

PAUL STRICKLAND SCANNER CENTRE

(A company limited by guarantee)

(Company Number: 2033936)

(Charity Number: 298867)

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30th SEPTEMBER 2005**



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JOHN R NORMAN & CO

CHARTERED CERTIFIED ACCOUNTANTS

PAUL STRICKLAND SCANNER CENTRE

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PAUL STRICKLAND SCANNER CENTRE**COMPANY INFORMATION**

Directors (who are also the trustees): J.R.M. Hanney - Chairman
Dr. P. Strickland
C.J. Hayfield
Professor B.D. Michael
Professor M. Saunders
M. Sullivan (resigned 31 January 2005)

Company Secretary: C.J. Hayfield

Registered Office
and Principal Office: Paul Strickland Scanner Centre
Mount Vernon Hospital
Northwood
Middlesex

Company Number: 2033936

Charity Registration Number: 298867

Bankers: Barclays Bank plc.

Auditors: John R. Norman & Co.
Elm Park Court
Pinner
Middlesex HA5 3NN

PAUL STRICKLAND SCANNER CENTRE**DIRECTORS' REPORT**

The directors, who are also the trustees, present their Annual Report and audited Financial Statements of 'Paul Strickland Scanner Centre' for the year ended 30th September 2005.

HISTORY

Paul Strickland Scanner Centre and its associated fund raising activities were originally dealt with as part of the Harefield and Northwood Post Graduate Medical Trust. The assets and liabilities in respect of this part of the Trust were transferred to the company on 1st October 1988. The operation of the Scanner Centre and associated fund raising activities have been dealt with by this company since that date.

ACTIVITIES

The principal activities of the company are the operation of the Paul Strickland Scanner Centre which is situated at Mount Vernon Hospital, Northwood, Middlesex and the raising of funds to pay for its operation and to provide the facilities and equipment required. There have been no changes in these activities during the year.

SHARE CAPITAL

The Company is limited by guarantee and does not have a share capital.

ORGANISATION

The governing document of Paul Strickland Scanner Centre is its Memorandum & Articles of Association. All policy decisions are made by the board of directors/trustees and the day to day running of the centre is delegated to the centre's director who is not a member of the board.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The review of the business and future developments is given in the chairman's report on page 4 of these financial statements.

Paul Strickland Scanner Centre's policy on reserves is consistent with the recommendations published by the Charity Commissioners. Reserves are established and reviewed to ensure that the charity retains a level of funds to meet its forward obligations and to ensure it can reasonably maintain a level of service in line with its objectives.

Whilst the company continues to rely on the receipt of donations to finance its activities, the directors/trustees are confident that sufficient resources will be available to fund its operations for the foreseeable future.

DIRECTORS/TRUSTEES AND THEIR INTERESTS

Details of the directors of the company, who are also trustees of the charity and who served during the year are disclosed on page 1 of the financial statements.

The directors/trustees have no interest in Paul Strickland Scanner Centre. Members of Paul Strickland Scanner Centre (the directors and trustees) are appointed to office under the provisions of the Articles of Association.

PAUL STRICKLAND SCANNER CENTRE**DIRECTORS' REPORT (continued)****STATEMENT OF DIRECTORS'/TRUSTEES' RESPONSIBILITIES**

Company law requires the directors, who are also trustees, to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors/trustees are required to:

- * Select suitable accounting policies and then apply them consistently;
- * Make judgements and estimates that are reasonable and prudent;
- * Comply with applicable accounting standards 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 company will continue in business.

The directors/trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POLICY ON THE APPOINTMENT OF DIRECTORS/TRUSTEES

Directors, who are also trustees, are appointed to the board of the charity by reference to their professional qualification, association with the locality and relevant experience.

RELATED PARTIES

Details of transactions with directors/trustees and other related parties are given in note 7 to the financial statements.

IMPAIRMENT REVIEW OF FIXED ASSETS

Details of an impairment review undertaken by the directors/trustees is given in note 17 to the financial statements.


RISKS

The directors/trustees have carried out a review of the risks to which the charity is exposed and have taken such action as they believe appropriate to mitigate any risks identified.

AUDITORS

The auditors, Messrs. John R. Norman & Co., who are willing to continue in Office, offer themselves for re-appointment in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD


C.J. Hayfield
Company Secretary
16 December 2005

PAUL STRICKLAND SCANNER CENTRE**CHAIRMAN'S REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2005**

This year has been one of our most successful in terms of scans performed and scanner replacement plans. During the year we scanned 11,085 patients, CT and MRI relatively stable at 4,317 and 4,098 patients respectively but with a dramatic increase in PET scans from 1,436 to 2,670 patients scanned without compromising our waiting lists.

Dr Wai Lup Wong, our consultant radiologist with specific responsibility for PET, is delighted with the performance and image quality of the G.E. Discovery ST PET/CT scanner, installed in May 2004, which has made the dramatic increase in patients scanned by this important scanning modality that the Government plans to introduce more widely in the United Kingdom over the next four years.

We continued three main research studies, using MRI and PET to predict the responsiveness of colo-rectal and breast tumours to conventional and newer therapies, the project investigating MRI Screening in Women at Genetic Risk of Breast Cancer and the use of PET for detecting relapse before it is clinically apparent, in patients with head and neck cancer.

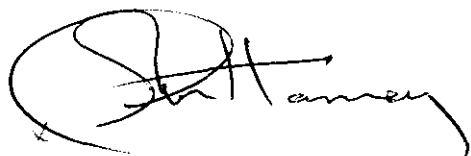
Several of our staff continued to contribute to publications and meetings. Dr Anwar Padhani, Dr Wai Lup Wong and Dr Vicky Goh, have published extensively, presenting their research at a variety of international conferences and symposia. In addition Miss Jennifer Emmott, one of our Radiographers, was invited to give an oral presentation of her research paper on the use of Buscopan in PET scanning at the European Association of Nuclear Medicine in Istanbul and was awarded a prize for the poster presentation at the event.

Our scanners represent the 'state of the art' in cross-sectional imaging. The Centre is unique in the country in having the latest generation of the three modalities of CT, MRI and PET/CT, all purchased using money raised from charitable donations. The expenditure on these systems remains at the limit prudent for the Centre. During September we placed an order to replace the older of our two MRI systems with a Siemens Magnetom TIM TRIO 3 Tesla system, the only machine of its kind in the United Kingdom. This will be installed and ready for use by December 2005.

The morale and professional commitment of our staff and volunteers remains high. In order to maintain our high quality service provision we increased the staff employed in the Centre with an additional radiographer, a specialist PET Nuclear Medicine Technologist and an additional Medical Secretary. This dedicated team, together with the level of public support from donations and legacies, continue to give us the resources to keep abreast of the latest innovations in medical imaging.

We still remain heavily dependant on donations from members of the public, private charitable trusts and public companies. We thank them for their continued support. Despite the increasing competition for charitable donations, our appeal income remained very similar to previous years. Our Fundraisers organised many events to keep our name in front of the public to encourage new donors. The Friends of Paul Strickland Scanner Centre, chaired by June Nickless have once again worked very hard to support our fund for which we are most grateful.

We are committed to remain at the forefront of imaging technology to support the vital diagnosis treatment and research into cancer conducted by our colleagues in the Centre for Cancer Treatment at Mount Vernon hospital.



J.R.M.Hanney 16 December 2005

AUDITORS' REPORT TO THE MEMBERS OF PAUL STRICKLAND SCANNER CENTRE**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAUL STRICKLAND SCANNER CENTRE**

We have audited the financial statements of Paul Strickland Scanner Centre on pages 7 to 17 for the year ended 30th September 2005 which comprise the Statement of Financial Activities and the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS/TRUSTEES AND AUDITORS

As described in the statement of directors'/trustees' responsibilities on page 2 to 3, the company's directors, who are also the trustees' of Paul Strickland Scanner Centre, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors'/trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the directors' report and consider whether it is consistent with the audited financial statements. 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.

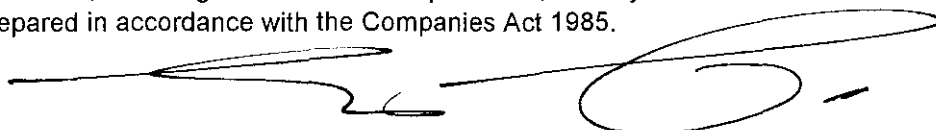
BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 judgements made by the directors/trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company'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 misstatements, 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 statements.

AUDITORS' REPORT TO THE MEMBERS OF PAUL STRICKLAND SCANNER CENTRE**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAUL STRICKLAND SCANNER CENTRE (continued)****OPINION**

In our opinion, the financial statements give a true and fair view of the state of the charitable company's affairs as at 30th September 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



John R. Norman & Co.
Chartered Certified Accountants
Registered Auditors
20th December 2005

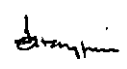
BALANCE SHEET AS AT 30TH SEPTEMBER 2005

	Notes	2005 £	2004 £
CURRENT ASSETS			
Debtors	12	1,917,464	1,072,479
Investment - bank deposits		300,000	575,000
Cash at Bank and in hand		473,049	308,728
Cash in Hand		<u>134</u>	<u>47</u>
		2,690,647	1,956,254
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors and Accruals	13	<u>689,890</u>	<u>760,835</u>
NET CURRENT ASSETS		<u>2,000,757</u>	<u>1,195,419</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,000,757	1,195,419
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	14	<u>0</u>	<u>100,000</u>
TOTAL NET ASSETS		<u>£2,000,757</u>	<u>£1,095,419</u>
FINANCED BY:			
Accumulated Fund	9	620,211	(189,421)
Scanner Replacement Fund	10	1,350,000	1,250,000
Research Fund	11	<u>30,546</u>	<u>34,840</u>
		<u>£2,000,757</u>	<u>£1,095,419</u>

These financial statements were approved at a meeting of the Directors/Trustees held on 16 December 2005.

DIRECTORS/TRUSTEES


J.R.M. Hanney


C.J. Hayfield

The notes on pages 12-17 form part of these financial statements.

PAUL STRICKLAND SCANNER CENTRE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30TH SEPTEMBER 2005

	Notes	General Fund £	Designated Funds £	Total 2005 £	Total 2004 £
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Donations, Gifts and Funds Raised		532,437	-	532,437	377,234
Income Tax Recoverable		32,712	-	32,712	30,060
Fees from Patients and Health Authorities		3,792,168	-	3,792,168	2,798,267
Investment Income		34,702	-	34,702	27,757
Rent receivable		100,000	-	100,000	100,000
TOTAL INCOMING RESOURCES	4	4,492,019	-	4,492,019	3,333,318
RESOURCES EXPENDED					
Direct Charitable Expenditure:					
Operation and Administration of Scanner Centre	5	2,771,402	-	2,771,402	2,138,879
Expenditure on Scanners, Equipment and Buildings		708,093	-	708,093	856,501
Other Expenditure:					
Fund Raising and Publicity	6	41,366	-	41,366	84,680
Management and Administration of Appeal Fund	7	65,820	-	65,820	54,340
TOTAL RESOURCES EXPENDED	8	3,586,681	-	3,586,681	3,134,400
NET INCOMING RESOURCES BEFORE TRANSFERS		905,338	-	905,338	198,918
Net Transfers to Scanner Replacement Fund and Research Fund	10/11	(95,706)	95,706	-	-
NET INCOMING RESOURCES FOR YEAR		809,632	95,706	905,338	198,918
NET MOVEMENT IN FUNDS	9	809,632	95,706	905,338	198,918
FUND BALANCES BROUGHT FORWARD AT 1st OCTOBER 2004		(189,421)	1,284,840	1,095,419	896,501
FUND BALANCES CARRIED FORWARD AT 30TH SEPTEMBER 2005		£620,211	£1,380,546	£2,000,757	£1,095,419

The notes on pages 12-17 form part of these financial statements.

PAUL STRICKLAND SCANNER CENTRE

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2005

	Notes	2005		2004	
		£	£	£	£
APPEAL FUND					
INCOME					
Donations, Gifts and Funds Raised	1		532,437		377,234
Income Tax Recoverable			32,712		30,060
Bank Interest Receivable			682		362
Investment Income Receivable			29,029		24,751
			<u>594,860</u>		<u>432,407</u>
LESS FUNDRAISING EXPENDITURE					
Fundraiser's Fees		10,000		13,333	
Computer Consultancy		1,065		2,311	
Secretarial Salaries and Assistance		59,107		47,509	
Recruitment Expenses		1,267		-	
Event Costs		9,373		4,194	
Donation Request Forms and Mailing Costs		21,993		67,153	
Professional Fees		2,234		-	
General Expenses		<u>2,147</u>		<u>4,520</u>	
			<u>107,186</u>		<u>139,020</u>
NET FUNDS RAISED FOR THE YEAR			<u>487,674</u>		<u>293,387</u>
LESS EXPENDITURE ON THE PROVISION OF CAPITAL EQUIPMENT					
Cost of Equipment Purchased		7,478		120,944	
Cost of Work on Cyclotron Building		95,899		-	
Cost of Work on Annexe Building		15,487		-	
Lease costs of Scanners and other Equipment		<u>589,229</u>		<u>735,557</u>	
			<u>708,093</u>		<u>856,501</u>
EXCESS OF EXPENDITURE OVER INCOME FOR THE YEAR - APPEAL FUND					
			(220,419)		(563,114)
Add: Surplus for year on operation of Scanner Centre - page 11			<u>1,125,757</u>		<u>762,032</u>
NET EXCESS OF INCOME OVER EXPENDITURE			905,338		198,918
Add/Less: Reduction/(increase) in Research Fund	11		4,294		6,340
Less: Amounts transferred to Scanner Replacement Fund	10		<u>(100,000)</u>		<u>-</u>
AMOUNT TRANSFERRED TO ACCUMULATED FUND FOR THE YEAR	9		<u>£809,632</u>		<u>£205,258</u>

The notes on pages 12-17 form part of these financial statements.

PAUL STRICKLAND SCANNER CENTRE**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2005**
(continued)**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than those passing through the income and expenditure account.

HISTORICAL COST

The result for the year has been calculated on the historical cost basis.

PAUL STRICKLAND SCANNER CENTRE

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2005

(continued)

	2005		2004	
	£	£	£	£
<u>OPERATION OF SCANNER CENTRE</u>				
INCOME				
Fees from Patients and Health Authorities		3,792,168		2,798,267
Bank Deposit Interest		4,991		2,644
Cyclotron rental income		<u>100,000</u>		<u>100,000</u>
		3,897,159		2,900,911
LESS OPERATING EXPENDITURE				
Radiologists and Radiographers Fees and Salaries	957,313		776,267	
Administration Salaries	393,736		369,238	
Other Staff Costs	21,369		18,284	
Scanner Maintenance	114,623		104,048	
Repairs and Renewals of Equipment and Building	77,245		71,713	
Medical and Surgical Supplies, Cryogenics and other Consumables	1,109,855		697,016	
Light, Heat and Power	24,000		23,000	
Cleaning Expenses	128		342	
Rates	2,200		2,100	
Printing, Postage, Stationery and Telephone	12,986		23,730	
Auditors' Remuneration	6,207		5,829	
Medical Conferences and Travel	9,793		8,305	
Miscellaneous Expenses	4,257		5,083	
Bad and Doubtful Debts	1,892		1,103	
Bank Charges	908		912	
Legal, Professional and Consultancy Fees	10,637		22,164	
Insurance	<u>24,253</u>		<u>9,745</u>	
		<u>2,771,402</u>		<u>2,138,879</u>
SURPLUS FOR YEAR ON OPERATION OF				
SCANNER CENTRE - transferred to Accumulated				
Fund - page 9		£1,125,757		£762,032

The notes on pages 12 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2005

1 STATEMENT OF ACCOUNTING POLICIES

- a) The financial statements are prepared in accordance with the historical cost convention, in accordance with applicable Accounting Standards, the Statement of Recommended Practice 'Accounting and Reporting for Charities' (revised 2000) and the Companies Act 1985 (subject to note 17 below).
- b) The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.
- c) Income from legacies, donations and gifts has been accounted for on a cash received basis.
- d) Grants received, which relate to a specific period of time, are dealt with on an accruals basis.
- e) Income tax recoverable in respect of gift aid received to 30th September 2005 has been reserved in these financial statements.
- f) Fees receivable from private patients are brought into the financial statements on the date on which the services are provided by the Scanner Centre.
- g) Expenditure has been charged to the Income and Expenditure Account on the accruals basis.
- h) Buildings, scanners and other equipment purchased from funds raised by 'Paul Strickland Scanner Centre' appeal are written off in the year of acquisition (see note 17 below).
- i) The rentals in connection with leases where ownership and responsibility for maintenance remains with the lessor are charged to the Income and Expenditure Account in the period to which they relate. Deposits paid in respect of these leases are amortised over the terms of the lease.
- j) Research and development expenditure is written off in the Income and Expenditure Account in the year in which it is incurred.
- k) No provision has been made for taxation as the company's charitable status renders it exempt from UK direct taxation.

2 SHARE CAPITAL

The company is limited by guarantee and does not have a share capital. The liability of the members is limited to £1 in the event of winding up.

3 INCOME AND EXPENDITURE ACCOUNTS

The Income and Expenditure accounts on pages 9 to 11 do not follow the formats prescribed by the Companies Act 1985. In the directors'/trustees' opinion, the company's activities are such that to adopt one of the prescribed formats would not lead to a clear understanding of the transactions.

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2005
(continued)

4 INCOMING RESOURCES - LEGACIES RECEIVABLE

At 30 September 2005 the company had been notified of a specific legacy in the region of £60,000, which is expected to be received in 2006. This has not been included in the Statement of Financial Activities as the condition for recognition has not been met.

5 DIRECT CHARITABLE EXPENDITURE

	2005 £	2004 £
Operation and Administration of Scanner Centre:		
Radiologists and Radiographer's Fees and Salaries	957,313	776,267
Medical Supplies and Consumables	1,109,855	697,016
Scanner Maintenance	114,623	104,048
Administration Expenses	469,194	436,400
Legal and Professional Fees	10,637	22,164
Repairs and Renewal of Equipment and Building	77,245	71,713
Establishment Expenses	26,328	25,442
Audit Fees	6,207	5,829
	<u>£2,771,402</u>	<u>£2,138,879</u>

6 FUND RAISING AND PUBLICITY

	2005	2004
Appeals Department	<u>£41,366</u>	<u>£84,680</u>

7 MANAGEMENT AND ADMINISTRATION OF THE APPEAL FUND

	2005	2004
Salaries and Office Costs	<u>£65,820</u>	<u>£54,340</u>

The directors/trustees did not receive any remuneration, fees or expenses for their services to the company during the year under review.

The cost of directors'/trustees' indemnity insurance borne by the charity was £1,444 (2004:£1,444).

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2005
(continued)

8 TOTAL RESOURCES EXPENDED

	Staff Costs £	Other Costs £	Total 2005 £	Total 2004 £
Medical and Scanning Costs	957,313	2,083,175	3,040,488	2,572,767
Fund Raising and Publicity	59,107	48,079	107,186	139,020
Management and Administration	415,106	23,901	439,007	422,613
	£1,431,526	£2,155,155	£3,586,681	£3,134,400

Staff costs shown above include medical and scientific consultants fees.

Paul Strickland Scanner Centre does not directly employ staff. All staff are provided by the East and North Herts NHS Trust and the costs are recharged to the charity.

During the year, the emoluments (excluding consultants fees) of staff earning in excess of £50,000 were as follows:-

Emolument falling within the range:

	Number of Staff	
	2005	2004
£50,000 to £60,000	-	1
£60,000 to £70,000	1	1
£70,000 to £80,000	1	-
£80,000 to £90,000	1	1

The average number of staff analysed by function was:-

	2005 Number	2004 Number
Medical and Radiographic	16	15
Clerical and Administration	12	10
	28	25

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2005
(continued)9 ACCUMULATED FUND
(Operational Reserve)

	2005 £	2004 £
Balance at 30th September 2004	(189,421)	(394,679)
Excess of expenditure over income for the year after including transfers to other reserves - see page 9	<u>809,632</u>	<u>205,258</u>
Balance at 30th September 2005	<u>£620,211</u>	<u>(£189,421)</u>

10 SCANNER REPLACEMENT FUND

The directors/trustees of Paul Strickland Scanner Centre recognise that the operational life of the scanner equipment currently in use is limited. Therefore, amounts are set aside each year from the accumulated fund to acknowledge the future commitment of the company to fund the replacement of the existing equipment.

	2005 £	2004 £
Balance at 30th September 2004:	1,250,000	1,250,000
Increase in amount set aside against future expenditure	<u>100,000</u>	<u>-</u>
Balance at 30th September 2005:	<u>£1,350,000</u>	<u>£1,250,000</u>

11 RESEARCH FUND

Paul Strickland Scanner Centre receives income from research related activities. This income is set aside from the accumulated fund to assist research activities in the future.

	2005 £	2004 £
Balance at 30th September 2004	34,840	41,180
(Reduction)/increase in year	<u>(4,294)</u>	<u>(6,340)</u>
Balance at 30th September 2005	<u>£30,546</u>	<u>£34,840</u>

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2005
(continued)

12 DEBTORS

	2005 £	2004 £
Prepaid Scanner Leasing Costs (note 16)	65,013	65,011
Prepaid Scanner Maintenance Costs	18,029	7,727
Prepaid Scanner Deposit (note 16)	1,185,000	555,000
Interest Receivable	321	-
Fees Receivable	612,353	426,319
Income Tax Recoverable	13,500	9,900
Prepayments	23,248	8,522
	<u>£1,917,464</u>	<u>£1,072,479</u>

Amounts falling due after more than one year and included in the debtors above are:

	2005 £	2004 £
Prepaid Scanner Deposit - PET/CT	315,000	435,000
- MRI	625,000	-
	<u>£940,000</u>	<u>£435,000</u>

This is in respect of deposits paid on lease agreements for new scanners to be released to the Income and Expenditure account over 5 years, the term of the lease's, from the date the scanners are brought into use.

13 CREDITORS - AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2005 £	2004 £
Interest Free Loan (note 14)	-	100,000
Accrued Expenses	325,514	330,008
East and North Herts NHS Trust	246,161	216,561
Deferred Rental Income	50,000	50,000
Accrued Scanner Leasing Costs (note 16)	64,266	64,266
VAT Liability	3,949	-
	<u>£689,890</u>	<u>£760,835</u>

14 CREDITORS - AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Interest Free Loan	£0	£100,000

The unsecured, interest free loan, taken out to assist with the construction of the Cyclotron building was fully repaid in the year.

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2005
(continued)

15 FINANCIAL COMMITMENTS

The directors/trustees have approved £250,000 to be spent on the construction of an annexe building to the existing premises.

16 REVENUE COMMITMENTS

At the balance sheet date, the company was committed to making the following payments during the next year in respect of operating leases:

	Scanner Equipment	
	2005	2004
Leases expiring within one year	-	124,296
Leases expiring within two to five years	497,622	344,586
	<u>£497,622</u>	<u>£468,882</u>

The total amount payable in respect of the lease of scanners is anticipated to be £2,180,000 (including maintenance charges) over the remaining terms of the leases. This includes payments in respect of a new scanner brought into use after the year end.

After allowing for deposits paid and the release of accrued and prepaid lease instalments and future payments, as noted above, the charges to be made in the company's Income and Expenditure account will be in the region of £3,370,000 over the remaining terms of the leases.

17 FIXED ASSETS

The Companies Act 1985 and the Statement of Recommended Practice 'Accounting and Reporting for Charities' (revised 2000) require that assets of material value held for use on a continuing basis in a charity's activities be classified as fixed assets and depreciated over their useful lives.

However, the directors/trustees have carried out an impairment review as required by FRS11 and consider that fixed assets held, which comprise buildings, medical scanners and ancillary equipment have no material realisable value and no material value in use. In the directors/trustees opinion, the value of future cash flows that will be generated from the use of these assets in the company's operations will not be materially more than the cost of using the assets.

The principal activity of the company is to raise funds to provide facilities and equipment for Paul Strickland Scanner Centre which is situated at Mount Vernon Hospital (a site which is not in the control of the company) and when appropriate, provide funds to assist with the operational costs of the centre. The directors/trustees believe that the value of the company's interest in the equipment is reduced to a negligible amount as soon as it is delivered and installed at the centre due to its ongoing liabilities for maintenance and other operational costs relating to these assets which cannot necessarily be covered by receipts for scans provided.

Therefore, in the opinion of the directors/trustees, to capitalise the cost of scanners and the buildings in which they are housed, even if these are written down to a £nil value as a result of an impairment review, would result in financial statements which would not give a true and fair view of the company's affairs and financial position.