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**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 2012**

TUESDAY



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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

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 Professor M Saunders - resigned 19th October 2012 Dr O Bangham - Deputy Chairman P Kelly C Williams - resigned 10th March 2012 M Vine Dr R Alonzi B Shah
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, HA6 2RN
Company Number	2033936
Charity Registration Number	298867
Principle Bankers	Barclays Bank plc
Auditors	Nunn Hayward Chartered Accountants and Statutory Auditor Sterling House 20 Station Road Gerrards Cross Buckinghamshire, SL9 8EL

## **PAUL STRICKLAND SCANNER CENTRE**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2012**

The Trustees are pleased to present their report together with the Financial Statements of the Charity for the year ended 30 September 2012

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**

The Trustees (who are also directors of Paul Strickland Scanner Centre for the purposes of company law) are responsible for preparing the Report and Financial Statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue its activities

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company 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. During the year an Audit and Risk Committee, which is a sub committee of the Board of Trustees, has been established and has met three times. The work of the sub committee is reported to the Board of Trustees. The key areas that have been reviewed include budgetary control, fundraising, the Charity's investment policy, health and safety, infection control and prevention and risk management in IT. Patient and referrer satisfaction surveys are carried out as well as auditing of scan reports. A consultant radiologist takes the lead in clinical governance and provides regular reports to the Board of Trustees.

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 2012 and has been increased to £2.15 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 15 February 2013

## PAUL STRICKLAND SCANNER CENTRE

### CHAIRMAN'S REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2012

As Chairman of the Board of Trustees I am pleased to be able to report another successful and busy year for the Paul Strickland Scanner Centre

Our trustees, staff and volunteers have worked hard to ensure that we remain at the forefront of advanced diagnostic imaging giving patients with cancer and other serious diseases the best possible chance of recovery. I should like to express my gratitude to all involved with the Scanner Centre for their hard work, dedication and enthusiasm which ensures our high reputation.

The Board would like to express its sincere thanks to Professor Michele Saunders who retired as a trustee of the Charity in October 2012 after twelve years on the Board. We are particularly grateful to Professor Saunders for her dedicated support of the Centre both during her time on the Board and prior to that as one of the senior oncologists in the Mount Vernon Cancer Centre.

Our results for the last financial year reflect a year of continued increase in activity – this year we have scanned 13,235 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.

During the year the Centre has been pleased to play a role in the assessment and planning of patients coming to Mount Vernon Cancer Centre for CyberKnife® treatment - a robotic high dose radiotherapy system which delivers treatment to cancers with extreme accuracy anywhere in the body. This is a relatively new way to treat some patients who may have run out of options or have been told their cancer is inoperable. Patients come to the Scanner Centre to have a CT scan during which a specialist interventional radiologist places tiny gold marker seeds into soft tissues in or near the tumour in the abdomen to guide accurately the CyberKnife® radiation beams. Our radiologists also participate in the multidisciplinary team meeting where patients' cases are discussed and where treatment decisions are made.

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 five registrars have attended the Centre and learnt about new techniques in cancer imaging. We have also been pleased to host two consultant radiologists from The Royal Free Hospital NHS Trust to maintain their experience in specialist PET CT scanning. This service is provided freely and is part of the contribution that the Centre makes to improving diagnostic services.

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.

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.

Dr Andrew Gogbashian, Consultant Radiologist, was appointed as the lead for CT at the end of 2011. He has been involved in furthering the development of our clinical and research CT scan protocols. At the recent Radiological Society of North America (RSNA) conference, the team won two prizes for their presentation of work in cross-sectional imaging. He actively teaches the registrars rotating through PSSC and is currently involved in new CT-based research related to CyberKnife® radiotherapy.

**PAUL STRICKLAND SCANNER CENTRE****CHAIRMAN'S REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2012 (continued)**

Professor Anwar Padhani's developmental efforts in whole body MRI and multifunctional prostate MRI scanning have progressed in the last year. He has now accumulated the largest experience in whole body MRI scanning in the UK with over 1,500 studies performed in the last 4 years. He is working with Siemens Healthcare on improved analysis methods for multiple time point patient examinations in order to improve the accuracy of treatment assessments. Multifunctional MRI prostate evaluations of patients on active surveillance show promise in being able to predict who will benefit from this approach. A formal analysis of this large patient group will begin early in 2013.

Dr Luke Sonoda has enjoyed his first year as a Consultant Radiologist at the Centre. His research work has produced 9 peer-reviewed papers, 9 case reports and 36 abstracts presented at international conferences resulting in 4 presentation prizes this year. Dr Sonoda involved the registrars in many of these which contributed to the improvement of their research skills. As the Centre's clinical governance lead he has introduced and leads formal bi-monthly discrepancy meetings.

Dr Wai Lup Wong, Consultant Radiologist and our lead for PET CT, continues in his role as the Department of Health (DH) PET CT Clinical Guardian and chairs the DH PET CT Clinical Governance Board. He was appointed chair of the NHS Commissioning Board PET CT Clinical Reference Group for PET CT. He was reappointed by the secretary of state of Health for a second term as a director of Administration of Radioactive Substances Committee (ARSAC). He has continued to engage the Centre in Cancer Research UK (CRUK) and 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 grateful 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.

The Centre has reviewed its equipment and decided to replace one of its PET/CT scanners and its PACS system in 2013. These replacements will ensure we retain 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 2012/13 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  
15 February 2013

## **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 2012 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 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable companies trustees 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 charitable company and the charitable companies trustees 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 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

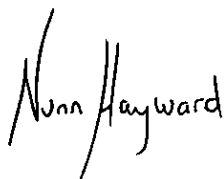
In our opinion the Financial Statements

- give a true and fair view of the charitable company's affairs as at 30 September 2012 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 2011.

**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 2011 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
- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements, 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 18 February 2013

## BALANCE SHEET AS AT 30TH SEPTEMBER 2012

		2012		2011	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		1,232,844		2,382,773
<b>CURRENT ASSETS</b>					
Debtors	11	1,398,432		1,381,054	
Cash at Bank and in hand		<u>4,561,431</u>		<u>3,139,788</u>	
		5,959,863		4,520,842	
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Creditors and Accruals	12	<u>1,601,671</u>		<u>1,626,306</u>	
<b>NET CURRENT ASSETS</b>			<u>4,358,192</u>		<u>2,894,536</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,591,036		5,277,309
<b>CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>					
	13		<u>124,101</u>		<u>379,836</u>
<b>TOTAL NET ASSETS</b>			<u>5,466,935</u>		<u>4,897,473</u>
<b>FINANCED BY.</b>					
Unrestricted Funds					
- General Funds	8		3,295,536		2,876,097
- Designated Funds	8		2,150,000		2,000,000
Restricted Fund	9		<u>21,399</u>		<u>21,376</u>
			<u>5,466,935</u>		<u>4,897,473</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 15 February 2013

## 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 2012

	Notes	General Fund £	Designated Fund	Restricted Fund £	Total 2012 £	Total 2011 £
<b>INCOME AND EXPENDITURE</b>						
<b>INCOMING RESOURCES</b>						
Voluntary income	3	423,412	-	-	423,412	561,227
Incoming resources from charitable activities		4,814,895	-	-	4,814,895	4,657,515
Investment income		26,011	-	23	26,034	14,422
Other income		151,495	-	-	151,495	549,998
<b>TOTAL INCOMING RESOURCES</b>		<b>5,415,813</b>	<b>-</b>	<b>23</b>	<b>5,415,836</b>	<b>5,783,162</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating voluntary income	4	101,223	-	-	101,223	100,405
Charitable activities	5	4,723,171	-	-	4,723,171	4,651,884
Governance costs	6	21,980	-	-	21,980	24,812
<b>TOTAL RESOURCES EXPENDED</b>	<b>7</b>	<b>4,846,374</b>	<b>-</b>	<b>-</b>	<b>4,846,374</b>	<b>4,777,101</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>569,439</b>	<b>-</b>	<b>23</b>	<b>569,462</b>	<b>1,006,061</b>
Net Transfers to Scanner Replacement Fund and Research Fund	8/9	(150,000)	150,000	-	-	-
<b>NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR</b>		<b>419,439</b>	<b>150,000</b>	<b>23</b>	<b>569,462</b>	<b>1,006,061</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>8</b>	<b>419,439</b>	<b>150,000</b>	<b>23</b>	<b>569,462</b>	<b>1,006,061</b>
<b>FUND BALANCES BROUGHT FORWARD</b>		<b>2,876,097</b>	<b>2,000,000</b>	<b>21,376</b>	<b>4,897,473</b>	<b>3,891,412</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>419,439</b>	<b>150,000</b>	<b>23</b>	<b>569,462</b>	<b>1,006,061</b>
<b>FUND BALANCES CARRIED FORWARD</b>		<b>3,295,536</b>	<b>2,150,000</b>	<b>21,399</b>	<b>5,466,935</b>	<b>4,897,473</b>

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 2012

**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 2012 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 2012  
(continued)

<b>3</b>	<b>INCOMING RESOURCES - VOLUNTARY INCOME</b>	<b>2012</b>	<b>2011</b>
		£	£
	Donations, Gifts and Funds Raised	264,250	226,975
	Legacies Received	134,647	311,079
	Income Tax Recoverable	24,515	23,173
		<u>423,412</u>	<u>561,227</u>

At 30 September 2012 the Charity had not been notified of any material specific legacies not already disclosed in the accounts

<b>4</b>	<b>COSTS OF GENERATING VOLUNTARY INCOME</b>	<b>2012</b>	<b>2011</b>
		£	£
	Fundraisers' Salaries and Assistance	65,727	62,264
	Event Costs	9,296	8,892
	Printing and Mailing Costs	14,154	16,392
	Consultancy Fees	11,700	11,700
	General Expenses	346	1,157
		<u>101,223</u>	<u>100,405</u>

The incoming resources and resources expended dealt with by the appeals fund function are analysed further at note 16

<b>5</b>	<b>CHARITABLE ACTIVITIES</b>	<b>2012</b>	<b>2011</b>
		£	£
	Radiologists' and Radiographers' Fees and Salaries	1,738,723	1,645,671
	Medical Supplies and Consumables	626,015	623,958
	Maintenance contracts and scanner repairs	466,967	451,074
	Administration Expenses	524,430	511,256
	Legal and Professional Fees	25,955	20,686
	Repairs and Renewal of Equipment and Building	61,124	43,811
	Lease Charges	4,352	5,207
	Interest on Finance Leases	117,217	121,021
	Loss/(Profit) on disposal of Fixed Assets	-	7,633
	Depreciation	<u>1,158,388</u>	<u>1,221,567</u>
		<u>4,723,171</u>	<u>4,651,884</u>

The incoming resources and resources expended in the operation and administration of the Scanner Centre are analysed further at note 17

## PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2012  
(continued)

<b>6</b>	<b>GOVERNANCE COSTS</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Administration Salaries	10,000	10,000
	Legal and Professional Fees	2,200	5,126
	Audit Fees	9,780	9,686
		<u>21,980</u>	<u>24,812</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 2012 £	Total 2011 £
Costs of generating voluntary income	65,727	35,496	101,223	100,405
Charitable activities	2,159,940	2,563,231	4,723,171	4,651,884
Governance costs	10,000	11,980	21,980	24,812
	<u>£2,235,667</u>	<u>£2,610,707</u>	<u>£4,846,374</u>	<u>£4,777,101</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

	2012	<u>Number of Staff</u>	2011
£60,000 to £70,000	1		1
£70,000 to £80,000	1		-
£80,000 to £90,000	-		1
£90,000 to £100,000	1		-
£110,000 to £120,000	-		1
£120,000 to £130,000	1		-
	<u>1</u>		<u>1</u>

The average number of staff analysed by function was -

	2012 Number	2011 Number
Medical and Radiographic	27	24
Clerical and Administration	17	16
	<u>44</u>	<u>40</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 £1,525 (2011 £1,432).

## PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2012  
(continued)

## 8 UNRESTRICTED FUNDS

GENERAL FUNDS - "ACCUMULATED FUND"	2012 £	2011 £
Balance at 30 September 2011	2,876,097	1,870,036
Excess of income over expenditure for the year after including transfers to other reserves - see page 10	<u>419,439</u>	<u>1,006,061</u>
Balance at 30 September 2012	<u>£3,295,536</u>	<u>£2,876,097</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

	2012 £	2011 £
Balance at 30 September 2011	2,000,000	2,000,000
Movement in year	<u>150,000</u>	<u>-</u>
Balance at 30 September 2012	<u>£2,150,000</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 in a separate bank account from General Funds and included in this Restricted Research Fund

	2012 £	2011 £
Balance at 30 September 2011	21,376	21,376
Movement in year	<u>23</u>	<u>-</u>
Balance at 30 September 2012	<u>£21,399</u>	<u>£21,376</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2012

## 10 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings £	Property Improvements £	Scanners £	Equipment £	Total £
<b>Cost</b>					
At 1 October 2011	2,091,883	827,378	5,895,297	1,068,057	9,882,615
Additions	-	-	-	8,459	8,459
Disposals	-	-	-	(37,132)	(37,132)
At 30 September 2012	<u>2,091,883</u>	<u>827,378</u>	<u>5,895,297</u>	<u>1,039,384</u>	<u>9,853,942</u>
<b>Depreciation</b>					
At 1 October 2011	1,623,894	386,415	4,665,004	824,529	7,499,842
On disposals	-	-	-	(37,132)	(37,132)
Charge for the year	209,525	139,552	624,192	185,119	1,158,388
At 30 September 2012	<u>1,833,419</u>	<u>525,967</u>	<u>5,289,196</u>	<u>972,516</u>	<u>8,621,098</u>
<b>Net book value</b>					
At 30 September 2012	<u>258,464</u>	<u>301,411</u>	<u>606,101</u>	<u>66,868</u>	<u>1,232,844</u>
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>

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

	Scanners & Equipment £
<b>Net book values</b>	
At 30 September 2012	<u>632,337</u>
At 30 September 2011	<u>1,415,172</u>
<b>Depreciation charge for the year</b>	
At 30 September 2012	<u>782,836</u>
At 30 September 2011	<u>831,669</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 2012  
(continued)

## 11 DEBTORS

	2012	2011
	£	£
Interest Receivable	2,643	1,575
Fees Receivable	1,298,947	1,274,193
Income Tax Recoverable	24,343	22,444
Prepaid Scanner Maintenance Costs	46,110	45,669
Other debtors	-	10,110
Prepayments	26,389	27,063
	<u>£1,398,432</u>	<u>£1,381,054</u>

Included in Fees receivable is £783,207 (2011 £723,417) due from East and North Herts NHS Trust

12 CREDITORS - AMOUNTS FALLING  
DUE WITHIN ONE YEAR

	2012	2011
	£	£
Accrued Expenses	116,357	112,572
East and North Herts NHS Trust	1,198,285	900,108
Deferred Rental Income	30,274	30,274
Value Added Tax	22	-
Net Obligations under Finance Leases	256,733	583,352
	<u>£1,601,671</u>	<u>£1,626,306</u>

13 CREDITORS - AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Net Obligations under Finance Leases	<u>£124,101</u>	<u>£379,836</u>
Amounts payable		
Within two to five years	<u>£124,101</u>	<u>£379,836</u>

## 14 FINANCIAL COMMITMENTS

At 30 September 2012 the Charity was committed to making the following payments under non-cancellable contracts in the year to 30 September 2013

	Maintenance on scanners and other equipment	
	2012	2011
	£	£
Operating contracts which expire		
Within one year	133,092	-
Over one year but less than five	81,140	305,552
	<u>£214,232</u>	<u>£305,552</u>

**PAUL STRICKLAND SCANNER CENTRE****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2012  
(continued)****15 CONTINGENT LIABILITIES**

The Charity operate from leasehold premises. In previous years, the Charity received invoices from their landlord totalling £846,265 that purported to be in respect of service charges for the period from 1st April 2008 to 31st March 2011. The Charity strongly disputed these invoices through their legal advisors, as the leases in place do not make any provision for any such service charge to be payable. During the year, the landlord issued credit notes for the above amount, replacing them with an invoice totalling £283,920. The Charity again disputes the invoice for the same reason as outlined above. The Charity has not made any allowance for the invoice in the Financial Statements, other than by way of this note.

## PAUL STRICKLAND SCANNER CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2012  
(continued)16 APPEAL FUND - ANALYSIS OF INCOMING RESOURCES AND RESOURCES EXPENDED

	Notes	2012		2011	
		£	£	£	£
<b>INCOME</b>					
Donations, Gifts and Funds Raised			264,250		226,975
Legacies Received			134,647		311,079
Income Tax Recoverable			24,515		23,173
Bank Interest Receivable			48		76
Bank Treasury Deposit Interest Receivable			25,284		14,123
			<u>448,744</u>		<u>575,426</u>
<b>LESS FUNDRAISING EXPENDITURE</b>					
Fundraisers' Salaries and Assistance		65,727		62,264	
Event Costs		9,296		8,892	
Printing and Mailing Costs		14,154		16,392	
Consultancy Fees		11,700		11,700	
General Expenses		<u>346</u>		<u>1,157</u>	
			<u>101,223</u>		<u>100,405</u>
<b>SURPLUS OF INCOME OVER EXPENDITURE FOR THE YEAR - APPEAL FUND</b>			<u>347,521</u>		<u>475,021</u>
<b>Add Surplus/(deficit) for year on operation of Scanner Centre - page 19</b>			<u>221,964</u>		<u>531,040</u>
<b>NET EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</b>			569,485		1,006,061
Decrease/(Increase) in Research Fund	9		(23)		-
Amounts transferred (to)/from Scanner Replacement Fund	8		<u>(150,000)</u>		<u>-</u>
<b>AMOUNT TRANSFERRED TO ACCUMULATED FUND FOR THE YEAR</b>	8		<u>419,462</u>		<u>1,006,061</u>

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 2012  
(continued)17 OPERATION OF SCANNER CENTRE -  
ANALYSIS OF INCOMING RESOURCES AND RESOURCES EXPENDED

Notes	2012		2011	
	£	£	£	£
<b>INCOME</b>				
Fees from Patients and Health Authorities		4,814,895		4,657,515
Bank Deposit Interest		725		223
Royalties receivable		21,495		21,292
Cyclotron rental income		130,000		130,000
Other income - VAT rebate		-		398,706
		<u>4,967,115</u>		<u>5,207,736</u>
<b>LESS OPERATING EXPENDITURE</b>				
Radiologists and Radiographers Fees and Salaries	1,738,723		1,645,671	
Administration Salaries	427,330		429,510	
Other Staff Costs	3,887		4,256	
Maintenance Contracts and Scanner Repairs	466,967		451,074	
Repairs and Renewals of Equipment and Building	61,124		43,811	
Lease Charges on Equipment	4,352		5,207	
Medical and Surgical Supplies, Cryogenics and other Consumables	626,015		623,958	
Light, Heat and Power	-		-	
Cleaning Expenses	-		-	
Printing, Postage, Stationery and Telephone	37,170		17,441	
Auditors' Remuneration	9,780		9,686	
Medical Conferences and Travel	8,488		12,318	
Miscellaneous Expenses	2,454		1,248	
Bad and Doubtful Debts	78		-	
Bank Charges	1,569		1,070	
Legal, Professional and Consultancy Fees	28,155		25,812	
Insurance	53,454		55,413	
Interest on Finance Leases	117,217		121,021	
Loss/(Profit) on Disposal of Fixed Assets	-		7,633	
Depreciation	<u>1,158,388</u>		<u>1,221,567</u>	
		<u>4,745,151</u>		<u>4,676,696</u>
<b>SURPLUS/(DEFICIT) FOR YEAR ON OPERATION OF</b>				
<b>SCANNER CENTRE - transferred to Accumulated</b>				
Fund - note 16, page 18		221,964		531,040

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