

Friends of University College London Hospitals

Charity Registration No. 266669

Annual Report and Accounts

For the year ended 31 March 2016



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1. Legal and administrative information

Name of the Charity

The full name of the Charity is the Friends of University College London Hospitals ('the Friends'). The Charity is registered with the Charity Commissioners of England and Wales and its registration number is 266669.

Trustees and Officers

During the year, Lady Aird, CVO was the President of the Friends, and Dr Gillian Vaughan Hudson was Vice-President.

The Trustees who held office during the year were:

Mrs Rachel Wilcox	Chairman
Dr Judith Dixon	Vice Chairman
Mrs Maggie Gormley	Vice Chairman
Mrs Claire Williams	Vice Chairman (retired 12 th November 2015)
Mr Tim Lavis	Honorary Treasurer

Miss Susan Aird
Mrs Lesley Ball (retired 12th November 2015)
Mrs Cynthia Burton
Miss Katie Ginger (elected 12th November 2015)
Ms Pat Isaacs (retired 12th November 2015)
Mrs Janet Kitchen
Mr Haroon Mota (co-opted until 12th November 2015)
Dr Mike Shipley
Rev Barbara Stanford (retired 12th November 2015)
Miss Katy Thom (co-opted until 12th November 2015)

The post of Office Manager was held by Ms Susan Pavlik.

Principal office

The principal office of the Charity is 2nd Floor Maple House, 149 Tottenham Court Road, London W1P 9LL.

Advisors

Bankers

Coutts & Co, 440 Strand, London WC2R 0QS

Independent Examiner

Geoff Frost BSc FCA
Blue Spire Limited
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Investment advisors

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Schroders Investments Limited
31 Gresham Street
London
EC2V 7QA

BlackRock Fund Managers Limited
12 Throgmorton Avenue
London
EC2N 2DL

2. Structure, governance and management

The Friends is an unincorporated association governed by a constitution originally approved by the Charity Commission on 19 November 1973 and most recently amended and adopted on 11 November 2013.

Decisions of the Friends are made by the Trustees acting through its committee. Appropriate sub-committees of the Trustees are formed as necessary to advise the main committee of Trustees. The Friends' financial activities are administered on behalf of the Trustees by qualified accounting staff of University College London Hospitals Charities (charity registration number 229771 'UCLH Charity'). The Trustees are also grateful to the University College London Hospitals NHS Foundation Trust ('UCLH') which kindly provides office accommodation for the Friends.

New Trustees are proposed by the committee of Trustees upon personal recommendation and elected by the members at the Annual General Meeting. Additional Trustees may be co-opted by the committee of Trustees at any point during the year.

3. Objects and activities

The objects of the Friends set out in its constitution are to relieve patients, former patients, staff and former staff of the hospitals within the UCLH NHS Foundation Trust and other persons in the community who are sick, convalescent, disabled, handicapped, infirm or in need of financial assistance and, generally, to support the charitable work of the hospitals. In formulating and applying these objects, the Trustees have regard to the guidance of the Charity Commission on Public Benefit.

The Friends' aim is to help the hospitals, their patients and staff by providing facilities and amenities which are not available from the National Health Service.

The Friends invite requests for grants from hospital staff and departments. Grant applications are considered by Trustees at their committee meetings held every two months. Grants, which must fall within the object and powers of the Friends specified in its constitution, are awarded dependent on the Friends' resources. Grants during the year ended 31 March 2016 included computer equipment to assist rehabilitation and to analyse CT scans, TVs for waiting areas in the outpatient clinics and at the Westmoreland Street site and support for an event to share the results of a project on communicating pain, a project which we had previously supported. A full list of grants may be found in note 7 on page 11 of these accounts.

4. Achievements, performance and future plans

The Trustees consider they have achieved their objectives for the year ended 31 March 2016 of making grants to a wide variety of departments and to make good use of the matched funding provided by UCLH Charity. Some 17 grants have been made by the Friends during the year ended 31 March 2016.

These grants fall into three broad areas: improvements to the environment for patients, equipment, and support for staff and volunteers. All the grants are listed on page 11 of the accounts. Once again, we have been able to continue our support for weekly art workshops, not only for children and the elderly but also for patients in the NHNN rehabilitation unit, and we have also provided another year of magic shows for the children's wards.

The Trustees do not employ formal milestones, benchmarks or success-indicators. Investment performance is not formally measured but Trustees review the market values from time to time of investments held by the Friends in common investment funds. A formal review of the Friends' investment is made at least once a year, taking into account such expert advice as the Trustees consider necessary.

5. Financial review

In the year ended 31 March 2016, the Friends had total incoming resources of £85,008 from donations, subscriptions, legacies, investments and sale of merchandise. The equivalent figure for the year ended 31 March 2015 was £77,719.

During the year ended 31 March 2016, the principal voluntary funding sources of the Friends were donations (£14,588) and a grant from UCLH Charity (£25,000). Subscriptions from members accounted for £1,489 and investment income for £32,072.

Charitable activities accounted for 80% of expenditure, and at £60,663 was a decrease on 2015 (£75,475, restated to include a proportion of governance costs). Notes 5 and 6 give the breakdown of spending. Total resources expended over the year amounted to £75,335 (2015: £88,308).

£17,639 has been spent on grants relating to equipment for patients in UCLH. £23,983 was spent on services benefiting patients of UCLH, and grants of £3,440 contributed to staff services. This puts into practice the object of the Friends set out in the constitution. Expenditure on meetings, travel, communications and the employment of an administrator has facilitated the pursuit of these objectives.

At 31 March 2016, £765,234 was held in 5 common investment funds and £86,868 in cash. Creditors amounted to £82,088, which represents accrued grants which were awarded during the year, trade creditors and other accruals.

Risk management policy

The Trustees recognise that they have a responsibility to minimise the risk to which their activities could be exposed. The Committee actively review the major risks which the Charity faces on a regular basis at their committee meetings and believe that the maintenance of reserves, combined with the annual review of the controls over key financial systems carried out through audit programmes provide sufficient resources in the event of adverse conditions.

Reserves policy

The Trustees have ongoing commitments relating to the relief of both patients and staff and the provision of facilities, equipment and amenities. Subscriptions, donations and legacies which are by their nature subject to fluctuations account for a relatively small proportion of the Friends' income with the balance derived from their investments, incoming grants and proceeds from sales of merchandise. The Trustees therefore consider that there is a need to maintain a level of reserves sufficient for the income to continue to meet these commitments, allowing for fluctuations in the returns that these generate.

The Trustees review the level of reserves regularly to ensure that they can meet their likely commitments, and review their reserves policy on an annual basis. The level of reserves at 31 March 2016 was £801,258 (2015: £827,204).

Investment policy

The Trustees hold units in common investment funds, which fulfil two key requirements in line with the reserves policy outlined above: provision of a regular income to supplement the subscription and donation income, and protection of the capital value of the investments consistent with current policies on grant giving. Fund performance is reviewed regularly and changes to the investments made when necessary. The overall policy is also reviewed on a regular basis.

6. Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 22 Nov 2016 and signed on its behalf by:

Chairman 

Trustee 

7. Independent Examiner's Report to the Trustees of the Friends of University College London Hospitals

I report on the accounts of the charity for the year ended 31 March 2016 which are set out on pages 7 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Geoff Frost BSc FCA
Blue Spire Limited
Cawley Priory
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Date

5 December 2016

The Friends of UCLH

8. Statement of financial activities for the year ended 31 March 2016

	Note	Unrestricted Total funds 2015-16 £	Unrestricted Total funds 2014-15 £
Income and endowments from:			
Donations and legacies	2	50,365	44,593
Investments	3	32,072	31,877
Other trading activities - Proceeds of selling merchandise		<u>2,571</u>	<u>1,249</u>
Total		<u>85,008</u>	<u>77,719</u>
Expenditure on:			
Raising funds - seeking donations and legacies	4	14,334	11,655
Raising funds - cost of goods sold		338	1,178
Charitable activities	5	<u>60,663</u>	<u>75,475</u>
Total		<u>75,335</u>	<u>88,308</u>
Net income/(expenditure)		<u>9,673</u>	<u>(10,589)</u>
Other recognised gains/(losses)			
Gains/(losses) on investment assets		(35,620)	56,557
Net movement in funds		<u>(25,947)</u>	<u>45,968</u>
Reconciliation of funds:			
Total funds brought forward at 31 March 2015	12	827,204	781,236
Total funds carried forward at 31 March 2016	12	<u>801,257</u>	<u>827,204</u>

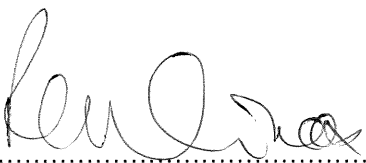
The Friends of UCLH

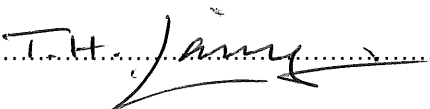
9. Balance sheet as at 31 March 2016

	Note	Unrestricted Total funds 31 Mar 16 £	Unrestricted Total funds 31 Mar 15 £
Fixed assets			
Investments	9	765,234	800,854
Current assets			
Debtors	10	31,244	5,402
Cash at bank and in hand		86,868	68,423
Total current assets		<u>118,112</u>	<u>73,825</u>
Creditors: amounts falling due within one year	11	(82,088)	(47,475)
Net current assets		<u>36,024</u>	<u>26,350</u>
Net assets		<u>801,258</u>	<u>827,204</u>
Funds	12		
Designated funds		765,234	800,854
General fund		36,024	26,350
		<u>801,258</u>	<u>827,204</u>

The notes numbered 1 to 15 form part of these accounts.

Approved by the Trustees on 22 Nov 2016 and signed on its behalf by:

Chairman 

Trustee 

The Friends of UCLH

10. Notes to the financial statements

1. Accounting policies

1.1 Basis of accounting

The Friends of UCLH constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The charity adopted Charities SORP 2015 (FRSSE) in the current year and an explanation of how transition to SORP 2015 (FRSSE) has affected the reported financial position and performance is given in note 15.

1.2 Statement of cash flows

The charity is exempt from preparing a cash flow statement under the FRSSE, as such no cash flow statement has been included in these financial statements.

1.3 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

1.4 Recognition of expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under expenditure on charitable activities and includes upkeep of the charity's properties and the cost of administering the activity of the charity.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, and governance costs. They are incurred directly in support of expenditure on the objects of the charity and on raising funds for the charity. Support costs are allocated to expenditure on charitable activities and raising funds on a basis consistent with the use of those funds.

The Friends of UCLH

10. Notes to the financial statements

1.5 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.6 VAT

The charity is not registered for VAT and is unable to recover VAT incurred. On this basis costs are recorded inclusive of VAT within the SoFA.

1.7 Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA where investments are publicly traded or their fair value can otherwise be measured reliably.

1.8 Debtors receivable and creditors payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.9 Taxation

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

1.10 Funds structure

Unrestricted income funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are a portion of unrestricted funds set aside by the trustees for a particular purpose and represent the investment assets of the charity.

1.11 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Notes to the financial statements (continued)

2.	Voluntary income	Unrestricted Total funds 2015-16 £	Unrestricted Total funds 2014-15 £
	Donations	14,588	10,716
	Subscriptions	1,489	2,307
	Grants	25,000	25,000
	Donated professional services	9,288	6,570
		<u>50,365</u>	<u>44,593</u>

Voluntary income includes £9,288 (2015: £6,570) of donated professional services. The equivalent amount is allocated to support costs in note 8 below.

3.	Investment income	Unrestricted Total funds 2015-16 £	Unrestricted Total funds 2014-15 £
	Common investment funds within the UK	31,806	31,751
	Bank deposit interest	266	126
		<u>32,072</u>	<u>31,877</u>

4.	Cost of generating voluntary income	Unrestricted Total funds 2015-16 £	Unrestricted Total funds 2014-15 £
	Support costs	14,334	11,655
	Note 7		
		<u>14,334</u>	<u>11,655</u>

5.	Analysis of charitable expenditure	Grant funded activity £	Support costs £	Unrestricted Total funds 2015-16 £	Unrestricted Total funds 2014-15 £
	Equipment for patients	17,639	6,107	23,746	34,413
	Services for patients	23,983	8,303	32,286	38,366
	Services for staff	3,440	1,191	4,631	2,696
		<u>45,062</u>	<u>15,601</u>	<u>60,663</u>	<u>75,475</u>

Notes to the financial statements (continued)

6. Grants awarded during year

	£	£
<i>Equipment for patients:</i>		
Panasonic TV for antenatal teaching	424	
Computers for rehabilitaton, NHNN	2,216	
China cups - Jubilee Ward	643	
Furniture for UCH MRI/Imaging	2,466	
Magazine racks for outpatient areas	302	
5 TVs for Westmoreland Street waiting area	1,209	
Laptop & software to analyse CT scans	4,000	
Ten pedometers for bariatric patients	140	
TV screens for Outpatient waiting areas	6,606	
3 phone charging units for Accident & Emergency dept	2,376	
Less: grants written back	(2,743)	
		17,639
<i>Services for patients:</i>		
Art Workshops	16,423	
Printed graphics top-up	286	
Art therapy service 3 months	1,040	
Funding for staffing T11 North Cancer Post 2 yrs	10,000	
POD Sessions 2016 (36 sessions)	1,800	
Less: grants written back	(5,566)	
		23,983
<i>Services for staff:</i>		
Implementation of NMC Revalidation	1,000	
Encountering Pain: Hearing, seeing, speaking event	2,500	
Less: grants written back	(60)	
		3,440
Total charitable expenditure		45,062

The Friends of UCLH

Notes to the financial statements (continued)

7. Allocation of support costs

Expenditure type	Basis of apportionment	Allocated to cost of generating funds £	Residual for apportionment £	2015-16 Total costs £
Office costs	Split equally, other than specific items	9,793	9,657	19,450
Independent examination fees	Split equally, other than specific items	330	330	660
Insurance	Split equally, other than specific items	269	268	537
Donated accountancy services	Allocated on time	3,942	5,346	9,288
		<u>14,334</u>	<u>15,601</u>	<u>29,935</u>

Apportionment of residual amount	£	Total costs £
Purchase of equipment	6,107	6,107
Services for patients	8,303	8,303
Services for staff	1,191	1,191
	<u>15,601</u>	<u>15,601</u>

8. Staff costs

During the year there was 1 employee (2015: 1) who received remuneration amounting to £18,665 (2015: £16,481). Employer's National Insurance amounted to £1,406 (2015: £1,230).

9. Fixed asset investments

	2015-16 £	2014-15 £
Market value at 31 March 2015	800,854	744,297
Add: Acquisitions at cost	-	-
Less: Disposals at carrying value	-	-
Net gain on revaluation	(35,620)	56,557
Market value at 31 March 2016	<u>765,234</u>	<u>800,854</u>
Historic cost at 31 March 2016	635,634	635,634

All investments are held in the UK in common investment funds.

Analysis of material investments

	Market value at 31 March 2016 £
Schroder Charity Equity Fund Income Units	158,268
Charishare Restricted Common Investment Fund Income Shares	129,358
COIF Charities Investment Fund Income Units	302,986
COIF Charities Property Fund Units	99,736
COIF Global Equity Income Fund Income Units	74,886
	<u>765,234</u>

The Friends of UCLH

Notes to the financial statements (continued)

	2015-16 Total funds £	2014-15 Total funds £
10. Debtors		
Prepayments and accrued income	5,710	5,402
Grant payable from UCLH Charity	23,877	-
Other debtors	1,657	-
	<u>31,244</u>	<u>5,402</u>

	2015-16 Total funds £	2014-15 Total funds £
11. Creditors: amounts falling due within one year		
Trade creditors	18,943	32
Other creditors	31,246	34,240
Accruals	31,899	13,203
	<u>82,088</u>	<u>47,475</u>

Other creditors consist of grants which have been approved but not yet spent.

	Balance at 31 March 2015	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 31 March 2016
12. Analysis of funds						
Unrestricted funds						
Designated funds	800,854	-	-	-	(35,620)	765,234
General funds	26,350	85,008	(75,335)	-	-	36,024
	<u>827,204</u>	<u>85,008</u>	<u>(75,335)</u>	<u>-</u>	<u>(35,620)</u>	<u>801,258</u>

Designated funds are investments held for long-term income generation.

13. Auditor's remuneration

Governance costs include independent examiner's fees of £660 (2015: £675).

14. Trustees' remuneration

The trustees received no remuneration during the year (2015: nil). No travel expenses were reimbursed to trustees (2015: nil).

15. First time adoption of SORP 2015 (FRSSE)

The charity has adopted the Charities SORP 2015 (FRSSE) for the first time in the year ended 31 March 2016.

There is no overall effect on the net assets in these financial statements of transition from SORP (2005) to SORP 2015 (FRSSE).