

The Clatterbridge Cancer Centre
NHS Foundation Trust

**Group Annual Accounts
For the 12 Months Ended
31st March 2018**



Contents

	Page
Foreword to the Accounts	2
Independent Auditors' Report to the Council of Governors of The Clatterbridge Cancer Centre NHS Foundation Trust	3-7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12-23
Notes to the Accounts	24-41



FOREWORD TO THE ACCOUNTS

THE CLATTERBRIDGE CANCER CENTRE NHS FOUNDATION TRUST

The Group accounts for the 12 months ended 31 March 2018 that have been prepared by The Clatterbridge Cancer Centre NHS Foundation Trust are in line with IAS1 paragraph 51 and in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Services Act 2006 are in the form which NHS Improvement has, with the approval of the Treasury, directed.

Signed.....

Date

Ann Farrar
Interim Chief Executive



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 2017/18

	NOTE	Group		FT	
		2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Income from patient care activities		126,121	99,504	126,121	99,504
Other operating income		17,544	12,954	17,203	12,607
Operating Income from continuing operations	2	143,665	112,458	143,324	112,111
Operating Expenses from continuing operations	3	(133,185)	(102,202)	(134,956)	(103,395)
OPERATING SURPLUS / (DEFICIT)		10,480	10,256	8,368	8,716
Finance costs					
Finance income	5	201	235	410	202
Finance expense - financial liabilities	6.1	(151)	(153)	(421)	(153)
PDC dividends payable		(3,180)	(1,797)	(3,180)	(1,797)
Net Finance costs		(3,130)	(1,715)	(3,191)	(1,747)
Share of Profit/(Loss) of Associates accounted for using the equity method	9	569	584	569	584
Corporation Tax		(252)	(183)	0	0
Surplus / (deficit) from continuing operations		7,667	8,943	5,746	7,553
Other Comprehensive Income:					
Impairments		0	0	0	0
Revaluations		1,079	0	1,079	0
FV gains/(losses) on Available For Sale (AFS) financial assets		(2)	143	0	0
Total other comprehensive income/(expenditure) for the year		1,077	143	1,079	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR		8,744	9,086	6,825	7,553

The notes on pages 24 to 41 form part of these accounts.

The results of the group are attributable to the parent.



STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

		Group			FT		
		31 March 2018	31 March 2017 (restated)*	1 April 2016	31 March 2018	31 March 2017 (restated)*	1 April 2016
	NOTE	£000	£000	£000	£000	£000	£000
Non-current assets							
Intangible assets	7	717	682	740	717	682	740
Property, plant and equipment	8.1	89,191	71,258	57,929	89,306	71,258	57,929
Investments in associates	9	672	895	311	672	895	311
Other investments		1,191	1,192	1,049	0	0	0
Other financial assets	13	0	0	0	18,715	0	0
Trade and other receivables	11.1	4,563	6,649	265	4,563	6,649	265
Total non-current assets		96,333	80,676	60,294	113,972	79,484	59,245
Current Assets							
Inventories	10.1	1,872	1,449	1,320	1,161	898	813
Trade and other receivables	11.1	30,402	17,037	10,810	30,686	18,709	11,243
Cash and cash equivalents	18	65,175	69,183	81,531	55,368	62,830	76,838
Total current assets		97,449	87,668	93,661	87,215	82,437	88,894
Current liabilities							
Trade and other payables	12	(30,149)	(14,195)	(12,311)	(26,455)	(14,513)	(11,795)
Borrowings	14	(301)	(299)	(357)	(301)	(299)	(357)
Provisions	16	(489)	(60)	(138)	(461)	(60)	(138)
Other liabilities	13	(2,307)	(3,132)	(4,352)	(2,307)	(3,132)	(4,352)
Corporation tax		(155)	(92)	(184)	0	0	0
Total current liabilities		(33,402)	(17,778)	(17,342)	(29,525)	(18,004)	(16,642)
Total assets less current liabilities		160,379	150,566	136,612	171,663	143,917	131,496
Non-current liabilities							
Trade and other payables	12	(301)	0	0	0	0	0
Borrowings	14	(2,859)	(3,160)	(3,410)	(2,859)	(3,160)	(3,410)
Other liabilities	13	0	0	0	(20,152)	0	0
Total non-current liabilities		(3,160)	(3,160)	(3,410)	(23,011)	(3,160)	(3,410)
Total assets employed		157,219	147,406	133,202	148,652	140,757	128,087
Financed by taxpayers' equity							
Public Dividend Capital		23,267	22,197	20,495	23,267	22,197	20,495
Revaluation reserve	17.1	7,839	7,000	3,739	7,839	7,000	3,739
Income and expenditure reserve		117,546	111,561	103,852	117,546	111,561	103,852
Financed by others' equity							
Charitable fund reserves	17.2	6,786	5,452	4,221	0	0	0
Pharmacy subsidiary reserves		1,595	1,196	896	0	0	0
PropCare subsidiary reserves		186	0	0	0	0	0
Total taxpayers' and others' equity		157,219	147,406	133,202	148,652	140,757	128,087

*The prior year adjustment relates to a misstatement in the value of PPE last year due to a draft valuation report being prepared on a different basis to the final report which was issued after the accounts had been signed. PPE and the revaluation reserve have both increased by £3,416k in 2016/17 from last year's audited figures.

Signed:Interim Chief Executive

Date:



STATEMENT OF CHANGES IN EQUITY

		Others' Equity	Taxpayers' Equity		
	Total	Charitable	Public	Revaluation	Income &
	£000	Funds	Dividend	Reserve	Expenditure
		£000	Capital	£000	Reserve
			£000		£000
Equity at 1 April 2017	143,990	5,452	22,197	3,584	112,757
Prior period adjustment	3,416	0	0	3,416	0
Equity at 1 April 2017 (restated)	147,406	5,452	22,197	7,000	112,757
Surplus/(deficit) for the year	7,666	1,335	0	0	6,331
Transfers between reserves	0	0	0	(240)	240
Revaluations - property, plant and equipment	1,079	0	0	1,079	0
Fair value gains/(losses) on available-for-sale financial investments	(2)	(2)	0	0	0
Public dividend capital received	1,070	0	1,070	0	0
Equity at 31 March 2018	157,219	6,786	23,267	7,839	119,327

		Others' Equity	Taxpayers' Equity		
	Total	Charitable	Public	Revaluation	Income &
	£000	Funds	Dividend	Reserve	Expenditure
		£000	Capital	£000	Reserve
			£000		£000
Equity at 1 April 2016	133,202	4,221	20,495	3,739	104,747
Surplus/(deficit) for the year	8,942	1,088	0	0	7,854
Transfers between reserves	0	0	0	(156)	156
Fair value gains/(losses) on available-for-sale financial investments	143	143	0	0	0
Public dividend capital received	1,702	0	1,702	0	0
Equity at 31 March 2017	143,990	5,452	22,197	3,584	112,757



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 2017/18

Prepared using the indirect method

	Group		FT	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Cash flows from operating activities				
Operating surplus/(deficit)	10,480	10,256	8,368	8,716
Non-cash income and expense				
Depreciation and amortisation	4,471	4,280	4,471	4,280
(Increase)/Decrease in Trade and Other Receivables	(11,426)	(12,483)	(9,646)	(13,714)
(Increase)/Decrease in Other Assets	0	0	(18,715)	0
(Increase)/Decrease in Inventories	(423)	(128)	(264)	(85)
Increase/(Decrease) in Trade and Other Payables	13,822	3,080	11,604	3,898
Increase/(Decrease) in Other Liabilities	(824)	(1,221)	19,328	(1,221)
Increase/(Decrease) in Provisions	429	(78)	401	(78)
Tax (paid) / received	(190)	(275)	0	0
NHS Charitable Funds	2	(7)	0	0
Net cash generated from/(used in) operations	16,341	3,424	15,548	1,796
Cash flow from investing activities				
Interest received	166	202	166	202
Purchase of intangible assets	(115)	(19)	(115)	(19)
Purchase of Property, Plant and Equipment	(18,804)	(15,295)	(21,431)	(15,295)
Cash movement from disposals of business units and subsidiaries	792	0	792	0
NHS Charitable Funds	35	33	0	0
Net cash generated from/(used in) investing activities	(17,927)	(15,079)	(20,588)	(15,112)
Cash flows from financing activities				
Public dividend capital received	1,070	1,702	1,070	1,702
Loans repaid to the Foundation Trust Financing Facility	(250)	(250)	(250)	(250)
Capital element of finance lease rental payments	(49)	(58)	(49)	(58)
Interest paid	(141)	(153)	(141)	(153)
Interest element of finance lease	(9)	0	(9)	0
PDC dividend paid	(3,043)	(1,934)	(3,043)	(1,934)
Net cash generated from/(used in) financing activities	(2,423)	(692)	(2,423)	(692)
Increase/(decrease) in cash and cash equivalents	(4,008)	(12,348)	(7,463)	(14,009)
Cash and cash equivalents at 1 April	69,183	81,531	62,830	76,838
Cash and cash equivalents at 31 March	65,175	69,183	55,368	62,830



1. Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1.2 Going concern

These accounts have been prepared on a going concern basis. There is no reason to suggest that the NHS Foundation Trust does not have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

1.2 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Deferred income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and/or the foundation trust becomes entitled to it, and is measured at the fair value of the consideration receivable.

Assessment of leases

Leases are assessed under IFRS as being operating or finance leases, which determines their accounting treatment. The criteria for assessment are to a certain extent subjective, but a consistent approach has been taken through use of a standard template which sets out the relevant criteria. Further information is in section 1.12 of the accounting policies.

Clatterbridge Propcare Services Limited - VAT Recovery & Asset Valuation

The Trust applied to HMRC to request formal clearance for provision of a fully operated and managed healthcare facility under HMRC contracted-out services heading 45 – “Operation of hospitals, healthcare establishments and healthcare facilities and the provision of any related services” by its wholly owned subsidiary company Clatterbridge Propcare Services Limited. The Trust board have considered the risks under heading 45 and agreed that Propcare should proceed with the build, recovering VAT as costs are incurred. The implication for the accounts is that the value of the asset under construction is calculated on the cost of construction excluding VAT.



1.2.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Provisions

Provisions held within the Statement of Financial Position contain estimates for future contractual liabilities.

Clinical negligence costs

The NHS Litigation Authority (NHS LA) operates a risk pooling scheme under which The Clatterbridge Cancer Centre NHS Foundation Trust pays an annual contribution to the NHS LA, which, in return, settles all clinical negligence claims.

Estimation of remaining economic lives of assets

Assets are depreciated on a straight-line basis over their remaining estimated economic life.

Impairment review

An impairment review is carried out using a professional valuer to determine non-current asset values at least every three years. Further information on impairments is in section 1.7 of the accounting policies.

1.3 Consolidation

NHS Charitable Fund

The NHS Foundation Trust is the corporate trustee to the Clatterbridge Cancer Charity NHS charitable fund. The trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

Other subsidiaries

The Group has two wholly owned subsidiaries, The Clatterbridge Pharmacy Limited which was established in 2013, and Clatterbridge Propcare Services Limited which was established in 2016. Both subsidiaries have been consolidated in the group financial statements

Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position.

Associates

The Group has an associate, Clatterbridge Private Clinic LLP, which was established in 2013 with the healthcare company Mater Private and the FT owns a 49% share.

Associate entities are those over which the trust has the power to exercise a significant influence. Associate entities are recognised in the trust's financial statement using the equity



method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g., share dividends are received by the trust from the associate.

1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services. At the year end, the trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where income is received for a specific activity which is to be delivered in the following or future financial years, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

1.5 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. There, the schemes are accounted for as though they are defined contribution schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.



1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.7 Property, plant and equipment

1.7.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust;
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably and
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

1.7.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at valuation.

Land and buildings are revalued every five years. A three year interim valuation is also carried out. Valuations are carried out by professionally qualified, external valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) *Appraisal and Valuation Manual*. The valuations are carried on the Modern Equivalent Asset basis which assumes that the buildings would be replaced by structures utilising current building techniques and materials. Alternative sites DRC methodology has not been used. Land is valued on an existing use basis primarily determined by market valuation. Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation or when they are brought into use.

Plant and equipment (including IT equipment) used in the Trust tends to be highly specialised in the nature with no reliable means of ascertaining a market value. In accordance with IAS 16, these assets are carried at historic cost less depreciation and are not subject to revaluation and that depreciated historic cost is a proxy for fair value.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it



meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which have been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Excess depreciation

The trust applies excess depreciation to the I&E reserve.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

1.7.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:



- management are committed to a plan to sell the asset;
- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;
- the same is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.7.4 Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items or property, plant and equipment.

1.8 Intangible assets

1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. .

Software

Software which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

1.8.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and



losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or “fair value less costs to sell”.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First out (FIFO) method.

1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash, bank and overdraft balances are recorded at current values.

1.11 Financial instruments and financial liabilities

1.11.1 Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

1.11.2 De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.11.3 Classification and measurement

Financial assets are categorised as

- Loans and receivables
- Available for Sale financial assets

Financial liabilities are classified as

- Other Financial liabilities



Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of "other comprehensive income". When items classified as "available-for-sale" are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in "finance costs" in the Statement of Comprehensive Income.

The Charitable Funds has an investment portfolio managed by Investec. The investment manager is able to buy and sell assets on behalf of the Charity although there are certain restrictions set by the Trustees of the Charitable Funds. As the investment manager can buy and sell charitable assets, they are considered to be 'assets available for sale'.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are the full value of cash in the Statement of Financial Position, and are determined from quoted market prices/independent appraisal.

Impairment of financial assets



At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

Trade Receivables

A provision for impairment against a trade receivable is established when the Trust considers it will not be able to collect all amounts due according to the original terms of the contract. The Trust will take the following factors into consideration when determining a trade receivable to be impaired:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payment (more than 60 days overdue)

The carrying amount of the asset is reduced through the use of an allowance account for the trade receivables (Bad Debt Provision), and the amount of the loss is recognised in the Statement of Comprehensive Income. If the trade receivables become uncollectible, it is written off against the Bad Debt Provision. Any subsequent recoveries of amounts previously written off are credited to the Statement of Comprehensive Income.

Financial Guarantees

Financial guarantees issued by the Trust on behalf of its subsidiaries are recognised as financial liabilities at the date the guarantee is issued. Liabilities arising from financial guarantee contracts are initially recognised at fair value and subsequently at the higher of the amount determined in accordance with the Group's provisions accounting policy (please refer to 1.13) and the amount initially recognised less cumulative amortization.

The fair value of the financial guarantee is determined by way of calculating the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Trust.

1.12 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.12.1 The trust as lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or



the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.13 Provisions

The trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 16 but is not recognised in the trust's accounts.

Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 27, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:



- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.15 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated assets (including lottery funded assets),
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.16 Value Added Tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.17 Corporation Tax

The Clatterbridge Cancer Centre NHS Foundation Trust is a Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains tax within categories covered by this. There is a power by the treasury to disapply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities, which are not related to, or ancillary to, the provision of healthcare, and where the profits therefrom exceed £50,000 per annum.

1.18 Foreign exchange

The Foundation Trust's functional and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the foundation trust's Statement of Comprehensive Income in the period in which they arise.



1.19 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since The Clatterbridge Cancer Centre NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

1.20 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are changed to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.21 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.22 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

1.23 Accounting standards issued not yet adopted

The following recently issued accounting standards and amendments have not yet been adopted within the *FReM*, and are therefore not applicable to DHSC group accounts in 2017-18.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the *FReM*: early adoption is not therefore permitted
- IFRS 15 Revenue from Contracts with Customers – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the *FReM*: early adoption is not therefore permitted
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the *FReM*: early adoption is not therefore permitted.
- IFRS 17 Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the *FReM*: early adoption is not therefore permitted.
- IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.



2. Operating segments

The business activities of the Group can be summarised as that of 'healthcare'. The chief operating decision maker for Clatterbridge Cancer Centre NHS Foundation Trust is the FT Board. Key decisions are agreed at monthly Board meetings and sub-committee meetings of the Board, following scrutiny of performance and resource allocation. The FT Board review and make decisions on activity and performance of the FT as a whole entity, not for its separate business activities.

The activities of the subsidiary companies, The Clatterbridge Cancer Charity, The Clatterbridge Pharmacy Limited and Clatterbridge PropCare Services Limited, are not considered sufficiently material to require separate disclosure.

The Clatterbridge Cancer Charity is a registered charity that supports cancer care in the NHS. The Board of the FT is the Corporate Trustee of the Charity.

The Clatterbridge Pharmacy Limited provides dispensing services and drug procurement to the FT. The FT is the sole shareholder of the company.

Clatterbridge PropCare Services Limited is overseeing construction of the new hospital in Liverpool and redesign of the Wirral site, and manages the FT's property, estates and facilities on its behalf.

2.1 Income from Activities

Income from activities comprises:

	Group / FT	
	2017/18 £000	2016/17 £000
Elective income	3,512	2,036
Non-elective income	4,965	3,587
First outpatient income	2,525	2,193
Follow up outpatient income	15,046	10,538
High cost drugs income from commissioners	47,780	33,530
Other NHS clinical income*	45,500	41,425
NHS Income from Activities	119,330	93,309
Private patients	1,777	1,870
North Wales	2,886	2,559
Rest of Wales	167	222
Scotland	338	347
Ireland	62	0
Other non-protected clinical income	1,561	1,197
	126,121	99,504

*Other NHS clinical income comprises of drugs (£1m), chemotherapy activity (£18m), radiotherapy activity (£17m), block income (£3m), diagnostic imaging (£2m) and bone marrow transplants (£3m).

The figures quoted for both years above are based upon income received in respect of actual activity undertaken within each category. The Terms of Authorisation set out the mandatory goods and services that the FT is required to provide protected services. All of the income from activities shown above is derived from the provision of protected services.



2.2 Income from patient care activities

	Group / FT	
	2017/18 £000	2016/17 £000
NHS Foundation Trusts	313	354
NHS Trusts	301	0
CCGs and NHS England	118,623	92,955
Non NHS Private patients	1,777	1,870
Non NHS: Other	5,106	4,326
	126,121	99,504

2.3 Other Operating Income

	Group		FT	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Research and Development	2,924	2,198	2,924	2,198
Education and Training	1,270	1,314	1,270	1,314
Non-patient care services to other bodies	4,739	418	4,739	418
Sustainability and Transformation Fund income	2,442	2,317	2,442	2,317
Other	3,677	4,541	5,827	6,361
NHS Charitable Funds: Incoming Resources excluding investment income	2,492	2,166	0	0
	17,544	12,954	17,203	12,607



3. Operating Expenses

3.1 Operating expenses comprise:

	Group		FT	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Purchase of healthcare from NHS and DHSC bodies	9,414	8,134	9,414	8,134
Purchase of healthcare from non-NHS and non-DHSC bodies	197	227	206	227
Staff and executive directors costs	52,473	44,675	51,592	44,257
Non Executive Directors' costs	161	142	134	131
Supplies and services - clinical (excluding drug costs)	4,257	4,299	4,270	4,280
Supplies and services - general	3,307	2,034	2,060	2,032
Drugs costs	47,610	29,656	47,691	31,302
Consultancy	411	782	429	762
Establishment	1,508	1,661	1,498	1,654
Premises - business rates collected by local authorities	171	0	171	0
Premises - other	2,862	2,839	6,832	2,837
Transport (business travel only)	65	75	65	75
Transport - other (including patient travel)	96	130	96	130
Depreciation on property, plant and equipment	4,391	4,202	4,391	4,202
Amortisation on intangible assets	80	78	80	78
Increase / (decrease) in provision for impairment of receivables	58	22	58	22
Provisions arising / released in year	401	40	401	40
Audit services- statutory audit*	83	73	48	52
Other auditor remuneration (external auditor only)	5	6	5	5
Internal audit costs	103	100	88	100
Clinical negligence	149	107	149	107
Legal fees	169	278	163	277
Insurance	133	138	119	133
Research and development	139	243	139	243
Education and training	1,256	336	1,244	324
Operating lease expenditure	368	492	368	492
Redundancy costs	281	0	281	0
Car parking & Security	(0)	1	(0)	0
Hospitality	14	12	14	12
Other**	2,962	1,363	2,949	1,486
NHS Charitable funds: Other resources expended	60	58	0	0
	133,185	102,202	134,956	103,395

*Group statutory audit fees include £5k for the charity, £16k for PharmaC and £15k for PropCare. Audit fees are inclusive of VAT for the FT and charity, and exclusive of VAT for PharmaC and PropCare.

** Other operating expenditure contains £2.4m of expenditure relating to Haemato Oncology.

3.2 Arrangements containing an operating lease

	Group / FT	
	2017/18 £000	2016/17 £000
Future minimum lease payments due:		
Not later than one year	321	344
Later than one year and not later than five years	302	304
Later than five years	8,475	8,550
	9,098	9,198

These leases are for land at Aintree, IT equipment, and portakabins.



4.1 Staff costs

	Group		FT	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Salaries and wages	43,239	35,191	42,489	34,811
Social Security costs	3,900	3,371	3,827	3,342
Apprenticeship levy	188	0	188	0
Pension cost - employer contributions to NHS pension scheme	4,720	4,060	4,720	4,058
Pension cost - other	56	9	3	2
Agency and contract staff	651	2,044	646	2,044
	52,754	44,675	51,873	44,257

4.2 Average number of WTE persons employed

	Group		FT	
	2017/18 WTE	2016/17 WTE	2017/18 WTE	2016/17 WTE
Medical and dental	90	90	90	90
Administration and estates	417	366	409	366
Healthcare assistants and other support staff	96	78	96	78
Nursing, midwifery and health visiting staff	241	178	241	178
Scientific, therapeutic and technical staff	262	263	247	248
	1,106	975	1,083	960

4.3 Retirements due to ill-health

This note discloses the number and additional costs for individuals who retired early on ill-health grounds during the year. There were three retirements at an additional cost of £228k in 2017-18 (2016-17 - one retirement at an additional cost of £22k). This information has been supplied by the NHS Business Services Authority.

4.4 Retirement benefits

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The expected employers contributions to the NHS pension scheme for 2017-18 is £4.7m.



5. Finance Income

	Group		FT	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Interest on other investments / financial assets	166	202	410	202
NHS Charitable funds: investment income	35	33	0	0
	201	235	410	202

6.1 Finance Costs - Interest expense

	Group		FT	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Loans from the Foundation Trust Financing Facility	141	153	141	153
Interest on other loans	0	0	270	0
Interest on finance lease obligations	9	0	9	0
	151	153	421	153

6.2 Better Payment Practice Code

	Group/FT			
	2017/18		2016/17	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	8,312	70,564	10,681	76,941
Total Non NHS trade invoices paid within target	7,289	67,044	10,351	75,055
Percentage of Non-NHS trade invoices paid within target	87.7%	95.0%	96.9%	97.5%
Total NHS trade invoices paid in the year	1,219	16,831	1,283	12,227
Total NHS trade invoices paid within target	898	13,121	984	8,726
Percentage of NHS trade invoices paid within target	73.7%	78.0%	76.7%	71.4%

The Better Payment Practice Code requires the FT to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

6.3 The late payment of commercial debts (interest) Act 1998:

No interest or compensation has been paid under the Late Payment of Commercial Debts (Interest) Act 1998 during 2017-18 or 2016-17.



7. 1 Intangible assets 2017/18

	Group / FT Software licences £000	TOTAL £000
Cost / valuation at 1 April 2017	776	776
Additions – purchased	115	115
Cost / valuation at 31 March 2018	891	891
Accumulated amortisation at 1 April 2017	95	95
Provided during the year	80	80
Accumulated depreciation at 31 March 2018	174	174
Net book value at 31 March 2017		
Purchased	682	682
Total at 31 March 2017	682	682
Net book value at 31 March 2018		
Purchased	717	717
Total at 31 March 2018	717	717

7. 2 Intangible assets 2016/17

	Group / FT Software licences £000	TOTAL £000
Cost / valuation at 1 April 2016	757	757
Additions – purchased	19	19
Cost / valuation at 31 March 2017	776	776
Accumulated amortisation at 1 April 2016	17	17
Provided during the year	78	78
Accumulated depreciation at 31 March 2017	95	95
Net book value at 31 March 2016		
Purchased	740	740
Total at 31 March 2016	740	740
Net book value at 31 March 2017		
Purchased	682	682
Total at 31 March 2017	682	682



8.1 Property, plant and equipment 2017/18

	Group / FT							
	Land	Buildings excluding dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
Cost / valuation at 1 April 2017	350	36,871	13,237	44,108	73	10,830	247	105,715
Prior period adjustment	0	3,416	0	0	0	0	0	3,416
Cost / valuation at 1 April 2017 (restated)	350	40,287	13,237	44,108	73	10,830	247	109,131
Additions – purchased	0	165	19,054	720	0	1,421	0	21,360
Revaluations	521	(3,462)	0	0	0	0	0	(2,941)
Disposals/derecognition	0	0	0	(21,169)	(48)	(3,852)	(76)	(25,145)
Cost / valuation at 31 March 2018	871	36,989	32,291	23,659	25	8,399	171	102,405
Accumulated depreciation at 1 April 2017	0	3,322	0	29,222	60	5,123	146	37,873
Provided during the year	0	698	0	2,372	4	1,301	17	4,391
Revaluations	0	(4,020)	0	0	0	0	0	(4,020)
Disposals/derecognition	0	0	0	(21,168)	(48)	(3,852)	(77)	(25,145)
Accumulated depreciation at 31 March 2018	0	0	0	10,426	16	2,572	86	13,100
Net book value at 31 March 2017								
Purchased	350	31,117	13,237	13,458	0	5,133	101	63,397
Finance leased	0	0	0	0	0	574	0	574
Donated	0	2,432	0	1,428	12	0	0	3,872
Total at 31 March 2017	350	33,548	13,237	14,886	12	5,707	101	67,842
Net book value at 31 March 2018								
Purchased	871	33,408	32,291	12,130	0	5,407	84	84,190
Finance leased	0	0	0	0	0	421	0	421
Donated	0	3,582	0	1,104	9	0	0	4,694
NBV at 31 March 2018 for FT	871	36,989	32,291	13,234	9	5,827	84	89,306
Less: PURP adjustment*	0	0	(115)	0	0	0	0	(115)
NBV at 31 March 2018 for Group	871	36,989	32,177	13,234	9	5,827	84	89,191

*The PURP (provision for unrealised profits) relates to the adjustment required to eliminate the profit element recognised by PropCare on the new build hospital costs charged to the FT.

Disposals relate to fully depreciated assets that have been removed from the accounts in year.



8.2 Property, plant and equipment 2016/17

	Group / FT							
	Land	Buildings excluding dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
Cost / valuation at 1 April 2016	350	36,547	4,839	41,025	73	8,519	247	91,600
Additions – purchased	0	320	9,202	3,083	0	1,509	0	14,115
Reclassifications	0	3	(805)	0	0	802	0	0
Cost / valuation at 31 March 2017	350	36,871	13,237	44,108	73	10,830	247	105,715
Accumulated depreciation at 1 April 2016	0	2,462	0	27,027	57	4,000	126	33,671
Provided during the year	0	861	0	2,196	4	1,122	20	4,202
Accumulated depreciation at 31 March 2017	0	3,322	0	29,222	60	5,123	146	37,873
Net book value at 31 March 2016								
Purchased	350	31,598	4,839	12,246	0	3,792	121	52,946
Finance leased	0	0	0	0	0	727	0	727
Donated	0	2,488	0	1,752	16	0	0	4,256
Total at 31 March 2016	350	34,086	4,839	13,998	16	4,518	121	57,929
Net book value at 31 March 2017								
Purchased	350	31,117	13,237	13,458	0	5,133	101	63,397
Finance leased	0	0	0	0	0	574	0	574
Donated	0	2,432	0	1,428	12	0	0	3,872
Total at 31 March 2017	350	33,548	13,237	14,886	12	5,707	101	67,842

A prior year adjustment has been applied to the 2016/17 figures, relating to a misstatement in the value of PPE last year due to a draft valuation report being prepared on a different basis to the final report which was issued after the accounts had been signed. The figures in the table above show last year's audited figures, and the prior year adjustment (which increases the net book value of PPE by £3,416k in 2016/17) is shown in note 8.1.



8.3 Assets for commissioner requested services

All assets on the fixed asset register are used for commissioner requested services.

8.4 Economic life of Property, plant and equipment and Intangibles

	Minimum Years	Maximum Years
Land	Infinite	Infinite
Buildings excluding dwellings	5	85
Plant & Machinery	5	15
Transport Equipment	3	7
Information Technology	3	10
Furniture & Fittings	3	10
Licences	5	10

There have been no significant changes in useful lives or estimation methods from the previous period.

8.5 Property Valuations:

The last full site valuation of all the FT's property was undertaken in 2014-15 by a professional valuer, Cushman & Wakefield, on the Modern Equivalent Asset basis. They also carried out a desktop valuation in 2017-18. Further details of the valuation approach are included under note 1.7 (Accounting policies).

9. Investments in associates

	Group / FT	
	Investments in associates 2017/18 £000	Investments in associates 2016/17 £000
Carrying value at 01 April	895	311
Share of profit/(loss)	569	584
Disposals	(792)	0
Carrying value at 31 March	672	895

This relates to the FT's associate company, the Clatterbridge Clinic LLP, which provides a service for private patients.

10.1 Inventories

	Group		FT	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Drugs	1,872	1,449	1,161	898
	1,872	1,449	1,161	898

10.2 Inventories recognised in expenses

The value of inventories recognised in expenses was £47.61m (2016-17 £29.66m) for the Group and £47.69m (2016-17 £31.30m) for the FT.



11.1 Trade and other receivables

	Group		FT	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Trade receivables	16,977	3,042	17,029	3,042
Accrued income	4,409	7,978	6,371	9,069
Provision for impaired receivables	(134)	(76)	(134)	(76)
Prepayments	7,167	4,221	7,154	5,112
PDC dividend receivable	0	137	0	137
VAT receivable	1,967	535	267	78
Other receivables	0	1,174	0	1,347
NHS Charitable funds: Trade and other receivables	16	25	0	0
Total current trade and other receivables	30,402	17,037	30,686	18,709
Prepayments*	4,563	6,649	4,563	6,649
Total non-current trade and other receivables	4,563	6,649	4,563	6,649

*Prepayments include a balance of £10m relating to the transfer of Haemato-Oncology services to the FT (£4.3m non-current, £5.7m current).

11.2 Provision for impairment of receivables

	Group / FT	
	2017/18 £000	2016/17 £000
Balance at 1 April	76	71
Increase in provision	58	22
Amounts utilised	0	(17)
Unused amounts reversed	0	0
Balance at 31 March	134	76

11.3 Analysis of impaired receivables

	Group		FT	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Ageing of impaired receivables				
0 - 30 days	0	0	0	0
30 - 60 Days	0	0	0	0
60 - 90 days	0	0	0	0
90 - 180 days	0	2	0	2
over 180 days	134	74	134	74
Total	134	76	134	76
Ageing of non-impaired receivables				
0 - 30 days	16,172	2,910	21,789	2,882
30 - 60 Days	2,783	269	269	269
60 - 90 days	154	105	105	105
90 - 180 days	1,787	880	880	880
over 180 days	66,203	71,368	56,395	63,825
Total	87,099	75,533	79,439	67,961



12. Trade and other payables

	Group		FT	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade payables	13,588	4,264	11,642	3,745
Receipts in advance	4,795	3,576	4,795	3,556
Capital payables	2,317	177	107	177
Social Security costs payable	586	492	586	492
Other taxes payable	545	386	442	375
Accrued interest on DHSC loans	6	6	6	6
Accrued interest on other loans	0	0	270	0
Other payables	2,928	2,557	2,881	1,946
Accruals	5,378	2,723	5,726	4,216
NHS Charitable funds: Trade and other payables	6	15	0	0
Total current trade and other payables	30,149	14,195	26,455	14,513
Capital payables	301	0	0	0
Total non-current trade and other payables	301	0	0	0

13. Other liabilities (and other financial assets)

	Group		FT	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
Deferred income	2,307	3,132	2,307	3,132
Total current other liabilities	2,307	3,132	2,307	3,132
Deferred income	0	0	1,156	0
PropCare liability	0	0	18,996	0
Total non-current other liabilities	0	0	20,152	0

Included within deferred income are specific allocations relating to hosted services, research and development and post graduate medical education. Funding is received annually for these services. Deferred income brought forward from the previous year is utilised in year and the annual incomes received for the services are deferred if not required during the current year. The majority of the remaining balance at 31st March 2018 relates to earmarked funding to contribute to the "Building for the Future" project. The majority of this income was released in 2015-16.

The PropCare liability is offset by the loan receivable within Other Financial Assets of £18,715k. The non-current deferred income of £1,156k relates to an arrangement fee with PropCare. Both entries are eliminated on consolidation.

14. Borrowings

	CURRENT		NON-CURRENT	
	Group / FT		Group / FT	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
Loans from Foundation Trust Financing Facility	250	250	2,750	3,000
Obligations under finance leases	51	49	109	160
	301	299	2,859	3,160

On 1st March 2010, the FT took out a loan in the sum of £5 million from the Department of Health Foundation Trust Financing Facility for the specific purpose of funding expenditure on the new radiotherapy treatment centre at Aintree which became operational in February 2011.



15. Finance lease obligations

	Group / FT	
	31 March 2018 £000	31 March 2017 £000
Gross lease obligations		
- Not later than one year	51	49
- later than one year and not later than 5 years	109	160
- later than 5 years	0	0
	160	208
Net lease liabilities		
- Not later than one year	51	49
- later than one year and not later than 5 years	109	160
- later than 5 years	0	0
	160	208

These finance leases relate to IM&T equipment purchased in 2015-16 for the EPR

16. Provisions for liabilities and charges

	Group		FT	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Legal claims	458	28	458	28
Redundancy	0	0	0	0
Other	31	32	3	32
Total current provisions	489	60	461	60

	Group 2017/18			FT 2017/18		
	Legal claims £000	Other £000	Total £000	Legal claims £000	Other £000	Total £000
At start of period	28	32	60	28	32	60
Arising during the year	458	28	486	458	0	458
Utilised during the year	0	(2)	(2)	0	(2)	(2)
Reversed unused	(28)	(27)	(55)	(28)	(27)	(55)
At end of period	458	31	489	458	3	461

Expected timing of cashflows:

Within 1 year	458	31	489	458	3	461
---------------	-----	----	-----	-----	---	-----

Legal claims consist of amounts due as a result of third party and employee liability claims. The values are based on information provided by NHS Resolution and estimates made by the FT. The FT is a member of the NHS Resolution clinical negligence scheme. All clinical negligence claims are therefore recognised in the accounts of NHS Resolution, consequently the FT will have no provision for such claims. NHS Resolution is carrying provisions as at 31st March 2018 in relation to ELS of £nil (2016-17 £nil) and in relation to CNST of £523k (2016-17 £60k) making a total of £523k (2016-17 £60k).



17.1 Revaluation Reserve

	Group / FT	
	2017/18	2016/17
	Property, Plant & Equipment	Property, Plant & Equipment
	£000	£000
Revaluation reserve at 1 April	3,584	3,740
Prior period adjustment	3,416	0
Revaluation reserve at 1 April (restated)	7,000	3,740
Revaluations	1,079	0
Transfers to other reserves	(240)	(156)
Revaluation reserve at 31 March	7,839	3,584

17.2 Charitable Funds Reserve

	Group	
	31 March	31 March
	2018	2017
	£000	£000
Restricted Funds	518	306
Unrestricted Funds	6,268	5,146
	6,786	5,452

The restricted funds have arisen as they are donations which the donor has specified the income to be used for a particular purpose.

18. Cash and cash equivalents

	Group	FT
	2017/18	
	£000	£000
Balance at 1 April	69,183	62,830
Net change in year	(4,008)	(7,463)
Balance at 31 March	65,175	55,368
Broken down into:		
Commercial banks and cash in hand	6,993	3
Cash with Government Banking Service	18,181	15,365
Deposits with the National Loan Fund	40,000	40,000
	65,175	55,368



19. Related Party Transactions

The Clatterbridge Cancer Centre NHS Foundation Trust is a public interest body authorised by NHS Improvement, the independent regulator for NHS Foundation Trusts. It is part of a Group along with the Clatterbridge Cancer Charity, the Clatterbridge Pharmacy Limited, and Clatterbridge PropCare Services Limited. The FT has transactions with each of its subsidiary companies.

During the year none of the Board Members or members of the key management staff, or parties related to them, have undertaken any material transactions with the Group.

The Register of Interests for the Board of Governors for 2017-18 has been compiled in accordance with the requirements of the Constitution of The Clatterbridge Cancer Centre NHS Foundation Trust.

In 2012-13, Liverpool Health Partners Ltd, a company limited by guarantee, was set up between the University of Liverpool, Aintree University Hospital NHS FT, Alder Hey Children's NHS FT, The Clatterbridge Cancer Centre NHS FT, Royal Liverpool and Broadgreen University Hospitals NHS Trust, Liverpool Women's NHS FT, The Walton Centre NHS FT, Liverpool Heart and Chest NHS FT and Liverpool School of Tropical Medicine. The objects of the company are to advance education, health, learning and research by facilitating world class research among the partners. Each organisation has a single share in the company and the Chief Executives are ex-officio directors of the company.

The Department of Health is the parent department of the Clatterbridge Cancer Centre NHS Foundation Trust. The main entities within the public sector with which the body has had dealings are NHS England, Royal Liverpool and Broadgreen University Hospitals NHS Trust, Liverpool CCG, Wirral CCG, HMRC, NHS Pensions Scheme and National Loans Fund.

Related party transactions:

	Group / FT			
	2017/18		2016/17	
	Revenue £000	Expenditure £000	Revenue £000	Expenditure £000
Non-consolidated associates	1,770	76	2,778	24,352
Total transactions with related parties	1,770	76	2,778	24,352

	Group / FT			
	31 March 2018		31 March 2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Non-consolidated associates	556	76	1,301	1,345
Total balances with related parties	556	76	1,301	1,345



20.1 Financial assets by category

	Group FT Loans and Receivables		Group FT Available for Sale		Group FT Total	
	£000	£000	£000	£000	£000	£000
Trade and other receivables - with NHS and DH bodies	17,479	17,479	0	0	17,479	17,479
Trade and other receivables - with other bodies	2,326	4,339	0	0	2,326	4,339
Other investments / financial assets	672	672	0	0	672	672
Cash and cash equivalents	59,244	55,368	0	0	59,244	55,368
NHS Charitable funds: financial assets	5,946	0	1,191	0	7,136	0
Total at 31 March 2018	85,667	77,858	1,191	0	86,857	77,858
Trade and other receivables - with NHS and DH bodies	8,890	8,890	0	0	8,890	8,890
Trade and other receivables - with other bodies	4,494	4,491	0	0	4,494	4,491
Other investments / financial assets	895	895	0	0	895	895
Cash and cash equivalents	64,478	62,830	0	0	64,478	62,830
NHS Charitable funds: financial assets	4,729	0	1,192	0	5,921	0
Total at 31 March 2017	83,486	77,106	1,192	0	84,678	77,106

20.2 Financial liabilities by category

	Group FT Other Financial Liabilities	
	£000	£000
Borrowings excluding finance leases	3,000	3,000
Obligations under finance leases	160	160
Trade and other payables - with NHS and DH bodies	13,927	13,927
Trade and other payables - with other bodies	10,759	6,358
NHS Charitable funds: financial liabilities	6	0
Total at 31 March 2018	27,852	23,445
Borrowings excluding finance leases	3,250	3,250
Obligations under finance leases	208	208
Trade and other payables - with NHS and DH bodies	1,684	1,684
Trade and other payables - with other bodies	9,328	8,407
NHS Charitable funds: financial liabilities	6	0
Total at 31 March 2017	14,476	13,549



20.3 Fair Values

Set out below is a comparison, by category, of book values and fair values of the Group's non-current financial assets and liabilities. Fair values have been calculated using the Treasury discount rate of 3.7% over the repayment period of the loan.

There has been no impairment of financial assets, other than bad debt expense shown in note 11.2.

Other investments all relate to the Charity.

	Group				FT			
	31 March 2018		31 March 2017		31 March 2018		31 March 2017	
	Book value £000	Fair value £000	Book value £000	Fair value £000	Book value £000	Fair value £000	Book value £000	Fair value £000
Financial assets								
Other investments	1,191	1,191	1,192	1,192	0	0	0	0
Other financial assets	0	0	0	0	#REF!	15,636	0	0
	1,191	1,191	1,192	1,192	#REF!	15,636	0	0

	Group				FT			
	31 March 2018		31 March 2017		31 March 2018		31 March 2017	
	Book value £000	Fair value £000	Book value £000	Fair value £000	Book value £000	Fair value £000	Book value £000	Fair value £000
Financial liabilities								
Loans	2,750	2,750	3,000	3,000	2,750	2,750	3,000	3,000
Other liabilities	0	0	0	0	20,152	16,728	0	0
	2,750	2,750	3,000	3,000	22,902	19,478	3,000	3,000

21. Losses and Special Payments

	Group / FT			
	2017/18		2016/17	
	Number	£000	Number	£000
Losses of cash	1	0	0	0
Fruitless payments and constructive losses	0	0	3	10
Bad debts and claims abandoned in relation to:				
other	0	0	10	1
Damage to buildings, property etc. due to:				
theft, fraud etc	2	1	0	0
stores losses	1	0	0	0
other	1	2	1	8
Ex gratia payments in respect of:				
personal injury with advice	1	3	1	3
	6	5	15	21

The FT's losses and special payments are on an accruals basis and do not include any provisions for future losses.



22. Financial Instruments

IFRS 7, IAS 32 and 39, Accounting for Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The Clatterbridge Cancer Centre NHS Foundation Trust actively seeks to minimise its financial risks. In line with this policy, the FT neither buys nor sells financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the FT in undertaking its activities.

As allowed by IFRS 7, IAS 32 and 39 debtors and creditors that are due to mature or become payable within 12 months from the balance sheet date have been omitted from all disclosures other than the currency profile.

Liquidity risk

The FT's income is negotiated under agency purchase contracts with NHS England, which are financed from resources voted annually by Parliament. The FT receives such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to a National / Local Tariff unit cost.

For 2017-18, the FT has negotiated a three year block contract with its main commissioner for activity delivered. The FT receives cash each month on the agreed level of the contract value. This has allowed the FT to minimise the risk to its main source of income.

The FT presently finances most of its capital expenditure from internally generated funds. In 2009/10 the FT borrowed £5 million from the Department of Health Financing Facility specifically to finance part of the construction of the new Radiotherapy Centre at Aintree.

There has not been any material changes to the FT or Group risk on the previous year.

Market risk

This is not applicable to the FT or Group.

Interest rate risk

The only asset or liability subject to fluctuation of interest rates are cash holdings at the Government banking service and at a UK High street bank. The £5 million loan from the Department of Health Financing Facility has been taken on a fixed rate basis to avoid any risk from interest rate fluctuations. The FT is not, therefore, exposed to significant interest rate risk.

Foreign currency risk

The FT has negligible foreign currency income, expenditure, assets or liabilities.

Credit Risk

The FT has considered credit risk under IFRS 7, and concluded that there is a small amount of risk from non-payment of the loan to PropCare.



23. Auditors Liability

The auditors liability for losses in connection with the external audit is limited to £2,000,000.

24. Third Party Assets

The FT did not hold any money on behalf of patients in either 2017-18 or 2016-17.

Cash and cash equivalents in the group are available for use with the exception of any cash and cash equivalents ringfenced in the charity accounts as restricted funds.

25. Retirement benefits

The FT is a member of a defined benefit scheme.

26. Events after reporting period.

There are no post balance sheet events.

27. Contingent Assets and Liabilities

There are seven contingent liabilities with a total value of £347k (2016-17 six contingent liabilities with a total value of £25k).

