

FRIENDS OF ST MARY'S HOSPITAL, W2
REPORT OF THE EXECUTIVE COMMITTEE
AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018
CHARITY NO: 252665

GLAZERS
CHARTERED ACCOUNTANTS
843 FINCHLEY ROAD
LONDON NW11 8NA

FRIENDS OF ST MARY'S HOSPITAL, W2

CHARITY INFORMATION

Executive Committee

The Lady J Fellowes - Patron
Dr R Rivers - President

Officers

Chairman – Post vacant
Miss J Winslow - Deputy Chairman

Members

Mrs D Akan
Mrs M Aslan
Mrs N Barnett
Mrs M Carville
Miss S Lennon
Dr J Morris
Mrs L Pickley
Mrs J Prendergast
Fr P Thomas
Mrs G Tsangarides

Ex-Officio Members

Mrs M Linford

Administration

Mrs R Bahar – Secretary
Mr W Umpleby – Treasurer
Mrs M Aslan – Membership Secretary

Charity Number

252665

Charity Offices

Friends of St Mary's Hospital
Praed Street
London W2 1NY

Auditors

Glazers
843 Finchley Road
London NW11 8NA

Bankers

National Westminster Bank plc
69 Baker Street
London W1U 6AT

FRIENDS OF ST MARY'S HOSPITAL, W2

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FRIENDS OF ST MARY'S HOSPITAL, W2

ANNUAL REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2018

The Executive Committee presents its report for the year ended 31 December 2018 under the Charities Act 2011 together with audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Constitution and the Charities SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 issued July 2014 (updated July 2015).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Charity was founded in 1906 and is registered with the Charity Commission under charity number 252665. The Executive Committee and principal address of the Charity are as listed on Page 1 together with particulars of the Charity's professional advisors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a single organisation, which runs services (The Hospital Shop, Friends Café, and Western Eye Tea Bar). Profits from the services, together with funds raised through donations, membership subscriptions and fundraising activities are used to further the Objects, Aims, Objectives and Activities of the Friends of St Mary's Hospital, W2 (Friends).

The Charity is governed by its constitution dating from 1906 and last amended in June 1999.

The Governing Body is the Executive Committee, and members are elected annually at the Annual General Meeting. The members of the Executive Committee, as the charity trustees of the Charity, are legally responsible for the overall management and control of the Friends, and meet eleven times a year.

The trustees who served during the year were:

The Lady J Fellowes – Patron, Dr R Rivers – President, Miss J Winslow – Deputy Chairman, Mrs D Akan, Mrs M Aslan, Mrs N Barnett, Mrs M Carville, Miss S Lennon, Dr J Morris, Mrs L Pickley, Mrs J Prendergast, Fr P Thomas and Mrs G Tsangarides.

All trustees give their time freely and no trustee remuneration was paid during the year. There were no expenses claimed by trustees during the year.

The day-to-day running of the Friends is delegated to the Chairman, assisted by a part-time secretary, and part-time treasurer.

The Executive Committee is responsible for the management of the risks faced by the Friends. Detailed consideration of risk is delegated to the Chairman and the Managers of the Services. Risks are identified, assessed and controls established, and matters requiring formal action are reported to the Executive Committee. In addition the Friends comply with risk assessment procedures in force in The Imperial College Healthcare NHS Trust.

As the post of Chairman has been vacant for some time, the Chairman's responsibilities as noted above have been shared amongst the Executive Committee and Officers. It is hoped to appoint a new Chairman at the AGM this year.

The Friends is constituted as an unincorporated association. Its objects are to undertake:

- (a) Any charitable work, which from time to time is shown to be needed for the benefit of patients and staff.
- (b) To raise funds and to receive contributions from any persons or organisations by way of subscription, covenant, donation or otherwise.
- (c) To provide facilities or equipment which may be required for the treatment of patients or for the efficient running of the Hospital and which may not be readily available through the National Health Service.
- (d) To provide amenities in the Hospital for patients and staff including the running of the hospital shops.

FRIENDS OF ST MARY'S HOSPITAL, W2

ANNUAL REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2018

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

The Friends meets these objectives by receiving donations and bequests and by fundraising through an Annual Christmas Bazaar, Raffle, Flag Days, Book Sales and collecting boxes throughout the Hospital and in local shops.

Departments and Wards in the Hospital are invited to submit bids for grants, which are considered by the Executive Committee at their regular meetings. Each year Departments are also invited to submit bids for the Special Project.

The Services provide facilities for staff, visitors and patients, and any profits are used to help fund grants. The Services are run by a mixture of paid staff and volunteers, and the Executive Committee would like to take this opportunity to record its appreciation of their continuing and valued support for the work of the Friends.

The members of the Executive Committee have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aim and objectives and planning future activities.

The Friends of St Mary's Hospital does not use professional fundraisers for any of its fundraising activities, nor has it or its voluntary fundraisers been subject to any undertaking to be bound by any scheme, except when Flag Days are held on Rail Stations, when their code of conduct is followed.

Fund raising events (book and cake and toy sales, Christmas Card Sales, and the Christmas Bazaar are held within St Mary's Hospitals and staff, patients and visitors to the Hospital (including vulnerable people) are free to support these events, but are not put under any pressure to do so. No complaints were received by the Friends or by our volunteers concerning our fundraising activities

REVIEW OF ACHIEVEMENT AND PERFORMANCE FOR THE YEAR

The Deputy Chairman and Service Representatives will be giving their detailed reports at the Annual Meeting, and copies will be available in the Annual Report. In summary, the Friends Café continued to meet the demand for reasonably priced freshly made sandwiches and drinks for staff and patients waiting for appointments. A trolley service from the Café has been introduced in the Paterson Wing, which has been slow to generate income, and overall the Café has made a loss during 2018. The Hospital Shop continues to sell newspapers, magazines, gifts and cards as well as sweets, drinks, sandwiches and snack food. The Pay point facility for mobile phone top-ups and bill paying continues to provide a helpful on-site service for staff and patients. Overall sales were up on the previous year, and a total of £20,000 has been transferred from the Shop to the General Fund. The Western Eye Hospital Tea Bar, successfully run by volunteers, has been able to transfer a total of £2,500.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Gross income from the services was £373,235 (2017: £373,334). Salaries & pension and other indirect costs amounted to £122,532 (2017: £118,395), with direct costs (purchases of goods to sell) £251,731 (2017: £238,323).

Support and administration costs amounted to £30,527 (2017: £34,641), including salary & pension costs of £16,345 (2017: £20,617).

Income from Subscriptions totalled £1,259 (2017: £1,124), from 2007, on the advice of the VAT office, where Friends have paid more than the suggested minimum rate of £10, the excess has been recorded as a donation – in 2018 these amounted to £2,470 (2017: £2,508). Collection boxes around the Hospital and in local shops and pubs raised a total of £5,217 (2017: £5,093), The Bazaar and associated raffle raised £7,555 (2017: £6,470), Book and cake sales £2,804 (2017: £5,350), and Flag days raised £384 (2017: £1,420), the reduction being mainly due to Paddington Station being closed due to a points failure leading to the cancellation of all trains on the day, and a shortage of tin rattlers at Marylebone Station. Christmas card sales raised £2,475 (2017: £2,803), The DM Thomas Foundation donated £317 (2017: £3,281). We are grateful to Knight Frank who sponsored the marquee for the Bazaar with a donation of £1,104 (2017: £1,038). £5,373 (2017: £4,781) has been received through Just Giving from individual donors and sponsored events by grateful patients of the hospital and their friends and families. Support of the German YMCA continued through providing volunteers in our Café, £147 raised from the concert and a further £3,150 from their December Christmas Market for us as their nominated charity. We are grateful to the local RAC club for donations amounting to £1,580.

FRIENDS OF ST MARY'S HOSPITAL, W2

ANNUAL REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2018

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

We are very grateful for all donations, including the following:

£317	DM Thomas Foundation (London Hilton Hotel)
£5,373	Donations through Just Giving
£3,000	Morris for Wards Project
£4,800	Gresham Collective
£5,000	Platts for Labour Ward
£3,297	German YMCA (£3,150 Christmas Market, £147 Concert)
£1,580	RAC Club

The Executive Committee approved the following gifts and grants during 2018:

£7,340	Recliner Chairs/Redecoration for Alec Bourne Ward
£5,000	Trust Orchestra
£456	Staff lockers for Witherow Ward
£250	Wall Mural for Medical Imaging
£1,120	Music Concerts for Dementia Therapy
£1,600	Entertainment kit, Wheelchairs for Thistlewaite Ward
£20,000	Ultrasound Machine for Anaesthesia (Special Project)
£642	Water Cooler for Parent Education Centre
£8,400	Story telling workshop for Paediatric Allergy
£5,820	Bereavement leaflets, furniture for Midwifery
£4,118	Soft Furniture for Birth Centre
£1,090	Planters for 8 th Floor Garden
£100	Nurse Training
£700	Play Specialist for Entertainment POD Charity
£6,000	Moleculight Camera for Plastic Surgery
£18,000	Refurbishment of Lindo Wing
£5,000	2 Exercise Bikes for Physiotherapy Gym
£2,185	Simulation Trolley for Anaesthesia
£100	Business Cards for Paediatrics
£5,000	Breast Pumps for Midwifery Alec Bourne
£1,300	Aquaria Rentals/Maintenance
£2,500	Chapel Music
£1,500	Chapel Flowers
£1,000	Christmas Gifts for Patients
£600	Christmas Ward Festivities and Decorations
£500	Emergency Packs for Patients
£200	Porters and Security Staff, etc. Gratuities
£2,800	Music in Hospitals (24 concerts pa)
£600	Remembrance Service for Babies (Printing/refreshments)
£100	Wool for home knitters

The balance in the General (unrestricted) Funds at 1 January 2018 was £37,029. During the year, total income amounted to £428,932 compared to total expenditure from General Funds of £463,443 leaving a carry forward balance of £2,518. The total carried forward in Restricted Funds was £17,795.

Funds not required for immediate use are held in a Post Office National Savings Investment Account. Other funds are held in Current Accounts linked to Business Reserve Accounts at the National Westminster Bank.

RESERVES POLICY

The trustees aim to maintain free reserves in unrestricted funds which equate to approximately two months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

FRIENDS OF ST MARY'S HOSPITAL, W2

ANNUAL REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2018

RESERVES POLICY (continued)

During 2018 the balance in the unrestricted funds fell to £2,518, which is well below the two month average unrestricted fund expenditure of £77,000. This continued drop in funds has been caused partly by increases in Salary costs as we have continued to move towards paying all our staff at the London Living Wage rate, and an increase in demand for funds to support projects which, in the past would have been met from NHS funds, and the Trustees have thought worthwhile.

The introduction of a trolley service in the Paterson Wing, which it was hoped would substantially increase Café sales, has been slow to generate sufficient income to cover the additional costs, and the Café has continued to run at a loss during the year. The ban on the sales of 'sugar added' drinks has also been reflected in slightly lower sales, although 'no sugar added' alternatives are available.

We have introduced a card payment machine in the Café to enable contactless payments, which will hopefully attract more customers. The Café Manager resigned in October and we have appointed a replacement who will be working 4 days a week in the Café, with a consequent reduction in salary cost.

We recognise that increasing general income at this time will not be easy, and we need to recruit more members, who will actively support the Friends, not only with their subscriptions, but also in fundraising. We are reducing expenditure this year by not advertising a Special Project, which will save £15-£20,000, and being less generous in making grants from unrestricted funds until sufficient reserves have been built up. We hope nevertheless to be able to support worthy projects which will significantly improve patient experience.

FUTURE PLANS AND PRINCIPLE RISKS

The Imperial College Healthcare NHS Trust continues to review its service provision and use of buildings across the St. Mary's, Western Eye, Hammersmith, Charing Cross and Queen Charlotte's sites, but the Friends of the constituent Hospitals have all agreed that they should remain separate bodies while maintaining close links. The continuing shortage of NHS funds may lead to an increase in the number of grant applications we receive for ward improvements, but may be unable to meet. The recruitment of volunteers is now dealt with and we continue to seek new volunteers, through the Imperial Health Charity, particularly for the Café and Western Eye Kiosk.

STATEMENT OF EXECUTIVE COMMITTEE RESPONSIBILITIES

The Executive Committee are required under the constitution of the charity to prepare 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 Executive Committee 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 those financial statements the Executive Committee are required to:-

- (a) select suitable accounting policies and apply them consistently;
- (b) observe the methods and principles in the Charities SORP;
- (c) make judgements and estimates that are reasonable and prudent;
- (d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (e) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Executive Committee 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.

FRIENDS OF ST MARY'S HOSPITAL, W2

**ANNUAL REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED
31 DECEMBER 2018**

STATEMENT OF DISCLOSURE TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware. Additionally, Trustees have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

APPROVAL

This report was approved by the Executive Committee on the date shown below and signed on their behalf by:-

.....
Miss J Winslow - Deputy Chairman

.....
Mr C W Umpleby – Treasurer

Date.....

INDEPENDENT AUDITORS' REPORT **TO THE EXECUTIVE COMMITTEE OF THE FRIENDS OF ST MARY'S HOSPITAL W2**

Opinion

We have audited the financial statements of The Friends of St. Mary's Hospital W2 (the 'charity') for the year ended 31 December 2018 set out on pages 10 to 15. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 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.

Basis for opinion

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

Conclusions relating to going concern

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

- the Executive Committee' use of the going concern basis of the accounting in the preparation of the financial statements is not appropriate; or
- the Executive Committee have not disclosed in the financial statements any identified material uncertainties that may cast doubt about the charity's ability to continue to adopt the going concern basis of accounting for the period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Executive Committee are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Annual Report of the Executive Committee is inconsistent in any material respect with the financial statements: or
- sufficient accounting records have not been kept; or
- the financial statements 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE EXECUTIVE COMMITTEE OF THE FRIENDS OF ST MARY'S HOSPITAL W2

Responsibilities of the Executive Committee

As described more fully in the statement of the Executive Committee responsibilities, the Executive Committee are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the Executive Committee of the Charity, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Executive Committee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its' Executive Committee as a body, for our audit work, for this report, or for the opinions we have formed.

Glazers
Statutory Auditor
843 Finchley Road
London NW11 8NA

Date:

Glazers is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

DRAFT

FRIENDS OF ST MARY'S HOSPITAL W2

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

		<u>General</u>	<u>Restricted</u>	<u>2018</u>	<u>2017</u>
	<u>Notes</u>	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Income</u>					
<i>Voluntary Income:-</i>					
- Donations and gifts		41,576	12,279	53,855	30,573
- Subscriptions		1,259	-	1,259	1,124
<i>Income from charitable activities:-</i>					
- Gross income from services	(2)	373,235	-	373,235	373,334
- Fundraising ventures		12,618	-	12,618	17,305
Investment income		244	-	244	128
<u>Total income</u>		<u>428,932</u>	<u>12,279</u>	<u>441,211</u>	<u>422,464</u>
<u>Expenditure:-</u>					
<i>Costs of generating funds:</i>					
<i>General fund – Direct</i>		1,106	-	1,106	1,143
Costs of services - Direct	(2)	251,731	-	251,731	238,323
- Indirect	(2)	122,532	-	122,532	118,395
<i>Charitable expenditure:</i>					
Gifts, grants and research advances	(3)	57,547	21,450	78,997	44,592
Support and administration costs	(4)	30,527	-	30,527	34,641
<u>Total expenditure</u>		<u>463,443</u>	<u>21,450</u>	<u>484,893</u>	<u>437,094</u>
<u>Net movement in funds</u>		<u>(34,511)</u>	<u>(9,171)</u>	<u>(43,682)</u>	<u>(14,630)</u>
Total funds b/fwd.		37,029	26,966	63,995	78,625
<u>Total funds c/fwd.</u>		<u>2,518</u>	<u>17,795</u>	<u>20,313</u>	<u>63,995</u>

FRIENDS OF ST MARY'S HOSPITAL W2

BALANCE SHEET

AS AT 31 DECEMBER 2018

	<u>Notes</u>	£	<u>2018</u>	£	£	<u>2017</u>	£
<u>FIXED ASSETS</u>							
Tangible Fixed Assets	(6)			1,180			1,554
Investments	(7)			21,906			21,749
				<u>23,086</u>			<u>23,303</u>
<u>CURRENT ASSETS</u>							
Stocks	(8)	10,936			8,446		
Debtors	(9)	4,690			8,296		
Cash at Bank and In Hand		83,921			121,965		
		<u>99,547</u>			<u>138,707</u>		
Current Liabilities	(10)	<u>(102,320)</u>			<u>(98,015)</u>		
				<u>(2,773)</u>			40,692
<u>Total Assets Less Current Liabilities</u>				<u>20,313</u>			<u>63,995</u>
<u>Funds of the Charity</u>							
General Funds	(1.7)			2,518			37,029
Restricted funds	(1.7, 5)			17,795			26,966
	(11)			<u>20,313</u>			<u>63,995</u>

The accounts set out on the attached pages were approved by the Executive Committee of Friends of St Mary's Hospital and signed on their behalf by:-

.....
Miss J Winslow - Deputy Chairman

.....
Mr C W Umpleby - Treasurer

Date

FRIENDS OF ST MARY'S HOSPITAL W2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance Financial Reporting Standard 102 issued July 2014 (updated July 2015), and the Charities Act 2011 and applicable regulations.

The financial statements have been prepared on going concern basis, at the time of approving the financial statements, the Executive Committee have a reasonable expectation that the charity will have adequate resources to continue in foreseeable future as fully explained in reserve policy note on page

1.2 Fixed Assets

All tangible fixed assets are for use by the charity, held within the UK, and are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures, fittings & equipment - 25% pa on reducing balance basis
Hospital Shop - 10% pa on straight line basis (i.e. over 10 years)

Quoted Investments are stated at market value.

1.3 Income

Voluntary income and donations are accounted for as received by the charity. The income from fundraising ventures and services is shown gross, with the associated costs relating to the latter, included in service costs. Investment income is accounted for in the period in which the charity is entitled to receipt.

1.4 Expenditure

Expenditure is included on an accruals basis, and has been classified under headings which aggregate all costs relating to that category.

1.5 Stock

Stocks of goods for resale by the General Fund and Services are included in the accounts at the lower of cost and net realisable value.

1.6 Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

1.7 Fund accounting

General funds are unrestricted funds which 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. In respect of this, The Executive Committee are of the opinion that it is prudent to set aside a provision, out of unrestricted funds, in respect of closure costs and other unforeseen liabilities. They consider that the balance of unrestricted funds available should be sufficient for this.

FRIENDS OF ST MARY'S HOSPITAL W2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 cont.....

1.7 Fund accounting (continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

2. Services

	Hospital Shop £	Friends Cafe £	Western Eye Hospital – Tea Bar £	Total £
Sales	283,157	79,156	10,922	373,235
Direct Expenses	(202,158)	(42,957)	(6,616)	(251,731)
	80,999	36,199	4,306	121,504
Indirect Expenses	(66,928)	(55,536)	(68)	(122,532)
Deficit for year, excluding Investment Income	14,071	(19,337)	4,238	(1,028)

Indirect expenses include staff costs of £130,747 (2017: £111,125). The average number of full time and part time employees were 9 (2017: 9). The staff are paid by the NHS Trust and the charity is invoiced monthly with the cost. The charity did not pay more than £60,000 for any one employee.

3. Gifts and Grants

Details of gifts and grants awarded during the year are as detailed in the report of the Executive Committee.

4. Support and administration Costs

	2018 £	2017 £
Salaries and pension	16,345	20,617
Printing, postage, stationery and telephone	1,777	1,515
Bank charges	329	319
Insurance	2,284	2,098
Accountancy and audit	6,285	6,285
Other administration costs	3,507	3,807
	30,527	34,641

5. Movements in Restricted Funds

	Balance 1.1.18 £	Income £	Investment Income £	Outgoings £	Balance 31.12.18 £
Sundry legacies and Ward funds held	26,966	12,279	-	(21,450)	17,795

Restricted funds are represented by investments and funds held at bank as at 31.12.18.

FRIENDS OF ST MARY'S HOSPITAL W2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 cont.

6. Tangible Fixed Assets

	<u>Fixtures, Fittings & Equipment</u> £
Cost	
At 1 January 2018	67,348
Additions in year, at cost	-
At 31 December 2018	<u>67,348</u>
Depreciation	
At 1 January 2018	65,794
Charge for the year	374
At 31 December 2018	<u>66,168</u>
<u>Net Book Value</u>	
At 31 December 2018	<u>1,180</u>
At 31 December 2017	<u>1,554</u>

	<u>2018</u> £	<u>2017</u> £
<u>7. Investments</u>		
Post Office Investment Account	21,906	21,749
	<u>21,906</u>	<u>21,749</u>

8. Stocks

Stocks comprise goods for resale at:-

- General Fund (Christmas Cards)	227	241
- Café	999	1,020
- Western Eye Hospital Tea Bar	374	158
- Hospital Shop	9,336	7,027
	<u>10,936</u>	<u>8,446</u>

9. Debtors

Other debtors	<u>4,690</u>	<u>8,296</u>
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10. Creditors, falling due within one year

Commitments for gifts and grants	58,831	61,141
Other creditors and accruals	43,489	36,874
	<u>102,320</u>	<u>98,015</u>

FRIENDS OF ST MARY'S HOSPITAL W2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018 cont.....

11. Reconciliation of Movement on Funds for the year

	£	<u>2018</u>	£	£	<u>2017</u>	£
<u>GENERAL FUND</u>						
Balance at 1.1.18	51,941			61,203		
Less: Excess of expenditure over income after transfers from other funds	(20,197)			(9,262)		
		31,744				51,941
<u>FRIENDS CAFÉ FUND ACCOUNT</u>						
Balance at 1.1.18	(4,850)			1,845		
Add: Excess of expenditure over income	(19,328)			(6,695)		
	(24,178)			(4,850)		
Less: Transfer to General Fund	-			-		
		(24,178)				(4,850)
<u>HOSPITAL SHOP FUND ACCOUNT</u>						
Balance at 1.1.18	14,590			12,081		
Add: Excess of income over expenditure	14,102			22,509		
	28,692			34,590		
Less: Transfer to General Fund	(20,000)			(20,000)		
		8,692				14,590
<u>WESTERN EYE HOSPITAL - TEA BAR FUND ACCOUNT</u>						
Balance at 1.1.18	2,314			3,496		
Add: Excess of income over expenditure	4,241			818		
	6,555			4,314		
Less: Transfer to General Fund	(2,500)			(2,000)		
		4,055				2,314
		<u>20,313</u>				<u>63,995</u>

12. Members Remuneration

The members neither received nor waived any emoluments during the year (2017: £NIL)