

**Homerton University Hospital NHS Foundation Trust
Charitable Fund**

Annual Report 2017/18

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Reference and Administrative Details

Main Charity

Registered Name: Homerton University Hospital NHS Foundation Trust Charitable Fund
Registered Number: 1061659
Registration Date: 3rd April 1997

Subsidiary Funds

Registered Name: Homerton University Hospital NHS Foundation Trust General Fund (Subsidiary Fund 1)
Registered Number: 1061659-1
Registration Date: 29th November 2002
Registered Name: Homerton University Hospital NHS Foundation Trust Childrens' Services Charity
(Subsidiary Fund 2)
Registered Number: 1061659-2
Registration Date: 29th November 2002

Charity Address

Trust Offices
Homerton University Hospital NHS Foundation Trust
Homerton Row
London E9 6SR
Tel: 020-8510-5154
Fax: 020-8510-7277

Trustee Arrangements

The Homerton University Hospital NHS Foundation Trust is the Corporate Trustee of the Charity.
The Directors who served the Trust during the year end 2016/17 and to date of the report, unless otherwise stated, that were members of the Charitable Fund Committee were:-

Ms Tracey Fletcher
Mr Tim Melville-Ross
Jonathan Wilson
Mr Martin Kuper – left trust on 31st March 2018
Michael Gill – Interim Medical Director from April to current

Governing Document

Main Charity - Declaration of Trust dated 19th March 1997
Subsidiary Funds 1 and 2 – Declaration of Trust dated 10th September 2002

Objectives

For any charitable purpose or purposes relating to the National Health Service provided by Homerton University Hospital NHS Foundation Trust

Bankers

National Westminster Bank Plc,
20, Amhurst Road,
Hackney,
London, E8 1QZ.

Investment Managers

BlackRock Investment Management (UK) Limited
33, King William Street,
London, EC4R 9AS.

External Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Structure, Governance and Management

The main Charity is an NHS Charity as defined within the NHS Charities guidance (1 February 2012) and was created by the Declaration of Trust made on 19th March 1997. The Corporate Trustee is the Homerton University Hospital NHS Foundation Trust (the Trust). The Executive Directors and the Non-Executive Directors of the Trust share the responsibility for ensuring that the NHS body fulfils its duties as Corporate Trustee in managing the charitable fund.

The Board of the Trust has delegated the responsibility of managing the charitable fund to the Charitable Funds Committee. The Director of Finance is responsible for the day-to-day management and control of the administration of the charitable fund and chairs the Charitable Funds Committee. The Director of Finance has particular responsibility to ensure that spending is in accordance with the objectives and priorities agreed by the Charitable Funds Committee and the Board; the criteria for spending the charitable funds are fully met; full accounting records are maintained; and that devolved decision-making or delegated arrangements are in accordance with the policies and procedures set out by the Board on behalf of the Corporate Trustee.

The Charitable Funds Committee reviews the performance of the external investment manager and ensures that the investment of funds is in accordance with the Charity's policy on ethical investment. The Committee approves the appointment and the terms of business of the investment manager and approves items of expenditure above the delegated limits of the fund holders.

Regular reports are produced on financial activity and fundraising programmes and are presented to the Charitable Funds Committee.

A number of funds are earmarked for certain wards and departments. These are managed on a day-to-day basis by fund holders within the directorate they relate to. The fund holders are required to adhere to the Standing Financial Instructions, Standing Orders and Delegated Limits set by the Corporate Trustee. The Charitable Funds Committee Members oversee the work of these fund holders and have the power to withdraw a fund holder's delegated authority and to direct the use to which funds are put (subject to any specific donor restrictions).

The Trust recognises that a well governed Charitable Funds Committee is essential if the Charity is to be effective in achieving its objectives. The Committee must seek to be representative of the people with whom the Charity works and must have available to it all of the knowledge and skills required to run the Charity.

Individual Committee Members must have sufficient knowledge, both of trusteeship in general and of the Charity's activities, to enable them to carry out their role and to represent the Charity at meetings and other events. Any new appointee is required to have these skills.

The Trust seeks to have at least four Members on its Charitable Funds Committee.

Where a vacancy exists or a Committee Member departs, the new person will be given a copy of the Trust's Committee Member Induction Pack on appointment which includes the Charitable Fund Committee Terms of Reference, the previous year's Annual Accounts and Annual Report, the Charity Commission's publication, 'Guidance on the role of a Corporate Trustee', and a list of funds, fund holders and balances held.

Grant making policy:

In order for the Charitable Funds Committee Members to retain overall management control of the funds, they have established a financial scheme of delegation which sets expenditure authorisation limits as follows: -

For all expenditure the following rules apply:

- Purchases up to £1,999
 - Individual fundholder can authorise
- Purchases between £2,000 and £9,999
 - Two Committee Members to authorise
- Purchases of £10,000 and over
 - To be authorised at a Charitable Funds Committee meeting

Designated funds policy:

Designated funds are set up at the charitable trustees' discretion when a request has been made to the trustees. The trustees will ensure the continuity of the income/ expenditure streams and the charitable benefits to the hospital before deciding on setting up new designated funds.

Public benefit statement

The Trustees confirm that they have complied with public benefit guidance published by the Charity Commission.

Our Charity's objective is to provide support for any charitable purpose or purposes relating to the National Health Services provided by Homerton University Hospital NHS Foundation Trust including services provided to the community. The Trustees ensure that this purpose is carried out for the public benefit by working to the strategic objectives.

Our charitable organisation is set up to benefit patients and their families and the staff of Homerton Hospital. Our grants are structured to ensure that the money raised is used to best effect to support the hospital's work and is in line with donor's wishes and the charity's mission and objectives.

The Charity does not provide facilities directly to the public but provides them to the hospital, in so doing, for the patients of the hospital.

Grants made to the hospital do not focus on the income of patients, but provide a benefit to any patient requiring the services of the hospital, which are available to all entitled to NHS treatment based on need.

Strategic Objectives and Activities

The main objective of the charitable fund is to ensure that the funds are used: "For any charitable purpose or purposes relating to the National Health Services provided by Homerton University Hospital NHS Foundation Trust".

The Charity is funded by donations and legacies received from patients, their relatives, and the general public and other organisations. In order to meet our overall objective we ensure all spend pertains to one of the following three areas:

Patient Expenditure – Purchase of items of equipment, provision of services, and the provision of facilities not normally provided by, or in addition to, the normal NHS provision;

Staff Expenditure – Purchase of educational material and conference/course fees in addition to those provided from the Trust's training and development budgets. Enhanced staff facilities and services that improve staff wellbeing; and

Capital Equipment - Purchase of equipment in addition to that provided by NHS funds through the Trust's Capital Programme.

The activities carried out during 2017/18 to meet the strategic objectives are summarised on pages 7 to 9 of this report.

Related Parties

Homerton University Hospital NHS Foundation Trust is the Charity's only related party. The Charity works closely with Homerton University Hospital NHS Foundation Trust and individuals within the Trust.

Staff within the Trust identify and advise the Charitable Funds Committee on local priorities and assist the Committee Members in monitoring the use of charitable funds.

The corporate trustee is a member of the Healthcare Financial Management Association and receives updates and bulletins on matters affecting NHS charitable funds from the HFMA Charitable Funds Special Interest Group.

Reserves Policy, Investment Policy and Risk Management

Reserves Policy

The Reserves Policy was reviewed by the Charitable Funds Committee during 2016/17. The review was based on best practice guidance from the Charities Commission on reserves as well as reviewing other reserves policies from similar NHS organisations. The Reserves Policy is set out below:

The minimum reserves level that the Charity should hold is £129k. This is the anticipated expenditure for the following six months arrived using prior year total expenditure.

During the 2017/18 financial year the Charity has adhered to the Reserves Policy as set out above.

Investment Policy

The Charitable Funds Committee reviewed the Investment Policy for Trust Funds during the year 2016/17. The aim of the policy is to optimise the investment income received whilst maintaining the capital value of the funds and ensure:

- There is a balanced portfolio;
- The investment style is conservative;
- We refrain from direct investment in tobacco related companies;
- There is no direct investment exposure through overseas shares; and
- A sufficient cash balance will be held to meet the fund's ongoing working capital requirements.

To ensure that appropriate advice and guidance is received:

- The Charitable Funds Committee has the delegated authority to appoint fund managers; and
- Fund managers are required to submit performance reports and attend meetings where appropriate, to advice on investment performance, trends, opportunities, and highlight areas of concern.

The funds have been managed in accordance with the Investment Policy during 2017/18.

As a part of its regular review of the Charitable Fund's Investment Strategy, the Committee reviews the Fund's investments to ensure they remain focused primarily on cash/short term investments. As at 31st March 2018 approximately £682k of funds were held in the BlackRock Charinco Common Investment Fund and the Charishare Restricted Common Investment Fund.

Risk Management

The Charitable Funds Committee reviews its risk register on an ongoing basis. When risks are identified, systems and procedures are put in place to manage those risks.

The following risks were identified as possible risks faced by Homerton charity:

- Poor investment performance – financial loss due to poor market conditions on investments.
- Cash flow difficulties as a result of lack of fundraising activities.
- Security of Art Assets – Theft or damage of various items of art around the hospital.

Action taken to mitigate above risks are:

- Regular investment performance reviews by both finance department and Committee.
- Trustees to review fundraising activities of the charity.
- Regular inspection of paintings and artwork on site by Art Curator.

Review of achievements and performance

During 2017/18, the Charity continued to support a wide range of charitable and health related activities, benefiting patients and staff. The areas of benefits are varied, but generally relate to the provision of specialist staff, goods and services which would not have been possible using NHS funding. Some of the activities continued over the past year are explained below.

HIV Support Services Co-ordinator

As a result of the successful Positive Lives fundraising campaign we have been able to appoint a HIV Support Services Co-ordinator. The post holder has been in post for number of years and facilitates the provision of comprehensive health and social care for people living with HIV attending our unit by liaising with antenatal, acute medical and voluntary sector organizations. The introduction of the Social Care Co-ordinator post has had a positive impact on patients and professionals alike.

Peer Navigators project

With the help of a donation from the MAC Aids Fund we have been able to run a Peer Navigator program. This project helps patients build confidence to seek employment; navigate the complex and ever-changing social care system, and also provide support in living well with HIV.

Art programme

The therapeutic value of art in health and in speeding recovery is well documented. Homerton hospital has always displayed art in its wards, corridors and courtyards. Based in the heart of Hackney, the hospital provides an excellent blank canvas for artists to display their work to patients, staff and visitors. This year, we have continued with the art therapy sessions in the Elderly Care Unit, Graham Stroke Unit as well as in RNRU wards.

Charity held an art auction in November 2017 with the help of Christies art auctioneers which raised £2,200 for our charity.

Computer for Liver Services

With the help of a grant from Abbvie, we have been able to purchase specialist computer equipment. This contributed to improving the quality of patient care within the liver services and treating patients with Hepatitis C.

Accuvein machine and stand

As a result of fundraising from Justgiving campaign we have been able to purchase an accuvein machine and a stand. This enables the health care professionals to accurately administer medicine to children.

Christmas presents for inpatients

The Charity was able to provide small gifts to patients who were staying in hospital during Christmas 2017.

Staff welfare

Staff welfare included funding a number of courses and conferences for staff to attend, together with food and entertainment for the summer staff BBQ. Contributions were also made towards the Healthy Homerton project including providing quarterly life check machine and cost of Christmas entertainment.

Equipment purchased for patient welfare

- Welcome packs providing information for patients
- Christmas decorations for wards
- Sofas for ITU and Starlight
- Large toys for CEA and Starlight
- Plants and whiteboards for ITU
- Bereavement bags

Other fundraising activities

During the year a number of fundraising activities took place, as outlined below:

Book, Make Up, Jewellery and accessories stands

The Charity has continued to receive contributions from these stalls amounting to over £4,000 during the year.

Collection boxes and money spinner

The Charity has continued to receive income via a range of other initiatives including collection boxes and money spinners located around the hospital. Total funds received in the year were in excess of £1,500.

Donations to charity received

The Charity received a number of donations from various donors as well as through the JustGiving and Virgingiving websites. Total funds received from JustGiving and Virgingiving were in excess of £23,000 (excl. fees). The Charity also received £55,000 from the Monument Trust as funding for social care post and £39,500 from MAC Aids fund for Peer Navigator project.

Charity also received £3,000 from Tesco Groundworks which would be spent towards the Mary Seacole Nursing Home garden redevelopment project. Funds received via Justgiving page "Wheelchair walk" would also be spend on same project. Among other donations include £950 from John Lewis Stratford community matters and £500 from ASDA Leyton Mills community matters.

The Trust did not receive any political donations during the year.

Financial Review

Income

During the year ended 31st March 2018 the Charity received donations of approximately £148k (2016/17 £155k) including £95k designated to the Positive Lives Service and £23,000 via Just Giving and Virgin Giving. The Charity also received £11k from courses and general donations.

The Charity also generated £21k (2016/17 £19k) from investments.

Expenditure

During the year ended 31st March 2018 the Fund's expenditure totalled £227k (2016/17 £239k). The breakdown of expenditure was as follows: charitable activities £225k (2016/17 £238k) and fund raising costs £2k (2016/17 £1k).

Charitable activities included patient welfare expenditure of £138k (2016/17 £139k); staff welfare and training costs of £36k (2016/17 £48k); salaries expenditure of £41k (2016/17 £39k); course expenditure of £4k (2016/17 £8k) and statutory audit fees of £5k (2016/17 £5k).

Expenditure on patient welfare included the provision of an HIV support worker, a Peer Navigator programme for patients with HIV, expenditure on reading services for RNRU patients, art therapy courses for elderly patients and expenditure on equipment and refurbishment. Staff training expenditure included expenditure on running internal courses and induction programmes and attracting professional speakers to deliver training at the hospital, together with the cost of funding external training courses. Expenditure on

staff welfare included the provision of additional furniture and equipment for staff use within the hospital as well as contributions towards staff Christmas meals.

Other Recognised Gains and Losses

Investments managed by BlackRock Investment Managers were valued at a market value of £682k at the balance sheet date. The artwork investments were valued at £262k (2016/17 £259k) as at 31 March 2017. The artwork was last formally valued in March 2013.


Reserves

The charity as a whole made a deficit of £47k during the year. However, the charitable Fund's fixed asset investments have seen a net increase in their market value during the year of £8k. This is as a result of an increase in the value of funds invested with BlackRock Investment Managers over the year and the additional value of new additions to the art portfolio. This has resulted in the total fund balance decreasing from £2,056k to £2,017k.

Future Plans

We will continue to raise funds to further the Charity's objectives and to ensure that they are invested to the benefit of patients and our staff.

We would like to take this opportunity to thank everyone who has supported Homerton Hope during 2017/18.



Jonathan Wilson
Finance Director
Homerton University Hospital NHS Foundation Trust and Charitable Fund Committee Member

Date: 25.10.18

Homerton University Hospital NHS Foundation Trust
Charitable Fund

Annual Accounts for the Year Ending 31 March 2018

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Trustee *S. Veeva* Date 25th Oct 2018

Trustee *Amelia Rogers* Date 25th Oct 2018

Independent auditor's report to the Trustees of Homerton University Hospital NHS Trust Charitable Fund

Opinion

We have audited the financial statements of Homerton University Hospital NHS Trust Charitable Fund ("the Charity") for the year ended 31 March 2018 which comprise the statement of financial activities, balance sheet and statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity'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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 149 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the Charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 12, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

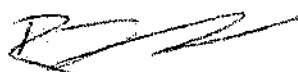
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 149 the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Hewes
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

30 October 2018

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

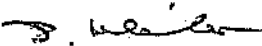
Homerton University Hospital NHS Foundation Trust Charitable Fund Annual Accounts 2017/18

Balance Sheet as at 31 March 2018

	Notes	Restricted Funds £000	Unrestricted Funds £000	Endowment Funds £000	Total at 31 March 2018 £000	Total at 31 March 2017 £000
Fixed Assets						
Investments	8	-	944	-	944	936
		-	944	-	944	936
Current Assets						
Debtors: amounts falling due within one year	9.1	-	1	31	32	31
Debtors: amounts falling due over one year	9.2	-	-	559	559	590
Cash at bank and in hand		87	95	342	524	513
Total Current Assets		87	96	932	1,115	1,134
Creditors: amounts falling due within one year	10		(42)	-	(42)	(14)
Net Current Assets		87	54	932	1,073	1,120
Net Assets		87	998	932	2,017	2,056
Funds of the Charity						
Funds revenue / capital	11	87	998	932	2,017	2,056
Total Funds		87	998	932	2,017	2,056

The notes at pages 17 to 24 form part of these Accounts.

These financial statements of the Homerton NHS FT Charitable Fund registered number 1061659 were approved by the Board of Trustees and authorised for issue on 12th October 2018. These were signed on its behalf by:

Signed: 

Date: 25.10.18

Homerton University Hospital NHS Foundation Trust Charitable Fund Annual Accounts 2017/18

Statement of Financial Activities for the period ended 31 March 2018

	Notes	Restricted Funds	Unrestricted Funds	Endowment Funds	2017/18 Total Funds	2016/17 Total Funds
		£000	£000	£000	£000	£000
INCOME FROM:						
Donations and legacies	3.0	95	53	-	148	155
Other trading activities	3.1	-	11	-	11	5
Investments	3.2	-	21	-	21	19
TOTAL INCOME		95	85	-	180	179
EXPENDITURE ON:						
Raising funds	4.0	-	(2)	-	(2)	(1)
Charitable activities	4.1	(93)	(132)	-	(225)	(238)
TOTAL EXPENDITURE		(93)	(134)	-	(227)	(239)
Net income/(expenditure) before investment gains/(losses)		2	(49)	-	(47)	(60)
Net gains/(losses) on investments		-	8	-	8	99
Net income/(expenditure) before tax		2	(41)	-	(39)	39
Taxation		-	-	-	-	-
Net income/ (expenditure) for the year		2	(41)	-	(39)	39
NET MOVEMENT IN FUNDS		2	(41)	-	(39)	39
Reconciliation of Funds						
Total funds brought forward as previously reported		85	1,039	932	2,056	2,017
Prior year adjustment		-	-	-	-	-
Total funds brought forward as restated		-	-	-	-	-
Net movement in funds for the year		2	(41)	-	(39)	39
Total funds carried forward	11	87	998	932	2,017	2,056

The notes at pages 17 to 24 form part of these Accounts.

Homerton University Hospital NHS Foundation Trust Charitable Fund Annual Accounts 2017/18

Statement of cash flows

	Notes	Total funds £000 Mar-18	Total funds £000 Mar-17
Cash flows from operating activities:			
Cash generated by operating activities	18	(10)	(75)
Cash flows from investing activities:			
Dividends, interest and rents from investments		21	20
Net cash provided by (used in) investing activities		21	20
Cash flows from financing activities:			
Change in cash and cash equivalents in the reporting period		11	(55)
Cash and cash equivalents at the beginning of the reporting period		513	568
Cash and cash equivalents at the end of the reporting period		524	513

Analysis of Cash and Cash Equivalents

	£000 Mar-18	£000 Mar-17
Cash in hand	1	1
Notice Deposits (less than 3 months)	523	512
Total Cash and Cash Equivalents	524	513

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

1.2 Income

- a) All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:
- i) entitlement - arises when there is control over the rights or other access to the resource, enabling the charity to determine its future application;
 - ii) certainty - when there is reasonable certainty that the incoming resource will be received; and
 - iii) measurement - when the monetary value of the incoming resources can be measured with sufficient reliability.
- b) Gifts in kind include the following:
- ii) assets given for use by the funds e.g. property for its own occupation are included in the Statement of Financial Activities as incoming resources when receivable; and
 - iii) gifts made in kind but on trust for conversion into cash and subsequent application of the funds are included in the accounting period in which the gift is sold.

In all cases the amount at which gifts in kind are recognised in these accounts is at the fair value of those gifts at the time of their receipt to the Charitable Fund or the amount actually realised on disposal of the gift. Where gifts in kind are included in the Statement of Financial Activities at fair value, the value is based on the estimated price the charitable fund would have to pay to acquire the asset in the open market. The basis of the valuation is disclosed in the annual report.

c) Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes probable. This will be once confirmation has been received from the representatives of the estates that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Raising funds:

Expenditure on raising funds includes the costs incurred in generating fundraising income.

Charitable activities:

Expenditure on charitable activities include: patient welfare and amenities, staff welfare and amenities, charity support costs.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

Support costs include back office costs, finance, personal, payroll and governance costs which support the charity. These are analysed within note 4.1 under analysis of expenditure.

1.4 Structure of funds

Where there is a legal restriction on the purpose to which a funds may be put, the fund is classified in the accounts as restricted. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the Trustees have chosen to earmark for set purposes are treated as classified funds. An explanation of restricted, unrestricted and endowment have been listed in note 12.

1.5 Fixed Assets Investments

Investments are stated at market value as at the date of the Balance Sheet. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the balance sheet at the mid-market price, excluding dividend.

Art assets are stated at their estimated market value at the balance sheet date. These have been internally valued in the year by the Art Curator. A formal valuation of the entire art portfolio was undertaken by Townley Valuations Limited at the end of March 2013.

Additions to the art portfolio during 2017/18 are shown at the purchase price paid by Charitable Fund.

1.6 Investment gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and carrying value. Unrealised gains and losses are calculated as the difference between market value at the year end and carrying value. Investment gains and losses, whether realised or unrealised are combined and shown in heading 'Gains/ (Losses) on investments in SoFA.

1.7 Pensions Contributions

The costs of two staff members working for the charity are recharged by Homerton University Hospital NHS Foundation Trust. Associated Pension contributions to the NHS Superannuation and other schemes are disclosed within the Trust's financial statements. However, the recharged costs are included within the Charitable Fund Accounts under the heading "Charitable activities".

1.8 Pooling Scheme

No official pooling scheme has been adopted for investments relating to any funds.

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1.9 Transfer between funds

Charitable funds policy is not to transfer funds between restricted, unrestricted and endowment funds.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts.

1.12 Financial Instrument Disclosure

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Charity holds investments with BlackRock Investment Managers and receives dividend income quarterly. These investments are classed as Financial Instruments. The carrying amount of financial assets measured at fair value through income and expenditure is £682,129.13.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charity's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

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3.0 INCOME

Analysis of income from donations, legacies and grants

2017/18 £000	2016/17 £000
148	155
-	-
-	-
<u>148</u>	<u>155</u>

Donations
Legacies
General grants

3.1 Analysis of income from other trading activities

2017/18 £000	2016/17 £000
11	5
-	-
<u>11</u>	<u>5</u>

Fundraising activities
Bank interest

3.2 Analysis of income from investments

2017/18 £000	2016/17 £000
21	19

Dividend received from BlackRock investment

4 EXPENDITURE

Analysis of expenditure on raising funds

2017/18 £000	2016/17 £000
(2)	(1)

Operating fundraising events

4.1 Analysis of expenditure on charitable activities

2017/18 £000	2016/17 £000
(138)	(139)
(36)	(48)
(41)	(39)
(5)	(5)
(5)	(7)
<u>(225)</u>	<u>(238)</u>

Patient welfare and amenities
Staff welfare and amenities
Salaries
Statutory Audit
Other costs

The charity does not directly employ any staff. The costs of Trust staff who engage in the charity's activities are recharged to the charity.

Statutory Audit fees £5k above includes VAT of £1k.

Other costs include expenses in running courses, staff training and Art insurance.

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5 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Restricted Funds	Unrestricted Funds	Endowment Funds	2016/17 Total Funds
	£000	£000	£000	£000
INCOME FROM:				
Donations and legacies	55	100	-	155
Other trading activities	-	5	-	5
Investments	-	19	-	19
TOTAL INCOME	55	124	-	179
EXPENDITURE ON:				
Raising funds	-	(1)	-	(1)
Charitable activities	(65)	(173)	-	(238)
TOTAL EXPENDITURE	(65)	(174)	-	(239)
Net income/(expenditure) before investment gains/(losses)	(10)	(50)	-	(60)
Net gains/(losses) on investment	-	99	-	99
Net income/(expenditure) before tax	(10)	49	-	39
Taxation	-	-	-	-
Net income/ (expenditure) for the year	(10)	49	-	39
Transfer between funds	-	-	-	-
Other recognised gains/ (losses):	-	-	-	-
Actuarial gains/(losses) on defined benefit schemes	-	-	-	-
NET MOVEMENT IN FUNDS	(10)	49	-	39
Reconciliation of Funds				
Total funds brought forward as previously reported	95	990	932	2,017
Prior year adjustment	-	-	-	-
Total funds brought forward as restated	-	-	-	-
Net movement in funds for the year	(10)	49	-	39
Total funds carried forward	85	1,039	932	2,056

6 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Restricted Funds	Unrestricted Funds	Endowment Funds	Total
	£000	£000	£000	£000
Tangible fixed assets	-	944	-	944
Current assets	87	96	932	1,115
Current liabilities	0	(42)	-	(42)
Creditors due after one year				
At 31 March 2018	87	998	932	2,017
At 31 March 2017	85	1,039	932	2,056

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7	NET MOVEMENT IN FUNDS		
		2017/18	2016/17
		£000	£000
	Net outgoing resources	(47)	(60)
	Net movement on investments	8	99
	Net movement in funds for the year	<u>(39)</u>	<u>39</u>

8	ANALYSIS OF FIXED ASSET INVESTMENTS		
		31 March 2018	31 March 2017
		£000	£000

8.1	Market Valuation		
	BlackRock Investments		
	Opening market value	677	579
	Net gain on revaluation	5	98
	Closing market value	<u>682</u>	<u>677</u>

Art Investments

	Opening market value	259	258
	Additions	3	1
	Disposals	-	-
	Closing market value	<u>262</u>	<u>259</u>

8.2	Type of Investments		
		31 March 2018	31 March 2017
		£000	£000
	Investments in Common Investment Fund	682	677
	Other investments	262	259
		<u>944</u>	<u>936</u>

Investments are the funds invested within BlackRock Investment Management. The market value as at 31 March 2018 was £682,129. Investment Management fees were £104 for the year 2017-2018.

Other investments are the Art Assets, valued at market value as at 31st March 2018 with additions during 2017/18 being valued at cost.

9	ANALYSIS OF DEBTORS		
		31 March 2018	31 March 2017
		£000	£000
9.1	Amounts falling due within one year:		
	Endowment funds	31	31
	Other Debtors	1	-
	Total debtors falling due within one year	<u>32</u>	<u>31</u>
9.2	Amounts falling due over one year:		
	Endowment funds	559	590
	Total debtors falling due after more than one year	<u>559</u>	<u>590</u>
	Total debtors	<u>591</u>	<u>621</u>

The Endowment funds debtor reflects the balance of an interest free loan originally in the amount of £932,000 from the Charity's permanent endowment fund for the purpose of providing a new lecture theatre at the Homerton University Hospital Foundation Trust. The original repayment term was 30 years from August 2006.

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10	ANALYSIS OF CREDITORS	31 March 2018 £000	31 March 2017 £000
	Amounts falling due within one year:		
	Accruals	<u>42</u>	<u>14</u>

11 STATEMENT OF MOVEMENTS ON RESERVES

	Restricted Funds £'000	Unrestricted Funds £000	Endowment Funds £000	Total £000
Fund balances brought forward at 1st April	85	1,039	932	2,056
Income	95	85	-	180
Expenditure	(93)	(134)	-	(227)
Gains/ (losses)	-	8	-	8
Fund balances carried forward at 31 March	<u>87</u>	<u>998</u>	<u>932</u>	<u>2,017</u>

12 ANALYSIS OF FUNDS

12.1 Restricted Funds

Restricted fund account had a balance of £85,000 as at end of March 2017. Charity received a grant of £55,000 from The Mounument trust for HIV co-ordinator post and £39,500 from MAC Aids Fund for Peer Navigator programme. During the year the charity spent £92,500 of restricted funds for the specific use of the HIV Co-ordinator post and the Peer Navigator programme. The balance of £87,000 is to be spend on patients who seek treatment in sexual health.

12.2 Unrestricted Funds

During the year the charity received unrestricted funds totalling £85,000.

Unrestricted funds are those funds that may be spent at the discretion of the trustees on the charity's objectives where no restrictions have been made in writing.

12.3 Endowment Funds (Children Services Fund)

This was set up to partially fund the build for the new lecture theatre. The value of the fund at 31 March 2018 was £932,000 and there has been no movement on this fund during the year.

13 FUNDS NOTE

The objectives of the unrestricted funds are 'for any charitable purpose or purposes relating to the National Health Service provided by Homerton Hospital NHS Foundation Trust'.

14 COMMITMENTS, LIABILITIES AND PROVISIONS

There were no commitments outstanding at year end other than those disclosed in the accounts. Liabilities are recognised in the accounts once they have incurred either a legal or constructive obligation to expend funds.

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15 RELATED PARTY TRANSACTIONS

Homerton University Hospital NHS Foundation Trust has a close relationship with the charity as the fund is set up to benefit the hospital's patients and staff. Related party transactions are explained below.

The balance of the interest free loan provided by the charity to the Trust as at 31st March 2018 is £590,285. During the year the Trust has paid £31,065 to the charity as a loan repayment. At the same time the charity has paid the Trust £40,987 in respect of salary recharges and £51,000 to fund the HIV Social Care co-ordinator post.

16 TRUSTEE REMUNERATION AND EXPENSES

The Trustees did not receive any remuneration, benefits or reimbursement of expenses during the year ended 31 March 2018.

17 POST BALANCE SHEET EVENTS

There are no post balance sheet events to report for the financial year ended 31 March 2018.

18 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Mar-18	Mar-17
	£	£
Net income for the year	(39)	39
Adjustment for:		
Dividends, interest and rents from investments	(21)	(20)
Operating cash flow before movement in working capital	(60)	19
Loss / (profit) on investment assets	(8)	(99)
(Increase) / decrease in debtors	30	31
Increase / (decrease) in creditors	28	(26)
Cash generated by operating activities	(10)	(75)