

Friends of University College London Hospitals

Charity Registration No. 266669

Annual Report and Accounts

For the year ended 31 March 2017



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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 until 22 November 2016, when she resigned that post. Dr Gillian Vaughan Hudson was Vice-President until 22 November 2016, when the Annual General Meeting of the Friends elected her as President to succeed Lady Aird.

The Trustees who held office during the year were:

Mrs Rachel Wilcox	Chairman
Dr Judith Dixon	Vice Chairman
Mrs Maggie Gormley (re-elected 22 November 2016)	Vice Chairman
Mr Tim Lavis (re-elected 22 November 2016)	Honorary Treasurer
Miss Susan Aird (re-elected 22 November 2016)	
Mrs Cynthia Burton	
Miss Katie Ginger	
Revd Peter Harries (co-opted 22 November 2016)	
Mr Tom Hughes (elected 22 November 2016)	
Dr Mike Shipley	
Mrs Angela Wedgwood (elected 22 November 2016)	

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 2017 of making grants to a wide variety of departments and to make good use of the matched funding provided by UCLH Charity. Some 15 grants were made by the Friends during the year ended 31 March 2017.

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 the 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 2017, the Friends had total incoming resources of £65,569 from donations, subscriptions, legacies, investments and sale of merchandise. The equivalent figure for the year ended 31 March 2016 was £85,008.

During the year ended 31 March 2017, the principal voluntary funding sources of the Friends were donations (£10,633) and a grant from UCLH Charity (£18,570). Subscriptions from members accounted for £1,829 and investment income for £32,038.

Charitable activities accounted for 78% of expenditure, and at £57,758 were slightly down on 2016 (£57,758). Notes 5 and 6 give the breakdown of spending. Total resources expended over the year amounted to £73,637 (2016: £75,334).

£13,288 has been spent on grants relating to equipment for patients in UCLH. £24,990 was spent on services benefiting patients of UCLH, and grants of £4,300 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 2017, £876,691 was held in 5 common investment funds and £113,463 in cash. Creditors amounted to £105,319, 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 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 2017 was £904,648 (2016: £801,258).

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 10 Nov 2017 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 2017 which are set out on pages 7 to 12.

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
South Pallant
Chichester
West Sussex
PO19 1SY

Date

6 December 2017.

The Friends of UCLH

8. Statement of financial activities for the year ended 31 March 2017

	Note	Unrestricted Total funds 2016-17 £	Unrestricted Total funds 2015-16 £
Income and endowments from:			
Donations and legacies	2	31,032	50,365
Investments	3	32,038	32,072
Other trading activities - Proceeds of selling merchandise		<u>2,499</u>	<u>2,571</u>
Total		<u>65,569</u>	<u>85,008</u>
Expenditure on:			
Raising funds - seeking donations and legacies	4	15,502	14,334
Raising funds - cost of goods sold		377	338
Charitable activities	5	<u>57,758</u>	<u>60,662</u>
Total		<u>73,637</u>	<u>75,334</u>
Net income/(expenditure)		<u>(8,067)</u>	<u>9,674</u>
Other recognised gains/(losses)			
Gains/(losses) on investment assets		111,457	(35,620)
Net movement in funds		<u>103,390</u>	<u>(25,946)</u>
Reconciliation of funds:			
Total funds brought forward at 31 March 2016	13	801,258	827,204
Total funds carried forward at 31 March 2017	13	<u><u>904,648</u></u>	<u><u>801,258</u></u>

The Friends of UCLH

9. Balance sheet as at 31 March 2017

	Note	Unrestricted Total funds 31 Mar 17 £	Unrestricted Total funds 31 Mar 16 £
Fixed assets			
Investments	9	876,691	765,234
Current assets			
Debtors	10	19,812	31,244
Cash at bank and in hand		113,463	86,868
Total current assets		<u>133,275</u>	<u>118,112</u>
Creditors: amounts falling due within one year	11	(105,319)	(82,088)
Net current assets		<u>27,957</u>	<u>36,024</u>
Net assets		<u><u>904,648</u></u>	<u><u>801,258</u></u>
Funds	12		
Designated funds		876,691	765,234
General fund		27,957	36,024
		<u><u>904,648</u></u>	<u><u>801,258</u></u>

The notes numbered 1 to 14 form part of these accounts.

Approved by the Trustees on 10 Nov 2017 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.

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.

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.

The Friends of UCLH

Notes to the financial statements (continued)

1. Accounting policies (continued)

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 2016-17 £	Unrestricted Total funds 2015-16 £
Donations	8,120	14,588
Subscriptions	1,829	1,489
Grants	18,570	25,000
Donated professional services	2,513	9,288
	<u>31,032</u>	<u>50,365</u>

Voluntary income includes £2,513 (2016: £9,288) of donated professional services. The equivalent amount is allocated to support costs in note 8 below.

3. Investment income	Unrestricted Total funds 2016-17 £	Unrestricted Total funds 2015-16 £
Common investment funds within the UK	31,739	31,806
Bank deposit interest	299	266
	<u>32,038</u>	<u>32,072</u>

4. Cost of generating voluntary income	Unrestricted Total funds 2016-17 £	Unrestricted Total funds 2015-16 £
Support costs	15,502	14,334
	<u>15,502</u>	<u>14,334</u>

5. Analysis of charitable expenditure	Grant funded activity £	Support costs £	Unrestricted Total funds 2016-17 £	Unrestricted Total funds 2015-16 £
Equipment for patients	13,288	4,737	18,025	23,746
Services for patients	24,990	8,910	33,900	32,286
Services for staff	4,300	1,533	5,833	4,631
	<u>42,578</u>	<u>15,180</u>	<u>57,758</u>	<u>60,663</u>

6. Grants awarded during year

	£	£
Equipment for patients:		
4 Tilt in Space wheelchairs	5,608	
Clock for Palm Court, Eastman Dental Hospital	100	
Adjustable height trolley for MRI department	5,000	
Sensory Voyager for children's wards	3,024	
Seating Matters chair for therapy department	2,254	
Ipad and chair for bariatric patients	578	
Outpatient chairs for the RNTNE	2,233	
Aromatherapy diffusers and oils EGA	2,060	
Less: grants written back	(7,569)	
		13,288
Services for patients:		
Art workshops	21,920	
Tuning of Jubilee Ward piano	70	
POD children's charity sessions	3,000	
		24,990
Services for staff:		
Voice Foundation 45th annual symposium	300	
UCL Encountering Pain conference	500	
Education funding for non-clinical support staff	2,000	
Token of appreciation for exceptional staff service, winter 2016	1,500	
		4,300
Total charitable expenditure		<u>42,578</u>

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 £	2016-17 Total costs £
Office costs	Split equally, other than specific items	13,672	13,096	26,768
Independent examination fees	Split equally, other than specific items	330	330	660
Insurance	Split equally, other than specific items	370	370	741
Donated accountancy services	Allocated on time	1,130	1,384	2,513
		<u>15,502</u>	<u>15,180</u>	<u>30,682</u>

Apportionment of residual amount	£	Total costs £
Purchase of equipment	4,737	4,737
Services for patients	8,910	8,910
Services for staff	1,533	1,533
	<u>15,180</u>	<u>15,180</u>

8. Staff costs

During the year there was 1 employee (2016: 1) who received remuneration amounting to £18,409 (2016: £18,665). Employer's National Insurance and pension contribution amounted to £3,804 (2016: £1,406).

9. Fixed asset investments

	2016-17 £	2015-16 £
Market value at 31 March 2016	765,234	800,854
Net gain/(loss) on revaluation	111,457	(35,620)
Market value at 31 March 2017	<u>876,691</u>	<u>765,234</u>
Historic cost at 31 March 2017	635,634	635,634

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

Analysis of material investments	Market value at 31 March 2017 £
COIF Charities Investment Fund Income Units	348,946
Schroder Charity Equity Fund Income Units	190,620
Charishare Restricted Common Investment Fund Income Shares	154,622
COIF Charities Property Fund Units	96,942
COIF Global Equity Income Fund Income Units	85,561
	<u>876,691</u>

The Friends of UCLH

Notes to the financial statements (continued)

	2016-17 Total funds £	2015-16 Total funds £
10. Debtors		
Prepayments and accrued income	6,289	5,710
Grant payable from UCLH Charity	13,524	23,877
Other debtors	-	1,657
	<u>19,812</u>	<u>31,244</u>

	2016-17 Total funds £	2015-16 Total funds £
11. Creditors: amounts falling due within one year		
Trade creditors	7,166	18,943
Other creditors	40,787	31,246
Accruals	57,365	31,899
	<u>105,319</u>	<u>82,088</u>

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

12. Analysis of funds	Balance at 31 March 2016	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 31 March 2017
Unrestricted funds						
Designated funds	765,234	-	-	-	111,457	876,691
General funds	36,024	65,569	(73,637)	-	-	27,957
	<u>801,258</u>	<u>65,569</u>	<u>(73,637)</u>	<u>-</u>	<u>111,457</u>	<u>904,648</u>

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

13. Auditor's remuneration

Support costs include independent examiner's fees of £700 (2016: £660).

14. Trustees' remuneration

The trustees received no remuneration during the year (2016: nil). No travel expenses were reimbursed to trustees (2016: nil).