

**THE HOSPITAL SATURDAY FUND
(A Company Limited by Guarantee)**

REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2015



HSF Chairman John Greenwood presents a grant cheque to Dr John Chatterjee of London's Air Ambulance at the Association Meeting on 7 October 2015

Registered Company Number: 6039284
Registered Charity Number: 1123381

THE HOSPITAL SATURDAY FUND
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

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THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES

YEAR ENDED 31 DECEMBER 2015

OFFICERS AND ADVISERS

<i>Chairman</i>	Mr J Greenwood
<i>Vice Chairman</i>	Mr D Thomas
<i>Other Trustees</i>	Mrs J L Dalton LLB (Hons) Mr M Davies Professor P W Palmer BA(Hons) PhD FCIS FIIA DChA FRSH Mr J Randel Mrs M Rogers
<i>Chief Executive</i>	Mr P W Jackson MSc BA (Hons) DChA
<i>Company Secretary</i>	Miss Z Richards BA(Hons) ACMI Assoc CIPD
<i>Patron</i>	Ms L Garrett CBE FRAM
<i>Principal Bankers</i>	HSBC
<i>Solicitors</i>	Iiffes Booth Bennett
<i>Auditors</i>	haysmacintyre, Chartered Accountants
<i>Investment Managers</i>	UBS AG
<i>Registered Office</i>	24 Upper Ground LONDON SE1 9PD Telephone: 020 7202 1365 Fax: 020 7928 0446 Email: charity@hsf.eu.com

**THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES

YEAR ENDED 31 DECEMBER 2015

The Board of Trustees is pleased to present the 9th Annual Report comprised of the Report of the Board of Trustees and Strategic Report and the audited financial statements for the year ended 31 December 2015.

Strategic Report

Summary

The Hospital Saturday Fund has been helping people in times of illness or medical need since 1873. In those days there was no NHS and very little government aid for those who needed it most. This led the Victorian social reformer, the Twelfth Earl of Meath, and others to establish The Hospital Saturday Fund to give working people an opportunity to contribute to the costs of running their local hospitals, so named because Saturday was the traditional pay-day when people were more likely have a few pennies to spare. Over the years leading to the formation of the NHS in 1948, HSF gradually became a health cash plan but maintained its charitable support for hospitals and medical charities.

The Hospital Saturday Fund is now a grant-making charity which donates to hospitals, hospices and medically associated charities for care and research, and to some individuals with health problems throughout the UK and Ireland.

Services Agreement

A Services Agreement between the Charitable Company and HSF health plan Limited has been entered into so that staff and resources will be provided to the Charitable Company by the Trading Company.

OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charitable Company's principal objects as set out in its Memorandum of Association are:

“the relief of sickness and suffering and giving of help to those who are aged, infirm unemployed or in need and who require Medical Relief as hereinafter defined or who are pregnant and for the promotion of medical research for the benefit of the public in the United Kingdom of Great Britain and Northern Ireland, Eire, the Channel Islands and the Isle of Man.”

Impact

The Trustees of the Charitable Company are aware of their duties under the Charities Act in regard to public benefit. Each Trustee is aware of the general public benefit guidance from the Charity Commission. They aim to discharge that trust by making grants to a great number of medical charities which benefit a wide section of the general public in both the United Kingdom and Ireland. The Board has set in place monitoring and evaluation procedures to review the impact of the work to ensure the aims of the Charitable Company are being met.

PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

The Grant Making Committee continued to operate with the knowledge that however ‘deserving’ some charities and individuals appeared in their applications, there was not enough money to respond to each one and careful, fair and responsible decisions had to be made. This care was demonstrated in the time taken to examine applications on behalf of individuals and the submissions from charities and by responding as fairly as possible.

Grants made in the year

During 2015, HSF processed 113 applications on behalf of individuals and, after careful assessment by the Grant Making Committee, 78 were awarded a grant making a total of £49,994 (2014: £47,354) for the year. A further total of £785,907 (2014: £693,399) was awarded to 273 medical charities, hospices and hospitals including the special medical school grant. The following pages show a chart and table analysing the grants made in the year by type and by geographical spread. Following these charts are examples of the feedback received from recipients which emphasise the public benefit achieved by the grants.

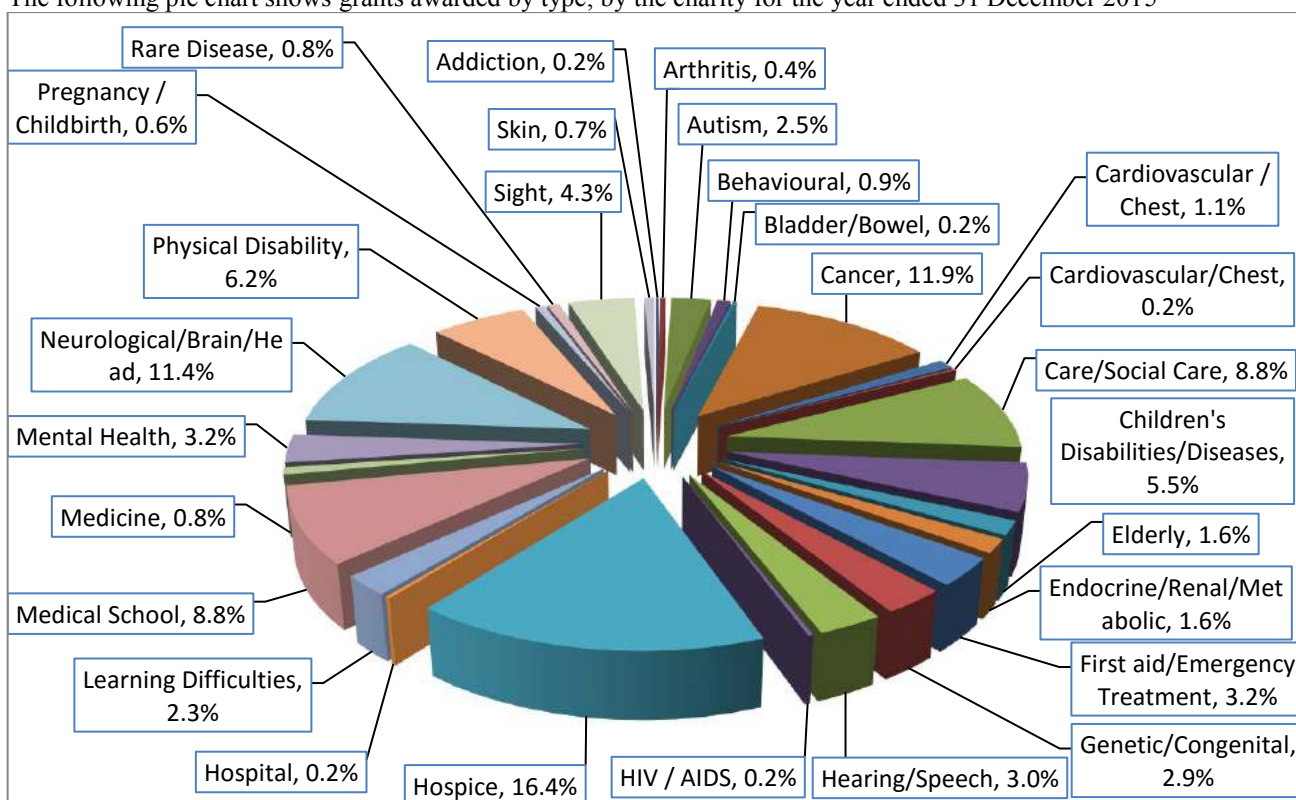
PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Annual Receptions

The Board endeavours to hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. The Trustees held a Reception on 19 February 2015 at the City Chambers in Glasgow hosted by Councillor Sadie Docherty, the Lord Provost of Glasgow, Vice-President of The Hospital Saturday Fund. A total of £98,000 was donated that evening to 27 different organisations. Ms Lesley Garrett, Patron of The Hospital Saturday Fund attended the Reception and joined The Lord Provost’s representative, Bailie Scanlon, to present the grants.

The Trustees also held, for the first time, a charity reception in Wales. The reception took place on 16 November 2015 in the old Civic Chambers, Cardiff, hosted by the University of Cardiff. A total of £75,000 was donated on that evening to 22 charities based in Wales and South West England. Mr John Hartson, the well-known former footballer and television commentator, attended the reception and presented the grants.

The following pie chart shows grants awarded by type; by the charity for the year ended 31 December 2015



The vast majority of grants awarded were for £2,000 (or €2,400), with two lesser donations being made. Sixty-three higher grants ranging between £2,000 and £10,000 were awarded to charities where a specific need was deemed by the Committee to warrant a larger award.

The Committee endeavours to ensure that not only is there a wide geographical spread within the grant making but, within the charities supported, there are many different types of illness, disability, care, research and age groups represented.

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YEAR ENDED 31 DECEMBER 2015

PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Grants are made to both local and national institutions. Total value of the grants awarded to each separate region is as follows, with the number of grants awarded shown in brackets:

	Total Value of Grants Awarded	Grants to Other Medical Charities	Grants To Hospitals	Grants To Hospices	Medical School sponsorship of electives
	£	£	£	£	£
UK National	195,750 (71)	195,750 (71)	0	0	0
England – London	70,637 (22)	62,137 (19)	0	8,500 (3)	0
England – North	28,050 (10)	10,000 (4)	0	8,050 (5)	10,000 (1)
England – East	31,480 (14)	27,480 (12)	0	4,000 (2)	0
England – South & Channel Islands	147,155 (47)	95,400 (31)	0	41,755 (15)	10,000 (1)
England – Midlands	43,708 (20)	27,800 (12)	2,000 (1)	13,908 (7)	0
England – Yorkshire & Humber	21,666 (7)	4,000 (2)	1,866 (1)	15,800 (4)	0
Wales	43,331 (13)	21,331 (8)	0	12,000 (4)	10,000 (1)
Scotland	112,500 (35)	87,500 (29)	0	15,000 (5)	10,000 (1)
Northern Ireland & Isle of Man	12,231 (3)	10,231 (2)	0	2,000 (1)	0
Ireland	€113,975 (33)	€85,175 (29)	0	€16,800 (3)	€12,000 (1)

Organisations receiving grants ranged from Action on Hearing Loss, Anthony Nolan, Brain Tumour Research, Brittle Bone Society, Childhood Eye Cancer Trust, Downs Syndrome Scotland, East Anglican Air Ambulance, Marie Curie, Orthopaedic Institute, Sickle Cell Society, Stroke Association, Target Ovarian Cancer, The Alzheimer Association of Ireland and UK Sepsis Trust. Grants to hospitals were for specific projects, equipment or designated charitable funds.

Evaluation process

In meeting the Charities Act requirement to demonstrate public benefit through the grant making process, Trustees consider not only the recipient charities and their applications but also the impact the past awards have had. As such, the Trustees ensure that feedback from recipients is obtained where possible and reviewed for evidence of the grant being used for its correct purpose.

Condensed versions of updates received from grantees are available on our website www.hospitalsaturdayfund.org/news-a-recent-grants.html. Amongst others, updates on the website relating to work supported by the Hospital Saturday Fund in 2015 refer to:

- A grant for heart rhythm monitors (Cardiac Risk in the Young Ireland)
- The design and build of specialist mobility equipment for brain-injured children (Cerebra)
- A grant towards research into sudden death in epilepsy (Epilepsy Research)
- The purchase of a Zeiss ophthalmic operating microscope (Fight for Sight)
- A grant towards hoists in residents' bedrooms (Livability)
- To provide an information and support service (British Stammering Association)
- A grant to purchase pressure relieving mattresses (Hope House Hospice)
- The delivery of self-management workshops (Chronic Pain Ireland)
- A grant for a standing frame for the Physiotherapy Department (MS North West Therapy Centre)
- A grant towards a bereavement support co-ordinator (Rainbows Hospice)
- To train and equip six new volunteer medics (Irish Community Rapid Response)

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PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

- A grant towards a specialist continence support nurse (Scottish Spina Bifida)
- Specialist sight tests for children with disabilities (SeeAbility)
- To purchase a specialist bath (St Christopher's Hospice)
- A grant for care in the community for those with leg ulcers (The Lindsay Leg Club Foundation)
- Provision of Giggle Doctors at Birmingham Children's Hospital (Theodora Children's Charity)

In addition, the Hospital Saturday Fund receives many letters of appreciation from grantees. The following are quotations taken from letters sent to the Charity following grants being awarded to each:

Grant to The Chilterns MS Centre

We are hugely grateful to have the Hospital Saturday Fund's support. The Fund's donation enabled us to provide 100 hour-long sessions of physiotherapy to people with Multiple Sclerosis (MS). Without the support of grant-makers like the Hospital Saturday Fund, we wouldn't be able to provide our treatments free of charge.

Grant to LauraLynn, Ireland's Children's Hospice

We honestly cannot find the words to thank you enough for the truly generous donation to support our at home programme. This will help us bring invaluable hospice care into the homes of families who are struggling to cope with a seriously ill child.

Grant to Rossendale Hospice

On behalf of the vulnerable patients and their families that we are now able to support through your generosity at such a critical time in their lives – thank you so much.

Grant to Nuffield Laboratory of Ophthalmology, University of Oxford

We are very appreciative of the tremendous assistance that the support of the Hospital Saturday Fund has provided for our retinal gene therapy programme. The OCT microscope will play an important future role in our forthcoming clinical trials of new retinal gene therapies.



Paul Jackson, Chief Executive, The Hospital Saturday Fund, presents John Hartson, Founder of The John Hartson Foundation, with his grant cheque at the Charity Reception in Cardiff, November 2015

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PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

Individuals have also expressed their gratitude and there are extracts from letters below:

Grant for car adaptations

I am happy to tell you that our client's car has been adapted to her needs and it allows her to use her vehicle. Your greatly appreciated financial support has helped her to continue an independent life.

Surrey Disabled People's Partnership

Grant for respite break

Your generous grant will enable my client to attend special needs camp and participate in all the activities which will be of enormous benefit to her personal development, bring her much joy, and give her family some much needed respite. Our sincere thanks for your wonderful support.

Kids Care

Grant for specialist hearing aids

I would like to thank you from the bottom of my heart for your generosity in providing finance towards the purchase of my specialist hearing aids. Thank you for your help and the continued assurance that charities such as yours are there to help those in need. I am truly grateful – thank you!

Individual Grant Recipient

Grant for a powered wheelchair

Having this power chair has made such a difference to my life – thank you Hospital Saturday Fund!

Individual Grant Recipient

Grant for physiotherapy treatment

Words cannot express the gratitude in my heart for the very kind and generous donation towards intensive physiotherapy treatment for my husband, this will benefit him greatly.

Individual Grant Recipient

FINANCIAL REVIEW

State of affairs

The Group Statement of Financial Activities for the year is set out on page 12 and shows net outgoing resources for the year of £245,949 (2014: incoming resources of £140,757). Net movement in funds for the year amounted to £70,151, after investment gains of £266,100 and a gain on revaluation of the freehold property of £50,000, resulted in a net asset position as at 31 December 2015 of £25,921,138 (2014: £25,850,987). Of these funds, £17,942,493 is represented by the net assets of the trading subsidiary.

The trading company's total profit for the year was £434,691 (2014: profit of £576,746). Total premiums (less Insurance Premium Tax) for the year were £24,910,800. Benefits payable (including Personal Accident premiums and helplines) for the year were £19,414,054 and represented 77.93% of premium income.

The trading company's Directors consider the overall state of affairs to be satisfactory.

For the charity alone, total income for the year amounted to £353,856 (2014: £1,125,607) including gift aid from the subsidiary companies of £194,267 (2014: £1,004,417). Grants totalling £831,526 (2014: £740,753) were made during the year, which is considerably in excess of income. These grants were therefore made by utilising expendable endowment funds. After charging the grants and crediting the gift aid payment and realised and unrealised investment gains the endowment fund decreased by £550,362 to £7,832,113.

The Trustees are satisfied with the net asset position of the group at the year end and are confident that sufficient funds will be available to meet the future needs of the Charitable Company.

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Reserves Policy

The Trustees have established a policy for retaining reserves both in light of the risks the charitable group faces and the Trustees' strategic priorities for their grant making activities. In essence the principal purpose of the reserves are to provide a capital base from which income would be earned to finance the grant making activities. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances; however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees.

The charity plans carefully to ensure that it budgets in accordance with expected income flows but inevitably short term fluctuations can occur. In light of this policy residual free reserves will be held at a level sufficient to cover the operational working capital needs of the charity and to provide for short term fluctuations in either falls in investment income year on year, and/or falls in profitability of the trading subsidiary. For clarity trading reserves have been separated from free charitable funds.

At the end of the year free reserves totalled £146,532. Although this is a small increase in the level compared with last year, the continued tough economic climate and its impact on the investment portfolio has meant that grant making activities were all financed from the endowment fund. The Trustees, having reviewed their strategy, are satisfied that the policy is appropriate and satisfied with the level of free reserves.

Principal Risks and Risk Assessment

The Board of The Hospital Saturday Fund regularly assesses the risks to which the charity is exposed, agrees how best those risks may be mitigated and takes the appropriate action to manage them. Its key risks relate to the ability of the investment portfolio to generate income, and the ability of the trading subsidiary to deliver and generate sufficient profits to enable the charity to award a consistent level of grant making.

The Board of the Charitable Company's Trading Subsidiary carefully monitors the Company's risk exposure in all areas investment, operational, financial, human resources and sales. The principle risks of currency exchange and claims rates are monitored closely and also in preparation for the introduction of Solvency II extensive training and reviews of business risks have been undertaken further details of this can be found under Solvency II. The Board are satisfied this is on course and continue to review this regularly along with the Company's risk registers.

Solvency II

The Solvency II regime which comes into effect from 1st January 2016 is a principle risk for the Trading Subsidiary and its Board have recognised this and taken extensive steps to adhere to this regime with work being carried out on various items throughout 2015 including enhancements to internal audit, governance and extensive training for both key staff and non-executive directors. This work continues on into 2016 and the Board will continue to monitor this and ensure the company continues to satisfy their solvency requirements.

This Board maintains and regularly reviews the Company's risk register and the loss of income from a reduction in investment returns. The main risk to the charity is the failure of its Trading Subsidiary. HSF health plan Limited is regulated by the Prudential Regulation Authority and has to satisfy their solvency requirements and produce an Individual Capital Assessment each year. The Trustees receive regular updates on risks and operating results of the trading subsidiary as part of their risk assessment process. The Trustees also monitor regularly the performance of their investment portfolio in accordance with the agreed investment strategy.

Investments & Investment Policy

Under the Memorandum and Articles of Association, the Trustees of the Charitable Company have the power to make any investments which the Trustees see fit. In September 2007 the Board appointed UBS AG as Investment Managers.

The Trading Company's Investment Policy is linked to the Prudential Regulation Authority solvency requirements. Its Investment Policy reflects a low to medium risk profile, which is similar to that of the overall Charitable Group. The Charitable Company's portfolio produced a net gain of £223,465 on the investments held, representing a net gain of 3.39%. This compares to the benchmark set by the Directors which would have returned a net gain of 2.37%.

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The Charitable Company follows a composite benchmark of a weighted index of the markets represented within the adopted asset allocation, i.e. the index relating to the specific asset class is multiplied by the percentage, which that particular asset class represents of the whole portfolio, and then these are added together to create the composite benchmark.

The Charitable Company's ethical investment policy is that no investment may be made in any company that derives any of its income from tobacco manufacturing or earns more than 10% from tobacco related products.

Remuneration policy

The Board of Trustees is satisfied that the trading subsidiary's staff salaries are benchmarked against market levels and monitored by said subsidiary's Human Resources Committee on an annual basis.

FUTURE PLANS

The Trustees hold a Reception each year in order to present grants in person to representatives of medical charities, hospices and hospitals. One such event was hosted at the Mansion House in Dublin on 18 February 2016. Twenty-four charities were presented with grants on this occasion and the event was hosted by Councillor Criona Ní Dhálaigh, the Lord Mayor of Dublin, Vice-President of The Hospital Saturday Fund.

In 2016, it is expected that grants awarded to medical charities, hospitals and hospices will be in the region of £900,000, and recipients are already receiving funds. This will be even more appreciated as charities experience a decline in funding, generally, during these difficult times.

The Charity relies on the success of its Trading Subsidiary, HSF health plan, not only to maintain but potentially to increase the size of its expendable endowment and therefore to increase the amount of charitable grants. The Trustees look forward to extending their grant making resulting in a greater contribution to the work of the medical charity sector.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Association

The Association performs an important role in the overall governance of the Charitable Company. The Members of the Association are responsible for electing the Board and Honorary Officers of the Charitable Company.

The Association comprises up to 100 Members (excluding Honorary Officers) whose services will, in the opinion of the Board, be advantageous to The Hospital Saturday Fund. Appointment is for a period of three years, but renewable. From time to time the Board recommends to the Association that some Members should be elected for their lifetime, in recognition of particular service. The President, Vice Presidents and Life Members of the Association are listed below.

President	The Right Honourable The Lord Mayor of London	
Vice-Presidents	The Right Honourable The Earl of Meath The Right Honourable The Lord Mayor of Dublin The Right Honourable The Lord Provost of Glasgow The Right Honourable The Lord Mayor of Belfast Mr K R Bradley MCMI	
Life Members of the Association	Mr D C Barnes Mr P Battams Mr T A Botly Mr M J Boyle FCA Miss D O Denton JP Mr R Dool Mr L I Fellman Mr P P Groat	Mrs P E Lee Miss I Racher Mr A M Rees LLB BA FCIPD Mr D L Sawers ACII Mr E W Smith Mr W N Smith ACIS FI PPM Mr A F Tierney (deceased July 2015) Mrs L M C Warner RGN SCM ONHC Mr D T Young Mr K L Joy MCMI (deceased October 2015) Mr K Lawrey JP LLB MA MSc (Econ) Barrister (Gray's Inn)

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YEAR ENDED 31 DECEMBER 2015

The Association held two General Meetings during the year, the first being the Annual General Meeting which was held on 14 May 2015 at Guildhall, London. The President and Vice Presidents (listed above) were elected. Recognising that some civic offices change hands at times of the year not close to the Fund's AGM, authority was given to the Board to invite the successors of those elected to serve in the appropriate Honorary Officer capacity.

The guest speaker was the well-known actor, Richard Wilson, who attended in his capacity as Patron of Action on Hearing Loss.

At an Extraordinary General Meeting held on 7 October, 2015, Mr John Greenwood was re-elected as Chairman of the Association and Board, also at this meeting Mrs Jane Dalton and Mr John Randel were elected for a three year term as Trustees.

Board of Trustees

The Board comprises the Chairman and six other Trustees. The Trustees are also Directors of the Charity for the purposes of the Companies Act. The Chief Executive and the Company Secretary attend Board Meetings.

At each Board Meeting, Trustees receive reports from the Board of HSF health plan Limited and annually they appoint two Members of the Association, who are not Trustees, to attend the Annual General Meeting of HSF health plan Limited with full voting rights.

The Trustees are covered by qualifying third party indemnity insurance, paid by HSF health plan Limited, which was in place throughout the year and remains in force at the date of this report.

Appointment and Training of the Trustees

Trustees are appointed to the Charity Board through a nomination and election process by the Members of the Association. They are appointed for a term of office of three years. The Association Members, by virtue of the Articles of Association, decide who serves as Non-Executive Directors of HSF health plan Limited and who should serve the Grant Making Committee.

Trustee training is provided by the Charitable Company as required. Trustees are encouraged to attend appropriate external training courses / seminars to enhance their expertise and are required to undertake the British Health Care Association / Chartered Insurance Institute health cash plan training module which concludes with an examination. Those who serve the trading company are also encouraged to attend external training appropriate for Non-Executive Directors managing an insurance company regulated by the Prudential Regulation Authority.

Grant Making Committee, Policies and Procedures

The Committee usually meets every quarter and reports directly to the Board. In addition to the two Trustees elected as Chairman, Professor Paul Palmer and Vice Chairman, Mrs Margaret Rogers, the Committee includes appointed members Mrs Pamela Boyle, Mrs Natalie Comber, Mr Graham Hooton (until 10 August 2015), Mr Paul Jackson, Mr Keith Lawrey, Miss Zena Richards, Mr Glyn Tomlinson (from 26 January 2015), and Miss Jill Walton.

Grants are awarded to national and local medical charities, hospitals and hospices throughout the UK and Ireland. Grant making guidelines for both individuals and organisations (medical charities, hospices and hospitals) are drawn up and approved by the Board. For individuals this means that applications are only accepted through a third party who has some involvement in the care of the applicant, eg doctor, social worker or another charity, and the demonstrated need is required to have a strong medical connection. Hospitals are required to state a particular capital project or charity within their hospital to receive their grant. Detailed guidelines for our grant making policy are available on our website www.hospitalsaturdayfund.org.

The Grant Making Committee members and Trustees of The Hospital Saturday Fund take the opportunity to visit charities or attend their receptions in order to gain a greater overall knowledge.

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YEAR ENDED 31 DECEMBER 2015

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report, Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

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

ON BEHALF OF THE BOARD ON 21 MARCH 2016

JOHN GREENWOOD
Chairman

DAVID THOMAS
Vice Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOSPITAL SATURDAY FUND

We have audited the financial statements of The Hospital Saturday Fund for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheet, the Group Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the 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 anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the group's and charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006;

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board of Trustees and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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
- 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.

Richard Weaver (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

THE HOSPITAL SATURDAY FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 Unrestricted Charity £	2015 Trading £	2015 Expendable Endowment £	2015 Total £	2014 Total £
Income and endowments:						
Donations and legacies		53	-	-	53	281
Trading activities	6	-	24,924,150	-	24,924,150	25,251,673
Investment	2	159,536	400,785	-	560,321	478,293
Total incoming resources		159,589	25,324,935	-	25,484,524	25,730,247
Expenditure on:						
Raising funds – trading activities	4	(17,270)	(24,774,090)	(72,560)	(24,863,920)	(24,725,904)
Amounts available for charitable application		142,319	550,845	(72,560)	620,604	1,004,343
Charitable activities	4	(866,553)	-	-	(866,553)	(863,586)
Net incoming resources before investment gains and losses		(724,234)	550,845	(72,560)	(245,949)	140,757
Gift aid donation		-	(194,267)	194,267	-	-
Gain on revaluation of tangible assets	9	-	50,000	-	50,000	700,000
Realised investment (loss)/gain	10	-	60,176	(2,986)	57,190	(22,741)
Unrealised investment gain	10	-	46,467	162,443	208,910	760,799
Transfer between funds		831,526	-	(831,526)	-	-
Net movement in funds for the year		107,292	513,221	(550,362)	70,151	1,578,815
Funds brought forward		39,240	17,429,272	8,382,475	25,850,987	24,272,172
Funds carried forward at 31 December 2015		146,532	17,942,493	7,832,113	25,921,138	25,850,987

The notes on pages 15 to 25 form part of these financial statements

All transactions are derived from continuing activities.

The statement of financial activities includes the income and expenditure account.

All recognised gains and losses are included in the statement of financial activities.

GROUP AND CHARITY BALANCE SHEETS

AT 31 DECEMBER 2015

	Notes	2015		2014	
		Group £	Charity £	Group £	Charity £
FIXED ASSETS					
Intangible assets	8	-	-	-	-
Tangible assets	9	3,233,575	8,625	2,746,531	11,250
Investments	10	21,612,655	22,682,183	21,418,154	22,458,719
		<u>24,846,230</u>	<u>22,690,808</u>	<u>24,164,685</u>	<u>22,469,969</u>
CURRENT ASSETS					
Debtors	11	2,428,682	106,822	2,493,884	791,709
Bank balances and cash		2,912,327	1,054,333	3,145,489	1,098,168
		<u>5,341,009</u>	<u>1,161,155</u>	<u>5,639,373</u>	<u>1,889,877</u>
CREDITORS: amounts falling due within one year	12	<u>(4,067,267)</u>	<u>(8,831)</u>	<u>(3,749,168)</u>	<u>(73,644)</u>
NET CURRENT ASSETS		<u>1,273,742</u>	<u>1,152,324</u>	<u>1,890,205</u>	<u>1,816,233</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,119,972</u>	<u>23,843,132</u>	<u>26,054,890</u>	<u>24,286,202</u>
PROVISION FOR LIABILITIES AND CHARGES	13	<u>(198,834)</u>	<u>-</u>	<u>(203,903)</u>	<u>-</u>
NET ASSETS		<u><u>25,921,138</u></u>	<u><u>23,843,132</u></u>	<u><u>25,850,987</u></u>	<u><u>24,286,202</u></u>
Representing:					
FUNDS					
Unrestricted funds					
- General funds	14	146,532	16,011,019	39,240	15,903,727
- Trading funds	14	17,942,493	-	17,429,272	-
Expendable endowment fund	14	7,832,113	7,832,113	8,382,475	8,382,475
		<u>25,921,138</u>	<u>23,843,132</u>	<u>25,850,987</u>	<u>24,286,202</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 21 March 2016 and were signed below on its behalf by:

JOHN GREENWOOD
Chairman

DAVID THOMAS
Vice Chairman

The notes on pages 16 to 24 form part of these financial statements.

THE HOSPITAL SATURDAY FUND

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Reconciliation of net movement in funds for the year to net operating cash flows		
Net movement in funds for the year	70,150	1,588,348
Taxation	(5,069)	83,844
Gain on revaluation of tangible assets	(50,000)	(700,000)
Unrealised gains on other financial investments	(208,910)	(760,799)
Realised (gains)/losses on other financial investments	(57,190)	22,741
Income from other financial investments and cash	(560,321)	(478,293)
Depreciation and amortisation	191,784	139,374
Decrease in debtors	65,202	72,528
Increase in creditors	318,100	168,831
Net cashflow from operating activities	<u>(236,254)</u>	<u>136,574</u>
Cash flows from investment activities		
Income received from other financial investments	500,744	410,494
Interest received	59,577	67,799
Purchases of tangible fixed assets	(628,827)	(135,925)
Purchases of other financial investments	(5,764,783)	(18,188,465)
Sales of other financial investments	5,836,381	17,370,882
Net cashflow from investing activities	<u>3,092</u>	<u>(475,215)</u>
Decrease in cash holdings	(233,162)	(338,641)
Cash and cash equivalents at 1 January 2015	3,145,489	3,484,130
Cash and cash equivalents at 31 December 2015	<u>2,912,327</u>	<u>3,145,489</u>
Analysis of cash and cash equivalents		
Cash in hand	2,912,327	3,145,489
Total cash and cash equivalents	<u>2,912,327</u>	<u>3,145,489</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with:

- the Companies Act 2006;
- the Statement of Recommended Practice on Accounting and Reporting by Charities: the Charities SORP 2015;
- the historical cost convention, as modified by the adoption of market value for investment assets and the revaluation of freehold property; and
- applicable accounting standards, including Financial Reporting Standard 102 ('FRS 102'). This is the first year in which the financial standards have been prepared under FRS 102. Refer to note 20 for an explanation of the transition.

These accounts consolidate the accounts of the Charitable Company and its wholly owned non-charitable trading subsidiary company HSF health plan Limited. As permitted by Section 408 of the Companies Act 2006 and in accordance with paragraph 397 of the Charities SORP 2015, no separate SOFA has been presented for the Charitable Company alone.

a) Gift of investment in HSF health plan Limited

The investment is carried at the Trustees' estimate of valuation at 1 April 2007, the date of gift, less any provision for permanent diminution in value.

b) Incoming resources

Incoming resources represents donations, income from the trading subsidiary and investment income. All income is accounted for on a receivable basis.

c) Tangible Fixed Assets

Land and buildings occupied by the Group for its own purposes are stated at valuation less depreciation.

Depreciation is calculated to write off the cost or valuation less estimated residual value of assets in equal instalments over their expected useful lives. The rates used are as follows:-

Freehold property	2%
Furniture and equipment	20%
Computer equipment	25%

d) Investments

Investments are carried at market value in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2015. Unrealised gains and losses on the revaluation of listed investments are taken to the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and market value at the previous financial year end or cost if the investment was acquired subsequently.

e) Interest Receivable

Interest receivable is credited to the Statement of Financial Activities in the year in which it is receivable.

f) Pension Costs

The Group makes contributions to employees' group personal pension plans. The pension cost charge charged to the Statement of Financial Activities in the year represents contributions payable by the group to the group personal pension plans in respect of the year.

g) Expenditure

Expenditure is summarised under functional headings on a direct cost basis.

h) Fund accounting

Unrestricted funds comprise accumulated surpluses on general and trading funds.

General funds comprise the accumulated surplus from the Statement of Financial Activities which are neither restricted nor designated funds. They are available for use at the discretion of the Directors in furtherance of the general objectives of the Charitable Company.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

h) Fund accounting

Trading funds are the accumulated trading surpluses and revaluation surplus of the trading subsidiary.

Expendable endowment funds arise where the terms of the gift aid donation stipulate that the funds are to be treated as capital but may be expended at the discretion of Trustees within the objects of the charity. Accordingly, the Trustees have the right but not the duty to expend the capital as they see fit.

i) Deferred Taxation

Full provision is made for deferred tax assets and liabilities within the trading subsidiary accounts in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

j) Operating Leases

Rentals costs payable under operating leases are charged to the Statement of Financial Activities over the period of each lease.

k) Intangible fixed assets

Purchased goodwill is stated at cost less amortisation and is written off on a straight line basis over a period of 5 years.

l) Translation of Foreign Currency

Transactions in foreign currencies are converted monthly at the relevant month end rates of exchange. At the year end assets and liabilities are converted at the exchange rates ruling at that date. Exchange differences are taken to the Statement of Financial Activities.

m) Grants

Grants are recognised in the accounts when awarded by the Grant Making Committee and committed to. The grants are awarded at the discretion of the Trustees within the objects of the Charitable Company.

n) Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like debtors arising out of direct insurance operations, trade payables, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

o) Significant judgements and estimates

The group requires management to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include the translation of foreign currency into the reporting currency and the technical provisions. The most significant judgement and estimate in the accounts is the technical provisions which are calculations based on claims and premium trends from the previous two years to estimate to provisions required at the year end.

2. INVESTMENT INCOME

	2015	2014
	£	£
Income from other financial investments	500,744	410,494
Interest receivable	59,577	67,799
	<u>560,321</u>	<u>478,293</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

3.	NET INCOME FOR THE YEAR	2015	2014
		£	£
	The net income for the year is stated after charging:		
	Depreciation	191,783	139,374
	Auditors remuneration:		
	Audit of the charity	6,600	5,550
	Audit of the subsidiaries	31,230	26,670
	Other	8,100	7,170
	Operating leases	138,214	145,242
		<u>191,783</u>	<u>139,374</u>

4.	ANALYSIS OF TOTAL RESOURCES EXPENDED	Direct costs	Grant funding	Support costs	2015 Total
		£		£	£
	Raising funds				
	Charity	89,830	-	-	89,830
	Subsidiaries	17,926,760	-	6,847,330	24,774,090
	Charitable activities	-	831,526	35,027	866,553
	Group Total	<u>18,016,590</u>	<u>831,526</u>	<u>6,882,357</u>	<u>25,730,473</u>

All grants in the year were funded from the expendable endowment.

	Direct costs	Grant funding	Support costs	2014 Total
	£		£	£
	Raising funds			
	Charity	72,799	-	72,799
	Subsidiaries	18,077,612	-	6,575,493
	Charitable activities	-	740,753	122,833
	Group Total	<u>18,150,411</u>	<u>740,753</u>	<u>6,698,326</u>

All grants in the year were funded from the expendable endowment.

5. STAFF COSTS

Charity

The charity employs no staff, all staff are employed by the trading subsidiary – HSF health plan Limited.

Trading subsidiary – HSF health plan Limited	2015	2014
	£	£
Wages and salaries	2,510,799	2,750,362
Social security costs	383,979	293,555
Pension costs	423,919	404,641
	<u>3,318,697</u>	<u>3,448,558</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

5. STAFF COSTS (continued)

	2015	2014
	No.	No.
The average number of full time equivalent employees in the year was:		
Sales	23	23
Administration	45	42
	<u>68</u>	<u>65</u>

The number of employees whose annual emoluments exceeded £60,000 were:-

£60,001 - £70,000	8	6
£70,001 - £80,000	2	1
£80,001 - £90,000	2	2
£100,001 - £110,000	1	1
£180,001 - £190,000	2	2
	<u>15</u>	<u>12</u>

Contributions totalling £202,443 (2014: £167,677) were made to group personal pension plans in respect of the 15 (2014: 12) employees above.

None of the trustees were remunerated during the year for their services as trustees of the parent Charitable Company. Expenses totalling £6,281 (2014: £8,150) were reimbursed to seven trustees (2014: seven) of the parent Charitable Company.

As the charity does not employ any staff it has no key management personnel costs. Key management personnel within its trading subsidiary HSF health plan Limited are the Executive Directors and Head of Departments and total salary and benefits provided total £698,619 (2014: £677,645).

Five Trustees received remuneration during the year for performance of their duties as Directors of the trading subsidiary. In accordance with the Charity Commission advice the two Trustees who are not remunerated, for the Remuneration Committee:

	2015	2014
	£	£
Mr M J Boyle (to Sep 2014)	-	5,191
Mrs J L Dalton	6,092	5,938
Mr M Davies (from Oct 2014)	6,092	1,485
Mr J Greenwood	6,080	5,926
Professor P W Palmer	-	-
Mr J Randel	12,499	12,182
Mrs M Rogers	-	-
Mr D Thomas	5,411	6,980
	<u>36,174</u>	<u>37,702</u>
Total remuneration	<u>36,174</u>	<u>37,702</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

6. RESULTS OF SUBSIDIARY

HSF health plan Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF health plan Limited, incorporated in the UK (number 30869), is a health cash plan organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF health plan Limited are detailed below:

	2015	2014
	£	£
PROFIT AND LOSS ACCOUNT		
Premium income	24,910,800	25,235,321
Claims paid and reinsurance	(19,115,908)	(19,295,937)
	<u>5,794,892</u>	<u>5,939,384</u>
Profit before taxation	<u>458,152</u>	<u>558,613</u>
Profit for the year after taxation	<u>463,221</u>	<u>474,769</u>
BALANCE SHEET		
Fixed assets	18,019,910	17,559,204
Net current assets	121,417	73,971
Deferred tax	(198,834)	(203,903)
NET ASSETS	<u>17,942,493</u>	<u>17,429,272</u>
FUNDS		
General reserve	<u>17,942,493</u>	<u>17,429,272</u>
	<u>17,942,493</u>	<u>17,429,272</u>

HSF Assist Limited is a wholly owned subsidiary of The Hospital Saturday Fund. HSF Assist Limited, incorporated in the UK (number 8139547), is a helpline organisation and donates its surplus annual taxable profits to the Charity under Gift Aid. The results of HSF Assist Limited are detailed below:

	2015	2014
	£	£
PROFIT AND LOSS ACCOUNT		
Premium income	13,350	16,352
Helplines and counselling	(4,543)	(3,908)
Other admin costs inc gift aid donation	(8,807)	(12,444)
Profit for the year after taxation	<u>-</u>	<u>-</u>
BALANCE SHEET		
Net current assets	<u>1</u>	<u>1</u>
NET ASSETS	<u>1</u>	<u>1</u>
CAPITAL AND RESERVES		
Share capital	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

7. GRANTS	Grants to Institutions £	Grants to Individuals £	2015 Total £
During the year the following grants were made:			
Medical charities	604,000	-	604,000
Hospitals and hospices	133,042	-	133,042
Welfare grants to individuals	-	45,619	45,619
Donations other	48,865	-	48,865
	<u>785,907</u>	<u>45,619</u>	<u>831,526</u>

	Grants to Institutions £	Grants to Individuals £	2014 Total £
During 2014 the following grants were made:			
Medical charities	518,002	-	518,002
Hospitals and hospices	145,480	-	145,480
Welfare grants to individuals	-	47,354	47,354
Donations other	29,917	-	29,917
	<u>693,399</u>	<u>47,354</u>	<u>740,753</u>

A full list of grants to institutions is available on the Charity website.

8. INTANGIBLE FIXED ASSETS - GROUP	Purchased Goodwill £
Cost	
At 1 January 2015 and 31 December 2015	<u>1,091,413</u>
Amortisation	
At 1 January 2015	1,091,413
Charge for the year	-
At 31 December 2015	<u>1,091,413</u>
Net book value	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>-</u>

Purchased goodwill represents the cost of acquiring the insurance business from a third party insurance company in Ireland.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

9. TANGIBLE FIXED ASSETS	Charity		Freehold property £	Group Furniture Fixtures and Fittings £	
	Computer Equipment £	Total £		Total £	
COST OR VALUATION					
At 1 January 2015	12,000	12,000	2,500,000	1,222,361	3,722,361
Additions in year	-	-	-	628,827	628,827
Revaluation	-	-	-	-	-
At 31 December 2015	12,000	12,000	2,500,000	1,851,188	4,351,188
DEPRECIATION					
At 1 January 2015	750	750	-	975,830	975,830
Charge for year	2,625	2,625	50,000	141,783	191,783
Revaluation	-	-	(50,000)	-	(50,000)
At 31 December 2015	3,375	3,375	-	1,117,613	1,117,613
NET BOOK VALUE					
At 31 December 2015	8,625	8,625	2,500,000	733,575	3,233,575
At 31 December 2014	11,250	11,250	2,500,000	246,531	2,746,531

The Company owns a freehold property at 24 Upper Ground, London SE1 9PD which is used for the Company's own activities. On 18 February 2016, a full valuation was performed and the property was valued at £2,500,000 on an open market basis by Dunsin Surveyors, Chartered Surveyors.

10. INVESTMENTS	2015		2014	
	Group £	Charity £	Group £	Charity £
Market value at 1 January 2015	21,418,154	22,458,718	19,862,514	21,036,055
Additions	5,764,783	1,143,753	18,188,465	4,531,329
Disposals	(5,779,192)	(1,082,731)	(17,393,624)	(3,296,792)
Unrealised gains	208,910	162,443	760,799	188,127
Market value at 31 December 2015	21,612,655	22,682,183	21,418,154	22,458,719
Historical cost at 31 December 2015	19,793,922	21,867,677	19,588,640	21,797,624
At market value				
United Kingdom investments	7,458,185	2,929,755	9,493,253	3,536,448
Overseas investments	7,650,923	2,337,955	8,147,246	2,287,298
Bonds	3,917,293	878,038	3,777,655	770,485
Other	2,586,254	671,947	-	-
Investment in HSF health plan Limited	-	15,864,488	-	15,864,488
	21,612,655	22,682,183	21,418,154	22,458,719

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

11. DEBTORS	2015		2014	
	Group £	Charity £	Group £	Charity £
Insurance operation debtors	1,786,420	-	1,782,110	-
Other debtors	445,045	301	408,546	401
Due from subsidiary	-	103,263	-	787,765
Prepayments and accrued income	197,217	3,258	303,228	3,543
	<u>2,428,682</u>	<u>106,822</u>	<u>2,493,884</u>	<u>791,709</u>

12. CREDITORS: amounts falling due within one year	2015		2014	
	Group £	Charity £	Group £	Charity £
Insurance operations creditors	3,246,350	-	3,033,111	-
Other creditors including taxes and social security	820,918	8,831	716,057	73,644
	<u>4,067,268</u>	<u>8,831</u>	<u>3,749,168</u>	<u>73,644</u>

13. PROVISION FOR DEFERRED TAXATION	Liability on Property revaluation	Liability on Investment gains	Fixed asset - timing differences	Total
	£	£	£	£
At 1 January 2015	(210,527)	(10,497)	17,121	(203,903)
Profit and loss account	37,529	9,625	(42,085)	5,069
At 31 December 2015	<u>(172,998)</u>	<u>(872)</u>	<u>(24,964)</u>	<u>(198,834)</u>

14. MOVEMENT ON FUNDS	At 1 January 2015	Movement in funds		Gains on Investments/ Property	Transfers	Balance at 31 December 2015
		Incoming resources	Resources expended			
Unrestricted funds	£	£	£	£	£	£
General funds	39,240	159,589	(883,823)	-	831,526	146,532
Trading funds	17,429,272	25,324,935	(24,774,090)	106,643	(194,267)	17,892,493
	<u>17,468,512</u>	<u>25,484,524</u>	<u>(25,657,913)</u>	<u>106,643</u>	<u>637,259</u>	<u>18,039,025</u>
Expendable Endowment	<u>8,382,475</u>	<u>-</u>	<u>(72,560)</u>	<u>159,457</u>	<u>(637,259)</u>	<u>7,832,113</u>
Total funds	<u>25,850,987</u>	<u>25,484,524</u>	<u>(25,730,473)</u>	<u>266,100</u>	<u>-</u>	<u>25,871,138</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

Expendable endowment fund

The principal purpose of the expendable endowment fund is to provide a capital base from which income is earned to finance the grant making activities. The Trustees have the powers to approve expenditure from the expendable endowment capital in certain circumstances however these are likely to be limited to grant making activity where unrestricted reserves are known to be insufficient to meet the cost of particular grants specifically approved by the Trustees. Transfer of funds represents the gift aid donation from HSF health plan Limited to The Hospital Saturday Fund.

15. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Total Funds £	Unrestricted funds		Expendable Endowment £
		General Fund £	Trading Fund £	
Fund balances at 31 December 2015 are represented by				
Tangible fixed assets	3,233,575	8,625	3,224,950	-
Investments	21,612,655	-	14,794,960	6,817,695
Cash at bank and in hand	2,912,327	49,736	1,848,173	1,014,418
Other current assets	2,428,682	88,171	2,340,511	-
Liabilities due within one year	(4,067,267)	-	(4,067,267)	-
Deferred tax	(198,834)	-	(198,834)	-
Total Net Assets	<u>25,921,138</u>	<u>146,532</u>	<u>17,942,493</u>	<u>7,832,113</u>

16. PENSION COSTS

The trading subsidiary, as the employer in the group, makes contributions to group personal pension plans. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable for the year by the trading subsidiary to the personal pension plans and amounted to £423,919 (2014: £404,641).

At the balance sheet date, there were outstanding contributions of £0 (2014: £66,129).

17. OPERATING LEASE COMMITMENTS

At 31 December 2015, the Group had annual commitments under operating leases which expire as follows:

	2015		2014	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	-	6,466	-	11,445
In the second to fifth years inclusive	26,956	160,430	65,680	207,850
In more than five years	93,664	-	-	-
	<u>120,620</u>	<u>166,896</u>	<u>65,680</u>	<u>219,295</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

18. CONTINGENT LIABILITIES

No provision has been made for any levy which the trading subsidiary may be called upon to pay under the provisions of the Policyholders Protection Act 1975. The maximum amount of any such levy in respect of the current financial year would be £247,592 (2014: £252,420).

The trading subsidiary may have a liability to a pension scheme to which certain employees of the trading subsidiary formerly belonged. The Directors are advised that the potential liability should not exceed £250,000. No provision has been made in respect of any potential liability.

19. FINANCIAL INSTRUMENTS

	2015		2014	
	Group £	Charity £	Group £	Charity £
Financial assets				
Financial assets measured at amortised cost	<u>2,231,465</u>	<u>103,564</u>	<u>2,190,654</u>	<u>788,166</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>4,067,263</u>	<u>8,831</u>	<u>3,744,118</u>	<u>73,644</u>

Financial assets measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise technical provisions and other creditors.

20. FIRST TIME ADOPTION OF FRS 102

The group transitioned to FRS 102 from UK GAAP as at 1 January 2014. The impact from the transition to FRS 102 is as follows:

Reconciliation of reserves at 1 January 2014

	£
Reserves at 1 January 2014 under previous UK GAAP	24,389,322
Deferred tax	(117,150)
Reserves at 1 January 2014 under FRS 102	<u>24,272,172</u>

Reconciliation of reserves at 31 December 2014

	£
Reserves at 31 December 2014 under previous UK GAAP	26,061,514
Deferred tax	(210,527)
Reserves at 31 December 2014 under FRS 102	<u>25,850,987</u>

Reconciliation of net movement in funds for the year ended 31 December 2014

	£
Net movement in funds for the year ended 31 December 2014 under previous UK GAAP	1,672,192
Deferred tax	(93,377)
Net movement in funds for the year ended 31 December 2014 under FRS 102	<u>1,578,815</u>

Deferred tax

Under FRS 102, deferred tax is recognised on a timing difference plus approach, whereas previous UK GAAP required a timing difference approach. Consequently deferred tax has been recognised on the fair value remeasurement of the property.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

21. ACTIVITIES BY FUND IN THE PREVIOUS YEAR

	2014 Unrestricted Charity £	2014 Trading £	2014 Expendable Endowment £	2014 Total £
Income and endowments:				
Donations and legacies	281			281
Trading activities	-	25,251,673	-	25,251,673
Investment	120,909	357,384	-	478,293
Total incoming resources	<u>121,190</u>	<u>25,609,057</u>	<u>-</u>	<u>25,730,247</u>
Expenditure on:				
Raising funds – trading activities	<u>(17,773)</u>	<u>(24,653,105)</u>	<u>(55,026)</u>	<u>(24,725,904)</u>
Amounts available for charitable application	103,417	955,952	(55,026)	1,004,343
Charitable activities	<u>(863,586)</u>	<u>-</u>	<u>-</u>	<u>(863,586)</u>
Net incoming resources before investment gains and losses	(760,169)	955,952	(55,026)	140,757
Gift aid donation	-	(1,004,417)	1,004,417	-
Gain on revaluation of tangible assets	-	700,000	-	700,000
Realised investment (loss)/gain	-	(49,438)	26,697	(22,741)
Unrealised investment gain	-	572,672	188,127	760,799
Transfer between funds	740,753	-	(740,753)	-
Net movement in funds for the year	<u>(19,416)</u>	<u>1,174,769</u>	<u>423,462</u>	<u>1,578,815</u>
Funds brought forward	<u>58,656</u>	<u>16,254,503</u>	<u>7,959,013</u>	<u>24,272,172</u>
Funds carried forward at 31 December 2015	<u><u>39,240</u></u>	<u><u>17,429,272</u></u>	<u><u>8,382,475</u></u>	<u><u>25,850,987</u></u>