



# Imperial Health Charity

## Annual report and accounts

### 1 April 2017 to 31 March 2018

*A charity registered in England and Wales, no. 1166084*

*Company registration, no. 9999900*

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## Foreword from the Chief Executive

2017-18 has been a year of consolidation and growth for the Charity, operating under our new and more accessible name and brand, and from improved office accommodation on Edgware Road, between St Mary's and the Western Eye Hospitals. The move to new offices has enabled us to bring all staff together which has led to improvements in collaborative working, as well as streamlining processes. It has also given us room for expansion, particularly in the volunteering team which expanded to six in April and then seven with the appointment of a Youth Volunteering Manager to run the programme for 16-25 year olds, funded by the Pears Foundation. Big Lottery Fund and Department for Digital, Culture, Media and Sport, as part of the #iwill campaign.

Achievements for the Charity included our arts programme being the chosen charity for the London Affordable Art Fair's Autumn and Spring shows; the conclusion of the major capital projects in three of the Trust's hospitals funded by our £15million investment over the last three years; and, as well as the launch of the Youth Volunteering Scheme, increases in the total number of volunteers and the areas they are covering across the NHS Trust. You can read more about all of these in the Review of Activities below. Our fundraising during the year enabled us to close the £2million More Smiles Appeal for paediatric intensive care at St Mary's.

During the year the Charity also undertook a review of its governance against the code of practice for Trustees recently introduced by the Charity Commission. We were advised by our auditors, Kingston Smith LLP, with a team separate from the audit division led by Sally Knight. This involved a thorough scrutiny of the Charity's systems and operations as well as interviews with all Trustees, the Chief Executive and the senior management team. The results were largely positive; a few administrative systems were noted as needing updating and this has now been completed, but overall the Charity was rated as fully compliant with the Code.

The Charity also took the lead in two sector-wide initiatives – plans for NHS Charities to be involved in the NHS 70th anniversary celebrations in July 2018, and the Maddox Group's work with consultancy NPC on improved measurement and evaluation of the impact of the work of NHS Charities. Both of these conclude in 2018-19 and will be reported on in full in next year's Annual Report.

I am grateful to all our Trustees, led by Chairman David Crundwell, for their advice and support through the year. Professor Hilary Thomas, Vice-Chairman and Chairman of the Research Fellowships Committee, stood down at the end of the year having served with distinction since 2012. We are pleased to welcome Dr Anita Donley OBE who has joined the Board in Hilary's place and attended her first meeting in June 2018.

I would also like to thank my colleagues for their hard work and commitment during a challenging but rewarding year, and particularly for their good humour in dealing with the office move. Finally, Sandy Scott, our long-standing Office Manager, retired in December 2017 and I would particularly like to thank her for her support and warmth to me and all the team during her ten years with our Charity, and before that the St Mary's Charity – we all wish her well in her retirement.

*Ian Lush, Chief Executive.*

## Reference and administrative details

<b>Status</b>	Imperial Health Charity, was registered as a UK charity, number 1166084, on 1 April 2016 and a Charitable Company, registration 9999900 on 11 Feb 2016.		
<b>Charity number</b>	1166084		
<b>Registered operational address</b>	Charity Offices 178-180 Edgware Road London W2 2DS		
<b>Trustees</b>	David Crundwell Professor Hilary Thomas Robert Creighton Valerie Jolliffe Dr Mary O'Mahony Caroline Lien Dr Anita Donley Michelle Dixon Professor Julian Redhead Nick Ross	Chair Vice Chair	Resigned 31 March 2018      Appointed 16 May 2018 Representing Imperial College NHS Trust Representing Imperial College NHS Trust Representing Imperial College NHS Trust
<b>Chief Executive and Company Secretary</b>	Ian Lush		
<b>Bankers</b>	National Westminster Bank 1st Floor, Natwest Bank PO Box 2A 69 Baker Street London, W1U 6AT		
<b>Auditors</b>	Kingston Smith LLP 60 Goswell Road London, EC1M 7AD		
<b>Investment</b>	UBS AG Wealth Management 5 Broadgate London, EC2M 2AN  CCLA Asset Management Ltd 85 Queen Victoria Street London, EC4V 4ET		

## Background and objects

The objects of Imperial Health Charity (“the Charity”) sit under the broad banner “For any charitable purpose or purposes relating to the National Health Service or for the general or specific purposes of Imperial College Healthcare NHS Trust”.

The Charity is independent of Imperial College Healthcare NHS Trust (“the NHS Trust”) and focuses on enhancing and improving the quality of patient care beyond that achieved by routine NHS funding and on health initiatives for the wider community.

The principal aim of the Charity, as agreed by the Board of Trustees in February 2015, remains as follows:

*“The Charity is a key partner of the NHS Trust, fully involved with any major capital project the NHS Trust undertakes and working as an enabler in supporting initiatives to benefit the NHS Trust, its staff, patients, family members and visitors.”*

In 2015-16 the Charity made a significant change to its strategy by agreeing to release £15million of capital funds to the NHS Trust through a series of major grants spanning three years. The first project identified the need to improve the main outpatient services at Charing Cross and Hammersmith Hospitals; refurbishment of Riverside operating theatres at Charing Cross; and improvements to the emergency department at St Mary’s; as well as NHS Trust-wide patient service centre providing a centralised appointments service for outpatients. These programmes of work completed during the year and have had a significant positive impact on both patients and staff at the Trust.

The Charity’s strategy also focuses on opportunities to boost income through fundraising, enabling further support to the improvements being made in services and facilities across the Trust.

## Review of activities

The Charity's activities cover five main areas, which are described in the following sections, starting with the main core activity, grant giving.

### Grant giving

The Charity's grant programme provides funding for both patients and staff at the Trust, through a range of projects aimed at improving patient care and experience, development of Trust staff through training and education and clinical research.

The grants programme is delivered through six themed schemes.

#### ***General Grants (including a Small Grants programme)***

General grants provide awards of between £10,000 and £100,000 for a period of up to 12 months for projects which specifically focus on improving patient care and amenity. Small grant awards are similarly focused but are usually capped at £5,000, however in exceptional cases they may be awarded up to £10,000. Small grants can be deployed considerably swifter than larger general grants, this nimbleness often provides a high impact in a small focused area of urgent patient need.

#### ***Research Fellowships***

Research Fellowship Awards provide an opportunity for health professionals within the Trust to undertake a period of clinical research for one year, a vital stepping stone in their professional development. Funding supports an individual's salary and research consumables over a 12-month period, funding is currently capped at £50,000. The aim of these awards is to enable successful applicants to use their research data and enhanced skills obtained during the 12 months, for larger research grant bids, furthering their research and professional development. The Charity awards these grants jointly with our funding partner, the NIHR Imperial Biomedical Research Centre (BRC).

#### ***Staff Training and Recognition Awards***

The Charity continues to support staff development at the Trust through education and recognition schemes which have a clear impact on patient benefit and staff morale.

#### ***Major Grants***

Any grant exceeding £150,000 is considered a major grant by the Charity. These priority large-scale projects are identified in partnership with the Trust. All approaches for financial support at this level must already have formal approval from the Trust Executive Committee before being considered by the Joint Planning Group. The Board of Trustees ratifies the award and determines the required grant conditions.

#### ***Special Purpose Fund Grants***

The Charity manages many donor-gifted funds that have a specific purpose, supporting either a hospital ward, department, area of research, service or group of patients. These donations are held as designated funds, to be spent in line with the wishes of the donor. The Charity holds two types of special purpose funds: those which are directly controlled by the Board of Trustees; and funds that are managed by NHS Staff under delegated authority which are called Fund Adviser funds.

## ***“Dresden” Hardship Grants***

The Dresden fund, named after its Victorian benefactor, is held by several Hospital Charities in London. It is a permanent endowment fund, whose income is applied to individuals suffering financial hardship resulting from their treatment in hospital, or that being undergone by a member of their family. Trust staff are able to apply to the Charity for funding, awards are capped at £2,000.

During the year, the Charity awarded £2.9 million through these six grant schemes. Below is a brief description of the types of grants awarded. A more comprehensive and detailed review of achievements and performance during the period can be found in the [Impact 2017-18](#) report on the Charity's website [www.imperialcharity.org.uk](http://www.imperialcharity.org.uk).

### **In summary:**

- 17 General grants awarded, totalling £752k, 34 of which were from special purpose funds.
- 9 Research fellowships awarded, totalling £474k, of which:
  - the Charity funded 7, (£336k to medical staff);
  - the BRC funded 3, (£138k to non-medical staff).
- 2 Major grants awarded, totalling £1.4m:
  - £1.1m for the purchase of MRI Focused Ultrasound equipment;
  - £0.3m to establish a St Mary's Hospital Patient Experience Hub.
- Trust staff training and recognition awards, totalling £100k;
- 48 Small grant awards, totalling £183k; and
- 83 Dresden hardship grants awards, totalling £104k.

## **Arts**

The aim of the Charity's art activities is to enhance the environment for patients and staff at the trust. This is performed through engagement programmes and maintaining and conserving the art collection to the high standards set by the Museum and Libraries Association (MLA), a requirement of the Charity having the status of an accredited museum (the only Hospital Arts Collection with this accreditation).

### ***Improving the environment***

During the year the Charity worked on projects designed to improve the hospital environment, which included supporting the Trust communications team on their wayfinding project and working on a set of style guidelines for Children's services.

### ***Engagement Programmes***

The Charity collaborated with The Showroom, a local arts centre, to run a six-month artist in residence programme within paediatrics at St Mary's hospital. Paper Birch continue their creative workshops across Elderly Care - the Charity organised and funded 12 sessions per month. An activity pack aimed at elderly care patients using the art collection for inspiration was also trialled by Paper Birch, a second trial will see 100 packs go out with both Paper Birch and the volunteer-run library trolley.

The staff arts club, comprising 3,400 Trust staff members, continues to offer arts benefits and activities including free entrance to the V&A, Royal Academy and Tate as well as the opportunity to apply for tickets to the Charity's Royal Albert Hall box.

## ***Exhibitions***

The Art in Focus temporary exhibitions programme continues to bring new art into the hospitals on a regular basis. During the year, it featured works by Sandra Blow, Norman Ackroyd, Fay Godwin, artist and volunteer Fay Ballard, and photographer and ex-patient Richard Gray.

## ***Art collection***

A total of 95 artworks were installed during the year, highlights include a set of botanical photographs by Lisa Creagh, installed in the IVF clinic at Hammersmith hospital, Brian Eno's colourful lenticular prints in the Nuclear Imaging Department and Tom Hammick's large figurative works in the Neuro Rehabilitation unit at Charing Cross hospital. Several large commissions for newly renovated spaces within the Trust were completed, including the installation of a large tile work by Clare Woods in the new Outpatients clinic at Hammersmith hospital.

Finally, a necessary sale of a large painting from the collection generated £25,000 which will be used towards future purchases.

## ***Conservation***

The Bridget Riley murals at St Mary's had their annual maintenance and both the Henry Moore and David Mach sculptures at Charing Cross hospital were assessed and cleaned.

## ***Arts Fundraising***

During the year the Charity was chosen as the charity partner for the Affordable Art Fair in Battersea for both Autumn and Spring fairs. The partnership donated a percentage of income from ticket sales alongside a stand, just over £9,000 was raised which will go towards the Charity's artist in residence programme. In 2018 the Charity will be working with Worton Hall Studios and CCA Galleries, the aim is for seven leading British artists to produce 10 editioned prints each, in celebration of the 70th anniversary of the NHS. Net sale proceeds will be donated to the Charity by CCA Galleries. The portfolio is expected to be launched on 4<sup>th</sup> July 2018.

## **Volunteering**

2017-18 was the first full year of the Charity delivering volunteering programme for the Trust. The volunteering strategy has been set initially for three years (2017-20) and covers four main themes. During the year the Charity had 249 active volunteers.

### ***Creating and developing volunteer roles to improve patient experience***

The Charity worked with several NHS teams during the year to create new volunteer roles across the Trust. A large scale multi-site recruitment campaign during the autumn to find 'Hospital Host' volunteers for several Outpatient clinics took place.

### ***Increasing the number of volunteers***

During the year we increased the number of volunteers by 80, including 35 Hospital Hosts, 13 Shop Volunteers, 12 Patient Activities Volunteers, 5 Breastfeeding Support Volunteers and 4 Fleming Museum Volunteers.



### ***Improving quality of experience for volunteers and staff***

Several new initiatives to improve the quality of experience for volunteers and staff were deployed during the year, including a new core training course for new volunteers. Average rating from attendees was 4.6 out of 5. A one hour 'Working with Volunteers' briefing for Trust staff was initiated. These were aimed at staff who work with volunteers, so both they and the volunteers gain valuable experience. To visually help identify volunteers within the Trust, a new uniform was introduced, consisting of a short-sleeved purple branded top with a green volunteer lanyard and branded name badge as well as issuing "I speak..." language badges to help signpost patients to volunteers who speak additional languages.

### ***Developing the required infrastructure to deliver these themes***

In April the Charity successfully restructured the Volunteering Department inherited from the Trust. This enabled the recruitment of four new full-time posts: three Volunteering Managers, one for each of the three main hospital sites and a Volunteering Co-ordinator.

During the year a new volunteering policy was approved by the Board of Trustees, that documents how the Charity manages all aspects of the volunteering programme. The policy will take effect from 1st April 2018 when the Charity will engage with volunteers, ensuring the new aspects of the policy, which include a requirement to complete the core training refresher course and repeat DBS disclosures, are completed by all.

## **Fundraising and communications**

The Charity raises funds for a range of initiatives across the five hospitals at the Trust. These might be targeted specific appeals or more general in nature. Fundraising, using both digital and conventional media aims to engage patients, families, visitors and members of the local community in its work. Through better engagement and stewardship, the Charity's fundraising and communications strategy aims to increase the share of voluntary income the Charity receives whilst growing its supporter base.

Fundraising showed encouraging growth over the last year. Particularly successful were the community events including Walk for Wards and the annual abseil down the Queen Elizabeth the Queen Mother building at St Mary's. The Charity reached its £2m target for the More Smiles Appeal, for paediatric intensive care at St Mary's.

The Charity is registered with the Fundraising Regulator and abides by its Fundraising Code. The Charity values its supporters and donors. It is only thanks to the generosity of our donors, that the Charity can continue to help the Trust do more, through funding major redevelopments, clinical research, medical equipment and helping Trust patients and their families at times of extreme financial difficulty.

To ensure the Charity can meet this high standard, the Charity has committed itself to a 'Fundraising Pledge' which can be found on our website.

The Fundraising Pledge includes:

- following all recognised codes of fundraising practice and other guidelines which prescribe best practice fundraising standards for the UK charity sector. The Charity is registered with the Fundraising Regulator and we comply with all UK charity laws and regulations;
- ensuring the way in which the Charity communicates with you is considerate and reasonable;
- the Charity will never sell your details or share them with another organisation;

- the Charity will be transparent in making clear how your money is spent, through its website, in its donor newsletter and in disclosures publicly available in the audited Annual Report and Accounts;
- the Charity will acknowledge and thank you for your donations as a sign of its appreciation;
- respond to any complaints in a timely and respectful fashion, should you fund the Charity's conduct concerning in any way; and
- take special care in its contact with donors, and potential donors, who may be old, infirm or vulnerable.

During the year the Charity had fewer than five complaints.

## Finance

The Charity's Finance team provides finance and accounting support to the Charity and in close liaison with professional advisers manages the Charity's investments.

A summary of the main financial key performance indicators is listed below.

KPI	Measure/target	Result	Comment
Investment return	CPI+4.5% (7%)	2.34%	Less than target due to wider market conditions. Performed better than custom benchmark and ARC Steady Growth portfolio.
Fundraising target	£750k	£1.5m	Fundraising performance during the year exceeded the initially modest expectations, the target for 18/19 has been increased to £2.1m.
Working capital ratio	1.2 – 2	1.5	Action plan successfully brought ratio back in range.
Fund adviser spend	£1.5m	£1.44m	As planned funds were used rather than held as 'rainy day' funds.
Charitable activity as % of total expenditure	80%	85%	Three-year strategy review to take place.

Overall, the financial position of the Charity remains strong. Further information on the financial results is given on page 18.

## Future plans

### Grant giving

In December 2017, the Board of Trustees ratified the following grant-making objectives for 2018-19:

- Promote the Dresden Hardship Fund. Key outputs: to increase applications from members of Trust staff across the five hospitals.
- Continued development of the impact measurement framework, working in partnership with other NHS charities through the Maddox Group.
- Develop effective reporting, monitoring and evaluation across all grant schemes.
- Work closely with the Trust to ensure major capital grants are completed on time and within budget.

To enable these objectives to be carried out, the Board of Trustees agreed to increase general grant funding by £220k to £820k and expansion of the Charity's Grant Department. As 2017-18 is the last year of the current three-year grant strategy, the Board of Trustees will discuss strategic options for the next three-year grant cycle in 2018-19.

### Arts

The Charity continues to enhance the environment for patients and staff at the Trust, using style guidelines to inform renovations, upgrades and art commissions. The first of these will be the Grand Union Ward at St Mary's hospital, a very special place for children who are in isolation for long periods of time. The Arts team will also be closely involved in the design aspects of the redevelopment of Charing Cross hospital's A&E Unit. August 2018 should see completion of phase 1 of the new Albers-inspired Paediatric Intensive Care Unit at St Mary's hospital.

Engagement activities will continue to grow; next steps include extending the artist in residence programme in collaboration with the Serpentine Gallery, on a project to improve outcomes for frail patients on Elderly Care wards and producing patient 'activity packs' for all areas of the Trust.

October 2018 will mark the bicentenary of Charing Cross hospital, which will include the launch of the Art Trail, as well as other exhibitions and celebrations. We also hope to extend the art trail to our other two main sites.

Over the next year we plan to acquire inspiring and relevant new works for the collection in line with the Collection Development Policy and look forward to celebrating the 70th Anniversary of the NHS with the sale of the limited-edition prints by CCA Galleries.

### Volunteering

In 2018-19 the Charity plans to build on previous achievements, creating more volunteer roles in new areas and teams within the Trust, embedding the new methods, systems and processes recently introduced.

### ***Creating and developing volunteer roles to improve patient experience***

In January the Charity appointed a Youth Volunteering Manager to manage a two-year project funded by the Pears Foundation as part of the #iwill campaign. This project is intended to provide opportunities for 16-25 year olds to volunteer with the Charity, either through a summer scheme or term-time programme that has a structured learning and development component. This will be initially run at Hammersmith hospital before being rolled out to Charing Cross hospital in 2019.

The Charity is planning to introduce Hospital Welcome Volunteers to the main entrances at Hammersmith and St Mary's hospitals and introduce Mealtime Support Volunteers at a number of wards at Charing Cross, Hammersmith and St Mary's.

### ***Growing the number of volunteers***

The Charity aims to grow the number of volunteers in the Trust, focusing on Hospital Hosts, Patient Support and Library Service Volunteers within new areas, including a focus on the Hammersmith and Queen Charlotte's & Chelsea site. At Queen Charlotte's & Chelsea hospital the Charity will work with local community partners to appoint more Breastfeeding Support Volunteers.

### ***Improving quality of experience for volunteers and staff***

Over the next year the Charity will implement the newly created award schemes and hold another Summer Boat Party during Volunteers' Week followed by an event in the winter months. Feedback will continue to be monitored from attendees of our new core training course for both new and existing volunteers.

### ***Developing required infrastructure***

Having developed the Charity's CRM system to manage and improve how we work with volunteering data and introduced a new Volunteering Policy, 2018-19 will focus on implementing these new tools as well as engaging with our existing volunteers and Trust staff.

## **Fundraising and communications**

The Charity plans to launch several major multi-year appeals in 2018/19, including The Tremor Lifeline Appeal (£1.5m), The Men's Health Fund (£1m) and the St Mary's Children's Fund (£1.5m). In addition to this, the Charity will also be supporting a range of smaller appeals and helping Trust Departments/Wards with their fundraising. The Charity also aims to launch its new website.

## Prospects and principal risks

### Risk management

The Trustees have a robust process to identify and manage the principal risk the Charity faces. The Finance Committee regularly reviews the risk register of the Charity. This register contains the operational risks and key controls by which the Charity manages these risks. The Trustees also consider the risks to the Charity of implementing the strategic plan as part of the strategic planning day and at quarterly Board meetings. The Trustees are satisfied that the risks, to which the Charity is exposed, as identified by the Trustees, have been reviewed and that systems and procedures are in place to manage those risks.

The Trustees delegate management of operational risk to the senior management team and focus on the strategic risks facing the Charity. They consider these to be:

#### ***Financial risks and uncertainties***

The Charity has two main sources of income: its investment returns and its fundraising income. The principal financial risk the Charity faces is not meeting its targets in these two areas and hence having less flexibility to fund its charitable activities.

The main risk the Charity faces is the investment return not achieving its target, along with short-term volatility in markets. The Charity is invested for the long term and undertook steps in 2015-16 in conjunction with the Charity's investment managers to change the investment mandate allowing more flexibility around asset allocation. This marginally increased the risk/return ratio for the Charity, which the Trustees accept is necessary to generate a slightly higher return.

Fundraising: each year the Charity needs to make assumptions regarding the level of fundraising income achieved in special purpose funds and for general use. The levels of income are closely monitored year by year to ensure the charitable activities are flexed to respond to changes in income level. The levels of reserves held reduce the risk of an in-year underperformance (or similar).

#### ***Property risk***

The biggest property risk the Charity faces relates to the proposed redevelopment of St Mary's hospital. The Charity owns land in Winsland Street which the Trust leases. This land along with Trust property forms part of the redevelopment. Whilst professional adviser fees are being incurred, the project is still not guaranteed to go ahead. The Charity is ensuring compliance with all regulatory requirements, as well as aiming to maximise the benefit the Charity may accrue from the sale. The Trustees will consider the impact of any sale on the Charity's assets and look at the most propitious arrangement before entering into any agreement on the land and its possible sale.

#### ***Reputational risk***

The Trustees are aware reputational risks may arise from its activities, whether they stem from fundraising, grant making, volunteering or art. The Trustees have plans in place which aim to mitigate these risks where possible. For fundraising, an ethical fundraising policy has been implemented, proposed fundraising activities monitored and the Charity does not use external agencies for any of its fundraising activities and has no plans to do so in the future. The Charity monitors grant progress through committees, however appreciates these activities are often outside of the Charity's direct control but may impact on the Charity's reputation. For volunteering, a safeguarding policy has been developed and implemented, working with the Trust's safeguarding team. The Charity undertakes DBS disclosures for eligible volunteer roles according to the Disclosure & Barring Service guidance. Art purchases and activities are monitored by the Art Committee.

### **Fund Adviser funds**

The Trustees are aware that delegated day to day management of some funds to Fund Advisers mean that decisions regarding a proportion of the Charity's reserves are managed by NHS staff, outside the direct control of the Charity. The Trustees are aware of this risk and all expenditure is checked against fund purpose before being awarded. Goods and services are usually procured through the NHS Trust's procurement system to ensure both value for money and compliance with NHS Trust policies.

## **Structure, governance and management**

### **Legal structure**

The Charity is an independent charity and a charitable company limited by guarantee, is registered with Companies House (registered company number 09999900) and with the Charity Commission for England and Wales (registered charity number 1166084) (the 'Charity').

The Charity's governing document is its Memorandum and Articles of Association.

The principal funds and their purposes are:

#### **Imperial College Healthcare Charity:**

*For any charitable purpose or purposes relating to the National Health Service or for the general or specific purposes of Imperial College Healthcare NHS Trust (the NHS Trust). This fund holds the general funds of the Charity.*

#### **The Newson Fund:**

*For the benefit of maternity patients under the care or recently discharged from the care of the Trust.*

#### **The Dresden Fund:**

*For the benefit of patients at the Trust group of hospitals.*

#### **Imperial College Hospitals Charity:**

*For such purposes relating to the hospital services (including research) of the Trust, or to any part of the health service associated with any hospital within the Trust.*

#### **St Mary's 150th Anniversary Appeal Fund:**

*For the emergency care of children being treated at St Mary's hospital by building and equipping a paediatric accident and emergency unit including such ancillary accommodation and equipment as may be considered necessary.*

#### **The Imperial College NHS Trust Nurses Fund:**

*To award fellowships, scholarships and bursaries or grants to enable graduates or senior nurses having a minimum of two years' service with the hospitals of the Trust or hospitals within the Greater London area as Trustees may prescribe to undertake studies.*

The above funds are held on trust and managed by the Trustees for purposes relating to the health service in accordance with the National Health Service Act 1977, the National Health Service and Community Care Act 1990, and the National Health Service Act 2006. A full list of funds and purposes is available from the Charity upon request.

## Fund Adviser Funds

The Charity's funds consist of indirectly controlled funds and directly controlled funds. Directly controlled funds are managed by the Trustees through committees, indirectly controlled funds are managed by appointed Fund Advisers. The Trustees are ultimately responsible for the administration and application of both indirect and directly controlled funds.

Fund Adviser Funds arise from donations which have been given to the Charity to support a particular service, hospital or area of research at the NHS Trust. The management of these funds is delegated by the Trustees to suitably qualified NHS Trust staff. The Trustees ensure that use of these funds by Fund Advisers complies with the purposes of the funds given.

At 31 March 2018, the Charity held 329, (2017: 315) Fund Adviser Funds with a total value of £7.6m (2017: £7.4m). The notes to the accounts distinguish the types of Funds held.

## Appointment of Trustees

The Charity's Board comprises nine Trustees: six independent members and three representing the NHS Trust. The Chairman under the Memorandum and Articles of Association must be one of the independent Trustees. The representatives of the NHS Trust are the Medical Director, the Director of Communications and one non-executive member of the NHS Trust Board. Trustees serve for a three-year term and can serve no more than three consecutive terms.

Vacancies for independent Trustees are advertised in the relevant media, on the Charity's website and around the NHS Trust hospitals. Suitable candidates are interviewed by a selection panel. Nominations to fill the representatives of the NHS Trust are put forward by the NHS Trust for approval by the Board.

The Charity has a formal induction programme for new Trustees. A pack is provided with information about the Charity, including the governing document, the Trustees' annual report and accounts, budgets, policies and minutes, and information about trusteeship (including Charity Commission booklets CC3 The Essential Trustee, CC10 The Hallmarks of an Effective Charity and Guidance for Charities and Public Benefit plus the new Code of Governance for Trustees). All Trustees are invited to attend seminars and conferences on topics relevant to their roles during their term of office.

Every two years each Trustee undertakes an individual appraisal with the Chairman as part of the wider Board review. The objective of the appraisal is to review both the contribution of the Trustee and the performance of the Board as a whole.

## Remuneration

The Trustees of the Charity are also Directors of the Company and its sole members. No Trustees receive any payment for their work for the Charity, though out-of-pocket expenses are paid.

The Board annually sets the cost of living increase for all staff. Periodically, a benchmarking exercise of all posts by an external consultancy firm is undertaken, comparing current salary to market rate. Any resulting salary adjustments are approved by the Board (refer to note 6 of the annual accounts for more details). The Charity is an equal opportunities employer and each staff member is issued with a staff handbook containing the HR policies of the Charity such as maternity, paternity, whistleblowing, bribery, anti-bullying and equal opportunities. Members of staff have an annual appraisal with the Chief Executive where performance, development and future training needs are discussed.



The remuneration ratio (between the average salary and that of the highest-paid member of staff) for the period ended 31 March 2018 was 4.8, a ratio which the Board finds acceptable.

More details on key personnel can be found in note 6 of the annual accounts.

## Responsibilities of Trustees

The Board meets four times a year, with an additional meeting day per year for strategy and planning. The Board is responsible for the strategic planning, governance and leadership of the Charity. The Board has established five committees to assist it in exercising its obligations, with each committee being chaired by a Trustee.

## Day-to-day running of the Charity

The Board appoints a Chief Executive who is responsible for ensuring the Board's strategy is implemented. In addition, he is responsible, in conjunction with the senior management team, comprising the Director of Development, Finance Director, Head of Arts, Head of Grants and Head of Volunteering for the day to day running of the Charity, its policies and procedures. The senior management team meets monthly to discuss progress against the organisation's overarching action plan and other managerial issues. Members of the senior management team are present at and report directly to the quarterly Trustees meetings and the respective committees which they are required to attend.

The Charity's staff is managed by the senior management team. The staff are allocated across five different teams: fundraising and communications; arts; grants; volunteering; and support and resources. The Charity's main office is on Edgware Road, and it retains smaller offices for the volunteer managers at Queen Charlotte's and Charing Cross hospitals. All staff come together at regular staff meetings to share progress on their work and to have an input into the Charity's strategic and operational planning.

## Joint Planning Group

In addition to the Board's Committees, the Joint Planning Group was established in March 2015, replacing the previous Joint Fundraising Board. The Joint Planning Group comprises the senior management teams of the NHS Trust and the Charity, including the Chief Executives of both organisations, and is chaired by the Charity's Chief Executive. It meets bi-monthly and is the strategic planning and implementation group ensuring that the work of the Charity and the NHS Trust are fully aligned.

## Grants

Most of the grant giving process at the Charity is managed through the following committees. The remaining grant giving is managed by frontline NHS staff under delegated authority from the Trustees; these form the fund adviser funds.

### **Grants Oversight Committee**

The Grants Oversight Committee was established to manage, monitor and scrutinise the Charity's grant making strategy and activities. The terms of reference were expanded in the financial period to incorporate the overseeing of the wider grant making activities of the Charity.



The Committee assists the Board in formulating its policies in relation to grant making through: (i) the development and review of grant making strategy; (ii) the development and approval of funding programme structure and criteria; (iii) establishing appropriate impact measurements; and (iv) a review of annual grant making budget.

The Committee assists the Board by monitoring major grants, defined as awards of above £150,000. The size of these grants presents particular strategic challenges regarding the reputation of the Charity's grant giving function, how outcomes of these projects are measured and how these grants impact on the reserves and cash management of the Charity.

The Grants Oversight Committee comprises a minimum of three Trustees, to include the Chair of the General Grants Committee, the Chair of the Research Fellowships Committee and an additional independent Trustee, who will act as Committee Chair, the relevant NHS Trust representation (as required), external representation (as required), the Charity Chief Executive, Grants Manager, Grants Officer (as required), Director of Fundraising and Communications (as required) and the Director of Operations (as required).

### ***General Grants Committee***

The General Grants Committee has in the past met twice a year, once to review and award grants from the Charity's general grants budget and a further meeting, or electronic consultation, to review grants policy and procedures and Committee membership. The Committee comprises at least two Trustees, the Chief Executive, the Grants Manager and up to three NHS Trust Divisional Directors and other representatives covering all five hospital sites and core specialities. At present because of the reduction in the budget for General Grants the committee is only meeting when necessary.

### ***Research Fellowships Committee***

Previously the Research and Development Grants Committee, the focus is now primarily on the review and award of pre- and post-doctoral Research Fellowships. This change in focus is due to general purpose funding constraints but more importantly because of the success of previous fellowships. The Charity's support of pure research and development continues but is now funded through the various Special Purpose Funds which have condition-specific research remits. 2016-17 saw the continuation and growth of the Research Fellowship Programme as its core research grant making channel. The Committee meets twice a year, once to review and award Fellowship grants and a further meeting, or electronic consultation, to review grants policy and procedures and Committee membership.

The Committee comprises a minimum of two Trustees, the Chief Executive, the Grants Manager and four further members comprising Heads of Research and/or Education in the NHS Trust. In addition, there are a number of places for nurses or other allied health professionals of primary care organisations and public health departments.

## **Arts**

The members of the arts committee include two Trustees; the Chief Executive; the Director of Nursing or their representative; the NHS Trust Director of Estates; plus external members with relevant experience in the field of art and architecture and representatives of the arts team as required. Committee members are appointed by the Trustees of the Charity in consultation with the arts team. There are sixteen members on the committee and they serve for a renewable term of three years. A quorum of the committee comprises four members, including at least one Trustee. Meetings are held four times a year.

## Finance and Investment

The Finance Committee serves to oversee the management of the resources of the Charity. The committee reviews the management accounts, approves the statutory accounts for audit and recommends them to the Board for signing by Trustees. Furthermore, it recommends to the Board, the annual budget and reviews the performance of the investment manager in line with the investment policy. In addition, the Committee serves to approve financial and investment policies and approve lease renewals of the Charity's properties.

The Finance Committee consists of two Trustees chosen by the Board and two independent financial advisers and meets four times a year. It requires both Trustees to be present to be quorate and is attended by the Chief Executive and the Finance Director.

The Investment Committee consists of two Trustees chosen by the Board, plus three co-opted members with financial and investment expertise, and meets once a year. It also requires both Trustees to be present to be quorate and is attended by the Chief Executive and the Finance Director.

## Volunteering

The volunteering strategy identified a need to set up a governance group to oversee the volunteering work which would involve key staff stakeholders within the NHS Trust to help make recommendations and decisions for the Board, this is planned for 2018-19.

## Fundraising

The major fundraising appeals at the Charity are each overseen by a steering committee. The committee has no governance role but acts as a steer on fundraising appeals.

### ***More Smiles Fundraising Appeal Committee***

The members of the Fundraising Appeal Committee include the Chief Executive, the Fundraising and Communications Director and the Appeals Manager for the Charity. It also includes paediatric consultants from St Mary's Hospital plus external influential people from the local community. The committee Chair is Henry Rayne, Managing Director, Promontory Financial Group (UK) Ltd. Committee members are appointed by the Chair in consultation with the Director of Fundraising and Communications and the Chief Executive of the Charity. There are 12 members serving a minimum two-year term. This Committee is tasked with supporting the Charity to raise £2m. The members do not have any governance rights.

## Public benefit statement

The Trustees confirm they have paid due regard to the Charity Commission's general guidance on public benefit. The Charity's objective is to hold and administer funds for charitable purpose or purposes relating to the national health service or for the general or specific purposes of the NHS Trust.

This objective is achieved by providing funding for grants which support projects that improve patient care and their experience while in hospital. The Charity further enhances the patient experience through the arts programme and art workshops for patients. The Charity also supports programmes which improve the physical and mental well-being of staff of the NHS Trust. Extensive research has demonstrated the impact of such programmes on improved patient care.

The fundraising work of the Charity builds upon the grant giving and arts programme, providing the NHS Trust with additional resources and support enabling a higher standard of patient care to members of the public attending the hospital.

## Results for the year ended 31 March 2018

### Financial performance

The Charity had net expenditure of £0.9m (2016-17: net income £3.7m), with expenditure falling back to normal levels after the completion of the large capital grants scheme in 2016-17. Grant expenditure was £3.3m (2016-17: £8.5m) with the main beneficiary being the Trust at £2.8m (2016-17: £7.5m). The investments generated a below target gain of £1.2m (2016-17: £11.1m). Taking the two years together the investments generated gains above the aggregate target for the overall period.

2017-18 was the final year of drawing down cash from the investments to fund the prior year's capital spend. Cash at year end was £15.4m, bringing the working capital ratio back up to 1.5, within target range (1.2 to 2). As the large capital grants are spent, grant liabilities and cash will reduce, the aim being to keep the working capital ratio within target range.

Unrestricted funds at 31 March 2018 were £33m (2017: £34.5m), of which £11.4m (2017: £12.7m) are designated and £21.5m (2016: £21.8m) are for the general purposes of the Charity.

Restricted funds at 31 March 2018 were £2.4m (2017: £1.7m). Transfers out for the period was £18k (2017: £13k transfer in). The transfer out from restricted to unrestricted related to reclassification of a fund adviser fund, ordinarily these would be net transfer in, comprising permanent endowment income.

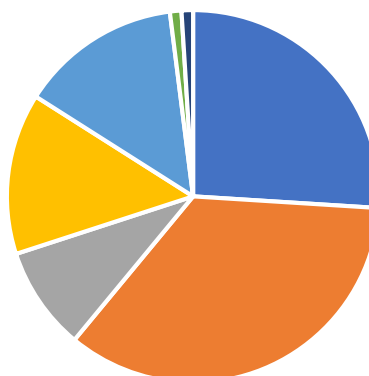
The Trustees aim to transfer 4.5% of the total investment return on the expendable endowment to unrestricted funds. After investment income, this resulted in a transfer out from expendable endowed funds of £0.7m (2017: £0.7m). The Trustees reserves policy ensures where possible, that the return will be used within the year to support the planned activities of the Charity.

## Investment performance

At 31 March 2018, the portfolio was as follows:

### Asset Allocation

- UK Equities - 26%
- Overseas developed Equities - 35%
- Emerging Market Equities - 9%
- Fixed interest - 14%
- Hedge Funds - 14%
- Private equity - 1%
- Cash - 1%



The total return generated by the portfolio was £2.34m comprising:

Gains	£1.21m
Income	£1.23m
Less: Investment manager's fees	£0.1m
<b>Total</b>	<b>£2.34m</b>

This produced an annual return of 3.44% based on the opening market value of the investments held at UBS and was below the long-term average target of CPI +4.5%. As the portfolio is primarily invested to achieve or beat the long-term target, it will on occasion vary from the custom benchmark, as shown below. The custom benchmark is one of the indicators the Charity uses to monitor relative investment performance. During the year, the portfolio outperformed the custom benchmark over twelve months by 1.19% gross of fees and 0.97% net of fees, whilst the long-term target was not met, at least the portfolio outperformed the custom benchmark.

### Performance Summary

Asset Class	6 Months (%)			12 Months (%)			Year to Date (%)			Benchmark Weight (%)	Benchmark Constituents
	Portflio	BMK	Relative	Portflio	BMK	Relative	Portflio	BMK	Relative		
Bonds	-0.43	-0.59	0.16	0.29	0.56	-0.27	-1.38	-1.32	-0.05	17.00	PM Custom Fixed Blend
Equity	-0.20	-0.39	0.19	4.34	3.17	1.17	-4.53	-5.01	0.48	68.50	PM Custom Equity Blend
Hedge Funds	1.87	-0.58	2.46	4.51	1.26	3.25	1.60	-1.59	3.19	12.50	HFRX Global Hedge Fd Index GBP
<b>Total - Gross of fees</b>	<b>0.00</b>	<b>-0.39</b>	<b>0.39</b>	<b>3.70</b>	<b>2.51</b>	<b>1.19</b>	<b>-3.25</b>	<b>-3.84</b>	<b>0.58</b>		<b>PM Custom Bmk</b>
<b>Total - Net of fees</b>	<b>-0.10</b>	<b>-0.39</b>	<b>0.29</b>	<b>3.48</b>	<b>2.51</b>	<b>0.97</b>	<b>-3.30</b>	<b>-3.84</b>	<b>0.54</b>		<b>PM Custom Bmk</b>

The Charity also monitors relative investment performance against relevant peers, the most suitable comparator the Charity uses is the Asset Risk Consultants (ARC) steady growth portfolio, which over the same period produced an annual return of 1.36%. ARC provide performance indices for different types of risk profiled portfolios, based on actual returns from private clients. The ARC comparison is monitored quarterly, with a detailed report going to the investment committee. Whilst UBS did not achieve their target of CPI +4.5%, this needs to be viewed in context of wider market conditions. As UBS beat the custom benchmark and outperformed the ARC steady growth portfolio, the Charity is content with the performance during the year. The fact the target was missed in 2017-18 is not of concern given the substantial outperformance in 2016-17.

The Trustees appoint the investment managers based on the recommendation of the Finance Committee and the investment manager's appointment is reviewed every three years.

### ***Investment policy***

The investment policy is to at least maintain the real value of assets whilst generating a stable and sustainable spend rate, currently set at 4.5%. The inflation measure the Charity uses is the consumer price index (CPI).

The investments are monitored quarterly by the Finance Committee against the investment target, composite benchmark and comparable peers. Assuming a long-term average target of 7% net of fees provides for a 4% spend and 3% accumulation, the accumulation element aims to at least match CPI, giving the Charity a stable financial base.

Investment target: CPI plus 4.5% over the longer-term (at least 20 years).

Risk tolerance: 10% - 11% annualised standard deviation.

The Trustees are prepared to accept a worst case annual volatility of -20%; however, there are trigger points prior to that where the Finance Committee will consult with the investment managers on action that may be required.

### ***Ethical investments***

The Trustees have informed the investment managers that they do not want any direct investments in tobacco, as smoking has been proven to be harmful to health.

The Trustees acknowledge there are limitations to this policy, as this has not excluded all investments which may be linked to tobacco nor is tobacco the only investment sector whose product may impact on health. The Trustees have considered their legal obligation to maximise the Charity's assets for the benefit of the Charity's beneficiaries and in this respect, consider this policy a suitable means to manage their obligations against their wish to invest in line with the mission of NHS Trust.

## **Reserves and reserves policy**

As a Charity, the Trustees consider it essential to consider intergenerational equity, weighing up the needs of current and future beneficiaries. To put this in perspective, the total assets of the Charity are less than 10% of the NHS Trust's annual budget and it is therefore prudent to spend assets in a controlled way. The Charity adopts the following reserves policy to monitor and manage the level of reserves it holds:

The annual return on the expendable endowment and the unrestricted reserves is committed to grant-making and charitable activities through the annual budgeting process. The Trustees consider on a quarterly basis the balances on the funds and whether the Charity can commit further funds to these activities. The Trustees aim to transfer 4% of the expendable endowment annually to general purpose funds for spending on charitable activities.

In 2014-15 the Trustees undertook a strategic review of the Charity's reserves, looking at the possibility of releasing additional funds above and beyond the 4% transfer from the expendable endowment. After careful consideration, the Trustees approved a one-off release of £15m from free reserves, to fund urgent capital projects at the NHS Trust.

In 2016-17, £1.6m of the £15m release from reserves was held back to cover any possible shortfall on fundraising for the Paediatric Intensive Care Unit. At the end of 2017-18 the appeal target was met, enabling the £1.6m to be released throughout 2017-18 and 2018-19 for additional grant spend.

At 31 March 2018, the Charity held £84.7m in reserves, the analysis of which is as follows:

	2018 £k	2017 £k
<b>Endowed funds:</b>		
Permanent endowments	417	410
Expendable endowment – investments	33,331	33,440
Expendable endowment – investment property	15,605	15,605
<b>Restricted funds</b>	<b>2,379</b>	1,682
<b>Unrestricted funds:</b>		
Designated funds	9,949	11,260
Designated funds – fixed assets (artwork)	1,526	1,451
Investment properties	1,940	1,940
Free reserves	19,614	19,876
<b>Total funds</b>	<b>84,761</b>	85,664

The movement in these funds are disclosed in the notes to the accounts (notes 16 to 18).

## Special Purpose and Fund Adviser funds

These are not endowed funds, they may be invested over the short-term (3-5) years but do not operate under the same long-term model as general purpose endowed funds. The Charity, where possible, will aim to use these funds before using general purpose funds. Fund Adviser funds managed by NHS Trust staff are advised to aim to spend 25% of their opening fund balance each year, in line with the Charity Commission guidance for restricted funds.

## Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;

The Trustees' Annual Report is approved by the Trustees of the Charity.

Approved by the Trustees 17th October 2018 and signed on their behalf by



David Crundwell

# Auditor's report and financial statements

## Auditor's report

### Opinion

We have audited the financial statements of Imperial Health Charity ('the company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

### 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a 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 trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- trustees' annual report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from preparing a Strategic Report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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 a 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Luke Holt (Senior Statutory Auditor)

for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date: 19/10/18.

# Imperial College Healthcare Charity

## Statement of financial activities

For the Period ended 31 March 2018

	Note	2018 Unrestricted £ '000's	2018 Restricted £ '000's	2018 Endowment £ '000's	2018 Total £ '000's	2017 £ '000's
<b>Income from:</b>						
Voluntary sources:						
Donations	2.1	1,507	885	-	<b>2,392</b>	1,848
Legacies	2.2	282	-	-	<b>282</b>	397
Other trading activities		50	28	-	<b>78</b>	57
Investments	4	1,559	21	-	<b>1,580</b>	1,711
Other		5	-	-	<b>5</b>	-
<b>Total income</b>		<b>3,403</b>	<b>934</b>	<b>-</b>	<b>4,337</b>	<b>4,013</b>
<b>Expenditure:</b>						
Raising funds	5	920	9	69	<b>998</b>	915
Charitable activities:						
Grants	7	3,167	183	-	<b>3,350</b>	8,530
Fund Adviser	7	1,319	46	-	<b>1,365</b>	1,482
Arts activities	7	370	-	-	<b>370</b>	273
Volunteers	7	371	-	-	<b>371</b>	171
Other		-	-	-	<b>-</b>	-
<b>Total expenditure</b>	5	<b>6,147</b>	<b>238</b>	<b>69</b>	<b>6,454</b>	<b>11,371</b>
<b>Net gains/(losses) on investments</b>		<b>512</b>	<b>19</b>	<b>683</b>	<b>1,214</b>	<b>11,111</b>
<b>Net income/(expenditure)</b>		<b>(2,232)</b>	<b>715</b>	<b>614</b>	<b>(903)</b>	<b>3,753</b>
<b>Transfers between funds</b>		<b>734</b>	<b>(18)</b>	<b>(716)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains:</b>						
Gains on revaluation of fixed assets		-	-	-	<b>-</b>	-
<b>Net movement in funds</b>		<b>(1,498)</b>	<b>697</b>	<b>(102)</b>	<b>(903)</b>	<b>3,753</b>
<b>Reconciliation of funds</b>						
Funds at the beginning of the year		34,527	1,682	49,455	<b>85,664</b>	81,911
<b>Funds at the end of the year</b>		<b>33,029</b>	<b>2,379</b>	<b>49,353</b>	<b>84,761</b>	<b>85,664</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in restricted funds are disclosed in Note 17 to the financial statements.

For comparative figures refer to note 20.

# Imperial Health Charity

## Balance sheet

31 March 2018

	Note	Unrestricted £ '000's	Restricted £ '000's	Endowment £ '000's	2018 Total £ '000's	2017 Total £ '000's
<b>Fixed assets</b>						
Tangible fixed assets	9	1,589	-	-	<b>1,589</b>	1,540
Investments	10	27,016	954	49,318	<b>77,288</b>	85,184
<b>Total fixed assets</b>		<b>28,605</b>	<b>954</b>	<b>49,318</b>	<b>78,877</b>	86,724
<b>Current assets</b>						
Debtors	11	1,462	242	-	<b>1,704</b>	1,400
Cash investments		12,270	230		<b>12,500</b>	12,500
Cash at bank and in hand		1,366	1,499	35	<b>2,900</b>	1,172
<b>Total current assets</b>		<b>15,098</b>	<b>1,971</b>	<b>35</b>	<b>17,104</b>	15,072
Creditors: amounts due within one year	12	10,674	546	-	<b>11,220</b>	16,132
<b>Net current assets/(liabilities)</b>		<b>4,424</b>	<b>1,425</b>	<b>35</b>	<b>5,884</b>	(1,060)
<b>Net assets</b>	15	<b>33,029</b>	<b>2,379</b>	<b>49,353</b>	<b>84,761</b>	85,664
<b>Funds</b>						
Endowment funds:						
Permanent	16	-	-	417	<b>417</b>	410
Expendable	16	-	-	48,936	<b>48,936</b>	49,045
Restricted funds	17	-	2,379	-	<b>2,379</b>	1,682
Unrestricted funds:						
Designated funds	18	11,458	-	-	<b>11,458</b>	12,711
General funds	18	21,571	-	-	<b>21,571</b>	21,816
<b>Total funds</b>		<b>33,029</b>	<b>2,379</b>	<b>49,353</b>	<b>84,761</b>	85,664
		-	-	-	-	85,664

Approved by the Trustees on 17 October 2018 and signed on their behalf by



David Crundwell

Company no: 0999990

# Imperial Health Charity

## Cashflow statement

**For the Period ended 31 March 2018**

	Note	2018 £ '000's	2017 £ '000's
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	13	<u>(8,918)</u>	<u>(16,443)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,580	1,711
Proceeds from the sale of property, plant and equipment		25	-
Movement in cash held as investments		1,027	(3,335)
Purchase of tangible fixed assets		(68)	(154)
Purchase of investments		(11,012)	(16,798)
Proceeds from sale of investments		<u>19,094</u>	<u>27,002</u>
<b>Net cash provided by investing activities</b>		<u><b>10,646</b></u>	<u>8,426</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,728</b>	<b>(8,017)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u><b>(6,057)</b></u>	<u>1,960</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	14	<u><u><b>(4,329)</b></u></u>	<u><u><b>(6,057)</b></u></u>

The notes 13 and 14 form part of this statement

## Imperial Health Charity

### Notes to the financial statements

#### For the Period ended 31 March 2018

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##### 1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. They have been applied consistently during the year and in the preceding year.

##### a). Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP) and the Charities Act 2011.

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

The principal accounting policies adopted in the preparation of the financial statements are set out below.

##### b). Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the trustees have concluded that there are no material uncertainties and that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

##### c). Transfer of assets and merger accounting

On 1 April 2016 the Charity was reconstructed as an independent charity and ceased to be an NHS charity. The entire undertaking of the unincorporated trust known as Imperial Healthcare Charity (the 'Old Charity') was transferred to a new charitable company limited by guarantee and registered with Companies House (registered company number 099999900) and with the Charity Commission for England and Wales (registered charity number 1166084) (the 'Charity') as follows:

- The legal and beneficial title to the unrestricted assets of the Old Charity were transferred to the Charity on 1 April 2016.
- The restricted funds of the Old Charity were transferred to the Charity to be held on the same terms.
- The transfer of ownership of the expendable endowment to the Charity was effected by the Charity Commission appointing the Charity as the sole corporate trustee of the Old Charity and as trustee of its linked charities.
- The transfer of ownership of the permanent endowments in related charities to the Charity was effected by the Charity Commission appointing the Charity as the sole corporate trustee of the Old Charity and as trustee of its linked charities.

## Imperial Health Charity

### Notes to the financial statements

#### For the Period ended 31 March 2018

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The reconstruction has been treated as a merger and comparative amounts have been presented as if the reconstruction had been in effect for the entire previous period under merger accounting. However there is no material difference between the restated comparative amounts and those reported by the Old Charity for the period ended 31 March 2016.

Unrestricted funds are those where the donor has not imposed a restriction or preference on use. They can be spent at the discretion of the Trustees, in furtherance of the charity's objects.

Restricted funds are held for specific purposes, for example, set out by the donor at the point of donation, including bequests or by the terms of a public appeal or grant.

Designated funds are created at the discretion of the Trustees, where donors have expressed a wish or preference for use without imposing a trust. These are held in furtherance of the charity's object.

The charity holds an expendable endowment which can be applied in furtherance of the charity's objects. A percentage of this balance is transferred to the general purpose fund for disbursement each

The charity also holds three permanent endowments; the income generated by these funds is transferred annually to restricted income funds, for disbursement.

#### e). Income

All income is included in the Statement of Financial Activities when the all of the following criteria are met:

- Entitlement - control over the rights or other access to economic benefit has passed to the Charity.
- Probable - it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity.
- Measurement - the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Legacies are recognised post probate, when the award has been finalised.

Gifts in kind are recognised as income and expenditure at the market rate of the goods or services provided.

#### f). Expenditure

Liabilities arise from legal or constructive obligations that commit the Charity to expenditure, a liability and related expenditure is recognised when all of the following criteria are met:

- Obligation - a present legal or constructive obligation exists at the reporting date as a result of a past event.
- Probable - it is more likely than not that a transfer of economic benefits, often cash, will be required in settlement.
- Measurement - the amount of the obligation can be measured or estimated reliably.

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is included as part of the expenditure to which it relates.

Direct costs are attributed to activities, support costs comprise salaries, administration and overhead costs of the charity. These are apportioned to the charitable activities on the basis of staff time.

Balances remaining on grant awards which are not drawn down in full are written back six months after the end of the award period. Those which are not drawn down are written back six months after the agreed start date of the project.

## Imperial Health Charity

### Notes to the financial statements

#### For the Period ended 31 March 2018

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##### **g). Tangible Fixed Assets**

Tangible fixed assets comprise equipment and the art collection held by the Charity. Equipment costing in excess of £5,000 is capitalised and depreciated on a straight line basis over 5 years. The collection is not depreciated, as the Charity conserves the works throughout the year, negating any decrease in value through wear and tear. A revaluation of the artwork was undertaken by Tim Ritchie Associates in 2016, these works were valued at market value based on a comparison of prices achieved at auction. The artwork was not revalued in 2016-17. A comprehensive revaluation of the collection is performed by an external consultant every three years, the next full revaluation will be 2018-19. Annually, the value of the collection is reviewed in house, by the Arts Curator. Additions to the collection during the year comprise of purchases and donated works (gifts in kind) these are shown at purchase cost or equivalent purchase cost.

##### **h). Investment Fixed Assets**

Investment assets are shown at market value.

- i). Property assets are not depreciated but are shown at market value. Valuations are carried out by the District Valuer (Winsland Street) and DTZ (Burlington Danes). The last such valuations were at March 2015 and the Trustees do not consider there to have been any significant change in value since this date. Valuation gains and losses are recorded in the statement of financial activities with the balance sheet reflecting the revalued amounts. Burlington Danes is valued on the basis of comparable recent market transactions on arm's length terms and Winsland Street is valued on the basis of a combination of rent up to 2025, estimated market value at 2025 and sale price with vacant possession at 2020 forming part of a wider redevelopment of the Paddington site. The Charity holds a small freehold property at Enford Street, which is valued on the basis of an estimated value for redevelopment, on the assumption the Charity owns good title and that Imperial College Healthcare NHS Trust would not claim adverse possession. The Charity also owns a Royal Albert Hall box, which is shown at an approximate market value (£315k) based on previous sales of similar boxes. The sale prices are provided by the Royal Albert Hall and the Trustees have estimated the market value based on those sales. The Trustees appreciate given the uniqueness of the boxes, that a true market value will only ever be determined by sale at auction.
- ii). Quoted stocks and shares are included in the balance sheet at mid-market price, ex-dividend. Other investment assets are included at the Trustees' best estimate of value.
- iii). Private equity represents the cash and cash equivalents of the holding company and the combined nominal asset values of the companies held within the portfolio.

##### **i). Charitable commitments**

The Trustees award grants after evaluating the merits of each grant application. At the point at which an application is approved, the grant is accounted for as resources expended in the Statement of Financial Activities on the basis approval represents a firm intention that is communicated to the recipient.

Major grants are approved in full, in the year in which they are awarded. These grants are planned to take place over several financial years however many factors can influence the timing of these projects. The Trustees therefore consider it prudent to account for the grant in full, in the year it is awarded.



## Imperial Health Charity

### Notes to the financial statements

#### For the Period ended 31 March 2018

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**j). Pension costs**

The charity operates two pension provisions: In the first scheme, the charity pays pension contributions to staff members' own personal pension plans. No further obligation or liability arises on these payments. In addition the charity pays employer's contributions to the NHS pension fund on behalf of an employee who remains in the scheme. As the scheme is a multi-employer scheme it is not possible to identify the charity's assets and liabilities in this scheme and so full disclosure is not possible. All pensions are therefore treated as defined contribution.

**k). Finance lease**

The Charity has issued a finance lease to Thames Valley Housing for part of the Burlington Danes site. The future minimum lease payments have been accrued and a finance lease debtor has been recognised. The term of the lease is 125 years from date of issue, upon expiration the land reverts back to the Charity.

**l). Operating lease**

The Charity holds a lease with Revamp Properties Ltd for the offices at Edgware Road, the lease term is five years and is subject to RPI. The lease is charged on a straight line basis to expenditure.

**m). Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at fair value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Trust does not acquire put options, derivatives or other complex financial instruments.

**n). Current asset investments**

The Charity holds current asset investments with a maturity of less than one year, measured at settlement value. This cash on deposit is held for investment purposes rather than to meet short term cash liabilities as they fall due.

**o). 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.

**p). Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

**q). Key Estimates and Judgements**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

- Artwork as per note 9 is included at a valuation based on reports provided by third party valuers. The latest valuation was provided by Tim Ritchie & Associates Ltd in May 2016 and the Trustees believe there has been no material change in values since that date. Subsequent additions have been included at cost which is deemed to also be their market value.
- The Royal Albert Hall investment property has been valued with reference to prices of comparable properties. Although a direct comparison is not possible due to their uniqueness.
- A 5% discount rate has been applied to the finance lease debtor in note 11.

# Imperial Health Charity

## Notes to the financial statements

For the Period ended 31 March 2018

### 2.1 Income

	Unrestricted £ '000's	Restricted £ '000's	2018 £ '000's	2017 £ '000's
<b>Donations from individuals</b>				
Donations over £1,000	568	511	<b>1,079</b>	660
Small donations under £1,000	167	31	<b>198</b>	120
Donations from events	84	155	<b>239</b>	168
In memorium	39	1	<b>40</b>	30
Gifts in Kind	6	-	<b>6</b>	89
<b>Total donations from individuals</b>	<b>864</b>	<b>698</b>	<b>1,562</b>	1,067
<b>Corporate donations</b>				
Donations over £1,000	174	94	<b>268</b>	261
Donations under £1,000	39	1	<b>40</b>	15
<b>Total corporate donations</b>	<b>213</b>	<b>95</b>	<b>308</b>	276
<b>Trust awards</b>				
Laing Family Foundations		70	<b>70</b>	-
Plum Layton Charitable Trust	60		<b>60</b>	-
Imperial Kidney Fund	20		<b>20</b>	-
Other Trust Awards	350	22	<b>372</b>	405
<b>Total trust awards</b>	<b>430</b>	<b>92</b>	<b>522</b>	621
<b>Total gifts and donations</b>	<b>1,507</b>	<b>885</b>	<b>2,392</b>	1,964

	Unrestricted £ '000's	Restricted £ '000's	2018 £ '000's	2017 £ '000's
<b>2.2 Legacies</b>				
Mary Christine Williams	100		<b>100</b>	170
John Ambrose-Miller	61		<b>61</b>	151
Other legacies	121		<b>121</b>	76
<b>Total legacies</b>	<b>282</b>	<b>-</b>	<b>282</b>	1,601

# Imperial Health Charity

## Notes to the financial statements

### For the Period ended 31 March 2018

#### 3. Net income/(expenditure)

This is stated after charging the following:

	2018 £	2017 £
Auditor's fees	15,000	15,000
Trustee indemnity insurance	3,000	3,000
Trustee recruitment	5,100	-
Expenses paid on behalf of Trustee Board	107	678

No Trustees were reimbursed for expenses, remunerated or received any other benefit (2017: nil). The Trustees Board incurred expenses of £107 during the year (2017: £678).

#### 4. Gross investment income

	2018 £ '000's	2017 £ '000's
<b>UK Investments</b>		
Investment properties	317	313
Listed stock exchange investments	741	928
Cash held for investment	1	1
Current asset interest	28	53
	<u>1,087</u>	<u>1,295</u>
<b>Overseas Investments</b>		
Listed stock exchange investments	492	416
	<u>492</u>	<u>416</u>
<b>Total</b>	<u><b>1,579</b></u>	<u><b>1,711</b></u>

#### 4.1 Operating lease income

Total future minimum lease receipts under non-cancellable operating leases for each of the following periods

	2018 £ '000's	2017 £ '000's
Within 1 year	215	215
After 1 year but before 5 years	676	804
After 5 years	1,491	1,578
Lease receipts recognised as income	215	215

# Imperial Health Charity

## Notes to the financial statements

For the Period ended 31 March 2018

### 5. Expenditure

	Cost of raising funds	Grants	Fund Adviser	Arts	Volunteers	Other resources expended	Governance costs	Support costs	2018	2017
	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's
Grants awarded	-	2,953	1,297	124	-	-	-	-	<b>4,374</b>	9,730
Investment Managers' fees	111	-	9 *	-	-	-	-	-	<b>120</b>	105
Property management fees	68	-	-	-	-	-	-	-	<b>68</b>	141
Fundraising costs	154	-	1 *	-	-	-	-	-	<b>155</b>	79
Professional fees	130	-	-	-	-	-	13	46	<b>189</b>	77
Staff costs	318	74	8	109	203	-	-	280	<b>992</b>	960
Staff training	2	3	-	-	2	-	-	8	<b>15</b>	6
Recruitment	2	2	-	-	2	-	-	3	<b>9</b>	23
Office administration	13	1	-	2	42	-	-	88	<b>146</b>	80
Office rent	22	5	-	28	12	-	-	60	<b>127</b>	56
Information technology	15	6	-	-	21	-	-	164	<b>206</b>	48
Insurance costs	-	-	-	14	-	-	5	-	<b>19</b>	19
Trustees' expenses	-	-	-	-	-	-	8	-	<b>8</b>	2
Legal fees	-	-	-	-	-	-	2	4	<b>6</b>	28
Audit fees	-	-	-	-	-	-	15	-	<b>15</b>	15
Other costs	3	-	-	-	-	-	-	2	<b>5</b>	2
	<b>838</b>	<b>3,044</b>	<b>1,315</b>	<b>277</b>	<b>282</b>	<b>-</b>	<b>43</b>	<b>655</b>	<b>6,454</b>	<b>11,371</b>
Governance and Support costs	150	306	60	93	89	-	(43)	(655)	-	-
<b>Total expenditure</b>	<b>988 *</b>	<b>3,350</b>	<b>1,375</b>	<b>370</b>	<b>371</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,454</b>	<b>11,371</b>

\*Raising funds category on the SOFA includes £10k of Fund adviser costs

# Imperial Health Charity

## Notes to the financial statements

For the Period ended 31 March 2018

### 6. Staff costs and numbers

Staff costs were as follows:

	2018 £ '000's	2017 £ '000's
Salaries and wages	839	818
Social security costs	90	85
Pension costs	63	57
	<u>992</u>	<u>960</u>

The number of employees who earned more than £60,000 during the year was as follows:

	2018 No.	2017 No.
£60,000 - £70,000	0	0
£70,000 - £80,000	1	0
£90,000 - £100,000	<u>1</u>	<u>1</u>

Employer's pension contributions were paid at a rate of 10% of gross salary for staff who are not members of the NHS scheme. For one member of staff who was in the NHS scheme and left in April 17, employer contributions were 14%, costing £364 (£1k 2017).

Key personnel comprise Chief Executive, Development Director and Finance Director.

During the period, termination payments in respect of redundancies of £14,000 (2017: £40k) were paid and included above.

	2018 £ '000's	2017 £ '000's
<b>Key personnel:</b>		
Gross pay	235	234
National Insurance Employers	29	24
Pension	<u>22</u>	<u>20</u>
	<u>286</u>	<u>278</u>

Average number of employees during the period: **21** 21

### 7. Grants awarded

Grants awarded to Institutions were as follows:

	2018 No. of grants	2018 £ '000's	2017 No. of grants	2017 £ '000's
Imperial Healthcare NHS Trust	175	2,804	199	7,538
Imperial College London	32	402	35	937
Institutes / NHS Trusts / charities	16	84	29	212
Other	0	-	1	1
	<u>223</u>	<u>3,290</u>	<u>264</u>	<u>8,688</u>

Grants awarded to individuals were as follows:

Grants to individuals	<u>1,577</u>	<u>1,084</u>	<u>1,357</u>	<u>1,042</u>
<b>Total grants awarded</b>	<u>1,800</u>	<u>4,374</u>	<u>1,621</u>	<u>9,730</u>

# Imperial Health Charity

## Notes to the financial statements

### For the Period ended 31 March 2018

#### 8. Taxation

The charity's net incoming resources and gains are exempt from corporation tax as all proceeds are applied to its charitable objectives.

#### 9. Tangible fixed assets

	Artworks £ '000's	Equipment £ '000's	Total £ '000's
<b>Value at 1 April 2017</b>			
At the beginning of the year	1,540	-	<b>1,540</b>
Additions at cost	46	22	<b>68</b>
Disposals at cost	(1)	-	<b>(1)</b>
Revaluation	(18)	-	<b>(18)</b>
<b>Value at 31 March 2018</b>	<b>1,567</b>	<b>22</b>	<b>1,589</b>
Net book value at beginning of the year	1,540	-	<b>1,540</b>
Net book value at end of the year	<b>1,567</b>	<b>22</b>	<b>1,589</b>

#### 10. Fixed asset investments

	2018 £ '000's	2017 £ '000's
Quoted UK investments	15,214	18,259
Listed overseas investments	43,097	46,868
Private equity	854	793
Cash held as part of the investment portfolio	575	1,716
	<b>59,740</b>	<b>67,636</b>
Investment properties	17,548	17,548
<b>Total investments</b>	<b>77,288</b>	<b>85,184</b>
<b>Investments at market value:</b>	<b>£ '000's</b>	
At beginning of the year	67,636	
Additions in the year	11,012	
Less: disposals at market value	(19,094)	
Movement in cash due to trading	8,082	
Cash withdrawn	(9,109)	
Gains on investments	1,214	
<b>Market value at the end of the year</b>	<b>59,741</b>	

# Imperial Health Charity

## Notes to the financial statements

For the Period ended 31 March 2018

<b>11. Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£ '000's</b>	<b>£ '000's</b>
Finance lease debtors	751	807
Trade debtors	131	63
Prepayments and accrued income	517	225
Other debtors	305	305
	<b>1,704</b>	<b>1,400</b>

<b>Finance lease debtor</b>	<b>2018</b>	<b>2017</b>
	<b>£ '000's</b>	<b>£ '000's</b>
<b>Gross investment in finance lease</b>	<b>2,300</b>	<b>2,400</b>
Within 1 year	100	100
After 1 year but before 5 years	400	400
After 5 years	1,800	1,900
<b>Unearned finance income</b>	<b>1,549</b>	<b>1,593</b>
<b>Present value of future minimum lease payments</b>	<b>751</b>	<b>807</b>
Within 1 year	53	56
After 1 year but before 5 years	188	197
After 5 years	510	554

## 12. Creditors: amounts falling due in less than one year

	<b>2018</b>	<b>2017</b>
	<b>£ '000's</b>	<b>£ '000's</b>
Accruals	11,149	16,031
Trade creditors	71	101
	<b>11,220</b>	<b>16,132</b>

<b>Analysis of accruals</b>	<b>2018</b>	<b>2017</b>
	<b>£ '000's</b>	<b>£ '000's</b>
Grant accruals brought forward	16,031	16,003
Paid in year	(9,745)	(6,040)
Released in year	(34)	(12)
Grant accruals in year	4,825	6,065
Other accruals in year	72	15
Total accruals carried forward	<b>11,149</b>	<b>16,031</b>

# Imperial Health Charity

## Notes to the financial statements

### For the Period ended 31 March 2018

#### 13. Operating lease

Total future minimum lease payments under non-cancellable operating lease for each of the following periods

	2018 £ '000's	2017 £ '000's
Within 1 year	167	-
After 1 year but before 5 years	500	-
After 5 years	-	-
Lease payments recognised as an expense	167	-

#### 13. Reconciliation of net income/(expenditure) to net cashflow operating activities

	2018 £ '000's	2017 £ '000's
<b>Net income/(expenditure) for the reporting period</b>	<b>(903)</b>	11,111
<b>Adjustments for:</b>		
(Gains)/losses on investments	(1,214)	(11,111)
Dividends, interest and rents from investments	(1,580)	(1,711)
Loss/(profit) on the sale of fixed assets	(5)	-
(Increase) in debtors	(304)	1,400
(Decrease) in creditors	(4,912)	(16,132)
<b>Net cash provided by operating activities</b>	<b>(8,918)</b>	(16,443)

#### 14. Movements in cash

	2018 £ '000's	Movement £ '000's	2017 £ '000's
Cash in hand and at bank	2,900	1,728	1,172

#### 15. Analysis of net assets between funds

Fund balances at 31 March 2018 are represented by:

	Restricted funds £ '000's	Endowed funds £ '000's	Designated funds £ '000's	General fund £ '000's	Total
Tangible fixed assets	-	-	1,567	22	1,589
Investments	954	49,318	9,990	17,026	77,288
Net current assets	1,425	35	(99)	4,523	5,884
	<b>2,379</b>	<b>49,353</b>	<b>11,458</b>	<b>21,571</b>	<b>84,761</b>

For comparative figures refer to note 21.



## Imperial Health Charity

### Notes to the financial statements

#### For the Period ended 31 March 2018

	At the start of the year	Incoming resources	Outgoing resources	Transfers	Gains	At the end of the year
	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's
<b>16. Endowed funds</b>						
<b>Permanent endowed funds</b>						
Dresden Fund	84	-	-	-	1	<b>85</b>
Imperial College hospitals Charity	263	-	-	-	5	<b>268</b>
Imperial College Healthcare NHS Trust Nurses Fund	63	-	-	-	1	<b>64</b>
	<b>410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>417</b>
<b>Expendable endowment fund</b>						
Imperial College hospitals Charity	49,045	-	69	(716)	676	<b>48,936</b>
<b>Total endowed funds</b>	<b>49,455</b>	<b>-</b>	<b>69</b>	<b>(716)</b>	<b>683</b>	<b>49,353</b>

The expendable and permanent endowment funds are controlled directly by the Trustees.

	At the start of the year	Incoming resources	Outgoing resources	Transfers	Gains	At the end of the year
	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's
<b>17. Restricted funds</b>						
Imperial College Healthcare Charity	144	4	46	-	1	<b>103</b>
Newsom Fund	7	-	7	-	-	<b>-</b>
The Dresden Fund	176	13	91	11	5	<b>114</b>
Imperial College hospitals Charity:						
Special purpose funds	1,228	845	14	(15)	13	<b>2,057</b>
Fund adviser funds	78	71	46	(14)	-	<b>89</b>
St Mary's 150th Anniversary Appeal Fund	33	-	33	-	-	<b>-</b>
Imperial College Healthcare NHS Trust Nurses Fund	16	1	1	-	-	<b>16</b>
<b>Total restricted funds</b>	<b>1,682</b>	<b>934</b>	<b>238</b>	<b>(18)</b>	<b>19</b>	<b>2,379</b>

## Imperial Health Charity

### Notes to the financial statements

#### For the Period ended 31 March 2018

For restricted funds at 31 March 2018, the Trustees directly controlled funds of £2.3m (96%) and the remaining £89k (4%) is indirectly controlled through the use of Fund Advisers. Refer to page 15 of the annual report for more details.

#### 18. Unrestricted funds

	At the start of the year	Incoming resources	Outgoing resources	Transfers	Gains	At the end of the year
	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's	£ '000's
<b>Designated funds</b>						
Imperial College Healthcare Charity:						
Special purpose funds	2,584	270	359	-	18	<b>2,513</b>
Fund adviser funds	6,284	1,278	1,031	31	81	<b>6,643</b>
	<b>8,868</b>	<b>1,548</b>	<b>1,390</b>	<b>31</b>	<b>99</b>	<b>9,156</b>
Imperial College hospitals Charity:						
Special purpose funds	2,742	98	1,620	(3)	96	<b>1,313</b>
Fund adviser funds	1,101	197	298	(18)	7	<b>989</b>
	<b>3,843</b>	<b>295</b>	<b>1,918</b>	<b>(21)</b>	<b>103</b>	<b>2,302</b>
<b>Total designated funds</b>	<b>12,711</b>	<b>1,843</b>	<b>3,308</b>	<b>10</b>	<b>202</b>	<b>11,458</b>
<b>Undesignated fund</b>						
Imperial College Healthcare Charity	21,816	1,560	2,839	724	310	<b>21,571</b>
<b>Total unrestricted funds</b>	<b>34,527</b>	<b>3,403</b>	<b>6,147</b>	<b>734</b>	<b>512</b>	<b>33,029</b>

For designated funds at 31 March 2018, the Trustees directly controlled funds of £3.8m (33%) and the remaining £7.6m (67%) is indirectly controlled through the use of Fund Advisers. Refer to page 15 & 16 annual report.

#### 19. Related Parties

The Charity made revenue and capital payments to Imperial College NHS Trust. Michelle Dixon and Julian Redhead are Board Directors at the Trust and Nick Ross is a non-executive Director. A list of the grants awarded to Trust can be found on the Charity's website.

**Imperial College Healthcare Charity**

**Notes to the financial statements**

**For the Period ended 31 March 2018**

**20. Comparative figures for statement of financial activities**

	Note	2017 Unrestricted £ '000's	2017 Restricted £ '000's	2017 Endowment £ '000's	2017 Total £ '000's
<b>Income from:</b>					
Voluntary sources:					
Donations	2.1	1,387	461	-	<b>1,848</b>
Legacies	2.2	396	1	-	<b>397</b>
Other trading activities		38	19	-	<b>57</b>
Investments	4	1,688	23	-	<b>1,711</b>
<b>Total income</b>		<b>3,509</b>	<b>504</b>	<b>-</b>	<b>4,013</b>
<b>Expenditure:</b>					
Raising funds		859	6	50	<b>915</b>
Charitable activities:					
Grants	7	8,013	517	-	<b>8,530</b>
Fund Adviser	7	1,447	35	-	<b>1,482</b>
Arts activities	7	273	-	-	<b>273</b>
Volunteers	7	171	-	-	<b>171</b>
Other		-	-	-	<b>-</b>
<b>Total expenditure</b>	5	<b>10,763</b>	<b>558</b>	<b>50</b>	<b>11,371</b>
<b>Net gains/(losses) on investments</b>		<b>5,398</b>	<b>157</b>	<b>5,556</b>	<b>11,111</b>
<b>Net income/(expenditure)</b>		<b>(1,856)</b>	<b>103</b>	<b>5,506</b>	<b>3,753</b>
<b>Transfers between funds</b>		<b>677</b>	<b>10</b>	<b>(687)</b>	<b>-</b>
<b>Other recognised gains:</b>					
Gains on revaluation of fixed assets		-	-	-	<b>-</b>
<b>Net movement in funds</b>		<b>(1,179)</b>	<b>113</b>	<b>4,819</b>	<b>3,753</b>
<b>Reconciliation of funds</b>					
Funds at the beginning of the year		35,706	1,569	44,636	<b>81,911</b>
<b>Funds at the end of the year</b>		<b>34,527</b>	<b>1,682</b>	<b>49,455</b>	<b>85,664</b>

## Imperial Health Charity

### Notes to the financial statements

#### For the Period ended 31 March 2018

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#### 21. Comparative figures for analysis of net assets between funds

Fund balances at 31 March 2017 are represented by:

	<b>Restricted funds £ '000's</b>	<b>Endowed funds £ '000's</b>	<b>Designated funds £ '000's</b>	<b>General fund £ '000's</b>	<b>Total</b>
Tangible fixed assets	-	-	1,540	-	<b>1,540</b>
Investments	958	49,448	10,045	24,733	<b>85,184</b>
Net current assets	<u>724</u>	<u>7</u>	<u>1,126</u>	<u>(2,917)</u>	<u><b>(1,060)</b></u>
	<b><u>1,682</u></b>	<b><u>49,455</u></b>	<b><u>12,711</u></b>	<b><u>21,816</u></b>	<b><u>85,664</u></b>

#### 22. Company limited by guarantee

The Charity is a company limited by guarantee and has no share capital. The members of the charity are the trustees listed on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.