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**Addenbrooke's
Charitable Trust**

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**Annual Report and
Financial Statements**

2014/15
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ACT is the working name for The Incorporated Trustees of
Addenbrooke's Charitable Trust and other related charities.
Registered charity number: 1048868

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The Incorporated Trustees of Addenbrooke's Charitable Trust and Other Related Charities

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The charity is constituted by a Declaration of Trust and registered with the Charity Commission for England and Wales (1048868)

The trustees are appointed under section 51 of the NHS Act 2006 and are incorporated under Part VII of the Charities Act 1993

Patron

The Countess of St Andrews

President

Sir Michael Marshall

Vice-President

Sir Terence English

Trustees

Mr David Robinson Chairman of Trustees and the Strategy and Policy Committee

Dame Mary Archer DBE
(resigned 31 March 2015)

Mrs Christine Berry Chairman of Nominations Working Group Constitution Committee

Ms Lynne Berry
(resigned 31 March 2015)

Mr James Buxton
(resigned 6 July 2014)

Dr Fiona Cornish Chairman of Grants Committee
(appointed 1 April 2015)

Mrs Judy Ewer

Dr Peter Gough
(resigned 31 March 2015)

Professor Helen Howe
(appointed 1 April 2015)

Dr Michael More
(appointed 1 April 2015)

Mr Christopher Rees

Dr Rosalind Smith

Mr Simon Thorley
(appointed 1 April 2015)

Mr Keith Wade Honorary Treasurer, Chairman of Finance and General Purposes Committee and Chairman of Investment Committee

Mr Christopher Walkinshaw
(appointed 1 April 2015)

President – Addenbrooke's Abroad

Dame Mary Archer DBE

Principal Officers

Mr Stephen Davies Chief Executive

Mrs Susanne Owers Director of Fundraising

Mrs Julie Roy Director of Finance and Corporate Services

Principal Advisors

Barclays Bank, banking services

Cheffins LLP, property advisors

Kingston Smith LLP, auditors

Ruffer LLP, investment managers

Withers LLP, legal advisors

About Addenbrooke's Charitable Trust

Addenbrooke's Charitable Trust (ACT) is the independent, registered charity that raises funds and makes grants in order to improve the experience for patients and their families at Addenbrooke's and the Rosie Hospitals in Cambridge.

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.

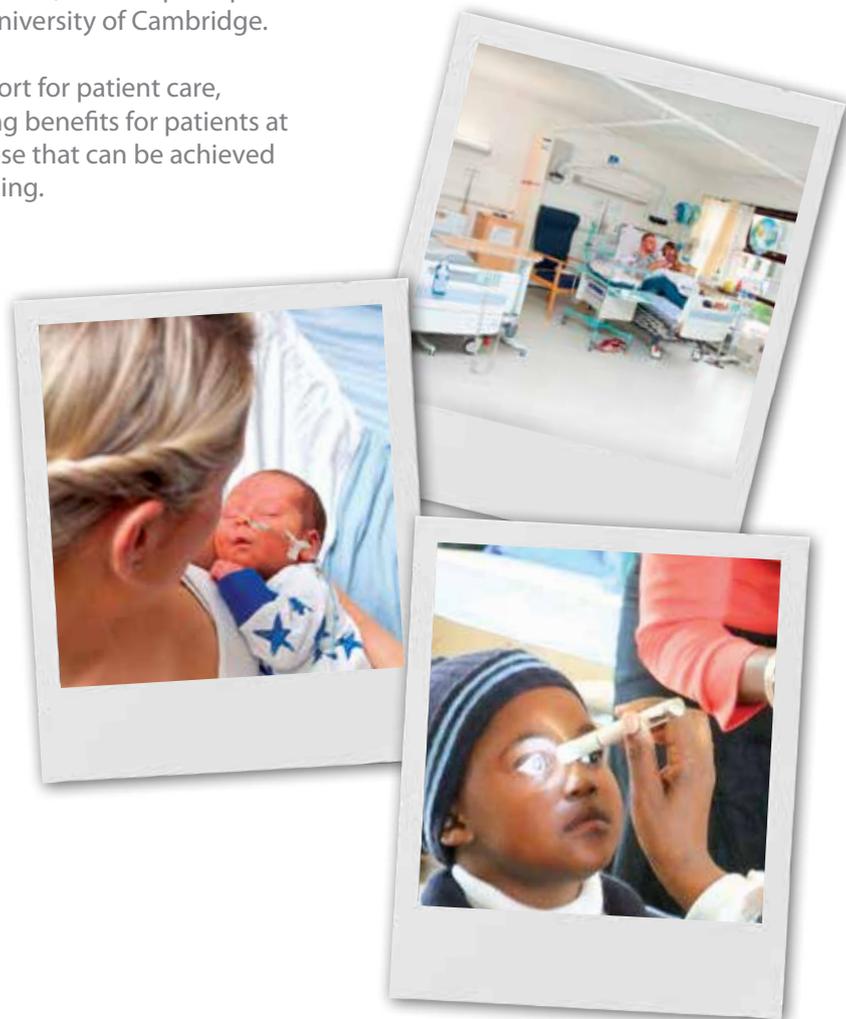
ACT's **mission** is to provide support for patient care, research and education, achieving benefits for patients at CUH that are over and above those that can be achieved through mainstream public funding.

ACT's **goal** is to be a leading NHS charity that is widely recognised as achieving exceptional benefits for patients.

ACT's charitable **objects** allow the charity to make grants for any charitable purpose relating to CUH and the National Health Service.

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.



Chairman and Chief Executive's Introduction

We are pleased to report that 2014/15 has been a record year of achievement. Marking our tenth anniversary since formation, the charity achieved income of £9.4 million and expenditure of £8m, both being at their highest levels ever. Over ACT's first decade, charitable expenditure in support of services at CUH has totalled £63m. Adjusting for inflation, this is equivalent to £71m in today's money.

Our satisfaction at these results is dampened by developments at our principal NHS partner since the balance sheet date. In September 2015 CUH was placed in 'special measures' by Monitor, the regulator, following both a report by the Care Quality Commission and an investigation by Monitor into the Foundations Trust's deteriorating finances. These unwelcome developments point to the extreme difficulties now being faced by NHS hospitals in a situation of rising demand and static funding. Given the enormous cost of modern medical care, it would be naïve to think that charitable funds can – or should – solve this situation alone. The financial problems of the voluntary hospital sector were, after all, one of the drivers behind the creation of the NHS in 1948. Nevertheless, voluntarism still has a vital role to play in the future of the NHS, both through gifts in support of the service and through volunteering.

In amongst all the public noise and media attention that CUH has been facing, two issues have stood out:

- Despite the overall unsatisfactory rating given by the CQC, both Addenbrooke's and the Rosie have had patient care rated as outstanding; and
- Despite all the difficulties in the health system – both within and without CUH – both hospitals have been able to deliver patient outcomes amongst the best in Europe.

It is hardly surprising, therefore, that the amount of public goodwill in our local community towards CUH remains very high. We believe that as an independent charity it is ACT's role to respond to and foster this goodwill, encouraging an increased level of voluntary support to play an even greater part in the continued transformation of patient care and facilities on the Cambridge Biomedical Campus, regardless of the judgements of inspectors and regulators.

This will be critically important for a specialist and teaching hospital like Addenbrooke's, which is fortunate enough to be able to attract an exceptionally talented and committed workforce, many of whom lead the advances in clinical care in their own areas of practice.

Without discretionary funding, this resource will be under-exploited to the detriment of patients, both today and tomorrow. As an independent charity, we are able to direct charitable expenditure towards the areas where it will make the greatest difference. We also have the independence to ensure that gifts in support of the hospital lead to additional benefits for patients and are not used to make good shortfalls in government funding.

We observe that the CUH hospitals do not have enough capacity to manage demand from the growing and ageing local population. The City of Cambridge and the surrounding region continue to expand at an unprecedented rate and yet there appears to be no provision for investment in the growth and renewal of our hospitals. This situation is not sustainable and that is why the ACT trustees would like to commit the charity to a major capital campaign – always assuming that higher powers in the NHS can be persuaded to play their part.

On less local matters, the issue of fundraising by charities has been under close scrutiny in recent months. The Lampard enquiry into Jimmy Savile prompted us to work with the NHS to overhaul hospital policies for hosting VIPs engaged in fundraising. We took a careful look at the frequency and channels of our communications with donors following the tragic death of Mrs Olive Cooke and media commentary on this. One outcome of this review is that we have discontinued telephone fundraising: we concluded that we never want our zeal to increase levels of support for patients to put us at risk of causing harm.

On a brighter note, we are looking forward to the 250th anniversary of the foundation of Addenbrooke's Hospital in 2016. This will be an occasion for celebration, for saying thank you and one that will further build the commitment of the local community to their hospital.

It is a fact that the National Health Service has always – and doubtless will always – suffer from short-term difficulties. At times these become more acute than at other times. ACT, however, is here for the long term and for the benefit of patients. We are ambitious to achieve even more in our second decade than we have in our first. To all of you reading this who may have given your time, your feedback – and indeed your financial support – to ACT, a huge thank you from all of us for your continued support of our fantastic local hospitals in Cambridge.

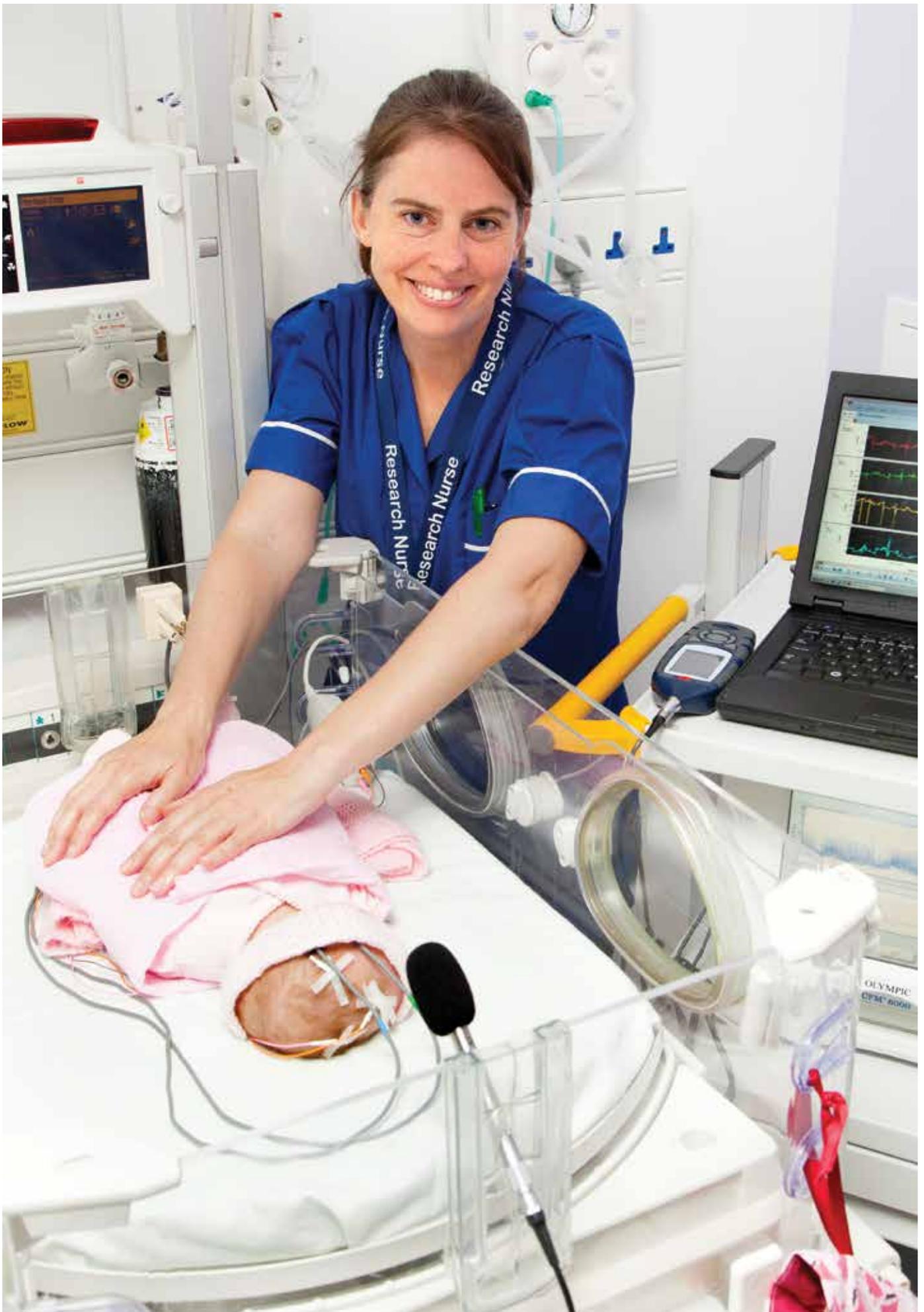


David Robinson
Chairman




Stephen Davies
Chief Executive





Achievements during the year

The largest single grant that we made during the year was for £1.5 million for an MRI scanner. This increased the number of MRI scanners at CUH to five and will allow CUH to manage increasing demand for diagnostic imaging. The scanner is located in the Rosie Hospital adjacent to the Evelyn Perinatal Imaging Centre (EPIC). The novel imaging technologies being developed in EPIC will be brought together with MRI imaging in a setting that is close to the Neonatal Intensive Care Unit. This will enable new techniques in scanning the brains of premature and full-term newborn babies, which are still developing rapidly.

We were grateful to be awarded a grant by the Charles Wolfson Charitable Trust which, when augmented by other grants and funding from the Rosie General Fund, meant that we were able to provide £350,000 of funding towards the provision of a ward for family-centred care, preventing the separation of parents and young babies that previously occurred in certain circumstances. Feedback from patients using this facility has been overwhelmingly positive.

We worked with allergy specialists at CUH to secure a grant of £200,000 from the Garfield Weston Foundation towards the development of oral de-sensitisation therapy for peanut allergy. This will advance new treatment regimes towards licensing for routine clinical use, with the potential to mitigate a growing public health problem. The benefits to children at risk of life-threatening allergic reactions, and their families, will be immense if this therapy can be brought into routine clinical use.

We secured a grant of £80,000 from the Alborada Trust for the establishment of a medical 3D printing service. This will allow models of complex bone structures to be printed, improving outcomes for patients needing facial reconstruction surgery. We anticipate that medical 3D printing will become wide-spread in the future and we were pleased, with the support of the Alborada Trust, to be able to support the introduction of this innovative technology at Addenbrooke's. ACT provided a further £68,000 from general and innovation funds to support this project. The new service will open in August 2015.

We continue to support clinical research at CUH, targeting resources at pilot studies that unlock grants from the larger statutory and charitable funders of research and at 'bridge' funding to maintain continuity in key research teams. The Cambridge Clinical Fellowship Scheme, which is supported by ACT together with the Cambridge Biomedical Research Centre and the Evelyn

Trust continues to grow in scale and stature, with a record seven Fellows appointed in 2014. A full evaluation of the scheme demonstrated an excellent success rate in terms of both outputs and progression and we anticipate that many of the Fellows will become future leaders in clinical research. The scheme will grow further in 2015 with the securing of further funding partners: the Royal College of Surgeons in England and the Isaac Newton Trust.

ACT – in partnership with the Cambridge Biomedical Research Centre – introduced a new fellowship scheme for Nurses, Midwives and Allied Health Professionals during the year. The aim of this scheme is to provide support for members of these professional groups to develop research expertise. The first cohort of four Fellows will be undertaking clinical and health services research projects during 2015.



We issued our first ever themed open-call for research during the year, seeking proposals for Parkinson's Disease research. This was made possible by a number of generous bequests. Grants for four projects with a combined value of £310,000 were awarded.

Marking our tenth anniversary since formation, the charity achieved income of £9.4 million and expenditure of £8m, both being at their highest levels ever.

Another development during the year was the introduction of competitive grant funding for innovation projects. This new scheme supports projects that will be expected to yield significant patient benefit, but which may not be commercially viable. As a charity, we see it as our role to compensate for this market failure, which can otherwise bring innovation to a halt. The first round of the scheme yielded some imaginative projects ranging from: software to help patients at risk of prostate cancer

Through fundraising, stewardship of charitable funds and strategic charitable expenditure we make it possible for Addenbrooke's and the Rosie hospitals to provide more and better services for patients than would be possible through government funding alone.

manage their own PSA test results; over-bed exercise to prevent muscle wastage in intensive care; through to a family-based intervention to manage the transfer of tube-fed children to oral feeding.

Monies raised through our ACT on Cancer campaign have been used to re-model the Breast Unit to provide additional ultrasound capacity and to top up the appeal for a neurosurgical microscope, which will be used in the treatment of brain tumours. We have also committed funds to the creation of a dedicated treatment room for patients with rare complications of Lymphoma. At present, very sick patients with this condition must travel to Nottingham for treatment.

We successfully fundraised for a machine for trans-perineal prostate biopsies using fusion imaging – a more precise alternative to conventional biopsy techniques – which is the only one of its kind in the UK. This machine is made available to other hospitals under a charitable trading arrangement that is administered by the Charity.

ACT owns some assets used by the hospital under programme-related investment arrangements. During the year, the Charity purchased: a replacement 64 slice CT scanner; a specialist machine for treating skin tumours; and a specialist scanner and navigation system for neurosurgery. This equipment will bring great benefit to large numbers of patients needing diagnostic imaging, radiation therapy and intra-cranial surgery.

The Charity provided many other smaller grants and allocations of funding, working within our benefits framework. More details are available in our regular Grants Bulletins and our Annual Review.



ACT continues to fund the work of the hospital archivist and the curators of the Addenbrooke's Arts Programme, enhancing the hospital environment for patients, visitors and staff.

The Charity provides governance and administrative support for Addenbrooke's Abroad. This programme supports hospital staff wishing to volunteer in less-developed countries. ACT has formal agreements with the health ministries of Botswana, El Salvador and Myanmar. The primary rationale for this activity is staff development. Staff testify to the effects of overseas work in reconnecting them to their professional values and making them grateful for a well-resourced system in the UK. Volunteering also confers very substantial benefit on the partner nations and this is extended where Addenbrooke's Abroad delivers advisory programmes through its volunteers.

We conducted a survey of our supporters during the year. We were especially pleased to see that our supporters scored us at 3.86 out of a maximum possible 4 in agreeing with the statement 'I trust ACT to use my donations wisely' and at 3.79 on the statement 'my support is appreciated'. The survey also confirmed that most supporters regard our frequency of communication as being about right. Although positive overall, the survey provided valuable evidence, relevant to our future strategy and approach. In particular it endorsed our focus on cancer services and children's services. We will ensure, however, that this focus does not lead us to neglect other areas of the hospital's work.

As an independent charity, we are able to direct charitable expenditure towards the areas where it will make the greatest difference for patients.



Our history

The origins of ACT lie in statutory provisions, dating back to 1946, for NHS bodies to receive and hold charitable funds. When Addenbrooke's Hospital became a 'self-governing trust' in 1992, it also became sole corporate trustee of gifts and legacies given over the years for the support of the hospital. Following registration with the Charity Commission in 1995, these funds were managed by the hospital trust as The Addenbrooke's Charities. In 1997, a new charity, The Fund for Addenbrooke's, was established to raise funds to support the hospital. This charity subsequently took over the activities and funds of the Addenbrooke's Hospital Cancer Scanner Appeal Fund, which had successfully raised funds for MRI Scanners at Addenbrooke's since 1979.

In 2004, Addenbrooke's NHS Trust became one of the first NHS Foundation Trusts and took the name Cambridge University Hospitals NHS Foundation Trust to better reflect its identity as a leading university hospital. In 2005, independent trustees were appointed for ACT. The assets of both The Addenbrooke's Charities and The Fund for Addenbrooke's were transferred to the new trustees, who shortly thereafter became an incorporated body. At this point ACT was, in effect, established, although there was a further change of name in 2007. ACT is thus a relatively young organisation built upon a long history of voluntary support for Addenbrooke's and the Rosie hospitals. The Charity is celebrating its tenth anniversary during 2015.

Our structure, governance and management

Legal status

The charity is constituted by a Declaration of Trust, last amended on 1 February 2007, and registered with the Charity Commission in England and Wales (1048868). The trustees are appointed under section 51 of the NHS Act 2006 and are incorporated under Part VII of the Charities Act 1993.

In addition to responsibility for Addenbrooke's Charitable Trust, the Incorporated Trustees are also responsible for various precursor and related charities. 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 sports and social club, which is maintained and managed by CUH under a long leasehold agreement.

Two precursor charities have been linked to ACT for registration and accounting purposes by virtue of a charity commission order: Addenbrooke's Hospital Cancer Scanner Appeal Fund and The Fund for Addenbrooke's.

The charity also owns a non-charitable subsidiary, The Fund for Addenbrooke's Ltd, which serves as a vehicle for non-charitable trading activity.

As a result of The 2013/4 NHS Charities Review, there is now a process whereby all NHS Charities have the option to become fully independent with a more conventional legal form. If this is not achieved by 2018 then the governance of the Charity will, by default, revert to pre-2005 status with CUH as a sole, corporate trustee. The trustees have resolved to seek re-constitution of ACT as a fully independent Charity, because they consider that this arrangement will best safeguard charitable funds, sustain donor confidence, provide continuity, open up new possibilities for partnership and establish a clearer working relationship with CUH. The support of CUH for this step is required and the matter is scheduled for consideration by the Foundation Trust Board during the first quarter of 2016.

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.

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 NHS and charity law.

Trustees are appointed on behalf of the Secretary of State for Health by the NHS Trust Development Agency (NTDA). At the start of the year there were ten trustees in office. Two trustees resigned during the year and two others reached their maximum term of office on 31st March 2015. Five new trustees were appointed with effect from 1 April 2015. The NTDA agreed to an increase in trustee numbers to eleven so as reduce the probability of another recruitment exercise being required prior to the Charity's anticipated re-constitution.

The 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 NTDA. An independent assessor, nominated by the NTDA, 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. The Nominations Working Group meets on an ad hoc basis to consider questions of trustee and executive leadership appointments and succession planning. New trustees are introduced to the charity through an induction process that involves 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. No trustee claimed any 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.

Individual trustees are subject to an appraisal system based on one to one meetings with the Chairman. The Chairman is appraised by a nominated trustee on the basis of a survey of trustee views. The performance of the Chief Executive and other executive staff is overseen by the trustees and the Chief Executive and Chairman meet regularly to review the scheduling and management of company business, governance effectiveness and strategic issues.

The trustees confirm that they are aware of the requirements of The Charities Act 2011 that they must 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 and in our Annual Review.

Trustee committees

The trustees delegate responsibility for more detailed consideration of the charity's affairs to four committees, each including three places for trustee members, chaired by a trustee and reporting to the Board of Trustees.

- The Finance and General Purposes Committee: oversees and provides advice on audit, administration, finance, risk and employment matters.
- The Strategy and Policy Committee: considers strategy and policy development in greater detail and at an earlier stage than is possible at meetings of the full governing body.
- The Grants Committee: reviews and decides upon applications for grants.
- The Investment Committee: advises on the charity's investment policy and oversees investment management.

The trustees have also agreed to set up a time-limited Constitution Committee, which will make recommendations on the constitution and governance of ACT when re-established as a fully independent charity. The committee will exist from September 2015 until such time as this goal is achieved.

Our activities

As the designated NHS Charity linked to CUH, ACT receives voluntary gifts made to the hospital. 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 steward 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.

Fundraising

The charity employs a professional fundraising staff. Activities include community-based fundraising; hospital-based fundraising; direct marketing; and the development of long-term relationships with individuals and grant-making bodies with interests in health-related innovation, education and research. The public benefit arising from charitable expenditure is also monitored and communicated to supporters.

The Strategy and Policy Committee maintains oversight of governance and ethical aspects of fundraising and provides advice to the full trustee body and to senior management in order to support good governance and effective performance of the fundraising task.

ACT is registered with the Fundraising Standards Board (FRSB) self-regulatory scheme. As a member of the scheme, ACT is committed to the highest standards of practice and ensures that all activities are open, fair, honest and legal. As membership of the FRSB increases, displaying the FRSB 'tick' logo enhances the credibility of the charity.

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. We are constantly surprised and humbled by the enthusiasm and imagination that is brought to bear by voluntary fundraisers, including staff members, who wish to support the work of the hospitals.
- As expert advisors, for example as advisors to the Addenbrooke's Abroad, Grants and Investment committees, who give up their time to provide ACT trustees with specialist advice.
- By providing administrative support to the charity's staff, helping both ACT and Addenbrooke's Abroad.

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. Income from this source increased in 2014/15 as a result of the opening of the Evelyn Surgical Training Centre, the set-up costs of which were jointly funded by ACT and the Evelyn Trust.

Income from commercially-funded clinical trials was also assigned to the Charity by the Cambridge Cancer Clinical Trials Unit (part of CUH) during the year. During 2013, the Charity reviewed the charitable status of this activity. The conclusions of this review were not clear-cut but the trustees took the decision that the Charity should discontinue this activity less there be any risk of compromising charitable status. No further income of this nature has been received after 31st March 2015.

Charitable expenditure

The charitable expenditure policy of ACT 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 from exchequer funds. Charitable expenditure occurs through two main routes: a) grant-making and b) on the advice of Fund Advisors from designated and restricted funds.

Grant-making

The Grants 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 Grants Committee. The advisory committees, together with their remit and allocations are as follows.

Committee	Remit	Allocation 2014/15
Professional Advisory Committee	Equipment, works, staffing, external grants – if not related to research	£210,000
Research Advisory Committee	Research projects, infrastructure and fellowships	£190,000
Innovation Panel	Innovation projects	£200,000
Patients' Amenities Panel	Small projects for increased patient amenity (up to £2,000 per project)	£40,000 Inc. £20,000 from the Friends of Addenbrooke's

Examples of projects funded through these various routes are given in the section on public benefit, through our Grants Bulletins and in our Annual Review.

Fund advisors

The trustees are responsible for around 330 restricted and designated funds, each of which supported a different department, ward, clinic, research or other programme in line with donors' preferences. Authority for expenditure 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 for charitable purposes up to £5,000. Above this limit, approval by ACT's Chief Executive is also required and for expenditure over £10,000, trustee approval.

The trustees consider that delegation to fund advisors in this way means that expenditure decisions are well-informed and has the further benefit of encouraging the involvement of staff in fundraising.

During 2014/5 around 40% of expenditure by value and 95% by volume of transactions was approved by Fund Advisors under delegated authority.

Programme delivery

The Charity does not, in general, undertake the delivery of services as its model is to make grants in support of the service delivery of CUH. The exception to this is Addenbrooke's Abroad, which undertakes programmes for the improvement of health care systems in less-developed countries. During the year, Addenbrooke's Abroad received a grant from the Tropical Health Education Trust for a partnership arrangement with Yangon General Hospital, Myanmar, focusing on trauma care and pathology services. Implementation also continued on the 'Seeing is Believing' programme in Botswana, funded by Standard Chartered Bank through the International Association for the Prevention of Blindness.

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 expert advisors for whose voluntary contribution the trustees are extremely grateful.

The financial investment objectives are as follows:

- To preserve capital, i.e. not to lose money on a rolling 12 month basis;
- To achieve returns that exceed those available from cash and other short term deposits;

- 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;

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 injurious to health and thereby creating an additional burden on NHS resources.

Assets held for hospital-related purposes

The Charity owns two of the five 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, the Fund for Addenbrooke's Ltd (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 expire in March 2016 and may or may not be renewed.

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 FFA Ltd.

Risk Management

The charity has a process involving a cross-section of staff that identifies and appraises operational and strategic risk. The most recent exercise of refreshing the risk register was undertaken in September 2015 and identified 19 risks, of which 4 (21%) were 'red-rated'. These related to: i) the financial and regulatory difficulties of our partner NHS organisation ii) consequential difficulties in progressing discussions about the reconstitution of the charity and in iii) identifying new causes for fundraising in partnership with CUH; and iv) fragmented office accommodation. The first of these is wholly outside the control of ACT. The Charity is pursuing strategies to manage the remaining risks.

Our strategic goals

1. To double both baseline income and charitable expenditure over the next ten years.

Our aim is to continue to grow income so that we can increase our expenditure for charitable purposes. We also intend to take further steps towards making our charitable expenditure more strategic, so as to maximise public benefit.

2. To support CUH in addressing its capacity problems through a major capital campaign.

CUH faces significant and growing capacity pressures and needs investment in a number of service areas to sustain its dual role as both local general hospital and specialist centre. Against this background, trustees are keen to move forwards with a major capital campaign. Our ability to do this will depend upon the NHS playing its part.

3. To become more autonomous in governance and operations.

Under the recent NHS Charities' Review, ACT is compelled to revisit its constitution before April 2018. We believe that becoming more like other charities in our structures and governance will best safeguard charitable funds and purposes.

4. To develop innovation in the funding of healthcare improvement and assets.

NHS funding constraints mean that charitable partners may need to become the main sponsors of innovation in the NHS. This may include promoting new models for funding capital investment.

Our goals for the coming year

To move towards these goals, trustees have agreed corporate objectives for 2015/6 that include the following.

- Increase charitable expenditure to £8.6 million.
- Continue to fundraise for immediate needs under the banner of 'ACT on Cancer', building on success to date.
- Work with NHS and University colleagues to bring forward plans for investment in new cancer clinical facilities.
- Continue to support children's services.
- Work with clinicians across the hospital to identify other fundraising opportunities.
- Further develop research and innovation funding.
- Mark the 250th Anniversary of Addenbrooke's Hospital in 2016.
- De-restrict the endowment fund and use it for cancer equipment.
- Continue progress towards full operational autonomy.
- Obtain agreement from CUH that the Charity should be re-constituted on a fully independent basis.

Financial Review

2014/15 was a year of strong financial performance for the Charity, with growth in income, charitable expenditure and fund balances. Of every pound that we spent in the year, 81.5p was spent on charitable purposes, 15.5p on fundraising and the running of the charity, and 3p on investment management.

Total income increased by £0.88 million to £9.42 million in 2014/15, representing growth of over 10%. Voluntary income increased by £0.85 million, or 26%, a result largely achieved through strong legacy receipts during the year. Charitable trading income was unchanged from the previous year as although income from educational activity and other activities increased, this growth was offset by a withdrawal from clinical trials activity. Investment income fell by 15%, reflecting the continuing difficulty of finding rewarding investments for cash balances.

The total cost of generating funds increased by £0.19m to £1.36 million and governance costs were unchanged. Operational expenditure increased by 13% overall, reflecting continuing investment in fundraising and in achieving operational autonomy. Investment management costs increased marginally. Expenditure for charitable purposes increased from £7.72 million to £8.03 million, an increase of 4%. This is in line with our policy of increasing charitable expenditure but the rate of growth was slower than the rate of growth in income, which was not intended. The trustees have set a charitable expenditure target of £8.6 million for 2015/16 and measures will be taken to ensure that this target is reached or exceeded. Some of the major items of expenditure in 2014/15 are outlined in the section on 'achievements during the year'.

The investment portfolio yielded a return of £1.79 million for the year, which was a very satisfactory result. As a consequence, although total expenditure exceeded income by £0.44 million, fund balances grew by £1.35

million and now stand at £26.53 million. Of this, £24.60 million or 93% is held in endowment, restricted or designated funds. £14.7 million is invested in the Charity's absolute return portfolio; £4.9 million in residential property and the balance in cash.

The balance sheet of the charity remains strong and the main challenge for 2015/16 is to sustain the rate of income growth, maintain stability in investments, and further accelerate charitable expenditure.

Reserves policy

The charity's policy is to hold reserves equal to 12 months operating costs (excluding investment management costs) which are around £1.5 million. The policy is to treat unrestricted and undesignated funds as available reserves. At the balance sheet date these totalled £1.9 million. The trustees anticipated a higher level of spending from unrestricted funds over the next two years as part of planning for the 250th anniversary of the hospital. This level of reserves is therefore judged to be adequate but not excessive in the circumstances.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these 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 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.

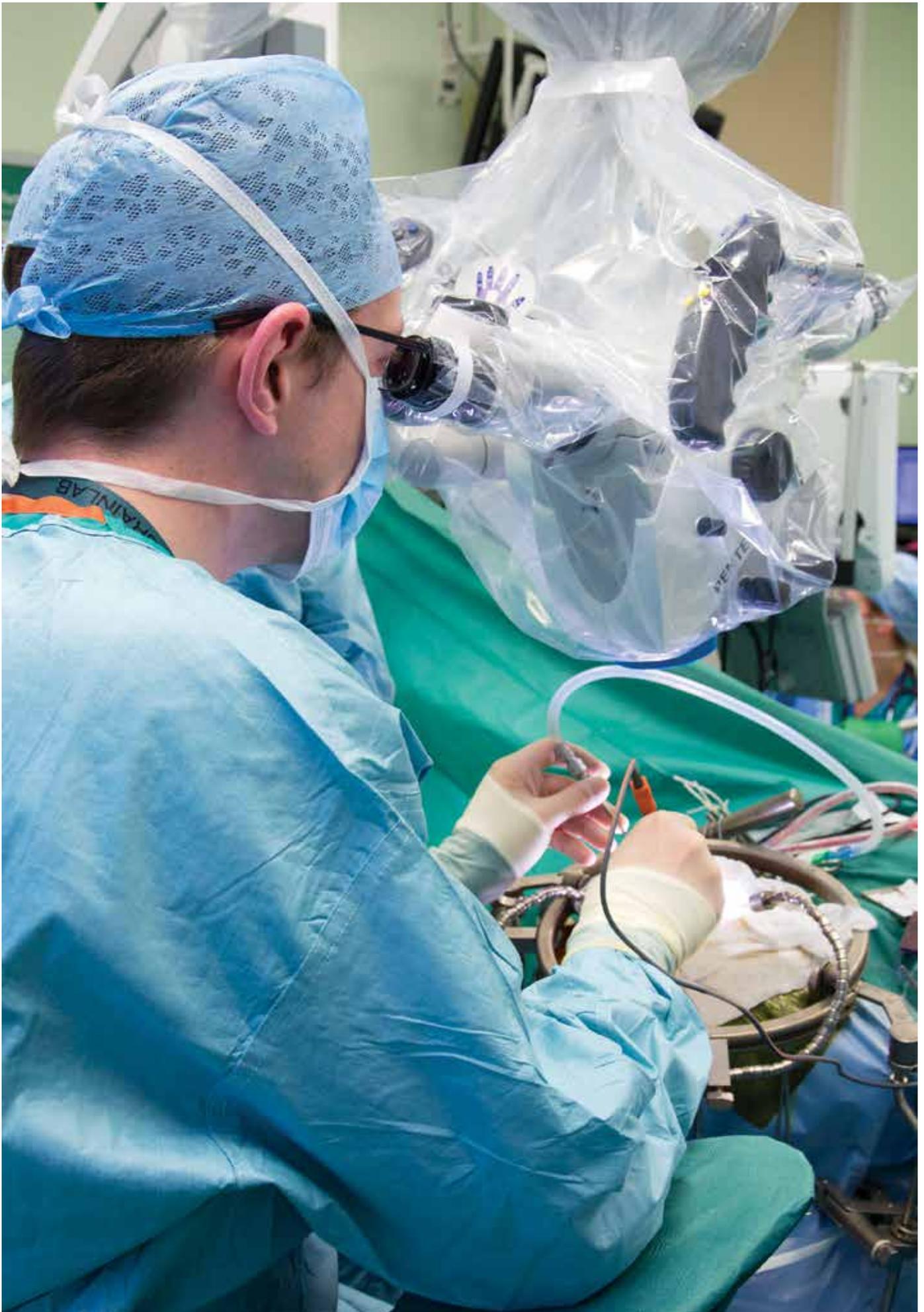
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Trustees

Signed:

	29th October 2015
Chairman	Date

	29th October 2015
Trustee	Date



Independent auditors' report to the Trustees of The Addenbrooke's Charitable Trust (ACT)

We have audited the financial statements of Addenbrooke's Charitable Trust (ACT) for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 13 the trustees are responsible for the preparation of financial statements which give a true and fair view. We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially

incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015, and of its incoming resources and application of resources, 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 Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Statutory Auditor
Devonshire House, 60 Goswell Road, London EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Date: 10/11/15

Annual Financial Statements – year ended 31 March 2015

Consolidated statement of financial activities for the year ended 31 March 2015

		Unrestricted Funds £000	Restricted Funds £000	Endowment Fund £000	Group 31-Mar-15 £000	Group 31-Mar-14 £000
INCOMING RESOURCES	Note					
Incoming resources from generated funds						
Voluntary income						
Donations		717	284	-	1,001	1,082
Legacies		1,734	324	-	2,058	1,064
Other grants receivable		292	711	-	1,003	1,064
Activities for generating funds		1,385	293	-	1,678	1,610
Investment income	2.1	389	-	-	389	446
Incoming resources from charitable activities	2.2	3,289	2	-	3,291	3,277
Total Incoming Resources		7,806	1,614	-	9,420	8,543
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income	3.1	(1,216)	(148)	-	(1,364)	(1,178)
Investment management costs		(300)	-	-	(300)	(289)
Charitable activities	3.1, 3.2	(7,012)	(1,021)	-	(8,033)	(7,727)
Governance costs	3.1	(141)	(24)	-	(165)	(175)
Total Resources Expended		(8,669)	(1,193)	-	(9,862)	(9,369)
Net outgoing resources before transfers		(863)	421	-	(442)	(826)
Other fund transfers	8	(54)	54	-	-	-
Net outgoing resources before other recognised gains and losses		(917)	475	-	(442)	(826)
Gains on investment assets	4.2	1,569	223	-	1,792	162
Net movement in funds		652	698	-	1,350	(664)
Fund balances brought forward at 1 April 2014		22,689	1,841	653	25,183	25,847
Fund balances carried forward at 31 March 2015	8	23,341	2,539	653	26,533	25,183

All activities relate to continuing operations. All gains and losses recognised in the year are included in the Statement of Financial Activities. There is no material difference between the net incoming resources and fund balances carried forward at 31 March 2015 stated above and their historical cost equivalent. The notes on pages 19 to 29 form part of these Financial Statements.

Balance Sheets as at 31 March 2015

	Note	Group 31-Mar-15 £000	Charity 31-Mar-15 £000	Group 31-Mar-14 £000	Charity 31-Mar-14 £000
Fixed Assets					
Tangible fixed assets	4.1	2,664	2,664	2,555	2,555
Investments	4.2	19,611	19,611	17,306	17,306
Total fixed assets		22,275	22,275	19,861	19,861
Current Assets					
Debtors	5	2,227	2,750	1,748	2,299
Short term investments and deposits	6	5,926	5,926	4,265	4,265
Cash at bank and in hand		1,135	423	2,124	1,469
Total current assets		9,288	9,099	8,137	8,033
Creditors: amounts falling due within one year	7	(5,030)	(4,850)	(2,815)	(2,720)
Net current assets		4,258	4,249	5,322	5,313
Total assets less current liabilities and net assets		26,533	26,524	25,183	25,174
Funds					
Endowment fund	8	653	653	653	653
Restricted income funds	8	2,742	2,742	2,193	2,193
Unrestricted income funds	8	23,138	23,129	22,337	22,328
Total Funds		26,533	26,524	25,183	25,174

The financial statements on pages 16 to 29 were approved by the Board of Trustees on 29th October 2015 and signed on its behalf by:

Signed:

Chairman:



Date: 29th October 2015

Trustee:



Date: 29th October 2015

Consolidated cash flow statement for the year ended 31 March 2015

	Note	Group 31-Mar-15 £000	Group 31-Mar-15 £000	Group 31-Mar-14 £000	Group 31-Mar-14 £000
Operating activities					
Net cash (outflow)/inflow from operating activities	9.1		1,868		(122)
Returns on investments and servicing of finance					
Dividends and interest received	2.1	214		316	
Net income from property	2.1	174		130	
Net cash inflow from returns on investments			388		446
Capital expenditure and financial investments					
Purchase of tangible fixed assets	4.1	(867)		(592)	
Disposal of tangible fixed assets	4.1	-		16	
Revaluation of investment property	4.1	(318)		(328)	
Investment property additions	4.1	(400)		(217)	
Additions to investment portfolio	4.1	-		(4,002)	
Withdrawals from investment portfolio	4.1	-		2	
Net cash (outflow) from investing activities			(1,585)		(5,121)
Management of liquid resources					
Movement in short term deposits		(1,661)		5,069	
Net cash inflow from the management of liquid resources			(1,661)		5,069
Increase/(decrease) in cash	9.2		(989)		272

Notes to the Financial Statements

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 have been prepared under the historical cost convention, as modified for the revaluation of certain investments, and in accordance with applicable United Kingdom accounting standards, the Charities Act 2011 and the Statement of Recommended Practice (SORP 2005), "Accounting and Reporting by Charities" issued by the Charity Commissioners in 2005.

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.

Basis of preparation

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

1.1 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. 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.

1.2 Incoming resources

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;
- Certainty – when there is reasonable certainty 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

- Assets given for distribution by the charity are included in the statement of financial activities only when distributed.
- Assets given for use by the charity (e.g. property for its own occupation) are included in the statement of financial activities as incoming resources when receivable.
- Gifts made in kind but on trust for conversion into cash and subsequent application by the charity are included in the accounting period in which the gift is sold.

In all cases the amount at which gifts in kind are brought into account is either a reasonable estimate of their value to the charity or the amount actually realised.

Legacies

Legacies are included in incoming resources once they have been received or receipt becomes reasonably certain. This will be once confirmation has been received from the representatives of the estate that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

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.

Activities for generating funds

Activities for generating funds are the fundraising activities carried out by the charity primarily to generate incoming resources which will be used to undertake its charitable activities.

Incoming resources from charitable activities

Incoming resources from charitable activities are any incoming resources for which a payment has been received for goods and services provided for the benefit of the charity's beneficiaries, such as course fees or professional fees.

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.

1.3 Resources expended

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

The costs of generating 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 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 and other support costs are allocated between costs of generating funds, charitable activities and governance on the basis of actual accrued spend.

It is the charity's policy to apportion support costs which cannot be attributed directly to specific funds across all funds in proportion to each fund's average monthly balance being a reasonable estimate of the costs of administering the funds.

1.4 Definitions of funds

The charity holds endowment, restricted and unrestricted funds; unrestricted funds may be either designated or undesignated.

- Endowment funds are unrestricted and are held to generate income to further the charity's general objects. The income earned is also unrestricted.
- 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.
- Undesignated funds or general funds are unrestricted funds which the Trustees have not specifically designated towards some particular aspect of the charity.

1.5 Investment assets

The charity holds a portfolio of investments made up of investment properties, cash held on deposit, and a professionally managed portfolio of securities. Interest, dividends and rent receivable during the year are recognised in the statement of financial activities under investment income when receivable.

Investment properties

Investment properties are included in the Financial Statements at their market value, based on professional valuation or based on an appropriate local property index applied by the Trustees to adjust the value of the investment properties to their current estimated market value. Gains or losses are calculated as the difference between the market value at the current year end and the market value at the previous year end.

Investments listed on a recognised Stock Exchange

Investments listed on a recognised Stock Exchange are valued at market value according to valuation reports provided by the charity's fund managers as at 31 March 2015. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or date of purchase if later). Unrealised gains and losses are calculated as the difference between market value at the year end and opening market value (or date of purchase if later).

Investments in subsidiary undertakings

Investments in subsidiary undertakings are treated as fixed asset investments and valued at cost less any amounts written off.

Fixed asset investments

Fixed asset investments are reviewed annually for impairments.

1.6 Pension contributions

Pension Costs – NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions 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 Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers' pension cost contributions are charged to operating expenses as and when they become due.

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 Trust commits itself to the retirement, regardless of the method of payment.

1.7 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 in periods 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

1.8 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.

1.9 Irrecoverable VAT

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

1.10 Parent Charity Financial Statements

ACT has taken advantage of the Charity Commission exemption allowing it to omit the statement of financial activities for the parent charity. Total incoming resources of the parent charity are £9.421m (2014: £8.543m), total resources expended are £9.862m (2014: £9.369m) and net movement in funds is £1.351m gain (2014: £0.664m loss) after taken account of £1.162m gain (2014: £0.162m gain) on investment assets.

Notes to the Financial Statements

2.1 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Group 31-Mar-15 £000	Group 31-Mar-14 £000
Interest on deposits	29	-	29	65
Stock market investment income	186	-	186	251
Rent from properties	174	-	174	130
	<u>389</u>	<u>-</u>	<u>389</u>	<u>446</u>

2.2 Incoming resources from charitable activities

	Unrestricted Funds £000	Restricted Funds £000	Group 31-Mar-15 £000	Group 31-Mar-14 £000
Course fees	1,839	-	1,839	1,112
Services provided	1,450	2	1,452	2,165
	<u>3,289</u>	<u>2</u>	<u>3,291</u>	<u>3,277</u>

3.1 Resources expended

	Cost of Generating Funds £000	Cost of Charitable Activities £000	Governance Costs £000	Group 31-Mar-15 £000	Group 31-Mar-14 £000
Staff	600	385	75	1,060	1,027
Audit fee	-	-	26	26	23
Other	764	7,648	64	8,476	8,030
	<u>1,364</u>	<u>8,033</u>	<u>165</u>	<u>9,562</u>	<u>9,080</u>

A total of £nil (2014: £nil) was reimbursed to Trustees for expenses in the year.

Other costs of charitable activities £8.033m (2014: £7.727m) include £7.276m (2014: £6.88m) of grants payable by the Charity.

Notes to the Financial Statements

3.2 Charitable activities

	Unrestricted Funds £000	Restricted Funds £000	Group 31-Mar-15 £000	Group 31-Mar-14 £000
Patients' welfare and amenities	2,859	408	3,267	2,633
Staff welfare and amenities	883	59	942	1,228
Research	1,437	43	1,480	1,375
Course expenditure	1,360	54	1,414	1,320
Depreciation and fixed asset maintenance	475	282	757	847
Other direct charitable expenditure	(2)	175	173	324
	<u>7,012</u>	<u>1,021</u>	<u>8,033</u>	<u>7,727</u>

Included within the above charitable activities is £0.09m for support costs (2014: £0.04m).

3.3 Analysis of staff costs

	Group 31-Mar-15 £000	Group 31-Mar-14 £000
Wages and salaries - directly employed staff	870	840
Social security costs	70	71
Other pension costs	120	116
	<u>1,060</u>	<u>1,027</u>
The average monthly number of staff in the year was:		
Directly employed staff	<u>22</u>	<u>22</u>

Salary above £60,000 (bands of £10,000) £000

	Number of staff	
	31-Mar-15	31-Mar-14
60 - 70	1	1
70 - 80	2	2
	<u>2</u>	<u>2</u>

Notes to the Financial Statements

4.1 Tangible fixed assets

Group and Charity

	Medical Equipment £000	Leasehold Improvements £000	Office Equipment £000	Total £000
Cost				
At 1 April 2014	5,944	134	25	6,103
Additions purchased	861	-	6	867
Disposals	-	-	-	-
At 31 March 2015	6,805	134	31	6,969
Accumulated depreciation				
At 1 April 2014	3,519	24	4	3,548
Provided during the year	726	27	6	758
Disposals	-	-	-	-
At 31 March 2015	4,245	50	10	4,306
Net book value				
Net book value at 31 March 2014	2,425	110	21	2,555
Net book value at 31 March 2015	2,560	83	21	2,664

There are no fixed assets within the subsidiary company.

4.2 Investments

Group and Charity

	Investment properties £000	Investments listed on a recognised stock exchange £000	31-Mar-15 £000	31-Mar-14 £000
Market value at 1 April 2014	4,190	13,116	17,306	12,686
Additions at cost	400	5,811	6,211	4,219
Disposals at carrying value	(73)	(5,625)	(5,698)	(2)
Net gain on revaluation	392	1,400	1,792	403
Market value at 31 March 2015	4,909	14,702	19,611	17,306
UK Investments	4,909	6,544	11,453	11,139
Non Region Specific	-	1,128	1,128	1,292
Non-UK Investments	-	7,030	7,030	4,875
	4,909	14,702	19,611	17,306

The trustees believe that the carrying value of the investments is supported by their underlying net asset

Notes to the Financial Statements

4.2 Investments (continued)

No publicly traded investments, listed on a recognised stock exchange, represent in excess of 5% of the total investment portfolio valuation at 31 March 2015.

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-15 £000	Year ended 31-Mar-14 £000
Turnover	1,414	1,299
Cost of sales	(434)	(380)
Gross profit	980	919
Bank deposit interest	1	1
Other administrative expenses	(2)	(7)
Gift aid donation to parent	(979)	(913)
Net loss	-	-
Retained profit brought forward	9	9
Retained profit carried forward	9	9
The aggregate of assets, liabilities and funds is:		
Assets	1,022	1,022
Liabilities	(1,013)	(1,013)
Shareholders' funds	9	9

5. Debtors

	Group 31-Mar-15 £000	Charity 31-Mar-15 £000	Group 31-Mar-14 £000	Charity 31-Mar-14 £000
Amounts falling due within one year:				
Trade debtors	929	602	1,015	688
Amounts owed by group undertakings	-	979	-	918
Other debtors	62	62	36	36
Prepayments and accrued income	1,236	1,107	697	657
	<u>2,227</u>	<u>2,750</u>	<u>1,748</u>	<u>2,299</u>

Within prepayments and accrued income £0.869m (2014: 0.574m) relates to accrued income from legacies.

6. Short term investments and deposits

	Group 31-Mar-15 £000	Charity 31-Mar-15 £000	Group 31-Mar-14 £000	Charity 31-Mar-14 £000
Short term cash deposits (under 3 months notice)	<u>5,926</u>	<u>5,926</u>	<u>4,265</u>	<u>4,265</u>

Notes to the Financial Statements

7. Creditors

	Group 31-Mar-15 £000	Charity 31-Mar-15 £000	Group 31-Mar-14 £000	Charity 31-Mar-14 £000
Amounts falling due within one year:				
Trade creditors	99	74	233	233
Other creditors	2,578	2,528	718	663
Accruals and deferred income	2,353	2,248	1,864	1,824
	<u>5,030</u>	<u>4,850</u>	<u>2,815</u>	<u>2,720</u>

8. Funds of the charity

Funds are defined as unrestricted, restricted or endowment funds based on guidelines set out by the Charities 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 £0.025m (2014: £0.050).

	Total 31-Mar-14 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and losses £000	Balance 31-Mar-15 £000
Endowment funds	653	-	-	-	-	653
Restricted funds	1,841	1,614	(1,193)	54	223	2,539
Unrestricted designated funds	21,046	6,711	(8,445)	624	1,479	21,414
Unrestricted funds	1,644	1,096	(225)	(678)	90	1,927
	<u>25,183</u>	<u>9,420</u>	<u>(9,862)</u>	<u>-</u>	<u>1,792</u>	<u>26,533</u>

Endowment funds	Total 31-Mar-14 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and losses £000	Balance 31-Mar-15 £000
Endowment fund	653	-	-	-	-	653
	<u>653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>653</u>

The endowment fund was created by a resolution of the trustees of the Fund for Addenbrooke's, a precursor charity, in 2005. The trustees of that charity designated £500,000 as a permanent endowment with expendable income. The current trustees consider that the objects of the Charity could now be more effectively pursued if the trustees have the power to apply the capital of the Fund as well as its income. An application was made to the Charity Commission in July 2015 to de-restrict the fund.

Notes to the Financial Statements

8. Funds of the charity (continued)

Restricted funds	Total 31-Mar-14 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and losses £000	Balance 31-Mar-15 £000
Breast Cancer Research	820	137	(63)	-	69	964
Rheumatoid Arthritis	255	1	(15)	-	20	261
Peanut Allergy Research	-	200	(21)	-	-	179
Medical Ophthalmology	-	144	(1)	-	2	144
Addenbrooke's Abroad	197	149	(235)	(0)	14	126
Neurology	100	-	(6)	-	8	102
Other restricted (17 funds)	569	983	(857)	54	117	866
	1,841	1,614	(1,193)	54	223	2,539

- Breast Cancer Research fund – for research into breast cancer including the current Personalised Breast Cancer research project.
- Rheumatoid Arthritis fund – for research into Rheumatoid Arthritis at Addenbrooke's Hospital.
- Peanut Allergy Research fund – development of oral de-sensitisation therapy for peanut allergy, with the assistance of a grant from Garfield Weston Foundation.

Material unrestricted designated funds	Total 31-Mar-14 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains and losses £000	Balance 31-Mar-15 £000
MRI Scanners	4,625	658	(2,110)	-	338	3,511
Post Graduate Medical Education	1,906	1,376	(1,332)	(54)	177	2,073
Oncology R & D Committee	1,668	514	(589)	(10)	112	1,695
Oncology & Day Unit	1,174	125	(120)	(0)	86	1,266
Dermatology	558	3	(7)	(10)	43	587
Coronary Care Unit	552	10	(71)	(1)	40	530
Leukaemia Research	435	163	(164)	(1)	33	467
Cancer Trials Centre	488	-	(27)	(37)	37	461
Biochemistry & Immunology	449	63	(90)	-	36	457
Cancer Scanning	438	-	(40)	-	34	432
Paediatrics	369	55	(51)	(2)	28	400
Parkinson's Disease Research	396	(11)	(13)	(37)	18	353
Cancer Research	372	12	(16)	(51)	22	340
Transplant Unit & Research	184	199	(45)	(15)	15	339
Osteoporosis Research	338	43	(68)	-	23	335
Tissue Bank Research	123	194	(56)	9	12	282
Cardiac Research	222	1	(11)	-	15	228
Diabetes & Endocrine	207	0	(15)	-	16	208
Eye Research	196	3	(12)	(19)	12	180
Other funds (315 funds)	6,344	3,302	(3,607)	851	381	7,271
	21,046	6,711	(8,445)	624	1,479	21,414

Notes to the Financial Statements

9. Notes to the cash flow statement

9.1 Reconciliation of net movement in funds to net cash flow from operating activities

	Group 31-Mar-15 £000	Group 31-Mar-14 £000
Net movement in funds	1,350	(664)
Depreciation charge	758	848
Realised/unrealised (gain) on fixed asset investments	(1,587)	(75)
Investment income	(389)	(446)
(Increase)/decrease in debtors	(479)	(642)
Increase in creditors	2,215	857
Net cash inflow from operating activities	<u>1,868</u>	<u>(122)</u>

9.2 Increase/(decrease) in cash

	Group 31-Mar-15 £000	Change in year £000	Group 31-Mar-14 £000	Change in year £000	Group 31-Mar-13 £000
Current accounts	1,135	(989)	2,124	272	1,852
Cash at bank and in hand	<u>1,135</u>	<u>(989)</u>	<u>2,124</u>	<u>272</u>	<u>1,852</u>

10. Related parties

During the year none of the trustees or members of the key management staff, or parties related to them, have undertaken any material transactions with the Charity. Cambridge University Hospitals NHS Foundation Trust acts as paying agent for much of the charity's expenditure, but is reimbursed on a regular basis. During the year the Charity contributed £5.862m (2014: £5.56m) towards various schemes of Cambridge University Hospitals NHS Foundation Trust. At the end of the year the Charity owed £2.508m (2014: £0.644m) to the Trust. The Trust provides administrative and financial services to the charity for which a charge of £0.045m (2014: £0.04m), which represents actual costs, has been made.

One of the trustees is also a non-executive directors of Cambridge University Hospitals NHS Foundation Trust.

Cambridge University Hospitals NHS Foundation Trust paid the subsidiary, The Fund for Addenbrooke's Limited, £1.592m (2014: £1.244m) for the maintenance of MRI and CT scanners and the *da Vinci Si Surgical System*. The total income received and receivable during the year amounted to £1.414m (2014: £1.299m). All profit of The Fund for Addenbrooke's Limited is gift aided to Addenbrooke's Charitable Trust.

The charity has taken advantage of the exemption contained in FRS 8 – "Related party disclosures", which exempts it from disclosing details of transactions between the charity and the subsidiary, as the subsidiary is a wholly owned subsidiary of the charity.

11. Post balance sheet events

There have been no material post-balance sheet events which would require adjustment to or disclosure in the 31 March 2015 Financial Statements.



ACT is the working name for The Incorporated Trustees of Addenbrooke's Charitable Trust and other related charities.
Registered charity number: 1048868