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Alexander Devine Children's Cancer Trust

Report and Accounts for the year ended 31st March 2018.

Company No. 5757493

Registered Charity No. 1118947



Alexander Devine Children's Cancer Trust
Report and accounts for the year ended 31st March 2018

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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 7th September 2017)
Mrs Helen Johnson
Dr Andrew Boon BSC MD FRCP DCH
Mr Fraser Silvey (appointed 22nd February 2018)

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 Director of Finance
Mr Warren King HR and Wellbeing Director
Mrs Claire Coldicutt Director of Fundraising

Hospice

Snowball Hill
Maidenhead
Berkshire
SL6 3LU

Fundraising Centre

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

Telephone

01628 822777
0845 055 8276

Email

fundraising@alexanderdevine.org

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Reference and Administrative Details (continued)

Web address

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

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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 2018. 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 27th March 2006 and registered as a charity on 25th 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 5th October 2017. 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. The Trustees have carried out a skills audit to ensure that the Board has the necessary spread of skills to ensure good governance. They look to fill any gaps in knowledge within their contacts and charity supporters and if they do not find suitable candidates they will widen the spread of applicants by advertising. They ask successful candidates to attend Board meeting for a period to assess their contribution before appointing them full trustees. 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.

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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. The charity has now made the final payments on the hospice build. The charity is in the process of changing from capital funding to revenue funding. Given the phased and controlled plans to open the building and funds already raised 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 of ongoing expenditure which is between £608,000 and £811,000 based on 2017/18 costs. However, with the expansion of the service these figures increase to between £1.175 million and £1.565 million for 2018/19. 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 2018 was £1,193,046.(2017 £470,498). Although this is slightly above the target level for 2017/18, in view of the expansion of the service and associated additional costs the Trustees are happy that this level of reserves is appropriate. The Trustees believe that they are managing risk and have a sensible and sustainable approach.

FINANCIAL REVIEW

Total income for the year was £1,583,028 (2017: £2,039,869), showing a decrease of 22% on the previous year. Total resources expended before the cost of charitable expenditure were £258,552 (2017: £218,649). The resulting net incoming resources of £771,940 (2017:£1,431,651) represents a decrease of 46% over the previous year.

This reduction was expected and budgeted for, income in 2016/17 and the previous year was particularly high having been generated by a major fundraising campaign to provide funds for the hospice build. By the beginning of 2017/18 this campaign had ceased and this has naturally resulted in a decrease in income.

Expenditure on charitable activities has increased by 42% reflecting the expansion of the service and the running costs of the hospice. Expenditure on raising funds has increased by 18% reflecting increased staffing and other costs in this area. Support costs have also increased by 18% with the greatest increase being in insurance following the handing over of the building and increased staff numbers. 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. Hospice costs is a new area and, although this has increased to £167,630 from nothing, £138,377 of this is depreciation of the building. These costs are allocated between charitable activities and activities to raise funds on the basis of area of the building occupied. The total fund now exceeds £8.35 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 has 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.

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Report of the Trustees (continued)

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 twenty permanent members of staff with eight of these directly involved in the provision of care. Five more staff have been employed since the year end with three of these being care staff. 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.

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

HOSPICE

The position of the hospice is ideal for the needs of the children and their families with excellent motorway links between East and West Berkshire and South Bucks. Work on the building commenced in September 2015 and the contractors completed their work at the end of February 2017 and the building was then passed over to the charity. The focus then turned to fitting out the building and obtaining CQC approval to use this. The staff moved in during October 2017 and CQC approval was obtained in May 2018 and the building was opened for day care soon after this. It is planned that the first two beds will be open for use by the end of 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. With the hospice now open to day care our parents can choose between support at home and or in our purpose build hospice. 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.

A Care Quality Commission(CQC) report in February 2017 resulted in an overall rating of "good" and they reported "We saw children and young people received care and support in a personalised way. Complex medical needs were managed by staff who were well trained to deliver specialised care and support. Children and young people said they felt safe with staff."

One family shared feedback "You are a star, thank you so much for all your care and support. Words can't describe how much we appreciate what you do." A message from the local school nurse following a visit from our play specialist:- "I just wanted to say a huge thank you for being at her medical yesterday, she is clearly so relaxed in your company and distracting with the Ipad was so helpful. This was the first time I have been in a medical with her and she has been able to talk to the doctor and say where the pain is and what it is like. Invaluable! Everyone involved with her has nothing but praise for the work you are doing with this lovely young lady, you are making such a difference and I have no doubt you being there allowed her to feel comfortable enough to talk. Thank you

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 directly employed five nurses, a play specialist and two carers 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. Since March 2018 a further expansion of the team saw a further two nurses as well as two carers employed and more are planned.

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Report of the Trustees (continued)

SERVICE (continued)

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 2,096 (2017 2,544) hours of respite and emergency respite care and 39 (2017 56) hours of end of life and bereavement care to families that have been referred to the charity. In addition the service provided 461 (2017 500) visits of a play worker, and another 876 (2017 1,135) hours of additional support giving a total of 3,011 (2017 3,735) hours of care plus the care visits. The team supported in the region of 109 (2017 96) families during the year. The figures have reduced this year as we started to develop our hospice service. They will increase significantly in 2018/19.

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 2021. 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 has been strengthened with a Director of Fundraising and other staff and they 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 continued to ensure the long term maximisation of the service. It is expected that the first two beds will be open by the end of 2018 with the other four beds opening later in a phased way reflecting the availability of staff and funds.

FUNDING

The charity takes the fundraising regulations seriously and has registered with the Fundraising Regulator and Fundraising Institute. 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. The charity appointed a volunteer co-ordinator during the year who has responsibility for overseeing volunteers comply with regulations and best practice.

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:

27/9/2018

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

OPINION

We have audited the accounts of Alexander Devine Children's Cancer Trust (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Alexander Devine Children's Cancer Trust
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Report of the Independent Auditors (Continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julian Challis (Senior Statutory Auditor)
for and on behalf of HW Fisher & Company

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

10/10/2018

Alexander Devine Children's Cancer Trust
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STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total Funds £	2017 Total Funds £
INCOME from:						
Donations and legacies	2	1,094,166	395,570	-	1,489,736	1,779,060
Other trading activities	3	89,259	-	-	89,259	104,766
Other	1b	-	-	-	-	150,000
Investment		4,033	-	-	4,033	6,043
<hr/>						
Total income		1,187,458	395,570	-	1,583,028	2,039,869
 EXPENDITURE on						
Raising funds	4	252,911	-	5,641	258,552	218,649
Charitable activities	5	271,959	157,126	123,451	552,536	389,569
<hr/>						
Total expenditure		524,870	157,126	129,092	811,088	608,218
<hr/>						
NET INCOME BEFORE TRANSFERS		662,588	238,444	(129,092)	771,940	1,431,651
Transfers		150,503	(167,919)	17,416	-	-
<hr/>						
Net movement in funds	17	813,091	70,525	(111,676)	771,940	1,431,651
 RECONCILIATION OF FUNDS						
Total funds brought forward	17	507,699	144,272	6,926,469	7,578,440	6,146,789
<hr/>						
TOTAL FUNDS CARRIED FORWARD	17	1,320,790	214,797	6,814,793	8,350,380	7,578,440

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

Notes 1 to 18 form part of these financial statements

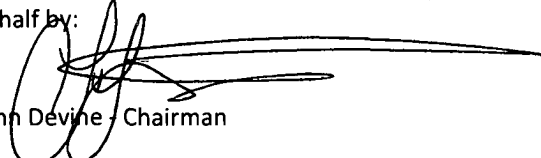
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BALANCE SHEET

		2018	2017
	Notes	£	£
FIXED ASSETS			
Tangible assets	12	6,942,537	6,963,670
CURRENT ASSETS			
Stocks		2,645	1,561
Debtors: amounts falling due within one year	13	46,428	24,071
Cash at bank and in hand		44,630	37,237
Cash on deposit		<u>1,533,019</u>	<u>1,490,213</u>
		1,626,722	1,553,082
CREDITORS			
Amounts falling due within one year	14	(218,879)	(938,312)
NET CURRENT ASSETS		<u>1,407,843</u>	<u>614,770</u>
NET ASSETS		<u>8,350,380</u>	<u>7,578,440</u>
FUNDS	17		
Unrestricted funds:			
Reserves		1,170,790	357,699
Designated		150,000	150,000
Restricted funds:			
Restricted fund		214,797	144,272
Endowment funds		<u>6,814,793</u>	<u>6,926,469</u>
TOTAL FUNDS		<u>8,350,380</u>	<u>7,578,440</u>

Notes 1 to 18 form part of these financial statements.

The financial statements were approved by the Council of Management on 27th September 2018 and were signed on its behalf by:


John Devine - Chairman

Company Registration No. 5757493

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STATEMENT OF CASH FLOWS

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	18	179,511	2,050,443
Cash flows from investing activities			
Purchase of property, plant and equipment		(137,312)	(4,229,058)
Sale proceeds from disposal of property, plant and equipment		8,000	-
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		50,199	(2,178,615)
Cash flows from Financing activities		-	-
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		50,199	(2,178,615)
Cash and cash equivalents at the beginning of the reporting period		1,527,450	3,706,065
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		<u>£1,577,649</u>	<u>£1,527,450</u>

Alexander Devine Children's Cancer Trust
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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.

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.

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Report and accounts for the year ended 31st March 2018

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 2018

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 17 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 last 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 included the £150,000 as other income in last year's 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 2018. 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
Report and accounts for the year ended 31st March 2018

Notes to the Financial Statements (Continued)

2. INCOME FROM DONATIONS & LEGACIES

	2018 £	2017 £
Individual donations	121,613	127,510
Collections	28,401	38,700
Community	245,949	212,666
Gift aid	38,957	41,027
Corporate donations	496,346	396,953
Trust & Foundations	372,148	782,873
In memory	7,259	10,596
Legacies	20,750	7,857
Sponsored events	93,304	95,869
Department of Health Grant	65,009	65,009
	<u>1,489,736</u>	<u>1,779,060</u>

£395,570 (2017 £1,011,844) of the total income from donations & legacies of £1,489,736 (2017 £1,779,060) was restricted. All other income was unrestricted.

3. INCOME FROM OTHER TRADING ACTIVITIES

	2018 £	2017 £
Fundraising events	57,526	66,083
Volunteer events	26,967	30,670
Lottery proceeds	-	4,010
Recycling	67	-
Sale of merchandise	3,128	2,307
Recharge of costs	1,571	1,696
	<u>89,259</u>	<u>104,766</u>

£nil (2017 £nil) of the total income from other trading activities of £89,259 (2017 £104,766) was restricted. All other income was unrestricted.

4. EXPENDITURE ON RAISING FUNDS

	2018 £	2017 £
Staff and recruitment cost	128,414	104,114
Share of hospice costs	1,684	-
Share of hospice building depreciation	5,641	-
Lottery prizes	-	1,970
Fundraising events	18,477	22,177
Cost of merchandise sold	1,310	1,355
Cost of sponsored events	5,667	5,947
Share of support & governance costs	97,359	83,086
	<u>258,552</u>	<u>218,649</u>

£5,641 (2017 £nil) of the fundraising expenditure was restricted. All other expenditure was unrestricted.

Alexander Devine Children's Cancer Trust
Report and accounts for the year ended 31st March 2018

Notes to the Financial Statements(Continued)

5. CHARITABLE ACTIVITIES COSTS

	2018 £	2017 £
Staff and recruitment costs	203,692	199,038
Other direct costs	5,337	9,860
Payments to NHS for external nursing costs	34,218	31,945
Payments to NHS for paediatrician support	4,969	4,867
Patients Christmas party	900	7,874
CQC subscription	1,846	1,604
Hospice running costs	36,854	3,565
Hospice building depreciation	123,451	11,253
Share of support & governance costs	<u>141,269</u>	<u>119,563</u>
	<u>552,536</u>	<u>389,569</u>

£157,126 (2017 £155,135) of the total charitable expenditure of £552,536 (2017 £389,569) was restricted and £123,451 (2017 £10,729) 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 2018 employed a Director of Nursing, a Quality & Governance lead, nurses, a play specialist and carers directly.

6. SUPPORT & GOVERNANCE COSTS

Support costs	2018 £	2017 £
Staff and recruitment costs	144,645	127,788
Office rent & utilities	19,610	21,238
Telephone, bank costs, printing & other office costs	35,150	18,140
Travel costs	3,054	2,872
Consultancy	302	16,956
Insurance	17,384	7,473
Depreciation	<u>12,067</u>	<u>4,921</u>
	<u>232,212</u>	<u>199,388</u>
Governance costs		
Audit fee	5,736	3,220
Trustee expenses	<u>680</u>	<u>40</u>
	<u>6,416</u>	<u>3,260</u>
Total support & governance costs	<u>238,628</u>	<u>202,648</u>

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

Alexander Devine Children's Cancer Trust
Report and accounts for the year ended 31st March 2018

Notes to the Financial Statements (Continued)

7. NET INCOME

Net income is stated after charging:

	2018	2017
	£	£
Depreciation – owned assets	150,445	16,180
Auditors remuneration	5,736	3,220
Auditors other fees	-	-
	<u>-</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

Apart from as set out below there were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017. Trustees' expenses paid for the year ended 31 March 2018 were £680 (2017: £40) paid to two (2017 one) Trustee in reimbursement of costs incurred.

The Charity Commission has given approval for the employment of Mrs Fiona Devine as CEO. Her total remuneration for the year to 31st March 2018 amounted to £64,983 (2017 £64,996). Employer National insurance costs on this amounted to £7,841 (2017 £7,850).

There are no other related party transactions other than those disclosed above.

9. HOSPICE COSTS

	2018	2017
	£	£
Utilities	17,777	-
Depreciation of buildings and equipment	138,377	-
Equipment maintenance	7,845	-
General running costs	3,631	-
	<u>167,630</u>	<u>-</u>

10. STAFF COSTS

	2018	2017
	£	£
Wages and salaries - charitable activities	173,310	168,744
fundraising activities	114,231	95,403
administrative activities	130,179	115,196
Total wages and salaries	417,720	379,343
Employer National Insurance	35,875	31,904
Travel	8,386	9,859
Staff training	960	1,860
Pension costs	9,272	7,912
Recruitment fees	4,537	62
	<u>476,750</u>	<u>430,940</u>

There were eight permanent full time employees and eleven part time employees as at 31st March 2018 equal to 14.53 (2017 11.85) full time employees. The average number of full time equivalent employees during the year was 12.54 (2017 11.82).

No employee earned more than £60,000 per annum apart from Mrs Devine as above.

Remuneration for key management staff in the year was £142,118 (2017 £136,439)

Alexander Devine Children's Cancer Trust
Report and accounts for the year ended 31st March 2018

Notes to the Financial Statements (Continued)

11. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>27,677</u>	<u>14,020</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>206,044</u>	<u>929,395</u>

12. TANGIBLE FIXED ASSETS

	Land & buildings £	Hospice equipment £	Office equipment £	Computer equipment £	Totals £
COST					
At 1 April 2017	6,937,198	31,491	12,626	21,081	7,002,396
Additions	25,416	52,313	-	59,583	137,312
Disposals	(8,000)	-	(1,602)	(4,384)	(13,986)
	<u>6,954,614</u>	<u>83,804</u>	<u>11,024</u>	<u>76,280</u>	<u>7,125,722</u>
DEPRECIATION					
At 1 April 2017	10,729	525	8,850	18,622	38,726
Charge for year	129,092	9,286	2,025	10,042	150,445
Disposals	-	-	(1,602)	(4,384)	(5,986)
	<u>139,821</u>	<u>9,811</u>	<u>9,273</u>	<u>24,280</u>	<u>183,185</u>
NET BOOK VALUE					
At 31 March 2018	<u>6,814,793</u>	<u>73,993</u>	<u>1,751</u>	<u>52,000</u>	<u>6,942,537</u>
At 31 March 2017	<u>6,926,469</u>	<u>30,966</u>	<u>3,776</u>	<u>2,459</u>	<u>6,963,670</u>

Land was gifted to the Charity in March 2012 and was valued at £500,000. The cost of fees and of construction, amounting to £25,416 in the current year and £6,437,198 up to 31 March 2017, have been capitalised and added to the cost of land.

13 DEBTORS:AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Prepayments	6,964	10,051
Other debtor	20,000	-
Floats	200	200
Gift aid outstanding	6,249	3,608
VAT due from HMRC	12,503	9,999
Interest receivable	512	213
	<u>46,428</u>	<u>24,071</u>

Alexander Devine Children's Cancer Trust
Report and accounts for the year ended 31st March 2018

Notes to the Financial Statements (continued)

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Social security and other taxes	12,834	8,917
Lottery membership payments in advance	579	316
Income received in advance	8,530	4,655
Accruals	49,507	38,573
Pension payments due	1,466	1,235
Other creditors	145,963	884,616
	<hr/>	<hr/>
	218,879	938,312
	<hr/>	<hr/>

15. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2018 the charity had annual commitments under non-cancellable operating lease as follows:-

	2018	2017
	£	£
Expiry date		
Within one year	12,397	12,397
Between two and five years	6,199	18,596
	<hr/>	<hr/>
	18,596	30,993
	<hr/>	<hr/>

16. CAPITAL COMMITMENTS

There were no capital commitments at 31st March 2018 (2017 £nil).

Alexander Devine Children's Cancer Trust
Report and accounts for the year ended 31st March 2018

Notes to the Financial Statements (continued)

17. MOVEMENT IN FUNDS

	At 01.04.17	Net movement in funds	At 31.03.18
	£	£	£
Unrestricted funds			
Designated	150,000	-	150,000
Free reserves	357,699	813,091	1,170,790
Restricted funds			
Restricted	144,272	70,525	214,797
Endowment fund	6,926,469	(111,676)	6,814,793
TOTAL FUNDS	<u>7,578,440</u>	<u>771,940</u>	<u>8,350,380</u>

The endowment fund represents the value of land donated on 28th March 2012 plus amounts spent on the building less depreciation.

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.

FUND BALANCES AT 31ST MARCH 2018

	Unrestricted funds	Restricted funds	Endowment fund	Total
	£	£	£	£
Tangible fixed assets	127,744	-	6,814,793	6,942,537
Current assets	1,411,925	214,797	-	1,626,722
Creditors: amounts falling due within one year	(218,879)	-	-	(218,879)
TOTAL FUNDS AS AT 31ST MARCH 2018	<u>1,320,790</u>	<u>214,797</u>	<u>6,814,793</u>	<u>8,350,380</u>

Alexander Devine Children's Cancer Trust
Report and accounts for the year ended 31st March 2018

Notes to the Financial Statements (continued)

PURPOSE OF RESTRICTED FUNDS

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

Description	At 01.04.17	Incoming Resources	Resources Expended	Transfers	At 31.03.18
	£	£	£	£	£
Alexander Nursing Team	14,188	26,515	(12,340)	-	28,363
NHS palliative care funding	-	65,009	(65,009)	-	-
Children in Need – play specialist	-	33,126	(33,126)	-	-
Additional nurse	35,924	33,333	(32,766)	-	36,491
Additional carer	-	25,000	(12,985)	-	12,015
Hospice building & gardens	3,060	101,629	-	(60,508)	44,181
Christmas party	-	900	(900)	-	-
Equipment	91,100	110,058	-	(107,411)	93,747
	144,272	395,570	(157,126)	(167,919)	214,797

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 kindly awarded the charity funding for a play specialist.

Donations have also been received to fund an additional nurse and carer.

The Xmas party is an event at which life limited children and their families can get together and enjoy Christmas. A kind donation 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 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 buildings, 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 2018

Notes to the Financial Statements (continued)

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

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	771,940	1,431,651
Adjustments for:		
Depreciation charges		
(Increase)/decrease in stocks	150,445	16,180
(Increase)/(decrease) in debtors	(1,084)	995
(Decrease)/increase in creditors	(22,357)	433
	<u>(719,433)</u>	<u>601,184</u>
Net cash provided by operating activities	<u>179,511</u>	<u>2,050,443</u>