipt have been met and there is reasonable assurance of receipt.

The Charity received no gifts in kind.

**(d) Incoming resources from legacies**

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

**(e) Resources expended and irrecoverable VAT**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when the following criteria are met:

There is a present legal or constructive obligation resulting from a past event.

It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement.

The amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**(f) Allocation of overhead and support costs**

Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration and internal and external examination/audit costs. Support costs have been apportioned between fundraising costs and charitable activities on the basis of fund balances.

**(g) Charitable activities**

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 9.

**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND  
ANNUAL REPORT AND ACCOUNTS 2016/17**

**NOTES TO THE ACCOUNTS**

**1. Accounting Policies (continued)**

**(h) Debtors**

Debtors are amounts owed to the Charity. They are measured on the basis of their recoverable amount.

**(i) Cash and cash equivalents**

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments in interest bearing savings accounts.

**(j) Creditors**

Creditors are amounts owed by the Charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

Amounts which are owed in more than a year are shown as creditors: amounts falling due after more than one year.

**(k) Realised gains and losses**

There are no realised gains or losses in 2016/17 (nil in 2015/16).

**(l) Events after the end of the reporting period**

No events (either adjusting or non-adjusting) occurred after the end of the reporting period for 2016/17 (nil in 2015/16).

**2. Related Party Transactions**

The Princess Alexandra Hospital NHS Trust Charitable Fund is managed by The Princess Alexandra Hospital NHS Trust, a corporate body established by order of the Secretary of State for Health. As such, the Trust is the ultimate controlling party and the Trust Board of the Charity are the Directors of the Trust as detailed in page 3 of this Annual Report and Accounts.

Details of The Princess Alexandra Hospital NHS Trust are:

	2016/17		2015/16	
	Turnover	Net Outflow	Turnover	Net Outflow
	£000	£000	£000	£000
<b>Nature of business</b>				
Provision of healthcare	209,742	(27,019)	196,124	(37,854)

Unqualified audit reports have been issued in both 2015/16 and 2016/17 on the accounts of The Princess Alexandra Hospital NHS Trust. The Trust Board received no remuneration or re-imbursement of expenses from the Charitable Fund during 2016/17 (nil in 2015/16).

The main beneficiaries of the charity are the patients and staff of The Princess Alexandra Hospital NHS Trust. The Charity has provided grant funding for items purchased on behalf of these beneficiaries totalling £492,434 as detailed in notes 7 and 8 of these accounts.

Expenditure of the charity is considered to be a grant to The Princess Alexandra Hospital NHS Trust, as the staff, patients and visitors of the Trust are the ultimate beneficiaries of the purchase.

**3. Income from donations and legacies**

	Unrestricted Funds	Designated Funds	Total 2016/17	Total 2015/16
	£000	£000	£000	£000
Donations	21	250	271	241
Legacies	0	18	18	6
<b>Total</b>	<b>21</b>	<b>268</b>	<b>289</b>	<b>247</b>

**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND**  
**ANNUAL REPORT AND ACCOUNTS 2016/17**

**4. Income from other trading activities**

	Unrestricted Funds	Designated Funds	Total 2016/17	Total 2015/16
	£000	£000	£000	£000
Water Ball 2016	0	3	3	0
Long Live Liver Appeal	0	0	0	5
My Life Memory Software Appeal	0	0	0	1
Sky Dive 2016	0	3	3	0
Improving Cancer Services	0	8	8	5
ITU Equipment Appeal	0	12	12	7
Events organised by the Breast Unit Fundraising Team	0	608	608	489
<b>Total</b>	<b>0</b>	<b>634</b>	<b>634</b>	<b>507</b>

**5. Investment income**

	Unrestricted Funds	Designated Funds	Total 2016/17	Total 2015/16
	£000	£000	£000	£000
Short term investments and deposits and cash on deposit	0	1	1	1
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>

**6. Expenditure on raising funds**

	Unrestricted Funds	Designated Funds	Total 2016/17	Total 2015/16
	£000	£000	£000	£000
Long Live Liver Appeal	0	0	0	0
My Life Memory Software Appeal	0	0	0	0
Sky Dive 2016	0	2	2	0
It's A Knockout	0	2	2	0
Gauntlet Games	0	1	1	0
Improving Cancer Services	0	0	0	1
ITU Equipment Appeal	0	5	5	1
PAH Cancer and Diagnostic Services	0	0	0	(1)
Events organised by the Breast Unit Fundraising Team	0	233	233	221
Support costs	0	11	11	3
<b>Total</b>	<b>0</b>	<b>255</b>	<b>255</b>	<b>225</b>

**7. Charitable expenditure**

The charity pursued its charitable activities by making grants. Support costs have been apportioned across the categories of charitable expenditure on the basis of fund balances at the 31 March 2017. 2015/16 totals include support costs.

	Grant funded activity	Support Costs	Total 2016/17	Total 2015/16
	£000	£000	£000	£000
Contributions to the Trust	228	32	260	165
Medical Research	171	0	171	310
Patient Welfare and amenities	87	0	87	62
Staff Welfare and amenities	6	0	6	10
<b>Total</b>	<b>492</b>	<b>32</b>	<b>524</b>	<b>547</b>

**8. Analysis of grants**

There were no grants made payable to individuals during 2016/17 (nil in 2015/16). All grants are made to The Princess Alexandra Hospital NHS Trust to provide for the care of NHS patients, and the welfare of it's staff and visitors. The total cost of making grants, including support costs is disclosed on the Statement of Financial Activities and the actual funds spent on each category of charitable activity is disclosed in note 7.

Institution receiving grant support	Number of Grants paid	Total 2016/17	Total 2015/16
		£000	£000
The Princess Alexandra Hospital NHS Trust	1	524	547
<b>Total</b>	<b>1</b>	<b>524</b>	<b>547</b>



**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND**  
**ANNUAL REPORT AND ACCOUNTS 2016/17**

**9. Allocation of support costs and overheads**

The financial administration costs have been allocated between governance and charitable activity on the basis of staff time. External audit costs were wholly allocated to governance. The basis of the apportionment of support costs is disclosed in note 1f.

Net incoming resources for the year are stated after charging:

	Raising funds £000	Charitable Activities £000	Total 2016/17 £000	Total 2015/16 £000
<b>Charitable Activity</b>				
Administration - Staff Costs	10	28	38	11
Other - bank charges	0	1	1	1
<b>Governance</b>				
External Examination	1	2	3	3
Fundraising Regulator Levy Charge	0	1	1	0
<b>Total</b>	<b>11</b>	<b>32</b>	<b>43</b>	<b>15</b>

**10. Trustees' remuneration, benefits and expenses.**

The Trust Board give their time freely and receive no remuneration for the work that they undertake as trustees.

**11. Analysis of staff costs**

The Charity does not employ any staff.

**12. Independent Examiners remuneration**

The independent examiners remuneration of £3,240 (£3,240 in 2015/16) related solely to the independent examination carried out in 2016/17, with no other additional work undertaken.

**13. Analysis of current debtors**

**Debtors under 1 year**

	Total 2016/17 £000	Total 2015/16 £000
Trade debtors	0	0
Debtors (host trust)	27	20
Accrued income	1	16
Prepayments	86	47
<b>Total</b>	<b>114</b>	<b>83</b>

**14. Analysis of cash and cash equivalents**

	Total 2016/17 £000	Total 2015/16 £000
Cash held as short term investments and deposits	574	483
Cash at bank and in hand	17	16
<b>Total</b>	<b>591</b>	<b>499</b>

**15. Analysis of liabilities**

**Creditors due within 1 year**

	Total 2016/17 £000	Total 2015/16 £000
Other creditors	86	64
Creditors (host trust)	14	61
<b>Total</b>	<b>100</b>	<b>125</b>

**Creditors due after more than 1 year**

	Total 2016/17 £000	Total 2015/16 £000
Other creditors	3	0
<b>Total</b>	<b>3</b>	<b>0</b>

THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND  
ANNUAL REPORT AND ACCOUNTS 2016/17

16. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Total 2016/17 £000	Total 2015/16 £000
<b>Net income/(expenditure) for 2016/17 (as per the statement of financial activities)</b>	145	(18)
Adjustments for:		
(Gains)/losses on investments	0	0
Dividends, interest and rents from investments	(1)	(1)
(Increase)/decrease in debtors	(31)	50
Increase/(decrease) in creditors	(22)	(33)
<b>Net cash used by/(used in) operating activities</b>	91	(2)

17. Transfers between funds

There were no transfers between accounts in 2016/17 (nil in 2015/16).

18. Analysis of unrestricted and designated fund movements

	Balance 1 April 2016	Income	Expenditure	Transfers	Balance 31 March 2017
<b>Unrestricted Funds</b>					
Herts & Essex Hospital	0	0	0	0	0
Princess Alexandra Hospital	(16)	(22)	8	2	(28)
St Margarets Hospital	0	0	0	0	0
<b>Total</b>	(16)	(22)	8	2	(28)
<b>Designated Funds</b>					
Herts & Essex Hospital	(1)	0	0	0	(1)
Princess Alexandra Hospital	(283)	(152)	126	(2)	(311)
St Margarets Hospital	(157)	(750)	645	0	(262)
<b>Total</b>	(441)	(902)	771	(2)	(574)
<b>Total Unrestricted and Designated Funds</b>	(457)	(924)	779	0	(602)

The Charity does not hold any Endowment Funds.



