

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 2011

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PAUL STRICKLAND SCANNER CENTRE

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PAUL STRICKLAND SCANNER CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

CONSTITUTION

Paul Strickland Scanner Centre is a company limited by guarantee and a registered charity governed by its Articles of Association

DIRECTORS AND TRUSTEES

The directors of the charitable company the "Charity" are its trustees for the purposes of charity law and throughout this report are collectively referred to as the "Trustees". The Trustees of the Charity are also its members

During the year the Charity revised its Articles to be in line with the Companies Act 2006 and the Charities Act 1993 as amended by the Charities Act 2006

As set out in the Articles of Association, new Trustees may be appointed by the existing Trustees by resolution but must retire from office at the next general meeting but shall be eligible for election at that meeting. At each annual general meeting one third of the Trustees must retire from office. The Trustees to retire by rotation shall be those who have been longest in office since their last appointment. A Trustee shall not hold office for more than nine consecutive years and shall not be eligible for appointment or re-election upon the expiry of such period until a period of twelve months has elapsed since they retired as a Trustee. There shall be a minimum of three and a maximum of twelve Trustees

The Trustees serving during the year and since the year end were as follows

Board of Trustees	Dr T R Wright - Chairman Dr P Strickland - resigned 18th February 2011 Professor B D Michael - resigned 22nd January 2011 Professor M Saunders Dr O Bangham - Deputy Chairman P Kelly C Williams M Vine Dr R Alonzi B Shah - appointed 18th February 2011
Company Secretary	P Kelly
Centre's Chief Executive (who is not a trustee)	M Sullivan
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	Nunn Hayward Sterling House 20 Station Road Gerrards Cross, Buckinghamshire

PAUL STRICKLAND SCANNER CENTRE

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2011

The Trustees are pleased to present their report together with the Financial Statements of the Charity for the year ended 30 September 2011

Legal and administrative information set out on page 1 forms part of this report

The Financial Statements comply with current statutory requirements, the Articles of Association and the Statement of Recommended Practice (SORP) - "Accounting and Reporting by Charities" issued in 2005

HISTORY

Paul Strickland Scanner Centre and its associated fundraising 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 Charity on 1st October 1988. The operation of the Scanner Centre and associated fundraising activities have been dealt with by this Charity since that date.

OBJECTS AND ACTIVITIES

The objects of the Charity are to provide advanced medical diagnostic imaging services primarily to the Cancer Centre at Mount Vernon Hospital but also to the National Health Service and private health sector in general.

In planning its activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. By using donated funds and any excess income over expenditure from providing services to the private health sector and pharmaceutical and radiological research organisations, the Charity purchases appropriate leading edge medical imaging systems and operates them using medical, radiographic and support staff of the highest calibre. The Centre provides scans of the very highest quality to enhance diagnosis and treatment planning for patients. Decisions on the purchase of such systems are carefully evaluated in the light of clinical need, the potential for clinical service development and enhancement and research and development opportunities.

Imaging systems currently available are Computerised Tomography (CT), Magnetic Resonance Imaging (MRI) and Positron Emission Tomography (PET/CT). PET/CT scanning is not available in local hospitals and whilst mainly used for detection and diagnosis of cancer, it is also of benefit in neurology and cardiology.

ORGANISATION AND POLICY ON THE APPOINTMENT OF TRUSTEES

The governing document of Paul Strickland Scanner Centre is its Articles of Association. All policy decisions are made by the Board of Trustees, who meet bi-monthly, and the day to day running of the Centre is delegated to the Centre's Chief Executive who is not on the Board of Trustees.

Trustees are appointed to the Board of the Charity by reference to their professional qualification, association with the locality and relevant experience. There is a formal induction process for new Trustees which provides sufficient information to allow them to understand the charitable purpose of the Scanner Centre as well as providing an introduction to understanding the Centre's activities, financial position, Trustees' responsibilities and current issues.

Potential new Trustees are invited to the Scanner Centre to meet the Chief Executive and other members of staff including the fundraising team and are shown around and given an overview of the Centre's main areas of activity. They also meet the Trustees and are given the opportunity to ask questions. Their curriculum-vitae is circulated and reviewed by existing Trustees and they are provided with a pack of information outlining the history of the Centre, information relating to each scanning modality, together with financial information and fundraising materials. On appointment, a further pack of documents is provided containing the governing documents, Board terms of reference, statement of Trustee liability, frequency/timings of Board meetings, list of current Trustees, organisational structure, current strategic plan and summary of insurance policies. The new Trustee is allocated an existing Trustee as a mentor.

PAUL STRICKLAND SCANNER CENTRE

TRUSTEES' REPORT (continued)

INVESTMENT POWERS

Under the Articles of Association, the Charity has the power to make any investment which the Trustees see fit

The Trustees remain cautious in respect of the Charity's investment strategy and are satisfied they have taken appropriate steps to ensure that reserves are not placed at undue risk. During the period and at the Balance Sheet date, the majority of the Charity's cash reserves had been placed on short term fixed treasury deposit accounts

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The review of activities and future developments is given in the Chairman's Report on pages 5-6 of these Financial Statements

Whilst the Charity continues to rely on the receipt of donations to assist in financing its activities, the Trustees are confident that sufficient resources will be available to fund its operations for the foreseeable future

The Charity is currently involved in a dispute with its landlord over invoices which purport to be in respect of service charges, please see note 15

VOLUNTEERS

The Charity is grateful for the efforts and range of contributions made by our volunteers who help in fundraising, through the Friends of Paul Strickland Scanner Centre

TRUSTEES AND THEIR INTERESTS

Details of the Trustees of the Charity serving in the year are disclosed on page 1 of the Financial Statements

The Charity is a charitable company limited by guarantee and does not have share capital and therefore there are no Trustees' interests

AUDITORS

The auditors, Nunn Hayward, are deemed to be reappointed under section 487(2) of the Companies Act 2006

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Trustees are responsible for preparing the Report and Financial Statements in accordance with applicable laws and regulations

Company law requires the Trustees to prepare the Financial Statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing these financial statements, the Trustees are required to

- observe the methods and principles in the Charities SORP,
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue its activities

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the Financial Statements comply with the Companies Act 2006. 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

PAUL STRICKLAND SCANNER CENTRE**TRUSTEES' REPORT (continued)****RESERVES POLICY AND RISK MANAGEMENT**

At bi-monthly Board meetings the Trustees continue to focus on major risks for the Charity which would have a severe impact on operational performance as well as reputation should they occur. A risk register is in place with responsibilities identified, monitoring procedures and the required follow up actions. The key areas under regular review are financial, clinical governance, staff and health and safety. Significant issues addressed in the past year include the continued upgrading of scanning equipment, improvements made to the computerised imaging system, the security and protection of high-value data and the management of clinical risk.

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. In particular the Trustees of the Charity recognise that the operational life of the scanner equipment in use is limited. Therefore, amounts are set aside from the accumulated fund to acknowledge the future commitment of the Charity to fund the replacement of the existing equipment. The Scanner Replacement Reserve has been reviewed at 30 September 2011 and remains at £2 million. The General Fund of the Charity represents its investment in fixed assets and working capital.

RELATED PARTIES

Details of transactions with Trustees and other related parties are given in note 7 to the Financial Statements.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD



Dr T R Wright
Chairman

Dated 17th February 2012

PAUL STRICKLAND SCANNER CENTRE

CHAIRMAN'S REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2011

As Chairman of the Board of Trustees I am pleased to be able to look back on a successful year for Paul Strickland Scanner Centre but also one in which we have had significant change

Dr Paul Strickland OBE stepped down from the Board of Trustees and as our Honorary Medical Director. In recognition of his truly outstanding achievements the Board conferred on Dr Strickland the title of Founder and Honorary Life President. His vision, hard work and commitment over the lifetime of the Appeal (founded in 1983) and the 26 years' lifetime of the Scanner Centre, have resulted in a world class imaging service which attracts the highest calibre of staff. The Centre and Board of Trustees remain true to Dr Strickland's vision to be at the forefront of scanning technology to give patients with cancer and other serious diseases the best possible chance of recovery.

Professor Barry Michael, Scientist Emeritus of the Gray Cancer Institute, who had been a Trustee for 15 years, also stepped down. During that time he played a significant role in the establishment of the Cyclotron Unit, which was a key factor in the growth of PET scanning at Mount Vernon.

We have been fortunate to add to our complement of Trustees and have appointed three new Trustees. Dr Roberto Alonzi, who is a Medical Research Council Clinician Scientist and Consultant Oncologist at Mount Vernon Cancer Centre, Mr Bharat C Shah, with a distinguished international career in business and finance, and Mr Michael Vine, an experienced civil and commercial litigation solicitor. Our new Trustees provide a wealth of experience and join a group of committed Trustees. We are grateful to all of our Trustees for their hard work and tremendous contributions that they have made during the year.

We are very proud that Dr Vicky Goh, Consultant Radiologist at the Scanner Centre since 2002, was appointed Professor of Clinical Cancer Imaging at King's College London in February 2011. Professor Goh has retained her research links with the Scanner Centre.

Dr Jane Chambers retired as Consultant Radiologist but continues her association as Honorary Consultant Radiologist. She was first appointed to the Centre in 2001.

We were very pleased to appoint two new Consultants, Dr Luke Sonoda and Dr Andrew Gogbashian, to continue the development of the Centre and build upon the work of their consultant colleagues, Dr Wai-Lup Wong and Professor Anwar Padhani.

I should also like to express my gratitude to all our staff and volunteers including all of those mentioned above. Their hard work, dedication and enthusiasm ensures our high reputation. We are ever grateful.

Our results for the last financial year reflect a year of continued increase in activity – this year we have scanned 13,203 patients from both NHS and private sources. We are pleased to be able to say that our patient satisfaction surveys show that we are giving a very satisfactory service given the underlying health reasons for patients' visits to our Centre.

The Centre has also continued to contribute to the training of future specialist imaging consultants in CT, MRI and PET CT who come to us from other UK centres. During the year we have had 10 registrars learning about new techniques in cancer imaging. This training service is provided freely and is part of the contribution that the Centre makes to improving diagnostic services. We have also contributed to the training of an imaging consultant in specialist PET CT scanning.

The Centre has also contributed to the goal of local NHS providers to reduce their waiting times for scans and to improve diagnosis for patients.

PAUL STRICKLAND SCANNER CENTRE**CHAIRMAN'S REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2011 (continued)**

The Centre continues to participate actively in clinical research at a very high level as our staff and equipment put us at the forefront in the development of functional imaging protocols in all three modalities. Our consultant radiologists, physicists and radiographers publish extensively and present at several international radiological conferences.

Professor Vicky Goh has been elected to the Executive Board and is Vice President of the European Society of Oncologic Imaging, to the Research Committee of the European Society of Radiology, and steering committee (Imaging Section) of the Experimental Cancer Medicine Centre Network in the UK. She serves on both the NCRI renal cancer clinical studies group and the anal cancer group. She has been appointed Section Editor (Oncology) and to the Scientific Editorial Board of European Radiology, Europe's premier radiology scientific journal. She has continued her multi-modality research in gastro-intestinal, lung and renal cancers in collaboration with colleagues at the Mount Vernon Cancer Centre and other national and international centres, and is closely involved in three NIHR HTA funded multicentre trials, and two CRUK funded trials.

We congratulate Professor Anwar Padhani, Consultant Radiologist, on his appointment as a Professor of the Institute of Cancer Research in November 2011. Professor Padhani has taken forward the use of advanced MR imaging to improve whole body scanning and prostate cancer diagnosis. Our prostate cancer MRI work now has national and international recognition. For example, he is involved in formulating the Royal College of Radiologist guidance on the imaging of prostate cancer and is advising the Health Technology Assessment board (HTA) of the NHS on the application of advanced prostate MRI. Our UK experience on whole body MRI has also been acknowledged. We are part of a national research effort (HTA funded) on the application of this technology for newly diagnosed lung and colorectal cancer patients.

Dr Wai Lup Wong, Consultant Radiologist and our lead for PET CT, is currently the Department of Health (DH) PET CT Clinical Guardian and chairs the DH PET CT Clinical Governance Board. He has continued to work in the National Cancer Research Institute, on the NCRI Head and Neck Clinical Study Group, PET CT expert panel and on the PET Research Network, and has taken the lead to produce a DVD on "The Patient Journey through PET CT". During the year he has continued to engage the Centre in UK DH HTA multi-centre clinical trials.

We are always very grateful for donations and legacies, and the contribution that they make to our work, and we offer sincere thanks to all of those who supported us by holding events and raising funds during the year – we are indebted to them. In the midst of a difficult financial climate, which has made fundraising more difficult, we have been extremely heartened by the ongoing commitment of our supporters. The Friends of Paul Strickland Scanner Centre, chaired by June Nickless, have once again worked tirelessly to support our funds. The well being of these funds is vital to ensure our future ability to invest in new scanners and maintain our leading technological edge.

During the year the Centre has reviewed its strategy and renewed its aims and objectives as a charity. We continue to be committed to creating an environment of excellence in cross-sectional diagnostic imaging for the purposes of early diagnosis, treatment planning and the measurement of treatment efficacy. We look forward to 2011/12 and to continuing the task first set down by Dr Strickland in 1983 of ensuring the relief of suffering and the saving of lives.



Dr T R Wright
17th February 2012

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 9-19 for the year ended 30 September 2011 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members (who are also the Trustees for the purposes of Charity Law), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities on page 3, the Charity's Trustees, who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. We have been appointed as auditors under the Companies Act 2006 and Section 43 of the Charities Act 1993 and report in accordance with those Acts.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Financial Statements

- give a true and fair view of the charitable company's affairs as at 30 September 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 1993.

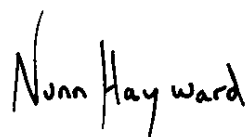
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

PAUL STRICKLAND SCANNER CENTRE**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAUL STRICKLAND SCANNER CENTRE (continued)****MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 requires us to report to you if, in our opinion

- the charitable company has not kept adequate and sufficient accounting records, or
- the Financial Statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Tom Lacey (Senior Statutory Auditor)
For and on behalf of Nunn Hayward
Chartered Accountants and Statutory Auditors

Sterling House
20 Station Road
Gerrards Cross
Buckinghamshire
SL9 8EL

Dated 17 February 2012

BALANCE SHEET AS AT 30TH SEPTEMBER 2011

		2011		2010	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10		2,382,773		3,542,064
CURRENT ASSETS					
Debtors	11	1,381,054		1,237,914	
Cash at Bank and in hand		<u>3,139,788</u>		<u>1,306,268</u>	
		4,520,842		2,544,182	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors and Accruals	12	<u>1,626,306</u>		<u>1,233,781</u>	
NET CURRENT ASSETS			<u>2,894,536</u>		<u>1,310,401</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,277,309		4,852,465
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13		<u>379,836</u>		<u>961,053</u>
TOTAL NET ASSETS			<u>4,897,473</u>		<u>3,891,412</u>
FINANCED BY:					
Unrestricted Funds					
- General Funds	8		2,876,097		1,870,036
- Designated Funds	8		2,000,000		2,000,000
Restricted Fund	9		<u>21,376</u>		<u>21,376</u>
			<u>4,897,473</u>		<u>3,891,412</u>

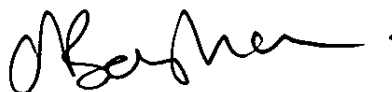
The Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These Financial Statements were approved at a meeting of the Trustees held on 17th February 2012

TRUSTEES



Dr T R Wright
Chairman



Dr O Bangham
Deputy Chairman

Company number 2033936
Registered Charity number 298867

The notes on pages 11-19 form part of these Financial Statements

PAUL STRICKLAND SCANNER CENTRE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30TH SEPTEMBER 2011

	Notes	General Fund £	Designated Fund	Restricted Fund £	Total 2011 £	Total 2010 £
INCOME AND EXPENDITURE						
INCOMING RESOURCES						
Voluntary income	3	561,227	-	-	561,227	375,660
Incoming resources from charitable activities		4,657,515	-	-	4,657,515	4,504,639
Investment income		14,422	-	-	14,422	9,913
Other income		549,998	-	-	549,998	169,953
TOTAL INCOMING RESOURCES		5,783,162	-	-	5,783,162	5,060,165
RESOURCES EXPENDED						
Costs of generating voluntary income	4	100,405	-	-	100,405	111,716
Charitable activities	5	4,651,884	-	-	4,651,884	4,994,870
Governance costs	6	24,812	-	-	24,812	27,303
TOTAL RESOURCES EXPENDED	7	4,777,101	-	-	4,777,101	5,133,889
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		1,006,061	-	-	1,006,061	(73,724)
Net Transfers to Scanner Replacement Fund and Research Fund	8/9	-	-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR		1,006,061	-	-	1,006,061	(73,724)
NET MOVEMENT IN FUNDS	8	1,006,061	-	-	1,006,061	(73,724)
FUND BALANCES BROUGHT FORWARD		1,870,036	2,000,000	21,376	3,891,412	3,965,136
NET MOVEMENT IN FUNDS		1,006,061	-	-	1,006,061	(73,724)
FUND BALANCES CARRIED FORWARD		2,876,097	2,000,000	21,376	4,897,473	3,891,412

All incoming resources and resources expended derive from continuing activities

The notes on pages 11-19 form part of these Financial Statements

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2011

1 STATEMENT OF ACCOUNTING POLICIES

- a) The Financial Statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)
- b) The Financial Statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Accounting and Reporting for Charities' (revised 2005) and the Companies Act 2006
- 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 30 September 2011 has been reserved in these financial statements
- f) Fees receivable for scans 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 Statement of Financial Activities on the accruals basis
- h) Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings leasehold	over the length of the lease
Property improvements	over the length of the lease
Scanners	over the length of the finance lease
Scanner upgrades	25% straight line
Equipment	25% straight line

Where significant building costs are incurred in order to install the new scanners, these costs are capitalised and depreciated in line with the respective scanner. General property improvements are depreciated over the remaining length of the leasehold.

- i) Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
- j) Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.
- k) Research and development expenditure is written off in the Statement of Financial Activities in the year in which it is incurred.
- l) No provision has been made for taxation as the Charity's status renders it exempt from UK direct taxation.
- m) Unrestricted funds (General funds and Designated funds) are those funds expendable at the discretion of the Trustees in accordance with the charitable objects. Restricted funds may only be utilised in accordance with the wishes of the donor.

2 SHARE CAPITAL

The Charity is limited by guarantee and does not have a share capital. The liability of the members (who are also the Trustees) is limited to £1 in the event of winding up.

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2011
(continued)

3	INCOMING RESOURCES - VOLUNTARY INCOME	2011	2010
		£	£
	Donations, Gifts and Funds Raised	226,975	231,355
	Legacies Received	311,079	112,874
	Income Tax Recoverable	23,173	31,431
		<u>561,227</u>	<u>375,660</u>

At 30 September 2011 the Charity had not been notified of any material specific legacies not already disclosed in the accounts

4	COSTS OF GENERATING VOLUNTARY INCOME	2011	2010
		£	£
	Fundraisers' Salaries and Assistance	62,264	59,366
	Event Costs	8,892	10,779
	Printing and Mailing Costs	16,392	27,318
	Consultancy Fees	11,700	11,350
	General Expenses	1,157	2,903
		<u>100,405</u>	<u>111,716</u>

The incoming resources and resources expended dealt with by the appeals fund function are analysed further at note 17

5	CHARITABLE ACTIVITIES	2011	2010
		£	£
	Radiologists' and Radiographers' Fees and Salaries	1,645,671	1,642,248
	Medical Supplies and Consumables	623,958	701,589
	Maintenance contracts and scanner repairs	451,074	429,862
	Administration Expenses	521,256	540,575
	Legal and Professional Fees	10,686	34,008
	Repairs and Renewal of Equipment and Building	43,811	50,660
	Lease Charges	5,207	76,266
	Establishment Expenses	-	4,967
	Interest on Finance Leases	121,021	137,913
	Loss/(Profit) on disposal of Fixed Assets	7,633	(60,011)
	Depreciation	1,221,567	1,436,793
		<u>4,651,884</u>	<u>4,994,870</u>

The incoming resources and resources expended in the operation and administration of the Scanner Centre are analysed further at note 18

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2011
(continued)

6	GOVERNANCE COSTS	2011 £	2010 £
	Administration Salaries	10,000	10,000
	Legal and Professional Fees	5,126	7,230
	Audit Fees	9,686	10,073
		<u>24,812</u>	<u>27,303</u>

Administration salaries represent an apportionment of the Chief Executive's salary. This amount is thought to fairly reflect the amount of time spent on governance issues.

7 TOTAL RESOURCES EXPENDED

	Staff Costs £	Other Costs £	Total 2011 £	Total 2010 £
Costs of generating voluntary income	62,264	38,141	100,405	111,716
Charitable activities	2,069,437	2,582,447	4,651,884	4,994,870
Governance costs	10,000	14,812	24,812	27,303
	<u>£2,141,701</u>	<u>£2,635,400</u>	<u>£4,777,101</u>	<u>£5,133,889</u>

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 £60,000 were as follows -

Emoluments falling within the range

	2011	<u>Number of Staff</u>	2010
£60,000 to £70,000	1	-	-
£70,000 to £80,000	-	1	1
£80,000 to £90,000	1	1	1
£90,000 to £100,000	-	-	-
£110,000 to £120,000	1	1	1
	<u>1</u>	<u>2</u>	<u>2</u>

The average number of staff analysed by function was -

	2011 Number	2010 Number
Medical and Radiographic	24	20
Clerical and Administration	<u>16</u>	<u>18</u>
	<u>40</u>	<u>38</u>

The Trustees did not receive any remuneration or fees for their services to the Charity during the year under review.

The cost of Trustees' indemnity insurance borne by the Charity was £1,432 (2010: £1,397).

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2011
(continued)

8 UNRESTRICTED FUNDS

GENERAL FUNDS - "ACCUMULATED FUND"	2011 £	2010 £
Balance at 30 September 2010	1,870,036	1,940,101
Excess of income over expenditure for the year after including transfers to other reserves - see page 10	<u>1,006,061</u>	<u>(70,065)</u>
Balance at 30 September 2011	<u>£2,876,097</u>	<u>£1,870,036</u>

DESIGNATED FUND - "SCANNER REPLACEMENT FUND"

The 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 from the accumulated fund to acknowledge the future commitment of the Charity to fund the replacement of the existing equipment

	2011 £	2010 £
Balance at 30 September 2010	2,000,000	2,000,000
Movement in year	<u>-</u>	<u>-</u>
Balance at 30 September 2011	<u>£2,000,000</u>	<u>£2,000,000</u>

The cost of replacing one scanner is between £800,000 and £1,500,000 depending on the type of imaging technology. In addition, installation costs are incurred and in some cases modifications are required to the building in order to house the new scanner. The Trustees therefore believe that the amount set aside as a scanner replacement fund as shown above is appropriate.

9 RESTRICTED FUNDS - "THE RESEARCH FUND"

Income received with the restriction requiring it only to be used for research purposes is set aside from General Funds and included in this Restricted Research Fund

	2011 £	2010 £
Balance at 30 September 2010	21,376	25,035
Movement in year	<u>-</u>	<u>(3,659)</u>
Balance at 30 September 2011	<u>£21,376</u>	<u>£21,376</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2011

10 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings £	Property Improvements £	Scanners £	Equipment £	Total £
Cost					
At 1 October 2010	2,091,883	823,266	5,895,297	1,016,374	9,826,820
Additions	-	4,112	-	64,656	68,768
Disposals	-	-	-	(12,973)	(12,973)
At 30 September 2011	<u>2,091,883</u>	<u>827,378</u>	<u>5,895,297</u>	<u>1,068,057</u>	<u>9,882,615</u>
Depreciation					
At 1 October 2010	1,414,369	246,861	3,991,977	631,549	6,284,756
On disposals	-	-	-	(6,486)	(6,486)
Charge for the year	209,525	139,554	673,027	199,466	1,221,572
At 30 September 2011	<u>1,623,894</u>	<u>386,415</u>	<u>4,665,004</u>	<u>824,529</u>	<u>7,499,842</u>
Net book value					
At 30 September 2011	<u>467,989</u>	<u>440,963</u>	<u>1,230,293</u>	<u>243,528</u>	<u>2,382,773</u>
At 30 September 2010	<u>677,514</u>	<u>576,405</u>	<u>1,903,320</u>	<u>384,825</u>	<u>3,542,064</u>

Included above are assets held under finance leases or hire purchase contracts as follows

	Scanners & Equipment £
Net book values	
At 30 September 2011	<u>1,415,172</u>
At 30 September 2010	<u>2,239,295</u>
Depreciation charge for the year	
At 30 September 2011	<u>831,669</u>
At 30 September 2010	<u>1,050,206</u>

The expenditure on land buildings as shown above does not include the cost of the main building housing the Scanner Centre. Had these costs been capitalised then they would have been fully depreciated by 30 September 2005.

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2011
(continued)

11 DEBTORS

	2011 £	2010 £
Interest Receivable	1,575	1,149
Fees Receivable	1,274,193	1,123,031
Income Tax Recoverable	22,444	31,000
Prepaid Scanner Maintenance Costs	45,669	54,386
Other debtors	10,111	-
Prepayments	27,063	28,348
	<u>£1,381,054</u>	<u>£1,237,914</u>

Included in Fees receivable is £723,417 (2010 £413,522) due from East and North Herts NHS Trust

12 CREDITORS - AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2011 £	2010 £
Accrued Expenses	112,572	141,779
East and North Herts NHS Trust	900,108	416,840
Deferred Rental Income	30,274	30,274
Value Added Tax	-	59,260
Other creditors	-	-
Net Obligations under Finance Leases	583,352	585,628
	<u>£1,626,306</u>	<u>£1,233,781</u>

13 CREDITORS - AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Net Obligations under Finance Leases	<u>£379,836</u>	<u>£961,053</u>
Amounts payable		
Within two to five years	<u>£379,836</u>	<u>£961,053</u>

14 FINANCIAL COMMITMENTS

At 30 September 2011 the Charity was committed to making the following payments under non-cancellable contracts in the year to 30 September 2012

	Maintenance on scanners and other equipment	
	2011 £	2010 £
Operating contracts which expire		
Within one year	-	-
Over one year but less than five	305,552	233,524
	<u>£305,552</u>	<u>£233,524</u>

PAUL STRICKLAND SCANNER CENTRE**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2011
(continued)****15 CONTINGENT LIABILITIES**

The Charity operate from leasehold premises. During the current and previous year, the Charity received invoices from their landlord totalling £846,265 which purport to be in respect of service charges for the period from 1st April 2008 to 31st March 2011. The Charity strongly dispute these invoices through their legal advisors, as the leases in place do not make any provision for any such service charge to be payable. Therefore, the Charity has not made any allowance for these invoices in the Financial Statements, other than by way of this note.

16 OTHER INCOME

Following a VAT compliance review undertaken by the Charity it was noted that certain medical supplies which have incurred VAT charges in the past, can be zero rated when an appropriate VAT zero rating certificate is in place. An appropriate certificate was made available to suppliers. Credit notes were then raised by these suppliers totalling £398,706 (net of advisor fees) to enable the reimbursement of VAT previously paid. The certificates were issued between October and December 2010. These credit notes have been reflected as Other Income on the Statement of Financial Activities. See also note 18.

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2011
(continued)17 APPEAL FUND - ANALYSIS OF INCOMING RESOURCES AND RESOURCES EXPENDED

	Notes	2011		2010	
		£	£	£	£
INCOME					
Donations, Gifts and Funds Raised			226,975		231,355
Legacies Received			311,079		112,874
Income Tax Recoverable			23,173		31,431
Bank Interest Receivable			76		283
Bank Treasury Deposit Interest Receivable			14,123		9,290
			<u>575,426</u>		<u>385,233</u>
LESS FUNDRAISING EXPENDITURE					
Fundraisers' Salaries and Assistance		62,264		59,366	
Event Costs		8,892		10,779	
Printing and Mailing Costs		16,392		27,318	
Consultancy Fees		11,700		11,350	
General Expenses		<u>1,157</u>		<u>2,903</u>	
			<u>100,405</u>		<u>111,716</u>
SURPLUS OF INCOME OVER EXPENDITURE FOR THE YEAR - APPEAL FUND			<u>475,021</u>		<u>273,517</u>
Add. Surplus/(deficit) for year on operation of Scanner Centre - page 19			<u>531,040</u>		<u>(347,241)</u>
NET EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR			1,006,061		(73,724)
Decrease/(Increase) in Research Fund	9		-		3,659
Amounts transferred from Scanner Replacement Fund	8		<u>-</u>		<u>-</u>
AMOUNT TRANSFERRED TO ACCUMULATED FUND FOR THE YEAR		8	1,006,061		(70,065)

The above analysis is included to provide additional information to assist in the understanding of the financial activities of the Charity

PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2011
(continued)18 OPERATION OF SCANNER CENTRE -
ANALYSIS OF INCOMING RESOURCES AND RESOURCES EXPENDED

	Notes	2011		2010	
		£	£	£	£
INCOME					
Fees from Patients and Health Authorities			4,657,515		4,504,639
Bank Deposit Interest			223		340
Royalties receivable			21,292		38,309
Cyclotron rental income			130,000		131,644
Other income - VAT rebate	16		398,706		-
			<u>5,207,736</u>		<u>4,674,932</u>
LESS OPERATING EXPENDITURE					
Radiologists and Radiographers Fees and Salaries		1,645,671		1,642,248	
Administration Salaries		429,510		424,272	
Other Staff Costs		4,256		25,053	
Maintenance Contracts and Scanner Repairs		451,074		429,862	
Repairs and Renewals of Equipment and Building		43,811		50,660	
Lease Charges on Equipment		5,207		76,266	
Medical and Surgical Supplies, Cryogenics and other Consumables		623,958		701,589	
Light, Heat and Power		-		1,624	
Cleaning Expenses		-		3,343	
Printing, Postage, Stationery and Telephone		17,441		9,855	
Auditors' Remuneration		9,686		10,073	
Medical Conferences and Travel		12,318		23,163	
Miscellaneous Expenses		1,248		17,226	
Bad and Doubtful Debts		-		10	
Bank Charges		1,070		2,032	
Legal, Professional and Consultancy Fees		25,812		41,238	
Insurance		55,413		48,964	
Interest on Finance Leases		121,021		137,913	
Loss/(Profit) on Disposal of Fixed Assets		7,633		(60,011)	
Depreciation		<u>1,221,567</u>		<u>1,436,793</u>	
			<u>4,676,696</u>		<u>5,022,173</u>
SURPLUS/(DEFICIT) FOR YEAR ON OPERATION OF					
SCANNER CENTRE - transferred to Accumulated					
Fund - note 17, page 18			531,040		(347,241)

The above analysis is included to provide additional information to assist in the understanding of the financial activities of the Charity