

THE HOSPITAL SATURDAY FUND
(A Company Limited by Guarantee)

REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2016



Tom Scott, CEO of Spina Bifida Hydrocephalus Ireland, with the charity's karate team, May 2016

Registered Company Number: 6039284
Registered Charity Number: 1123381

THE HOSPITAL SATURDAY FUND
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

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THE HOSPITAL SATURDAY FUND
(A Company Limited by Guarantee)

REPORT OF THE BOARD OF TRUSTEES

YEAR ENDED 31 DECEMBER 2016

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 (until 28 th October 2016) Mrs Michelle Whittington FCIPD (from 21 st November 2016)
<i>Patron</i>	Ms L Garrett CBE FRAM
<i>Principal Bankers</i>	HSBC
<i>Solicitors</i>	Iliffes Booth Bennett (until 13 th October 2016) Kerman & Co LLP (from 14 th October 2016)
<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
(A Company Limited by Guarantee)**

REPORT OF THE BOARD OF TRUSTEES

YEAR ENDED 31 DECEMBER 2016

The Board of Trustees is pleased to present the 10th 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 2016.

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 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. The trading activities of the subsidiary companies enable The Hospital Saturday Fund to continue its charitable activities.

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

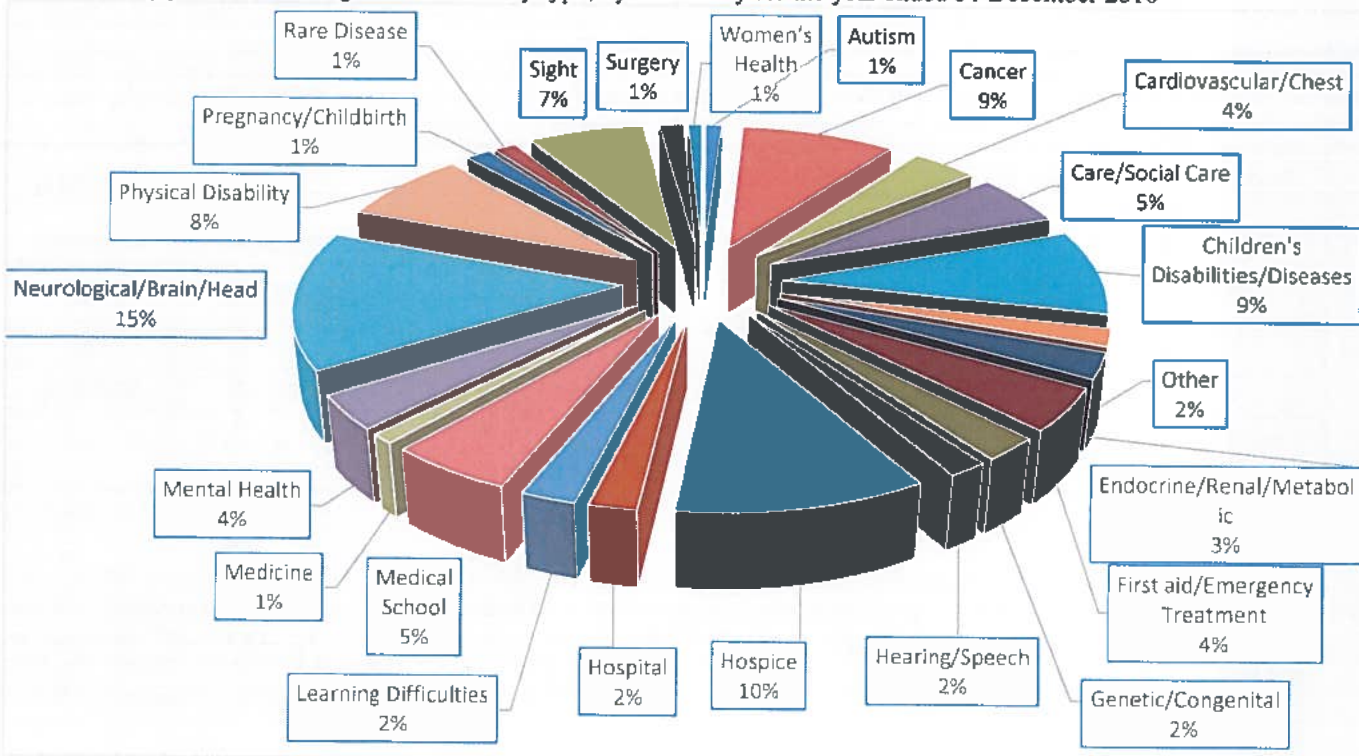
During 2016, HSF processed 146 applications on behalf of individuals and, after careful assessment by the Grant Making Committee, 91 were awarded a grant making a total of £40,359 (2015: £49,994) for the year. A further total of £878,636 (2015: £785,907) was awarded to 280 medical charities, hospices 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 18 February 2016 at the Mansions House in Dublin hosted by Councillor Críona Ní Dhálaigh, the Lord Mayor of Dublin, Vice-President of The Hospital Saturday Fund. A total of €106,500 donated that evening to 24 different organisations.

The following pie chart shows grants awarded by type; by the charity for the year ended 31 December 2016



The vast majority of grants awarded were for £2,000 (or €2,700), with two lesser donations being made. Ninety-eight 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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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2016

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	225,461 (82)	225,461 (82)	0	0	0
England – London	51,079 (20)	47,079 (18)	0	4,000 (2)	0
England – North	24,858 (10)	14,374 (5)	0	10,484 (5)	0
England – East	23,750 (12)	15,750 (8)	2,000 (1)	6,000 (3)	0
England – South & Channel Islands	152,345 (52)	78,548 (28)	22,000 (3)	41,797 (20)	10,000 (1)
England – Midlands	50,704 (19)	27,804 (12)	0	12,000 (6)	10,000 (1)
England – Yorkshire & Humber	12,090 (4)	7,000 (3)	0	5,090 (1)	0
Wales	6,500 (4)	6,500 (4)	0	0	0
Scotland	42,350 (13)	28,350 (10)	0	4,000 (2)	10,000 (1)
Northern Ireland & Isle of Man	41,994 (9)	41,994 (9)	0	0	0
Ireland	€271,150 (56)	€250,250 (53)	0	€7,400 (2)	€13,500 (1)

Organisations receiving grants ranged from Acquired Brain Injury Trust, Beating Bowel Cancer, Bloodwise, British Lung Foundation, Cerebral Palsy Plus, Cork Association for Autism, Cotswold Riding for the Disabled, Crisis Pregnancy Centre, Deaf Action, Irish Association for Palliative Care, Irish Wheelchair Association, Lucy Air Ambulance for Children, Medical Detection Dogs, Muscular Dystrophy UK, National Eye Research Centre, National Kidney Federation, Pituitary Foundation, Post-Polio Support Group, St John Ambulance, The Cure Parkinson's Trust, Urology Foundation, World Cancer Research Fund, Young Epilepsy

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 2016 refer to:

- A grant to fund three EEG monitors (Ickle Pickles Children's Charity)
- To provide breast cancer support programmes (Cork ARC Cancer Support House)
- The provision of ultrasound training (East Anglian Air Ambulance)
- To fund exome sequencing gene testing for retinal dystrophies (Fight Against Blindness)
- A grant for a Thera trainer to work both upper and lower body (Focus Birmingham)
- A grant for specially designed and adapted wheelchairs (London Wheelchair Rugby Club)
- To fund a bladder scanner (Salisbury Hospice Charity)
- Funding an 'Early Days' support service for those with recent spinal injury (Spinal Injuries Ireland)
- To support children and young adults who have had amputations (Skeletal Cancer Action Trust)

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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2016

PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

- A grant for syringe pumps for the Hospice at Home service (St Elizabeth Hospice)
- To provide an asthma nurse specialist and helpline (Asthma UK)
- Funding a research project to improve mobility for blind children (Blind Children UK)
- A grant towards a mobility promoting standing aid (Headway East London)
- The provision of an oxygen therapy service (Hartlepool & District Hospice)
- To help fund the dementia day care service (Broomhouse Centre)
- Assist in improving the lives of amputee/disabled children (Douglas Bader Foundation)
- To fund a training programme for midwives (Down's Syndrome Association)

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 Parity for Disability

Your donation will help ensure Parity's students stay active, pain free and flexible as far as possible. Your continual support is in no small part helping to ensure a good quality of life for people with profound and multiple disabilities.

Grant to Spina Bifida Hydrocephalus Ireland

We offer our sincere thanks for the research grant from the Hospital Saturday Fund, this will be invaluable in shaping our future work and ultimately improving the lives of those affected by these conditions across Ireland.

Grant to Erskine Care

Your donation will purchase specialist pain therapy mattresses for our very frailest residents and will greatly improve the comfort of those residents who are bed bound or receiving palliative care. Our heartfelt thanks.

Grant to Huntington's Disease Association

This is a fantastic gift and allows us to continue providing the best level of care and support for families struggling to cope with Huntington's Disease.

Grant to the Institute of Cancer Research

We were most grateful to receive a grant towards our MR Linac radiotherapy machine. Your kind support will help us to further improve treatments for cancer patients. Thank you for making such a valuable contribution towards our mission to make the discoveries that defeat cancer.



Paul Jackson, Chief Executive, The Hospital Saturday Fund, and Criona Ní Dhálaigh, Lord Mayor of Dublin, presents Barbara Flynn, Chief Executive of Ataxia Ireland, with her grant cheque at the Charity Reception in Dublin, February 2016

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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2016

PRINCIPAL ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

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

Grant for a computer

I thank HSF for helping me with the funding for this setup that has enhanced my life that little bit more. I can now use the computer and monitor when in my wheelchair inside the garage. Thank you all for this and all you have done for me. I truly appreciate it.

Individual Grant Recipient

Grant for an electric bed

Thank you seems such a small word and not big enough to convey my grateful thanks for the grant for the new electric bed. I am looking forward to being able to sleep and not be in so much pain and hence be able to move about a little easier. I am so very grateful.

Individual Grant Recipient

Grant for a wheelchair

Thank you for the generous grant for my wheelchair. I am so happy I can now independently take my daughter to and from school. This grant has been life changing for my family and I.

Individual Grant Recipient

Grant for a walking aid

Thank you for the funding of my daughter's kaye walker. I cannot tell you how much this means to her and her family. We are all so grateful. This means she can now walk around independently and get some exercise, not only giving her independence but helping her general health too. The kindness and generosity of the Trustees has made one young lady very happy.

Individual Grant Recipient

Grant for adjustable bed

Thank you for the grant towards the height adjustable bed for my client, he is over the moon with it. The bed will make a big difference to his quality of life and reduce the risk of injury to his carers. It has been beneficial to be able to call upon your support to enable a young man to have more control over his life and contribute to his wellbeing.

Occupational Therapist (individual grant)

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 £559,196, (2015: £245,949). Net movement in funds for the year amounted to £1,627,035, after investment gains of £2,186,231, resulted in a net asset position as at 31 December 2016 of £27,548,173 (2015: £25,921,138). Of these funds, £18,260,395 is represented by the net assets of the trading subsidiary.

The trading company's total profit for the year was £294,899 (2015: profit of £434,692). Total premiums (less Insurance Premium Tax) for the year were £27,421,378. Benefits payable (including Personal Accident premiums and helplines) for the year were £21,924,525 and represented 79.95% 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 £1,457,798 (2015: £353,856) including gift aid from the subsidiary companies of £1,281,012 (2015: £194,267). Grants totalling £914,995 (2015: £831,526) were made during the year, which is considerably in excess of income available for charitable application. 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 increased by £1,147,423 to £8,979,536.

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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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2016

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 £308,242. 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 Audit and Risk Committee of the Charitable Company's Trading Subsidiary monitor the Company's risk exposure in all areas including investment, operational, financial, human resources, sale and business continuity, with the Committees also monitoring their own areas of risk as well. It advises the Board on risk management and policy, while it also keeps under review the effectiveness of these areas. The Chief Risk Officer (CRO) is the Executive Director accountable for enabling the efficient and effective governance of significant risks, and related opportunities, for the Company and this role is the responsibility of the Managing Director. The Chief Risk Officer reports to the Audit & Risk Committee quarterly to assist the committee with actively monitoring the risks and ensure the controls and appropriate monitoring systems are in place, the CRO is also accountable to the Board of Directors.

The Company have produced various risk registers for the different parts of the business and these are kept under constant review by the various Committees and Board to manage and mitigate risks. The Audit & Risk Committee meet regularly to review and monitor these and reports to the Board. The Board are satisfied with the Risk management policies and procedures in place.

The main activity of the Company is operator of a medical cash plan and with this business activity, comes the need to take risk. We monitor the profitability of schemes and the claims data regularly, taking action when required and deemed necessary. The scheme premiums are rated on detailed analysis of historic claims data. Under the insurers regulatory regime, we also consider and diligently monitor a wide range of other risk including market, liquidity, interest rate, insurance, operational, concentration among others, this is done by regular consideration of the ORSA (Own Risk and Solvency Assessment).

Solvency II

The Solvency II regime came into effect on 1 January 2016, with Day 1 Reporting being 20 May 2016, this was completed on time. The Prudential Regulatory Authority (PRA) has continued throughout 2016 to issue Solvency II policy publications and these have been carefully monitored. A significant requirement under Solvency II is the submission to the PRA on a regular basis (usually annually) of the Own Risks and Solvency Assessment (ORSA), following approval by the Board. The ORSA was approved at the Board meeting in September 2016 and was subsequently submitted to the PRA. The Board will continue to monitor this activity and ensure the company continues to satisfy their solvency requirements.

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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2016

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 £613,130 on the investments held, representing a net gain of 13.1%. This compares to the benchmark set by the Directors which would have returned a net gain of 16.6%.

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 Glasgow City Chambers on 16 February 2017. Twenty-eight charities were presented with grants on this occasion and the event was hosted by Councillor Sadie Docherty, the Lord Provost of Glasgow, Vice-President of The Hospital Saturday Fund.

In 2017, it is expected that grants awarded to medical charities, hospitals and hospices will be in the region of £1,000,000 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.

THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2016

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 Mr K Lawrey JP LLB MA MSc (Econ) Barrister (Gray's Inn)	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 Mrs L M C Warner RGN SCM ONHC Mr D T Young

The Association held two General Meetings during the year, the first being the Annual General Meeting which was held on 12 May 2016 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 television presenter, Alice Beer, who attended in her capacity as Vice President of The Sick Children's Trust.

At an Extraordinary General Meeting held on 13 October, 2016, Mr John Greenwood was re-elected as Chairman of the Association and Board, also at this meeting Professor Paul Palmer and Mrs Margaret Rogers 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. Mrs Michelle Whittington was appointed as Company Secretary at the Trustee Board Meeting on the 21st November 2016.

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.

THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2016

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 Paul Jackson, Mr Keith Lawrey, Miss Zenaid Richards (until 28th October 2016), Mr Glyn Tomlinson, Miss Jill Walton, and Mrs Michelle Whittington (from 21st November 2016).

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.

THE HOSPITAL SATURDAY FUND
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REPORT OF THE BOARD OF TRUSTEES (continued)

YEAR ENDED 31 DECEMBER 2016

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 20 March 2017



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 2016 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 2016 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

27 March 2017

26 Red Lion Square
London
WC1R 4AG

THE HOSPITAL SATURDAY FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 Unrestricted Charity £	2016 Trading £	2016 Expendable Endowment £	2016 Total £	2015 Total £
Income and endowments:						
Donations and legacies		801	-	-	801	53
Trading activities	6	-	27,437,660	-	27,437,660	24,924,150
Investment income	2	175,985	408,243	-	584,228	560,321
Total incoming resources		176,786	27,845,903	-	28,022,689	25,484,524
Expenditure on:						
Raising funds – trading activities	4	(24,264)	(27,579,872)	(71,942)	(27,676,078)	(24,863,920)
Amounts available for charitable application		152,522	266,031	(71,942)	346,611	620,604
Charitable activities	4	(905,807)	-	-	(905,807)	(866,553)
Net incoming resources before investment gains and losses		(753,285)	266,031	(71,942)	(559,196)	(245,949)
Gift aid donation		-	(1,281,012)	1,281,012	-	-
Gain on revaluation of tangible assets		-	-	-	-	50,000
Realised investment (loss)/gain	9	-	(140,232)	73,278	(66,954)	57,190
Unrealised investment gain	9	-	1,473,115	780,070	2,253,185	208,910
Transfer between funds		914,995	-	(914,995)	-	-
Net movement in funds for the year		161,710	317,902	1,147,423	1,627,035	70,151
Funds brought forward		146,532	17,942,493	7,832,113	25,921,138	25,850,987
Funds carried forward at 31 December 2016		308,242	18,260,395	8,979,536	27,548,173	25,921,138

The notes on pages 16 to 26 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 2016

	Notes	2016		2015	
		Group £	Charity £	Group £	Charity £
FIXED ASSETS					
Tangible assets	8	3,099,311	5,625	3,233,575	8,625
Investments	9	23,686,010	23,295,313	21,612,655	22,682,183
		<u>26,785,321</u>	<u>23,300,938</u>	<u>24,846,230</u>	<u>22,690,808</u>
CURRENT ASSETS					
Debtors	10	2,689,450	1,284,227	2,428,682	106,822
Bank balances and cash		2,051,259	587,786	2,912,327	1,054,333
		<u>4,740,709</u>	<u>1,872,013</u>	<u>5,341,009</u>	<u>1,161,155</u>
CREDITORS: amounts falling due within one year	11	<u>(3,801,698)</u>	<u>(20,685)</u>	<u>(4,067,267)</u>	<u>(8,831)</u>
NET CURRENT ASSETS		<u>939,011</u>	<u>1,851,328</u>	<u>1,273,742</u>	<u>1,152,324</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,724,332</u>	<u>25,152,266</u>	<u>26,119,972</u>	<u>23,843,132</u>
PROVISION FOR LIABILITIES AND CHARGES	12	<u>(176,159)</u>	<u>-</u>	<u>(198,834)</u>	<u>-</u>
NET ASSETS		<u><u>27,548,173</u></u>	<u><u>25,152,266</u></u>	<u><u>25,921,138</u></u>	<u><u>23,843,132</u></u>
Representing:					
FUNDS					
Unrestricted funds					
- General funds	13	308,242	16,172,730	146,532	16,011,019
- Trading funds	13	18,260,395	-	17,942,493	-
Expendable endowment fund	13	8,979,536	8,979,536	7,832,113	7,832,113
		<u>27,548,173</u>	<u>25,152,266</u>	<u>25,921,138</u>	<u>23,843,132</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 20 March 2017 and were signed below on its behalf by:



JOHN GREENWOOD
Chairman



DAVID THOMAS
Vice Chairman

The notes on pages 16 to 26 form part of these financial statements.

THE HOSPITAL SATURDAY FUND

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
Reconciliation of net movement in funds for the year to net operating cash flows		
Net movement in funds for the year	1,627,035	70,150
Taxation	(22,675)	(5,069)
Gain on revaluation of tangible assets	-	(50,000)
Unrealised gains on other financial investments	(2,253,185)	(208,910)
Realised (gains)/losses on other financial investments	66,954	(57,190)
Income from other financial investments and cash	(584,228)	(560,321)
Depreciation and amortisation	299,907	191,784
Decrease in debtors	(260,768)	65,202
Increase in creditors	(265,569)	318,100
Net cashflow from operating activities	(1,392,529)	(236,254)
Cash flows from investment activities		
Income received from other financial investments	547,926	500,744
Interest received	36,302	59,577
Purchases of tangible fixed assets	(165,643)	(628,827)
Purchases of other financial investments	(7,375,104)	(5,764,783)
Sales of other financial investments	7,487,980	5,836,381
Net cashflow from investing activities	531,461	3,092
Decrease in cash holdings	(861,068)	(233,162)
Cash and cash equivalents at 1 January 2016	2,912,327	3,145,489
Cash and cash equivalents at 31 December 2016	2,051,259	2,912,327
Analysis of cash and cash equivalents		
Cash in hand	2,051,259	2,912,327
Total cash and cash equivalents	2,051,259	2,912,327

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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').

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 2016

1. ACCOUNTING POLICIES (continued)

h) Fund accounting (continued)

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 average monthly 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, as it can take up to six months after the year end before establishing the ultimate cost of claims incurred and premiums paid but not yet reported to the Company and the final outcome could be better or worse than the provisions. We use a calculations based on claims and premium trends from the previous two years to estimate to provisions required at the year end.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

2. INVESTMENT INCOME	2016	2015
	£	£
Income from other financial investments	547,926	500,744
Interest receivable	36,302	59,577
	<u>584,228</u>	<u>560,321</u>
3. NET INCOME FOR THE YEAR	2016	2015
	£	£
The net income for the year is stated after charging:		
Depreciation	299,907	191,783
Auditors remuneration:		
Audit of the charity	6,780	6,600
Audit of the subsidiaries	32,160	31,230
Other	7,710	8,100
Operating leases	152,281	138,214
	<u> </u>	<u> </u>

4. ANALYSIS OF TOTAL RESOURCES EXPENDED	Direct costs	Grant funding	Support costs	2016 Total
	£	£	£	£
Raising funds				
Charity	96,206	-	-	96,206
Subsidiaries	20,433,979	-	7,145,893	27,579,872
Charitable activities	-	914,995	(9,188)	905,807
Group Total	<u>20,530,185</u>	<u>914,995</u>	<u>7,136,705</u>	<u>28,581,885</u>

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

	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.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

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

	2016	2015
	£	£
Wages and salaries	2,825,653	2,510,799
Social security costs	341,785	383,979
Pension costs	457,634	423,919
	<u>3,625,072</u>	<u>3,318,697</u>

The average number of full time equivalent employees in the year was:

Sales	22	23
Administration	48	45
	<u>70</u>	<u>68</u>

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

£60,001 - £70,000	5	3
£70,001 - £80,000	2	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	1
£180,001 - £190,000	1	-
	<u>1</u>	<u>-</u>

Contributions totalling £141,382 (2015: £131,566) were made to group personal pension plans in respect of the 10 (2015: 7) employees above.

None of the trustees were remunerated during the year for their services as trustees of the parent Charitable Company. Expenses totalling £8,126 (2015: £6,281) were reimbursed to six trustees (2015: 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 £960,705 (2015: £698,619). Due to a restructure more people are considered to be key management personnel and included in this figure.

There were redundancy/termination payments in the year totalling £101,801 (2015: £Nil).

THE HOSPITAL SATURDAY FUND**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2016****5. STAFF COSTS (continued)**

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, form the Remuneration Committee:

	2016 £	2015 £
Mrs J L Dalton	6,183	6,092
Mr M Davies	6,183	6,092
Mr J Greenwood	6,171	6,080
Professor P W Palmer	-	-
Mr J Randel	14,401	12,499
Mrs M Rogers	-	-
Mr D Thomas	6,158	5,411
Total remuneration	<u>39,096</u>	<u>36,174</u>

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:

	2016 £	2015 £
PROFIT AND LOSS ACCOUNT		
Premium income	27,421,378	24,910,800
Claims paid and reinsurance	(21,622,883)	(19,115,908)
	<u>5,798,495</u>	<u>5,794,892</u>
Profit before taxation	<u>295,228</u>	<u>458,152</u>
Profit for the year after taxation	<u>294,899</u>	<u>463,221</u>
BALANCE SHEET		
Fixed assets	19,348,871	18,019,910
Net current assets	(912,316)	121,417
Deferred tax	(176,159)	(198,834)
NET ASSETS	<u>18,260,396</u>	<u>17,942,493</u>
FUNDS		
General reserve	<u>18,260,396</u>	<u>17,942,493</u>
	<u>18,260,396</u>	<u>17,942,493</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

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:

PROFIT AND LOSS ACCOUNT	2016	2015
	£	£
Premium income	16,282	13,350
Helplines and counselling	(7,691)	(4,543)
Other admin costs inc gift aid donation	(8,591)	(8,807)
Profit for the year after taxation	-	-
BALANCE SHEET		
Net current assets	1	1
NET ASSETS	1	1
CAPITAL AND RESERVES		
Share capital	1	1
	1	1

7. GRANTS	Grants to	Grants to	2016
	Institutions	Individuals	Total
	£	£	£
During the year the following grants were made:			
Medical charities	713,979	-	713,979
Hospitals and hospices	120,657	-	120,657
Welfare grants to individuals	-	40,359	40,359
Donations other	40,000	-	40,000
	<u>874,636</u>	<u>40,359</u>	<u>914,995</u>
During 2015 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>

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

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

8. TANGIBLE FIXED ASSETS	Charity		Freehold property £	Group Furniture Fixtures and Fittings £	Total £
	Computer Equipment £	Total £			
COST OR VALUATION					
At 1 January 2016	12,000	12,000	2,500,000	1,851,188	4,351,188
Additions in year	-	-	-	165,643	165,643
At 31 December 2016	12,000	12,000	2,500,000	2,016,831	4,516,831
DEPRECIATION					
At 1 January 2016	3,375	3,375	-	1,117,613	1,117,613
Charge for year	3,000	3,000	50,000	249,907	299,907
At 31 December 2016	6,375	6,375	50,000	1,367,520	1,417,520
NET BOOK VALUE					
At 31 December 2016	5,625	5,625	2,450,000	649,311	3,099,311
At 31 December 2015	8,625	8,625	2,500,000	733,575	3,233,575

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. The carrying value of the property as at 31 December 2016 if it were carried under the cost method is £526,400. At the date of the revaluation the directors believed the property had a useful economic life of at least 50 years.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

9. INVESTMENTS	2016		2015	
	Group £	Charity £	Group £	Charity £
Market value at 1 January 2016	21,612,655	22,682,183	21,418,154	22,458,718
Additions	7,375,104	1,335,246	5,764,783	1,143,753
Disposals	(7,554,934)	(1,502,186)	(5,779,192)	(1,082,731)
Unrealised gains	2,253,185	780,070	208,910	162,443
Market value at 31 December 2016	<u>23,686,010</u>	<u>23,295,313</u>	<u>21,612,655</u>	<u>22,682,183</u>
Historical cost at 31 December 2016	<u>19,787,560</u>	<u>21,628,978</u>	<u>19,793,922</u>	<u>21,867,677</u>
At market value				
United Kingdom investments	8,113,160	3,272,988	7,458,185	2,929,755
Overseas investments	8,355,403	2,446,026	7,650,923	2,337,955
Bonds	4,220,211	1,041,555	3,917,293	878,038
Other	2,997,236	670,256	2,586,254	671,947
Investment in HSF health plan Limited	-	15,864,488	-	15,864,488
	<u>23,686,010</u>	<u>23,295,313</u>	<u>21,612,655</u>	<u>22,682,183</u>

The investment in HSF health plan Limited represents the reserves of HSF health plan Limited at the point at which the ownership was donated to The Hospital Saturday Fund.

10. DEBTORS	2016		2015	
	Group £	Charity £	Group £	Charity £
Insurance operation debtors	1,875,839	-	1,786,420	-
Other debtors	567,401	547	445,045	301
Due from subsidiary	-	1,281,012	-	103,263
Prepayments and accrued income	246,210	2,668	197,217	3,258
	<u>2,689,450</u>	<u>1,284,227</u>	<u>2,428,682</u>	<u>106,822</u>

11. CREDITORS: amounts falling due within one year	2016		2015	
	Group £	Charity £	Group £	Charity £
Insurance operations creditors	3,311,966	-	3,246,350	-
Other creditors including taxes and social security	489,732	20,685	820,918	8,831
	<u>3,801,698</u>	<u>20,685</u>	<u>4,067,268</u>	<u>8,831</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

12. PROVISION FOR DEFERRED TAXATION	Liability on Property revaluation	Liability on Investment gains	Fixed asset - timing differences	Total
	£	£	£	£
At 1 January 2016	(172,998)	(872)	(24,964)	(198,834)
Profit and loss account	23,004	872	(1,201)	22,675
At 31 December 2016	<u>(149,994)</u>	<u>-</u>	<u>(26,165)</u>	<u>(176,159)</u>

13. MOVEMENT ON FUNDS	At 1 January 2016	Movement in funds		Gains on Investments/ Property	Transfers	Balance at 31 December 2016
Unrestricted funds	£	Incoming resources	Resources expended	£	£	£
General funds	146,532	176,786	(930,071)	-	914,995	308,242
Trading funds	17,942,493	27,845,903	(27,579,872)	1,332,883	(1,281,012)	18,260,395
	<u>18,089,025</u>	<u>28,022,689</u>	<u>(28,509,943)</u>	<u>1,332,883</u>	<u>(366,017)</u>	<u>18,568,637</u>
Expendable Endowment	<u>7,832,113</u>	<u>-</u>	<u>(71,942)</u>	<u>853,348</u>	<u>366,017</u>	<u>8,979,536</u>
Total funds	<u>25,921,138</u>	<u>28,022,689</u>	<u>(28,581,885)</u>	<u>2,186,231</u>	<u>-</u>	<u>27,548,173</u>

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 and the drawdown of expendable endowment to fund grants awarded in the year.

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Total Funds	Unrestricted funds		Expendable Endowment
	£	General Fund	Trading Fund	£
		£	£	
Fund balances at 31 December 2016 are represented by				
Tangible fixed assets	3,099,311	5,625	3,093,686	-
Investments	23,686,010	-	16,255,185	7,430,825
Cash at bank and in hand	2,051,259	-	1,463,473	587,786
Net assets	(1,112,248)	302,617	(2,375,790)	960,925
Deferred tax	(176,159)	-	(176,159)	-
Total Net Assets	<u>27,548,173</u>	<u>308,242</u>	<u>18,260,395</u>	<u>8,979,536</u>

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

15. 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 £457,634 (2015: £423,919).

At the balance sheet date, there were outstanding contributions of £- (2015: £ -)

16. OPERATING LEASE COMMITMENTS

At 31 December 2016, the Group had annual commitments under operating leases which expire as follows:

	2016		2015	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	19,104	89,714	29,837	97,593
In the second to fifth years inclusive	57,407	66,122	87,761	69,303
In more than five years	-	-	3,022	-
	<u>76,511</u>	<u>155,836</u>	<u>120,620</u>	<u>166,896</u>

17. 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 £276,142 (2015: £247,592).

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.

18. FINANCIAL INSTRUMENTS

	2016		2015	
	Group £	Charity £	Group £	Charity £
Financial assets measured at fair value through profit or loss	<u>23,686,010</u>	<u>23,295,313</u>	<u>21,612,655</u>	<u>22,682,183</u>
Financial assets measured at amortised cost	<u>2,443,240</u>	<u>1,281,559</u>	<u>2,231,465</u>	<u>103,564</u>
Financial liabilities measured at amortised cost	<u>3,801,698</u>	<u>20,685</u>	<u>4,067,263</u>	<u>8,831</u>

Financial assets measured at fair value through profit or loss comprise investments.

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.

THE HOSPITAL SATURDAY FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

19. ACTIVITIES BY FUND IN THE PREVIOUS YEAR

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