

Addenbrooke's Charitable Trust (ACT)

Trustees' Annual Report
and Financial Statements
2017/18



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Company registration number 10469089

Contents

- 1. Our year at a glance 4
- 2. Chairman's and Chief Executive's foreword 6
- 3. About Addenbrooke's Charitable Trust 8
- 4. Key achievements 2017/18 10
- 5. Cambridge Global Health Partnerships (CGHP) 24
- 6. Our Charitable Activities 28
- 7. Strategic review 32
- 8. Financial review 38
- 9. Our structure , governance and management 42
- 10. Our trustees, principal officers and legal advisors 46
- 11. Statement of trustees' responsibilities 50
- 12. Special thanks 51
- 13. Independent auditor's report to the members
of Addenbrooke's Charitable Trust 52
- 14. Financial statements 2017/18 56

SECTION 1

Our year at a glance



5000 sleep packs

distributed; funded through Improving Patient Experience to improve rest and healing



CGHP relies on 6,000 volunteer hours per year

to achieve its programmes of support for developing countries

Our Grants Committee awarded 62 grants

to support our focus - patient care



453 Funds and 400+ Fund Advisors

Delivering targeted giving via those that know where the need lies



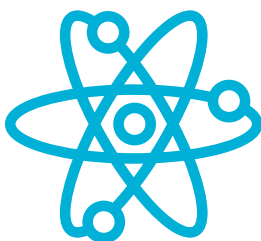
1250 people's education

funded through Facilitating Education: - supporting the next generation of healthcare workers



Amongst the many volunteers that help with fundraising and events

10 ACT volunteers donated 1,800 hrs (45 working weeks) of their time



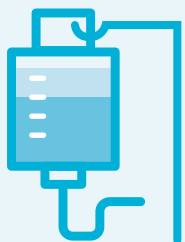
We funded 5 projects through our innovation funding stream



We have raised a total of £8.7m of which £4.7m was voluntary income

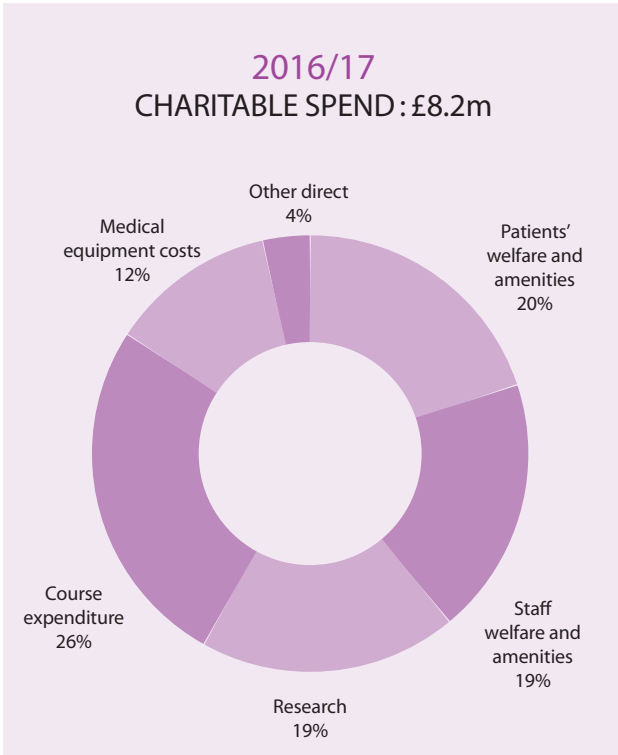
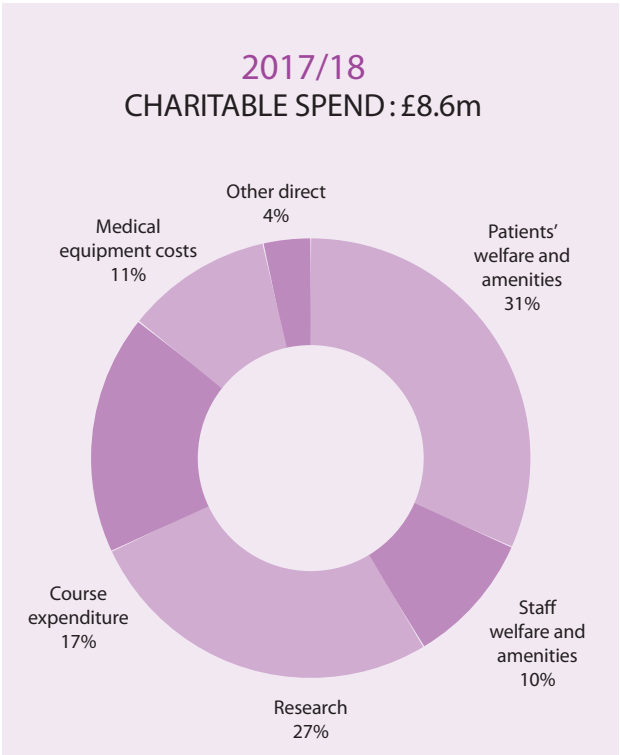
Thanks to ACT funding the Haematology Day Unit now sees

200 more patients a month

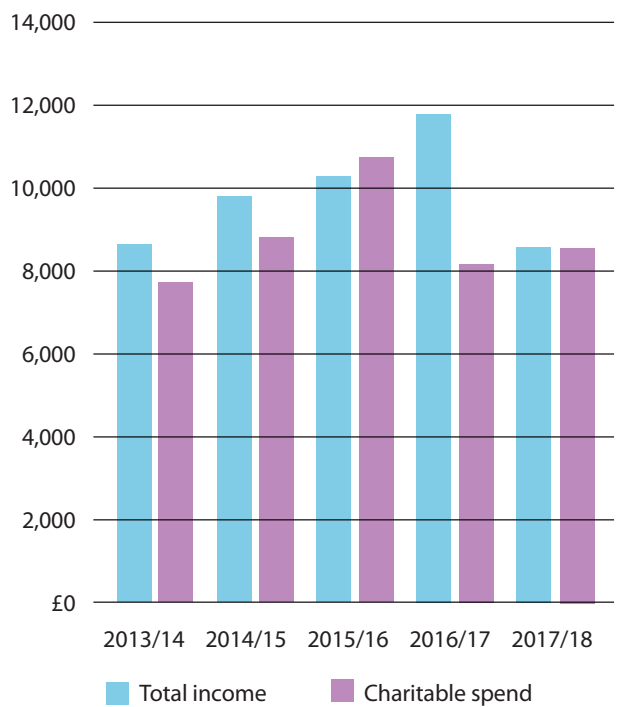


SECTION 1

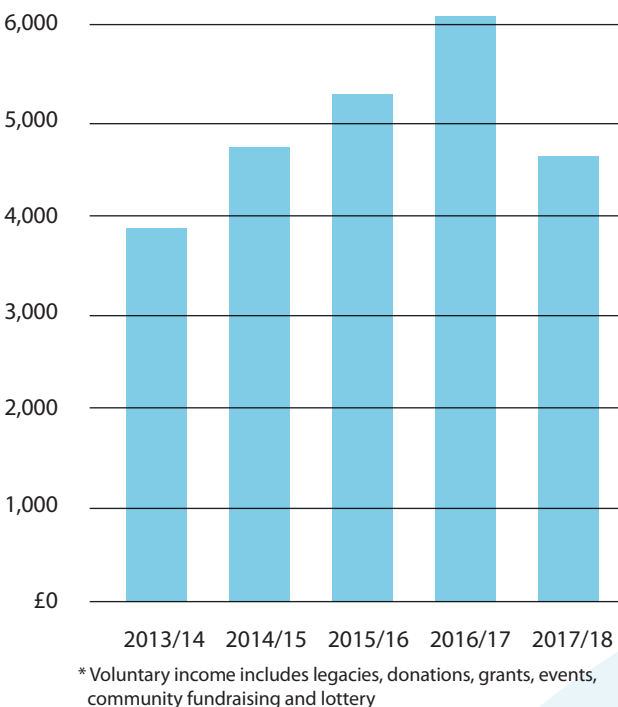
Our year at a glance



Total income and total charitable spend in £'000s: 5 year review



Voluntary income* in £'000s: 5 year review



SECTION 2

Chairman's and Chief Executive's foreword

Dear Supporter

It has been challenging...

It has been a challenging year in many ways but very rewarding and we are extremely proud of all that we have managed to achieve working so closely with the hospital. Much progress has been made regardless of the continued pressure our NHS colleagues face. The national position for health and care was challenging; the NHS was in financial deficit so finances for hospitals such as Addenbrooke's and the Rosie were very constrained. The demand for services continues to rise driven largely by demographic change and the pressures remain for Addenbrooke's and the Rosie to meet key performance standards.

We had a lot of work to do...

We have been busy in a variety of areas during 2018, including:

Reconstitution – This has been our first year of operating as an independent charity. We have concluded all of the legal and administrative aspects of this change and are now operating as a charity limited by guarantee. Our independence has not changed our primary focus and we continue to work very closely with the hospital teams at all levels.

Leadership – Our Chief Executive, Stephen Davies has moved on to new challenges outside of the charity. We wish him well. At time of publication, we have appointed a new CEO – Shelly Thake. Throughout the year we said goodbye to one of our trustees, Judy Ewer, and have welcomed one new trustee – Claire Smith. Since the end of the financial year, John Ayton was appointed as trustee bringing our Board up to 11 strong. An audit of the Board under the new Governance Code was completed, this highlighted a need to do more in the area of cultural diversity representation and board development activity.

Economic landscape – The political and economic environment, election results and Brexit have undoubtedly impacted some of our fundraising activity and our investment portfolio returns.

Post Graduate Medical Education – As a newly constituted charity, we are reviewing our activities with a view to establishing whether the Charity should continue to administer discretionary activities in the same way. As part of this review the Trustees concluded that the Charity was no longer structured appropriately to continue to be responsible for processing the discretionary activities of the Cambridge Postgraduate Medical Education Centre (PGME) and the Evelyn Surgical Training Centre (ESTC). As a result, the Charity, in conjunction with Cambridge University Hospital NHS Foundation Trust (CUH), has decided to transfer this administration activity back to CUH with effect from 1 January 2018. This change will not impact our ability to continue to support patient care in our hospitals, but will reduce our total income and expenditure in line with the activity. Details are provided later in this report.

The new General Data Protection Regulation (GDPR) – has been a key focus for us in ensuring that we are best positioned to retain contact with our many supporters. We welcome the rigour this legislation places on organisations and will continue to work to manage the security of data of all of our supporters.

Building our new strategic activity around grateful patients – During 2017/18 we have been working on building closer links with the invigorated hospital so that we can jointly respond in new and imaginative ways to the many patients and families who want to give something back in appreciation of the care received. We believe this will allow us to extend further our support for the hospital, and we are privileged to be working with the dedicated staff to achieve greater patient benefit. So far, nearly 60 clinicians have completed our grateful patients training activity and we plan to further extend this in the coming year.

Restructure of the organisation – At the end of 2017, we took the decision to restructure our organisation, aligning us more closely with hospital teams, in order that we can best support our donors and their choices for giving. This re-organisation fits neatly with our new grateful patient strategy. In addition, we are strengthening our communications activity to build a much stronger presence in the hospital. This will help us to signpost how grateful patients can show their support.

Research – Our dedication and commitment to supporting research continued, as evidenced by the fact that almost a quarter of our charitable expenditure is focused in this area. We also took time to evaluate the impact of our research activity and in particular have been extremely pleased to learn of the success of the ACT funded research activity for personalised breast cancer. This first phase of the programme is now complete and we are delighted to report that the next phase, taking this nationally, will begin soon.

We delivered great things...

Despite the challenges there has been great focus on charitable expenditure on new and innovative things to support the hospital as it navigates its current and future demands.

MRI – We supported the celebration of the 30-year anniversary of MRI scanning within the hospital. The first ever MRI scanner at Addenbrooke's was purchased with the support of charitable donations and was probably one of the earliest iterations of Addenbrooke's Charitable Trust. MRI scanning is now seen as a core NHS service. In the year, we supported the funding of a mobile MRI scanner incubator.

Children's services – We have recently launched a children's services campaign to fund urgent improvements to children's services at Addenbrooke's and the Rosie hospitals, ensuring that every child experiences the best possible outcome.

Paediatric Day Unit – We helped to upgrade the Paediatric Day Unit providing a more user and child friendly environment for our patients who have to spend extended hours being treated at the hospital.

Haematology Day Unit – We loved working with the team on the new Haematology Day Unit. This freed up much needed space in the hospital, provided some advanced technology and equipment and now provides a much more appropriate treatment facility for the patients who attend this unit.

Outdoor spaces – Work was completed on the new Ward J2 garden for neuro patients. Providing outdoor spaces really makes a difference to their rehabilitation.

Liver transplant – We have also launched the liver transplant campaign to raise money to support a two-year trial of a new perfusion machine, something which will revolutionise transplantation for now and future generations to come.

We hope that you have seen the impact that the support of our donors and our work as a team with the hospital has made throughout our newsletters and communications. There is much more we want to tell you about and included in our key achievements section there are more stories highlighting just a few of our proud moments.

We plan to do so much more...

We remain focused on growing our voluntary income to ensure that each and every patient at Addenbrooke's and the Rosie receive the best possible care and the hospitals' staff are given every opportunity to do their best work and advance the health of our community, locally and nationally.

We will be working closely with the hospital teams to support the CUH Strategy*, in particular focusing on innovation and improvement. We also remain committed to supporting the major capital programmes that the hospital and university are developing together.

ACT is committed to supporting Addenbrooke's and the Rosie to meet the ever increasing demands and challenges that they face.

*See <https://www.cuh.nhs.uk/about-us/our-profile/our-strategy>



Dr Rosalind Smith
Chairman



Shelly Thake
Chief Executive

SECTION 3

About Addenbrooke's Charitable Trust (ACT)

ACT is dedicated to changing patients' lives at Addenbrooke's and the Rosie hospitals. Whether it's receiving care for an emergency, acute condition, pregnancy or long term illness, we believe that every patient deserves the highest quality of treatment available.

We will continue to support the hospitals by raising funds for cutting edge technology, additional specialist services, vital research and extra comforts for patients that make all the difference over and above what would be possible through NHS funding alone.

As a result of the NHS Charities Review, the Trustees and the Board of Cambridge University Hospitals NHS Foundation Trust (CUH) resolved that ACT should be re-constituted as a fully independent charity, because they considered that this arrangement would best safeguard charitable funds, sustain donor confidence, provide continuity, and open up new possibilities for partnership. On 8 November 2016, Addenbrooke's Charitable Trust (the new charity), a company limited by guarantee (registered Number 10469089) was incorporated. From 1 April 2017, all assets and liabilities of the old charity moved across to the new charity and a new charity number was granted (1170103).

Our vision

ACT's vision is to be a leading NHS charity that achieves exceptional benefits for patients.

Our mission

'Addenbrooke's Charitable Trust (ACT) is an independent, registered charity (number 1170103) that raises funds to support Addenbrooke's and the Rosie, the Cambridge University Hospitals. We connect givers and causes, funding projects and facilities that are beyond the boundaries of the NHS to achieve the highest possible standards and outcomes in patient experience, clinical care, research and education.'

Our hospitals

Addenbrooke's and the Rosie are managed and governed as part of Cambridge University Hospitals NHS Foundation Trust (CUH), one of the largest and best-known hospital trusts in the country. CUH is the acute, general and maternity healthcare provider for its local community, delivering services through its hospitals, Addenbrooke's and the Rosie. The Foundation Trust is also a regional centre for specialist treatment; a major provider of education for clinical staff; and the principal clinical research partner of the University of Cambridge.

Our charitable objectives

The objects of Addenbrooke's Charitable Trust (ACT) for the year under review were:

- To further any charitable purpose or purposes relating to the general or any specific purposes of Cambridge University Hospitals NHS Foundation Trust (CUH) and the National Health Service.
- To advance and promote all or any aspects of the health and welfare of the public; and
- To advance and promote knowledge and skills in healthcare, including engaging in and supporting health-related research (and the dissemination of its useful results), education and training.

In practice, this means that ACT:

- Funds new and additional services where the NHS has no obligation and/or insufficient resources to do so;
- Enhances services above the level that can be provided by government funds; and
- Supports innovative services and research on a time-limited basis, pump-priming new initiatives and bridging gaps in funding from other sources.



"It's not just being experts in cancer that's important, you have to be good at the after care as treatments are harsh. That's why a day centre is absolutely critical - I don't see how you could do all this without it. It's tremendous."

William Turnell, HDU patient (not pictured)

SECTION 4

Our key achievements in 2017/18

We wouldn't be able to achieve as many great things throughout the hospital without the kindness and generosity of our supporters for which we are incredibly grateful.

Improving the patient experience

We believe that every patient deserves the highest quality of care available and provide funding for specialist services, equipment and comforts that complement NHS-funded services.

Re-opening of hydrotherapy pool

The hydrotherapy pool, which has been closed since June 2017, was reopened thanks to £57,300 of ACT funds.

The pool is used by many patient groups (around 1,000 patients annually) including children, haemophiliacs, adults with chronic pain and patients rehabilitating after injury or operation who are unable to exercise on dry land.

Both staff and patients felt that outcomes were much higher with water-based treatment, with the new, refurbished pool increasing patient satisfaction, improving outcomes and providing a suitable facility to run pain management groups. One patient said: *"It was such a good experience that the first time I used the pool I burst into tears through sheer happiness. Without the use of this pool I do not believe I would have come on as far as I have."*

Dementia sufferer support

People with dementia can find busy hospitals frightening and confusing, so fixtures that are simple and clear in design can help to make life much easier. ACT provided £2,000 to fund 15 dementia-friendly clocks whose uncluttered design, high contrast display and familiar, traditional clock face make them easy to understand.

Patients with dementia also struggle with anxiety and short-term memory and can find it difficult to communicate. Dementia Reminiscence Therapy uses patients' powerful feel-good memories to coax them out of isolation, help them communicate and provide comfort in a time of distress.

Funding of £39,000 has purchased eight easy-to-use touch-screen computers, allowing patients to listen and sing along to the music of their youth, watch old films or play simple games; calming them down and reducing the need for anti-psychotic medication.

Major Trauma Unit garden transformed into healing space

Addenbrooke's serves as the region's major trauma centre and Ward J2 provides rehabilitation for people recovering from serious head and spinal injuries. As patients begin to recuperate, their surroundings become increasingly important.

The ward's courtyard had been greatly underutilised and was very drab. With support from a legacy and an ACT appeal which together raised £125,420, a multi-sensory garden was created. The planted courtyard with its beautiful colours, smells and sounds help to stimulate patients' senses, encourage mobility and nurture recovery; bringing much-needed comfort at such a distressing time.

Radiotherapy quiet room provides much needed respite

A radiotherapy quiet room providing privacy and calm was refurbished thanks to £10,000 donated by the family in memory of former patient William (Bill) Brown. The room, which has a calming décor, comfortable seats and beautiful artwork, is now a welcome space used by patients, their families and staff in the Radiotherapy Department who need time away from the hustle and bustle of the hospital.



"It was such a good experience that the first time I used the pool I burst into tears through sheer happiness. Without the use of this pool I do not believe I would have come on as far as I have."

Hydrotherapy pool patient after the refurbishment

SECTION 4

Our key achievements in 2017/18

Advancing clinical care

Addenbrooke's is at the forefront of cutting-edge clinical care, yet medical equipment evolves at a speed which challenges the NHS to keep pace. ACT's charitable support this year has helped staff keep up with latest developments, ensuring the best possible patient care.

Speeding up diagnosis of critically ill patients – saving time and saving lives

Critically ill patients on our intensive care unit are often teetering between life and death while doctors rapidly try to diagnose whether they have an infection. Standard infection diagnostic tests can take up to five days as cultures are grown in a laboratory. While waiting for results, patients are often given broad-spectrum antibiotics, which do not always work. Patients can rapidly deteriorate or even die before the infection can be treated effectively.

ACT has granted £84,500 to develop a new test which diagnoses infections accurately in a matter of hours and allows the right treatment to be given immediately. This project has the potential to transform the diagnosis of serious infections in thousands of critically ill patients every year – saving time and saving lives.

Improving the lives of blood cancer patients

We spent £30,000 on an Extra Corporeal Photopheresis (ECP) machine to treat chronic Graft versus Host Disease (GvHD), a terrible side effect caused by bone marrow transplantation. Symptoms of chronic GvHD vary from patient to patient and include severe blistering and shedding of the skin, diarrhoea and vomiting.

ECP is a novel technique that uses ultraviolet light to treat the blood cells. It decreases the risk of life-threatening infections and potential admissions to intensive care.

Some patients were having to travel over 50 miles to London or 90 miles to Nottingham for treatment – two days of treatment every fortnight for eight months. This amounted to 170 hours of travelling time and an average of £1,632 in rail fares for each patient. Our

second ECP machine has reduced strain on families at an already difficult time; ensuring patients can be treated in Cambridge and helping to reduce the risk of long term infections.

Liver perfusion machine

Addenbrooke's carries out over 100 liver transplants annually but around 17% of people on the waiting list either die before a donor is found or deteriorate to such an extent that they are no longer well enough to undergo a transplant.

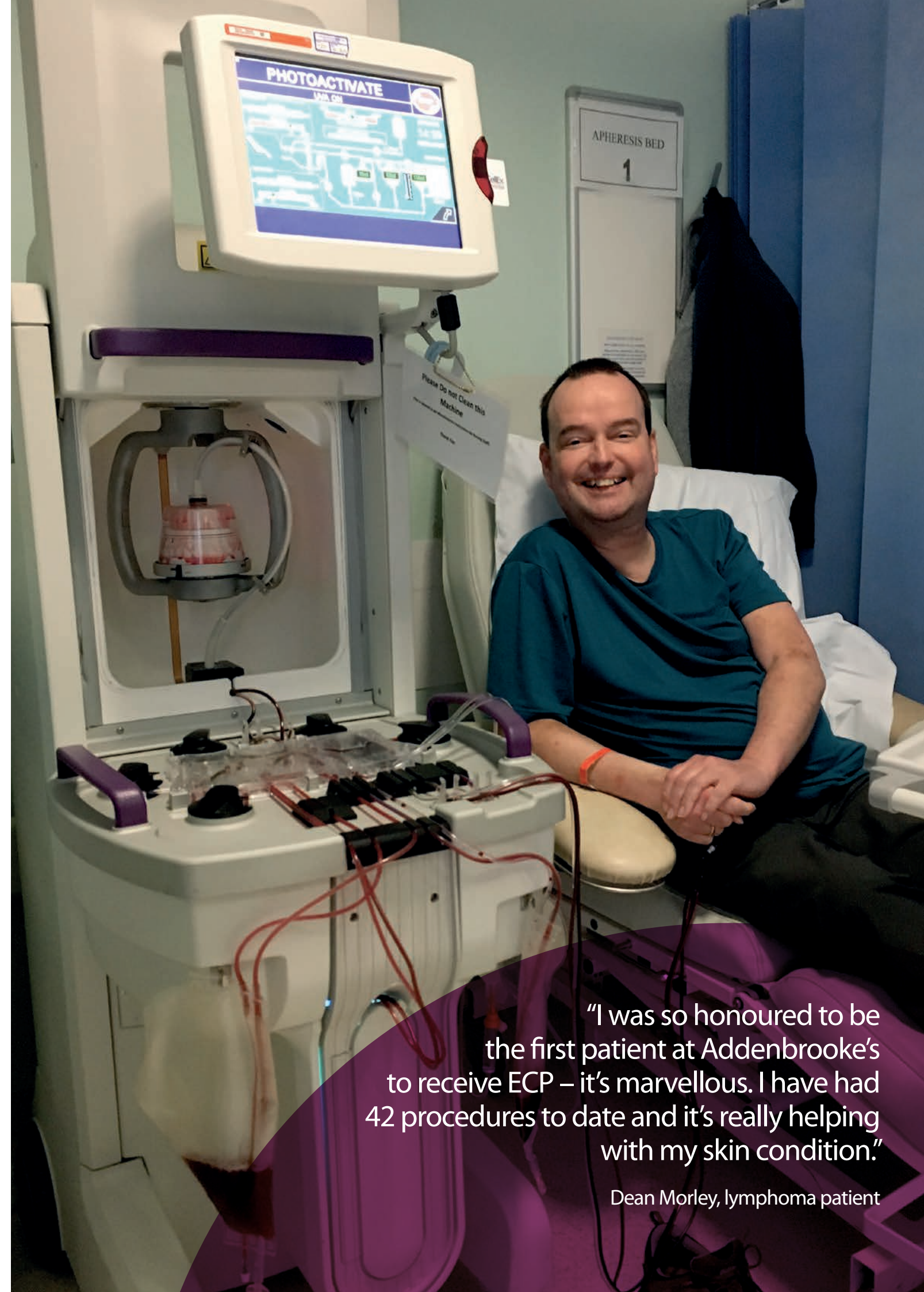
We have supported the very latest cutting-edge liver perfusion technology with £250,000 for an initial 2-year trial, enabling transplant surgeons to 'test drive' livers before transplanting them. This ensures that unsafe livers are not transplanted, giving surgeons confidence in their viability.

Many more lives will be saved and recovery times much improved. The Care Quality Commission has chosen to feature the machine in their latest Driving Improvement - Individuals Who Have Made A Difference report (page 5). The support ACT has given to this project has been recognised in the report.

Training new doctors to safely diagnose infant heart conditions

Heart problems are the most common type of birth defect, affecting up to nine babies in every thousand born in the UK. Echocardiographs are used to help diagnose heart conditions in babies and children, but doctors can only be trained to use this equipment on the babies themselves, who are often sick and fragile, and this can lead to an increased risk of infection.

A £22,000 legacy from an ACT supporter has funded a newly developed paediatric cardiology simulator, enabling doctors to master the skills required under safe and risk-free conditions.



"I was so honoured to be the first patient at Addenbrooke's to receive ECP – it's marvellous. I have had 42 procedures to date and it's really helping with my skin condition."

Dean Morley, lymphoma patient

SECTION 4

Our key achievements in 2017/18

Supporting clinical research

Through funding clinical research awards at Addenbrooke's and the Rosie, ACT provides highly valued seed funding for early stage research projects to improve patient care and treatment.

Personalising breast cancer treatment

Thanks to many generous ACT supporters, in 2015 ACT provided £1.1m of funding spread over a number of years to support the Personalised Breast Cancer Programme. This clinical research project assesses the feasibility of sequencing the genomes of volunteer patients from the Cambridge Breast Unit at Addenbrooke's and using this information to ensure their treatment is personalised and most effective for them. The project established one of the UK's first multidisciplinary 'tumour boards', an Oncogenetics Review Board, to look at a patient's mutation status and consider treatment decisions.

To date, most of the 250 patients needed to take part in this feasibility study have been recruited and had their mutation status reviewed by the Oncogenetics Review Board. This is having an impact for more and more patients, with some patients having changes made to their treatment to lessen side effects or being identified as eligible to enter clinical trials.

As the number of patients participating in the study continues to increase, the database generated from capturing the genomic sequence information becomes richer, making it more valuable for future research studies for example to determine which mutations drive tumour growth and resistance to chemotherapy – information that may lead to the development of personalised cancer vaccines in the future..

How genetic variants affect Multiple Sclerosis progression

Kind ACT supporter, Sarah Heywood (pictured), left a gift in her will of £25,000 to support research which will transform care for future generations. It has been possible to study for the first time how genetic variants affect the progression of Multiple Sclerosis, specifically looking at the immune cells in cerebral spinal fluid. This advance in technology has enabled the capture of five times more cells than originally hoped and,

by looking at these individual cells in such detail and examining such a large number of cells, researchers have been able to identify rarer cell populations that would have been missed by other methods.

Enabling liver cell repair

Currently, bile duct disease is the most common cause for liver transplantation in children, which could be avoided if healthy tissue or cells were available to repair defective ducts.

Researchers have already developed a system to grow bile duct cells; ACT has awarded £15,000 for a proof of principle study that will explore how these cells could repair damaged bile ducts. This may lead to the first alternative treatment to liver transplantation in bile duct disorders and ultimately benefit all liver disease patients by reducing pressure on the transplant waiting list.

Studying defective genes to treat lung disease

Idiopathic Pulmonary Fibrosis (IPF) is a progressive condition of lung scarring that is often fatal. When patients are diagnosed with IPF, the disease is already advanced, making it difficult to understand the cause. 20% of patients with IPF have a relative with the disease and in some families the Surfactant Protein C (SFTPC) gene is mutated. By studying defective forms of this gene, researchers hope to understand the early events that cause IPF. ACT has released £9,500 to support this study with the ultimate aim of finding new ways of treating IPF.



"When Sarah and I decided to update our wills a few years ago, it came as no surprise to me that she chose to make a bequest to MS research. I know that Sarah was pleased to be able to do something to defeat MS, both during her life and after she left us. That was very typical of her can-do approach to living and dying, and it's one of the many reasons I have to treasure her memory."

Neil Heywood

SECTION 4

Our key achievements in 2017/18

Preventing organ rejection

Kidney transplantation is the optimal treatment for patients with end-stage renal failure, but rejection can occur, mainly due to the development of antibodies against the donor organ.

ACT has funded £36,000 to support research which aims to improve the understanding of how donor-specific antibodies assist organ rejection. The hope is to detect those antibodies that are most likely to be harmful and enabling early intervention before the organ is irreversibly damaged.

Early life insight into fertility problems

Previous research has demonstrated that female babies exposed to adverse conditions in the womb have a greater chance of fertility problems later in life, caused by an early decline in egg supplies.

Thanks to £20,000 of charitable funding, researchers have been able to test whether this is true for female babies exposed to low oxygen levels in the womb, which are common in mothers who smoke or who develop problems with the placenta during pregnancy. By looking at egg levels and oxygen concentrations, researchers hope to provide important new insights into fertility problems and how to tackle them.

Development of a hand-held potassium sensor


Keeping potassium levels within defined limits is crucial to the health of kidney patients. Currently patients are dependent on GPs or hospitals for potassium measurements, which is inconvenient and can delay obtaining results.

With £18,000 of ACT funding, researchers in collaboration with the University of Cambridge and the Patient Led Research Hub, aim to conduct proof-of-concept testing to develop a hand-held home monitor for patients. This would involve a simple finger-stick blood sample and a home-based kit to check potassium levels, helping to identify potentially life-threatening potassium levels quicker.

Understanding osteoarthritis of the knee

Knee osteoarthritis is a common and debilitating condition, with increasing cases in the UK due to longer life expectancy and obesity. The Anterior Cruciate Ligament (ACL) is one of the major structural ligaments of the knee. The role of the ACL in the development of osteoarthritis remains unclear.

ACT is providing £10,000 so that researchers can establish what comes first; if damage to the ACL causes progression of osteoarthritis or if osteoarthritis within the cartilage leads to damage of the ACL. With over four million people in England estimated to have osteoarthritis of the knee and its associated healthcare and economic costs, the results of this research could make a huge difference.



The Personalised Breast Cancer Programme funded by ACT in 2015 has led to fewer chemotherapy side effects, making it easier for patients to enter clinical trials and to a database that may lead to the development of future personalised cancer vaccines.

SECTION 4

Our key achievements in 2017/18

Harnessing innovation to benefit patients

We have funded 22 Innovation for Patient Benefit funding programme grants totalling £570,525 since 2014. They support ideas, services and products that could help shape the future for patients and also focus on supporting innovation towards better meeting individual care needs and the delivery of healthcare services.

App injects fun into physio for children with Cystic Fibrosis

Children with cystic fibrosis - a genetic condition that affects both the lungs and digestive system - often struggle to complete the daily physiotherapy needed to clear their chest, finding it repetitive and boring, although it is vital for them to stay well. As well as affecting their own health, this reluctance can also cause a lot of family stress. Will Jackson's young daughter hated her daily physiotherapy, blowing into her Positive Expiratory Pressure device, so he invented a smartphone-compatible physiotherapy monitor linking to a series of games and a smartphone app to turn the tedium into fun.

In partnership with the Cystic Fibrosis Trust, ACT was delighted to make an award of £40,000 to Dr Donna McShane (consultant in respiratory paediatrics) to work with Will Jackson to manufacture a number of devices to the standards required for a clinical trial. PlayPhysio has undergone further design work and is about to undergo its first production run.

Addressing mental health issues for patients in Intensive Care

Being in Intensive Care is brutal and distressing for both patients and their families as loved ones struggle to recover. This can lead to Post Intensive Care Syndrome long after discharge from hospital.

With £58,381, ACT has funded a team that looks after patients at risk of severe mental health problems, helping to address psychological issues and providing emotional support for relatives and partners of patients. In addition, training and development for clinical teams is given to better understand the psychological factors involved and how to respond.

Virtual treatment tool for vertigo in the elderly

Positional vertigo is a frequent and debilitating condition in the elderly causing distressing feelings of dizziness. Although the treatment is straightforward, moving the head into a series of positions to encourage the crystals (the build-up of which are responsible for causing the condition) to move out of the inner ear canal, can be challenging for some clinicians and patients, with many people still coming in to hospital to resolve their condition.

We have given £26,984 to develop a prototype computer representation of the head and inner ear that can track the positioning of the head during treatment, allowing clinicians to see how best to move the crystals out of the ear canal. This device will allow hundreds of people to be treated locally out of hospital and help practitioners to treat difficult patients.

New blood test to identify prostate cancer

There is no current UK prostate cancer screening programme. Patients are referred to urologists based on a blood test that is not cancer specific and as a result many undergo invasive investigations based on an unreliable test.

£40,000 from ACT has funded a new blood test - PHI - to test its value as a first-line tool for investigating patients with suspected prostate cancer. If successful, this project could lead the way for the design of a national innovative prostate cancer detection pathway. This could spare patients the anxiety of further investigations; some of which are invasive.

"When I tried it, it was like hiding physio in a video game. I found it pretty fun and was surprised to find that my breathing was doing well and that I wasn't doing it well enough in my previous physio."

William, age 10.



SECTION 4

Our key achievements in 2017/18

Facilitating education

In 2017/18 ACT supported education and development for 1,250 staff at Addenbrooke's and the Rosie Hospitals. This amounted to £500,000 of educational courses, conferences and presentations over and above NHS funding.

Funding this year has enabled staff to attend conferences and courses across the world; offering a chance to learn new and innovative clinical techniques. It has allowed opportunities for staff to present their breakthroughs in research and improvements in patient care, which supports their own development as well as promoting the hospitals superb reputation globally. By supporting staff in this way, ACT is able to make a big difference to patient care across the hospital.

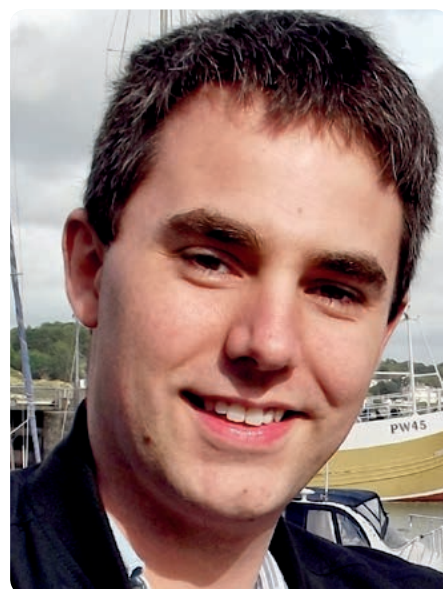
Cambridge Clinical Research Fellowships

This is ACT's flagship research programme aimed at 'capacity building' by supporting outstanding doctors, nurses, midwives and allied health professionals who have the potential and motivation to become the future leaders of clinical research.

These entry-point fellowships offer intensive research training and mentorship from research-active senior doctors and healthcare professionals at CUH and the University of Cambridge, many of whom will have a global reputation in their field of clinical research, all set against the backdrop of an exceptional environment of the hospitals, the university and research institutes on the Cambridge Biomedical Campus. We believe this approach will, over time, lead to more rapid translation of scientific discovery into improvements in healthcare and human health.

Dr Ben Warne

Dr Ben Warne was one of the seven recipients of Cambridge Clinical Research Fellowships in 2017. Ben's fellowship addresses the important issue of antibacterial resistance including the study of carbapenem-resistant Enterobacteriaceae, one of the bacteria the World Health Organisation highlights as a 'critical' priority in posing the greatest threat to human health. He uses a new type of microscope called Opera Phenix to look at changes in the bacteria in the presence of different types of antibiotics and at the biological mechanisms that confer resistance. Ben has developed specialist research skills in microbial genomics and image analysis and uses this knowledge to help Addenbrooke's Hospital and Public Health England respond to influenza in hospitals. The next step for Ben is to secure follow-on funding to complete his PhD.



"Without my fellowship, none of this work would have been possible. The sponsorship has enabled me to generate substantial provisional data to support a further fellowship application for PhD funding to continue this work in the future."

Dr Ben Warne

SECTION 4

Our key achievements in 2017/18

Haematology Day Unit gets a new lease of life

The Haematology Day Unit moved from cramped premises at Addenbrooke's Hospital into a £1.5m state-of-the art facility, doubling the number of patients it can treat and creating an ambient, calming, comfortable and welcoming environment for patients.

Addenbrooke's blood cancer patients can be assured of world class treatment delivered by the very best clinical staff. But up until recently, the facilities in E10 where care took place had fallen far short of world class.

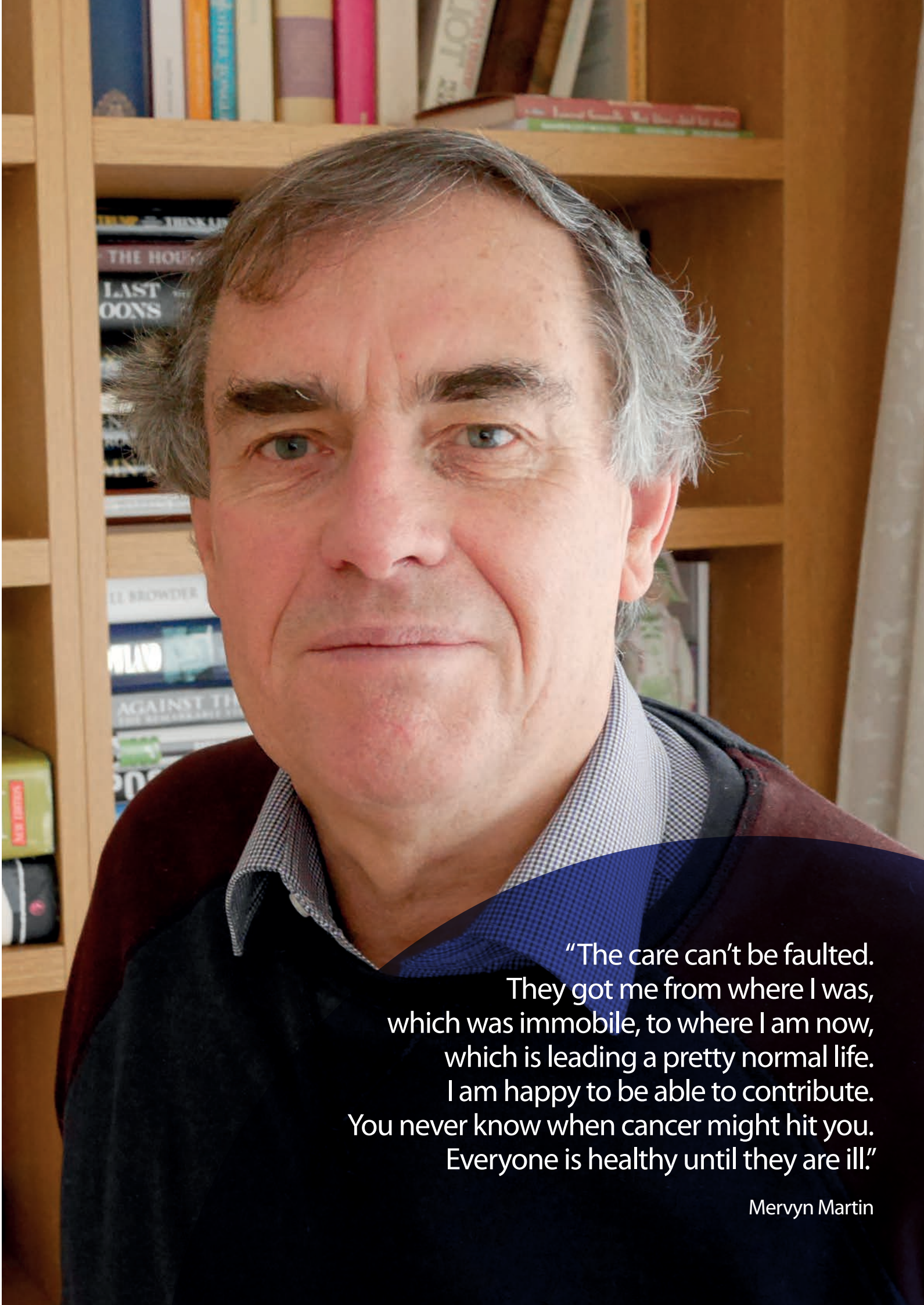
The Haematology Day Unit needed a complete refurbishment, so ACT launched an urgent appeal to fund additional life-saving equipment and much needed patient comforts. Hundreds of kind supporters responded with great generosity and £308,000 was raised in eight months.

The new unit that opened in September is making a big difference to the day-to-day experience of blood cancer patients and now sees 200 more patients a month. Among many other changes, capacity has more than doubled which will allow for a wider range of treatment to be delivered and bring down waiting

times. Five new side rooms will also allow for better infection management and the new unit is spacious, airy and bright, allowing loved ones to comfortably accompany patients during their treatments.

Hannah Brown, Matron and Lead Chemotherapy nurse, has been overwhelmed by the generosity of hospital supporters and said: "I want to thank every single donor. For the patients I work with, this new unit is making a life changing difference."

Generous ACT donor, Mervyn Martin (right), who was treated at Addenbrooke's for bone marrow cancer, has funded an additional video conferencing suite to further complement the unit. This will prevent around 20% of patients having to be deferred due to lack of facilities and will lead to patients being treated more quickly.



"The care can't be faulted. They got me from where I was, which was immobile, to where I am now, which is leading a pretty normal life. I am happy to be able to contribute. You never know when cancer might hit you. Everyone is healthy until they are ill."

Mervyn Martin

SECTION 5

Cambridge Global Health Partnerships (CGHP)

Contributing to achieving the UN Sustainable Development Goals

Mutual learning is promoted between CUH and CGHP’s overseas partners in Botswana, El Salvador, Myanmar, Uganda and the Philippines. Our partnerships help improve and enable sustainable change in global health through working closely with these overseas partners to develop projects that address local needs.

Health is becoming an increasingly global issue, as recognised in the UN Sustainable Development Goals (SDGs), which provide a clear and inspiring vision of a shared and sustainably developed world, with no one left behind. ACT is proud to be playing a part in this through Cambridge Global Health Partnerships (the new name for Addenbrooke’s Abroad).

Over ten years ago the co-founder and now President of CGHP, Dame Mary Archer, heard one of the visionaries of tropical healthcare, Sir Eldryd Parry^[1], set out his vision of how NHS expertise could be used to support other countries’ health systems.

Addenbrooke’s Abroad was born. Ten years later, now known as Cambridge Global Health Partnerships, it has well established health partnerships in Africa, Asia and Latin America, and has helped more than 500 individuals to deliver the highest standards of safe, effective and ethical volunteering; sharing their expertise around the world and bringing back new ideas that enrich and enhance practices at Addenbrooke’s.

With the rapid development of the Cambridge Biomedical Campus, CGHP is keen to work with some of the finest minds, facilities and practices in the world to increase impact. In recognition of these development.

As the world becomes more interconnected, equal partnerships are key to facilitating the flow of ideas, information and innovation. Health partnerships play a crucial role in making this happen, providing opportunities for healthcare professionals of all types - individually or in teams - to improve health services through the exchange of skills and knowledge. At their core they are about inspiring, equipping and supporting people to make a difference, to develop new relationships and their own skills and capabilities.

Win-Win-Win Partnerships

To be sustainable and enduring, partnerships must bring benefits to all participants and this is expressed as a ‘win-win-win’ situation for those with whom CGHP works.

David Wherrett, CGHP Chair and Director of Workforce at CUH says: “I am convinced that global health partnerships are positive. They provide a win for our overseas partners; a win for the individual NHS staff members involved who return to the NHS with a refreshed view of healthcare and their role in it; which means it is a win for Cambridge University Hospitals as their employer.”

¹ Sir Eldryd Hugh Owen Parry KCMG OBE was also the founder of the Tropical Health Education Trust <https://www.thet.org/> among many other roles and accomplishments



“My trips have sparked my motivation and I feel more refreshed and keen. It has brought new ideas to how we can improve our own in-service training programme and opened my eyes to how well our NHS is indeed set up in the UK.”

Lotte Skjodt, CUH Physiotherapist, Volunteer in Myanmar

SECTION 5

Cambridge Global Health Partnerships (CGHP)

Celebrating our achievements

On 23 November 2017, an event, attended by over 120 guests, was held to celebrate ten years of Cambridge Global Health Partnerships. We were honoured to have Hon. Dorcas Makgato, Botswana Minister of Health and Wellness, and Andrew Bastawrous, CEO of Peek Vision, make keynote speeches. Three CGHP volunteers also gave presentations, sharing stories of their experiences. CGHP's new name was announced and its ten-year impact report launched – available online at www.cambridgeghp.org.

CGHP's report of the Social Return on Investment (SROI) analysis conducted on its ten-year health partnership with El Salvador was also launched. The benefit: cost ratio (SROI) was over 3 to 1. In other words, £3 of social value was returned for every £1 invested. For the NHS employer the SROI ratio is nearly 7 to 1. Overall, the analysis suggests that supporting staff to volunteer does not just make humanitarian sense, but pays for itself many times over.



Our First Ten Years In Numbers	
1	Region - Cambridgeshire
3	Sustainable Development Goals
11	Partnership Hospitals
16	Specialties
59	Countries Reached
84	Nationalities In CUH
198	Elective Bursaries
467	UK Volunteers
3,860	People Trained
10,105	Days On Placement



“I cannot be grateful enough for what I experienced. I have always had a passion for helping people and making them smile, but the trip helped me to understand this even more. I have learned that holding somebody’s hand for ten minutes can do more than any medication ever could.”

Dominika Pich, CUH Practice Development Nurse, Panama

SECTION 6

Our Charitable Activities

As the independent charity working in partnership with Cambridge University Hospitals, ACT receives voluntary gifts made to the hospitals for charitable purposes.

This enables tax-efficient giving, for example Gift Aid. ACT fundraises and undertakes charitable trading so as to further increase the charitable funds available for the benefit of patients. The Charity serves as custodian of the charitable funds received. Funds are invested so as to further increase the value of funds held, thereby supporting a higher level of charitable expenditure. The Charity seeks to direct its charitable expenditure in a way that maximises public benefit. This is achieved through grant-making and through partnership with clinicians and managers in the hospital, known as ‘fund advisors’. Finally, ACT reports on the public benefit of its charitable expenditure, so as to demonstrate accountability to its supporters and encourage ongoing support.

Charitable trading

Within CUH, there are various not-for-profit programmes of discretionary activity which generate income from external sources. Some of this income, together with associated expenditures, is administered by the Charity. Education, training and development are the most material sources of income under this heading. This income line includes the discretionary activities of the Cambridge Postgraduate Medical Education Centre (PGME) and the Evelyn Surgical Training Centre (ESTC), the set-up costs of which were jointly funded by ACT and the Evelyn Trust.

Following a recent review of these activities, it has been decided that it is no longer appropriate for the charity to continue to administer and account for the PGME and accordingly the administration has been transferred back to CUH with effect from 1 January 2018.

Charitable expenditure

ACT’s charitable expenditure policy ensures that charitable funds are used to enhance, extend and maintain (on a short-term basis) NHS services. It also ensures that charitable funds are not used to support requirements that should be met by government funding. Charitable expenditure occurs through two main routes: grant-making and on the advice of fund advisors from designated and restricted funds.

Grant-making

The Charitable Expenditure Committee takes advice from a number of hospital advisory committees, each of which is made an annual allocation from unrestricted funds. These committees accept proposals on an open basis, both from CUH staff and from other charities providing services within CUH. Proposals are assessed on a competitive basis. Assessment criteria include scale of patient benefit; deliverability and conformity with charitable expenditure policy.

These committees also make recommendations on expenditure from designated and restricted funds. Larger proposals, especially for expenditure from unrestricted funds, may also be received directly and considered by the Charitable Expenditure Committee.

SECTION 6

Our Charitable Activities

The advisory committees, together with their remit and allocations are as follows:

Committee	Remit	Allocation 2017/18
Professional Advisory Committee (PAC)	Equipment, works, staffing, external grants - if not related to research.	£190,000
Research Advisory Committee (RAC)	Research projects, infrastructure and medical and NMAHP fellowships	£240,000
Innovation Panel	Innovation projects	£140,000
Patients' Amenities Panel (PAP)	Small projects for increased patient amenity (up to £2,000 per project).	£30,000

Examples of projects funded through these various routes are given in the section on our achievements. See pages 10 – 23.

The allocations to committees were increased for 2017/18. The largest increase (40%) was awarded to the Innovation Panel for a mix of new projects and follow on funding. PAC and PAP were both awarded small increases of £10k each.

Fund advisors

The Trustees are responsible for around 450 restricted and designated unrestricted funds, each of which supports a different department, ward, clinic, research or other programme in line with donors’ preferences. Fund advisors, who are mostly senior clinical staff with specialist knowledge of the department or purposes supported by the fund, are responsible for expenditure. There are a minimum of two fund advisors for each fund and advisors can spend up to £5,000 for charitable purposes. Approval by ACT’s Chief Executive is required for spends above this and approval by Trustees is required for expenditure over £10,000.

Delegating to fund advisors in this way means that expenditure decisions are well-informed and have the further benefit of encouraging the involvement of staff in fundraising.

During 2017/18 around 42% (2016/17 62%) of expenditure by value and 94% (2016/17 69%) by volume of transactions were approved by fund advisors under delegated authority.

Programme delivery

The Charity does not, in general, undertake the delivery of services as its operating model is to make grants in support of the service delivery of CUH. The exception to this is Cambridge Global Health Partnerships (formerly known as Addenbrooke’s Abroad), link charity number 1170103-113, which provides comprehensive support services to staff who wish to volunteer in low and middle income countries. The international volunteering experiences develop staff in a number of ways, through working in challenging environments and multi-cultural approaches to healthcare.

During 2018 further funding was secured from the UK Department for International Development for a second phase of the Cambridge Yangon Trauma Intervention Project, in addition, the project to provide eye health screening and treatment for all school children in Botswana was announced by the Government of Botswana. This project is a global first and CGHP is working in partnership with Peek Vision and others to support the Government of Botswana to implement this project.

After recent scrutiny on safeguarding in the global charitable and aid sectors following allegations of inappropriate behaviour by overseas aid workers, an internal audit was conducted on CGHP safeguarding policies and procedures and improvements are being incorporated.

SECTION 6

Our Charitable Activities

Assets held for hospital-related purposes

The Charity has a programme-related investment (PRI) policy that allows for total PRI of up to 15% of total investment and sets the parameters for management. Risks associated with PRI are managed through legally-binding agreements with CUH, covering such matters as asset ownership, maintenance, insurances, liabilities and indemnities. Maintenance contracts are administered through the Fund for Addenbrooke's Ltd (FFA Ltd). These arrangements have enabled the hospital to acquire leading edge technology. The financial performance of these investments has been consistent with the objectives set by Trustees.

The Charity also owns two of the six MRI scanners in use by the hospital. Under long-standing agreements with CUH, these are made available for hospital use and the hospital pays management charges to the Charity's charitable trading subsidiary, FFA Ltd. These arrangements create a surplus which is transferred back to ACT, building a sinking fund for scanner replacement. These arrangements have enabled the hospital to remain at the leading edge of MRI technology for the past quarter century. The current agreements ran until 31 March 2018 and confirmation has been received that CUH wish to extend these until 2021.

Investment management

The Investment Committee meets twice a year and reviews policy and performance.

Performance against benchmarking is indicated by the investment managers in their report to each meeting of the Investment Committee. The committee includes both Trustees and external experts for whose voluntary contribution the Trustees are extremely grateful.

The portfolio is managed by two investment managers and each has been set a different investment objective.

The financial investment objectives are as follows:

- To provide sufficient cash at all times to meet the expenditure requirements arising from charitable expenditure decisions and operating requirements.
- To hold investment management costs at a level that is proportionate to asset values and represents value for money.

In order to deliver these objectives, we have set our investment managers the following targets:

- Investment Manager 1 - To preserve capital, i.e. not to lose money on a rolling 12-month basis.
- Investment Manager 2 - Not to lose greater than 5% of capital value on a rolling 12-month basis.
- Both Managers have been targeted to achieve returns that exceed those available from cash and other short term deposits.

The achievement of these objectives has been delegated to the Investment Committee. The Charity will not invest in any company or collective fund with significant involvement in tobacco products, whether direct and indirect, as this would be in conflict with the aims of the Charity, tobacco being harmful to health and therefore creating an additional burden on NHS resources.



"I am so grateful to be alive and for all the wonderful staff at Addenbrooke's that looked after me."

Maggie Mooney, liver transplant patient

SECTION 7

Addenbrooke's Charitable Trust strategic review

Our strategic goals and how we delivered against them in 2017/18

To double baseline voluntary income and charitable expenditure by 2025

Fully embrace the hospital as part of our DNA by introducing our Grateful Patients' Programme:

- We developed and launched the roll-out of a specialist training programme for hospital staff; to create a culture of philanthropy
- We piloted a Grateful Patients' Programme with the children's division of the hospital.

Deliver better service to the hospital:

- We introduced a new team relationship management structure to provide better service to the hospital.

Dramatically increase visibility of the Charity in the hospital:

- We have secured agreement from the hospital's leadership team to install three permanent charity hubs in the main hospital
- We have installed charity displays in wards and departments throughout the hospital.

Provide exceptional service to our donors:

- We will evaluate the way we look after all our donors to ensure they feel appreciated.

To become a leader in grateful patients' fundraising

- We have successfully launched the Grateful Patients' Programme, resulting in nearly 60 clinicians, medical and support staff completing our grateful patients training activity. We have been working closely with the hospital to ensure that there is always a positive response to patients who want to express their support for the hospital and the community in this way. Further training is planned for 2018/19
- Our Grateful Patients' pilot Programme working with the children's division proved successful and led to us starting recruitment for two new roles to work with other areas of the hospital. We are already seeing an increase in new prospects, fundraised income and improved hospital relationships by working more

closely with the hospital teams using a relationship management model.

To capitalise on the Charity's new legal status and full independence

- We remain committed to identifying opportunities to capitalise on our independent status, working creatively to deliver the best results for the staff, hospital and patients
- We established a new fund advisors' and trustees' regular forum to maintain lines of communication between both parties. We undertook a survey of the 400 plus fund advisors to understand their feedback and their needs looking forward. This was a useful exercise and one we will review regularly. There is still much more we can do in this area.

To develop our people

- We started to develop our volunteer strategy to increase the number of volunteers supporting the organisation and our fundraising activities
- We undertook a 'Governance Code' audit of the Board and have commenced an external board effectiveness review to identify developmental areas for enhanced performance
- We have taken an entrepreneurial approach to training this year and secured:
 - free presentation skills training
 - pro bono work on developing cultural ideas
 - fundraising training
 - mindfulness training.
- Where possible we seek to use the learning and development resources from within the hospital on generic training matters i.e. safeguarding. We also encourage our people to network and learn from others
- We prepared an outline organisation development strategy which we put on hold in the second half of the year as we identified a more pressing need to restructure. This will be revisited in the new financial year.

SECTION 7

Addenbrooke's Charitable Trust strategic review



To fund innovation that yields tangible benefits for patients

- We continue to run our Innovation for Patient Benefits Awards. The scheme supports projects that provide public benefit through improved service scope and/or quality. The intention is not to support current ways of delivering services, but to facilitate the development and adoption of new and improved ways of providing healthcare. Both product and process innovation are eligible for support. We have standard procedures for making the results of the project publicly available
- Our Innovation Panel received 11 applications for funding totalling £360,000. We awarded funding to five projects totalling £116,915. Where possible we have sought to identify the use of appropriate bodies (e.g. Cambridge Enterprise, NIHR) to further support the ideas

- We specifically focused on building 3D capability resulting in a final call for proposals to further broaden the reach of the project
- We hosted a business breakfast to connect business leaders and clinicians from the hospital to identify opportunities for innovation and collaboration.

To support the hospital in addressing its capacity shortfall

CUH continues to manage the increasing capacity pressures. We hope through alleviating some of the financial burdens in other areas, this frees up capital resources to push for the capacity improving activity that is severely required. During 2017/18 we have supported the refurbishment activity of the Haematology Day Unit and the Paediatric Day Unit which both help with patient experience and flow in these areas.

SECTION 7

Addenbrooke's Charitable Trust strategic review

Our strategic goals and their associated objectives for the next 12 months

We remain committed to the same strategic goals as we have for the past four years as this is the right strategy to better support the hospital.

To double baseline voluntary income and charitable expenditure over ten years

Fully embrace the hospital as part of our DNA by introducing our Grateful Patients' Programme:

- Expand our hospital engagement team to broaden our impact in the hospital by partnering with other hospital departments including cancer, diabetes, critical care, audiology and ophthalmology
- Offer specialist grateful patient training to a further group of hospital staff
- Train our staff to ensure sustainability of this training through a 'train the trainer' approach.

Deliver better service to the hospital:

- Finalise and strengthen our changing structure from a conventional fundraising model to one that better suits the NHS environment and focuses on relationship management.

Dramatically increase visibility of the Charity in the hospital:

- Install three permanent charity hubs in the main hospital
- Install contactless donation points and cash donation points throughout the hospital
- Revitalise our branding and messaging strategy to increase awareness of the Charity
- Collaborate with the hospital's communications department to provide good news for their editorial calendar.

Provide exceptional service to our donors:

- Increase our focus on donor care by building skills and developing quality assurance programmes
- Review our website to identify quick/cost effective wins with a long-term view of building a new website in collaboration with the hospital.

To become a leader in grateful patients' fundraising

We will seek ways to:

- Evaluate the performance of the programme after one year on a regular basis
- Roll out our relationship model with cancer, diabetes, critical care, audiology and ophthalmology and consider other areas to partner with
- Prioritise for each partner area including staff relationships, visibility and generating fundraising enquiries through mass-patient and staff engagement strategies.

To capitalise on the Charity's new legal status and full independence

Seek new and innovative ways to support the hospital through:

- Funding models to support the purchase of equipment/space
- Leveraging investment portfolio for capital projects.

To develop our people

- A key priority is to drive focus and attention to our 'volunteer for ACT' scheme and increase the use of volunteers throughout the organisation
- Through the reorganisation we have recruited new talent into the Charity and we are keen to ensure that we learn from them, and from each other to deliver the best results for the hospital
- Continue to develop skills in relationships/ engagement management
- To rollout our Organisational Development Plan with an integrated talent management programme
- Complete the actions from our external board effectiveness review.

SECTION 7

Addenbrooke's Charitable Trust strategic review



To fund innovation that yields tangible benefits for patients

We remain focussed on allocating expenditure towards innovative projects that capitalise on the ingenuity and expertise of hospital staff, that will have tangible benefits for patients and their families.

We also intend to:

- Strengthen impact reporting for research spending
- Adopt a benefits framework and incorporate into all stages of grant-making process.

To support the hospital in addressing its capacity shortfall

Trustees are keen to support the hospital with a major capital campaign and we remain in discussions concerning the bigger strategic conversations surrounding three potential major capital campaigns. The Charity has provided some support where needed over the development of these campaigns, and is working with the project teams as the development and scoping phases are completed. Much of the success of this depends on the support of central government and NHS bodies.

Ensure that the Charity is able to respond both short and long term to capacity needs. Encourage the conversation beyond the traditional realms of what has been possible.

SECTION 7

Addenbrooke's Charitable Trust strategic review

Exciting plans ahead in support of our hospitals

In addition to our strategic objectives we are working on a number of exciting projects in the year ahead to help transform patients' lives.

Raising £1 million to transform care for sick children

Addenbrooke's provides world-class care for more than 80,000 children in Cambridge and throughout the East of England. Staff work tirelessly to ensure the very best care but our buildings, equipment and staff urgently need investment beyond the constraints of the NHS budget. We are raising £1 million to dramatically improve wards, buy state-of-the-art equipment and fund extra staff posts in the team to provide exceptional care for families; all of which will help us to treat children quicker, and reduce their pain and anxiety while they are in hospital; to get them home more quickly.

Advancing clinical care – transforming liver transplantation to save lives

Addenbrooke's is one of only a few liver transplant centres in the UK, and an international centre of excellence. We carry out over 100 liver transplants annually and the number grows each year. However, 17% of people on the waiting list still die before a donor is found, or deteriorate until no longer well enough to undergo a transplant and are removed from the list.

We want to continue to invest in the very latest cutting-edge liver perfusion technology that will enable transplant surgeons to 'test out' livers before transplanting them. This ensures not only that unsafe livers are not transplanted, but also that livers that would be suitable for transplant are not discarded due to lack of confidence in their viability. We would expect to carry out 25% more transplants and improve the success rate of all liver transplants at Addenbrooke's. Not only will many more lives be saved, but recovery times will also be much improved.

To achieve all of this, we need to raise further funds to invest in a state-of-the-art liver perfusion machine.

Supporting clinical research – the continuation of our fellowships programme

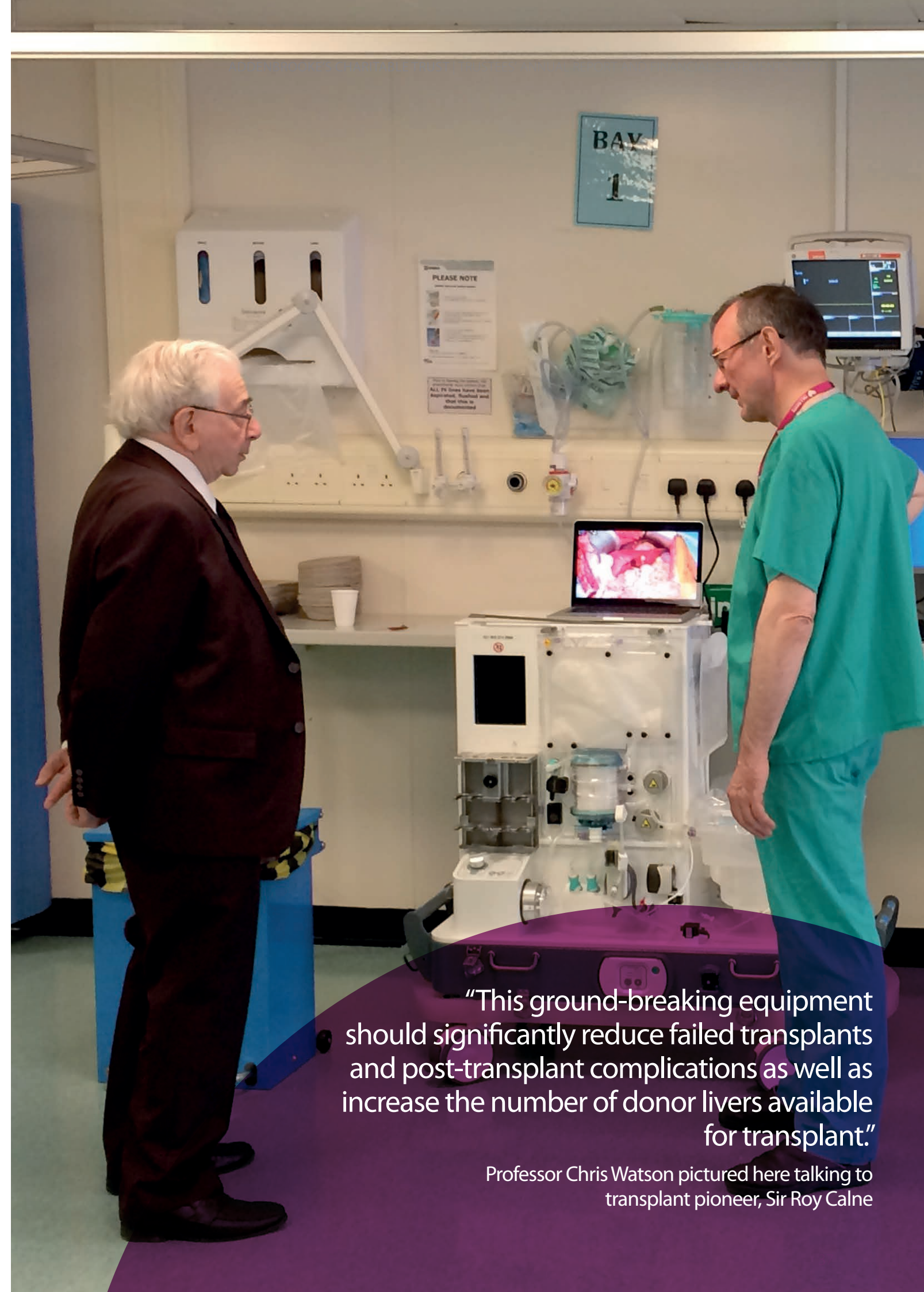
We have awarded five new Cambridge Clinical Research Fellowships; the new fellows will undertake their clinical research in the areas of mitochondrial disease, chronic kidney disease, vasculitis, immunological risk assessment in transplantation and cartilage damage and repair. We hope to support other fellows in the field of oncology.

Addenbrooke's + industry = reimagined healthcare

We are helping the hospital become 'open for business'; connecting hospital staff with Cambridge businesses to unlock dilemmas that affect how we care for patients. Collaboration between the NHS and industry, especially at a local level could transform healthcare; developing new technologies, identifying new diagnostic tools and new practices to help the hospital take advantage of new opportunities and solve some of its most complex challenges.

Addenbrooke's cancer and life-saving appeals

In 2018/19 we will launch two new fundraising appeals to enhance the care of patients we look after who have cancer or who are admitted as emergencies. Our mission is to provide our doctors and nurses with extra funds beyond what the NHS can provide so they can deliver the very best care our patients deserve.



"This ground-breaking equipment should significantly reduce failed transplants and post-transplant complications as well as increase the number of donor livers available for transplant."

Professor Chris Watson pictured here talking to transplant pioneer, Sir Roy Calne

SECTION 8

Financial Review

2017/18 was Addenbrooke's Charitable Trust's first year as an independent charity and whilst the final out-turn was better than that anticipated after the first half (although voluntary income was behind both budget and the previous year), this performance masks a challenging year.

There were a number of matters that affected the overall financial performance:

- The Trustees concluded that the charity was no longer structured appropriately to continue to be responsible for processing the discretionary activities of the Cambridge Postgraduate Medical Education Centre (PGME) and the Evelyn Surgical Training Centre (ESTC). In 2016/17 this activity generated £3m of income (including £1.1m Health Education England (HEE) course development grants). CUH concurred and agreed to take over the processing. The Charity ceased responsibility for these transactions from 31st December 2017 and CUH gradually took over all transactions completing the transition on 31st March 2018. Note 16, to the financial statements, outlines a contingent liability relating to this activity.
- The investigation into the activities of the above highlighted that an element of its activity was not primary purpose trading and not eligible for the education exemptions in respect of VAT. These accounts include an estimate of the unrecoverable VAT on this and a small number of other activities, which now become liable for VAT because of breaching the relevant limits.
- The Trustees approved investment of £67k in the development of the Grateful Patients' fundraising programme, which initiated an externally provided training programme in the second half of the financial year for ACT staff, senior CUH staff and a number of appropriate senior clinicians.
- In the final quarter the fundraising team was restructured to align itself with the Grateful Patients' fundraising strategy. There were 4 staff redundancies costing £36k.

- Prior to the restructure, replacement of fundraising roles had been on hold which meant that by the end of the restructure there were 7 vacancies out of a total establishment of 37.
- During the year, a small number of staff contracts were terminated by mutual agreement for a total cost of £52k.

In summary therefore:

Total income fell by 26% to £8.7m from £11.8m. Of this fall of £3.1m, £1.7m related to PGME and ESTC.

Total expenditure increased by 4%. Fundraising expenditure (£1.4m) fell by 13% whilst charitable activities (£8.6m) increased by 6%.

Of every pound that we spent in the year, 82p (2016/17: 81p) was spent on charitable purposes, 16p (2016/17: 16p) on fundraising and the running of the Charity, and 2p (2016/17: 3p) on investment management.

Every pound of total income that we raised cost us 21p (2016/17: 16p) to raise. This ratio will continue to rise as a result of the transfer of PGME income back to CUH, once voluntary income levels grow to compensate for this loss of income they will begin to return to previous levels.

Every pound of voluntary income that we raised cost us 26p (2016/17: 23p) in fundraising costs. This reflects the fall in voluntary income during the year.

The increase in spend on charitable activities was in all key (patients, staff and research) areas except course expenditure (related to PGME and ESTC activity).

The performance of the Charity's investment portfolios was disappointing – total losses of £0.4m (2016/17 £1.3m gains) – and reflected the market turbulence of early 2018.

SECTION 8

Financial Review

The Charity's investment properties, in consultation with our property managers, were not revalued at the end of the year and remain at their quinquennial valuation carried out in March 2017. This reflected the properties' proximity to the hospitals (from where most tenants are sourced and which generates a strong rental income stream) combined with local market conditions.

As a result of this overall performance, reserves fell by £2.2m, a partial reversal of the increase of £4.3m in 2016/17.

Income

Total income fell by £3.1 million to £8.7 million in 2017/18, representing a downturn of 26%. The two main contributors to this decrease were PGME and ESTC income and voluntary income generated by the Charity itself.

Voluntary income fell by 23% to £4.7m. The previous year benefitted from the one off 250 Gala event (£560k), and £733k more in legacy receipts. Grants and trusts and community fundraising income were down year on year by 25% - both teams impacted by lack of resource during the year.

The Charity is disappointed to report that it failed to achieve its voluntary income targets in all areas except direct mail and regular donation givers for 2017/18 by 18%. The last quarter of the year saw an upturn in voluntary income with 35% of the year's achievement earned in that period. The staffing challenges and restructure referred to elsewhere in this report were a contributory factor in this performance.

Income in the trading subsidiary from Programme Related Investments at £1.7m (2016/17: £1.3m) increased due to new income from the Linac radiotherapy machine.

Income from charitable activities fell by 53%. Of this £2m decrease, £1.7m related to the fall in PGME and ESTC income from hiring out the ESTC facility, running courses and course development funding. This transferred to CUH with effect from 1 January 2018.

Investment income grew by 6% (£27k) due to improved dividend income.

Expenditure

Total expenditure grew by £0.4m a 4% increase year on year.

Expenditure on raising funds (charity) at £1.4m fell 13%. This was largely due to one off costs in the previous year associated with the 250 Gala event. The 2017/18 costs include voluntary redundancy costs for 4 staff totalling £36k (including on costs) and a total of £67k relating to Grateful Patients' fundraising strategy development costs.

Expenditure on charitable activities increased to £8.6 million (an increase of 6%). The most significant contributor to the increase was in the research expenditure categories which totalled £2.3m and increased year on year by £0.7m. Major research spend areas included £500k on personalised breast cancer research, £127k on leukaemia research and £109k on rheumatoid arthritis. The Charity awarded research grants and fellowships totalling £460k.

The appointment in late 2016 of a dedicated CUH liaison role to locate and stimulate patient related projects has been a success and the spend on targeted patients' welfare categories has increased by 17% despite the continuing NHS challenges that are major distractions for CUH clinicians and support staff.

Some of the major items of expenditure in 2017/18 are outlined in the section on 'achievements during the year'.

PGME and ESTC course costs fell by 31%. This tracks the related course income decrease.

The balance sheet of the Charity remains strong with £15.3m invested in the Charity's absolute return portfolio; £6.2m in residential property and £3.6m in short term bank deposits. Cash holdings were lower than the previous year reflecting the purchase of the Linac equipment (£1.7m) and lower income.

SECTION 8

Financial Review

Reserves

As a consequence of the decrease in income, increase in expenditure and the investment losses, total funds fell to £25.6 million from £27.8 million. Of this, £23 million or 90% is held in restricted or designated funds.

Free reserves

The Charity's policy was reviewed in April 2017 and approved by the Board in June 2017. This review reduced free reserves from 12 months operating costs to 6 months operating costs (excluding investment management costs). The reduction was agreed on the basis that the Charity has recourse to around 450 funds, that it administers in the event that adverse economic conditions affect the Charity's ability to raise funds. The policy is to treat unrestricted and undesignated funds as free reserves. At the balance sheet date, these amounted to £2.6 million, including £1m in respect of the trading subsidiary.

Operating costs are budgeted to be £2.3 million for the 2018/19 year of which 60% are staff costs. Whilst this means that free reserves exceed the current policy,

the Charity uses those free reserves to fund its grants programme (approximately £500k in 2018/19) and is using some of its free reserves to develop a grateful patients' fundraising programme which will require an investment in capacity over the next two years.

Designated funds

Designated funds hold monies donated where donors have expressed a preference without imposing a binding trust. The Trustees can remove the designation of funds at any time if an urgent need arises. At 31 March 2018, there were over 380 designated funds totalling £18 million and they hold monies donated for a particular ward or specialism and amounts set aside for grants made by the Charity.

The balances held in designated funds are regularly reviewed to determine whether these funds are likely to be committed in the near future and the extent to which there is a continuing need identified for any particular designated fund(s). Any inactive funds are closed and the funds transferred to reserves.



£250,000 in donations from generous supporters has meant that Addenbrooke's refurbished Paediatric Day Unit (PDU) now gives children with cancer and other serious conditions the chance to be seen quicker and in a more child-friendly, engaging environment

SECTION 9

Our structure, governance and management

Our legal status

Addenbrooke's Charitable Trust (ACT) is the officially-recognised registered charity supporting Cambridge University Hospitals NHS Foundation Trust.

On 1 April 2017, the Charity was incorporated as an independent charity and ceased to be an NHS charity. The entire undertaking of the unincorporated NHS charity known as Addenbrooke's Charitable Trust (the 'Old Charity') was transferred to a company ('New Charity' known by the same name) limited by guarantee and registered with Companies House (registered company number 10469089) and with the Charity Commission for England and Wales (registered charity number 1170103) (the 'Charity'). The Charity is subject to both charity and company law.

The Charity's governing document is now its Memorandum and Articles of Association.

The purposes of the various funds held by the Charity remain the same following the transfer.

The Charity also owns a non-charitable subsidiary, The Fund for Addenbrooke's Ltd (company number 4287054), which serves as a vehicle for non-charitable trading activity.

In addition to responsibility for Addenbrooke's Charitable Trust, the Trustees are also responsible for various precursor and related charities. Cambridge Global Health Partnerships (formerly Addenbrooke's Abroad) has objects that extend to the promotion of health in countries other than the UK. Addenbrooke's Hospital Recreational and Development Trust owns the freehold of the hospital's sports and social club, which is maintained and managed by CUH under a long leasehold agreement.

Governance and management

The Trustees are collectively responsible for the overall governance and operations of the Charity and for ensuring that the Charity acts in a way that is consistent with its objects and results in public benefit. There were nine trustees in office throughout the year, with one resigning on 30 June 2017. There were seven independent trustees and two trustees representing

the CUH NHS Foundation Trust. Two new independent trustees have recently been appointed.

The Trustees are appointed to hold the charitable funds on behalf of CUH and can apply these funds for any purposes of the Foundation Trust or the wider NHS. The Trustees are responsible for the administration of the Charity and for ensuring that assets are properly managed, controlled and safeguarded in accordance with company and charity law.

The Trustee appointments process is designed to ensure fairness and openness and ensure a trustee body that has the mix of experience, skills, knowledge and competencies required. All vacancies are advertised and selection is made against a person specification agreed with the Nominations Committee (NC), which is linked to the Human Resources Committee (HRC). An independent external assessor, nominated by the NC, is involved in the selection process, including interviews. Trustees are appointed for four year terms in the first instance, renewable up to ten years, subject to satisfactory performance. New trustees are introduced to the Charity through an induction process that involves ACT and CUH staff and other trustees.

The Trustees are volunteers and do not receive any remuneration for their services, but may claim reasonable expenses incurred in connection with their attendance at meetings or other duties. One trustee claimed expenses in the financial year. Trustees are required to disclose all relevant interests and withdraw from any decisions where a conflict of interest arises. The Trustees meet formally as a full governing body four times a year but also meet less formally from time to time for strategic planning and other developmental activities.

The Trustees appoint a Chairman, Vice-Chairman and Treasurer from among their number as honorary officers. The terms of these appointments are three years, renewable up to a maximum term as trustees.

The Trustees confirm that they are aware of the requirements of The Charities Act 2011 that they must

SECTION 9

Our structure, governance and management

have regard to the guidance of the Charity Commission in relation to public benefit and have considered the guidance "Public benefit: the public benefit requirement (September 2013)". ACT's activities make a difference for the extensive community served by CUH, as evidenced in this report.

Trustee committees

The Trustees delegate responsibility for more detailed consideration of the Charity's affairs to six committees, each including at least three places for trustee members, chaired by a trustee and reporting to the Board of Trustees. Of the six committees, three are longstanding, two have been established in the last two years and one during 2017/18.

- The Finance and General Purposes Committee: oversees and provides advice on audit, administration, finance, risk and employment matters
- The Charitable Expenditure Committee (formerly the Grants Committee): reviews and decides upon applications for grants and overseeing charitable expenditure
- The Investment Committee: advises on the Charity's investment policy and oversees the investment management process

- The Human Resources and Remuneration Committee: oversees and reviews policies and issues affecting staff and volunteers. Pay and remuneration for key management personnel is recommended to the Board of Trustees by the Remuneration Committee. Reference is made to other NHS charity salaries and sector wide senior salary benchmark reports in arriving at their recommendations
- The Nominations Committee: oversees the process of recruitment and selection of trustees and the Chief Executive Officer on behalf of the trustee body
- The Fundraising Committee: newly established - oversees fundraising for charitable purposes and advises the Board on policy, processes and procedures for the support, control and direction of charitable fundraising.

Board review

During the year the Trustees commissioned:

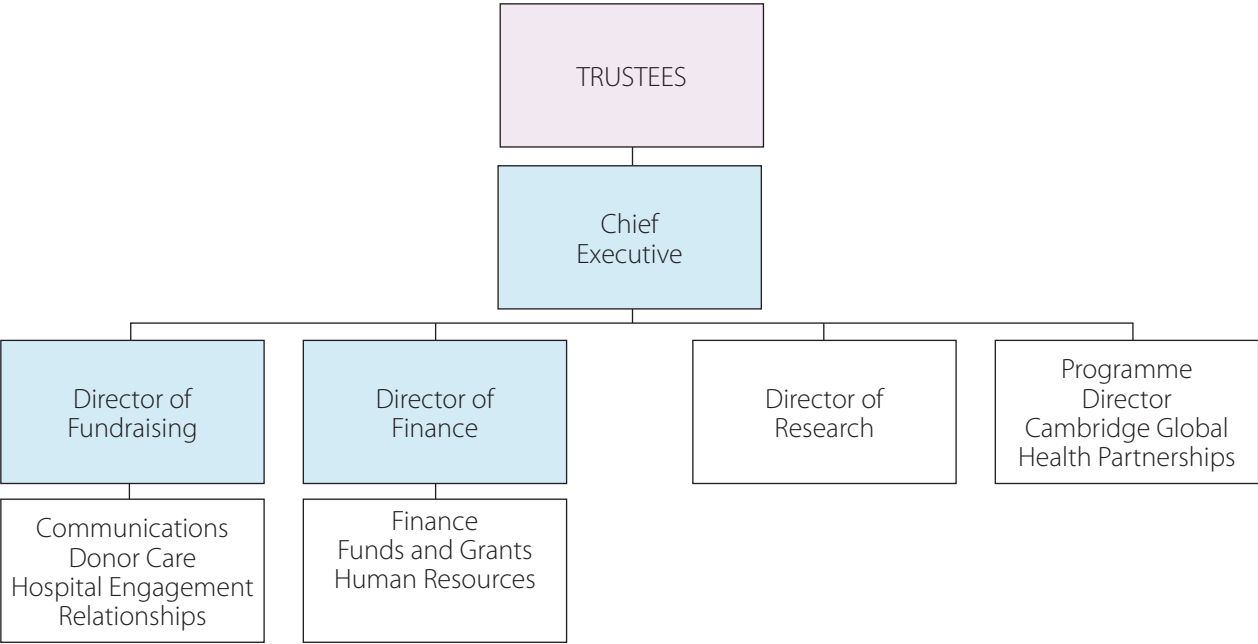
- An audit of the Board under the new Governance Code which highlighted a need to do more in the area of cultural diversity representation and board development activity
- An external board appraisal, the results of which will be reviewed in the first half of 2018/19.

SECTION 9

Our structure, governance and management

Organisation structure

The Charity delivers its charitable objectives through the following organisation structure (key management personnel in blue) which came into being from 1 April 2018.



Fundraising

The Charity employs a team of professional fundraising staff. During the year under review the board approved the implementation of the new Grateful Patients' fundraising strategy. This focuses on supporting clinicians to be able to signpost patients who wish to show their thanks for the care that they have received to ACT. This can come in a number of ways including volunteering, active fundraising, a legacy or a one off or regular donation. During the last quarter of 2017/18 ACT restructured the Charity to better deliver that support. This resulted in the merger of two teams (Community Fundraising and Supporter Engagement) into a new Donor Care team and the creation of a completely new team called Hospital Engagement, which is dedicated to building relationships with the hospitals' clinical teams. Communications and Relationships (high net worth philanthropy, individuals and groups who have fundraised significant amounts in the community for several years, trusts and grant applications, corporate partnerships and legacy fundraising) largely remain unchanged, although new heads are to be appointed during 2018/19.

The restructure resulted in a small number of staff redundancies and seven vacancies, the majority of which were filled by the end of August 2018.

The public benefit arising from charitable expenditure is also monitored and communicated to supporters.

The Board of Trustees maintains overall oversight of governance and ethical aspects of fundraising and provides advice to senior management in order to support good governance and effective performance of the fundraising task.

Due to recent regulatory and public interest surrounding charitable fundraising, the Board agreed that greater oversight and support should be provided in this critical area. During 2017/18 the Board established the Fundraising Committee with the dual aim of providing support and also guidance of ACT fundraising activities. This change was timely in light of the introduction of the new GDPR regulation.

ACT is registered with the Fundraising Regulator who assumed responsibility for regulating fundraising.

SECTION 9

Our structure, governance and management

The Board reviewed eight complaints with the Chief Executive at the quarterly board meetings during 2017/18. The majority of complaints related to administration errors and two were related to mailing requests. As a result of these reviews and the introduction of GDPR regulations, we expect to see less complaints in future.

Also, during 2017/18, ACT revised its complaints policy to ensure it complied with the requirements of the GDPR regulations and enabled our customer relations data base to accurately record complainants.

In respect of ensuring that our fundraisers or fundraising activities do not pressurise vulnerable people, we have formalised, as part of introduction of the GDPR regulations, the need to have donors or potential donors to opt in by providing consent to interacting with ACT.

ACT is committed to safeguarding the security and protection of the personal information that we process, and to deliver a compliant and consistent approach to data protection in accordance with the General Data Protection Regulation (GDPR) which came into force on 25 May 2018. ACT used a designated GDPR working group who convened on a regular basis to create data processes, policies and protocols in order to prepare for GDPR. All staff have undergone tutorials and training sessions to guarantee GDPR is kept at the heart of all of our activity and that our supporters are treated fairly and transparently.

Volunteers

The Charity is reliant on the support of our volunteers, many of whom have supported our work in fundraising for the hospitals over many years. Volunteers provide this support in various ways:

- As organisers of, or participants in, community fundraising events, such as challenge events or sponsored activities
- By providing administrative support to the Charity's staff across all areas.

We have a core of about 10 regular volunteers donating their time which equates to about 1,800 hours per year, as well as the many people and volunteers that help during fundraising events. This does not include the clinical fund advisors that so generously give their time to assist with the use of

charitable funds. The hospital manages the Hospital Volunteer Service which is independent of ACT.

Cambridge Global Health Partnerships also relies on approximately 6,000 volunteer hours per year to achieve its programme of support to countries with developing economies.

Risk management

The Charity identifies and appraises operational and strategic risk through a process involving staff drawn from across the organisation. Typically, an annual workshop is held, in which the staff involved identify, agree and classify risks. The resulting risk register is reviewed by the senior management team and discussed with trustees on a quarterly basis.

The most recent exercise of refreshing the risk register was undertaken in April 2018 and identified 12 active risk areas.

Of these active risks areas, two were 'red-rated' and the remainder were 'amber-rated.'

We identified the following principal areas of risk, and the way to manage them:

Financial

- Failure to maintain sufficient level of funds in the unrestricted general fund to support reserves policy and allocations to grant panels. Mitigated by management actions to foster growth in unrestricted income
- Failure to raise sufficient income to achieve growth target. Mitigated by focussing on implementing strategies in the 5-year plan. Successfully executing the recruitment programme for hospital engagement and new communications team
- Income generated by our hospital fund advisors is non-charitable. Mitigated by reviewing all funds that receive non fundraised income and incoming receipts.

Staff

- Failure to either retain or recruit key staff, following re-organisation. Mitigated by making retention attractive by greater opportunities and attention to the development of existing staff. Resource recruitment processes with external agencies.

SECTION 10

Our Trustees, principal officers and legal advisors

Patron

The Countess of St Andrews

President

Sir Michael Marshall

Vice-President

Dame Mary Archer (from 27 June 2017)

Trustees

Mr David Robinson

Chairman of Trustees (until 31 March 2017, resigned 3 April 2017)

Dr Rosalind Smith 1,4,5

Chairman of Trustees (from 1 April 2017) and Chairman of Nominations Committee

Dr Fiona Cornish 3

Chairman of Charitable Expenditure Committee

Mrs Judy Ewer 2,3

(resigned 30 June 2017)

Professor Helen Howe 2,3,5

Mr Chris Rees 1,2,4,5

Vice-Chairman of Trustees and Chairman of the Human Resources and Remuneration Committee

Mr Simon Thorley 4,5

Mr Keith Wade 1,4

Honorary Treasurer, Chairman of Finance and General Purposes Committee and Investment Committee

Mr Christopher Walkinshaw 2

Dr Hugo Ford 3

Representative of CUH NHS Foundation Trust (from 2 April 2017)

Dr Mike Knapton 6

Representative of CUH NHS Foundation Trust (from 2 April 2017), Chairman of Fundraising Committee

Mrs Claire Smith 6

(from 1 January 2018)

Mr John Ayton 1

(from 1 April 2018)

Trustees serve on the following committees:

- 1 Finance and General Purposes Committee
- 2 Human Resources and Remuneration Committee
- 3 Charitable Expenditure Committee (formerly Grants Committee)
- 4 Investment Committee
- 5 Nominations Committee
- 6 Fundraising Committee

President –

Cambridge Global Health Partnerships (formerly Addenbrooke's Abroad)

Dame Mary Archer

Principal Officers

The Principal Officer roles are identified as Chief Executive, Director of Fundraising and Director of Finance. These are defined as key management personnel (known as the senior management team) due to their delegated responsibility for the day to day running of the Charity.

Mr Stephen Davies, Chief Executive (resigned 21 April 2018)

Ms Shelly Thake, Chief Executive (appointed 17 July 2018)

Mrs Gemma Downham, Director of Fundraising

Mrs Julie Roy, Director of Finance

Principal Advisors

Barclays Bank, banking services

Cheffins, property managers

Kingston Smith LLP, auditors

Ruffer LLP, investment managers

James Hambro & Partners LLP, investment managers

Withers LLP, legal advisors

Other names used by the charity

ACT

Contact information

Principal office: Addenbrooke's Charitable Trust, Box 126, Addenbrooke's Hospital, Hills Road, Cambridge, CB2 0QQ

Tel: 01223 217757

Email: hello@act4addenbrookes.org.uk

Website: www.act4addenbrookes.org.uk



"It can be very emotional being in hospital and coming out to spaces like this can just give you a moment to breathe. You only need to come out and the garden has worked its magic."

Former patient Ruth Sapsed talking about the hospital's healing spaces funded by ACT supporters

SECTION 10

Our Trustees, principal officers and legal advisors

Trustees who currently hold office are as follows:



Dr Rosalind Smith

Dr Rosalind Smith is a business and social entrepreneur. She has considerable experience of charity governance and grant-making, as well as financial and investment management. She has also served as an executive director and non-executive director of a number of limited companies.



John Ayton

John Ayton was appointed a trustee on 1 April 2018. He is a chartered accountant and was a partner in PwC's Cambridge office for 17 years. He is currently a non-executive director of a London based reinsurance company and a member of a small accounting and tax consultancy.



Dr Fiona Cornish

Dr Fiona Cornish is senior partner of a Cambridge GP practice, and has successfully combined clinical practice with active roles as an appraiser, GP trainer, undergraduate teacher and member of the University Health and Wellbeing Committee. She is a member of the Council of the Medical Protection Society.



Dr Hugo Ford

Dr Hugo Ford is a consultant oncologist at Addenbrooke's and is currently one of the hospital's five divisional directors. He studied medicine at Cambridge and St Thomas's Hospital and trained in oncology at the Royal Marsden Hospital. Hugo was appointed one of Cambridge University Hospitals' link trustees in 2017.



Professor Helen Howe

Professor Helen Howe, previously Chief Pharmacist at Cambridge University Hospitals, is an honorary professor at the University of East Anglia. She is a Fellow and a Faculty Fellow of the Royal Pharmaceutical Society, and an Associate Non-Executive Director at the Princess Alexandra Hospital in Harlow.



Dr Mike Knapton

Dr Mike Knapton was a medical student in Cambridge and went on to train in Cambridge as a GP. He has significant experience in primary care roles. Mike was appointed as a non-executive director of Cambridge University Hospitals in 2013 and was Associate Medical Director at the British Heart Foundation from 2006 until 2017.

SECTION 10

Our Trustees, principal officers and legal advisors



Chris Rees

Chris Rees brings strong commercial, board level experience to ACT having recently retired from a long career with Volvo Construction Equipment GB/Europe. Chris has strong voluntary sector experience too, including the coaching of fundraising teams to help them better understand the 'voice of the donor'.



Claire Smith

Claire Smith was a partner in a commercial law firm and has a background in advocacy and negotiation. She is a trained collaborative practitioner and mediator. Claire is also a director of her own company and company secretary of a family business. She is the current county chairman of another national charitable organisation.



Simon Thorley QC

Prior to ceasing practice in 2014, Simon Thorley had an extensive intellectual property practice as a Queen's Counsel, particularly in the field of chemical and biotechnology patents. He is now an arbitrator, a consultant in IP law and an International Judge of the Singapore International Commercial Court.



Keith Wade

Keith Wade is the chief economist at global asset management company, Schroders. Keith is responsible for the economics team and the house view of the world economy and is head of the Economics Group in London. Keith is a member of the Society of Professional Economists.



Christopher Walkinshaw

Christopher Walkinshaw is Group Corporate Communications Director at Marshall of Cambridge (Holdings) Ltd. He is a non-executive director at Marshall Motor Holdings plc, a director of Cambridgeshire Chambers of Commerce and a member of Anglian Learning. He is a Fellow of the Institute of the Motor Industry and the Royal Aeronautical Society.

SECTION 11

Statement of trustees' responsibilities

The charity trustees (who are also the directors of Addenbrooke's Charitable Trust for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. There were no serious incidents during the financial year that should have been reported to the Charity Commission but were not.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

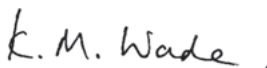
This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Statement of Recommended Practice, Accounting and Reporting by Charities (FRS 102) effective 1 January 2015.

By order of the Board of Trustees

Signed:



Vice Chairman: Date: 14 December 2018



Hon Treasurer: Date: 14 December 2018

SECTION 12

Special thanks

We would like to acknowledge the generous support from the following trusts and foundations whose gifts are enabling us to undertake three innovative new projects at the hospitals:



Road Safety Trust

In May 2016 a grant was awarded to Addenbrooke's Charitable Trust to work with Cambridgeshire and Peterborough Road Safety Partnership on a three-year research project which involves taking a detailed look at crashes that cause severe injury and death. In particular, the project focuses on examining the types of drivers who are involved in these crashes. This innovative project brings together partners from the Local Authority, Emergency Services, Loughborough University and Cambridge University Hospitals, and allows them the opportunity to explore the value of prevention strategies targeting groups of drivers with similar characteristics to those considered culpable (rather than victims).

The Alborada Trust

Thanks to generous support from The Alborada Trust, the hospital is carrying out a programme of investigation into the clinical and cost effectiveness of 3D printing in surgery. Over the period of a year, six research projects will be carried out in a range of disciplines from across the hospitals and incorporate the use of 3D printed models. The project will increase access to the 3D printing service and help overcome some of the local barriers to adoption, thereby making the 3D printing service sustainable.

The Sir Jules Thorn Charitable Trust

In January 2018, ACT was awarded a grant from the Sir Jules Thorn Charitable Trust to purchase an MRI incubator to facilitate the scanning of babies as young as those born at 25 weeks. This equipment will allow babies to be transferred into the specialist incubator in the neonatal unit, and then safely transported to the MRI facility and directly into the scanner. Our aspiration is that this will lead to improved diagnosis and treatment, and better long-term outcomes for babies affected by brain injury.

SECTION 13

Independent auditor's report to the members of Addenbrooke's Charitable Trust

Opinion

We have audited the financial statements of Addenbrooke's Charitable Trust for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable company's affairs as at 31 March 2018 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SECTION 13

Independent auditor's report to the members of Addenbrooke's Charitable Trust

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 50, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit.

SECTION 13

Independent auditor's report to the members of Addenbrooke's Charitable Trust

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

V25- 5th 11p
31/12/2018
Date:.....

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London
EC1M 7AD



“We have had great fun raising this money and have been fortunate to create some lasting memories, none of which would have been possible without Addenbrooke's.”
Andy Walder, former Addenbrooke's patient

SECTION 14

Financial statements 2017/18

Consolidated statement of financial activities for the year ended 31 March 2018

£'000	Note	Unrestricted Funds	Discontinued Operations	Total Unrestricted Funds	Restricted Funds	Group 31 Mar-18	Group 31-Mar-17
INCOME FROM:							As restated note 13
Donations	2.1	954	-	954	410	1,364	1,588
Legacies		663	-	663	1,227	1,890	2,623
Other grants receivable		193	-	193	508	701	985
Other trading activities		543	-	543	179	722	902
Trading subsidiary	4.3	1,308	-	1,308	365	1,673	1,328
Investments	2.2	465	-	465	-	465	438
Charitable Activities	2.3	490	1,315	1,805	49	1,854	3,974
Total income		4,616	1,315	5,931	2,738	8,669	11,838
EXPENDITURE ON:							
Raising funds - costs of the charity	3.1, 14	(1,416)	-	(1,416)	(40)	(1,456)	(1,677)
Raising funds - costs of the subsidiary	3.1,4,3,14	(262)	-	(262)	(135)	(397)	(247)
Charitable activities	3.1, 3.2, 14	(4,952)	(1,407)	(6,359)	(2,288)	(8,647)	(8,154)
Total expenditure		(6,630)	(1,407)	(8,037)	(2,463)	(10,500)	(10,078)
Net (losses)/gains on investment assets	4.3	(395)	-	(395)	-	(395)	2,533
Net (expenditure)/income		(2,409)	(92)	(2,501)	275	(2,226)	4,293
Transfers between funds	8	(901)	-	(901)	901	-	-
Net movement in funds		(3,310)	(92)	(3,402)	1,176	(2,226)	4,293
Reconciliation of funds:							-
Total funds brought forward at 1 April 2017		22,955	942	23,897	3,894	27,791	23,498
Total funds carried forward at 31 March 2018	8	19,645	850	20,495	5,070	25,565	27,791

All gains and losses recognised in the year are included in the Statement of Financial Activities. The accompanying notes form part of these financial statements.

SECTION 14

Financial statements 2017/18

Balance sheets as at 31 March 2018

	Note	Group 31-Mar-18 £'000	Charity 31-Mar-18 £'000	Group 31-Mar-17 £'000	Charity 31-Mar-17 £'000
Fixed Assets				As restated	As restated
Tangible fixed assets	4.1	2,987	2,987	3,820	3,820
Intangible fixed assets	4.2	65	65	74	74
Investments	4.3	21,475	21,475	21,697	21,697
Total fixed assets		24,527	24,527	25,591	25,591
Current Assets					
Debtors	5	1,147	582	1,042	582
Cash at bank and in hand		3,635	2,991	5,627	5,238
Total current assets		4,782	3,573	6,669	5,820
Creditors: amounts falling due within one year	7	(3,744)	(3,506)	(4,469)	(4,353)
Net current assets		1,038	67	2,200	1,467
Net assets		25,565	24,594	27,791	27,058
Funds					
Restricted income funds	8	5,070	5,063	3,894	3,894
Unrestricted income funds	8	20,495	19,531	23,897	23,164
Total Funds		25,565	24,594	27,791	27,058

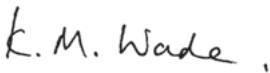
The financial statements on pages 56 – 85 were approved by the Board of Trustees on 14 December 2018 and signed on its behalf by:

Signed:



Vice Chairman:

Date: 14 December 2018



Hon Treasurer:

Date: 14 December 2018

Company number: 10469089

SECTION 14

Financial statements 2017/18

Consolidated statement of cash flows for the year ended 31 March 2018

	Note	Group 31-Mar-18 £'000	Group 31-Mar-18 £'000	Group 31-Mar-17 £'000	Group 31-Mar-17 £'000
Cash flows from operating activities					
Net cash (used in)/ provided by operating activities			(4,009)		4,432
Cash flows from investing activities					
Dividends and interest received	2.2	269		250	
Net income from property	2.2	196		187	
Purchase of tangible fixed assets	4.1	(57)		(2,702)	
Purchase of intangible fixed assets	4.2	(6)		(74)	
Purchase of investments	4.3	(8,524)		(8,100)	
Proceeds on disposal of investments	4.3	10,139		6,810	
Net cash provided by/(used in) investing activities			2,017		(3,629)
Change in cash and cash equivalents in the reporting period			(1,992)		803
Cash and cash equivalents at the beginning of the reporting period			5,627		4,824
Cash and cash equivalents at the end of the reporting period			3,635		5,627
			Group 31-Mar-18 £'000		Group 31-Mar-17 £'000
Reconciliation of net movement in funds to net cash flow from operating activities					
Net movement in funds			(2,226)		4,293
Depreciation charge			890		936
Amortisation charge			15		-
Investment income			(465)		(438)
Revaluation gain on investment property			-		(1,197)
Realised/unrealised loss/(gain) on fixed asset investments			395		(1,336)
(Increase)/decrease in cash held in investment portfolio			(1,788)		1,129
(Increase)/decrease in debtors			(105)		1,341
(Decrease) in creditors			(725)		(296)
Net cash (outflow)/inflow from operating activities			(4,009)		4,432
		Group 31-Mar-18 £000	Change in year £000	Group 31-Mar-17 £000	Change in year £000
(Decrease)/increase in cash					
Current accounts		3,635	(1,992)	5,627	803
Cash at bank and in hand		3,635	(1,992)	5,627	803

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Note 1 Significant accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's financial statements.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Charities Act 2011 and Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Transfer of assets and merger accounting

On 1 April 2017 the Charity was reconstructed as an independent charity and ceased to be an NHS charity. The entire undertaking of the unincorporated trust known as The Addenbrookes Charitable Trust (the 'Old Charity') was transferred to a new charitable company limited by guarantee and registered with Companies House (registered company number 10469089) and with the Charity Commission for England and Wales (registered charity number 1170103) (the 'Charity') as follows:

- The legal and beneficial title to the unrestricted assets of the 'Old Charity' were transferred to the Charity on 1 April 2017.
 - The restricted funds of the 'Old Charity' were transferred to the Charity to be held on the same terms.
- The reconstruction has been treated as a merger and comparative amounts have been presented as if the reconstruction had been in effect for the entire previous period under merger accounting. However, there is no material difference between the restated comparative amounts and those reported by the 'Old Charity' for the period ended 31 March 2017.

Basis of preparation

The Financial Statements are prepared in accordance with the accruals concept and on a going concern basis.

Critical accounting estimates and areas of judgement

In the application of the Charity's accounting policies, described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of fixed asset investments

At the 31 March 2018, the Fund Manager provided a valuation of the Charity's investment portfolio which has been reported in these financial statements. This valuation is based on the latest mid closing price quoted on the stock market or by the fund manager.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Valuation of investment properties

Investment properties as at 31 March 2018 are included in the Financial Statements at their market value, based on a professional valuation as at 31 March 2017. The valuation was undertaken by Cheffins on the basis of 'Market Sales Value' and the 'Market Rent Value' as defined by the RICS Valuation- Professional Standards. A professional valuation is undertaken every 5 years. The Investment Committee has taken the recommendation of Cheffins and not adjusted values from their 2017 level in line with local market conditions.

Depreciation and amortisation

The charges in respect of depreciation and amortisation are derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation or amortisation charge in the Charity's financial statements.

The useful lives and residual values of the Charity's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Going concern

The Trustees are of the opinion that there are no material uncertainties that affect the Charity's ability to continue in operation and therefore the accounts have been prepared on a going concern basis.

Discontinued operations

The Charity has transferred all processing activity relating to education and other income generation by the Post Graduate Medical Education Centre (PGME) back to Cambridge University Hospitals NHS Foundation Trust (CUH). These are disclosed as a discontinuing operation in the accounts.

1.1 Public benefit

The Charity is a Public Benefit Entity as defined by FRS 102.

1.2 Consolidation

The Charity owns 100% of the issued share capital of The Fund for Addenbrooke's Limited, a trading company registered in England and Wales (company number 4287054). The share capital of the company is £1.

The consolidated group results incorporate:

- the financial statements of The Fund for Addenbrooke's Limited on a line by line basis. All intercompany transactions have been eliminated on consolidation
- the income and expenditure of the linked charity, Cambridge Global Health Partnerships, charity number 1170103-113.

1.3 Income

The policies followed, which deal with income and donations, are:

Donations

All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:

- Entitlement – arises when a particular resource is receivable or the Charity's right becomes legally enforceable
- Probability of receipt – defined as when it is probable that the incoming resource will be received
- Measurement – when the monetary value of the incoming resource can be measured with sufficient reliability.

Cash donations are accounted for when received in the cash office.

Gifts in kind are recognised as income and expenditure at the market rate of the goods or services provided.

Legacies

Legacies are included in incoming resources once they have been received or receipt becomes probable. This will usually be once grant of probate has been made, confirmation has been received from the representatives of the estate that there are sufficient net assets in the estate for payment of the legacy, and once all conditions attached to the legacy have been fulfilled.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Other grants receivable

Other grants receivable are included in incoming resources once there is sufficient evidence that any conditions attached have been fulfilled; unconditional grants are recognised at the earlier of receipt or entitlement.

Other trading activities

Other trading activities are the fundraising activities carried out by the Charity primarily to generate income which will be used to undertake its charitable activities.

Income from charitable activities

Income from charitable activities is any income for which a payment has been received for services provided for the benefit of the Charity's beneficiaries, such as course fees or professional fees. This income is included when invoiced or on receipt.

Deferred income

Income has been deferred and included within creditors, where the transaction creating the income has already occurred but the income relates to a future financial period.

Investment income

Income from fixed asset investments and investment properties is included once they have been received.

1.4 Expenditure

All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party.

Expenditure on raising funds are the costs associated with generating income.

Grants payable are included in charitable activities and are payments made to third parties in the furtherance of charitable objectives. Grants payable are given on an individual basis to cover patient/staff welfare, research and amenities and are recognised once the third party has a reasonable expectation that they will receive the grant and all of the conditions, if any, attaching to the grant have been met. Similarly,

contributions to the NHS Foundation Trust are recognised on the same basis.

Governance costs are the costs associated with the governance arrangements of the Charity which relate to the general running of the Charity as opposed to those costs associated with fundraising or charitable activities. These costs include audit costs, legal advice for the Trustees and costs associated with constitutional and statutory requirements.

Staff costs, other support costs and governance costs are allocated between expenditure on raising funds and charitable activities on the basis of actual accrued spend (where applicable) and relative spend for each area.

It is the Charity's policy to apportion an element of its of support costs, which cannot be attributed directly to specific funds, across funds based on a fixed percentage applied to the fund's average monthly balance. The remaining balance of support costs are funded from investment income, the ACT general funds and by a deduction from unrestricted legacy income received throughout the year.

1.5 Definitions of funds

The Charity holds restricted and unrestricted funds; unrestricted funds may be either designated or undesignated.

- Restricted funds are expendable only in accordance with the discrete wishes of the donors, within the objects of the Charity
- Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the Charity
- Unrestricted funds may, as determined by the Trustees, be designated towards some particular aspect of the Charity. This designation has an administrative purpose only, and does not legally restrict the Trustees' discretion to apply the funds.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

1.6 Financial instruments

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year, and not subject to a market rate of interest, are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.7 Investment properties

The Charity holds a portfolio of investment properties. Rent receivable during the year is recognised in the Statement of Financial Activities under investment income when received.

Investment properties are included in the Financial Statements at their market value, based on professional valuation. Gains or losses are re-calculated as the difference between the market value at the current year end and the market value at the previous year end using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposal throughout the year.

1.8 Investments in subsidiary undertakings

Investments in subsidiary undertakings are treated as fixed asset investments and accounted for in the Charity's accounts at cost less any impairment.

1.9 Pension contributions

Pension costs

The Charity operates two pension schemes:

NHS Pension Scheme

Past and present employees who were employed by the 'Old Charity' are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme (which prepares its own scheme statements) that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. As a consequence, it is not possible for the Charity to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme. The Charity retains its membership through a 'Directions Status', which means that new employees starting after 31st March 2017 are not entitled to join the scheme.

Employers' pension cost contributions are charged to operating expenses as and when they become due. In the current period this totalled £144k (2017: £145k).

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill health. The full amount of the liability for the additional costs is charged at the time the Charity commits itself to the retirement, regardless of the method of payment.

Royal London Group Personal Pension Scheme

In January 2018 the Charity put in place a Group Personal Pension Scheme in accordance with its auto-enrolment responsibilities.

Employers' pension cost contributions are charged to operating expenses as and when they become due. In the current period this totalled £4k (2017: £nil).

SECTION 14

Financial statements 2017/18

Notes to the financial statements

1.10 Employee benefits

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee through, for example, redundancy, or to provide termination benefits.

1.11 Tangible fixed assets

Valuation

Tangible fixed assets are stated at cost, including any costs such as installation directly attributable to bringing them into working condition. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. All fixed assets over £200 are capitalised.

Depreciation

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives, as follows:

Asset Type	Life in years
Medical Equipment	5 - 7
Leasehold Improvements	5
Office equipment	5

1.12 Intangible fixed assets

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the Charity's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to the Charity and where the cost of the asset can be measured reliably.

Computer software

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of office and computer equipment within tangible fixed assets. Software which is not integral to

the operation of hardware e.g. application software and purchased application licences are capitalised as intangible fixed assets.

Amortisation

Intangible fixed assets are amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives, as follows:

Asset Type	Life in years
Computer software	5

1.13 Provisions

The Charity provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

1.14 Irrecoverable VAT

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

1.15 Parent charity financial statements

Addenbrookes Charitable Trust has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual SOFA.

Total incoming resources of the parent charity are £8.0m (2017: £10.5m), total resources expended are £10.1m (2017: £9.8m) and net movement in funds is £2.5m deficit (2017: £4.3m surplus - as restated) after taking account of £ 0.4 m loss (2017: £2.5m gain) on investment assets.

1.16 Operating lease commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Note 2 Income

2.1 Donations

	Group 31-Mar-18 £'000	Group 31-Mar-17 £'000
CUH 250th Gala income	-	401
Solicited donations	582	372
In memorium	259	257
Unsolicited donations	254	207
Direct mail	195	165
Various sources	29	128
Ward envelopes	31	47
Gifts in Kind	14	11
	1,364	1,588

2.2 Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Group 31-Mar-18 £'000	Group 31-Mar-17 £'000
Interest on deposits	3	-	3	15
Stock market investment income	200	-	200	162
Rent from properties	196	-	196	187
Other investment income	66	-	66	74
	465	-	465	438

2.3 Incoming resources from charitable activities

	Unrestricted Funds £'000	Discontinued Operations £'000	Total Unrestricted Funds £'000	Restricted Funds £'000	Group 31-Mar-18 £'000	Group 31-Mar-17 £'000
PGME course fees	-	1,111	1,111	-	1,111	1,914
PGME education grant income	-	204	204	-	204	1,113
Other course fees	337	-	337	6	343	602
Third party services provided	153	-	153	43	196	345
	490	1,315	1,805	49	1,854	3,974

From 1 January 2018 the Charity transferred all processing activity relating to education and other income generation by the Post Graduate Medical Education Centre (PGME) back to Cambridge University Hospitals (CUH). This is disclosed as a discontinuing operation in the accounts. In 2016/17 this income totalled £3m.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Note 3 Expenditure

3.1 Resources expended

£'000	Staff costs	Direct fundraising costs	Governance costs	Investment management costs	Trading subsidiary costs	Expenditure on charitable activities	Grants awarded	Total resources expended 31-Mar-18	Total resources expended 31-Mar-17
Raising funds - costs of the charity									Note 14
Cost of raising funds	839	369	38	210	-	-	-	1,456	1,677
Raising funds - costs of the subsidiary									
Cost of raising funds	-	-	-	-	397	-	-	397	247
Charitable activities									
Patients' welfare and amenities	154	-	72	-	-	2,192	375	2,793	2,383
Staff welfare and amenities	46	-	21	-	-	760	-	827	798
Research	128	-	61	-	-	1,161	965	2,315	1,572
Course expenditure PGME	82	-	38	-	-	1,365	-	1,485	2,164
Depreciation and fixed asset maintenance	51	-	24	-	-	846	-	921	958
Other direct charitable expenditure	203	-	7	-	-	96	-	306	279
Charitable expenditure	664	-	223	-	-	6,420	1,340	8,647	8,154
Total resources expended	1,503	369	261	210	397	6,420	1,340	10,500	10,078

Staff and governance costs are allocated to raising funds and charitable activities on the basis of relative spend. In 2017/18 the costs of raising funds include an allocation for corporate services staff costs and 2016/17 has been adjusted to the same basis. This has increased the cost of raising funds in 2016/17 by £79k. In 2016/17 grants awarded were £1,819k (see note 3.5).

SECTION 14

Financial statements 2017/18

Notes to the financial statements

3.1a Support costs

	Staff Costs £'000	Governance Costs £'000	Group 31-Mar-18 £'000	Group 31-Mar-17 £'000
Fundraising staff	758	-	758	622
Support staff	559	-	559	569
Charitable activities staff	186	-	186	141
Depreciation and amortisation	-	58	58	40
Legal and professional fees	-	66	66	45
CUH accounting services	-	-	-	45
IT costs	-	49	49	6
Other staff related costs	-	22	22	8
Office rent	-	18	18	-
Audit costs	-	11	11	25
Other governance costs	-	37	37	13
	1,503	261	1,764	1,514
Allocated to:				
Fundraising	839	38	877	751
Charitable activities	664	223	887	763
	1,503	261	1,764	1,514

Staff and governance costs are allocated to fundraising and charitable activities on the basis of relative spend .

3.2 Charitable activities

	Unrestricted Funds £'000	Discontinued Operations £'000	Total Unrestricted Funds £'000	Restricted Funds £'000	Group 31-Mar-18 £'000	Group 31-Mar-17 £'000
Patients' welfare and amenities	1,851	-	1,851	942	2,793	2,383
Staff welfare and amenities	762	-	762	65	827	798
Research	1,358	-	1,358	957	2,315	1,572
Course expenditure PGME	-	1,407	1,407	78	1,485	2,164
Depreciation and fixed asset maintenance	850	-	850	71	921	958
Other direct charitable expenditure	131	-	131	174	306	279
	4,952	1,407	6,359	2,288	8,647	8,154

From 1 January 2018 the Charity transferred all processing activity relating to education and other income generation by the Post Graduate Medical Education Centre (PGME) back to CUH. This is disclosed as a discontinuing operation in the accounts. In 2016/17 the associated course expenditure totalled £2.1m.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

3.3 Analysis of staff costs

	Group 31-Mar-18 £'000	Group 31-Mar-17 £'000
Wages and salaries	1,243	1,027
Secondment from Cambridge University Hospitals	-	70
Social security costs	112	90
Other pension costs	148	145
	1,503	1,332
The average monthly number of staff in the year was:	36	36
The average monthly full time equivalent number of staff in the year was:	32	31
Analysis of FTE headcount by activity		
Governance	9	8
Funds and Grants	2	1
Cambridge Global Health Partnerships programme management	2	2
Fundraising	19	20
	32	31

Included in wages and salary costs above are payments in respect of redundancy and termination benefits amounting to £88k. This includes an ex gratia amount of £13k in relation to compensation for termination of employment governed by a settlement agreement.

Employers pension contributions were paid at the rate of 14.4% for those in the NHS scheme (total cost £144k) and 7% for those in the Royal London Group Pension Scheme (total cost £4k).

SECTION 14

Financial statements 2017/18

Notes to the financial statements

3.3 Analysis of staff costs (continued)

Key Management personnel comprise the Chief Executive, Director of Fundraising and Director of Finance.

Key Management Personnel	Group 31-Mar-18 £'000	Group 31-Mar-17 £'000
Total remuneration (including employers pension contributions, and employers' national insurance)	324	235
Salaries above £60,000 (bands of £10,000)	Number of staff	
£000	31-Mar-18	31-Mar-17
60 - 70	1	1
70 - 80	2	1

Employer pension contributions for the year paid on behalf of employees included in the above bands amounted to £34k (2016/17 £11k).

Included in Key Management Personnel and Salaries above £60,000 for 2016/17 are the costs of the Interim CEO seconded from Cambridge University Hospitals.

3.4 Net income/(expenditure) for the year

	Group 31-Mar-18 £'000	Charity 31-Mar-18 £'000	Group 31-Mar-17 £'000	Charity 31-Mar-17 £'000
Depreciation	890	890	936	936
Amortisation	15	15	-	-
Audit fees	20	17	20	17
Other accounting fees paid to auditors	6	6	1	-

SECTION 14

Financial statements 2017/18

Notes to the financial statements

3.5 Analysis of grants

Grants were awarded in favour of the partner organisations, principally Cambridge University Hospitals NHS Foundation Trust and the University of Cambridge, to support research activities and innovation in patient care across Addenbrooke's and the Rosie hospitals. Grants were made solely to institutions; no grants were made to individuals.

	Group and Charity 31-Mar-18 £'000	Group and Charity 31-Mar-17 £'000
Medical equipment benefiting patients	84	230
Patients' welfare and education	290	356
Staff welfare and education	1	43
Building and refurbishment	-	22
Research salaries and equipment	965	1,168
	1,340	1,819

Institution receiving grant support during the year 1 April 2017 - 31 March 2018	Number of grants awarded	Total amount paid 17/18 £'000	Amount accrued 31-Mar-18 £'000
Cambridge University Hospitals NHS Foundation Trust	39	708	1,195
University of Cambridge	23	492	575
Other external organisations	3	140	85
	65	1,340	1,855

The charity awards a number of grants each year. Many grants are awarded and paid out in the same financial year. However, some grants, especially those relating to research projects or funding for specific posts may span 1-2 years. All grant funding commitments below are considered to be current liabilities. As the charity has control over the award and timing of grants, there is little uncertainty around these payments.

	2018 £'000	2017 £'000
Opening balance at 1 April	1,611	2,194
Additional commitments made during the year	1,584	1,236
Amounts paid during the year	(1,340)	(1,819)
Closing balance at 31 March	1,855	1,611

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Note 4 Fixed assets

4.1 Tangible fixed assets

Group and Charity	Medical Equipment £'000	Leasehold Improvements £'000	Office Equipment £'000	Total £'000
Cost				
At 1 April 2017	7,560	171	85	7,816
Additions purchased	-	51	6	57
Disposals	-	-	-	-
At 31 March 2018	7,560	222	91	7,873
Accumulated depreciation				
At 1 April 2017	3,836	118	42	3,996
Provided during the year	847	29	14	890
Disposals	-	-	-	-
At 31 March 2018	4,683	147	56	4,886
Net book value				
Net book value at 31 March 2017	3,724	53	43	3,820
Net book value at 31 March 2018	2,877	75	35	2,987

There are no fixed assets within the subsidiary company

4.2 Intangible fixed assets

Group and Charity	Computer Software £'000
Cost	
At 1 April 2017	74
Additions purchased	6
Disposals	-
At 31 March 2018	80
Accumulated depreciation	
At 1 April 2017	-
Provided during the year	15
Disposals	-
At 31 March 2018	15
Net book value	
Net book value at 31 March 2017	74
Net book value at 31 March 2018	65

SECTION 14

Financial statements 2017/18

Notes to the financial statements

4.3 Investments

Group and Charity	Investment properties £'000	Investments listed on a recognised stock exchange £'000	31-Mar-18 £'000	31-Mar-17 £'000
Market value at 1 April 2017	6,185	15,127	21,312	17,489
Additions at cost	-	8,524	8,524	8,100
Disposals	-	(10,139)	(10,139)	(6,810)
Realised and unrealised (losses)/gains	-	(395)	(395)	2,533
Market value at 31 March 2018	6,185	13,117	19,302	21,312
Cash held as an investment	-	2,173	2,173	385
As at 31 March 2018	6,185	15,290	21,475	21,697
UK Investments	6,185	8,390	14,575	14,819
Non Region Specific	-	1,507	1,507	896
Non-UK Investments	-	5,393	5,393	5,982
	6,185	15,290	21,475	21,697

Investment Properties

The quinquennial professional valuation of investment properties was carried out by Cheffins as at the 31 March 2017. The valuation was undertaken on the basis of ‘Market Sales Value’ and the ‘Market Rent Value’ as defined by the RICS Valuation - Professional Standards. The Trustees have taken the recommendation of Cheffins that the valuation is still appropriate given local market conditions as at the year ended 31 March 2018.

Investments listed on a recognised stock exchange.

The £395k of realised and unrealised losses was made up of £74k of realised gains and £469k of unrealised losses (2017: £1.6m unrealised gains and £0.3m realised losses).

SECTION 14

Financial statements 2017/18

Notes to the financial statements

4.3 Investments (continued)

The Fund for Addenbrooke’s Limited – Company Registration Number 04287054

The Charity owns 100% of the issued share capital of The Fund for Addenbrooke’s Limited, a trading company registered in England and Wales. The share capital of the company is £1. A summary of the results of the subsidiary, The Fund for Addenbrooke’s Limited, are shown below:

	Year ended 31-Mar-18 £'000	Year ended 31-Mar-17 £'000
		As restated
Turnover	1,673	1,328
Cost of sales	(388)	(242)
Gross profit	1,285	1,086
Bank deposit interest	-	-
Other administrative expenses	(9)	(5)
Net result	1,276	1,081
Retained profit brought forward	733	570
Gift aid distribution	(1,040)	(918)
Retained profit carried forward	969	733
The aggregate of assets, liabilities and funds is:		
Assets	1,208	849
Liabilities	(239)	(116)
Shareholders’ funds	969	733

See note 12 for details of the prior year adjustment

Note 5 Debtors

	Group 31-Mar-18 £'000	Charity 31-Mar-18 £'000	Group 31-Mar-17 £'000	Charity 31-Mar-17 £'000
Amounts falling due within one year:				As restated
Trade debtors	796	297	729	335
Other debtors	198	198	22	22
Prepayments and accrued income	153	87	291	225
	1,147	582	1,042	582

Within prepayments and accrued income £10k (2017: £130k) relates to accrued income from legacies.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Note 6 Financial instruments (group)

The financial statements include the following in respect of items held at fair value at 31 March:

	Group 31-Mar-18 £'000	Group 31-Mar-17 £'000
Financial assets measured at amortised cost	806	867
Financial liabilities measured at amortised cost	3,556	4,296
Financial assets measured at fair value through profit or loss	15,290	15,512
Financial liabilities measured at fair value through profit or loss	-	-

Note 7 Creditors

	Group 31-Mar-18 £'000	Charity 31-Mar-18 £'000	Group 31-Mar-17 £'000	Charity 31-Mar-17 £'000
Amounts falling due within one year:				
Trade creditors	1,231	1,231	2,294	2,294
Other creditors	26	26	212	212
Other taxation and social security	156	73	91	26
Accrual for grants payable	1,855	1,855	1,611	1,611
Other accruals	444	295	179	135
Deferred income (note 7.1)	32	26	82	75
	3,744	3,506	4,469	4,353

Other creditors include £16,730 (2017: £nil) in respect of pension contributions to the NHS Pension Scheme and Group Personal Pension Scheme.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

7.1 Deferred income

	Group 31-Mar-18 £'000	Group 31-Mar-17 £'000	Charity 31-Mar-18 £'000	Charity 31-Mar-17 £'000
Balance as at 1 April	82	827	75	820
Amounts released to income from charitable activities:				
Grants	-	(539)	-	(539)
Course fees	(73)	(123)	(73)	(123)
Fundraising events	(3)	(158)	(2)	(158)
Recharges to CUH	(7)	(7)	-	-
Amounts deferred in the year				
Course fees	11	73	11	73
Fundraising events	15	2	15	2
Recharges to CUH	7	7	-	-
Balance as at 31 March	32	82	26	75

Deferred income comprises grant income received for future use, fees paid by course delegates where the course takes place after the year end and fundraising or sponsorship income where the income is received in advance of the event taking place after the year end.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Note 8 Funds of the charity

Funds are defined as unrestricted or restricted funds based on guidelines set out by the Charity Commission. Restricted funds are those that are part of legally enforceable trusts, comprise appeal income, or are grants and legacies where the donor, grant-making body or legator has placed an unequivocal restriction on how the income must be used. All other income and donations are classified as unrestricted but with an appropriate designation (such as a particular ward or specialism) that reflects the express wishes of the donor.

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed at a future date, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the financial statements. This results in an excess of expenditure over income on some funds. The total deficit fund balances amounted to £42k (2017: £69k).

8.1 Total funds

	Total 31-Mar-17 £'000	Prior year Adjusts £'000	Total 31-Mar-17 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains and Losses £'000	Balance 31-Mar-18 £'000
		Note 12	As restated					
Restricted funds	4,062	(168)	3,894	2,738	(2,463)	901	-	5,070
Unrestricted designated funds	20,928	(556)	20,372	4,567	(5,632)	(1,375)	-	17,932
Unrestricted funds	2,801	724	3,525	1,364	(2,405)	474	(395)	2,563
	27,791	-	27,791	8,669	(10,500)	-	(395)	25,565

SECTION 14

Financial statements 2017/18

Notes to the financial statements

8.2 Analysis of net assets between funds

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 31-Mar-18 £'000	Total 31-Mar-17 £'000
				As restated
Fixed assets	22,614	1,913	24,527	25,591
Current assets	1,330	3,452	4,782	6,669
Liabilities	(3,449)	(295)	(3,744)	(4,469)
	20,495	5,070	25,565	27,791

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 31-Mar-18 £'000	Total 31-Mar-17 £'000
				As restated
Fixed assets	22,614	1,913	24,527	25,591
Current assets	123	3,450	3,573	5,820
Liabilities	(3,206)	(300)	(3,506)	(4,353)
	19,531	5,063	24,594	27,058

SECTION 14

Financial statements 2017/18

Notes to the financial statements

8.3 Restricted Funds

	Total 31-Mar-17 £'000	Prior year Adjusts £'000	Total 31-Mar-17 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains and Losses £'000	Balance 31-Mar-18 £'000
		Note 12	As restated					
Legacy - Webb: Medical equipment	-	-	-	700	-	-	-	700
Oncology Clinic and Day Unit Campaign	654	-	654	2	13	(35)	-	634
Haematology Day Unit Appeal	354	-	354	272	(289)	23	-	360
Personalised Breast Cancer Appeal	860	-	860	-	(502)	-	-	358
Cambridge Global Health Partnerships	278	-	278	169	(176)	30	-	301
Legacy - Percival: Ophthalmology , Urology	279	-	279	-	-	-	-	279
Children's Services Appeal	-	-	-	67	(49)	241	-	259
Legacy - Mynott: Neuro Psychiatrist	-	-	-	-	-	250	-	250
MRI Incubator	-	-	-	-	-	170	-	170
Prosthetics & Orthotics	206	-	206	-	(100)	22	-	128
Da Vinci Robot	146	(168)	(22)	226	(70)	(12)	-	122
Rheumatoid Arthritis	230	-	230	-	(109)	(3)	-	118
Grant - Aslam Shiraz - PhD	-	-	-	-	(32)	141	-	109
ABC appeal	48	-	48	55	(6)	3	-	100
Legacy - Parker: Tinnitus Research	-	-	-	100	-	-	-	100
Brainbow - Camille's Appeal	143	-	143	1	(47)	-	-	97
Dancing for Health	56	-	56	65	(26)	-	-	95
Medical Ophthalmology	119	-	119	-	(100)	5	-	24
Legacies - P & T Masters: Neurology Unit	86	-	86	-	-	(79)	-	7
Other restricted (54 funds)	603	-	603	1,081	(970)	145	-	859
Total restricted funds	4,062	(168)	3,894	2,738	(2,463)	901	-	5,070

SECTION 14

Financial statements 2017/18

Notes to the financial statements

8.3 Restricted Funds (continued)

Details of the material restricted funds are given below:

- The Webb legacy fund consists of a legacy received during the year specifically for the purchase of equipment that would not be funded by the NHS for Addenbrooke's and the Rosie hospitals.
- The Oncology Clinic and Day Unit Campaign is for the development of and re-development of the oncology clinic and day unit. During 2016 £350k of the balance from this fund was transferred to the Haematology Day Unit Appeal in accordance with its intended use. Due to the success of the fundraising appeal the £350k will be returned in 2018/19.
- The Haematology Day Unit Appeal successfully resulted in the redevelopment of the Haematology Day Unit including equipment and environmental improvements for patient benefit. During 2016 £350k was transferred into this fund from the Oncology Clinic and Day Unit Campaign, in accordance with its intended use. This will be transferred back in 2018/19 due to the appeal raising sufficient funds.
- The Personalised Breast Cancer Appeal fund is for research into the personalised breast cancer research project (for which the Charity has committed to support £1.1m of funding over 3 years). This project is a pioneering research study which could make personalised breast cancer diagnosis and treatment a reality. The study will establish whether it is possible to translate that knowledge into the hospital setting and to improve our treatment strategies for each individual patient. The spend during the year from this fund includes costs relating to four research and co-ordination posts and DNA sequencing.
- Cambridge Global Health Partnerships (formerly known as 'Addenbrooke's Abroad') fund includes donations and grants specifically for the support of overseas volunteering projects for CUH staff. Addenbrooke's Charitable Trust transferred £30k from unrestricted funds in support of the activity. Cambridge Global Health Partnerships is a linked charity number 1170103-113.
- The Children's Services appeal fund relates to a £1m appeal launched in early 2018 that seeks to do a wide range of improvements including:
 - Improving the physical space in the Paediatric Day Unit to reduce congestion, waiting times, and the administrative burden on clinical staff, freeing time to care for children and families.
 - Providing sensory and play therapy for children. Being able to play while in hospital means that children can continue at least one aspect of normal life.
 - Acquiring state of the art laparoscopic surgical equipment specifically designed for use in babies and young children.
 - Acquiring equipment for the Acute Neonatal transfer service and the Neonatal Intensive Care Unit.
 - During the year £241k was transferred from funds held for Ward C2 and the ACT on Cancer appeal.
- The Mynott legacy Neuro Psychiatrist fund was established by a transfer from the Mynott legacy for the Neurological department.
- The MRI incubator fund relates to funding for a specialist MRI incubator to facilitate the scanning of babies as young as those born at 25 weeks. This allows all babies to be transferred into the specialist incubator in the Neonatal unit, and then safely transported to the MRI facility and directly into the scanner. The objective is that this will lead to improved diagnosis and treatment, and better long-term outcomes for babies affected by brain injury. Funding will be shared between a large legacy received in 2016 for the benefit of neurology and the Sir Jules Thorn Charitable Trust.
- The Prosthetics and Orthotics fund consists of funding from NHS England to enable Addenbrooke's Hospital Prosthetic service to buy new equipment and refurbish the unit in support of becoming one of nine specialist centres for treating military veteran amputees. During the year expenditure on the redevelopment of clinic space has begun. The project is hoped to be completed by mid-2018.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

- The Da Vinci Robot fund was set up as part of the terms of the programme related investment arrangements for a Da Vinci robot which is owned by the Charity (included as medical equipment within fixed assets), but used by Addenbrooke's Hospital.
- The Aslam Shiraz PHD grant fund was set up to fund a PHD research project into the 'Regulation of Metaplasia at the Cervix and at other Epithelial Transformation Zones'. Funds were made available for the project from funds related to Gynaecological Cancer.
- The ABC appeal fund relates to funds generated for funding equipment and projects related to breast cancer.
- The Parker Legacy Tinnitus Research fund relates to a legacy that specifically requested that it be spent on research into Tinnitus.
- The Brainbow Camille's appeal fund relates to funds raised for the Brainbow Service which is dedicated to helping children with brain tumours to reach their full potential.
- The Dancing for Health fund relates to grants specifically given in respect of a project which offers older people tailored dance workshops in hospital intended to make the experience of a being in hospital more positive, help older people regain their physical strength and just as importantly, help people recognise that they can still be active, be social, be creative and be independent.

8.4 Material designated unrestricted funds

The Trustees are responsible for in excess of 380 designated unrestricted funds, each of which supports a different department, ward, clinic, research or other programme in line with donors' preferences. Authority for expenditure up to £5,000 against these funds is delegated to fund advisors, who are mostly senior clinical staff with specialist knowledge of the department or purposes supported by the fund. There are a minimum of two fund advisors for each fund. Advisors can commit expenditure (which is subject to review by the Charity) for charitable purposes up to £5,000. The majority of expenditure against these funds is therefore dependent on fund advisors' needs and ambitions for their area. The Charity works closely with fund advisors to develop their plans and ensure that they meet our charitable objectives.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

8.4 Material designated unrestricted funds (continued)

	Total 31-Mar-17	Prior year Adjusts	Total 31-Mar-17	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31-Mar-18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
		Note 12	As restated					
MRI Scanners	2,621	(439)	2,182	602	(562)	(108)	-	2,114
PGME (23 funds)	3,352	-	3,352	1,127	(1,190)	1	-	3,290
Oncology R & D Committee	778	-	778	-	(29)	9	-	758
Oncology & Day Unit	526	(17)	509	69	(53)	(235)	-	290
Dermatology	503	-	503	6	(7)	(10)	-	492
Legacy - Mynott: for Neurology Department	1,388	-	1,388	-	(421)	(425)	-	542
Coronary Care Unit	383	-	383	2	(80)	(80)	-	225
Legacy - Cunningham: for Dialysis Unit	1,082	-	1,082	91	-	46	-	1,219
Eye Unit	340	-	340	8	(1)	13	-	360
Biochemistry & Immunology	292	-	292	-	(44)	(15)	-	233
Cancer Scanning	365	-	365	-	-	(12)	-	353
Paediatrics	351	-	351	50	(85)	(255)	-	61
Parkinson's Disease Research	242	-	242	1	-	(14)	-	229
Cancer research	287	-	287	4	(51)	(49)	-	191
Transplant Unit & Research	286	-	286	11	(102)	(122)	-	73
Osteoporosis Research	236	-	236	1	(52)	(12)	-	173
Tissue Bank Research	236	-	236	3	(32)	(9)	-	198
Cardiac Research	202	-	202	-	-	(12)	-	190
Diabetes & Endocrine	182	-	182	1	(1)	(5)	-	177
Cancer scanning equipment	248	-	248	-	-	9	-	257
Epilepsy and Neurology	100	-	100	-	-	(6)	-	94
Physiotherapy Post Registration	101	-	101	13	(16)	(6)	-	92

SECTION 14

Financial statements 2017/18

Notes to the financial statements

8.4 Material designated unrestricted funds (continued)

	Total 31-Mar-17	Prior year Adjusts	Total 31-Mar-17	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31-Mar-18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
		Note 12	As restated					
Lewin Stroke Rehab/ Ward R2	132	-	132	19	(25)	-	-	126
Microsurgery	94	-	94	111	(103)	2	-	104
Arthritis Care	125	-	125	-	(2)	(7)	-	116
Gynaecological Oncology Research	146	-	146	-	2	(62)	-	86
Ward NICU	94	-	94	43	(21)	(15)	-	101
Eye Research	136	-	136	1	-	(8)	-	129
PLUGIN (was Upper GI Unit)	119	-	119	5	(1)	(1)	-	122
Brain Tumour Research	63	-	63	45	(1)	1	-	108
Legacy - Stepheni: Brain Tumour Research /Surgery	-	-	-	3	-	80	-	83
Other funds (353 funds)	5,918	(100)	5,818	2,351	(2,755)	(68)	-	5,346
Total designated funds	20,928	(556)	20,372	4,567	(5,632)	(1,375)	-	17,932

The following funds had significant transfers out during the year:

- The Oncology and Day Unit fund contributed £200k towards the deposit for the Linear Accelerator Radiotherapy machine (LINAC)
- The Mynott legacy for the Neurology Department fund supported funding for the acquisition of an MRI incubator (£170k) , funding for a Neuropsychiatrist post (£250k) and £73k for the Neurology rehabilitation garden project.
- The Ward C2 Paediatrics/PDU Fund contributed £200k in support of the Children's Services Appeal.
- The Ward Transplant Unit (F&G5) fund contributed £120k to the liver perfusion appeal which is seeking funds for the running cost of new technology that enables livers that were previously thought unsuitable for transplant to be utilised thus giving more patients hope.
- The ACT on Cancer fund contributed £40k towards the deposit for the Linear Accelerator Radiotherapy machine (LINAC) and £41k in support of the Children's Services Appeal.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

8.5 Unrestricted funds

	Total 31-Mar-17	Prior year Adjusts	Total 31-Mar-17	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31-Mar-18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
		Note 12	As restated					
Addenbrooke's General Fund	1,523	-	1,523	858	(232)	(685)	-	1,464
Other funds (3)	1,278	724	2,002	506	(2,173)	1,159	(395)	1,099
Total unrestricted funds	2,801	724	3,525	1,364	(2,405)	474	(395)	2,563

Included within unrestricted funds above is £969k which represents shareholders funds in the subsidiary. During the year £697k was transferred from the Addenbrooke's General Fund into grant funds in relation to the 2017-18 grants programme.

Note 9 Related party transactions

One of the Trustees was a non-executive director of Cambridge University Hospitals NHS Foundation Trust (CUH). Detailed below are the transactions with CUH:

Since 2005 Cambridge University Hospitals NHS Foundation Trust (CUH) has acted as payment agent for much of the Charity's expenditure, but reimbursed on a regular basis. In 2017/18 the Charity actively took on as much payment activity as possible and as a result the number of transactions processed by CUH have significantly reduced. At the end of the year, the Charity owed £0.27m (2017: £0.24m) to the NHS Foundation Trust.

During the year, the Charity contributed £8.6m (2017: £8.2m) towards various schemes of Cambridge University Hospitals NHS Foundation Trust.

Cambridge University Hospitals NHS Foundation Trust paid the subsidiary, The Fund for Addenbrooke's Limited, the wholly owned subsidiary of the Charity, £1.9m (2017: £1.6m) for the use and maintenance of MRI and CT scanners and the Da Vinci Si Surgical System. The total income received and receivable during the year amounted to £1.7m (2017: £1.3m).

All profit of the Fund for Addenbrooke's Limited is distributed to Addenbrooke's Charitable Trust. The net

profit earned by the Fund for Addenbrooke's Limited for the year to 31 March 2018 was £1.28m (2017: £1.08m). During the year distributions under gift aid totalling £1m (2017: £1m) were paid to Addenbrooke's Charitable Trust. There were no other related party transactions with the subsidiary during the year.

Other than below:

None of the remaining Trustees or members of the key management staff, or parties related to them, have undertaken any material transactions with the Charity.

A total of £132 (2017: £nil) was reimbursed to Trustees for expenses in the year.

During the year, Trustees and their related parties made donations (including Gift Aid) totalling £6k (2017 £58k).

The Charity paid £3k (2017: £3k) in respect of trustees' liability insurance.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Note 10 Operating lease commitments

At 31 March 2018 the group had total commitments under non-cancellable operating leases:

Land and buildings	31 March 2018 £000	31 March 2017 £000	31 March 2016 £000
Within one year	17	14	14
Within two to five years	51	43	43
Over five years	-	49	64
	68	106	121

A new 15 year operating lease effective from 1 April 2017 was signed by the Board on the 15 May 2018. The operating lease relates to administrative offices located on the CUH campus. The first break clause can be exercised 1 April 2022 with 12 months notice.

Note 11 Legacies

The Charity has been notified of a material legacy amounting to at least £1.2m which has not been included in these accounts. The legacy does not meet the recognition criteria due to continuing uncertainty over its receipt arising from the beneficiary details described in the will.

Note 12 Prior year adjustments

The accounts have been restated as a result of the recent interpretation of FRS 102 clarified by the Financial Reporting Council which has resulted in the annual gift aid payment from FFA Ltd to the Charity being treated as a distribution from equity and not accrued at the year end.

The impact of this on the Charity is that in 2017 earnings have reduced by £723,742 and debtors (amounts owed from group undertakings) have decreased by £723,742.

Notes 8.1, 8.3, 8.4 and 8.5 which deal with the funds of the Charity, include prior year adjustments relating to the reclassification of designated and restricted reserves remaining in FFA Ltd at 31 March 2017 to unrestricted reserves.

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Note 13 Comparative figures : Statement of financial activities 31 March 2017

£'000	Note	Unrestricted Funds	Discontinued Operations	Total Unrestricted Funds	Restricted Funds	Group 31-Mar-17
		Note 12 As restated			Note 12 As restated	As restated
INCOME FROM:						
Donations	2.1	1,143	-	1,143	445	1,588
Legacies		2,410	-	2,410	213	2,623
Other grants receivable		41	-	41	944	985
Other trading activities		768	-	768	134	902
Trading subsidiary	4.3	963	-	963	365	1,328
Investments	2.2	438	-	438	-	438
Charitable activities	2.3	914	3,027	3,941	33	3,974
Total income		6,677	3,027	9,704	2,134	11,838
EXPENDITURE ON:						
Raising funds - costs of the charity	3.1,14	(1,649)	-	(1,649)	(28)	(1,677)
Raising funds - costs of the subsidiary	3.1,4.3,14	(134)	-	(134)	(113)	(247)
Charitable activities	3.1,3.2,14	(3,441)	(2,085)	(5,526)	(2,628)	(8,154)
Total expenditure		(5,224)	(2,085)	(7,309)	(2,769)	(10,078)
Net gains on investment assets	4.3	2,533	-	2,533	-	2,533
Net income		3,986	942	4,928	(635)	4,293
Transfers between funds	8	(2,248)	-	(2,248)	2,248	-
Net movement in funds		1,738	942	2,680	1,613	4,293
Reconciliation of funds:						
Total funds brought forward at 1 April 2016		21,217	-	21,217	2,281	23,498
Total funds carried forward at 31 March 2017	8	22,955	942	23,897	3,894	27,791

SECTION 14

Financial statements 2017/18

Notes to the financial statements

Note 14 Comparative figures : Resources expended 31 March 2017

£'000	Staff costs	Direct fundraising costs	Governance costs	Investment management costs	Trading subsidiary costs	Expenditure on charitable activities	Grants awarded	Total resources expended 31-Mar-17
Raising funds - costs of the charity								
Cost of raising funds	720	647	31	279	-	-	-	1,677
Raising funds - costs of the subsidiary								
Cost of raising funds	-	-	-	-	247	-	-	247
Charitable activities								
Patients' welfare and amenities	138	-	44	-	-	1,593	608	2,383
Staff welfare and amenities	46	-	15	-	-	694	43	798
Research	91	-	29	-	-	284	1,168	1,572
Course expenditure PGME	125	-	40	-	-	1,999	-	2,164
Depreciation and fixed asset maintenance	55	-	18	-	-	885	-	958
Other direct charitable expenditure	157	-	5	-	-	117	-	279
Charitable expenditure	612	-	151	-	-	5,572	1,819	8,154
Total resources expended	1,332	647	182	279	247	5,572	1,819	10,078

Staff and governance costs are allocated on the basis of relative spend. In 2017-18 the cost of raising funds includes an allocation for corporate services salaries costs and 2016-17 has been adjusted to the same basis. This has increased the cost of raising funds in 2016-17 by £79k

Note 15 Company limited by guarantee

The Charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on page 46. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Note 16 Contingent Liability

The Charity is currently in negotiation with HM Revenue and Customs regarding the VAT treatment of certain education activities largely carried out

by the previous unincorporated charity. Having taken professional advice the final outcome of this correspondence remains uncertain at this time.

The Charity does not believe that VAT is due on this income and is currently in the process of obtaining relevant information to demonstrate this. Should the final conclusion be that VAT is payable on some or all of these particular educational activities, whilst the eventual liability could be significant, it is not capable of being quantified with reasonable accuracy at this stage.

