



# **Alexander Devine Children's Cancer Trust**

**Report and Accounts for the  
year ended 31st March 2017.**

REGISTERED COMPANY  
Please return to W J Foster & Company

**Company No. 5757493**

**Registered Charity No. 1118947**

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**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

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**Report and accounts for the year ended 31st March 2017**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

5757493 (England and Wales)

**Registered Charity number**

1118947

**Registered office**

122 Tinkers Lane  
Windsor  
Berkshire  
SL4 4LP

**Trustees**

Mr John Devine MBA BA (Hons) CMgr MCMI Co-Founder (Chairman)  
Mrs Fiona Devine Co-Founder (Secretary)  
Mrs Deborah Louise Tonkinson (resigned 7<sup>th</sup> September 2017)  
Mrs Helen Johnson  
Dr Andrew Boon BSC MD FRCP DCH

Trustees are also Directors of the company and members of the Council of Management

**Patrons**

The Prime Minister Rt Hon Theresa May MP  
Sir Michael Parkinson CBE  
Dr Sanjiv Mata  
Mr Nick Parkinson  
Dr Peter Sebire  
Air Marshall Sir Ian Macfadyen CB OBE  
Mr John Barley  
Mr Mark Beard

**Key Management Staff**

Mrs Fiona Devine - CEO  
Mrs Helen Bennett - Director of Nursing  
Mr Andrew Rice – Finance Manager

**Office**

Unit 15  
Grove Business Park  
Waltham Road  
White Waltham  
Maidenhead  
Berkshire  
SL6 3LW

**Hospice**

Snowball Hill  
Maidenhead  
Berkshire  
SL6 3LU

**Telephone**

01628 822777  
0845 055 8276

**Email**

fundraising@alexanderdevine.org

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**Reference and Administrative Details (continued)**

**Web address**

[www.alexanderdevine.org](http://www.alexanderdevine.org)

**Auditors**

HW Fisher & Company  
Chartered Accountants  
Acre House  
11-15 William Road  
London NW1 3ER

**Bankers**

HSBC Bank Plc  
25 High Street  
Windsor  
Berkshire SL4 1LN

Barclays Bank Plc  
29-30 High Street  
Windsor  
Berkshire  
SL4 1PG

**CAF**

Scottish Widows Bank  
67 Morrison Street  
Edinburgh  
EH3 8YJ

**Alexander Devine Children's Cancer Trust**  
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## **REPORT OF THE TRUSTEES**

The trustees who are also directors and members of the Council of Management of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2015.

### **GOVERNING DOCUMENT**

Alexander Devine Children's Cancer Trust is a charitable company limited by guarantee, incorporated on 27<sup>th</sup> March 2006 and registered as a charity on 25<sup>th</sup> April 2007. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. The Articles were last updated on 18<sup>th</sup> July 2013. A comprehensive review of the Memorandum and Articles is currently in progress. The charity operates as Alexander Devine Children's Hospice Service.

All members of the Council of Management apart from Mrs Fiona Devine, give their time voluntarily and received no benefits from the charity. Mrs Devine works full time for the charity and received permission from the Charity Commission to be paid for this work. Her costs of employment and all expenses claimed by trustees in the execution of their duties are reported in note 8 to the accounts. There is an induction process in place for new trustees and ongoing training is available as applicable.

### **RESPONSIBILITIES OF THE COUNCIL OF MANAGEMENT**

The Directors are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures and explain in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

## **Report of the Trustees (continued)**

### **RISK MANAGEMENT**

The trustees regularly consider risk at their bi monthly meetings and are satisfied that systems in place to mitigate the impact of key risks are being observed. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff and volunteers. The charity raises money from a wide variety of bodies ensuring that a problem with one of these would not significantly impact on the overall income of the charity. Given the amounts already pledged and already raised along with the success in raising funds over the past few years the trustees consider the risk that the final payments due on the hospice build will not be made on time to be very small. Similarly given the phased plans to open the building and funds already raised and promised along with the success of other hospices in raising the necessary funds the trustees believe that the charity will be able to sustain and expand the service it provides.

### **RESERVES**

The Trustees have set the target for reserves at between nine and twelve months expenditure which is in the region of £500,000. They believe this level will enable the charity to continue its activities in the event of a significant drop in funding and make all payments as they fall due. The level of free reserves at the end of March 2017 was £470,498. Although this is slightly below the target level the Trustees are confident that reserves can be quickly increased back to this level with the majority of building payments having been made or shown as creditors. They have used all the previously designated reserves to make payments for the build. The Trustees felt that this was managing risk and a sensible and sustainable approach.

### **FINANCIAL REVIEW**

Total income for the year was £2,039,869 (2016: £2,386,259), showing a decrease of 15% on the previous year. Total resources expended before the cost of charitable expenditure were £218,649 (2016: £242,951). The resulting net incoming resources of £1,431,651 (2016: £1,831,473) represents a decrease of 22% over the previous year.

Income in 2015/16 was particularly high having been generated by a major fundraising campaign to provide funds for the hospice build. In 2016/17 this campaign ceased and has naturally resulted in a decrease in income partially offset by the income from the court case.

Expenditure on charitable activities has increased by 25% reflecting the expansion of the service and the first running costs of the hospice. Expenditure on raising funds has dropped by 10% reflecting reduced staffing and other costs in this area. Support costs have increased by 21%. The main cause of this is the dropping out of some major utility credits that the charity received in 2015/16. Support costs have again been separated out and allocated between charitable activities and activities to raise funds on the basis of staff directly employed in these areas. The total fund now exceeds £7.5 million having started from nothing in 2006.

### **PUBLIC BENEFIT**

The trustees considered the guidance offered by the Charity Commission on public benefit and have developed strategic plans to ensure their objectives, the provision of care and support to children with life limiting and life threatening conditions and their families, fall under the purposes defined by section 17 of the Charities Act 2011.

### **HISTORY**

John and Fiona Devine set up the charity after identifying the need for a dedicated local children's palliative care service within Berkshire and the surrounding area. Their experience and that of others has been one of the driving factors in making this a reality, with all credit to their amazing son Alexander. The lack of provision for quality respite, symptom control, end of life care and family support is something that is lacking in the County of Berkshire forcing families to travel long distances out of County to access help elsewhere. The need for a local provision has been well identified by families and health care professionals.

### **STRUCTURE**

The day to day operations, strategic management and events are managed by Fiona Devine with additional strategic input from John Devine with the support of the trustees: both have previous management experience and are suitably qualified. By the end of the year the charity employed thirteen permanent members of staff with six of these directly involved in the provision of care. The care team increased by one in April 2016. As well as the staff employed directly by the charity, an Alexander's nurse employed by the NHS is also funded by the charity. Performance is overseen by the Board of Trustees receiving regular briefings from the management and timely financial reports.

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

## **Report of the Trustees (continued)**

### **AIMS AND OBJECTIVES**

The aims of Alexander Devine are to build a children's Hospice in the County of Berkshire and support life limited and life threatened children and their families within their own homes through Alexander's nurses whether in Berkshire or the surrounding areas. Our ethos is "The child is central to all that we do."

### **ACHIEVEMENTS**

#### **BUILD**

Six acres of land in the Maidenhead area was gifted to the charity in 2012. The site is ideal for the needs of the children and their families with excellent motorway links between East and West Berkshire and South Bucks. Following full planning permission and an extensive campaign to raise the funds needed the build started in September 2015. The build was completed and handed over to the charity at the end of February 2017. The focus has now turned to fitting out the building and obtaining CQC approval to use this. It is expected that the building will be open for day care late autumn 2017 and that the first two beds will be open for use early 2018 with the other four beds opening later in a phased way reflecting the availability of staff and funds.

#### **SERVICE**

Alexander's nurses continue to provide regular quality respite, end of life care and bereavement support to many families in Berkshire and surrounding counties. Our ongoing work continues to recognise the significant gap in regular respite and choice of service for life limited and life threatened children and their families. Our aim has always been to provide a seamless service that supports frequent year-round care throughout the child's life. We aim to offer accessible, responsive, flexible and frequent care to meet the individual needs of a child and that of their family; care delivered when and wherever they need it.

Simone: "When Barnaby is in our Alexander's nurses care we are confident he is being nursed and looked after to the highest standards. She is very reliable and professional but also has a caring and gentle nature. She is always helpful and will do anything to help us make Barnaby's life a little more bearable. We really are most thankful and lucky to have her looking after Barnaby."

Sarah: "our Alexander's nurse instantly put us at ease and it was immediately clear that she was not only clinically competent but able to relate to families with complex conditions. We knew we could trust her to take care of our son should there be a medical emergency, but also to manage his distress and interact with him at difficult times."

The team led by the Director of Care and assisted by the Quality and Governance lead is registered with CQC and operates under their quality standards. By the end of the period the team had expanded and directly employed three nurses, a play specialist and carer in addition to the NHS employed Alexander nurse that the charity funds working from the Royal Berkshire Hospital. We also contract with the Royal Berkshire Hospital for the assistance of a paediatrician for two hours of medical support a week. In the past we have also funded another nurse working from Heatherwood and Wexham Park hospital. When this nurse left, the hospital, which has now been restructured becoming part of the Frimley Health trust, decided not to employ a replacement immediately due to the changes involved in the restructure. However, we maintain formal links through Honorary contracts for our Alexander nurses and we hope they will agree to employ someone in due course.

Our approach of joint working to provide the best benefits to the children is evident in our unique working relationship with the NHS is something that we are very proud of and value, we believe it to be key in providing continuity of care for the very special children and families we support.

Our community service, which started in November 2013, contributed 2,405 (2016 2,261) hours of respite and emergency respite care and 385 (2016 334) hours of end of life and bereavement care to families that have been referred to the charity. In addition the service provided 1,350 (2016 180) hours of play work, and another 608 (2016 552) hours of additional support giving a total of 4,748 (2016 3,327) hours of care. The team supported in the region of 96 (2016 85) families during the year.

The growing number of referrals indicates the level of need and the required expansion required to fully meet the need of approximately 600 children with life limiting conditions in Berkshire.

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

## **Report of the Trustees (continued)**

### **PLANS FOR THE FUTURE**

Whilst we appreciate the £65,000 grant that we receive from NHS England this is the only Government support that we receive and we believe that no increase in government funding will be available in the near future. As the charity continues to grow and services expand to include staffing the hospice it is certain that running costs will increase; the Board are committed to ensuring that costs are closely controlled and kept to a minimum and cash flow projections have been completed up to 2020. The development of a resilient community and corporate fundraising programme throughout Berkshire has established a strong income stream. In line with the strategic plan the Fundraising team are actively seeking opportunities to develop other income streams and to ensure that our service is sustainable in the long term.

It is recognised by the Trustees that further income streams need to be utilised and explored and now the building is complete that the switch from capital funding to revenue funding will need to be achieved to ensure the long term maximisation of the service.

It is expected that the building will be open for day use late autumn 2017 and that the first two beds will be open for use early 2018 with the other four beds opening later in a phased way reflecting the availability of staff and funds.

Therefore in addition to the above the growth of the fundraising team will be a priority.

### **FUNDING**

The charity takes the fundraising regulations seriously and has registered with the Fundraising Regulator. The charity raises funds through its corporate contacts who raise money on its behalf, by responding to invitations to visit community groups and by approaching trusts and foundations. Fundraising from individuals is carefully controlled following industry guidelines and no cold calling takes place. No professional fundraisers were used during the year. As far as possible the charity monitors volunteers raising money on its behalf to ensure that they also comply with best practice. The charity closed its lottery during the year converting many of the former contributors to regular donors.

### **SPONSORS**

We would like to thank all our corporate sponsors for their faith on ongoing support.

### **KEY MANAGEMENT PAY**

The pay of key management personnel is set by the trustees on the recommendation of the Chief Executive after the posts have been benchmarked against similar posts in other charities.

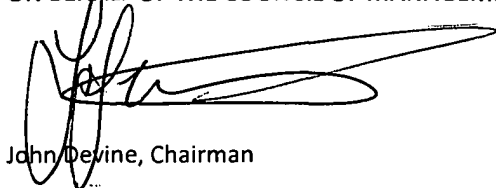
### **PATRONS and VOLUNTEERS**

In addition to our patrons we have in excess of 100 volunteers who give of their time and endless enthusiasm for the charity. We would like to thank them all sincerely for their help.

### **AUDITORS**

HW Fisher & Company have been appointed for another year,

### **ON BEHALF OF THE COUNCIL OF MANAGEMENT**



John Devine, Chairman

Date: 5<sup>th</sup> October 2017



**Alexander Devine Children's Cancer Trust**  
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## **REPORT OF THE INDEPENDENT AUDITORS**

We have audited the accounts of Alexander Devine Children's Cancer Trust for the year ended 31 March 2017 set out on pages 11 to 23. 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) including Financial Reporting Standard 102.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its 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 Trustees' Responsibilities Statement on page 5, the trustees, who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE ACCOUNTS**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts.

In addition, we read all the financial and non-financial information in the Trustees' 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 ACCOUNTS**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

**Report of the Independent Auditors (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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Julian Challis (Senior Statutory Auditor)

for and on behalf of H W Fisher & Company Chartered Accountants and Statutory Auditor  
Acre House, 11-15 William Road, London, NW1 3ER, United Kingdom

24/10/2017

**Alexander Devine Children's Cancer Trust**  
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**STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total Funds £	2016 Total funds £
<b>INCOME from:</b>						
Donations and legacies	2	767,216	1,011,844	-	1,779,060	2,280,623
Other trading activities	3	104,766	-	-	104,766	89,666
Other	1b	150,000	-	-	150,000	-
Investment		6,043	-	-	6,043	15,970
<hr/>						
<b>Total income</b>		<b>1,028,025</b>	<b>1,011,844</b>	<b>-</b>	<b>2,039,869</b>	<b>2,386,259</b>
<hr/>						
<b>EXPENDITURE on</b>						
Raising funds	4	218,649	-	-	218,649	242,951
Charitable activities	5	223,705	155,135	10,729	389,569	311,835
<hr/>						
<b>Total expenditure</b>		<b>442,354</b>	<b>155,135</b>	<b>10,729</b>	<b>608,218</b>	<b>554,786</b>
<hr/>						
<b>NET INCOME BEFORE TRANSFERS</b>		<b>585,671</b>	<b>856,709</b>	<b>(10,729)</b>	<b>1,431,651</b>	<b>1,831,473</b>
<hr/>						
Transfers		(3,021,898)	(1,174,106)	4,196,004	-	-
<hr/>						
<b>Net movement in funds</b>		<b>(2,436,227)</b>	<b>(317,397)</b>	<b>4,185,275</b>	<b>1,431,651</b>	<b>1,831,473</b>
<hr/>						
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		2,943,926	461,669	2,741,194	6,146,789	4,315,316
<hr/>						
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>507,699</b>	<b>144,272</b>	<b>6,926,469</b>	<b>7,578,440</b>	<b>6,146,789</b>

The statement of financial activities also complies with the requirements for the income and expenditure account under the Companies Act 2006.

Notes 1 to 17 form part of these financial statements

**Alexander Devine Children's Cancer Trust**  
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**BALANCE SHEET**

		2017	2016
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	10	6,963,670	2,750,792
<b>CURRENT ASSETS</b>			
Stocks		1,561	2,556
Debtors: amounts falling due within one year	12	24,071	24,504
Cash at bank and in hand		37,237	23,449
Cash on deposit		<u>1,490,213</u>	<u>3,682,616</u>
		1,553,082	3,733,125
<b>CREDITORS</b>			
Amounts falling due within one year	13	(938,312)	(337,128)
<b>NET CURRENT ASSETS</b>		<u>614,770</u>	<u>3,395,997</u>
<b>NET ASSETS</b>		<u>7,578,440</u>	<u>6,146,789</u>
<b>FUNDS</b>	16		
<b>Unrestricted funds:</b>			
Reserves		357,699	1,169,614
Designated		150,000	1,774,312
<b>Restricted funds:</b>			
Restricted fund		144,272	461,669
Endowment funds		<u>6,926,469</u>	<u>2,741,194</u>
<b>TOTAL FUNDS</b>		<u>7,578,440</u>	<u>6,146,789</u>

Notes 1 to 17 form part of these financial statements.

The financial statements were approved by the Council of Management on 5<sup>th</sup> October 2017 and were signed on its behalf by:

John Devine - Chairman

Company Registration No. 5757493

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

**STATEMENT OF CASH FLOWS**

	Note	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	17	2,050,443	2,039,616
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(4,229,058)	(1,901,878)
		_____	_____
Net cash provided by (used in) investing activities		(2,178,615)	137,738
<b>Cash flows from Financing activities</b>		-	-
		_____	_____
Change in cash and cash equivalents in the reporting period		(2,178,615)	137,738
Cash and cash equivalents at the beginning of the reporting period		3,706,065	3,568,327
		_____	_____
Cash and cash equivalents at the end of the reporting period		<u>£1,527,450</u>	<u>£3,706,065</u>

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1a. ACCOUNTING POLICIES**

#### **CHARITY INFORMATION**

Alexander Devine Children's Cancer Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 122 Tinkers Lane, Windsor, Berkshire, SL4 4LP.

#### **ACCOUNTING CONVENTION**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"), "Accounting and Reporting by Charities", the Statement of Recommended Practice for charities applying FRS 102, The Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The accounts for the year ended 31 March 2017 are the first accounts of Alexander Devine Children's Cancer Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **GOING CONCERN**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### **INCOME**

- Donations and legacies are recognised as income when receivable, except insofar as they are incapable of financial measurement.
- Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable or any requirement imposed on the grant is fulfilled.
- Investment income is recognised on a receivable basis,

#### **EXPENDITURE**

- Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds and an apportionment of support costs.
- Costs of charitable activities comprise all expenditure identified as wholly or mainly attributable to achieving the objectives of the charity. These costs include staff costs, wholly or mainly attributable support costs and an apportionment of support costs.

#### **IMPAIRMENT OF FIXED ASSETS**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

## **Notes to the Financial Statements (Continued)**

### **1a. ACCOUNTING POLICIES (continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **FINANCIAL INSTRUMENTS**

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability immediately.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial instruments classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **TANGIBLE FIXED ASSETS**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Items costing over £1,000 are capitalised.

Office equipment - 20% on cost

Computer equipment – 25% on cost

Hospice equipment – 20% on cost

Completed freehold buildings – 2% on cost

Land is not depreciated.

#### **STOCKS**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **DEBTORS**

Debtors include amounts owed to the charity for the provision of goods and services as well as amounts paid in advance for goods and services it will receive.

#### **CASH AT BANK AND IN HAND**

Cash at bank and in hand is held to meet short term commitments as they fall due rather than for investment purposes.

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

## **Notes to the Financial Statements (Continued)**

### **1a. ACCOUNTING POLICIES (continued)**

#### **CASH ON DEPOSIT**

Cash on deposit represents monies held on a short term basis in excess of immediate requirements which are invested to produce investment income.

#### **CREDITORS**

Creditors include amounts due for goods and services provided to the charity and income received in advance. Last year creditors also included a technical overdraft which represented the bank balance less outstanding cheques which were met from cash on deposit when presented.

#### **TAXATION**

The charity is exempt from corporation tax on its charitable activities.

#### **FUND ACCOUNTING**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds represent the value of the building and land. This is not readily realisable as the donors of the land restricted the use of the land.

Designated funds comprise funds which have been set aside at the discretion of the charity for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Further explanation of the nature and purpose of each fund is included in note 16 to the financial statements.

#### **SUPPORT COSTS**

Support costs are split between charitable activities and the cost of raising funds on the basis of the number of staff employed in each activity.

### **1b. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The charity successfully claimed damages for breach of covenant during the year. £150,000 plus costs was awarded by the court. The Trustees took the decision to appeal on one point, the appeal is ongoing. The Trustees have been advised that it is very unlikely the £150,000 would be repayable under the appeal process and therefore have included the £150,000 as other income in the accounts. The Trustees have taken the additional action of designating the amount which will not be spent until the matter is resolved, they have been advised that this will be at some point in the autumn of 2017.

Costs incurred have only been expensed in these accounts to the extent that they have been already paid on the expectation that all additional costs will be recovered.



**Alexander Devine Children's Cancer Trust**  
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**Notes to the Financial Statements (Continued)**

**2. INCOME FROM DONATIONS & LEGACIES**

	2017 £	2016 £
Individual donations	127,510	177,376
Collections	38,700	25,965
Community	212,666	191,560
Matching	-	30,371
Gift aid	41,027	54,443
Corporate donations	396,953	425,888
Trust & Foundations	782,873	1,101,675
In memory	10,596	18,585
Legacies	7,857	80,000
Sponsored events	95,869	109,751
Department of Health Grant	65,009	65,009
	<u>1,779,060</u>	<u>2,280,623</u>

£1,011,844 (2016 £1,339,644) of the total income from donations & legacies of £1,779,060 (2016 £2,280,623) was restricted. All other income was unrestricted.

**3. INCOME FROM OTHER TRADING ACTIVITIES**

	2017 £	2016 £
Fundraising events	66,083	51,114
Volunteer events	30,670	26,654
Lottery proceeds	4,010	7,858
Recycling	-	147
Sale of merchandise	2,307	3,654
Recharge of costs	1,696	239
	<u>104,766</u>	<u>89,666</u>

£nil (2016 £8,478) of the total income from other trading activities of £104,766 (2016 £89,666) was restricted. All other income was unrestricted.

**4. EXPENDITURE ON RAISING FUNDS**

	2017 £	2016 £
Staff and recruitment cost	104,114	132,815
Consultancy and other costs	-	8,181
Lottery promotion	-	20
Lottery prizes	1,970	3,995
Fundraising events	22,177	11,238
Cost of merchandise sold	1,355	2,374
Cost of sponsored events	5,947	9,084
Share of support costs	83,086	75,244
	<u>218,649</u>	<u>242,951</u>

**Alexander Devine Children's Cancer Trust**  
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**Notes to the Financial Statements(Continued)**

**5. CHARITABLE ACTIVITIES COSTS**

	2017 £	2016 £
Staff and recruitment costs	199,038	174,698
Other direct costs	9,860	2,635
Payments to NHS for external nursing costs	31,945	28,769
Payments to NHS for paediatrician support	4,867	4,335
Patients Christmas party	7,874	7,947
CQC subscription	1,604	1,486
Hospice running costs	3,565	-
Hospice depreciation	11,253	-
Share of support costs	119,563	91,965
	<u>389,569</u>	<u>311,835</u>

£155,135 (2016 £103,806) of the total charitable expenditure of £389,569 (2016 £311,835) was restricted and £10,729 (2016 £nil) related to endowment funds. All other expenditure was unrestricted. The Charity supports the cost of a palliative care nurse based at The Royal Berkshire NHS Trust Hospitals and also at the end of March 2017 employed a Director of Nursing, a Quality & Governance lead, nurses, a play specialist and a carer directly.

**6. SUPPORT COSTS**

	2017 £	2016 £
Staff and recruitment costs	127,788	127,168
Office rent & utilities	21,238	3,570
Telephone, insurance, printing & other office costs	24,730	24,515
Travel costs	2,872	767
Consultancy	16,956	380
Bank and collection charges	883	1,087
Audit fee	3,220	3,973
Trustee expenses	40	60
Depreciation	4,921	5,690
	<u>202,648</u>	<u>167,210</u>

Support costs are split between charitable activities and cost of raising funds on the basis of the numbers of staff employed in each activity.

**7. NET INCOME**

Net income is stated after charging:

	2017 £	2016 £
Depreciation – owned assets	16,180	5,690
Auditors remuneration	3,220	3,973

## Notes to the Financial Statements (Continued)

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

**Notes to the Financial Statements (Continued)**

Land was gifted to the Charity in March 2012 and was valued at £500,000. The cost of fees and of construction, amounting to £4,196,004 in the current year and £2,241,194 up to 31 March 2016, have been capitalised and added to the cost of land.

**11. FINANCIAL INSTRUMENTS**

	2017	2016
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>14,020</u>	<u>13,715</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>929,395</u>	<u>328,329</u>

**12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Prepayments	10,051	10,789
Floats	200	50
Gift aid outstanding	3,608	4,093
VAT due from HMRC	9,999	7,122
Interest receivable	<u>213</u>	<u>2,450</u>
	<u>24,071</u>	<u>24,504</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Social security and other taxes	8,917	8,799
Lottery membership payments in advance	316	3,885
Income received in advance	4,655	760
Accruals	38,573	39,610
Pension payments due	1,235	278
Overdraft	-	283,796
Other creditors	<u>884,616</u>	<u>-</u>
	<u>938,312</u>	<u>337,128</u>

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

**Notes to the Financial Statements (continued)**

**14. COMMITMENTS UNDER OPERATING LEASES**

At 31<sup>st</sup> March 2017 the charity had annual commitments under non-cancellable operating lease as follows:-

	2017 £	2016 £
Expiry date		
Within one year	12,397	12,397
Between two and five years	18,596	30,993
	<hr/>	<hr/>
	<b>30,993</b>	<b>43,390</b>

**15. CAPITAL COMMITMENTS**

There were no capital commitments at 31<sup>st</sup> March 2017 (2016 £3,856,028).

**16. MOVEMENT IN FUNDS**

	At 01.04.16	Net movement in funds	At 31.03.17
	£	£	£
<b>Unrestricted funds</b>			
Designated	1,774,312	(1,624,312)	150,000
Free reserves	1,169,614	(811,915)	357,699
<b>Restricted funds</b>			
Restricted	461,669	(317,397)	144,272
Endowment fund	2,741,194	4,185,275	6,926,469
<b>TOTAL FUNDS</b>	<hr/>	<hr/>	<hr/>
	6,146,789	1,431,651	7,578,440

The endowment fund represents the value of land donated on 28<sup>th</sup> March 2012 plus amounts spent on the building. There is a covenant in the transfer agreement that the land may only be used for a hospice, hospital or nursing home and a change of use could not be attempted without the approval of the donors or their successors.

Designated funds were set aside by the Trustees for the construction and furnishing of the children's hospice and have now been used for that purpose. As mentioned in note 1b, £150,000 has been received in respect of a court case and the Trustees have designated this in view of the ongoing appeal.

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

**Notes to the Financial Statements (continued)**

**FUND BALANCES AT 31<sup>ST</sup> MARCH 2017**

	Unrestricted funds	Restricted funds	Endowment fund	Total
	£	£	£	£
Tangible fixed assets	37,201	-	6,926,469	6,963,670
Current assets	1,408,810	144,272	-	1,553,082
Creditors: amounts falling due within one year	(938,312)	-	-	(938,312)
<b>TOTAL FUNDS AS AT 31<sup>ST</sup> MARCH 2017</b>	<b>507,699</b>	<b>144,272</b>	<b>6,926,469</b>	<b>7,578,440</b>

**PURPOSE OF RESTRICTED FUNDS**

Restricted funds must be used in accordance with specific conditions imposed by donors.

Description	At 01.04.16	Incoming Resources	Resources Expended	Transfers	At 31.03.17
	£	£	£	£	£
Alexander Nursing Team	23,008	15,200	(24,020)	-	14,188
NHS palliative care funding	-	65,009	(65,009)	-	-
Children in Need – play specialist	-	24,577	(24,577)	-	-
Additional nurse	33,333	33,333	(30,742)	-	35,924
Hospice building & gardens	264,351	811,124	-	(1,072,415)	3,060
Christmas party	-	10,787	(10,787)	-	-
Equipment	140,977	51,814	-	(101,691)	91,100
	<b>461,669</b>	<b>1,011,844</b>	<b>(155,135)</b>	<b>(1,174,106)</b>	<b>144,272</b>

The Alexander Nursing team fund arose from a number of donations that were restricted to the care team associated activities and is being spent on providing direct care and support to life limited children and their families.

NHS palliative care funding is a Section 64 grant from the Department of Health specifically for the cost of palliative care in the community.

Children in Need have kindly awarded the charity funding for a play specialist.

Donations have also been received to fund an additional nurse.

The Xmas party is an event at which life limited children and their families can get together and enjoy Christmas. A number of kind donations meant that the charity did not have to charge for attendance.

The Building fund has been set up to raise money to build a hospice and construct gardens. Donations to this fund are set against general expenditure on the building. Some of these donations were restricted to specific parts of the project.

A number of other donations have been received for equipment for the hospice. A number of these are restricted to specific items.

The transfers arose in respect of expenditure on building contractors, fees and equipment which were directly allocated to the balance sheet and not to the income and expenditure account.

**Alexander Devine Children's Cancer Trust**  
**Report and accounts for the year ended 31st March 2017**

**Notes to the Financial Statements (continued)**

**17. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,431,651	1,831,473
Adjustments for:		
Depreciation charges	16,180	5,690
Decrease in stocks	995	239
Decrease/(increase) in debtors	433	(17,057)
Increase in creditors	<u>601,184</u>	<u>219,271</u>
Net cash provided by operating activities	<u>2,050,443</u>	<u>2,039,616</u>