



of University College London Hospitals

reg. charity no. 266669

Annual Report and Accounts for the year ended 31 March 2019

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funding extras for patients and staff

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 Commission for England and Wales. Its registration number is 266669.

Trustees and Officers

During the year, Dr Gillian Vaughan Hudson was President of the Friends. Dr Judith Dixon chaired the Trustees until resigning in January because of ill-health. The death of Dr Dixon in February is reported with great sadness. Diana Scarrott, Vice-Chair, became Acting Chair. Tim Lavis was Honorary Treasurer throughout the year.

The Trustees who held office during the year were:

Miss Susan Aird
Mrs Zahrah Awaleh (elected November 2018)
Mrs Cynthia Burton
Dr Judith Dixon, Chair until January 2019
Miss Katie Ginger
Mrs Maggie Gormley
Fr Peter Harries
Mr Peter Hire (co-opted January 2019)
Mr Tom Hughes
Mrs Ros Jacobs (co-opted November 2018)
Mr Tim Lavis, Honorary Treasurer
Mr Harun Patel (co-opted January 2019)
Ms Diana Scarrott, Acting Chair from January 2019
Dr Mike Shipley
Mrs Angela Wedgwood

Ms Susan Pavlik was Office Manager during the year.

Office

The Charity's office is on the 2nd floor, Maple House, 149 Tottenham Court Road, London W1P 9LL- correspondence address 235 Euston Road, London NW1 2BU.

Advisors

The Charity's bankers are Coutts and Co, 440 Strand, London WC2R 0QS.

The Independent Examiner is Geoff Frost FCA, Blue Spire Limited, Cawley Priory, South Pallant, Chichester, West Sussex PO19 1SY.

The Charity's Investment advisors are:

- CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London EC4V 4ET
- Schroders Investments Limited, 31 Gresham Street, London EX2V 7QA
- Black Rock Fund Managers Limited, 12 Throgmorton Avenue, London EC2N 2D
- M&G Securities Limited, 10 Fenchurch Avenue, London EC3M 5AG.

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 are made by the Trustees acting in committee. 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.

The Friends' financial activities are administered on behalf of the Trustees by qualified accounting staff of University College London Hospitals Charity (charity registration number 1165398). The Trustees are grateful to UCLH Charity for this help. They also record their thanks to the UCLH NHS Foundation Trust which provides the Friends with office accommodation and IT support.

3. Objects and activities

The objects of the Friends, as 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 pursuing these objects, the Trustees have regard to the guidance of the Charity Commission on public benefit. The Charity's aim, registered with the Charity Commission, 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. Grant applications are considered by Trustees at meetings held every two months. Grants must fall within the object and powers of the Friends specified in its constitution and are dependent on the Friends' resources.

During the year, the Friends were registered with the UCLH Trust's Charitable Funds Management Committee, as one of the Trust's 'associated' charities. UCLH Charity is the Trust's 'official' charity but Trust policy supports coexistence with other UCLH charities. The Friends Trustees welcome this and are keen to work collaboratively.

4. Achievements, performance and plans

The Trustees consider that their objectives for the year ended 31 March 2019 were achieved. Grants were made widely across the trust and good use was made of matched funding provided by UCLH Charity – that is, funding which doubles the grants that the Friends are able to make, up to a maximum of £25,000.

Eighteen grants were given during the year, more than in the previous year (15). Grants totalled £49,644 after deducting £6,559 in previously-awarded but unspent grants. Grants written back in this way were lower than in 2017/18 (£14,629). Write-backs are an inefficiency in the grant-giving process which the Trustees aim to minimise.

Without using formal benchmarks or success-indicators, there was a general drive through the year to simplify grant application systems, make the availability of small grants more widely known to staff, and get money to where it is needed without delay.

The grants list (on page 11-12) shows Friends grants going especially to projects to improve the experience of patients. Substantial support is given to art workshops, not only for children but for

elderly patients and patients in rehabilitation. Art, music and other activities are especially important for patients who are in the hospital for long periods. However, the Trustees also welcome applications which improve staff experience. Two 'employee of the month' award schemes are now supported, one for admin staff excellence (started in 2017/18) and a new award for 'Quality legends' in the Emergency Department.

The broad breakdown of new grants by value was as follows:

- 57% on support for patient activities – art workshops, music, magicians etc
- 8% on other improvements to the patient experience
- 5% on support for patients' families and friends
- 8% on patient rehabilitation equipment
- 18% on other equipment
- 4% on improving staff experience.

5. Financial review

A formal review of the Friends' investments is made once a year, overseen by the Honorary Treasurer and taking into account such expert advice as the Trustees consider necessary.

The balance sheet shows that at 31 March 2019, £916,477 was held in investment funds and £67,658 in cash (£892,552 and £46,076 in the previous year). Creditors (£64,791) represent accrued grants awarded during the year, trade creditors and other accruals (£54,502 in 2018).

The statement of financial activities for the year to 31 March 2019 shows a total income of £76,335 from donations, subscriptions, legacies, investments and sale of merchandise (£78,832 in 2018). Voluntary income fell during the year but investment income rose so the fall in total income was small.

The principal voluntary funding sources during the year were donations (£9,278) and a grant from UCLH Charity (£24,821). Subscriptions from members accounted for £2,804 and investment income for £36,318. Donations include a gift of £5000 from the Astor Foundation. The Trustees are most grateful to members, donors and UCLH Charity for their continuing support.

Charitable activities at £65,550 were higher than in 2018 (£64,444) but a lower proportion of total expenditure (73.7% compared with 80.5%). £65,550 includes the estimated cost of carrying out the charitable activities, as explained note 4.

Total expenditure rose to £88,934, from £80,028 in 2017/18, to purchase a fixed cabinet for sales and other income-generating activities at the hospital. There will be a further payment for this item in 2019/20 when the cabinet will start to produce income.

Risk management policy

The Trustees are responsible for minimising risk to Friends activities and risks are reviewed regularly. The Trustees believe that the maintenance of reserves, combined with an annual review of key financial controls by the auditors, provide sufficient protection against possible adverse conditions.

Reserves policy

The Trustees have ongoing commitments relating to the provision of grants. Subscriptions, donations, legacies and sales all fluctuate as can investment income. The Trustees aim to maintain a level of reserves sufficient to meet the charity's ongoing commitments, allowing for fluctuations in the returns that these generate. At 31 March 2019, £950,639 was held in reserves (£919,313 a year earlier).

Investment policy

The Trustees hold units in common investment funds, which meet two key requirements of the reserves policy outlined above: provision of a regular income to supplement 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. Several changes were made to the Friends' investments during the year, primarily to increase diversification and including the addition of a new investment in M&G Charifund. In making these changes, money was raised to cover the cost of the fixed cabinet referred to above.

6. Statement of Trustees' responsibilities

The law applicable to charities in England and 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

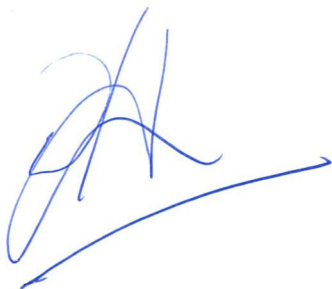
12 November 2019

and signed on their behalf by:

Chair

Diana Scamth

Trustee

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a long horizontal stroke.

7. Independent examiner's report to the Trustees of the Friends of University College London Hospitals

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2019 which are set out on pages 7 to 13.

Responsibilities and basis of report

As the charity's Trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

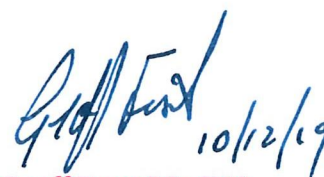
I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act;
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirements that the accounts give a 'true and fair view' which is not a matter considered as part of an inspection.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report 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

8. Statement of financial activities for the year ended 31 March 2019

	Note	Unrestricted total funds 2018-19 £	Unrestricted total funds 2017-18 £
Income and endowments from:			
Donations and legacies	2	39,423	43,962
Investments	3	36,318	33,415
Other trading activities – proceeds of selling merchandise		594	1,455
Total		76,335	78,832
Expenditure on:			
Raising funds – seeking donations and legacies	4	15,363	14,232
Raising funds – cost of goods sold		8,021	1,352
Charitable activities	5	65,550	64,444
Total		88,934	80,028
Net income/(expenditure)		(12,599)	(1,196)
Net gains/(losses) on investments		43,925	15,861
Net income/(expenditure) and movement in funds		31,326	14,665
Reconciliation of funds:			
Total funds brought forward at 31 March 2018	11	919,313	904,648
Total funds carried forward at 31 March 2019	11	950,639	919,313

9. Balance sheet

	Note	Unrestricted total funds 31 Mar 2019 £	Unrestricted total funds 31 Mar 2018 £
Fixed assets			
Investments	8	916,477	892,552
Current assets			
Debtors	9	31,295	35,187
Cash at bank and in hand		67,658	46,076
Total current assets		<u>98,953</u>	<u>81,263</u>
Creditors: amounts falling due within one year	10	(64,791)	(54,502)
Net current assets		<u>34,162</u>	<u>26,761</u>
Net assets		<u>950,639</u>	<u>919,313</u>
Funds	11		
Designated funds		916,477	892,552
General funds		34,162	26,761
		<u>950,639</u>	<u>919,313</u>

The notes numbered 1-11 form part of these accounts.

Approved by the Trustees on 12 November 2019

and signed on their behalf by:

Chair

Diana Smart

Trustee



10. Notes to the financial statements

1. Accounting policies

1.1 Basis of accounting

The Friends of UCLH is an unincorporated charity registered in England and governed by a constitution. The charity's operations and principal activities are set out in the Trustees' report.

The charity 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 applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016)
- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- the Charities Act 2011
- UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

1.2 Statement of cash flows

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

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, where it is probable that the settlement will be required and where 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. They include office costs and governance costs 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 an employee has rendered service to the charity, short-term employee benefits to which the employee is entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.6 VAT

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

1.7 Fixed asset investments

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

1.8 Debtors receivable and creditors payable within one year

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

1.9 Taxation

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

1.10 Funds structure

Unrestricted income funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds are a portion of unrestricted funds set aside by the Trustees for a particular purpose and represent the investment assets of the charity.

1.11 Going concern

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

2. Voluntary income

	Unrestricted total funds 2018-19 £	Unrestricted total funds 2017-18 £
Donations	9,278	14,204
Subscriptions	2,804	2,114
Grants	24,821	24,793
Donated professional services	2,520	2,851
	<u>39,423</u>	<u>43,962</u>

Donated professional services' are accountancy services provided by UCLH Charity. The equivalent amount is allocated to the 'support' costs, the costs of generating voluntary income – see note 4.

3. Investment income

	Unrestricted total funds 2018-19 £	Unrestricted total funds 2017-18 £
Common investment funds within the UK	35,973	33,337
Bank deposit income	345	78
	<u>36,318</u>	<u>33,415</u>

4. Cost of generating voluntary income

Spending on raising funds in SoFA, £15,363 9£14,232 in 2017/18) is based on the following apportionment. The residual amount is counted as 'charitable activity'. Together with grants of £49644, charitable activity then totalled £65,550 in 2018/19 (£64,444 in 2017/18).

Expenditure type	2018/19 total costs £	Basis of apportionment	Cost of generating funds £	Residual £
Office costs	26,549	Split equally, other than specific items	13,274	13,275
Independent examiner	620	Split equally, other than specific items	310	310
Insurance	1,580	Split equally, other than specific items	790	790
Donated accountancy	2,520	Allocated on time	989	1,531
	<u>31,269</u>		<u>15,363</u>	<u>15,906</u>

5. Analysis of charitable expenditure

	Grant funded activity £	Support costs £	Unrestricted total funds 2018-19 £	Unrestricted total funds 2017-18 £
Equipment for patients	16,241	5,203	21,444	11,097
Services for patients	32,320	10,356	42,676	40,245
Services for staff	1,083	347	1,430	13,102
	<u>49,644</u>	<u>15,906</u>	<u>65,550</u>	<u>64,444</u>

6. Grants awarded during the year

Art workshops for patients	£21,120
An ELISA plate washer for the CSF laboratory at Queen Square	5,280
Patient chairs for Cancer Centre	4,415
Equipment for the UCLH @ Home Service	3,800
Weekly Tai Chi sessions for Evergreen Ward	3,250
POD magician sessions for children	3,000
'Music, memory and me' project with the Guildhall School of Music and Drama	2,500
Radios and hand mirrors for patients in intensive care	2,100
2 Sara Stedys for rehabilitation in Evergreen Ward	1,793
Compassion fatigue seminar for consultant nurse specialists	1,500
Memorial event for families and friends of patients who died during intensive care	1,500
Sensory stimulation toys for patients at NHNN	1,436
Trolley for Patient Emergency Response and Resuscitation Team	1,266

Sara Stedy for rehabilitation at Queen Square	1,008
Glideaway bed for visitors staying in the Neonatal Unit overnight	740
Help for parents of critically-ill children to attend a mindfulness course	700
'Quality legend' monthly award for Emergency Department staff	545
Accessible information poster for waiting areas	250
Less grants written back	(6,559)

Total charitable expenditure	49,644
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7. Staff costs and trustee remuneration

During the year the Charity employed one person, a part-time office manager paid £21,113 (£20,697 in 2017/18). Employer's National Insurance contributions were £1,751 (£1,730 in 2017/18) and pension contributions were £3,036 (£2,976 in 2017/18).

As in the previous year, none of the Charity's trustees received remuneration, nor did they claim reimbursement for any expenses incurred.

8. Fixed asset investments

	2018-19 £	2017-18 £
Market value at start of year	892,552	876,691
Additions at cost	180,000	-
Disposals at market value	(187,338)	-
Net gain/(loss) on revaluation	31,263	15,861
Market value at end of year	916,477	892,552
Historic cost at start of year	687,747	635,634

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

	Market value at 31 March 2019 £
COIF Charities Investment Fund Income Units	231,188
Schroder Charity Equity Fund Income Units	150,838
Charishare Restricted Common Investment Fund Income Shares	163,809
COIF Charities Property Fund Units	152,290
COIF Global Equity Income Fund Income Units	95,267
M&G Charifund Income Units	123,085
	916,477

9. Debtors

	2019 Total funds £	2018 Total funds £
Prepayments and accrued income	6,679	6,798
Grant payable from UCLH Charity	24,616	28,389
	31,295	35,187

10. Creditors: amounts falling due within one year

	2018-19	2017-18
	Total funds	Total funds
	£	£
Trade creditors	7,228	17,617
Other creditors	48,092	33,981
Accruals	9,471	2,904
	<u>64,791</u>	<u>54,502</u>

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

11. Analysis of unrestricted funds

	Balance at 31 March 2018 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	Balance at 31 March 2019 £
Designated funds	892,552	-	-	(20,000)	43,925	916,477
General funds	<u>26,761</u>	<u>76,335</u>	<u>(88,934)</u>	<u>20,000</u>	<u>-</u>	<u>34,162</u>
	<u>919,313</u>	<u>76,335</u>	<u>(88,934)</u>	<u>-</u>	<u>43,925</u>	<u>950,639</u>

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