

The Princess Alexandra Hospital NHS Trust Charitable Fund

Annual Report and Accounts 2017/18

**THE PRINCESS ALEXANDRA HOSPITALS NHS TRUST CHARITABLE FUND
ANNUAL REPORT AND ACCOUNTS 2017/18**

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 Microtome for the Pathology Department, a Phototherapy System for the Neonatal Unit and a Junior Optiflow System for Dolphin Ward.

Case Study - Microtome (Pathology)

Following a number of events to support the Cancer & Diagnostics service, it was decided to buy a "Microtome" machine for the cellular pathology department. This machine costs £7,500 and can take very thin sections (just 1 cell thick) of tissue, which can then be reviewed by consultant pathologists. Sections can be taken from the lung, breast or colon, and the process, undertaken by trained laboratory staff, is used in routine diagnostics of both benign conditions, as well as cancer specimens. It was the dedication of the consultant pathologist and supporters who helped raise the funds needed for this purchase.

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 2017/18 and are proving to be very successful. A Shooting Day, which took place in May 2017 generated income of £84,051. A dinner held at the Savoy Hotel in London generated income of £86,163. The Improving Cancer Services Appeal has raised a net of £4,945 as at 31 March 2018.

Case Study - Royal Parks Half Marathon

The Breast Unit is one of the largest breast cancer clinical trials facilities in Hertfordshire, Essex and North London and has raised over £3 million, which has been used to purchase specialist equipment, introduce new initiatives and fund further research into the breast cancer. One of the fundraising events that took place in 2017, was participation in the Royal Parks Half Marathon, where approximately 75 runners took part in raising around £36,000 for the fund. The event was promoted on Facebook, Twitter and Instagram and all 75 places available were quickly filled by supporters keen to raise as much as possible for the charity. A space was booked in a marquee at the event to allow runners, families, friends and supporters to meet, and was a great opportunity to say thank you and to raise awareness and provide further information about the work of the Breast Unit fund. We continue to raise money for breast cancer clinical trials in order that we can improve understanding and help find new ways to prevent, diagnose and treat different kinds of breast cancer, and will be holding this event again in 2018.

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FUTURE PLANS

Mindful of the many changes in the NHS the future direction of the charity will be shaped by those changes. 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.

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 104 individual funds as at 31 March 2018 (114 in 2016/17).

Income

The Charity received income for the year totalling £747,000, an decrease of £177,000 compared to 2016/17.

This income is comprised of donations of £211,000 (decreased from £271,000 in 2016/17), the majority of which were made by patients and visitors (in excess of 1000 donations).

The charity received no legacies in 2017/18. Of the amount of £17,600 received for ITU in 2016/17, £4,797 has been utilised to purchase equipment and furniture for the unit with £12,803 yet to be used.

The Charity received investment income of £1,000 (£1,000 in 2016/17).

Income from activities for generating funds totalling £535,000 (£634,000 in 2016/17) has been received into the Charity. Of this income, £517,200 was raised for the purposes of research, £1,300 for the Water Ball event, £5,300 for the ED/ITU Ball event, £500 for the Gauntlet Games event, £1,500 for the My Life Memory Software Appeal, £8,000 for the Improving Cancer Services Appeal and £1,200 for the ITU Equipment 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 £550,000 (£492,000 in 2016/17).

These comprised contributions to The Princess Alexandra Hospital NHS Trust of £444,000 (£399,000 in 2016/17), of which the majority were for medical equipment, computer hardware and software and furniture for the wards. Expenditure of £37,000 (£6,000 in 2016/17) was made for staff welfare and amenities and £69,000 (£87,000 in 2016/17) 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 increased level of income in 2017/18 to those received in 2016/17, due to an increase in the Bank of England interest rate during the financial year, which increased interest earned on the cash investments held.

Reserves Policy

The Charitable Fund looks to maintain fund balances to allow for a minimum of 6 months of operating costs (administrative and fundraising) and does not hold designated reserves. The Trust Board confirms that the Charity's assets are available and adequate to fulfil 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, five Non-Executive Directors and two Associate 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 all members of the Trust Board relating specifically to the Charity. However, the Non-Executive Directors who are members of the Charitable Funds Committee regularly attend sessions provided by the Association of NHS Charities where topics including GDPR, Innovation in the NHS and Investment and Charity Policies are discussed. Briefings from the Association are included in the papers for each meeting of the Charitable Funds Committee.

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.

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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; 103 particular designated funds and 1 unrestricted fund have been created to reflect the non binding wishes of donors (114 in 2016/17).

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 paid or 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 2017 to 31 March 2018 are listed below:

Chairman

Alan Burns

Executive Directors

Lance McCarthy
Trevor Smith
Trevor Smith
Simon Covill
Andy Morris
Nancy Fontaine
Jim McLeish
Marc Davis
Stephanie Lawton
Liz Booth
Raj Bhamber

Chief Executive Office (from 03 May 2017)
Acting Chief Executive Officer (to 31 May 2017)
Chief Financial Officer (from 1 June 2017)
Acting Chief Financial Officer (to 31 May 2017)
Chief Medical Officer
Chief Nurse
Director of Quality Improvement (non-voting)
Director of Pathways and Partnerships (non-voting)
Chief Operating Officer
Director of HR (non-voting) (to 17 November 2017)
Director of People (non-voting) (from 20 November 2017)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Non Executive Directors

Steven Bright	
John Hogan	(from 01 August 2017)
Andrew Holden	
Pam Court	
James Anderson	
Helen Glenister	Associate Non-Executive Director (from 01 August 2017)
Steve Clarke	Associate Non-Executive Director (from 01 August 2017)

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 129 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.

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 (fundraising@pah.nhs.uk) 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.

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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.

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



Helen Glenister
Non-Executive Director
6 December 2018



Trevor Smith
Chief Finance Officer
6 December 2018

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

I report on the accounts of The Princess Alexandra Hospital NHS Trust – Charitable Fund for the year ended 31 March 2018, which are set out on pages 7 to 14.

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 Charities Act;
- ▶ to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities 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 trustees 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 material matters have come to my attention which gives me cause to believe that in, any material respect:

- ▶ the accounting records were not kept in accordance with section 130 of the Charities Act; or
- ▶ the accounts did not accord with the accounting records; or
- ▶ the accounts did not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give 'true and fair' view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Use of our report

This report is made solely to the trustee, as a body, in accordance with our engagement letter dated 16 April 2018. The examination has been undertaken so that we might state to the trustee 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.

Debbie Hanson

Name: Debbie Hanson
For and on behalf of Ernst & Young LLP
Relevant professional qualification or body: CIPFA
Address: 400 Capability Green, Luton, LU1 3LU
Date: 7 December 2018

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2018

	Note	2017/18				2016/17
		Unrestricted Funds	Designated funds	Endowment Funds	Total Funds	Total Funds
		£000	£000	£000	£000	£000
Income and endowments from:						
Donations and legacies	3	12	199	0	211	289
Other trading activities	4	0	535	0	535	634
Investments	5	0	1	0	1	1
Total		12	735	0	747	924
Expenditure on:						
Raising funds	1g/6	0	(298)	0	(298)	(255)
Charitable activities						
- Contributions to the Trust	7	(26)	(285)	0	(311)	(260)
- Medical Research	7	0	(165)	0	(165)	(171)
- Patient welfare and amenities	7	0	(69)	0	(69)	(87)
- Staff welfare and amenities	7	0	(37)	0	(37)	(6)
Total		(26)	(854)	0	(880)	(779)
Net (expenditure)/income		(14)	(119)	0	(133)	145
Transfers between funds		0	0	0	0	0
Net movement in funds		(14)	(119)	0	(133)	145
Reconciliation of funds:						
Total funds brought forward	18	28	574	0	602	457
Total funds carried forward		14	455	0	469	602

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BALANCE SHEET AS AT 31 MARCH 2018

	Note	2017/18	2016/17 ¹
		£000	£000
Current assets:			
Debtors	13	90	114
Cash and cash equivalents	14	458	581
Total current assets		548	695
Liabilities:			
Creditors: Amounts falling due within one year	15	(79)	(90)
Net current assets		469	605
Creditors: Amounts falling due after more than one year	15	0	(3)
Total net assets		469	602
The funds of the charity:			
Endowment funds	18	0	0
Unrestricted funds	18	14	28
Designated funds	18	455	574
Total charity funds		469	602

Note 1: 2016/17 balance for cash and cash equivalents and creditors restated as per note 1 (m)

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STATEMENT OF CASH FLOWS AS AT 31 MARCH 2018

	Note	2017/18 Total Funds £000	2016/17 ¹ Total Funds £000
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	16 / 1(m)	(124)	81
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	1	1
Purchase of investments		0	0
Net cash provided by investing activities		<u>1</u>	<u>1</u>
Change in cash and cash equivalents in the reporting period		<u>(123)</u>	<u>82</u>
Cash and cash equivalents at the beginning of the reporting period	14 / 1(m)	581	499
Cash and cash equivalents at the end of the reporting period	14 / 1(m)	<u>458</u>	<u>581</u>

Note 1: 2016/17 balance for Cash and Cash Equivalents and Creditors restated as per Accounting Policies note 1 (m)

These financial statements were approved by the Trust Board on 6 December 2018 and signed on their behalf



Helen Glenister
Non-Executive Director
6 December 2018



Trevor Smith
Chief Finance Officer
6 December 2018

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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 year 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; 103 particular designated funds and 1 unrestricted fund have been created to reflect the non-binding wishes of donors (114 in 2016/17).

(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.

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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 2017/18 (nil in 2016/17).

(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 2017/18 (nil in 2016/17).

(m) Restatement of 2016/17 Cash and Cash Equivalents, and Creditors Balances

The 2016/17 balance for Cash and Cash Equivalents has been restated (a reduction of £10k), with an equivalent movement in creditors (a decrease of £10k). This is to reflect "linked" bank account balances that are reported as a single Cash and Cash Equivalent figure, rather than reporting uncleared cheques as a separate balance within creditors..

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:

	2017/18		2016/17	
	Turnover	Net Outflow	Turnover	Net Outflow
	£000	£000	£000	£000
Nature of business				
Provision of healthcare	213,231	(31,642)	209,742	(27,019)

Unqualified audit reports have been issued in both 2016/17 and 2017/18 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 2017/18 (nil in 2016/17).

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 £550,000 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 2017/18	Total 2016/17
	£000	£000	£000	£000
Donations	12	199	211	271
Legacies	0	0	0	18
Total	12	199	211	289

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4. Income from other trading activities

Trading income relates to funds received from fundraising events (and where VAT is not chargeable), rather than from the sale of merchandise.

	Unrestricted Funds	Designated Funds	Total 2017/18	Total 2016/17
	£000	£000	£000	£000
Water Ball 2016	0	1	1	3
Long Live Liver Appeal	0	0	0	0
Gauntlet Games	0	1	1	0
My Life Memory Software Appeal	0	1	1	0
ED/ITU Ball	0	5	5	3
Improving Cancer Services	0	8	8	8
ITU Equipment Appeal	0	1	1	12
Events organised by the Breast Unit Fundraising Team	0	518	518	608
Total	0	535	535	634

5. Investment income

	Unrestricted Funds	Designated Funds	Total 2017/18	Total 2016/17
	£000	£000	£000	£000
Short term investments and deposits and cash on deposit	0	1	1	1
Total	0	1	1	1

6. Expenditure on raising funds

	Unrestricted Funds	Designated Funds	Total 2017/18	Total 2016/17
	£000	£000	£000	£000
Skydive 2016	0	0	0	2
It's a Knockout	0	0	0	2
Water Ball	0	0	0	0
Long Live Liver Appeal	0	0	0	0
My Life Memory Software Appeal	0	0	0	0
Gauntlet Games	0	1	1	1
Improving Cancer Services	0	0	0	0
ITU Equipment Appeal	0	5	5	5
PAH Cancer and Diagnostic Services	0	0	0	0
Events organised by the Breast Unit fundraising team	0	288	288	233
Support costs	0	4	4	11
Total	0	299	299	255

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. 2016/17 totals include support costs.

	Grant funded activity	Support Costs	Total 2017/18	Total 2016/17
	£000	£000	£000	£000
Contributions to the Trust	279	32	311	260
Medical research	165	0	165	171
Patient welfare and amenities	69	0	69	87
Staff welfare and amenities	37	0	37	6
Total	550	32	582	524

8. Analysis of grants

There were no grants made payable to individuals during 2017/18 (nil in 2016/17). 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 2016/17
		£000	£000
The Princess Alexandra Hospital NHS Trust	1	582	524
Total	1	582	524

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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 2017/18 £000	Total 2016/17 £000
Charitable activity				
Administration - staff costs	3	29	32	38
Other - bank charges	0	1	1	1
Governance				
External examination	1	2	3	3
Fundraising Regulator levy charge	0	1	1	1
Total	4	32	36	43

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 £3,200 (£3,200 in 2016/17) related solely to the independent examination carried out in 2017/18, with no other additional work undertaken.

13. Analysis of current debtors

Debtors under 1 year

	Total 2017/18 £000	Total 2016/17 £000
Trade debtors	5	0
Debtors (host trust)	34	27
Accrued income	10	1
Prepayments	41	86
Total	90	114

14. Analysis of cash and cash equivalents

	Total 2017/18 £000	Total 2016/17 ¹ £000
Cash held as short term investments and deposits	458	574
Cash at bank and in hand	0	7
Total	458	581

Note 1: 2016/17 balance for Cash and Cash Equivalents and Creditors restated as per note 1 (m)

15. Analysis of liabilities

Creditors due within 1 year

	Total 2017/18 £000	Total 2016/17 ¹ £000
Other creditors	42	76
Creditors (host trust)	37	14
Total	79	90

Creditors due after more than 1 year

	Total 2017/18 £000	Total 2016/17 £000
Other creditors	0	3
Total	0	3

Note 1: 2016/17 balance for Cash and Cash Equivalents and Creditors restated as per note 1 (m)

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

	Total 2017/18 £000	Total 2016/17 ¹ £000
<i>Net (expenditure)/income for 2017/18 (as per the statement of financial activities)</i>	(133)	145
Adjustments for:		
(Gains)/losses on investments	0	0
Dividends, interest and rents from investments	(1)	(1)
Decrease/(increase) in debtors	24	(31)
(Decrease) in creditors	(14)	(32)
Net cash (used in)/used by operating activities	(124)	81

Note 1: 2016/17 balance for Cash and Cash Equivalents and Creditors restated as per Accounting Policies note 1 (m)

17. Transfers between funds

There were no transfers between accounts in 2017/18 (nil in 2016/17).

18. Analysis of unrestricted and designated fund movements

	Balance 1 April 2017 £000	Income £000	Expenditure £000	Transfers £000	Balance 31 March 2018 £000
Unrestricted Funds					
Herts & Essex Hospital	0	0	0	0	0
Princess Alexandra Hospital	(28)	(12)	26	0	(14)
St Margarets Hospital	0	0	0	0	0
Total	(28)	(12)	26	0	(14)
Designated Funds					
Herts & Essex Hospital	(1)	(0)	0	0	(1)
Princess Alexandra Hospital	(311)	(110)	141	0	(280)
St Margarets Hospital	(262)	(625)	713	0	(174)
Total	(574)	(735)	854	0	(455)
Total Unrestricted and Designated Funds	(602)	(747)	880	0	(469)

The Charity does not hold any Endowment Funds.

19. Contingent Assets

The Charity has been notified of a potential legacy for the ophthalmology unit. The legacy could be in the region of £60k for the Trust, however this value is uncertain, and therefore it has not been recognised in the 2017/18 Statement of Financial Activities.