
Addenbrooke's Charitable Trust
(Formerly The Fund & Friends of Addenbrooke's)

Annual Report and Accounts 2006/07

Registered Charity number: 1048868

Addenbrooke's Charitable Trust

Annual Report and Accounts 1 April 2006 – 31 March 2007

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Principal Office: Addenbrooke's Hospital, Hills Road, Cambridge, CB2 0QQ
Tel: 01223 217757

The charity is constituted by a Declaration of Trust and registered with the Charity Commissioners

The Trustees are incorporated under Part VII of the Charities Act 1993

Charity Number 1048868

Foreword

Welcome to the first annual report under our new name of Addenbrooke's Charitable Trust (ACT). I am delighted to say that the charity has had a very successful year as it builds on its foundations and moves forward with a new fundraising strategy, developed to implement the Trustees' aims as set out in the strategic plan.

The fundraising strategy includes some exciting new initiatives such as targeting the footfall of the organisation (patients, visitors and NHS Foundation Trust members), and we look forward to seeing these initiatives implemented as the charity continues to grow over the next year.

This year the Trustees decided the time had come to appoint a Chief Executive to take overall charge of the organisation and therefore I am pleased that Keith Day was appointed to the position.

The organisation has also taken on a new identity and logo, which has been beneficial in continuing and accelerating the charity's progress. This enables the charity to be seen as modern, dynamic and professional, both within the hospital and in the wider community. By creating a brand fronted by our logo, our values are easily recognisable and we are pleased that a growing number of people are keen to 'act for Addenbrooke's'.

ACT maintains a close working relationship with Addenbrooke's Hospital and by supporting and promoting the hospital's work we continue with our aim to benefit patients by enhancing services, facilities and research. Our role is becoming increasingly visible in an NHS which is now changing faster than ever before. The NHS is subject to both intense public scrutiny and increasing pressure from NHS reforms to deliver more to ever-exacting standards.

Charitable donation has over the years delivered many tangible benefits to our patients. However, it is not in the best interests of the charity as a fundraiser for it routinely to cover costs which the public and grant-making bodies regard as the responsibility of the State. The Trustees want to make the best possible use of the funds available to us: to support the development of innovative and leading-edge techniques and services, to provide facilities sooner or to a higher level of provision ... in effect to supplement and enhance the care the NHS gives to the hospital's patients and the support they give to the staff.

The generous donations and the results of the many fundraising efforts this year have helped to keep Addenbrooke's at the forefront of patient care and the Trustees are indebted to all the people who have made such generous gifts both in time and money. The Trustees have been particularly grateful to learn of three significant legacies donated to ACT this year. I do hope this report will give an insight into the difference that the charity has made.

At the end of the year the Trustees were sorry to hear that Caroline Lane, Director of Fundraising, announced her resignation after eight years at the charity, having been headhunted by a London hospital. I would like to pay tribute to the huge contribution Caroline has made in putting ACT on the fundraising map. She has led the charity from very modest beginnings to being one of the major fundraising charities associated with the NHS. We are in the process of recruiting a replacement for Caroline and have appointed a firm of headhunters.

I also wish to acknowledge the efforts and support of my fellow Trustees, committee members and the staff of the charity during the year in taking the charity forward into what will undoubtedly be an exciting and, of course, challenging future.



Simon Anderson

Chairman of Addenbrooke's Charitable Trust

This report covers the detail associated with the administration of the charity and discharges the Trustees' duty of public accountability and stewardship.

Report of the Trustees for the year ended 31 March 2007

About Addenbrooke's Hospital

Addenbrooke's is a modern, thriving NHS hospital developing to meet the demands of the 21st century.

In 2006/07 the NHS Foundation Trust had more than 6,800 members of staff, around 1,000 beds and an income of over £393 million. The hospital fulfils a number of important functions – as a local hospital for people living in the Cambridge area, as a specialist centre for a regional, national and international population and as the teaching hospital for the University of Cambridge. The hospital's status and reputation means that Addenbrooke's attracts research, and in partnership with the University and other major scientific and charitable organisations, it is bidding to enhance its status as a world-class centre for research and scientific development.

In 2004 the NHS Trust became one of the first NHS Foundation Trusts, a public benefit corporation, as Cambridge University Hospitals NHS Foundation Trust.

Background to the charity

Until January 2007 the charity was named The Fund and Friends of Addenbrooke's. With the permission of the Charity Commission the Trustees resolved with effect from 1st January 2007 to change this name to Addenbrooke's Charitable Trust (ACT). The new name and logo mark a new era for fundraising and charitable activities at Addenbrooke's, aligning the charity with Addenbrooke's Hospital by means of a recognisable, modern and dynamic brand.

The Fund and Friends of Addenbrooke's had been formed in March 2005 by a merger of the Addenbrooke's Charities and the Fund for Addenbrooke's, and incorporated under one umbrella three separate strands: the Fund for Addenbrooke's (with its subsidiary the Fund for Addenbrooke's Limited); the Addenbrooke's Hospital Cancer Scanner Appeal – an old charity which although dormant still occasionally received legacies; and the Addenbrooke's Charities.

The Trustees appointed hold the charitable funds on behalf of the Cambridge University Hospitals NHS Foundation Trust and can apply these for any purposes of the Foundation Trust or the NHS. These are the objects of the charity and are expanded in the Vision Statement on page 7. With the consent of the Charity Commission, in May of 2006 the Trustees resolved to amend and widen the charity's objects to include the purposes of the Cambridge University Hospitals NHS Foundation Trust in recognition that these purposes could be wider than those of the NHS.

Addenbrooke's Charitable Trust (ACT)

The charity has a total of ten Trustees, four of whom are appointed from nominations by health bodies within the NHS Foundation Trust area. Trustees are appointed on behalf of the Secretary of State for Health by the Appointments Commission demonstrating fairness and objectivity in the appointment process. For the full membership of the charity please see page 13.

The Trustees have agreed to be subject to an appraisal system based on one to one meetings with the Chairman, and the Chief Executive has been charged with implementing appraisal arrangements for the Chairman. Additionally a number of Trustees have attended training events during the year.

At the end of the year Sir John Bradfield, Mr David Hardy and Mr David Bradley were reappointed as Trustees for a further period of four years.

Keith Day was appointed as Chief Executive of ACT at the end of 2006.

The Trustees are responsible for the administration of the charity and for ensuring that assets are properly managed, controlled and safeguarded in accordance with the NHS Foundation Trust and charity law.

The major risks to which the charity is exposed as identified by the Trustees have been reviewed and systems or procedures have been established to manage those risks. A risk register has been established for the charity.

Mr Michael Marshall serves as president and the Countess of St Andrews as patron of the charity.

Defining governance, management, structure and strategy

Governance and management

The move to Section 22 status and the coming together of the charities in 2005 necessitated the adoption of an overall strategic plan for their future effective management, which the Trustees put in place. Implementation of the strategic plan has continued through the year under report with responsibility for action being assigned and results monitored by the Trustees.

As part of the implementation of the strategic plan, a fundraising strategy has been developed, which includes provision for management of major projects and other schemes. A sub-strategy that came out of the fundraising strategy targets the footfall of the organisation, namely patients, visitors and NHS Foundation Trust members. Research has been conducted among staff members and patients and it was concluded that the first step in this approach should be increasing patient and staff awareness of what the charity does on a broad level.

During the year the process of transferring staff from the NHS Foundation Trust to the direct employment of the Trustees was agreed. In future the Trustees will directly employ, on terms and conditions they determine, the staff directly involved in the management of the charities.

The fundraising team has been reviewed and job descriptions refined to enable a more strategic approach to managing potential sources for donation and fundraising. To this end two new staff members have been appointed, a Fundraising Manager, to implement the footfall strategy to target patients, visitors and NHS Foundation Trust members as a potential source of fundraising; and a Database Administrator, responsible for the organisation of our significant databases.

ACT has registered with the Governance Hub (a partnership of voluntary and community sector organisations working under the sponsorship of the Home Office to improve the quality of governance), which is promoting a governance review process. We have completed the review survey and are awaiting the results. ACT intends to comply with the Good Governance Code for the Voluntary and Community Sector; the Chief Executive will be conducting a review of compliance.

With regard to charging arrangements for services provided to the charity by the NHS Foundation Trust, agreement was reached during the year on arrangements that recognise that the close working relationship between the two bodies is extremely beneficial and provides a significant advantage to both parties.

During the course of the year the Trustees have approved standing orders and standing financial instructions governing the conduct of the charity's business.

Committee structure

A committee structure was agreed which both managed the transition to a single charitable organisation and embedded the governance principles for the future. Four sub-committees, each chaired by a Trustee and reporting to the main committee of Trustees form the governance framework.

- **The Fundraising Committee** – is responsible for planning and approving the fundraising activities
- **The Investment Committee** – aims to make the charity's money work hard and make a return through investment. Funds are pooled for investment purposes and held in a variety of ways, for example in a professionally managed portfolio of securities, in residential property and in bank deposits.
- **The Grants Committee** – responsible for reviewing and approving applications for grants. The committee has determined the principles for awarding grants and established a clear and transparent process. This committee is advised by the Research Advisory

Committee (RAC) and the Professional Advisory Committee (PAC) which has representatives from Cambridge University Hospitals NHS Foundation Trust.

- **Finance and General Purposes Committee (previously The Merger and Structures Committee)** – initially responsible for bringing together the administration, finance and governance of the three charities (the name change was agreed in August 2006) now oversees and provides advice on administration, finance and governance.

Strategy

As mentioned previously, the Trustees have in place a strategic plan and work has continued throughout the year to implement the agreed actions of the plan. The Trustees reviewed progress in June 2007 and set targets for the current year.

The plan comprises: vision statement; mission; strategic aims; business objectives and key activities and action plans.

Vision statement

To support and promote the work of Addenbrooke's, for the benefit of patients by enhancing services, facilities and research.

Mission

The mission of the Addenbrooke's Charitable Trust is to:

- **help** to ensure that the community served by Addenbrooke's is provided with first-class medical care by providing and supplementing services and facilities above and beyond that normally provided by the NHS
- **Improve** the experience of patients and their families, along with the staff who support them
- **help** to keep Addenbrooke's a leading edge hospital and help make what is available and possible in medicine available and possible at Addenbrooke's

The Addenbrooke's Charitable Trust will do this by:

- **fundraising** in partnership with the hospital
- **managing** the charitable funds in an effective way and endeavouring to ensure a sustained and regular income
- **awarding** grants

Strategic aims

- **to increase** the income raised by the charity, both to provide grant and project funding and to build a base for the future which will bring in regular income
- **to create** a recognised identity for the Addenbrooke's Charitable Trust, and to be seen to do a good job
- **to raise** funds effectively and efficiently and to have an integrated fundraising process
- **to engage** and build strong relationships with the hospital and other stakeholders of the Addenbrooke's Charitable Trust charity, and those who commission health services
- **to invest** and disburse money successfully in accordance with the charity's objectives and ensure that funds are used for the purposes for which they are raised
- **to manage** the Addenbrooke's Charitable Trust effectively and to build structures and processes in line with best practice

Business objectives are linked to each strategic aim with attendant success measures. Key activities and action plans were defined to achieve delivery milestones and responsibility was allocated to one of the charity's four committees.

How are we performing so far?

When marketing consultants were appointed to develop the charity's identity and work towards establishing a clear and recognisable brand and name, the new name of Addenbrooke's Charitable Trust (ACT) was adopted by the charity. This new name was launched in January 2007 with a new logo and it has proved to be successful in helping promote the charity as a modern and dynamic organisation.

The charity has been looking at new software solutions for a fundraising financial control system. A new system must be compatible with the NHS Foundation Trust's new financial systems. More research is now in place to determine which system will best benefit ACT.

New office accommodation was set up for the Trustees and staff of the charity to enable a more productive and professional working environment for the expanding organisation. The resulting accommodation provides a larger, more comfortable and practical working environment than before and has received very positive feedback from staff and donors alike.

Further to tenders for the ACT audit contract by Deloitte, KPMG and PricewaterhouseCoopers, PricewaterhouseCoopers were appointed auditors for the charity in November 2006.

ACT is in the process of registration with the Fundraising Standards Board Self Regulation Scheme. Major donors will expect ACT to meet the scheme's requirements, and membership should add credibility to the charity.

Addenbrooke's Hospital was founded in 1766 on a legacy of £4,767 left by John Addenbrooke. Since John Addenbrooke's initial bequest, legacies have provided the hospital with vital funding. This year three significant amounts have been donated to ACT by legacy, with legacy income totaling £2.1m (2006: £0.7m).

Snapshot of projects from the year

This brief list of projects illustrates the range and impact of charitable giving at Addenbrooke's. To get a more detailed picture of projects, the charity also publishes a report detailing its fundraising activities. The report is available from the ACT office, Tel: 01223 217757.

Benefitting patient and staff welfare ...

A successful robot

Over the past year a robot, one of only three within the UK, and the first in the region has been assisting with surgery for prostate cancer. At the end of the year the robot, purchased with the help of charitable funds, had assisted in over 100 operations; it is a real success story and key investment for Addenbrooke's. In the future it may also be used for other types of operations at the hospital.

The da Vinci Robotic System helps the surgeons to perform a type of keyhole surgery which is minimally invasive, gives a clear and magnified view and allows great precision making the surgery safer and subject to fewer side-effects.

Patients recover more quickly. Normally they would be in hospital for five to eight days but now patients are typically discharged within 24 hours. Not only is this good for patients but it's good for the NHS as well.

Prostate cancer tends to affect men over the age of 50, and is rarely found in men under that age. Around 30,000 men in the UK are diagnosed with prostate cancer each year and it is the most common cancer in men.

Brachytherapy

The charity has pump-primed the implementation of a brachytherapy service at Addenbrooke's. Brachytherapy is a radiotherapy treatment option for organ confined prostate cancer, which minimises the effects of radiation to other organs and substantially reduces the convalescence required following treatment. The brachytherapy equipment, purchased with charitable funds, has been in service since August 2006. Addenbrooke's is the only hospital in East Anglia to offer this innovative choice of treatment and one of only eight sites in the UK, and is therefore proving highly beneficial to prostate cancer patients in the region and surrounding area.

Providing leading-edge technology – MRI (magnetic resonance imaging)

The collaboration between the charity and the hospital for the provision of MRI services continues. MRI is a key tool in the diagnosis of disease and the hospital has been fortunate to have the use of machines funded by the Fund for Addenbrooke's since 1997. The spirit of the agreement is to provide a service above and beyond normal NHS provision for our patients and in support of research and development throughout the hospital.

The scanner fund also comprises a scanner located at the BUPA Lea hospital in Cambridge as an investment.

Income for the next few years from this source is specifically earmarked for the MRI department, which is expanding the implementation of a new MR System and a rebuild of the MRIS building to accommodate a third MRI suite. Funds from the Scanner Fund have contributed to the build, which commenced this year, and new equipment to fit out the refurbished building.

Brain wave monitor for NICU

Consultant neonatologists Dr Wilf Kelsall and Dr Jag Ahluwalia trekked on Mount Kilimanjaro to raise funds for the Neonatal Intensive Care Unit (NICU). To date over £11,000 has been raised for NICU and the unit plans to purchase a vital brain wave monitor, which will have a great impact on the quality of care offered to babies on the unit.

Helipad

Members of the NHS Foundation Trust Board of Directors and Board of Governors took part in the Chariots of Fire race 2006 to raise a combined total of nearly £12,000 for a proposed helipad at Addenbrooke's. As Addenbrooke's progresses to become the main trauma centre for the eastern region, a helipad will play a valuable part in the service it offers in collaboration with its partners in the emergency ambulance services.

Addenbrooke's Arts

Addenbrooke's Arts is the arts project for the whole of Addenbrooke's Hospital. It exists to enhance the hospital environment and improve the experience of patients, staff and visitors through the use of the arts, and is funded entirely through charitable funds and money that it fundraises and earns. Its principal areas of work are: providing opportunities for patients and staff to participate in the arts; improving the hospital environment using both visual arts and a co-ordinated, harmonious approach to interior design; and establishing and running arts events for patients, staff and visitors.

Earlier this year, the Department of Health issued its first ever review of arts in health which recognised that the arts "are, and should be firmly recognised as being, integral to health, healthcare provision and healthcare environments, including supporting staff".

Over the course of the past year, Addenbrooke's Arts initiated a number of projects which have had a dramatic impact on patients' experience of the hospital. One such is the interactive Jimmy Teens TV project for teenagers with cancer, which enables teenage cancer patients to chart their experiences through film making. Other participatory projects included artist-led activities for the hospital Open Day and a large scale project for the Big Draw in October, when patients, staff and visitors were given the opportunity to get creative and

design paper flags, some of which have been exhibited on Level 3. Several music concerts were organised throughout the year including jazz and performances by Cambridge Voices, and there was also a rotating programme of exhibitions along the Clown Corridor including a much praised exhibition of photographs of Machu Pichu by Sir Charles Chadwyck-Healey. Addenbrooke's Arts also continued to look after and to improve the Golden Jubilee Garden. There are big plans for Addenbrooke's Arts over the year ahead including a number of major commissions and a programme of performances as well as the establishment of closer links with local arts organisations.

Care First – supporting the hospital's staff

Care First, the staff counselling service, set up in July 1998 has benefited an increasing number of staff in dealing with stress and difficulties arising from the home and work environment. The service operates 365 days-a-year, 24-hours-a-day and consists of a telephone advice and information line together with face-to-face counselling. Staff can find support across a range of issues such as bereavement, eldercare, dealing with debt, dealing with drinking and separation and divorce.

Care First was introduced prior to the national Improving Working Lives (IWL) and now forms part of this NHS standard with feedback from users illustrating the value of the service. Karen Clarke, Assistant Director of Human Resources said: "Department of Health figures indicate that at least 20% of the workforce have personal and work related problems which affect performance; clearly the opportunity to have access to a service which might help staff cope with these issues is a direct benefit to staff and therefore to the hospital." Cambridge University Hospitals NHS Foundation Trust is currently considering taking over responsibility for funding this initiative.

Grant making for equipment, facilities and specialist staff

Grants have been awarded for a number of projects including:

- Two reclining wheelchairs for Paediatric Orthopaedic Surgery
- Washing facilities for Wards F5 and G5 (General Medicine)
- Ortho-geriatric Nurse Specialist for the Elderly Trauma Unit (ETU)
- Nurse Consultant in Breast Care for the Breast Unit
- End of Life Facilitator for Palliative Care, Oncology
- Course Fees for a Diploma in Hypnosis applied to Medicine

Benefitting research ...

Research into Breast Cancer

Breast cancer, the most common form of cancer in the UK, affects more than one in nine women and occasionally some men.

Laboratory and clinical research are the keys to understanding, diagnosing and treating breast cancer and in Addenbrooke's we are fortunate to have excellent clinical teams and world-class scientists who are focusing on the disease.

The Cambridge Breast Unit (CBU), part of the hospital's services, has a wealth of clinical experts in breast and reconstructive surgery, radiology, histopathology, clinical genetics, palliative care, as well as other healthcare professionals – breast care nurses, clinical nurse practitioners and radiographers. These staff work together with the research scientists on the Addenbrooke's site looking at how we can translate the science and research in the laboratory directly into patient care.

The clinical research programme is currently scattered throughout the hospital, inhibiting the expansion of research. The target of £1.8 million has been raised for the build of a dedicated clinical/translational building adjacent to the current unit, due for completion in October 2007, plus the £400,000 required for equipping the unit. Contributions have come from the community through Addenbrooke's Charitable Trust's high profile Pink Rose Dinners, together with substantial pledges from charitable trusts such as the Wolfson Foundation and

the Evelyn Trust. Fundraising will continue to raise further funds to equip the clinical/translational research unit.

Research funding granted

During the year, research funding has been awarded to a variety of projects including:

- genomic differences between benign and malignant follicular thyroid tumours using array Comparative Genomic Hybridization
- cardiac function during ischaemic preconditioning
- assessing liver function in orthotopically transplanted human livers using microdialysis
- two year pilot project to find a novel Parkinson Disease gene
- fasting tolerance and the risk for Type 2 diabetes

Benefitting the hospital ...

Addenbrooke's Archives

The hospital archive (which fulfils the Public Record Act 1958 and 1967) holds a wealth of historical material and artefacts dating from 1716.

During the last year the archives has continued to receive a growing number of enquiries from within the hospital and from the wider local, national and international communities. The success in raising the awareness of the archives has seen an increase in the number of deposits of material and artefacts. This has resulted in the archives strongroom reaching near capacity. It is hoped that a room for the artefacts and a searchroom area will become available within the next year.

With the increase in use of the patient case notes, the earliest volumes have become fragile and The Wellcome Trust scheme for Research Resources in Medical History has awarded a grant of £61,336, over three years in order to carry out conservation work on the oldest patient case books dating from 1876 to 1905. The work is progressing very well with four volumes of case notes being treated approximately every two months.

A successful programme of talks on the subject of the archives and the history of Addenbrooke's has continued to be of interest to local groups such as the University of the Third Age, Townswomen's Guilds and Retirement Fellowships and is also a very popular attraction at public and staff events such as the open day and the hospital's annual general meeting.

The valuable help of our volunteers

The core fundraising team is supported in its efforts by hospital staff throughout the Trust, and many in the community both as individuals and groups raise money for a specific purpose. For example, the energetic support of the community fundraising group, the Friends of Addenbrooke's, concentrates on raising funds directly for patient care.

This year the Friends have held many successful fundraising activities and events including: a spring fashion show in aid of an upgrade for imaging equipment in the Oncology Department; a plant stall in Outpatients for the Friends general funds, the design and sale of Christmas cards for the Friends general funds, the summer party held at Trumpington Hall to raise funds for Equipment for the Child Development Centre, and the Wilde Affair summer event held at the Old Vicarge, Grantchester to raise funds for special chairs for the Dialysis Unit.

The Friends committee and the Trustees have been in discussion regarding the future structure and arrangements for the Friends to ensure the most effective possible working arrangement for both parties.

Looking to the future ...

This year has focused on developing the new charity and raising awareness of its new name and brand, while putting in place the fundraising strategy, which will be the key to our success.

Major projects are already on the horizon for the coming year.

Ongoing discussions have taken place during the year about the development of a children's hospital on the campus, and since then the NHS Foundation Trust's Investment Board has agreed to fund the necessary work to produce a business case for a children's hospital. A feasibility study will be undertaken by Addenbrooke's Charitable Trust to ascertain the possibility of a capital appeal to fund equipment for a new children's hospital.

The charity has agreed to underwrite funding for Tomotherapy and is seeking research funding. Tomotherapy is an innovative form of radiotherapy, essential in guaranteeing the maximum dose of radiotherapy to a tumour without damaging any surrounding healthy tissue while at the same time reducing the levels of toxicity. The Department of Oncology at the Trust beat competition in February 2006 to be awarded a government grant of £2.4 million to purchase a Tomotherapy unit – the first to be installed in an NHS unit. The charity will be seeking additional funding for a research study to evaluate the new technology, including comparisons with conventional methods for radiotherapy. This is likely to influence practice, and therefore to benefit cancer patients, both nationally and internationally over the next decade.

Fundraising will continue to raise further funds to equip the Breast Cancer clinical/translational research unit already mentioned.

2007/08 will see the impact of the implementation of the fundraising strategy initiatives including the decision to target patients and members of the NHS Foundation Trust, as laid out in the footfall strategy.

The charity is looking forward to the appointment of a new Director of Fundraising to take the charity into the future with a focus on major grants and corporate sponsorship.

Two ACT Research Fellowships begin their first year in 2007. The Research Advisory Committee will allocate £60,000 of its general fund and £60,000 of Cancer Research Funds for the Fellowships to support promising young clinicians who need support and funding to demonstrate research experience before applying for national clinical research fellowships. The Fellowships will be awarded on a yearly basis and will raise awareness of ACT within the hospital, the University and the wider research world.

The Trustees of the charity

The Trustees met four times during 2006/07, with meetings in May, September, December and February.

Addenbrooke's Charitable Trust

The role of the Trustees is to set the strategic direction for the charity.

Membership

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|---|--|
| Mr Simon Anderson (Chairman) | Chairman, former Fund & Friends of Addenbrooke's |
| Dr Mary Archer (Vice-chairman) | Chairman, NHS Foundation Trust |
| Sir John Bradfield | Former chairman of Addenbrooke's Hospital |
| Mr David Bradley | Trustee, former Fund & Friends of Addenbrooke's, solicitor (partner Hewitsons) |
| Dr Peter Gough | Chairman of GP Liaison Committee for the NHS Foundation Trust |
| Mr Roger Guthrie (Hon Treasurer) | Trustee, former Fund & Friends of Addenbrooke's, chartered accountant (partner Peters, Elworthy and Moore) |
| Mr David Hardy | Former Medical Director for the NHS Trust |
| Mrs Tessa Humphreys | Trustee, former Fund & Friends of Addenbrooke's |
| Mr Antony Pemberton | Trustee, former Fund & Friends of Addenbrooke's |
| Mr Jim Potter | Non-executive director, NHS Foundation Trust |

Other officers

| | |
|---|---|
| Mr Keith Day (Chief Executive from October 2006) | Chief Executive, former Fund & Friends of Addenbrooke's |
| Mrs Caroline Lane (Director of Fundraising to July 2007) | Director, former Fund & Friends of Addenbrooke's |

Committees, policy and membership

Fundraising Committee

The committee oversees and advises on the fundraising activities of the combined charities and their development. The Fundraising Committee is accountable to the Trustees.

Membership

| | |
|---------------------------------|---|
| Mr Jim Potter (Chairman) | Trustee |
| Mr Simon Anderson | Chairman of the Addenbrooke's Charitable Trust |
| Mr Martin Beazor | Local Businessman |
| Mr Keith Day (Secretary) | Chief Executive of the Addenbrooke's Charitable Trust |
| Dr Peter Gough | Trustee |

| | |
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| Mrs Tessa Humphreys | Trustee |
| Mrs Caroline Lane (to July 2007) | Director of Fundraising, the Addenbrooke's Charitable Trust |
| Mrs Ruth Murphy | Director of PR & Communications, NHS Foundation Trust |
| Ms Valerie Mortlock (to April 2007) | Local Businesswoman |
| Dr Sandra Ray | Member of the Friends Committee |

Grants Committee

The Grants Committee advises the Trustees of the charity on the grants strategy and procedures and reviews applications for funding including funding for research projects. The committee has agreed that the Trustees determine the principles for awarding and that there should be a clear and transparent process.

The committee meets four times a year and reports regularly to the Trustees and is supported in its work by two sub-committees, the Research Advisory Committee (RAC) and the Professional Advisory Committee (PAC), see pages 15 and 16 for details.

Membership

| | |
|---|---|
| Mr David Hardy (Chairman) | Trustee |
| Mr Simon Anderson | Chairman of the Addenbrooke's Charitable Trust |
| Dr John Bradley | Director of Research & Development, NHS Foundation Trust |
| Mrs Roberta Cannon | Member of former Addenbrooke's Charities Committee |
| Mr Keith Day (Secretary) | Chief Executive of the Addenbrooke's Charitable Trust |
| Dr Peter Gough | Trustee |
| Mrs Caroline Lane (to July 2007) | Director of Fundraising, the Addenbrooke's Charitable Trust |
| Professor David Lomas | Professor of MRI |
| Mr Ralph Robinson | Trustee of former Fund for Addenbrooke's |
| Professor Patrick Sissons | Regius Professor of Physic, University of Cambridge |
| Dr Robert Winter | Medical Director, NHS Foundation Trust |

Grant making policy

The Grants Committee advises the Trustees in setting their grant-making strategy and priorities and makes sure this is publicised to fundholders and potential applicants. Some of the grants awarded are listed on page 10.

All applicants for grants outside of delegated limits are directed by the secretary to either the Research Advisory Committee (RAC) or the Professional Advisory Committee (PAC). These two committees forward their recommendations to the Grants Committee which then considers them in the light of the Trustees' agreed strategy. The Grants Committee reports its recommendations and the proposed arrangements for monitoring the effectiveness of the grant to the Trustees for ratification.

Charitable funding is not used for routine refurbishment or to meet statutory requirements unless it can be shown that there is substantial benefit either in time or the extent and quality of the project.

Employment costs are not normally supported for longer than one year and grants are only made where there is assurance that there are arrangements to meet possible longer-term costs including implications of employment rights.

Support for projects and the purchase of new equipment is only approved where there is a clear commitment from the NHS Foundation Trust via its Investment Board.

Evaluation of any grants is expected within 12 months of any grant being awarded.

The Trustees made grants for charitable purposes within the objects of the funds available to them.

The 2005 'Grant Making Principles' were reviewed by the Trustees in light of a large number of grant applications being made to PAC which were seen as 'NHS core business'. However the Charity Commission supports the flexible approach to grant making and the Grants Committee Chairman felt the original principles were sound. To this end both RAC and PAC amended their application forms to gain relevant background information to enable inappropriate applications to be filtered out before reaching the Grants Committee.

Unrestricted funds

These are general funds received by the charity and not earmarked for any specific purpose. The Trustees are responsible for using these funds for the greatest benefit of the greatest number of staff and patients. Sometimes there may be exceptions to this rule when these funds may be used to meet the needs of more specific needs.

Restricted funds

These funds come from donors for the benefit of a specific part of the hospital or specific project. The Trustees may also support additional targeted fundraising in support of these funds.

Applications from fundholders of restricted or designated funds for non-research expenditure between £10,000 and £50,000 are approved by the director of fundraising, secretary and two Trustees, who report their decision back to the Grants Committee and the Trustees in retrospect.

Research funds

All groups of staff can make applications for research grants, with applications from junior doctors, nurses and professions allied to medicine especially welcome. The Trustees are particularly keen to provide 'pump priming' for pilot projects that aim to strengthen clinical research applications to external funding bodies.

All applications are considered by the Research Advisory Committee who take into account the relevance of the research to strategic priorities within the Trust and the opportunities for research training.

Research Advisory Committee (RAC)

All requests for research funding regardless of value are submitted through the RAC. This committee advises the Grants Committee on applications.

The group meets four times a year and its membership comprises senior clinicians who have a considerable amount of experience in research, and who also have a comprehensive understanding and appreciation of the research activity currently underway in the Trust.

Membership

| | |
|-------------------------------------|--|
| Dr John Bradley (Chairman) | Director of R&D, NHS Foundation Trust |
| Dr Simon Barclay | Institute of Public Health |
| Dr Alderton (Secretary) | Secretary, NHS Foundation Trust |
| Ms Angela Thompson | Head of Standards, NHS Foundation Trust |
| Prof Martin Bobrow | Non-executive Director, NHS Foundation Trust |
| Prof John Bradley | Clinical Director for Transplant |
| Prof Peter Collins | Service Delivery Unit Director, Histopathology |

| | |
|-----------------------|--|
| Dr Pippa Corrie | Consultant, Oncology |
| Prof David Dunger | Consultant, Paediatrics |
| Dr Rebecca Fitzgerald | Consultant, Gastroenterology |
| Prof J Hill Gaston | Professor of Rheumatology |
| Prof David Lomas | Professor of Respiratory Medicine |
| Dr Gerald Maguire | Consultant, Clinical Biochemistry and Immunology |
| Prof David Menon | Professor of Anaesthesia |
| Prof David Neal | Professor of Surgical Oncology |
| Dr Gilbert Park | Consultant, Intensive Care |
| Dr David Rubinsztein | Cambridge Institute for Medical Research |
| Prof Gordon Smith | Professor of Obstetrics and Gynaecology |
| Dr Ian Wilkinson | Consultant, Clinical Pharmacology |
| Dr Robert Winter | Medical Director, NHS Foundation Trust |
| Prof Andrew Wyllie | Professor of Pathology |

Professional Advisory Committee (PAC)

The PAC provides multi-disciplinary professional advice to the Trustees Grants Committee in respect of all non-research applications for funding. The Committee comprises members of the consultant staff and other healthcare professionals and is chaired by the medical director of the Trust. The committee receives advice regarding priorities from the Director of Fundraising and the other relevant Trust staff, for example the Director of Finance.

Membership

| | |
|--------------------------------------|---|
| Dr Robert Winter (Chairman) | Medical Director, NHS Foundation Trust |
| Mr Jeff Buggle to December 2006 | Director of Finance, NHS Foundation Trust |
| Mr Craig Black from January 2007 | Acting Director of Finance, NHS Foundation Trust |
| Ms Jane Collins | Senior Clinical Nurse, NHS Foundation Trust |
| Mr Keith Day (Secretary) | Chief Executive of the Addenbrooke's Charitable Trust |
| Mrs Brenda Hennessy | Director of Patient Experience and Public Engagement, NHS Foundation Trust |
| Dr Jennifer Hughes | Member of the Friends Committee |
| Mrs Caroline Lane | Director of Fundraising, the Addenbrooke's Charitable Trust to 22 July 2007 |
| Mrs Claudia MacFarlane | Associate Director of Operations, NHS Foundation Trust |
| Dr Paul Norris | Consultant, Dermatology |
| Dr Rob Ross-Russell | Consultant, Paediatrics |
| Mrs Gillian Spokes | Physiotherapist |
| Dr Charles Wilson | Consultant, Oncology |

Finance and General Purposes Committee

This committee oversees and brings together the administration, finance and governance of the combined charities. The committee meets four times a year and is accountable to the Trustees and reports regularly.

Membership

| | |
|---|---|
| Mr Roger Guthrie (Chairman) | Trustee and Hon Treasurer of Addenbrooke's Charitable Trust |
| Mr Simon Anderson | Chairman of Addenbrooke's Charitable Trust |
| Mr David Bradley | Trustee |
| Mr Keith Day (Secretary) | Chief Executive of the Addenbrooke's Charitable Trust |
| Mr Adrian Goodchild | Deputy Director of Finance, NHS Foundation Trust |
| Mrs Caroline Lane (to July 2007) | Director of Fundraising, the Addenbrooke's Charitable Trust |

Investment Committee

This committee oversees and advises on the investments held by the charity and is accountable to the Trustees to whom the committee reports regularly.

Membership

| | |
|---|---|
| Sir John Bradfield (Chairman) | Trustee |
| Mr Simon Anderson | Chairman of the Addenbrooke's Charitable Trust |
| Mr Jeff Buggle (to December 2006) | Director of Finance, NHS Foundation Trust |
| Mr Craig Black (from January 2007) | Acting Director of Finance, NHS Foundation Trust |
| Mr Keith Day (Secretary) | Chief Executive of the Addenbrooke's Charitable Trust |
| Mr William Fox | Director, Private Clients, Cazenove Capital Management |
| Mr Roger Guthrie | Trustee and Hon Treasurer of the Addenbrooke's Charitable Trust |
| Mr Roger Swain | Former Director of Finance for the NHS Trust |
| Mr Keith Wade | Chief Economist, Schroders |

Investment policy

All funds are invested in one of two investment pools. The 'short-term pool' is invested entirely in interest bearing accounts and deposits by officers of the charity. These investments are highly liquid and are not exposed to significant risk of loss of capital. The short-term pool is intended primarily for funds that expect to spend a significant proportion of their money within the next 12 months.

The 'long-term pool' is invested in property and a managed portfolio of securities. This pool is intended for funds that expect to hold money over the longer term. The managed portfolio is operated by Newton Investment Management Ltd in accordance with an agreed investment policy. This policy requires a reasonable long-term return at moderate risk; and includes a provision not to make direct investments in tobacco companies.

The committee meets twice a year and reviews the performance of both investment pools and considers any changes to the investment policy.

Advisors

Barclays Bank (Bene't Street, Cambridge and Chesterton Road, Cambridge), banking services

Bidwells (Trumpington Road, Cambridge), property advisors

Cambridge University Hospitals NHS Foundation Trust, accountancy services

Hewitsons (Shakespeare House, Newmarket Road, Cambridge), legal advisors

Newton Investment Management Ltd (Mellon Financial Centre, Queen Victoria Street, London), Investment fund management

PricewaterhouseCoopers LLP (Abacus House, Castle Park, Cambridge), external audit services

Withers LLP, (16, Old Bailey, London), legal advisors

Financial Review

At 31 March 2007 the charity's funds totalled £19.026m (2006 £19.682m). During the year the charity received £6.673m (2006: £5.868m) of income and spent £7.688m (2006: £5.784m). Of this expenditure, £7.190m (2006: £5.482m) was in respect of direct charitable activities, with £0.392m (2006: £0.217m) and £0.106m (2006: £0.085m) being spent on generating funds and governance respectively. The charity also achieved investment gains totalling £0.359m (2006: £1.539m) during the year.

The key objectives of the charity have been supported during the year by significant targeted expenditure including; £3.967m (2006: £1.825m) on patients' welfare and amenities; £0.652m (2006: £0.713m) on staff welfare and amenities; and £0.851m (2006: £0.938m) on research. This has been possible mainly as a result of the generosity of donors with £1.163m (2006: £1.621m) received from donations and £2.094m (2006: £0.668m) from legacies.

During the year the charity earned total investment income of £0.641m (2006: £0.603m). Together with the gain on investment assets, the Trustees consider that the charity's investment objectives have been met.

The above figures represent the consolidated results of the charity, inclusive of its trading subsidiary, The Fund for Addenbrooke's Limited. Further details on the results of this subsidiary are available in Note 5 to the annual accounts.

Each of the charity's individual funds has discrete charitable objects that differentiate it from the other funds, and each one is administered by a small group of 'Fund Advisors' (such as consultants or senior nurses). Restricted funds are earmarked for the benefit of wards, departments and other specific purposes, and staff, patients and relatives support the funds by donating not only their money, but also their time and ideas.

Expenditure decisions are generally made at a local level by these Fund Advisors in accordance with a Scheme of Delegation. Whilst all funds (with the exception of the endowment fund) are available to be spent, it is generally necessary for individual Fund Advisors to decide on the level of financial reserve appropriate for their fund's expenditure commitments. The Trustees monitor all funds to ensure that individual reserve levels are appropriate and that all money received is spent as expeditiously as possible.

The Trustees do not feel that the current level of reserve (defined as the charity's general fund) is adequate for the charity's long term needs. No specific target level has yet been agreed, but it is hoped that proactive fundraising activities will increase the value of reserves beyond the current level of £1.2m (2006: £1.6m). The general fund is used extensively to fund the recommendations of the Grants Committee and Research Advisory Committee and is occasionally used to underwrite key fundraising projects and to 'pump prime' some projects. A larger general fund could offer the Trustees greater flexibility in achieving the objects of the charity.

Overall the charity's financial position at 31 March 2007 is satisfactory and provides a sound financial base from which to pursue the charity's strategic aims during the coming year.

Statement of Trustees' responsibilities

Charity law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the surplus or deficit of the group for that period. In preparing those Financial Statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- 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; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping proper accounting records which 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 Charities Act 1993. 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.

The maintenance and integrity of The Addenbrooke's Charitable Trust's website is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By Order of the Trustees

Signed:

Chairman:  Date: 01/11/07

Trustee:  Date: 01/11/07

Annual Accounts – year ended 31 March 2007

Independent auditors' report to the Trustees of Addenbrooke's Charitable Trust

We have audited the group and parent charity financial statements ("the financial statements") of Addenbrooke's Charitable Trust for the year ended 31 March 2007 which comprise the Consolidated Statement of Financial Activities, the consolidated and parent charity's Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Trustees and auditors

The responsibilities of the Trustees for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charity's Trustees as a body in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the foreword and the Trustee's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charity's affairs as at 31 March 2007 and of the group's incoming resources and application of resources, including the group's income and expenditure and cash flows, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.

PricewaterhouseCoopers LLP

*PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cambridge*

7 November 2007.

Consolidated statement of financial activities for the year ended 31 March 2007

| | | Unrestricted Funds | Restricted Funds | Endowment Fund | Group 31-Mar-07 | Group 31-Mar-06 |
|--|--------|-----------------------|---------------------|-------------------|--------------------|--------------------|
| | Note | £000 | £000 | £000 | £000 | £000 |
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary income | | | | | | |
| Donations | | 84 | 1,079 | - | 1,163 | 1,621 |
| Legacies | | 65 | 2,029 | - | 2,094 | 668 |
| Other grants receivable | | 28 | 313 | - | 341 | 363 |
| Activities for generating funds | | 269 | 994 | - | 1,263 | 1,246 |
| Investment income | 2.1 | 110 | 531 | - | 641 | 603 |
| Incoming resources from charitable activities | 2.2 | 4 | 1,167 | - | 1,171 | 1,367 |
| Total Incoming Resources | | 560 | 6,113 | - | 6,673 | 5,868 |
| RESOURCES EXPENDED | | | | | | |
| Costs of generating funds | 3.1 | (139) | (253) | - | (392) | (217) |
| Charitable Expenditure | | | | | | |
| Charitable activities | 3.2 | (718) | (6,472) | - | (7,190) | (5,482) |
| Governance costs | 3.1 | (22) | (84) | - | (106) | (85) |
| Total Resources Expended | | (879) | (6,809) | - | (7,688) | (5,784) |
| Net (outgoing)/incoming resources before transfers | | (319) | (696) | - | (1,015) | 84 |
| Gross transfers between funds | 10, 11 | (299) | 299 | - | - | - |
| Net (outgoing)/incoming resources before other recognised gains and losses | | (618) | (397) | - | (1,015) | 84 |
| Gains on investment assets | | 74 | 264 | 21 | 359 | 1,539 |
| Net movement in funds | | (544) | (133) | 21 | (656) | 1,623 |
| Fund balances brought forward at 31 March 2006 | | 3,118 | 15,986 | 578 | 19,682 | 18,059 |
| Fund balances carried forward at 31 March 2007 | 4 | 2,574 | 15,853 | 599 | 19,026 | 19,682 |

All activities relate to continuing operations.

The notes on pages 25 to 35 form part of these accounts.

Balance sheets as at 31 March 2007

| | Note | Group 31-Mar-07 £000 | Charity 31-Mar-07 £000 | Group 31-Mar-06 £000 | Charity 31-Mar-06 £000 |
|--|------|----------------------------|------------------------------|----------------------------|------------------------------|
| Fixed Assets | | | | | |
| Tangible fixed assets | 5.1 | 2,300 | 2,300 | 2,714 | 2,714 |
| Investments | 5.3 | 10,853 | 10,853 | 10,530 | 10,530 |
| Total fixed assets | | 13,153 | 13,153 | 13,244 | 13,244 |
| Current Assets | | | | | |
| Debtors | 6 | 2,399 | 3,201 | 657 | 1,254 |
| Short term investments and deposits | 7 | 5,541 | 5,541 | 2,727 | 2,727 |
| Cash at bank and in hand | | 2,700 | 417 | 3,650 | 2,999 |
| Total current assets | | 10,640 | 9,159 | 7,034 | 6,980 |
| Current Liabilities | | | | | |
| Creditors: amounts falling due within one year | 8 | (4,767) | (3,295) | (596) | (551) |
| Net Current Assets | | 5,873 | 5,864 | 6,438 | 6,429 |
| Net Assets | | 19,026 | 19,017 | 19,682 | 19,673 |
| Funds | | | | | |
| Endowment fund | 9 | 599 | 599 | 578 | 578 |
| Restricted funds | 10 | 15,853 | 15,853 | 15,986 | 15,986 |
| Unrestricted funds | 11 | 2,574 | 2,565 | 3,118 | 3,109 |
| Total Funds | | 19,026 | 19,017 | 19,682 | 19,673 |

The Financial Statements were approved by the Trustees on 2nd October 2007 and signed on their behalf by:

Signed:



01/11/07

Chairman:

Date:



01/11/07

Trustee:

Date:

Consolidated cash flow statement for the year ended 31 March 2007

| | Note | Group 31-Mar-07 £000 | Group 31-Mar-07 £000 | Group 31-Mar-06 £000 | Group 31-Mar-06 £000 |
|--|------|----------------------------|----------------------------|----------------------------|----------------------------|
| Operating activities | | | | | |
| Net cash inflow from operating activities | 12.1 | | 1,471 | | 70 |
| Returns on investments and servicing of finance | | | | | |
| Dividends and interest received | 2.1 | 534 | | 499 | |
| Net income from property | 2.1 | <u>107</u> | | <u>104</u> | |
| Net cash inflow from returns on investments | | | 641 | | 603 |
| Capital expenditure and financial investments | | | | | |
| Purchase of tangible fixed assets | 5.1 | (284) | | (785) | |
| Additions to investment portfolio | 5.3 | (3,049) | | (5,224) | |
| Withdrawals from investment portfolio | 5.3 | <u>3,085</u> | | <u>5,237</u> | |
| Net cash (outflow) from investing activities | | | (248) | | (772) |
| Management of liquid resources | | | | | |
| Short term deposits | | <u>(2,814)</u> | | <u>3,281</u> | |
| Net cash (outflow)/inflow from the management of liquid resources | | | (2,814) | | 3,281 |
| (Decrease)/Increase in cash | 12.2 | | <u><u>(950)</u></u> | | <u><u>3,182</u></u> |

Notes to the accounts

1. Accounting policies

1.1 These accounts 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 1993, the Statement of Recommended Practice (SORP 2005), "Accounting and Reporting by Charities" issued by the Charity Commissioners in 2005 and UK Generally accepted accounting principles.

1.2 Basis of preparation

The accounts are prepared in accordance with the accruals concept.

Consolidation

The charity owns 100% of the issued share capital of The Fund for Addenbrooke's Limited, a trading company 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.

1.3 Incoming resources

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

a) Donations

All incoming resources are included in full in the statement of financial activities as soon as the following three factors can be met:

- (i) Entitlement – arises when a particular resource is receivable or the charity's right becomes legally enforceable;
- (ii) Certainty – when there is reasonable certainty that the incoming resource will be received;
- (iii) Measurement – when the monetary value of the incoming resource can be measured with sufficient reliability.

b) Gifts in kind

- (i) Assets given for distribution by the charity are included in the statement of financial activities only when distributed.
- (ii) 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.
- (iii) 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.

c) 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.

d) 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.

e) Activities for generating funds

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

f) 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.

1.4 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 apportioned 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.

1.5 Definitions of funds

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

- (i) Endowment funds are unrestricted and are held to generate income to further the charity's general objects.
- (ii) Restricted funds are expendable only in accordance with the discrete wishes of the donors, within the objects of the charity. The Trustees of the charity are legally obliged to conform with the wishes of the donor.

-
- (iii) Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity.
 - (iv) 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.
 - (v) Undesignated funds or general funds are unrestricted funds which the Trustees have not specifically designated towards some particular aspect of the charity.

1.6 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 accounts at their market value, based on professional valuation or based on an appropriate local property index applied by the Trustees to inflate 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 according to valuation reports provided by the charity's fund managers. 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 are reviewed annually for impairments.

1.7 Pension contributions

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of 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 under FRS 17.

The cost of employer's pension contributions to the NHS Pension scheme is charged to the statement of financial activities as incurred.

1.8 Tangible fixed assets

Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured 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 are capitalised; no de-minimum limit is applied.

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 |
|--------------------|----------------------|
| MRI Scanner | 8 |
| Computer equipment | 4 |
| Office equipment | 5 |
| Office alterations | 10 |

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

Addenbrooke's Charitable Trust has taken advantage of the Charity Commission exemption allowing the charity to omit the statement of financial activities for the parent charity. Total incoming resources of the parent charity are £5,697k, total resources expended are £5,438k and net movement in funds is £618k after taking account of £359k gain on investment assets.

2.1 Details of investment income

| | Unrestricted Funds £000 | Restricted Funds £000 | Group 31-Mar-07 £000 | Group 31-Mar-06 £000 |
|----------------------|-------------------------------|-----------------------------|----------------------------|----------------------------|
| Interest on deposits | 45 | 286 | 331 | 344 |
| Dividends | 36 | 167 | 203 | 155 |
| Rent from properties | 29 | 78 | 107 | 104 |
| | <u>110</u> | <u>531</u> | <u>641</u> | <u>603</u> |

2.2 Incoming resources from charitable activities

| | Unrestricted Funds £000 | Restricted Funds £000 | Group 31-Mar-07 £000 | Group 31-Mar-06 £000 |
|-------------------|-------------------------------|-----------------------------|----------------------------|----------------------------|
| Course fees | - | 642 | 642 | 610 |
| Professional fees | - | 144 | 144 | 173 |
| Services provided | 2 | 346 | 348 | 435 |
| Miscellaneous | 2 | 35 | 37 | 149 |
| | <u>4</u> | <u>1,167</u> | <u>1,171</u> | <u>1,367</u> |

3.1 Analysis of total resources expended

| | Cost of Generating Funds £000 | Cost of Charitable Activities £000 | Governance Costs £000 | Group 31-Mar-07 £000 | Group 31-Mar-06 £000 |
|-----------|--|---|-----------------------------|----------------------------|----------------------------|
| Staff | 253 | 811 | 82 | 1,146 | 1,059 |
| Audit fee | - | - | 12 | 12 | 15 |
| Other | 139 | 6,379 | 12 | 6,530 | 4,710 |
| | <u>392</u> | <u>7,190</u> | <u>106</u> | <u>7,688</u> | <u>5,784</u> |

A total of £90 (2006: £80) was reimbursed to two Trustees for expenses in the period.

Other costs of charitable activities £6.379m (2006: £4.616m) include £4.975m (2006: £2.950m) of grants payable by the Charity.

3.2 Charitable activities

| | Unrestricted Funds £000 | Restricted Funds £000 | Group 31-Mar-07 £000 | Group 31-Mar-06 £000 |
|-------------------------------------|-------------------------------|-----------------------------|----------------------------|----------------------------|
| Patients' welfare and amenities | 124 | 3,843 | 3,967 | 1,825 |
| Staff welfare and amenities | 91 | 561 | 652 | 713 |
| Research | 21 | 830 | 851 | 938 |
| Course expenditure | - | 542 | 542 | 667 |
| Scanner costs | 433 | 429 | 862 | 999 |
| Other direct charitable expenditure | 49 | 267 | 316 | 340 |
| | <u>718</u> | <u>6,472</u> | <u>7,190</u> | <u>5,482</u> |

3.3 Analysis of total staff costs

| | Group 31-Mar-07 £000 | Group 31-Mar-06 £000 |
|--|----------------------------|----------------------------|
| Wages and salaries - directly employed staff | 278 | 163 |
| Wages and salaries - grant funded | 682 | 729 |
| Social security costs | 79 | 71 |
| Other pension costs | 107 | 96 |
| | <u>1,146</u> | <u>1,059</u> |
| The average number of employees in the year was: | | |
| Directly employed staff | 9 | 6 |
| Grant funded project staff | 32 | 33 |
| Total | <u>41</u> | <u>39</u> |

No employee received remuneration in excess of £60,000 during the year.

The above grant-funded staff numbers represent staff employed by Cambridge University Hospitals NHS Foundation Trust, which are funded by the charity on a fixed term basis. These staff are not employed directly by Addenbrooke's Charitable Trust and the charity has made no long term commitment to fund these posts.

4. Analysis of net assets between funds

| Group | Unrestricted Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 31-Mar-07 £000 | Total 31-Mar-06 £000 |
|---------------------|-------------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|
| Fixed assets | 1,780 | 10,959 | 414 | 13,153 | 13,244 |
| Current assets | 1,439 | 8,866 | 335 | 10,640 | 7,034 |
| Current liabilities | (645) | (3,972) | (150) | (4,767) | (596) |
| | <u>2,574</u> | <u>15,853</u> | <u>599</u> | <u>19,026</u> | <u>19,682</u> |
| Charity | Unrestricted Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 31-Mar-07 £000 | Total 31-Mar-06 £000 |
| Fixed assets | 1,774 | 10,965 | 414 | 13,153 | 13,244 |
| Current assets | 1,235 | 7,635 | 289 | 9,159 | 6,980 |
| Current liabilities | (444) | (2,747) | (104) | (3,295) | (551) |
| | <u>2,565</u> | <u>15,853</u> | <u>599</u> | <u>19,017</u> | <u>19,673</u> |

5. Tangible fixed assets

5.1 Tangible fixed assets comprise:

| Group and Charity | Office Alterations £000 | MRI Scanners £000 | Computer Equipment £000 | Office Equipment £000 | Total £000 |
|---------------------------------|-------------------------------|----------------------|-------------------------------|-----------------------------|---------------|
| Cost | | | | | |
| At 1 April 2006 | 10 | 5,057 | 16 | 6 | 5,089 |
| Additions purchased | - | 284 | - | - | 284 |
| Disposals | - | (1,946) | - | - | (1,946) |
| At 31 March 2007 | 10 | 3,395 | 16 | 6 | 3,427 |
| Accumulated depreciation | | | | | |
| At 1 April 2006 | 6 | 2,355 | 11 | 3 | 2,375 |
| Disposals | - | (1,739) | - | - | (1,739) |
| Provided during the year | 1 | 487 | 2 | 1 | 491 |
| At 31 March 2007 | 7 | 1,103 | 13 | 4 | 1,127 |
| Net book value | | | | | |
| Net book value at 1 April 2006 | 4 | 2,702 | 5 | 3 | 2,714 |
| Net book value at 31 March 2007 | 3 | 2,292 | 3 | 2 | 2,300 |

5.2 Loss on fixed asset disposals

| Group and Charity | 31-Mar-07 | 31-Mar-06 |
|---|------------------|------------------|
| | £000 | £000 |
| Proceeds from sales of tangible fixed assets | - | - |
| Net book value of tangible assets disposed of | (207) | - |
| | <u>(207)</u> | <u>-</u> |

5.3 Analysis of fixed asset investments

| | Investment Properties | Investments Listed on a Recognised Stock Exchange | Group 31-Mar-07 | Group 31-Mar-06 |
|-------------------------------|------------------------------|--|------------------------|------------------------|
| | £000 | £000 | £000 | £000 |
| Market value at 1 April 2006 | 2,859 | 7,671 | 10,530 | 9,004 |
| Additions at cost | - | 3,049 | 3,049 | 5,224 |
| Disposals at carrying value | - | (3,085) | (3,085) | (5,237) |
| Net gain on revaluation | 236 | 123 | 359 | 1,539 |
| Market value at 31 March 2007 | <u>3,095</u> | <u>7,758</u> | <u>10,853</u> | <u>10,530</u> |

A valuation of investment properties was carried out by a professionally qualified valuer as at 31 March 2007.

Included above is the charity's investment in its subsidiary.

A summary of the results of the subsidiary, are shown below:

| | Year ended 31-Mar-07 | Year ended 31-Mar-06 |
|---------------------------------|-----------------------------|-----------------------------|
| | £000 | £000 |
| Turnover | 958 | 1,012 |
| Cost of sales | (158) | (222) |
| Gross profit | <u>800</u> | <u>790</u> |
| Bank deposit interest | 18 | 7 |
| Other administrative expenses | (6) | (2) |
| Gift aid donation to parent | (812) | (795) |
| Net profit | <u>-</u> | <u>-</u> |
| Retained profit brought forward | 9 | 9 |
| Retained profit carried forward | <u>9</u> | <u>9</u> |

The aggregate of assets, liabilities and funds is:

| | | |
|--------------------|----------|----------|
| Assets | 2,294 | 652 |
| Liabilities | (2,285) | (643) |
| Shareholders funds | <u>9</u> | <u>9</u> |

6. Analysis of debtors

| | Group 31-Mar-07 £000 | Charity 31-Mar-07 £000 | Group 31-Mar-06 £000 | Charity 31-Mar-06 £000 |
|---|----------------------------|------------------------------|----------------------------|------------------------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 111 | 111 | 181 | 182 |
| Prepayments and accrued income | 2,288 | 2,278 | 476 | 474 |
| Net amount due from the subsidiary | - | 812 | - | 598 |
| | <u>2,399</u> | <u>3,201</u> | <u>657</u> | <u>1,254</u> |

7. Analysis of short term investments and deposits

| | Group 31-Mar-07 £000 | Charity 31-Mar-07 £000 | Group 31-Mar-06 £000 | Charity 31-Mar-06 £000 |
|--|----------------------------|------------------------------|----------------------------|------------------------------|
| Short term cash deposits (under 3 months notice) | <u>5,541</u> | <u>5,541</u> | <u>2,727</u> | <u>2,727</u> |

8. Analysis of creditors

| | Group 31-Mar-07 £000 | Charity 31-Mar-07 £000 | Group 31-Mar-06 £000 | Charity 31-Mar-06 £000 |
|---|----------------------------|------------------------------|----------------------------|------------------------------|
| Amounts falling due within one year: | | | | |
| Other creditors | 954 | 794 | 394 | 349 |
| Accruals | 3,813 | 2,501 | 202 | 202 |
| | <u>4,767</u> | <u>3,295</u> | <u>596</u> | <u>551</u> |

9. Analysis of endowment fund

Charity and Group

| | Group Balance 01-Apr-06 £000 | Incoming Resources £000 | Resources Expended £000 | Transfers £000 | Gains £000 | Group Balance 31-Mar-07 £000 |
|----------------|---------------------------------------|-------------------------------|-------------------------------|-------------------|---------------|---------------------------------------|
| Endowment fund | 578 | - | - | - | 21 | 599 |
| | <u>578</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>21</u> | <u>599</u> |

10. Analysis of restricted funds

Charity and Group

| | Fund Purpose | Group Balance 01-Apr-06 £000 | Incoming Resources £000 | Resources Expended £000 | Transfers £000 | Gains £000 | Group Balance 31-Mar-07 £000 |
|------------------------------|-------------------------------|------------------------------------|----------------------------|----------------------------|-------------------|---------------|------------------------------------|
| MRI Scanners | Scanner costs | 3,892 | 917 | (2,596) | - | - | 2,213 |
| Cancer Research | Research | 886 | 339 | (59) | (222) | 48 | 992 |
| Breast Unit Project | Patient welfare and amenities | 363 | 457 | (484) | 22 | - | 358 |
| Catscan Cancer Scanning | " | 345 | 18 | (8) | - | - | 355 |
| Oncology PGME GP | " | 381 | 135 | (138) | - | 14 | 392 |
| Education | " | 342 | 97 | (60) | - | 15 | 394 |
| Neurosurgery | " | 424 | 19 | (44) | - | 13 | 412 |
| Other funds * (333 funds) | | 9,353 | 4,131 | (3,420) | 499 | 174 | 10,737 |
| | | <u>15,986</u> | <u>6,113</u> | <u>6,809</u> | <u>299</u> | <u>264</u> | <u>15,853</u> |

* The majority of these funds are ward and departmental funds for the purpose of patient and staff welfare and amenities. 60 funds had balances in excess of £50,000.

The £299k transferred above represents payments from unrestricted funds to support grants made from restricted funds.

11. Analysis of unrestricted funds

Charity and Group

| | Group Balance 01-Apr-06 £000 | Incoming Resources £000 | Resources Expended £000 | Transfers £000 | Gains and (losses) £000 | Group Balance 31-Mar-07 £000 |
|---------------------------------|------------------------------------|----------------------------|----------------------------|-------------------|----------------------------|------------------------------------|
| Addenbrooke's General | 1,642 | 231 | (282) | (498) | 100 | 1,193 |
| MRI Scanners Bupa Lea | 1,241 | 317 | (455) | - | - | 1,103 |
| Other undesignated (2 funds) | 9 | - | - | - | - | 9 |
| | <u>2,892</u> | <u>548</u> | <u>(737)</u> | <u>(498)</u> | <u>100</u> | <u>2,305</u> |
| Designated funds (8 funds) | 226 | 12 | (142) | 199 | (26) | 269 |
| | <u>3,118</u> | <u>560</u> | <u>879</u> | <u>(299)</u> | <u>74</u> | <u>2,574</u> |

Included within unrestricted funds above is £9k which represents shareholders funds in the subsidiary.

12 Notes to the cash flow statement

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

| | Group 31-Mar-07 £000 | Group 31-Mar-06 £000 |
|---|-------------------------------------|-------------------------------------|
| Net movement in funds | (656) | 1,623 |
| Depreciation charge | 491 | 514 |
| Realised/unrealised gain on fixed asset investments | (359) | (1,539) |
| Investment income | (641) | (603) |
| (Increase)/decrease in debtors | (1,742) | 213 |
| Increase/(decrease) in creditors | 4,171 | (138) |
| Loss on fixed asset disposals | 207 | - |
| Net cash inflow from operating activities | <u>1,471</u> | <u>70</u> |

12.2 Increase in cash

| | Group 31-Mar-07 £000 | Change in year £000 | Group 31-Mar-06 £000 | Change in year £000 | Group 31-Mar-06 £000 |
|--------------------------|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| Current accounts | 2,700 | 950 | 3,650 | (3,182) | 468 |
| Cash at bank and in hand | <u>2,700</u> | <u>950</u> | <u>3,650</u> | <u>(3,182)</u> | <u>468</u> |

13 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 £5.1m (2006: £5.4m) towards various schemes of Cambridge University Hospitals NHS Foundation Trust. At the end of the year the charity owed £795k (2006: £333k) to the Trust. The Trust provides administrative and financial services to the charity for which a charge of £58k (2006: £56k), which represents actual costs, has been made.

Two of the Trustees are also 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, £799k in 2006/07 for the maintenance of MRI scanners. 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.

14 Post balance sheet events

There have been no material post-balance sheet events which would require adjustment to the 31 March 2007 Financial Statements.