



moorfields
eye charity

**MOORFIELDS EYE CHARITY
ANNUAL REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2018**

Charity registration number: 1140679
Company number: 7543237

MOORFIELDS EYE CHARITY

ANNUAL REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2018

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MOORFIELDS EYE CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY YEAR ENDED 31 MARCH 2018

TRUSTEES	Mervyn Walker (elected), Chairman Andrew Ballheimer (elected) Sir Thomas Boyd-Carpenter KBE (appointed) (retired 20 July 2018) Tony Briam (elected) Noland Carter (elected) Dr Lee-Ann Coleman (elected) Declan Flanagan (appointed ex officio) Professor Ian Grierson (elected) Vicky Hastings (elected) John Hooper CBE (elected) (retired 19 March 2018) Michael Izza (elected 6 September 2017) Dr Robert Jones (appointed 7 June 2017) Colin Maclean OBE (elected) Johanna Moss (appointed ex officio 7 June 2017) David Probert (appointed ex officio) Dr Virginia Spence-Jones (appointed) Professor Sir Eric Thomas (elected 6 September 2017)
COMPANY REGISTERED NUMBER	7543237
CHARITY REGISTERED NUMBER	1140679
REGISTERED OFFICE	162 City Road, London, EC1V 2PD
PRINCIPAL OFFICE	Kemp House, 152-160 City Road, London, EC1V 2PD
MANAGEMENT GROUP	Robert Dufton <i>Chief Executive and Company Secretary</i> Rachel Jones <i>Director of Development</i> Dr Ailish Murray <i>Director of Research and Grants Management</i> Chris Welch <i>Interim Head of Finance and Resources - to 2 September 2017 (Consultant)</i> Gordon Burns <i>Director of Finance and Resources – from 3 September 2017</i>
AUDITORS	haysmacintyre, 10 Queen Street Place, London, EC4R 1AG
BANKERS	The Co-operative Bank, 2nd Floor, St Paul's House, 10 Warwick Lane, London, EC4M 7BP Coutts and Co, 440 Strand, London, WC2R 0QS Barclays Bank, 1 Churchill Place, Canary Wharf, London, E14 5HP
SOLICITORS	Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR
INVESTMENT ADVISERS	J P Morgan International Bank Ltd, 1 Knightsbridge, London, SW1X 7LX

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT YEAR ENDED 31 MARCH 2018

The Trustees (who are also Directors for the purposes of Company law) present their annual report together with the audited financial statements of Moorfields Eye Charity (the Charity) for the year ended 31 March 2018. This report incorporates the requirements of the Strategic Report as required by Company Law.

The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements; the requirements of the charitable company's governing document; and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015).

Constitution

The Charity is a company limited by guarantee (No. 7543237) and a charity registered with the Charity Commission (No. 1140679) and was formed on 3 March 2011.

Under a Charity Commission Scheme dated 31st December 2015, the assets of Special Trustees of Moorfields Eye Hospital (Regd. Charity No. 228064) ('Special Trustees') and its linked charities were transferred to the Charity. As at 31 December 2015 the Special Trustees ceased to exist and the newly merged charity also became independent of the Department of Health, it no longer being an NHS-linked charity.

Until 1 January 2016 the Charity had no staff of its own, and the Charity's work was carried out by staff provided by Moorfields Eye Hospital NHS Foundation Trust, under a service level agreement or by other suppliers under contracts for services with the Charity. From 1 January 2016 the Charity started a process of transition to having its work carried out by staff employed directly by the Charity. As the final step in that process, by mutual agreement, the fundraising Service Level Agreement with Moorfields was terminated on 31 March 2017 and the employment of the Moorfields fundraising staff was transferred to the Charity under the TUPE regulations (with effect from 1 April 2017).

Objectives and Activities

The Objects of the Charity as stated in its Articles of Association are as follows:

The relief of sickness or suffering, the advancement of health and the advancement of education and research in relation to health and health-related sciences by any charitable means for the public benefit in particular but without limitation by the support of charitable purposes relating to Moorfields Eye Hospital NHS Foundation Trust.

Our mission is to enable Moorfields Eye Hospital NHS Foundation Trust ('Moorfields') to continue to provide the best care for patients and their families and to help ensure it, in partnership with its research and education partner, University College of London's Institute of Ophthalmology ('the UCL Institute of Ophthalmology'), remains a world-class centre of excellence for ophthalmic research and education for the benefit of its current and future patients and people with eye-health conditions around the world. Charitable funds are typically used to support leading-edge research and education; purchase specialist equipment; develop better facilities for patients and the research infrastructure; fund specialist staff to care for patients, undertake research or carry out pioneering new roles; and fund the development and welfare of Moorfields staff.

Public Benefit Statement

The Trustees confirm they have paid due regard to the Charity Commission's general guidance on public benefit and have complied with their duty under section 17 of the Charities Act 2011.

Charitable activities undertaken by the Charity are the award of Grants, details of which are set out in this report on pages 7 and 14 below. The Trustees are satisfied that all such activities provide a public benefit, given the relationship the charitable expenditure has to the enhancement of current and future healthcare for patients with eye problems. Moorfields is the leading NHS eye hospital in the UK, seeing several hundred thousand patients a year and the contributions made by the Charity go to help these patients receive better treatment. The contributions made by the Charity to the research and education carried out by Moorfields and the UCL Institute of Ophthalmology also benefit these patients and the eye-health of people around the world.

MOORFIELDS EYE CHARITY
TRUSTEES' REPORT (Continued)
YEAR ENDED 31 MARCH 2018

About Moorfields Eye Hospital

Moorfields is the leading provider of eye health services in the UK and a world class centre of excellence for ophthalmic research and education. The trust's reputation for providing the highest quality of ophthalmic care has developed over 200 years.

Moorfields plays a leading role in the training and education of eye care professionals, integrating with strategic partners across its network to teach the eye specialists of the future. With their partners at the UCL Institute of Ophthalmology, they are a national and international centre for research into eye conditions and treatments, leading one of the strongest and most extensive ophthalmic research programmes in the world. Moorfields and the UCL Institute of Ophthalmology have one of the highest measures of scientific productivity and impact in the world for eye research activity. Moorfields launched their five-year strategy in July 2017 with a new purpose, 'working together to discover, develop and deliver the best eye care'. This document became the base for the Charity's own strategy described below.

2017/18 was another busy year for Moorfields with more than 315,000 patients visiting the 31 NHS sites. Most activity was in outpatients where almost 600,000 visits were received, and nearly 100,000 people attended Accident and Emergency for treatment. Over 85,000 patients responded to the national friends and family survey, an invaluable source of feedback, with extremely high numbers of positive responses.

Strategic Report

Strategy and Objectives

In November 2017 the Trustees set out our plans for the years 2018 to 2024 in our first published *Moorfields Eye Charity Strategy: People's Sight Matters*, inspired by Moorfields' strategy, Our Vision of Excellence, which we used as our starting point.

Our strategy presupposed the continued importance of philanthropic support to enable us to realise our ambitious plans for 2018-2024. Our vision is to provide a new world class facility in London's medical and scientific quarter by 2024, working in partnership with Moorfields and its academic partner, University College London's Institute of Ophthalmology. The facility will provide integrated clinical care, teaching and research in eye health to benefit millions of current and future patients in London, the UK and across the world.

We have set ourselves five main objectives, listed in order of priority, and two supporting objectives::

1. Work in partnership with Moorfields and UCL to create a new world class integrated clinical care, teaching and research facility;
2. Be the leading charity for research into eye health, supporting the pioneering work of Moorfields and UCL to make new discoveries and turn new knowledge into treatments to improve eye health and well being outcomes for patients of Moorfields and around the world;
3. Support Moorfields staff in the delivery of outstanding and safe patient care and patient experience;
4. Support Moorfields to share its knowledge and to inspire and develop tomorrow's experts;
5. Work with Moorfields to shape national policy to increase resources allocated to eye health;
6. Maximise sustainable and flexible support for Moorfields and UCL;
7. Attract, retain and develop talented and innovative people..

Moorfields has occupied its City Road building since its construction in 1899, and a combination of steadily increasing demand for its services and changes to the nature of ophthalmic treatments mean that the ageing building is no longer fit for purpose in terms of size, layout, supporting infrastructure or the quality of its fabric. The UCL Institute of Ophthalmology moved to an adjacent building in the 1980s.

If Moorfields is to continue to treat conditions that no other hospital in the country can tackle; if it is to continue to conduct outstanding and ground-breaking research into eye disease and therapeutic interventions with the UCL Institute of Ophthalmology ; if it is to develop its education and training; and if it is to meet the needs of a growing patient population while enhancing the efficiency and effectiveness of the care it provides, then Moorfields and UCL need to develop a new state-of-the-art hospital, education and research facility in London at the earliest possible opportunity.

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT (Continued) YEAR ENDED 31 MARCH 2018

Philanthropy will play a key role in the delivery of this new integrated research, education and clinical care centre in London that will be home to both Moorfields and the UCL Institute of Ophthalmology; the expansion and development of research activities across the site; and the support of training and education as Moorfields is a major force in teaching the eye specialists of the future.

Recognising the once in a lifetime opportunity a new facility offers Moorfields and UCL, the Charity will be playing a lead role in supporting the delivery of this new centre, including through a £100m fundraising campaign in partnership with UCL.

Business Model

The Charity supports research work at Moorfields and the UCL Institute of Ophthalmology which will lead to improved understanding of eye conditions and development of treatments. This work is funded through a grant application process.

The Charity continues to be an active fundraising charity, seeking funds from donors with an interest and engagement in the work of Moorfields. The Charity is also enabled under the Charity Commission Scheme to receive donations and legacies in the name of Moorfields.

To support these activities and to provide strong governance the Charity employs staff to carry out financial, information management and governance functions. These people support the wider staff groups, the Management Group and the Trustees in their roles.

Risks and Uncertainties

The Trustees consider the major strategic, business and operational risks that the Charity faces. During the year the Trustees have reviewed the Risk Policy and the methodology for recording and assessing risks faced by the Charity. Regular reports are produced so that all necessary steps can be taken promptly to manage any risks.

The most significant uncertainty for the Charity is around progress in securing the new site for Moorfields. This is having a significant impact on the Charity's ability to make progress on the joint fundraising campaign it intends to launch with UCL.

Our income is subject to volatility as we rely on the generosity and philanthropy of individuals and organisation for our fundraising; and our legacy income can never be predictable by its very nature. We work hard to engage with our supporters and explain our work to show how their generosity has a positive impact for people's eye health. In this way we aim to maintain and grow our levels of support. We are always grateful where people have told us they wish to remember us in their will and when the time comes we are careful to recognise as income only those amounts that we can be sure will be received.

Other than grant awards, the most significant expenditure incurred each year is in relation to staff costs. The Charity faces the risk of increasing costs through salary pressure and rises in the purchase price of other supplies. Salaries are set at the start of each year and where practical the price of other supplies is agreed in advance through the use of supplier quotations and tendering.

The major assets of the Charity are the fixed asset investments. Market conditions for our investment portfolio remain volatile and uncertain but the Investment Committee works with our Investment Advisors to ensure that we are able to react to significant unforeseen events.

The Charity is monitoring the new fundraising and data protection regulatory environment. New and revised policies and procedures have been adopted to minimise the impact on its activities of these changes.

Environment, employees and social, community and human rights issues.

The Charity follows the Moorfields policies on the environment, employees and social, community and human rights issues. We carried out our first staff survey this year. In a small team we believe it is important for our staff to be able to work together, ensuring we all learn from the outcomes and establish continuously improving staff relations. We are expecting to receive feedback from the staff team at our meeting in September 2018. Acting on the results of the survey, the Trustees have agreed that when relevant we should spend time with staff to understand their roles and how our decisions can affect them.

The Investment Portfolio parameters forbid direct investment in tobacco-related companies, but there may be tobacco-related investments within the discretionary portfolios managed by our investment managers. This is monitored by the Investment Committee.

MOORFIELDS EYE CHARITY
TRUSTEES' REPORT (Continued)
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Diversity

The Board and Management Group are made up as follows:

As at the date of this report	Total	Male	Female
Trustees (Directors)	16	12	4
Senior Managers	4	2	2

Remuneration of Staff

A Remuneration and People Committee has been established and will take responsibility for considering all aspects of remuneration for the Charity and provide recommendations to the Board where necessary. Remuneration for all our staff is set using guidance from Moorfields Human Resources department and with information available for similar roles across the charity sector. We set out to pay our staff fairly for the work they carry out and with reference to their qualifications and experience.

The salary of the Chief Executive, who is the highest paid member of staff, is set by the Trustees having taken into account his role and responsibilities, the size and nature of the Charity, and comparisons with others in the same sector. The salaries of other members of the Management Group are similarly set by the Remuneration and People committee in consultation with and on recommendations provided by the Chief Executive.

The remuneration ratio (defined as the multiple between the highest pay to median pay), is widely considered to be a good indicator of pay fairness. The median salary for our staff is calculated as £42,420. We employ a relatively higher number of medium/higher paid staff and we do not employ service delivery staff, and both of these factors give us a relatively high median. The highest salary is £103,200, which gives the Charity's remuneration ratio as 2.4.

Another measure of pay fairness is Low Pay/High Pay Remuneration ratio. The most common calculations are:

- Compare the mean average of the lowest paid 10% of staff with the mean average of the highest paid, giving a ratio of 5.27:1;
- Compare the lowest with the highest paid member of staff, giving a ratio of 5.06:1.

The Trustees have considered the issue of gender pay gaps within our Charity. We found that the mean hourly rate for women is 21.37% lower than for men, but the median hourly rate for women is 5.81% higher than for men.

The proportion of women employed in each pay quartile is as follows:

Quartile	Percentage who are Women
Top quartile (highest paid)	50%
Upper middle	100%
Lower middle	20%
Lower quartile (lowest paid)	100%

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has 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 financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note.

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT (Continued) YEAR ENDED 31 MARCH 2018

Performance in the year

During the year, the Trustees approved grants totalling £2.4m (2017: £8.3m). This figure, and the comparative figure, are stated before commitments released in each year and before adjustments for net present values in the current and prior years. The section of this report on grant activities in the year, and notes 4 and 14 of the financial statements, give details of the range of activities funded by the Charity during the year.

Following guidance in SORP 2015, grant liabilities accounted for as creditors falling due after more than one year have been discounted to their net present value. The discount rate used was 4.3% (2017: 4.2%) being the average rate of total return expected on the Charity's total investments and included in the budget for the coming year.

The principal funding sources were receipts from donations £2.45m (2017: £2.99m) and legacies of £1.78m (2017: £3.26m).

Criteria used to assess Success in the Year

During the year

- Grants awarded were assessed by the Scientific Advisory Panel against criteria set by the Trustees.
- Fundraising income was assessed against a budget agreed by the Trustees.
- Expenditure on fundraising and charitable activity support costs was measured against a formally agreed budget.
- Investment returns, total returns, were measured against a 3-year rolling target of RPI + 3.5%.

Grant activities in the year

Working with Moorfields and UCL Institute of Ophthalmology we introduced our new research funding programmes in 2017/18. We refocused our support to underpin and enhance new and evolving research, and support those who undertake it.

As part of this, we introduced a new scheme, Springboard Awards to provide funding for researchers to develop novel ideas and generate preliminary data which will underpin and form part of larger, competitive, project grant applications to other external funding bodies. We will also continue to provide funding for equipment grants with a renewed focus on multi-user equipment. These grants will ensure that the most up to date equipment is available to all researchers, foster collaborations and help support core equipment facilities which will become self-sustaining.

To encourage and support the outputs and outcomes of current research, Moorfields Eye Charity's Research Enhancement Awards will provide funding towards the publication of research findings to maximise impact and availability of these results. Support for small pieces of equipment will also be available where the potential to greatly enhance research and likelihood of securing future external funding is demonstrated.

Alongside our PhD Studentships we are expanding our support of early career researchers with new Research Training Fellowships for clinical and allied health professions who have demonstrated the potential to pursue a career as an academic clinical or allied health professional.

In supporting the next generation of research leaders, the Moorfields Eye Charity Career Development Awards offer an exciting opportunity. These awards will provide short term support for science researchers, clinical and allied health professionals who are already on a career track to be future leaders in ophthalmic research and clinical practice. The funding is intended to enable these individuals to focus on their research and to capitalise on other external funding opportunities to develop their research programmes.

During the year grants of £1.85 million were made (2017: £7.63 million) as set out below:

- | | | |
|-----------------------------|---------------|-----------------------|
| • Research | £0.82 million | (2017: £6.36 million) |
| • Equipment | £0.87 million | (2017: £0.78 million) |
| • Patient and Staff Welfare | £0.09 million | (2017: £0.14 million) |
| • Education | £0.07 million | (2017: £0.15 million) |
| • Capital Grants | £Nil | (2017: £0.2 million) |

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT (Continued) YEAR ENDED 31 MARCH 2018

The amounts shown above are net of grant commitments released in the year and net of opening and closing adjustments for net present value, adjustments to reflect the current cost of grants payable in future years.

Our level of awards for research has fallen this year following a significant single research award in 2017. In 2017 we committed £4.6m for research into macular degeneration including the most common form, age related macular degeneration. We expect the level of research grants each year to be £2.0m per year but we are dependent on projects being brought forward for consideration.

Grants awarded in 2018 were either to Moorfields or to UCL. Grants to UCL are mainly made to the UCL Institute of Ophthalmology.

Overview of Grants made

- Research grants included £0.29 million for macular degeneration including the most common form, age related macular degeneration, £1 million for retinal research, £0.1 million for corneal research, 5 PhD studentships (total £0.5 million), 1 career development award and 5 other grants.
- There were 7 equipment grants, the largest being £0.39 million for a bespoke adaptive optics scanning laser ophthalmoscope.
- Welfare grants totalling £56k (2017: £25k) were made during the year.
- The Charity continued to support study leave and sabbaticals. These grants are to assist Moorfields staff to attend national and international medical and scientific conferences where they are presenting work derived from Moorfields-based research and for sabbatical leave to carry out pieces of research which will be of benefit to Moorfields. Total grants made during the year were £69k (2017: £154k).
- As part of its staff development programme, Moorfields held the ninth Moorfields Stars, an event to celebrate and reward exceptional staff performance. The Charity provided a grant of £45k (2017: £42k) for the event.

Impact of our grant awards

The examples below and on the following pages illustrate the impact of the grants made by the Charity.

Regaining sight: retinal tissue engineered from stem cells

The London Project to Cure Blindness has ambitious goals - to establish a treatment for age-related macular degeneration (AMD). AMD affects more than 600,000 people in the UK and is the leading cause of sight loss in the developed world.

In 2015, Professor Lyndon da Cruz, consultant retinal surgeon, was successfully able to transplant retinal tissue engineered from stem cells into the eye of a patient with wet AMD, using a specially engineered patch to insert them behind the retina. A second patient also received the transplant and both patients were followed up over the intervening years. In March 2018, the team's ground-breaking publication in *Nature Biotech*, described the implantation of this specially engineered patch to treat people with sudden severe sight loss from wet AMD. Both patients regained reading vision and it is hoped that this approach will be able to treat dry AMD in the future.

The London Project to Cure Blindness was established by a philanthropic donation from an anonymous American donor. Part of the next stages of this research programme is to establish a mechanism to replace more than just retinal pigment epithelium cells and with this the potential to develop a cure for all forms of AMD and other blinding retinal conditions, dramatically improving the quality of life for patients and reducing the burden on the NHS and other health services around the world.

Through regular giving, legacies, challenge events and major donors, Moorfields Eye Charity has been able to support the work of the London Project with over £5.5 million of funding.

Investing in people: Real-world evidence driving personalised ophthalmic care

Moorfields Eye Charity is committed to investing in the current and future leaders in ophthalmic research. A grant supporting protected research time was awarded to Dr Anthony Khawaja, consultant eye surgeon in the glaucoma service at Moorfields Eye Hospital. His research area is vital for Moorfields and its patients as it focuses on the harnessing of knowledge from routinely collected data such as genetic, epidemiological and real-world life-style information to investigate the biological processes underlying and influencing glaucoma.

Dr Khawaja was ranked #8 in the 2017 Ophthalmologist rising star power list, completed a Wellcome Trust funded PhD at University of Cambridge in glaucoma epidemiology and was a recipient of a Berkeley Fellowship at Harvard Medical School 2014 in which time he developed an algorithm for the purpose of analysing genome-wide data. Our current funding enables him to focus on developing his research programmes at Moorfields and to transition to an independent researcher.

The outputs of this investment are already being realised. Dr Khawaja is the lead author on a paper published in May 2018 in the highly prestigious journal, *Nature Genetics*, which presented a major breakthrough in the identification of genetic variants that may predict glaucoma risk.

Donations to Moorfields Eye Charity, in particular those supporting glaucoma research, enabled an award of £108,336.

Underpinning retinal research to maximise potential

Moorfields Eye Charity has supported Professor James Bainbridge's research programme with a seven year, longer term grant. This type of funding is invaluable in enabling the establishment and expansion of a research programme, providing the necessary stability, research assistance and materials to carry out a range of novel data generating pilot projects. Armed with compelling data, the strength and competitiveness of grant applications to external funders can be enhanced. The investment in the research team, training and educating the future leaders in ophthalmic research is another vital output from this funding. Some highlights of what our funding has enabled are:

Secured external funding:

- £5.5 million from MRC for a new drug trial for retinal vascular disease
- £3.7 million from MRC for a genetic therapy trial for Leber Congenital Amaurosis
- £2.13 million for a gene therapy trial for achromatopsia.

Supporting and enhancing careers:

- Senior postdoc helped drive the research programme addressing the role of inflammatory cytokines in age-related macular degeneration. He has since been promoted to become Laboratory Head, Ophthalmology Discovery, Molecular Pharmacology at Roche.
- A clinical trainee who was integral to the clinical trials of gene therapy and stem cell therapy was awarded a MRC Clinical Fellowship to undertake a PhD within the group. He has since returned to full-time clinical training and with the intention of securing an academic training position as a NIHR Clinical Lecturer.

This programme of research was supported by a grant of £365,000 which was enabled by a legacy made to Moorfields Eye Charity.

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT (Continued) YEAR ENDED 31 MARCH 2018

Keeping Moorfields at the forefront of imaging technology

Five years ago Moorfields Eye Charity contributed towards the investment in an adaptive optics scanning laser ophthalmoscope (AOSLO), an instrument at the cutting edge of imaging which has enabled our scientists and clinicians to be at the forefront in retinal imaging. This equipment enables researchers to see living cells in the retina and gain a greater understanding of the fine structural and functional changes that take place within the normal and diseased retina.

By combining this information with other imaging and visual assessment data it is now possible to construct a highly informative time-based map of the manner of development of retinal disease and determine the impact of new therapies. The current AOSLO has been at full capacity for some time and to retain our world leading expertise and advance new areas of research, a new bespoke AOSLO has been purchased with added capability and capacity.

This equipment will help improve the expertise in adaptive optics, strengthening links with UCL and other imaging centres and cultivating cross-disciplinary initiatives with dementia, neurology and cardiovascular scientific research.

A grant of £395,000 enabled the purchase of this cutting edge piece of equipment. This has been possible through the many donations to Moorfields Eye Charity through challenge events, regular givers and including gifts of £50,000 from a grateful patient and foundation trust.

Fundraising Activities

The Charity is extremely grateful for the generous support we receive from our patients, staff, friends, charitable trusts and foundations, and corporate partners. During the year we have received support through:

- Major gifts from individuals, trusts and foundations, and companies.
- Legacies, where individuals have made provision to remember Moorfields in their wills.
- Individual donations, often received in response to a specific appeal.
- Regular donations, usually received on a monthly basis.
- Our winter raffle.
- Eye to Eye, our bespoke sponsored walk.
- Community fundraising such as cake sales, music concerts and skydives.
- Challenge events including abseils, runs and bike rides.
- Organisational partnerships.

Review of Fundraising Performance against Objectives

Income raised by the Fundraising team was £4.59m. (2017: £6.64m.). The table below compares performance against the budget for the year (target) and the performance for the prior year.

	2018	Target	% Target	2017	% Change
Donations	£2.45 million	£3.17 million	77.9%	£2.99 million	(18.1%)
Events	£0.30 million	£0.39 million	76.9%	£0.32 million	(6.3%)
Legacies	£1.78 million	£2.05 million	86.8%	£3.26 million	(45.4%)
Raffle and Lottery	£0.06 million	£0.13 million	46.2%	£0.08 million	(25.0%)
Total	£4.59 million	£5.74 million	80.0%	£6.65 million	(30.9%)

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT (Continued) YEAR ENDED 31 MARCH 2018

During the year the Charity has amended a number of its fundraising practices and activities, and has operated with reduced staffing in relation to donations and legacies, all of which has had an impact on income. In addition, the budget had assumed that the purchase of the new site for Moorfields would have progressed to a point which would have allowed the Charity and UCL to launch their joint fundraising programme for the relocation.

The 2018 legacy income included an accrual of £2.02m (2017: £1.50m.). Legacy income is unpredictable and the Charity is unable to control the amounts notified or receivable in any one year.

Investments

The Charity's investment strategy is to seek a total return while taking moderate level of risk.

The Investment Committee provides detailed oversight of the performance of the Charity's investment portfolio and its performance against the Charity's strategy. As part of that process the Committee conducts a rolling programme of meetings with the Charity's fund managers.

During the previous year the Investment Committee engaged Stanhope Capital LLP, an independent consultant who specialises in Charity investments, to aid them in a review of the investment strategy. The results of that review were presented to the Trustees in September 2016 and it was agreed that the target of RPI +3.5% remained appropriate for the long term portfolio but that changes in the appointed managers and their underlying investment objectives would be required to achieve that return.

The Charity's investment portfolio was previously established with two elements:

- the long term portfolio invested with J P Morgan International Bank Ltd (JP Morgan) and Standard Life (in the Global Absolute Return Fund); and
- a second Designated MEH Capital Fund which was made up of investments in the Standard Life Global Absolute Return Fund (GARS), the CF Ruffer Total Return Fund and the Newton Real Return Fund.

JP Morgan were the custodian of the entire portfolio.

In March 2017 the Charity reviewed its likely cash flow for the coming three years and in July 2017 the Board agreed a plan developed by the Investment Committee and the Audit and Risk Committee to reorganise the assets. As part of the reorganisation the investment in GARS, the Ruffer and the Newton funds were all sold.

The Charity's portfolio is now divided into funds for long term investment, funds held to assist with the purchase of the new site for Moorfields and funds required for working capital.

For the long term investments a portfolio of investments has been established, with JP Morgan remaining as the custodian of the entire portfolio, with an equity weighting of 60-70%. The long term investment portfolio is made up as follows:

Investment Manager		Weighting	Value at 31 March 2018
JP Morgan	Discretionary portfolio	50%	£17.941 million
Troy Asset Management	Absolute fund (with objective to achieve growth in real terms)	30%	£10.754 million
Artisan Partners Global Funds	Equity investments for a real return	20%	£7.193 million

With regard to the potential volatility of investment values the Trustees supported the proposal to reduce the risk associated with those funds identified to support the site purchase by holding £12m as cash deposits. These deposits are held by JP Morgan along with a further £5.08m of cash support ongoing operations.

The average three year rolling target of RPI+3.5% for the long term portfolio was first set in 2012 and continues to be reviewed on a 3-year rolling basis.

In 2018 the JP Morgan discretionary portfolio achieved a return of 4.23% (2017: 12.03%). From acquisition the Troy Asset Management funds have fallen by 4.87% and Artisan Global Value funds have fallen by 3.23%, both of which have experienced difficult performance in the first three months of 2018 (very much in line with JP Morgan managed funds). In 2017 the GARS fund produced a return of 0.37%.

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT (Continued) YEAR ENDED 31 MARCH 2018

The overall return of the portfolio for the year was 1.04% (2017: 6.77%) which, when compared to the ARC Charity Sterling Balanced Index performance for the year of 1.31%, reflects the difficult trading conditions described above.

Structure, Governance and Management

Structure

The Trustees who have served the Charity during the year and since the year-end are set out on page 2. Moorfields Eye Hospital has the right to appoint up to seven Trustees and there can be up to eleven further elected Trustees, provided always that the elected Trustees are in the majority. The Trustees appoint the Chairman (who must be an elected Trustee). Decisions are taken by a majority of Trustees present at regular meetings and procedures are in place to ensure that such decisions do not enable the appointed Trustees to exercise effective control.

Elected Trustees are recruited through open recruitment when vacancies arise and nominations are agreed by all Trustees. On appointment new Trustees undertake an induction process which includes the provision of necessary documentation, meetings with the Chief Executive, other senior charity staff and with senior members of Moorfields staff. The induction is designed to ensure that new Trustees understand the role of the Charity and how it works to support Moorfields.

We welcomed four new Trustees during the year. Moorfields appointed Dr Rob Jones, a distinguished allied health professional and governor of Moorfields Eye Hospital where he is also a life-long patient, and Johanna Moss, Director of Strategy and Business Development at Moorfields Eye Hospital. Following a recruitment campaign the Trustees elected Michael Izza, Chief Executive Officer of the Institute of Chartered Accountants of England and Wales, and Professor Sir Eric Thomas, academic clinician and former Vice Chancellor of the University of Bristol. All of our new Trustees bring a wealth of knowledge and experience to our Board.

The Trustees have established a committee structure to support the Trustees in the governance of the Charity. The committees, and members who served during the year, are set out below:

Audit and Risk	Fundraising and Communications	Grants	Investment	Remuneration and People	Moorfields Project
Tony Briam (Chair)	John Hooper (Chair until 19 March 2018))	Dr Lee-Ann Coleman (Chair)	Noland Carter (Chair)	Mervyn Walker (Chair)	Tony Briam (Chair)
Michael Izza	Professor Sir Eric Thomas (Chair from 20 March 2018)	Sir Thomas Boyd-Carpenter	Vicky Hastings	Vicky Hastings	Sarah Barzycki
Mark Johnstone	Vicky Hastings	Declan Flanagan	Mervyn Walker	Colin Maclean	Sir Thomas Boyd-Carpenter
Colin Maclean	Andrew Nebel	Professor Ian Grierson		David Probert	Mervyn Walker
Mervyn Walker	David Probert	Dr Robert Jones			
	Dr Virginia Spence-Jones				

Each Committee has agreed Terms of Reference setting out their areas of responsibility and the limits of their delegated powers. Any Trustee may attend any Committee meeting as an observer.

Each Committee, and the scientific advisory panel, is enabled to appoint volunteer advisers as members to support our decision making and enhance the level of experience and knowledge within the membership.

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT (Continued) YEAR ENDED 31 MARCH 2018

The Remuneration and People Committee was established at the Board meeting on 19 March 2018 to consider pay awards for all staff employed by the Charity, to consider other benefits offered, such as membership of pension schemes, and to consider policies and procedures relating to human resources.

The Moorfields Project Committee meets to consider progress on the development of the new Moorfields facility and to review any implications for the Charity.

The Grants Committee is supported by a Scientific Advisory Panel, who meet to consider applications for research funding. This is explained further below.

Governance and Management

This year has seen the continuation of the change process we began with the merger of the Charity and the former Special Trustees. The transfer of staff from Moorfields to create our own independent fundraising team took place on 1 April 2017, finalising the creation of a structure to manage the affairs of the Charity on behalf of the Trustees.

Throughout the year the Trustees have continued to review and change policies, procedures and service level agreements with Moorfields where necessary. At their meeting on 19 March 2018, the Trustees approved a consolidated document setting out Reservations of Powers for Trustees, Standing Orders (based on the Articles of Association), Standing Financial Instructions and Delegations of Authority. These documents provide the framework for the operations of the Charity, providing the flexibility needed by the Management Group and staff to carry out their day to day activities, whilst ensuring the Trustees are able to meet their responsibilities for governance.

We also invested in the recruitment of new Trustees, with the help of professional recruitment advisers, and the creation of the new Management Group. We believe we now have a strong Board, management and staff group to meet our strategic targets in the coming years.

The creation of a stronger staff team highlighted the inadequacies of our existing fundraising and grants management systems. In addition we recognised the significance of the requirements and legislation arising from the General Data Protection Regulations. A review of available customer relationship management (CRM) systems was carried out to establish what might be available to meet our needs and provide us with a strong platform on which to base our fundraising and grants management. Following a subsequent procurement exercise the Trustees approved the acquisition and development of a replacement system. At the year end this new system, Thankq, was in development and is expected to be fully operational by the summer of 2018. This is a significant investment of both time and funds by the charity and the Trustees recognise the impact this change has had on the staff.

The Trustees have delegated day to day management of the Charity to the Management Group comprised of the Chief Executive, supported by three senior staff.

The Chief Executive, who is also the Company Secretary, reports to the Trustees on all administrative aspects of the Charity's operations, and is also responsible for keeping the Trustees informed about charity and other relevant law and procedures. The Trustees, Chief Executive and other members of the Management Group attend relevant courses and seminars, to maintain the required skills for the proper governance and financial control of the Charity.

Process for Awarding Grants

Research and equipment grants are awarded by the Grants Committee using its delegated powers from the Trustees. Awards are made, in competition, after applications have been:

- Assessed by the Charity's research and grants team; then
- Reviewed by the Charity's Scientific Advisory Panel ('the Panel') or by agreed scientific advisers.

Other grant making activities include patient welfare and staff support grants which are considered and approved for funding by the Grants Committee or, under delegated authority, by the Charity's CEO or Chairman of Trustees.

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT (Continued) YEAR ENDED 31 MARCH 2018

Where grant applications are funded from donations that are restricted to the purpose(s) outlined in an agreement with a donor, the applications are not normally reviewed by the Panel. Instead the Trustees delegate the scientific review of such applications to a team consisting of the Director of Research and Development at Moorfields Eye Hospital, the Director of the UCL Institute of Ophthalmology and the Chair of the Panel (currently Professor Ian Grierson – who is a Trustee of the Charity).

All funding decisions are formally minuted at a Grants Committee meeting.

The Panel meets three times a year and considers research and equipment applications in order to provide funding recommendations to the Grants Committee. The Panel also reviews interim and final grant reports with increasing scrutiny being placed on the layperson's summary and outcomes.

The Panel is chaired by Professor Ian Grierson and the independent Panel members serving during the year were:

- Professor Caroline (Carrie) MacEwen, University of Dundee (joined July 2017)
- Professor Philip Murray, University of Birmingham
- Professor Colm O'Brien, University College Dublin
- Professor Luminita Paraoan, University of Liverpool

Fundraising Approach and our Supporter Promise

We are extremely grateful for the generous support we receive from our supporters, patients, staff, friends, charitable trusts and foundations, and corporate partners. This support enables the funding of new equipment and pioneering research. It also supports the training of current and future researchers and healthcare professionals, development of Moorfields' staff to ensure the care they provide is outstanding, public education about eye health, and improving the experience for Moorfields' patients and their families. In addition it supports our key strategic priority to create a world class integrated care, teaching and research facility in central London, in partnership with Moorfields Eye Hospital NHS Foundation Trust and University College London. This is underpinned by the launch of the charity's first six year strategy '*people's sight matters*' complementing Moorfields Eye Hospital's new strategy '*our vision of excellence*'.

We are committed to providing our supporters with the very best donor care. We want our supporters to feel that their support is recognised and valued and that they are kept updated on how charitable support is helping to shape the future of eye care. Our supporters are critical to our success. We are fully committed to being transparent and accountable to them. We actively ask our supporters how they would like to hear from us and what they would like to hear about ensuring that our communications are targeted and of interest.

Our relationship with our supporters is of the utmost importance to us and is reflected in our supporter promise:

We value your donations and will keep you informed

- We value every gift we receive, large and small, and seek to acknowledge and send thanks for all donations in a timely manner.
- We will be transparent about how we use your donations and we will always put your gift to work as quickly as we can.
- We will share news about Moorfields Eye Hospital NHS Foundation Trust and the UCL Institute of Ophthalmology, the hospital's academic partner. We will also keep you informed about how charitable donations are benefitting patients and people with sight problems further afield.

We respect your right to privacy

- We will rely on legitimate interest to send marketing materials by post. In addition, in line with your preferences, we may communicate with you by post, email, text or telephone. If we phone you, we will always check first that you are happy to speak to us and that it is a convenient time to call.
- We will respect your wishes, so if you ask us not to contact you for marketing purposes we won't, unless it's a legal requirement.

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT (Continued) YEAR ENDED 31 MARCH 2018

- We only allow authorised agents who work on our behalf to access your personal data and will never exchange your details with, or sell or rent your data to, any other commercial or charitable organisations. We have a Data Protection Policy (DPP) in place, detailing the ways in which the charity may process your data and how you can manage this. Our DPP can be viewed on our web-site and information on how we process data is available on request.

We will take accountability for our actions

- We will always take action if any external supplier acting on behalf of Moorfields Eye Charity fails to meet our standards.
- When we get things wrong, we will be up front about our mistakes, apologise and act quickly to fix them.

Our fundraising activity is focused on the following key areas:

- Major gifts from individuals (both from existing and new supporters (both from within and outside our current supporter and peer networks)), charitable trusts and foundations (through peer links, existing relationships, and through formal application procedures), and companies (through registered giving vehicles, via staff engagement, through formal application procedures and through peer links) with an interest in our work at a significant financial level.
- Legacies, through raising awareness around gifts in wills (both to existing supporters and visitors to the charity website), keeping in touch with known legacy pledgers (with events such as the legacy afternoon tea), and through the ongoing development of an engagement programme for those who have told us that they have, or intend to, remember Moorfields in their wills.
- Individual donations, often received in response to specific appeals (targeted at existing supporters) or through awareness raising of the charity undertaken by Moorfields Eye Hospital to its patient and trust membership base.
- Regular donations, usually received on a monthly basis.
- Our winter raffle (promoted to our existing supporters, within the hospital and through the charity website) and the testing of a weekly charity lottery programme (promoted currently to Moorfields' staff).
- Eye to Eye, our flagship bespoke sponsored walk (marketed to existing supporters, through the charity website, to trust members, patients and staff, and promoted to local schools and businesses).
- Community fundraising, providing support and information for people wishing to raise funds independently for the charity through events such as cake sales, music concerts and skydives.
- Challenge events including abseils, runs and bike rides (marketed to existing supporters, through the charity website, and to Moorfields' patients and staff through a publicity campaign across Moorfields' sites).
- Organisational partnerships including sponsorship and the donation of products for our fundraising events.

Our activities, and the processes which underpin them, are conducted under the legal basis of either consent or legitimate interest, as outlined in our data protection and fair processing policies.

We are committed to continually developing and enhancing our supporters' engagement and experience with the Charity and to exploring new and innovative ways of generating funds, so that together, we can continue to support Moorfields to discover, develop and deliver the best eye care.

Fundraising Regulation and Complaints

The charitable sector has been under particular scrutiny over its approach to raising funds and communicating with potential supporters. We continually review our methods of fundraising and communications to ensure that our approaches are appropriate, that we provide our supporters with the very best donor care and that we are compliant with both best practice and legislation.

MOORFIELDS EYE CHARITY

TRUSTEES' REPORT (Continued) YEAR ENDED 31 MARCH 2018

We are a member of the Fundraising Regulator and fully comply with all relevant laws including the Data Protection Act 1998, the General Data Protection Regulation, and the Privacy and Communications Regulations 2003. We will also screen against the Fundraising Preference Service and Telephone Preference Service where applicable.

We always strive for best practice in our fundraising and take complaints very seriously. Between 1 April 2017 and 31 March 2018, we received 11 complaints about the fundraising activity we undertook. Nine of these complaints were related to our direct mail programme, which sent out 81,213 pieces of addressed direct mail over the course of the year; one was related to our events programme; and one was related to our communications activity. Each complaint is investigated and answered in an appropriate and timely manner in line with the Charity's Complaints Policy. All our complaints are reported to the Fundraising and Communications Committee of the Board of Trustees.

During the year one complaint was investigated by the Fundraising Regulator. Whilst our fundraising activities were found to be appropriate, we agreed with the Regulator that our response to the original complaint could have been more clear. Appropriate actions have now been taken to make our explanations clearer.

Reserves

The total funds of the Charity at the end of the year were £45.5 million (2017: £43.9 million). Of these funds £4.0 million (2017: £3.6 million) were Unrestricted Funds, including Designated Funds.

The Trustees' policy is to hold unrestricted reserves to cover planned operating expenses for two years. Much of the charity's unrestricted income is received through legacies and investment income which are volatile sources of income. Two years of planned operating expenditure held as reserves enables the charity to be resilient in the event of a significant reduction in income which might otherwise result in the closure of the Charity and to continue to meet committed grant awards.

For 2018 the Trustees estimate the Reserves requirement to be £4.4 million against actual Reserves of £4.0 million (2017: £3.6 million). The Trustees have agreed that appropriate costs be charged to former Special Trustees Funds thus easing the burden of costs on Unrestricted Funds. In the coming year the Trustees will continue to keep the amount of Reserves under review.

Funds transferred from the Special Trustees

Following the Charity's merger with Special Trustees in December 2015, funds which were formerly considered as unrestricted in Special Trustees are now restricted, as their objects are narrower than those of the Charity. This restricted fund stands at £31.7 million at the end of the year (2017: £31.4 million).

Designated Funds

To support the future development of Moorfields the Trustees have previously designated £500k (2017: £500k) to enable the charity to contribute exceptionally to Moorfields' development.

Acknowledgements

The charity would like to thank the growing number of individuals and organisations who have generously supported our work over the last year. Your support has a significant impact on the work of Moorfields Eye Hospital and its research partner the UCL Institute of Ophthalmology.

Thanks to your help we are able to:

- fund new equipment and pioneering research;
- support the training of current and future researchers and healthcare professionals;
- support the development of Moorfields' staff to ensure the care they provide is outstanding;
- support public education about eye health;
- improve the experience for Moorfields' patients and their families; and
- support Moorfields' ambitious capital plans to create a world class integrated care, teaching and research facility in central London with its academic partner, UCL.

MOORFIELDS EYE CHARITY
TRUSTEES' REPORT (Continued)
YEAR ENDED 31 MARCH 2018

We are particularly grateful to the individuals and organisations set out below, but also the many other supporters who would prefer to remain anonymous.

Asian Foundation for Help	Lord King of Lothbury
Mrs Hazel Barton	Mr and Mrs Stefanos Lekanidis
Bill Brown 1989 Charitable Trust	Ms Ting Kit Leung
Mr Colin Billings	The Brian Mercer Charitable Trust
The Cadogan Charity	Miss J Patey
Evans Management Limited	Adam and Debbie Ripley
Frederick L. Ferris III, MD	Richard Paul and Rogers Stirk Harbour + Partnership Charitable Foundation Limited
Mrs Faryal Gargash	The Sackler Trust
Gordon Gilby	Swarovski Foundation
The Helena Charitable Trust	The Michael Uren Foundation
The Michael and Ilse Katz Foundation	

We are extremely grateful to those individuals who have generously supported Moorfields Eye Charity by remembering Moorfields in their will. Legacies form a significant source of income for the Charity and provide much of the funds we need to continue our work.

We would like to thank all the staff, clinicians and academics who have contributed to the charity's continuing success. With your support, we are able to ensure that Moorfields Eye Hospital remains at the forefront of eye care and research worldwide and has an impact on the global eye health agenda.

The Trustees would also like to thank:

- the volunteer advisers who are members of board sub-committees and the scientific advisory panel: Sarah Barzycki, Mark Johnstone, Professor Carrie MacEwen, Professor Philip Murray, Andrew Nebel, Professor Colm O'Brien and Professor Luminita Paraoan.
- the staff of the Charity, including those who left the Charity during the year; in particular Nina Joshi who had worked for both Moorfields Eye Hospital and Moorfields Eye Charity for over twenty years; and Chris Welch who acted as Interim Head of Finance and Resources during the first half of the year.

This year has seen the retirement of two of our long standing Trustees.

John Hooper CBE retired on 19 March 2018. John was the first Chairman of the charity from 2011 until late 2015, when it merged with the Special Trustees, and has been the Chair of our Fundraising and Communications Committee.

Sir Thomas Boyd-Carpenter retired on 20 July 2018. Sir Thomas was Chairman of Moorfields Eye Hospital NHS Foundation Trust from 2001-2008, a trustee of the Special Trustees from 2001-2013 and has been a Trustee and member of the Grants Committee for the Charity.

We are grateful to both John and Sir Thomas for their long commitment and support to the Charity and to Moorfields.

MOORFIELDS EYE CHARITY
TRUSTEES' REPORT (Continued)
YEAR ENDED 31 MARCH 2018

Appointment of auditors

In accordance with the Companies Act 2006 a resolution proposing the reappointment of Haysmacintyre as auditors for the year ended 31 March 2019 will be put to the members.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

In signing this report Trustees are approving the strategic report in their capacity as company directors.

Approved by the Trustees and signed on their behalf by:



Mervyn Walker

Chairman

20 July 2018

MOORFIELDS EYE CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES YEAR ENDED 31 MARCH 2018

The Trustees (who are also directors of Moorfields Eye Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MOORFIELDS EYE CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MOORFIELDS EYE CHARITY YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of Moorfields Eye Charity for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Income and Expenditure account, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 19 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

MOORFIELDS EYE CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MOORFIELDS EYE CHARITY (continued) YEAR ENDED 31 MARCH 2018

- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver (Senior Statutory Auditor)
For and on behalf of haysmacintyre, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

20 July 2018

MOORFIELDS EYE CHARITY

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowmen t Funds £'000	2018 Total £'000	2017 Total £'000
Income and endowments from:						
Donations	2	678	1,774	-	2,452	2,992
Legacies	2	705	769	302	1,776	3,257
Events	2	189	114	-	303	318
Other trading activities: Raffles and lottery	2	63	-	-	63	76
Investment income	2	50	161	66	277	276
Total income	2	1,685	2,818	368	4,871	6,919
Expenditure on:						
Raising funds:						
Fundraising	3	575	410	-	985	1,078
Investment management	3	3	98	27	128	138
	3	578	508	27	1,113	1,216
Charitable activities:						
Capital grants	4	-	-	-	-	200
Research		-	809	7	816	6,360
Equipment		66	808	-	874	785
Patient and staff welfare		-	90	-	90	135
Education		-	70	-	70	155
Capital project		-	68	-	68	-
Grants management		-	96	-	96	66
Governance and Support Costs	5	573	-	1	574	327
		639	1,941	8	2,588	8,028
Total expenditure		1,217	2,449	35	3,701	9,244
Net income/(expenditure) before investment gains and losses		468	369	333	1,170	(2,325)
Net gains/(losses) on investments	9	(25)	234	225	434	2,699
Net income/(expenditure)		443	603	558	1,604	374
Transfers between funds		(1)	1	-	-	-
Net movement in funds		442	604	558	1,604	374
Reconciliation of funds:						
Total funds brought forward		3,571	34,779	5,513	43,863	43,489
Total funds carried forward	16	4,013	35,383	6,071	45,467	43,863

The accounting policies and notes on pages 26 to 40 form part of these financial statements.

Full comparatives for the year ended 31 March 2017 are included at Note 18.

MOORFIELDS EYE CHARITY
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2018

All Income Funds		2018 Total £'000	2017 Total £'000
Income	Note		
Donations		2,452	2,992
Legacies		1,474	3,257
Events		303	318
Other trading activities:	2		
Raffles and lottery		63	76
Interest and Investment income	2	211	212
Gains on investments	9	209	2,066
Gross income in the year	2	4,712	8,921
Expenditure on			
Raising funds	3	1,086	1,191
Charitable activities	4	2,580	7,926
Total expenditure in the year		3,666	9,117
Net income/(expenditure)for the financial year		1,046	(196)

The accounting policies and notes on pages 26 to 40 form part of these financial statements.

MOORFIELDS EYE CHARITY
BALANCE SHEET
YEAR ENDED 31 MARCH 2018

Company Number:
7543237

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000	2017 Total £'000
Fixed assets						
Investments	9	-	29,940	5,948	35,888	48,990
Assets in the course of development;	10	81	-	-	81	-
		<u>81</u>	<u>29,940</u>	<u>5,948</u>	<u>35,969</u>	<u>48,990</u>
Current assets						
Debtors	11	666	1,244	302	2,212	1,707
Cash held in investment portfolio	9	2,636	14,441	-	17,077	1,142
Cash at bank and in hand		1,021	1,624	25	2,670	5,146
		<u>4,323</u>	<u>17,309</u>	<u>327</u>	<u>21,959</u>	<u>7,995</u>
Total current assets						
		4,323	17,309	327	21,959	7,995
Liabilities						
Creditors: Amounts falling due within 1 year	12	(391)	(7,702)	(143)	(8,236)	(6,318)
		<u>3,932</u>	<u>9,607</u>	<u>184</u>	<u>13,723</u>	<u>1,677</u>
Net current assets/(liabilities)						
		3,932	9,607	184	13,723	1,677
Creditors: Amounts falling due after more than 1 year	13	-	(4,164)	(61)	(4,225)	(6,804)
		<u>4,013</u>	<u>35,383</u>	<u>6,071</u>	<u>45,467</u>	<u>43,863</u>
Total net assets						
		4,013	35,383	6,071	45,467	43,863
Funds						
Endowment	16	-	-	6,071	6,071	5,513
Restricted	16	-	35,383	-	35,383	34,779
Unrestricted	16	4,013	-	-	4,013	3,571
		<u>4,013</u>	<u>35,383</u>	<u>6,071</u>	<u>45,467</u>	<u>43,863</u>
Total funds						
	16	4,013	35,383	6,071	45,467	43,863

The accounting policies and notes on pages 26 to 40 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 20 July 2018 and were signed on its behalf by:



Mervyn Walker
Chairman

20 July 2018

MOORFIELDS EYE CHARITY
CASHFLOW STATEMENT
YEAR ENDED 31 MARCH 2018

	Total Funds 2018 £000	Total Funds 2017 £000
Cash flows from operating activities		
Net cash (used in)/provided by operating activities	<u>(273)</u>	<u>311</u>
Cash flows from investing activities		
Dividends and interest from investments	277	276
Proceeds from sale of investments	34,934	18,223
Development of fixed assets	(81)	-
Purchase of investments	<u>(21,398)</u>	<u>(19,933)</u>
Net cash provided by / (used in) investing activities	<u>13,732</u>	<u>(1,434)</u>
Change in cash and cash equivalents in the reporting period	13,459	(1,123)
Cash and cash equivalents at the beginning of the reporting period	<u>6,288</u>	<u>7,411</u>
Cash and cash equivalents at the end of the accounting period	<u>19,747</u>	<u>6,288</u>
 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the period as per SOFA	1,604	374
Adjustments for:		
(Gains)/losses on investments	(434)	(2,699)
Dividends and interest from investments	(277)	(276)
(Increase)/decrease in debtors	(505)	(1,315)
Increase/(decrease) in creditors	(661)	4,227
Net cash (used in)/provided by operating activities	<u>(273)</u>	<u>311</u>
 ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash in hand	2,670	5,146
Cash held as part of the investment portfolio	<u>17,077</u>	<u>1,142</u>
Total cash and cash equivalents	<u>19,747</u>	<u>6,288</u>

MOORFIELDS EYE CHARITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

1 ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at market value, and in accordance the Statement of Recommended Practice for Charities (SORP 2015) and applicable accounting standards (FRS 102). Moorfields Eye Charity meets the definition of a public benefit entity under FRS102.

The accounts are prepared in pounds sterling rounded to the nearest thousand.

At 31 December 2015, Special Trustees of Moorfields Eye Hospital ('The Special Trustees') became a linked charity of Moorfields Eye Charity.

b) Going concern

The Trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

c) Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charities accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

d) Cash at bank and in hand

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.

e) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

f) Creditors and provisions

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.

g) Foreign currency translation

The Charity's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

h) Income

Income is included in the Statement of Financial Activities as soon as all conditions for receipt have been met - including entitlement, probability of receipt and measurement of the amount.

i) Legacies

In line with our income policy, legacy income is accrued at the balance sheet date if it can be shown there is an entitlement to the funds, if there is probability of receipt and the amount can be fairly measured. Only where all three of these factors can be satisfied is an amount included for the year. Legacy notifications and receipts are reviewed up to the balance sheet date and the results are adjusted if the likely receipt is considered material and there is evidence that we were entitled to the income at the year end.

j) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably.

k) Grants payable and reserves

Grants payable are recognised in the financial statements, on an accruals basis, when the charity has incurred a constructive or legal obligation to make a grant. The charity makes multi-year grants, often dependent on multi-year income pledges. This sometimes results in restricted funds being in deficit pending the receipt of pledged income. Grants payable in more than one year from the balance sheet date are shown at net present value.

The amount spent on grants in any year is related to the reserves policy of the Trustees, which seeks to maintain a maximum level of Unrestricted Funds. This allows the Charity to maintain its working capital, which provides a regular flow of investment income for grants in future periods. As required by FRS 102, long term liabilities have been discounted to present value as the impact of discounting is material.

l) Governance and Support Costs

This includes all expenditure, including salaries, relating to activities that are not directly related to fundraising or the management of grants and research.

m) Investments

Investments are shown at market value. Changes in value during the year, whether realised or unrealised, are included in the Statement of Financial Activities. Investment management costs are shown as a cost of generating funds.

n) Tangible fixed assets and depreciation

Assets costing more than £5,000 are capitalised.

Tangible fixed assets are carried at cost, net of amortisation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of the assets, less any residual value, over their expected useful lives. Assets in the course of development are not depreciated until the asset is brought into use.

o) Intangible fixed assets and amortisation

Intangible fixed assets are carried at cost, net of amortisation and any provision for impairment.

Amortisation is provided at rates calculated to write off the cost of the assets, less any residual value, over their expected useful lives.

p) Assets in the course of construction or development

Where tangible or intangible assets are in the course of construction or development at the year end, the costs incurred to the balance sheet date are shown as fixed assets.

q) Fund structure and objects

All funds are used for the main Objects of the Charity. The main categories of funds are:

- Restricted – trusts created by donors with specific objects or linked charities;
- Expendable Endowment – incoming resources that were received by the Special Trustees in excess of £500k and which they did not expect to spend in one year;
- Unrestricted – resources that can be used by the Trustees at their discretion; and
- Designated – unrestricted funds for which the Trustees have set a specific purpose.

r) General information

Moorfields Eye Charity is a company registered in England and Wales (company number 7543237). Its registered address is set out on page 2. Its objects are set out on page 3.

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2018

2 INCOME AND ENDOWMENTS FROM

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000	2017 Total £'000
Donations					
Individual Giving	607	114	-	721	772
Major Gifts	71	1,660	-	1,731	2,220
Legacies	705	769	302	1,776	3,257
Events	189	114	-	303	318
Raffles and lottery	63	-	-	63	76
	1,635	2,657	302	4,594	6,643
Investment portfolio	50	161	66	277	274
Interest on bank accounts	-	-	-	-	2
	1,685	2,818	368	4,871	6,919

3 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000	2017 Total £'000
Fundraising costs	568	410	-	978	1,000
Support costs (Note 5)	7	-	-	7	78
	575	410	-	985	1078
Investment management costs	3	98	27	128	138
	578	508	27	1,113	1,216

In 2017 fundraising costs included staff costs recharged by Moorfields under a service level agreement.

4 CHARITABLE ACTIVITIES

	Grant Commitments £'000	Direct costs £'000	Support costs £'000	2018 Total £'000	2017 Total £'000
Charitable activities					
Capital grants	-	-	-	-	200
Research	816	-	-	816	6,360
Equipment	874	-	-	874	785
Patient and staff welfare	90	-	-	90	135
Education	70	-	-	70	155
Capital project	-	68	-	68	-
Other costs	-	96	-	96	66
Support costs – see Note 5	-	-	574	574	327
	1,850	164	574	2,588	8,028

Grant commitments are net of commitments unused and released in the year as well as net present value adjustments for the current and prior year. More details are shown in Note 14.

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2018

5 GOVERNANCE AND SUPPORT COSTS

	Fundraising Costs £'000	Charitable Activities £'000	2018 Total £'000	2017 Total £'000
Governance				
Audit fees	-	16	16	13
Insurance (incl. indemnity insurance)	-	3	3	2
Trustee expenses	-	2	2	1
Other governance Costs	7	28	35	11
Total governance Costs	7	49	56	28
Support Costs				
Cost of staff employed by the Charity	-	421	421	197
Cost of services provided by Moorfields and other providers	-	-	-	130
Total staff cost	-	421	421	327
Other support costs	-	104	104	116
Total support costs	-	525	525	443
Total governance and support costs	7	574	581	471

Other governance costs include legal fees and the cost of electronic board papers.

Other support costs include IT costs and recruitment costs.

The cost of time spent by governance and support staff on fundraising is allocated to the cost of raising funds based on an assessment of time spent on that activity.

The remaining governance and support costs are allocated to the Charity's funds pro rata to the closing balances of individual funds. Where it is not legally possible to charge overheads to restricted funds, or the closing balances of funds are less than £100,000, no allocation is made.

As grant commitments are the Charity's main charitable activity, governance and support costs have not been allocated to grant commitments but are shown separately in the Statement of Financial Activities.

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2018

6. STAFF COSTS

In the previous year the Charity's work was carried out by a mixture of its own staff, staff provided by Moorfields under a service level agreement and by other suppliers under contracts for services. On 1 April 2017 the staff formerly employed by Moorfields to provide fundraising and grants management services were transferred to the Charity under the TUPE regulations.

The total cost for the year was £999,230 (2017: £914,153) made up as follows:

	2018	2017
	£000	£000
Salary cost	671	161
Employer NI	76	18
Pension Contributions	70	18
Cost of staff employed by the Charity	817	197
Cost of services provided by Moorfields and other suppliers	182	717
	999	914

Staff numbers

	Average FTE for year	Average for year	As at 31 March 2018	Average FTE for year	Average for year	As at 31 March 2017
Staff employed by the Charity	15	17	17	3	3	6
Staff provided by Moorfields and other suppliers	3	5	5	15	15	13
	18	22	22	18	18	19

Salary bandings

The number of employees of the Charity receiving emoluments (excluding employer pension costs) of more than £60,000 during the year were as follows:

Banding	2018	2017
£70,001 – £80,000	1	-
£100,001 - £110,000	1	-

Key management Personnel

The key management personnel during the year were the Trustees and the Management Group. The Trustees received no remuneration for their positions.

The total cost to the charity of all people who performed the work of the Management Group during the year, including those employed under agency agreements, was £391,372 (2017:£357,393).

The Management Group is made up of the Chief Executive, the Director of Development, the Director of Grants and Research, and the Director of Finance and Resources. All of the Management Group are employed by the Charity. As at 31 March 2017 only the Chief Executive (who started on 9 January 2017) and the Head of Research and Grants Management were employees of the charity.

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2018

7 PENSIONS

The Charity participates in the NHS defined benefit scheme for those staff that transferred to the Charity from employment with Moorfields. It is not possible to separately identify the assets of the scheme relating to the Charity. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £52,067. Contributions totalling £7,022 were payable to the fund at the balance sheet date and are included in creditors. The Charity pays the standard rate of contribution to the scheme and no historic deficits are being funded through additional contributions.

In November 2017 the Charity joined the People's Pension, in compliance with the requirements for all staff to be able to participate in a pension auto-enrolment scheme. The Trustees considered three options to be made available to staff and considered People's Pension to be the most appropriate for the size of the Charity and the number of potential members. The scheme is a defined contribution scheme where the assets are held separately from the Charity in an independently managed fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £17,701. Contributions totalling £1,604 were payable to the fund at the balance sheet date and are included in creditors. Employees are able to make contributions matched by the Charity at 4% or 8% of salary.

8 TAXATION

No tax charge has arisen in the year as the registered charity falls within Chapter 3 of the Corporation Taxes Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, and is therefore potentially exempt from taxation of income and gains to the extent that they are applied to its charitable purposes. The Charity is not registered for VAT. Expenditure is shown inclusive of VAT.

9 FIXED ASSET INVESTMENTS

	2018	2017
	Total	Total
	£'000	£'000
Common Investment Funds		
Market value at 1 April	48,990	44,581
Add: acquisitions at cost	21,398	19,933
Less: disposals at carrying value	(34,934)	(18,223)
Gains /(losses) on revaluation	434	2,699
Market value at 31 March	35,888	48,990
Cash held as part of the investment portfolio	17,077	1,142
Total investments at 31 March	52,965	50,132

Further Investment

During the year the Trustees invested a further £2,250k which was held in cash at the year end.

Historic cost of investment

The original investment portfolio was acquired by the Charity as part of the merger with the former Special Trustees of Moorfields on 31 December 2015. At 31 December 2015, the date of the merger, the value of the portfolio was £41,401k, being investments of £40,908k and cash of £493k.

10 ASSETS IN THE COURSE OF CONSTRUCTION

Software Development Costs

£'000

Additions during the year and net book value at 31 March

81

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2018

11 DEBTORS	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000	2017 Total £'000
HMRC Gift Aid accrual	85	55	-	140	147
Other debtors	-	50	-	50	50
Accrued income	578	1,139	302	2,019	1,498
Prepayments	3	-	-	3	12
	666	1,244	302	2,212	1,707
12 CREDITORS					
Amounts falling due within one year	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000	2017 Total £'000
Grants payable (note 14)	-	5,230	95	5,325	5,774
Other creditors	391	2,472	48	2,911	544
	391	7,702	143	8,236	6,318
13 CREDITORS					
Amounts falling due after one year	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000	2017 Total £'000
Grants payable (note 14)	-	4,164	61	4,225	6,804
14 GRANTS PAYABLE					
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000	2017 Total £'000
Grant commitments at start of year	54	12,282	242	12,578	7,685
NPV adjustment prior year	-	415	13	428	135
Grant commitments made during the year	-	2,432	-	2,432	8,292
Grant commitments released in year	-	(490)	-	(490)	(364)
Grant commitments paid in year	(54)	(4,732)	(92)	(4,878)	(2,742)
Grant commitments	-	9,907	163	10,070	13,006
NPV adjustment current year	-	(513)	(7)	(520)	(428)
Grant commitments at end of year	-	9,394	156	9,550	12,578
Within one year (note 12)	-	5,230	95	5,325	5,774
After more than one year (note 13)	-	4,164	61	4,225	6,804
	-	9,394	156	9,550	12,578

Grant commitments are all either to Moorfields or University College London (UCL). Grants to UCL are mainly made for work by the UCL Institute of Ophthalmology. Details of grants made in the year are set out in the Trustees' Annual Report.

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 MARCH 2018

15 COMMITMENTS

During the year the Trustees entered into a contract for the development of a new customer relationship management system. At the year end the project had incurred expenditure of £81,128, which is shown as an asset under construction. To complete the project the Trustees have committed further expenditure of £145,529.

16 FUNDS	Balance at 1 April £'000	Movement in Funds - Income £'000	Movement in Funds - Expenditure £'000	Transfers between Funds £'000	Gains and Losses £'000	Balance at 31 March £'000
Restricted funds:						
Building						
General Building Fund	3	1	-	-	-	4
RDCEC Building	27	-	-	-	-	27
Project Oriel Capital	691	2	(68)	-	11	636
Equipment						
General Equipment	126	114	(167)	-	7	80
Summer 2014 Equipment Appeal	31	-	(3)	-	2	30
Patient Welfare						
RDCEC Non Research	12	-	-	-	-	12
General Patient Care	3	-	2	-	-	5
Prof Khaw	2	-	-	-	-	2
Research						
General Research	1,923	261	(173)	3	27	2,041
Adnexal Research	(2)	1	-	-	1	-
AMD Research	(93)	76	(1)	-	-	(18)
Aniridia Research	50	5	-	-	-	55
Cataract Research	1	-	-	-	-	1
Corneal Research	50	54	(7)	-	-	97
Diabetes Related Research	4	1	-	-	-	5
Eye Cancer Research	(55)	5	-	-	-	(50)
Gene Therapy Research	21	-	-	-	-	21
Genetic Research	29	7	(20)	-	-	16
Glaucoma Research	144	81	(2)	-	-	223
John Dart Research	67	-	-	-	-	67
London Project	(1,716)	760	(153)	-	1	(1,108)
Macular Degeneration	24	2	-	-	-	26
Ocular Prosthetics	2	-	-	-	-	2
Ocular Repair/regeneration	215	-	-	-	3	218
Paediatric Research	173	14	(202)	-	3	(12)
Project Oriel Research	67	-	-	-	1	68
Retinal Research	(70)	199	(19)	(1)	9	118
RP and Usher Syndrome	(46)	150	-	-	-	104

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2018

16 FUNDS (continued)

Stargardt Research	(233)	16	(13)	-	-	(230)
Stem Cell Research	(156)	126	(9)	-	-	(39)
Uveitis Research	12	13	(4)	(2)	-	19
V R Research	5	-	-	-	-	5
DF-AMD Research	1	-	-	-	-	1
Sir Jules Thorn Unit	9	-	(7)	-	-	2
UNITE	-	10	-	-	-	10
Satellite Sites						
Bedford Satellite	-	1	-	-	-	1
St. Georges Satellite	1	1	-	-	-	2
Ealing Satellite	1	-	-	-	-	1
Total Restricted Funds	1,323	1,900	(846)	-	65	2,442

Linked Charities	Balance at 1 April	Movement in Funds - Income	Movement in Funds - Expenditure	Transfers between Funds	Gains and Losses	Balance at 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted - Special Purpose						
Children's Centre/Paediatric Research	11	-	56	-	-	67
Arthur Luck Oncology/Eye Cancer	46	-	(9)	-	2	39
Francis and Renee Hock Fund	26	1	(6)	-	6	27
Patient Welfare						
Chapel Fund (Helen Brooker)	25	-	-	-	1	26
Research						
General Research	1,411	262	(1,135)	1	39	578
Optical Department	2	-	-	-	-	2
Research Scholarship Fund	111	-	-	-	2	113
Glaucoma Research	175	3	(94)	-	13	97
Retinal Research	(22)	5	(1)	-	3	(13)
Special Trustees (Restricted to Moorfields /the UCL Institute of Ophthalmology)	31,440	647	(393)	-	100	31,794
Staff Welfare and Amenities						
Nurses	28	-	(13)	-	-	15
Retinal Diagnostic Education Fund	100	-	-	-	2	102
Staff Benevolent Fund	103	-	(10)	-	1	94
Total Linked Charities	33,456	918	(1,603)	1	169	32,941

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 MARCH 2018

16 FUNDS (continued)

Endowed funds:	Balance at 1 April	Movement in Funds - Income	Movement in Funds - Expenditure	Transfers between Funds	Gains and Losses	Balance at 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds:						
Samaritan Endowment Funds	237	1	(1)	-	3	240
Children's Endowment Funds	10	-	-	-	-	10
James and Edmonds Fund	42	-	-	-	1	43
Children's Ophthalmic Fund	255	-	-	-	4	259
General Endowment Funds	4,546	366	(27)	-	207	5,092
Sutor Research Fund	423	1	(7)	-	10	427
Total Endowed funds	5,513	368	(35)	-	225	6,071
Unrestricted funds:	Balance at 1 April	Movement in Funds - Income	Movement in Funds - Expenditure	Transfers between Funds	Gains and Losses	Balance at 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
General/Unrestricted	3,071	1,685	(1,217)	(1)	(25)	3,513
Designated Capital Fund	500	-	-	-	-	500
Total Unrestricted Funds	3,571	1,685	(1,217)	(1)	(25)	4,013
Total Funds Summary:	Balance at 1 April	Movement in Funds - Income	Movement in Funds - Expenditure	Transfers between Funds	Gains and Losses	Balance at 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds	1,323	1,900	(846)	-	65	2,442
Linked Charities	33,456	918	(1,603)	1	169	32,941
Total restricted funds	34,779	2,818	(2,449)	1	234	35,383
Endowed funds	5,513	368	(35)	-	225	6,071
Unrestricted funds	3,571	1,685	(1,217)	(1)	(25)	4,013
Total Funds	43,863	4,871	(3,701)	-	434	45,467

Funds in deficit

Of the total amount in deficit £1,470k (2017: £2,369k) is because the Charity has multi-year gift agreements with donors to fund projects and has made multi-year awards. Accounting rules prevent the Charity from accruing the future income but do require it to recognise the long-term liability.

Comparatives

Full comparatives showing the movement in funds for the year ended 31 March 2017 are available in the published statutory accounts for the year ended 31 March 2017. The published accounts are available from the Charity Commission.

MOORFIELDS EYE CHARITY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2018**

16 FUNDS (continued)

Restricted Funds

Building	
General Building Fund	Restricted donations given for the maintenance and repair of the Moorfields Estate.
RDCEC Building	Restricted donations given for the maintenance and repair of the Richard Desmond Children's Eye Centre.
Project Oriel Capital	Restricted donations given for Moorfields' long-term redevelopment project.
Equipment	
General Equipment	Restricted donations given for the purchase of specialist equipment for either research or clinical services.
Summer 2014 Equipment Appeal	Restricted donations to replace a broken stem cell incubator at Moorfields; any surplus donations will be used to support stem cell therapy research.
Patient Welfare	
RDCEC Non Research	Restricted donations given for the work carried out in the Richard Desmond Children's Eye Centre.
General Patient Care	Restricted donations given for the general welfare of Moorfields' patients.
Prof Khaw	Restricted donation given for Prof Khaw to support those with glaucoma who may struggle to access the relevant care they require.
Research	
General Research	Restricted donations given for research purposes.
Adnexal Research	Restricted donations given for research into the causes and treatment of diseases involving tissues surrounding the eye ball, including the eyelids, extra-ocular muscles, socket and tear system.
AMD Research	Restricted donations given for research into the causes and treatment of Age-Related macular degeneration.
Aniridia Research	Restricted donations given for research into the causes and treatment of Aniridia.
Cataract Research	Restricted donations given for research into the causes and treatment of Cataracts.
Corneal Research	Restricted donations given for research into the causes and treatment of diseases of or involving the cornea.
Diabetes Related Research	Restricted donations given for research into the causes and treatment of eye disease linked to diabetes.
Eye Cancer Research	Restricted donations given for research into the causes and treatment of ocular cancers.
Gene Therapy Research	Restricted donations given for research into using or developing Gene Therapy for eye diseases.
Genetic Research	Restricted donations given for research into the genetic background to eye disease.
Glaucoma Research	Restricted donations given for research into the causes and treatment of glaucoma.
John Dart Research	Restricted donations given for research led by Professor John Dart and his team.
London Project	Restricted donations given for research related to the London Project which aims to use Stem Cell technology to restore sight, prevent progression and ultimately improve the quality of life for patients with Age-Related Macular Degeneration (AMD) and other retinal and macular disorders, led by Prof Pete Coffey and Mr Lyndon da Cruz and their teams.
Macular Degeneration	Restricted donations given for research into the causes and treatment of macular degeneration.
Ocular Prosthetics	Restricted donations given to support the development of and research into ocular prosthetics.

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 MARCH 2018

16 FUNDS (continued)

Restricted Funds continued

Ocular repair/regeneration	Restricted donations given for research into ocular repair and regeneration mechanisms and treatments.
Paediatric Research	Restricted donations given for research into the causes and treatment of eye conditions in children.
Project Oriel Research	Restricted donations for specific research projects as part of the £25m research goal within the £100m MEH redevelopment fundraising campaign.
Retinal Research	Restricted donations given for research into the causes and treatment of retinal diseases.
RP and Usher Syndrome	Restricted donations given for research into the causes and treatment of retinitis pigmentosa and Usher syndrome.
Stargardt Research	Restricted donations given for research into the causes and treatment of Stargardt disease.
Stem Cell Research	Restricted donations given for research into utilising Stem Cells in the treatment of eye disease.
Uveitis Research	Restricted donations given for research into the causes and treatment of uveitis.
V R Research	Restricted donations given for research into the causes and treatment of vitreo retinal conditions.
DF-AMD Research	Restricted donations given for research into the causes and treatment of age-related macular degeneration.
Sir Jules Thorn Unit	Restricted donations given in support of the development of and research carried out in the Sir Jules Thorn Unit.
UNITE	Restricted donations given for research related to the UNITE international consortium which aims to advance the education of and research into ocular inflammation and immune-mediated disease of the eye.
Satellite Sites	Restricted donations given for use by Moorfields operational teams at other hospitals.
St. Georges Satellite	
Bedford Satellite	
Ealing Satellite	

Linked Charities

Under a Linking Directive from the Charity Commission, following the merger at 31 December 2015, the former Special Trustees of Moorfields Eye Hospital and its linked charities become Linked Charities of the Charity. The objects of the former Special Trustees meant the Unrestricted funds of that charity became Restricted funds within Moorfields Eye Charity.

SPECIAL TRUSTEES

Restricted	
Children's Centre /Paediatric Research	Restricted donations given for research into and treatment of children's eye conditions.
Arthur Luck Oncology/Eye Cancer	A fund created from a single donation for research into tumours in any part of the visual system.
Francis and Renee Hock Fund	A fund created from a single donation to further the research into the treatment of medical and surgical conditions of the vitreous and retina.

MOORFIELDS EYE CHARITY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2018**

16 FUNDS (continued)

SPECIAL TRUSTEES (continued)

Restricted – Special Purpose	
Patient Welfare	
Chapel Fund (Helen Brooker)	Funds held for the maintenance and refurbishment of the Multi-Faith Centre.
Research	
General Research	Restricted donations given for research purposes.
Optical Department	Restricted donations given for use by the optical department.
Research Scholarship Fund	Restricted donations given to create a scholarship fund for the publication of research.
Glaucoma Research	Restricted donations given for research into the treatment and cure of glaucoma.
Retinal Research	Restricted donations given for research into retinal conditions.
Special Trustees (Restricted to Moorfields/the UCL Institute of Ophthalmology)	The former Unrestricted Fund of Special Trustees whose funds were restricted for use wholly or mainly in support of Moorfields.
Staff Welfare and Amenities	
Nurses	Restricted donations given for general improvements for the comfort of nursing staff.
Retinal Diagnostic Education Fund	Restricted donations given for educational purposes for full-time medical members of the retinal diagnostic department.
Staff Benevolent Fund	Restricted donations given for the relief of those staff facing hardship and to assist with removal, temporary housing, childcare, set-up costs and language training especially for overseas staff but otherwise staff generally.

Endowment Funds:	
Samaritan Endowment Funds	Restricted funds given to relieve in cases of need persons leaving Moorfields Eye Hospital in such ways conducive to their recovery or betterment.
Children’s Endowment Funds	An endowment fund formerly part of the Samaritan Fund on which income is used for the specific welfare of child patients.
James and Edmonds Funds	An endowment fund formerly part of the Samaritan Fund on which income earned is used for the purposes of the Samaritan Fund.
Children’s Ophthalmic Fund	Income is used for the specific welfare of child patients.
General Endowment Fund	General donations in excess of £0.5million received in one year; for expenditure over a number of years.
Sutor Research Fund	An expendable endowment fund created by a legacy for research excluding the use of animals.

Unrestricted Funds:	
General/Unrestricted	Resources that can be used by the Trustees at their discretion
Designated Capital Fund	Funds designated by the Trustees for Moorfields’ long-term redevelopment project

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 MARCH 2018

17 TRANSACTIONS WITH DIRECTORS AND CONNECTED PERSONS

David Probert and Declan Flanagan are directors of Moorfields Eye Hospital NHS Foundation Trust ('Moorfields'). Johanna Moss is an associate director of that trust. Robert Jones is the vice chair of the membership council of that trust.

Dr Spence-Jones is also a trustee of the Friends of Moorfields Eye Hospital (charity registration number 1161546).

None of the Trustees received any remuneration during the year (2017: £Nil). Two Trustees (2017: 2) were reimbursed for their travel and other related expenses totalling £1,945 (2017: £1,399).

None of the Trustees or members of key management staff of Moorfields or parties related to them has undertaken any material transactions with the Charity or with connected persons during the year.

During the year the Charity received human resources, facilities management and information systems services from Moorfields. These services were provided on an arms-length basis.

The Charity also makes grants to Moorfields as set out in Note 14 above and explained further in the Trustees Report.

MOORFIELDS EYE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2018

18 COMPARATIVES: STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000	2016 Total £'000
Income and endowments from:					
Donations	631	2,361	-	2,992	3,146
Legacies	658	2,599	-	3,257	2,072
Events	124	194	-	318	315
Other trading activities					
Raffles	76	-	-	76	74
Investment income	18	194	64	276	230
Total income	1,507	5,348	64	6,919	5,837
Expenditure on:					
Raising funds					
Fundraising	242	836	-	1,078	1,035
Investment management	2	111	25	138	124
	244	947	25	1,216	1,159
Charitable activities					
Capital	200	-	-	200	-
Research	-	6,302	58	6,360	2,288
Equipment	-	785	-	785	343
Patient and staff welfare	-	289	1	290	280
Governance and Support Costs	27	323	43	393	283
	227	7,699	102	8,028	3,194
Merger costs	-	-	-	-	53
Total expenditure	471	8,646	127	9,244	4,406
Net (expenditure)/income before investment gains and losses	1,036	(3,298)	(63)	(2,325)	1,431
Net gains/(losses) on investments	(4)	2,070	633	2,699	(1,957)
Net income/(expenditure)	1,032	(1,228)	570	374	(526)
Transfers between funds	-	-	-	-	-
Net movement in funds	1,032	(1,228)	570	374	(526)
Reconciliation of funds:					
Total funds brought forward	2,539	36,007	4,943	43,489	44,015
Total funds carried forward	3,571	34,779	5,513	43,863	43,489