

Charity Registration No. 219102

BMA CHARITIES TRUST FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

BMA CHARITIES TRUST FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr M Wilks Dr A J Mowat (Chairman) Dr A Pathak Dr S J Richards (Vice Chairman) Dr A D Dearden Mr K Ward Dr S W Strange Dr A M Mowat	(Appointed 18 May 2016) (Appointed 23 June 2016)
Charity number	219102	
Principal address	BMA House Tavistock Square London WC1H 9JP	
Auditor	Begbies 9 Bonhill Street London EC2A 4DJ	
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ	
Solicitors	Wilson Alexandra House St Johns Street Salisbury SP1 2SB	
Investment advisors	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	

BMA CHARITIES TRUST FUND

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BMA CHARITIES TRUST FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees have pleasure in presenting their Annual Report, together with audited Financial Statements for the year ended 31 December 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as updated by Bulletin 1A.

Structure, governance and management

The BMA Charities Trust Fund was established by a Trust Deed in 1925. It is an unincorporated charity registered with the Charity Commission for England and Wales.

The Fund is managed by a board of eight Trustees. Four of these are appointed ex officio: the Chairman of the British Medical Association ("BMA") Representative Body, Dr A M Mowat, the BMA Treasurer, Dr A Dearden, the Chairman of the Dain Fund (an autonomous charity), Dr S W Strange, and the Secretary/Chief Executive of the BMA, Mr K Ward. The four other Trustees were nominated by the BMA's membership at the Annual Representative Meeting ("ARM") to serve a term of four years and appointed by the board. The opportunity also exists for the co-option of up to two trustees should the board consider that a wider range of skills is necessary to enable it to carry out its duties effectively. A skills audit is undertaken approximately once a year in order to monitor this.

In 2009 the charities formerly known as the Hastings Benevolent Fund (no 219103) and the BMA Medical Education Trust Fund (no 1044720) were formally merged into the BMA Charities Trust Fund under a Charity Commission uniting direction. The assets, income and expenditure of each remain distinct, as do the objects of each of the Funds.

The members of the Board of Trustees between 1 January 2016 and 31 December 2016 were as follows:-

Dr A Dearden, Dr S J Richards, Dr M Wilks, Dr M Downes (retired May 2016), Dr S W Strange (appointed May 2016), Dr A J Mowat, Dr I Wilson (retired June 2016), Dr A M Mowat (appointed June 2016), Mr K Ward and Dr A Pathak.

When appointed, Trustees are sent guidelines on the duties of Trustees, copies of the governing documents and a copy of the governance framework. Trustees are given the opportunity to attend relevant training sessions through the year either online or in person. All but one of the current Trustees are medically trained and therefore well equipped to sit on the board of a medical charity. Several have previous experience of being a Trustee. The current composition of the Board of Trustees reflects a diversity of gender, ethnic origin and medical specialty which ensures a good skills mix and works to the advantage of potential beneficiaries. All Trustees give their time voluntarily and receive no benefit from the Charity. Reasonable expenses for attending meetings are reimbursed. The Trustees meet four times a year to award grants, deal with administrative matters and set policy. The awarding of some grants to refugee and asylum seeking doctors is delegated to the Director. In the autumn Trustees meeting each year, the Trustees authorise the negotiation of remuneration, terms and conditions, and pension arrangements for employed staff: this review is normally undertaken by the Chairman, but may be delegated to any Trustee. The Trustees normally consider firstly whether an employee's job description has changed within the preceding year. They also consider national financial overview data, such as Consumer price index inflation, evidence relating to pay change within the charities sector, if available, and levels of responsibility undertaken by an employee.

The Fund is one of two charities administered as "BMA Charities" and, therefore, it benefits from shared staffing arrangements and office accommodation. It is independent of the BMA and has its own Trustee structure.

BMA CHARITIES TRUST FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Objectives

Objects

The objects of the Charity as set out in the Trust Deed are to make grants to medical charities named in the Deed and other charities which help medical practitioners. The Hastings Fund's objects are to make payments to members of the medical profession or their dependents who are in need of relief or assistance. The objects of the Medical Education Fund are to make payments to advance the medical education of students who are unable to receive a statutory grant and who are in need of assistance.

Aims

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. The Trustees believe that there is no detriment or harm attaching to the Charity's aims or activities.

The Charity carries out its charitable purposes for the public benefit in the following ways:

- (i) The Charity awards grants to applicant charities once a year at the autumn Trustees' meeting after consideration of their annual reports and accounts.
- (ii) The Hastings Fund is able to help all doctors, medical students and their dependents experiencing a financial crisis, not just members of the BMA. In March 2017 the General Medical Council stated that there were 280,882 registered medical practitioners in the UK. Together with retired doctors, medical students and dependents, this forms a substantial group within the UK population.

The Fund does not make general awards for "living costs" nor does it seek to maintain lifestyles. Assistance is given in the form of one-off grants for specific items such as disability equipment, rent, utility bills and travel expenses. Most beneficiaries are not in work and are living on state benefits, student loans or have a similar low income. Applicants who are in full employment may usually only apply for help with paying for their GMC retention fees and medical defence insurance as this enables them to maintain their posts as doctors. Applicants who ask for help with debt are referred to the Fund's licensed money advisor whose services are retained on a case by case basis. A grant may be made subsequently to help with priority debts. Grants for medical students in immediate need were introduced at the end of 2012 and the maximum grant available is typically £500.

Much of the Fund's work is with refugee and asylum seeking doctors who wish to re-validate their qualifications so that they can practice in the NHS. The majority of these applicants are in receipt of means-tested state benefits and are eager to become independent and use their skills to benefit the country which has given them asylum. The grants the Fund makes to this group enable them pay for the courses and exams leading to GMC registration and the fees for GMC registration itself.

The Trustees are particularly keen to help doctors achieve or remain in work so that they are self-supporting and not dependent on the State and to help medical students who are in danger of having to withdraw from their course because of lack of funds. The Fund does not help with legal fees, private medical treatment or career enhancement projects. All beneficiaries must be in receipt of their full state benefit entitlement.

BMA CHARITIES TRUST FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

(iii) The Medical Education Fund gives financial assistance to students at medical schools situated in the UK who are taking medicine as a second degree, irrespective of whether they are student members of the BMA. Most applicants are taking the five year medical degree and are eligible to apply for help with their second, third and fourth years of study. Applications are accepted from November to January in each academic year. Access to the Fund is limited to students who can demonstrate that they are over £25,000 in debt, thus ensuring that only the neediest students receive help. The maximum grant for this group is £2,500.

The Trustees are particularly keen to support this group of students because they are often the most intellectually gifted and strongly committed to practising medicine but face enormous financial pressures because of the length of the course, debt from previous studies and the high course fees which are required to be paid up front each year. The students assisted by the Fund do not have access to the NHS Bursary Scheme nor to student loans to cover their course fees which are £9,000 a year. The grants can make the difference between a student completing their course or dropping out. Money advice is offered to those students whose finances appear to be poorly managed.

Activities

The only grant made by the BMA Charities Trust Fund in the year was for £30,000 to the Medical Education Fund. The Trustees will consider whether to make further grants from this Fund at their summer meeting in 2017.

The Trustees authorised £31,754 in grants from the Hastings Fund to 36 beneficiaries, compared with £24,585 awarded to 28 beneficiaries in 2015. These 36 beneficiaries comprised 17 refugee doctors, 14 other doctors and 5 medical students in financial need. This Fund was able to make an award to every applicant who was able to demonstrate appropriate financial need. £16,817 of grants awarded in previous years were reversed due to changes in recipients' circumstances.

The Medical Education Fund distributed £182,300 to 87 beneficiaries, compared to £151,830 awarded to 72 beneficiaries in 2015. The Trustees were able to make grants to all students who met the required level of hardship.

Financial review

Under the requirements of the Guidelines on Accounting and Reporting by Charities, the Board of Trustees has assessed the format of financial statements and is satisfied that the appropriate systems are in place. These procedures will be reviewed annually to ensure that they still meet the needs of the charity.

During the year the Charity's income increased by £43,000 from £266,028 to £309,028. The total value of fixed asset investments held by the charity has risen by £283,641 in the year from £4,122,453 to £4,406,094.

Reserves

Total reserves held by the charity at the end of the accounting period stood at £5,036,486, an increase of £334,252 from the previous year. Of these reserves £1,645,121 represents the permanent endowment funds of the Hastings and Coleman Kenton Funds, £915,480 is restricted for the purposes of the Medical Education Fund, £171,186 is restricted for purposes of the Hastings Fund and £2,304,697 is unrestricted funds to be spent of the general charitable objects of the BMA Charities Trust Fund.

Investment portfolios provide the basis of the reserves of the charity, with the intention to hold these assets for the longer term. Charitable expenditure is financed by the income generated from these investments and donations received. The trustees receive forecasts of investment income from the investment manager which they consider when authorising grant expenditure.

It is the policy of the Charity that should the investment income in any given year decline by more than 50%, then individual grants should be reduced by 25% of the "normal" rate until such time as the Trustees shall determine, taking into account the anticipated return on investments, planned expenditure on standing costs and any other relevant factors. The Charity currently has sufficient reserves.

BMA CHARITIES TRUST FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Whilst the Hastings Fund usually only helps each applicant once the award that refugee and asylum seeking doctors receive may be in the form of a package of grants which take into account all of the stages leading to GMC registration. It may take the doctor three or four years from the start of the process to pass all the necessary exams and obtain registration, and grants awarded to these doctors are not written off until it is clear that they will not be used.

Funding

The Charity's main source of funding is investment income. It also raises money from the medical profession by organising collections at the BMA's conferences through pre-circulated Gift Aid envelopes.

For a number of years the Medical Education Fund has benefitted from substantial annual donations from the BMA and the Worshipful Company of Barbers. The contribution of the Goldsmiths' Company, which makes its own selection of students for sponsorship from applicants to this Fund, is also greatly appreciated.

Investment policy

The investment objective of the Charity is to achieve a consistently attractive level of income coupled with the potential for long term capital appreciation, whilst aiming to preserve the value of capital over the shorter term. The portfolio is fixed interest orientated with the remainder in a mix of global equities, convertible bonds and cash.

The Charity continues to operate its ethical investment policy of not investing in companies which manufacture tobacco products or have greater than 10% of their turnover in alcohol manufacture, armaments or gambling.

Social investment is not used by the Charity.

Risk management

The Trustees have examined the major strategic business and operational risks which the Charity faces. The Charity does not engage in any high risk activities and there is no face to face engagement with applicants and beneficiaries. The Trustees have identified seven key areas of risk and have put in place the following risk management strategies:

- (1) The board lacks relevant skills – A skills audit is undertaken every one to two years and training is offered when a particular need is identified. The board structure allows for two co-opted trustees if necessary.
- (2) Failure to comply with legislation and regulations – Professional advice is provided by the appointed solicitors, accountants and investment advisors. The Director keeps up to date with relevant changes in compliance requirements.
- (3) Conflict of interest – All Trustees are provided with the Charity Commissions guide *The Essential Trustee*. Trustees are required to declare any prior knowledge of any applicant to the Charity and are not permitted to take part in the decision making process in such a case.
- (4) Loss of key staff – An annual diary of key activities has been created. In the event of the Director being absent for a prolonged period, the Trustees will approach an agency for a temporary replacement.
- (5) Income and investment failure – Grants are made on the basis of income net of outgoings. Quarterly reports are provided by the investment manager and are reviewed at Trustees meetings.
- (6) Fraud – Two signatures are required for cheque payments over £500. All electronic payments require a second authorization by the Chair or Vice Chair. Payroll is managed by an external organization. Quarterly management accounts are provided by the accountants.
- (7) Fundraising – There is no fundraising from the general public and little fundraising in cash. At events where a cash collection is taken, a named individual is responsible for the safety of the cash. Fundraising agencies are not used.

The risk assessment is reviewed annually.

BMA CHARITIES TRUST FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

The Future

In 2016 the Trustees allowed second degree medical students in their first year to apply to the Medical Education Fund for the first time. The Trustees were concerned that, without support and with the burden of finding £9,000 for fees each year, this cohort of students would not reach its third year. This resulted in an increased number of applications and awards being made. The feasibility of continuing with this level of grant giving will be reviewed in 2017.

The Trustees are committed to continuing the current programme of grant giving to refugee and asylum seeking doctors.

Acknowledgements

The Trustees would like to acknowledge the service received from Sarasin & Partners, our investment advisors, Wilsons, our solicitors, and Begbies, our accountants.

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts 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 year.

In preparing these accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Dr A J Mowat (Chairman)

Trustee

Dated: 1/6/17



Dr S J Richards (Vice Chairman)

Trustee

Dated: 1.6.2017

BMA CHARITIES TRUST FUND

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BMA CHARITIES TRUST FUND

We have audited the financial statements of BMA Charities Trust Fund for the year ended 31 December 2016 set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on pages 1 - 5, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BMA CHARITIES TRUST FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BMA CHARITIES TRUST FUND

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Begbies

Chartered Accountants
Statutory Auditor

21/6/17

9 Bonhill Street
London
EC2A 4DJ

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

BMA CHARITIES TRUST FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2016 £	Total 2015 £
Income from:						
Donations and legacies	3	31,670	133,229	-	164,899	123,270
Investment income	4	71,167	72,962	-	144,129	142,758
Total income		102,837	206,191	-	309,028	266,028
Expenditure on:						
Raising funds	5	363	-	-	363	310
Charitable activities						
Grants to medical charities	6	32,130	-	-	32,130	28,124
Grants to second degree medical students	6	-	193,261	-	193,261	162,253
Grants to provide financial assistance	6	-	35,039	-	35,039	36,469
Total charitable expenditure		32,130	228,300	-	260,430	226,846
Total resources expended		32,493	228,300	-	260,793	227,156
Net gains on investments	12	140,461	39,652	105,902	286,015	(19,729)
Net incoming resources before transfers		210,805	17,543	105,902	334,250	19,143
Gross transfers between funds		(30,000)	25,802	4,198	-	-
Net movement in funds		180,805	43,345	110,100	334,250	19,143
Fund balances at 1 January 2016		2,123,893	1,043,321	1,535,021	4,702,235	4,683,092
Fund balances at 31 December 2016		2,304,698	1,086,666	1,645,121	5,036,485	4,702,235

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

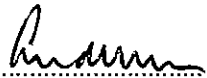
BMA CHARITIES TRUST FUND


BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Investments	13		4,406,094		4,122,453
Current assets					
Debtors	14		978		952
Investments	15		510,978		554,254
Cash at bank and in hand			156,326		68,412
			<u>668,282</u>		<u>623,618</u>
Creditors: amounts falling due within one year	16		(37,891)		(43,836)
Net current assets			630,391		579,782
Total assets less current liabilities			<u>5,036,485</u>		<u>4,702,235</u>
Capital funds					
Endowment funds - permanent	18		1,645,121		1,535,021
Restricted Income funds					
Medical Education Fund			915,480		860,494
Hastings Fund			171,186		182,827
			<u>1,086,666</u>		<u>1,043,321</u>
Unrestricted funds	19		2,304,698		2,123,893
			<u>5,036,485</u>		<u>4,702,235</u>

The accounts were approved by the Trustees on 1st June 2017


 Dr A J Mowat (Chairman)
 Trustee


 Dr S J Richards (Vice Chairman)
 Trustee

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Charity information

BMA Charities Trust Fund is an unincorporated charity registered with the Charity Commission for England and Wales as established by a Trust Deed in 1925 .

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 including Bulletin 1A, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investment assets and to include investment assets at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 December 2016 are the first accounts of BMA Charities Trust Fund prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used.

The Medical Education Fund derives from the uniting direction and represents the formerly unrestricted reserves of the BMA Medical Education Trust Fund and its ongoing income and expenditure. The purpose of this fund is to give assistance to students at UK medical schools who are studying medicine as a second degree

The Hastings Fund derives from the uniting direction and represents the formerly unrestricted reserves of the Hastings Benevolent Fund and its ongoing income and expenditure. The purpose of this fund is to provide short-term financial assistance to members of the medical profession and/or their dependents.

The Colman Kenton Endowment is a permanent endowment, the income from which can be spent in accordance with the objects of the Medical Education Fund. The Medical Education Fund also holds investments, however these are not held as endowment funds.

The Hastings Endowment is a permanent endowment, the income from which can be spent in accordance with the objects of the former Hastings Fund and so is allocated to the restricted Hastings Fund reserve.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it, the amounts can be measured reliably, and it is probable that income will be received.

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation and added to the fund to which the underlying donation was given.

Legacies and similar incoming resources are included in the year in which they are receivable, which is when the fund becomes entitled to the resource.

The Charity SORP requires that an estimate is included in the accounts for material gifts in kind of donated services and facilities except time donated by general volunteers and trustees. The gift is included at an estimate of what the charity would otherwise pay for the goods or services. An expense is recognised in the accounts to match the income received.

Income from investments is included in the SOFA in the year in which it is receivable and is allocated to the relevant restricted and unrestricted funds.

1.5 Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

The cost of generating funds comprises the costs of promoting the charity to potential donors.

In accordance with the SORP provision is made for all grants authorised by the Board of Trustees in the year. Where grants are subject to conditions, and meeting those conditions is within the control of the BMA Charities, only those grants where all the conditions have been met at the year end, are recognised in the accounts. The expense for the period is reduced by the cancellation of grants authorised but not subsequently required.

Governance costs are the costs associated with the governance arrangements of the charity. Costs are apportioned to the appropriate fund at an estimate of usage based on an estimate of staff time and fund size unless directly incurred.

The estimated current staff time percentages are Medical Education Fund second degree medical students 20%, Hastings Fund financial assistance 40% and grants to medical charities unrestricted funds 40%.

Support costs are the general costs incurred in support of meeting the charity's objectives. There is a single charitable objective of giving grants, but costs are apportioned to the appropriate fund, and so type of grant, at an estimate of usage based on an estimate of staff time and fund size unless directly incurred. The estimated current usage percentages are Medical Education Fund second degree medical students 20%, Hastings Fund financial assistance 40% and grants to medical charities unrestricted funds 40%.

The charity's long term investments are held in units in collective investment funds. In accordance with the SORP the charity does not estimate investment management fees which are charged to the collective investment fund to identify the notional cost attributable to its own holding in the scheme.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.6 Fixed and current asset investments

Fixed and current asset investments are initially measured at transaction price and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/ (expenditure) for the year.

The investments held by the charity are all listed investments and so the fair value of the investments is the listed market value on the balance sheet date.

Due to the collective nature of the investments held, the investment charges are levied directly to the investment by the investment provider, rather than as a charge to the charity portfolio directly. Due to the size of the portfolio some management charges may be refunded directly to the charity. Where this is the case the income is reported within the investment income heading.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Other financial assets

The charity holds current assets in the form of listed investments. Those investments that are categorised as current assets are held in an investment fund containing short term money market instruments. Current asset investments are initially recorded at cost and are subsequently revalued to market value as at the balance sheet date.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction. Financial liabilities classified as payable within one year are not amortised.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

The Dain Fund and the BMA Charities Trust Fund share the cost of an employee whose salary is apportioned across the two charities at an agreed percentage based on the percentage of time spent on each charity's affairs.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Grant liabilities

Grants include awards which are formed of a series of individual payments for specific items, such as a series of exams. The time taken by individuals to draw on the funds varies and some recipients may not draw all of their allocation. Due to the timing of the drawdown being outside of the control of the trustees once the grant has been awarded all unpaid grants are shown as creditors due within one year.

Outstanding grants are reviewed annually and if no further payment is considered likely the grant is written back.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Donations and gifts	11,007	133,229	144,236	119,520
Legacies receivable	13,163	-	13,163	-
Donated goods and services	7,500	-	7,500	3,750
	<u>31,670</u>	<u>133,229</u>	<u>164,899</u>	<u>123,270</u>
For the year ended 31 December 2015	<u>15,726</u>	<u>107,544</u>		<u>123,270</u>
Donations and gifts				
BMA	-	80,000	80,000	60,000
Worshipful Company of Barbers	-	27,500	27,500	32,500
De Silva Wijesekera Trust	-	14,000	14,000	5,000
Dain Fund	-	-	-	2,500
LMC's	-	2,160	2,160	2,153
Other	11,007	9,569	20,576	17,367
	<u>11,007</u>	<u>133,229</u>	<u>144,236</u>	<u>119,520</u>

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 Investment income

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Income from listed investments	71,076	72,791	143,867	142,497
Interest receivable	91	171	262	261
	<u>71,167</u>	<u>72,962</u>	<u>144,129</u>	<u>142,758</u>
For the year ended 31 December 2015	<u>70,505</u>	<u>72,253</u>		<u>142,758</u>

5 Raising funds

	2016	2015
	£	£
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	363	310
	<u>363</u>	<u>310</u>

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Charitable activities

	Grants to medical charities	Grants to second degree medical students	Grants to provide financial assistance	Total 2016	Total 2015
	£	£	£	£	£
Grant funding of activities (see note 8)	-	182,300	14,937	197,237	168,394
Share of support costs (see note 9)	25,925	8,364	16,733	51,022	47,875
Share of governance costs (see note 9)	6,205	2,597	3,369	12,171	10,577
	<u>32,130</u>	<u>193,261</u>	<u>35,039</u>	<u>260,430</u>	<u>226,846</u>
Analysis by fund					
Unrestricted funds	32,130	-	-	32,130	
Restricted funds	-	193,261	35,039	228,300	
	<u>32,130</u>	<u>193,261</u>	<u>35,039</u>	<u>260,430</u>	
For the year ended 31 December 2015					
Unrestricted funds	28,124	-	-		28,124
Restricted funds	-	162,253	36,469		198,722
	<u>28,124</u>	<u>162,253</u>	<u>36,469</u>		<u>226,846</u>

7 Description of charitable activities

Grants to medical charities

Grants between Hastings, Medical Education and Charities Trust Funds are shown as transfers between funds. In the current year the Charities Trust Fund gave £30,000 (2015: £60,000) to the Medical Education Fund to support the grants given to students at UK medical schools.

Due to the structure of the charity, the support costs incurred by the Charities Trust Fund are shown above whilst the grant given to the Medical Education Fund is shown as a transfer.

Grants to second degree medical students

The Medical Education Fund gives financial assistance to students at medical schools situated in the UK who are taking medicine as a second degree, irrespective of whether they are student members of the BMA.

Grants to provide financial assistance

The Hastings Fund makes grants to doctors, medical students and their dependents experiencing financial difficulties, not just members of the BMA.

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Grants payable

	Grants to second degree medical students £	Grants to provide financial assistance £	Total £	2015 £
Grants to individuals	182,300	14,937	197,237	168,394
	<u>182,300</u>	<u>14,937</u>	<u>197,237</u>	<u>168,394</u>

9 Support costs

	Support costs £	Governance costs £	2016 £	2015 £	Basis of allocation
Staff costs	41,758	-	41,758	41,687	Estimated staff time
Office accommodation	7,500	-	7,500	3,750	Charities Trust Fund
Staff travel	499	-	499	408	Charities Trust Fund
Postage & stationery	820	-	820	1,056	Estimated usage
Telephone	-	-	-	55	Estimated usage
Bank charges	30	-	30	15	Estimated usage
Staff training	160	-	160	225	Estimated usage
Other costs	255	-	255	679	Estimated usage
Audit fees	-	3,600	3,600	3,600	Governance
Accountancy	-	4,320	4,320	4,320	Governance
Legal and professional Trustee meeting expenses	-	3,300	3,300	1,443	Governance
Trustee insurance	-	687	687	604	Governance
Annual report printing	-	264	264	264	Governance
	<u>51,022</u>	<u>12,171</u>	<u>63,193</u>	<u>58,452</u>	
Analysed between Charitable activities	<u>51,022</u>	<u>12,171</u>	<u>63,193</u>	<u>58,452</u>	

Governance costs includes payments to the auditors of £3,600 (2015- £3,600) for audit fees and £4,320 (2015-£4,320) for management accounts.

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Trustees

There were no trustees in receipt of any remuneration during the year. Reimbursed trustee travel expenses and subsistence expenses in respect of meetings totalled £3,208 repaid to 4 trustees (2015: 3, £1,398). The Trustees held an additional meeting in 2016.

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2016 Number	2015 Number
Grant administration	1	1
	<u>1</u>	<u>1</u>
Employment costs	2016	2015
	£	£
Wages and salaries	34,674	34,649
Social security costs	3,958	3,928
Other pension costs	3,126	3,110
	<u>41,758</u>	<u>41,687</u>

There were no employees whose annual remuneration was £60,000 or more.

12 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Endowment funds general	Total 2016	Total 2015
	£	£	£	£	£
Revaluation of investments	140,461	39,652	105,902	286,015	(19,729)
	<u>140,461</u>	<u>39,652</u>	<u>105,902</u>	<u>286,015</u>	<u>(19,729)</u>
For the year ended 31 December 2015	(10,519)	(1,914)	(7,296)		(19,729)
	<u>(10,519)</u>	<u>(1,914)</u>	<u>(7,296)</u>		<u>(19,729)</u>

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13 Fixed asset investments

	Charities Trust Fund	Medical Education Fund	Colman Kenton Fund	Hastings Fund	Total
	£	£	£		£
Cost or valuation					
At 31 December 2016	2,036,786	546,448	217,747	1,321,472	4,122,453
Valuation changes	140,160	37,579	14,966	90,936	283,641
At 31 December 2016	2,176,946	584,027	232,713	1,412,408	4,406,094
Carrying amount					
At 31 December 2016	2,176,946	584,027	232,713	1,412,408	4,406,094
At 31 December 2015	2,036,786	546,448	217,747	1,321,472	4,122,453
Historic cost	1,683,555	461,035	170,107	1,093,621	3,408,317

As at 31st December 2016, the above portfolios were invested in Alpha CIF for Endowments and Alpha CIF for Income and Reserve units, by Sarasin and Partners LLP, in the following division:

	Charities Trust Fund	Medical Education Fund	Colman Kenton Fund	Hastings Fund
	%	%	%	%
Fixed Income	23.60%	23.80%	23.90%	23.60%
Equities	60.10%	59.90%	59.80%	60.10%
Property	8.10%	8.00%	8.00%	8.10%
Alternative Assets	6.70%	6.70%	6.70%	6.70%
Liquid Assets	1.50%	1.60%	1.60%	1.50%
Total	100.00%	100.00%	100.00%	100.00%

Fixed asset investments revalued

Fixed asset investments are stated at market value.

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Other debtors	354	367
Prepayments and accrued income	624	585
	<u>978</u>	<u>952</u>

15 Current asset investments

	2016	2015
	£	£
Listed investments	<u>510,978</u>	<u>554,254</u>

Current asset investments are comprised of Blackrock Institutional Sterling Liquidity Heritage Accumulator units and are stated at market value.

16 Creditors: amounts falling due within one year

	2016	2015
	£	£
Grants payable	23,463	29,365
Accruals and deferred income	14,428	14,471
	<u>37,891</u>	<u>43,836</u>

17 Defined contribution scheme

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge in respect of defined contribution schemes was £3,126 (2015- £3,110)

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

18 Endowment funds

	Balance at 1 January 2016 £	Incoming resources £	Movement in funds			Balance at 31 December 2016 £
			Resources expended £	Transfers £	Revaluations gains and losses £	
Permanent endowments						
Colman Kenton	217,059	-	-	688	14,966	232,713
Hastings	1,317,962	-	-	3,510	90,936	1,412,408
	<u>1,535,021</u>	<u>-</u>	<u>-</u>	<u>4,198</u>	<u>105,902</u>	<u>1,645,121</u>

The Colman Kenton Endowment is a permanent endowment, the income from which can be spent in accordance with the objects of the Medical Education Fund and so is allocated to the restricted Medical Education Fund reserve.

The Hastings Endowment is a permanent endowment, the income from which can be spent in accordance with the objects of the Hastings Fund and so is allocated to the restricted Hastings Fund reserve.

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2016 £	Income £	Movement in funds			Balance at 31 December 2016 £
			Grants and other costs £	Transfers between funds £	Investment movements £	
Medical Education Fund	860,494	155,071	(193,261)	54,312	38,864	915,480
Hastings Fund	182,827	51,120	(35,039)	(28,510)	788	171,186
	<u>1,043,321</u>	<u>206,191</u>	<u>(228,300)</u>	<u>25,802</u>	<u>39,652</u>	<u>1,086,666</u>

The Medical Education Fund reserves derive from the uniting direction and represent the formerly unrestricted reserves of the Medical Education Fund and its ongoing income and expenditure. The purpose of this fund is to give assistance to students at UK medical schools who are studying medicine as a second degree.

The Hastings Fund reserves derive from the uniting direction and represent the former unrestricted reserves of the Hastings Benevolent Fund and its ongoing income and expenditure. The purpose of this fund is to provide short-term financial assistance to members of the medical profession and/or their dependents.

BMA CHARITIES TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31 December 2016 are represented by:				
Investments	2,176,946	584,027	1,645,121	4,406,094
Current assets/(liabilities)	127,752	502,639	-	630,391
	<u>2,304,698</u>	<u>1,086,666</u>	<u>1,645,121</u>	<u>5,036,485</u>

21 Related party transactions

No guarantees have been given or received.

The BMA Charities Trust Fund receives free use of office accommodation from the BMA for which no charge has been provided in these accounts. A gift in kind value has been placed on this donation of £7,500 as were the accommodation not provided the Charity would rent equivalent accommodation of this cost elsewhere. The BMA has also donated £80,000 (2015-£60,000) to the Medical Education Fund during the year.

The Dain Fund and the Charities Trust Fund share the cost of an employee whose salary is apportioned across the two charities at an agreed percentage based on the percentage of time spent on each charity's affairs. The BMA operates the payroll for the member of staff concerned however their contract of employment lies with the Charities Trust Fund. The Charities Trust Fund has five trustees who are also trustees of the Dain Fund.

A donation was received from the De Silva Wijesekera Trust during the year towards grant giving of £14,000 (2015-£5,000). The De Silva Wijesekera Trust is not a registered charity, but shares trustees with the BMA Charities Trust Fund.

The charity is required to disclose key management salaries. There is only one employee of the charity, as outlined above, and their remuneration is detailed in note 11. Details of payments to trustees are disclosed in note 10. There were no further transactions with trustees, but the charity does purchase insurance each year for their benefit at a cost of £687 (2015-£604).