

Registered number: 06780453  
Charity number: 1127466

**Island Health Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report and Financial Statements**

**For the Year Ended 31 March 2018**



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**Reference and Administrative Details of the Company, its Trustees and Advisers**  
**For the Year Ended 31 March 2018**

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**Trustees**

Suzanne Goodband, (Chair until resignation on 31 October 2018)  
Ruth Brannvall (resigned 30 September 2017)  
Leonie Hirst (resigned 31 July 2017)  
Christian Woodhead (resigned 22 November 2017)  
Mavis Wenham (appointed 1 June 2017)  
Jocelyn Braun (appointed 1 June 2017)  
Simon William Lovell (appointed 1 November 2017, resigned 31 October 2018)  
Michael Cooper (appointed 1 November 2017, resigned 31 October 2018)  
Elaine Bagshaw (appointed 1 November 2017)

**Company secretary**

Sangita Patel

**Company registered number**

06780453

**Charity registered number**

1127466

**Registered office**

Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

**Independent auditors**

Alliotts  
Chartered Accountants  
Statutory Auditors  
Imperial House,  
8 Kean Street,  
London.  
WC2B 4AS

**Bankers**

CAF Bank Limited  
PO Box 289  
West Malling  
ME19 4TA

**Solicitors**

Winckworth Sherwood LLP  
Minerva House  
5 Montague Cl  
London  
SE1 9DF

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**Island Health Trust**  
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**Trustees' Report**  
**For the Year Ended 31 March 2018**

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The trustees present their annual report together with the audited financial statements of Island Health Trust for the year 1 April 2017 to 31 March 2018.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

This Trustees' Report provides an overview of the charity's activities, developments, achievements and financial performance for the year to 31 March 2018 as well as plans for the future. It also sets out the historical context of the organisation. The report from the auditors, together with financial statements for the year follow.

**Structure, governance, management and charitable status**

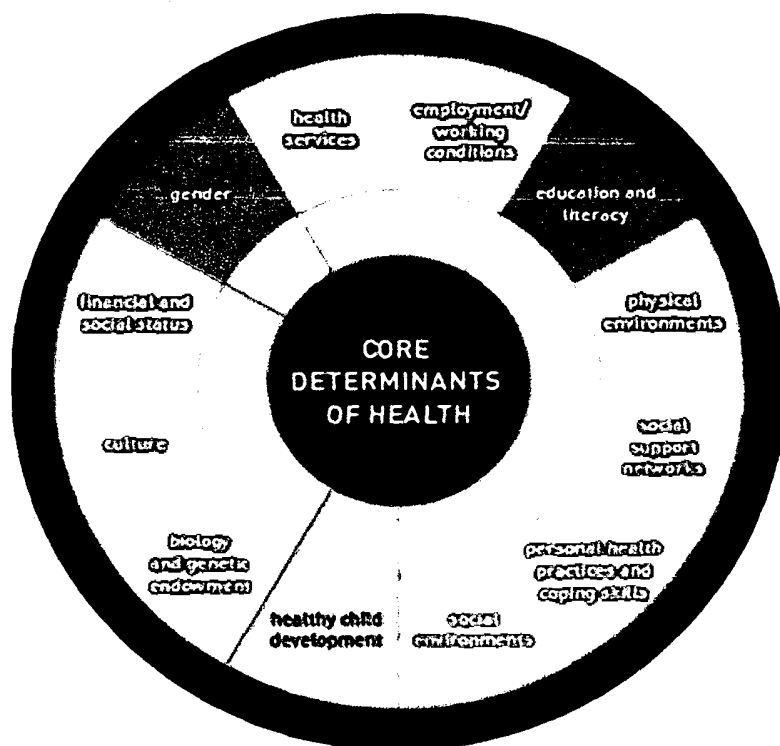
Island Health Trust is a company limited by guarantee. It was first set up as an unincorporated entity and registered charity called the Island Health Charitable Trust, formed under a declaration of Trust dated 12 February 1992.

Island Health Trust was incorporated on 28 December 2008 and on 1 April 2009 the unincorporated Island Health Charitable Trust transferred all its assets to IHT, and IHT agreed to take on all the liabilities of the trustees of the Island Health Charitable Trust. The assets included the freehold and under leasehold interests in the property known as Island Health Centre, 145 East Ferry Road, London E14 3AY. The freehold is subject to a peppercorn lease granted to Asda Stores which expires in 2107.

**Purpose and aims - who we are and what we exist to do?**

Island Health Trust's (IHT) objects are to improve the health of both the population of the London Borough of Tower Hamlets and Newham by actively participating at a primary health level. The provision of the Health Centre is clearly included within the IHT objects, however, IHT is not permitted to subsidise the public sector.

We use the World Health Organisation's (WHO) Determinants of Health to frame the focus of our work in improving the health of both our beneficiary populations, as illustrated in the following chart.



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We define primary care as prevention and first intervention. Primary care applies across the whole spectrum of the WHO Wider Determinants of Health i.e. all 12 of the segments shown above. We subscribe to the principle that health improvement is driven and enabled by ensuring adequate attention across as many of the wider WHO determinants of health, either directly or indirectly.

To contribute to the overall health improvement, we have adopted the motto: *think big act local*

These wider determinants of health are a diverse range of social, economic and environmental factors which impact on people's health. They determine the extent to which different individuals have the physical, social and personal resources to identify and achieve goals, meet their needs and deal with changes to their circumstances.

The Marmot review, published in 2010, raised the profile of wider determinants of health by emphasising the strong and persistent link between health and social inequalities. Several studies have found that the wider determinants have a greater influence on health than care, behaviours or genetics. In addition, both the Marmot review and the Dame Carol Black review highlighted the huge economic costs of failing to act on the wider determinants of health. (Source: Public Health England, *Wider Determinants of Health* <https://fingertips.phe.org.uk/profile/wider-determinants>).

IHT identified, given the significant unemployment rates, along with the associated overall deprivation within the populations, that attention on employment to deliver health gain could be a significant factor and one that offers a continuing opportunity for IHT to act and intervene, at a primary level to contribute to the improvement of the health status of those in Tower Hamlets and Newham.

Taking into account Public Health England's analysis below, IHT decided to focus its contribution on reducing health inequalities and improving the health of people in both Boroughs through fostering employment and good work. In particular, more impact could be achieved by giving emphasis on providing support for those who experience some difficulty entering and sustaining employment; these include those with mental and physical health challenges, long term unemployed, second & third generation unemployed and those entering late to work.

**Who is the charity's beneficiary population?**

IHT is focused on the population of both the London Boroughs of Tower Hamlets and Newham, as set out in the objects and powers of IHT. The Public Health England profiles for Tower Hamlets and Newham below are a snapshot as at July 2017 of people's health in both beneficiary populations. This analysis helped us to define health through employment as one of the key factors that will assist in improving people's health and reduce health inequalities.

**Tower Hamlets** (Source: Public health England Local Authority Health Profiles)

Compared with benchmark:

● Better ● Similar ● Worse ○ Not compared

Indicator	Period	T Hamlets				Region England		England	
		Recent Trend	Count	Value	Value	Value	Worst	Range	Best
Children in low income families (under 16s)	2015	↓	15,440	28.7%	18.8%	16.8%	30.5%	●	6.1%
GCSEs achieved	2015/16	—	1,385	59.0%	61.3%	57.8%	44.8%	●	74.6%
Employment rate (aged 16-64)	2017/18	↓	148,800	64.7%	74.2%	75.2%	58.6%	●	84.5%
Statutory homelessness	2017/18	—	15	0.1	1.0	0.8	8.1	●	0.1
Violent crime (violence offences)	2017/18	↑	7,929	26.4	22.9	23.7	7.5	○	57.3

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**Newham** (Source: Public health England Local Authority Health Profiles)

Compared with benchmark:

● Better ● Similar ● Worse ○ Not compared

**i** Recent trends: — Could not be calculated ↑ Increasing / Getting worse ↑ Increasing / Getting better ↓ Decreasing / Getting worse ↓ Decreasing / Getting better → No significant change ↑ Increasing ↓ Decreasing

Indicator	Period	Newham		Region England			England		
		Recent Trend	Count	Value	Value	Value	Worst	Range	Best
Children in low income families (under 16s)	2015	↓	14,760	19.8%	18.8%	16.8%	30.5%	●	6.1%
GCSEs achieved	2015/16	—	1,993	56.5%	61.3%	57.8%	44.8%	●	74.6%
Employment rate (aged 16-64)	2017/18	↑	167,500	69.4%	74.2%	75.2%	58.6%	●	84.5%
Statutory homelessness	2017/18	↓	204	1.7	1.0	0.8	8.1	●	0.1
Violent crime (violence offences)	2017/18	↑	8,749	25.4	22.9	23.7	7.5	○	57.3

The link between employment and health is well established and has been used to support the development of health and well-being policy framework on the local level, , throughout the UK, within Europe and across the world as an approach to improving population health.

As part of this approach, good local employment is vital i.e. permanent jobs, on the London living wage, with an opportunity to progress. We have agreed to focus on projects that will support those who are vulnerable; those with mental health issues, long term unemployed and those who are late to the work market i.e. from second and third generation unemployed families. This priority is evidenced through the launch of our pilot program with the Food Academy, where beneficiaries are provided training and opportunities of employment within our target groups, through their Hospitality initiative. This initiative was identified primarily as an area of promising employment opportunities for our beneficiaries. In addition to this there are a number of other charities and social enterprises who are able to offer opportunities for complementary training, development and support which enhances the impact of our project. Although still a pilot, we believe that this project presents a relevant and, importantly a scalable and sustainable initiative that could be further refined, scoped and planned through 2018 and is expected to run through the first half of 2019. Once the pilot has been delivered successfully and has created the impact that IHT hopes to achieve, work will be commenced on inviting partners for further funding through the Corporate Social Responsibility (CSR) fund raising that can expand the initiative and impact within our target populations.

**The Island Health Centre**

In addition to improving health through the wider health determinants and, in particular, primary care interventions that are prevention and first intervention, IHT owns a health Centre at Crossharbour on the Isle of Dogs.

This health centre houses GPs, Dentists, Health Visitors and District Nurses who in turn provide a range of health and wellbeing services to the local population on the Isle of Dogs.

IHT took the initiative to review its options by evaluating alternatives for the best use of its asset to support a sustainable and impactful charitable activity. A very significant proportion of the charity's efforts were expended in evaluating and developing alternative strategies to make its charitable assets more productive, that which would result in a measurable, meaningful, impact on the communities the charity serves.

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**Trustees' Report**  
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**What we did in 2017/18**

*a. Year of transition*

The year started with implementing the plan to recruit local trustees, two of which started on the 1<sup>st</sup> of June 2017. A significant amount of work has been undertaken to get the new trustees on-boarded and up to speed with the new strategic focus. However, 2 trustees have resigned in Q2, and whilst further trustees were being recruited, another trustee resigned in Q3. Three new trustees were on-boarded in Q3, who also then needed to go through an on-boarding process. Those new trustees are in place and working well within the Trust.

All this new recruitment and on-boarding activity was taking place whilst the charity commission inquiry was being conducted. Much of the trustees' time was taken over by stakeholder management and public engagement activities. Nevertheless, the Charity's assets continued to be managed in the face of reduced revenues resulting from the vacancy of the 1<sup>st</sup> floor of the Charity's building, and for a second year we have invested in the Health Centre to stabilise future revenues and ensure that we are well placed to make our contribution and deliver our strategy in the short, medium and long term. Since paying off the mortgage on the health centre we have accumulated reserves to enable us to invest and at the same time allow us to commence our strategy implementation through the grant giving programme to ensure that we continue to make a positive impact on behalf of the people of both Boroughs.

Rental income is currently the charity's only source of revenue to fund charitable activities. To ensure the continuity and stability of our charitable activities, we recognised that we had to address long term financial viability and independence. We recognise that we are not the sort of charity that people would prioritise for donations or legacies, so we have tried to explore and identify alternatives that could assure IHT's financial future. The options considered include working with social finance organisations and businesses to attract CSR (corporate social responsibility) monies.

To this end in 2018/19 we anticipate investing some time and effort to allow us to evaluate all our charitable giving to inform the development of an approach towards measurable health gains amongst participating individuals, their families & friends, and where possible the wider community.

At the end of 2016/17, IHT concluded its strategy development work. Whilst the strategy-related activities have slowed down in 2018 due largely to the work with the Charity Commission, we are giving ourselves the time until 2019 to pick up and review our position, the strategic options presented and engage anew with the Charity Commission, local stakeholders, potential and emerging grantees, i.e. the beneficiary populations of Tower Hamlets and Newham as well as potential partners to decide on the direction that the IHT will take. We confirm our aim to create positive impact on the health of the people of Tower Hamlets and Newham, and this will guide IHT's activities going forward.

In the midst of the changes in the structure of IHT, we continued to address our need for local trustees with the skills and experience to help us consider and make the right decisions on strategic initiatives. The Board worked with a recruitment consultant to help guide us through the correct – open and transparent – process to identify suitable candidates. As pointed out in previous sections, we have, in 2017/18, recruited three new local trustees; two of whom live in Newham and one in Tower Hamlets. Between them, they bring a wealth of networks, ideas, skills and experience to continue to improve the impact of IHT locally.

Throughout, we have referred to the Charity Commission's general guidance on public benefit when reviewing our aims, objectives and planning our future activities.

*b. Grants*

The charity has a relatively stable amount of grants allocated for the year compared to the other years. IHT's grant giving is the first stage and the primary focus during 2017/18 is the implementation of the IHT strategy. This includes identifying partners in programmes that assist our beneficiaries in the health improvement through good work initiative.

IHT has also begun to lay the foundations for our Health Improvement through the Hospitality initiative with the Food Academy where, as previously indicated, we expect to work with a range of partners that will provide education, support and access to good work in the hospitality industry.

Our vision is to impact on health and wellbeing through our grants programme supporting employment opportunities for vulnerable people, so they can play more active roles with their families, friends and in the wider community. With our refreshed focus we have looked to increase and target our grant giving and have identified and funded a number of potential and existing partners.

In May 2016 the Board agreed the principles of our long-term strategy for grant giving and to gradually accelerate the amount given over the next 10 years. The charity has been developing the terms of agreement for grants as well as assessing and awarding a higher number of grant payments in the 2016/17 financial year. Our grant giving budget increased from £11,700 in 2015/16 to £70,596 in 2016/17 and in 2017/18 we made grant payments of £72,344 with a further £30,000 awarded but to be paid in 2018/19. The money has been spent in a number of areas including:

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- **Grants to the GPs:** A continuation of the grant to the GPs of £9,280 to support the provision of complementary therapies offered by the practice team to its patients. Sessions to patients are offered through GP referrals permitting 285 sessions of free osteopathy, massage and acupuncture sessions to be provided throughout the year.
- **Educational grants:** from our inception we have sponsored exceptional individuals whose personal aim is to impact positively on the health and well-being of people within Tower Hamlets and Newham. During 2017/18 a student was supported with £2,500 towards medical school fees.
- **Island House:** We have also granted Island House and partners' monies to fund the CanDo grants programme during 2017 and 2018. Currently CanDo projects for the South East and South West localities are funded by Comic Relief and One Housing Group and this funding is due to end in December 2017. To ensure this successful programme is sustained, IHT will continue to fund these programmes throughout 2018. Our aim is to develop this initiative and work with Island House and partners to identify how these potential fledgling initiatives may be able to create future employment within the Borough. In the first instance, through this grant, IHT aims to contribute towards the continuing employment of the community facilitators, as well as giving funds to support the initial small grants. In 2016/2017 we granted £30,000 to Island House for the first stage (and as noted above a further £30,000 has been awarded during 2017/18 to be paid in 2018/19) bringing the total to £60,000.
- **Our work with East End Community:** In January 2018, Island Health Trust agreed to issue grant funding via the East End Community Foundation (EECF), a community investment advisor and grant maker focused on East London. The Grant is agreed as it is intended to support Island Health Trust's mission of improving the health and wellbeing of residents within the London boroughs of Tower Hamlets and Newham. The decision to fund training and employment initiatives was based on the alignment with the findings by the World Health Organisation that demonstrate the health benefits of being in work, and on the social needs identified locally by EECF's Vital Signs research report.

The grant fund was established with a donation of £42,000 for grant making. In line with its charitable objectives, the grant was seeking to support quality community projects that tackle health, using employment as a vehicle. IHT believes that by working through EECF, grant making activities is cost effective, time efficient and represents a productive use of IHT's resources.

The Fund supports four health and employment-related projects; three in Tower Hamlets and one in Newham. Each project is taking a different approach to addressing issues, and each has been effective in achieving its objective.

The Fund has provided an essential source of financial support to each recipient and is on track to achieve a broad range of quantitative and qualitative outcomes. By investing in the right charitable organisations embedded within the community, the IHT Fund has also reached a wide range of people, many of whom are experiencing complex and differential barriers to success. A resounding factor across all the interim monitoring reports is that each of the recipient's programmes have had a positive impact on participants' confidence levels that is leading to increased motivation to progress and try new things that could benefit them in the long term.

As well as the grants having a direct impact on the people that participated in the funded initiatives, feedback from the smaller funded organisations has highlighted the importance of the grant in relation to their organisational development and the type of work they were able to deliver as a result. The interim report findings show some evidence that the initiative is on track to meet all its target outcomes. Island Health Trust expects to receive a final report in April 2019.

**c. Health Centre**

A major refurbishment of the patients' toilets on the ground floor took place to ensure they were optimized to cover all the needs of both people of Muslim faith and those with disabilities.

There has been thorough review and discussion on how best we could deliver the greatest benefit from IHT's total assets, the greatest asset being the land and the health centre situated on that land. Whilst it is assumed that the health centre may soon be too small for the growing surrounding population, we are focused on continuing to maintain the Centre to the best possible standard and manage it in the best way possible to continue to best support the local health and social care needs. We understand that the building itself will need enhancement or replacing so that the health centre can continue to be fit for purpose; our aim is to continue to review options for the optimum plan for the next five to eight years. For every option considered, the priority for the Trust is to ensure that there is no gap in the provision of this service.

Current occupants in the Island Health Centre are health and wellbeing organisations; the NHS, social enterprises and private health organisations all continue on commercial property leases. In the short term we want to attract additional tenants (to fill the space that is vacant) who can play an active role in improving and broadening the range of social prescribing interventions and/or education offerings for local people and service providers. We are particularly interested in prospective tenants who will, through



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their work, create employment for people who live in Tower Hamlets and Newham. We will continue to be interested to hear more about opportunities to help vulnerable people into good work through supported programmes.

*d. Additional 2017/18 Expenditure*

**Contractors**

The initial research for options for a new strategic direction and business plan preparation have been supported by S Goodband Interim Services and other professional consulting firms and contractors.

**Staff Recruitment**

Appointments to permanent positions are on hold until the Charity Commission investigations are complete. During 2017/18, Suzanne Goodband, in addition to her responsibilities of Chair, continued, wherever possible to carry out interim executive role responsibilities for the operational day-to-day running of the charity, and also to oversee on an interim basis the property management needs of the Charity. This work was undertaken on an expenses only basis.

Fiona Jennings Consultancy was engaged to carry out Public communications and engagement work, as well as marketing and various other duties as directed by the Chair, S Goodband.

**What we plan to do in 2018/19**

Moving into 2018/19, we remain in a strong cash position. This will enable us to continue to invest in the future growth of our grant giving programme and health centre plans, to allow us to continue to enhance the implementation of our planned activity in both of these areas for the next financial year.

*a. Grants*

For our grants programme: we believe that with sufficient support, we can assist vulnerable people - those whose health is challenged by extremely difficult circumstances - into good work so they can better assure their own health and basic needs, not only for themselves, for their families too. Through their achievements, we hope that our support means that they are able to build and strengthen their relationships with family, friends and their wider community which will in turn contribute to the wider health improvement of the community. We want to continue to promote health by assisting people to become independent, interdependent, connected, active, engaged, healthy individuals and members of the Tower Hamlets and Newham society.

We have plans to explore continuing and enhancing our partnership with East London Community Foundation. This will enable us to work with them to help us achieve our objectives by managing a major part of our grants programme focused on delivering health gain through good jobs and employment. The current indications from interim measures show that this is a very promising undertaking to continue, and that it could be a highly effective project. The Charity aims to conduct a full review in Q1 2019, which will inform the Charity's decisions going forward. Another initiative that we believe will create the impact we want to achieve is the collaborative project with the Food Academy which aims to deliver a pioneering pilot grant focused on training and development. This is already under way and will progress through Q2 2019.

The two Trustees from Newham as well as a Trustee from Tower Hamlets who started in 2017 are expected to work more closely on these local partnership and grants opportunities.

*b. Health Centre*

Using building reserves designated fund for the health centre, we have plans for building upgrades and modernization. We will continue to work on finalising leases with current tenants whilst identifying additional tenants for the vacant areas on the first floor who are from health, social care or education sectors.

*c. Measuring our impact*

We are keen to have the ability to define success by measuring our impact on the two beneficiary populations. The interim report from EECF shows some very positive tangible objective measures and results whilst work is still being carried out to define that of the Food Academy.

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We will look to continue to review how we measure our impact in a number of ways, with focus on the vulnerable; those with a mental illness, the long-term unemployed returning to work and second and third generation unemployed who are late to the work market. We aim to assess this from the perspective of the individual, their family, friends and community and borough and whether the initiatives are delivering real jobs, on the London living wage with promotion and progression opportunities

**d. Managing Costs and enhancing income**

IHT is now focused fully on proactively managing costs and performance of suppliers and partners, ensuring that the Charity gets value for money. We continue to progress discussions on letting space in the 1<sup>st</sup> floor and hope to conclude those discussions meaningfully early in the New Year.

**Financial review**

The charity's financial results for the year ended 31 March 2018 are presented in the Statement of Financial Activities (SofA) on page 12 of these accounts. The result for the year was a net expenditure of £133,536, which was expected and budgeted for.

There were some non-operational adjustments. The carrying value of the charity's investment property was revalued downwards and a further adjustment was made to impair the value of other costs previously capitalised alongside the value of the property itself. After these two adjustments the net movement in funds for the year was a reduction of £1.07m as shown on the SoFA.

This reduction in funds was also reflected in the Balance Sheet, but nevertheless the net asset and fund position remained healthy at 31 March 2018 with the charity holding total reserves of £3.22m (2017: £4.30m).

Our reserves policy

The trustees recognize the need to manage and mitigate its key risk of revenue shortfall and put in place a reserves policy to ensure that sufficient free reserves are available to offset its main risk, which is losing tenants of the Health Centre without adequate notice. The charity therefore aims to maintain free reserves equal to at least one year's annual income. This would give sufficient time to find replacement tenants.

At 31 March 2018 the charity's free reserves (being total funds less designated funds and the net book value of fixed assets) amounted to £854,696 (2017: £941,682) and these have been invested appropriately to maximise the return on the monetary assets without placing these at risk.

Designated Funds

The charity holds a designated 'fabric' fund, as explained in note 12 to the financial statements, which represents funds set aside in order to meet the costs of improvement to the Health Centre. During 2017/18 this fund has been used for property expenditure incurred of £46,250 and so the fund has reduced to £120,838 (2017: £167,088).

**Charity Commission investigation/inquiry**

Following a reference by the London Borough of Tower Hamlets, the Charity Commission carried out an informal investigation into a) payments made by the charity to its trustees and b) other matters. The Charity Commission found no wrongdoing by the charity but issued regulatory advice, which the trustees have considered and followed. Following Jim Fitzpatrick MP raising the same issues in the House of Commons, the Charity Commission instituted a statutory inquiry, which remains ongoing. The trustees have provided information requested by the Commission and are co-operating fully with the inquiry.

**Risk Assessment**

The trustees have examined the major risks to which the charity could be exposed with a view to establishing systems to mitigate the risks and put in place a reserves policy. The reserves policy is to have sufficient free reserves to offset its main risk, which is that of losing the main tenant in the Health Centre without adequate notice.

The trustees' assessment is that the risk of fraud at IHT is at a very low level in view of the nature of its operations and activities. The process that was used to reach this conclusion was proportionate in nature and depth to the size of the organisation, level of financial risk and complexity.

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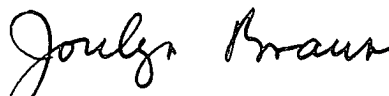
**Disclosure of Information to Auditors**

*The trustees confirm their approval of this report confirm that, so far as they are individually aware, there is no relevant audit information of which the charity's auditors are unaware; and each trustee has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.*

Signed by the trustees on 27/1/2019 by:



Elaine Bagshaw  
Trustee



Jocelyn Braun  
Trustee

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**Trustees' Responsibilities Statement**  
**For the Year Ended 31 March 2018**

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The trustees (who are also directors of Island Health Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**Independent Auditors' Report to the Members of Island Health Trust**

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**Opinion**

We have audited the financial statements of Island Health Trust (the 'charitable company') for the year ended 31 March 2018 set out on pages 13 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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**Island Health Trust**  
**(A company limited by guarantee)**

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**Independent Auditors' Report to the Members of Island Health Trust**

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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


**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the charitable company's trustees, 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 charitable company's trustees those matters we are required to state to them in an Auditors' 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 charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Meredith FCA DchA (Senior statutory auditor)  
for and on behalf of

**Alliotts**  
Chartered Accountants  
Statutory Auditors  
Imperial House  
8 Kean Street

London  
WC2B 4AS

Date:

29/1/19

**Island Health Trust**  
(A company limited by guarantee)

**Statement of Financial Activities Incorporating Income and Expenditure Account**  
(Incorporating Income and Expenditure Account)  
For the Year Ended 31 March 2018

	Note	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>				
Charitable activities	2	203,575	203,575	245,768
Investments	3	434	434	991
<b>Total income</b>		<b>204,009</b>	<b>204,009</b>	<b>246,759</b>
<b>Expenditure on:</b>				
Charitable activities:				
Grants payable	4	81,670	81,670	70,596
Support costs	5	255,875	255,875	278,731
<b>Total expenditure</b>		<b>337,545</b>	<b>337,545</b>	<b>349,327</b>
<b>Net expenditure before investment losses</b>		<b>(133,536)</b>	<b>(133,536)</b>	<b>(102,568)</b>
Impairment charges on fixed assets	9	(337,027)	(337,027)	-
<b>Net expenditure before other recognised gains and losses</b>		<b>(470,563)</b>	<b>(470,563)</b>	<b>(102,568)</b>
Losses on revaluations of fixed assets	9	(600,000)	(600,000)	-
<b>Net movement in funds</b>		<b>(1,070,563)</b>	<b>(1,070,563)</b>	<b>(102,568)</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		4,296,097	4,296,097	4,398,665
<b>Total funds carried forward</b>		<b>3,225,534</b>	<b>3,225,534</b>	<b>4,296,097</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 22 form part of these financial statements.

**Island Health Trust**  
**(A company limited by guarantee)**  
**Registered number: 06780453**

**Balance Sheet**  
**As at 31 March 2018**

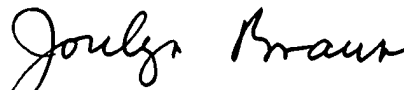
	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	8	-		300	
Investment property	9	2,250,000		3,187,027	
			2,250,000		3,187,327
<b>Total tangible assets</b>			2,250,000		3,187,327
<b>Current assets</b>					
Debtors	10	133,653		125,058	
Cash at bank and in hand		1,001,877		1,108,835	
		1,135,530		1,233,893	
<b>Creditors: amounts falling due within one year</b>	11	(159,996)		(125,123)	
<b>Net current assets</b>			975,534		1,108,770
<b>Net assets</b>			3,225,534		4,296,097
<b>Charity Funds</b>					
Unrestricted funds	12		3,225,534		4,296,097
<b>Total funds</b>			3,225,534		4,296,097

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 27/1/2019 and signed on their behalf, by:



Elaine Bagshaw  
Trustee



Jocelyn Braun  
Trustee

The notes on pages 15 to 22 form part of these financial statements.



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**Island Health Trust**  
**(A company limited by guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

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**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Island Health Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Company status**

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

**1.3 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Charitable activities are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	- 3 years straight-line
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**1.6 Investment property**

The investment property is included at fair value. Gains are recognised in the Statement of Financial Activities.

**Island Health Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

**1. Accounting Policies (continued)**

**1.7 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.8 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**2. Income from charitable activities**

	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Rental income	203,575	203,575	245,768
<i>Analysis of 2017 total by fund</i>	245,768	245,768	

**3. Investment income**

	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Bank interest	434	434	991
<i>Analysis of 2017 total by fund</i>	991	991	

**Island Health Trust**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

**4. Analysis of grants**

	Unrestricted funds 2018 £	Total 2018 £	Total 2017 £
Grants payable	72,344	72,344	70,596
<i>Analysis of 2017 total by fund</i>	<i>70,596</i>	<i>70,596</i>	

**Grants payable were as follows:**

	2018 £	2017 £
East End	45,360	-
Island Health Practice	21,984	38,461
Island House Community Centre	-	30,000
St. George's	2,500	-
Food Academy UK Limited	2,500	-
MSc fees contribution - IoD Resident	-	2,135
	<b>72,344</b>	<b>70,596</b>

Grants payable are payments made to institutions in furtherance of the trust's charitable activities in the provision of primary care and the prevention of health issues.

**5. Support costs**

	Total 2018 £	Total 2017 £
Executive services	-	46,776
Strategic management	-	68,847
Professional fees	74,822	26,436
IT equipment and support	9,223	6,438
Consultancy	20,635	17,114
Audit fees	4,000	4,025
Meeting costs	19,425	22,212
Insurance	952	271
Sundry	297	144
Public sector and Charity Commission engagement	55,148	66,727
Service charges	34,935	19,242
Property maintenance	45,464	200
Depreciation	300	299
	<b>265,201</b>	<b>278,731</b>
<i>Year ended 31 March 2017 - all unrestricted funds</i>	<i>278,731</i>	

**Island Health Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

**6. Net income/(expenditure)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	300	299
Impairment of fixed asset investment	337,027	-
Auditors' remuneration - audit	4,000	4,025
Auditors' remuneration - other services	-	3,625
	<u>          </u>	<u>          </u>

**7. Trustees' remuneration and expenses**

The charity trustees were not paid or did not receive any other benefits from employment or in relation to their roles as trustees during the year (2017: £Nil).

One charity trustee received reimbursement of expenses amounting to £3,454 during the year (2017: £4,494 to one trustee).

No charity trustee received payment for professional or other services supplied to the charity during the year. Further details of transactions for the previous year are disclosed in note 14, related party transactions.

**8. Tangible fixed assets**

	Computer equipment £
<b>Cost</b>	
At 1 April 2017 and 31 March 2018	898
<b>Depreciation</b>	
At 1 April 2017	598
Charge for the year	300
At 31 March 2018	898
<b>Net book value</b>	
At 31 March 2018	-
At 31 March 2017	300

**Island Health Trust**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

**9. Investment property**

	Freehold investment property £	Capitalised lease and property costs £	Total £
<b>Valuation</b>			
At 1 April 2017	2,850,000	337,027	3,187,027
Impairment charge	-	(337,027)	(337,027)
Surplus/(deficit) on revaluation	(600,000)	-	(600,000)
At 31 March 2018	2,250,000	-	2,250,000

The 2018 valuations were made by the trustees, on an open market value for existing use basis.

The trust owns the freehold of land on which the Health Centre is sited and the adjoining land extending to the East Ferry Road. This freehold, however, is subject to a lease to ASDA stores expiring on 15 July 2107. In turn ASDA sub-lease back to the trust that part of the land on which the buildings and car park are sited. This sub-lease expires on 14 July 2107.

During the year the trustees have concluded that it is appropriate to reduce the carrying value of the investment property to £2.25m based on the most recent formal valuation received (July 2015). The trustees believe that this is the best current use estimate of the market value as at 31 March 2018. The historical cost of the investment property is £717,680.

During the year the trustees have made the decision that it is no longer appropriate to carry forward the cost of previously capitalised lease and property costs and hence these have been written off to the Statement of Financial Activities.

As IHT intends to rebuild the health centre in the next five to eight years, a new valuation of the land was obtained to inform the potential for development. As expected, the valuation of the land is significantly higher than the value of the current Health Centre building, however, the lease arrangement with ASDA will need to be considered and will considerably reduce the remaining value to IHT. IHT will continue to report transparently and openly on the progression of any new Health Centre building proposals.

**10. Debtors**

	2018 £	2017 £
Trade debtors	45,675	-
VAT recoverable	42,494	84,075
Other debtors	45,484	-
Prepayments and accrued income	-	40,983
	<u>133,653</u>	<u>125,058</u>

**11. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	55,709	-
Other creditors	13,388	13,364
Accruals and deferred income	90,899	111,759
	<u>159,996</u>	<u>125,123</u>

Included above is deferred income of £38,063 (2017: £Nil) which all relates to resources deferred during the year.

**Island Health Trust**  
(A company limited by guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

**12. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
<b>Designated funds</b>						
Fabric fund	167,088	-	-	(46,250)	-	120,838
<b>General funds</b>						
Accumulated general fund	1,996,689	204,009	(337,545)	46,250	(337,027)	1,572,376
Revaluation reserve	2,132,320	-	-	-	(600,000)	1,532,320
	4,129,009	204,009	(337,545)	46,250	(937,027)	3,104,696
Total Unrestricted funds	4,296,097	204,009	(337,545)	-	(937,027)	3,225,534
Total of funds	4,296,097	204,009	(337,545)	-	(937,027)	3,225,534

The trustees set aside a sums as a designated 'fabric fund' in order to meet the costs of improvements to the Health Centre. During the year £46,250 was drawn from the fabric fund to cover costs incurred, and this is shown as a transfer to the accumulated general fund above.

The revaluation reserve relates to the increase in fair value of the investment property and the £600,000 reduction during the year is explained in note 9.

**Statement of funds - prior year**

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
<b>Designated funds</b>						
Fabric fund	157,088	-	-	10,000	-	167,088
<b>General funds</b>						
Accumulated general fund	2,109,257	246,759	(349,327)	(10,000)	-	1,996,689
Revaluation reserve	2,132,320	-	-	-	-	2,132,320
	4,241,577	246,759	(349,327)	(10,000)	-	4,129,009
Total Unrestricted funds	4,398,665	246,759	(349,327)	-	-	4,296,097
Total of funds	4,398,665	246,759	(349,327)	-	-	4,296,097

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**Island Health Trust**  
**(A company limited by guarantee)**

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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

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**13. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2018 £</b>
Investment property	2,250,000
Current assets	1,135,530
Creditors due within one year	(159,996)
	<hr/>
	3,225,534
	<hr/>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2017 £</b>
Tangible fixed assets	300
Investment property	3,187,027
Current assets	1,233,893
Creditors due within one year	(125,123)
	<hr/>
	4,296,097
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**Island Health Trust****(A company limited by guarantee)**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2018**

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**14. Related party transactions**

To ensure compliance and effective scrutiny, IHT complied with Charity Commission guidance and engaged an independent firm of solicitors in the development of the service contracts with trustees. A Board subcommittee was established for oversight and analysis of the service contracts and none of the paid trustees were members of the Board subcommittee.

**Suzanne Goodband**

A company of which S. Goodband, a trustee, is the sole director, Suzanne Goodband Interim Solutions Limited (registered company number 07191904), invoiced the charity £Nil (2017: £163,560). The service contract was for consultancy services relating to strategy implementation, property development and management, public sector stakeholder management and an interim executive role to run the day-to-day operations of the charity. The breakdown of payments is as follows:

	2018	2017
	£	£
Fees for service contract	-	153,162
Expenses incurred by SGIS during the contract	-	10,398
	-----	-----
Total	-	163,560
	=====	=====

The shares in SGIS are wholly owned by Suzanne Goodband Board Solutions Limited, a company of which Ms. S. Goodband owns 100% of the issued share capital and is the sole director.

SGIS also paid all of the expenses associated with Suzanne Goodband's trustee work.

**Ruth Brannvall (trustee until 30 September 2017)**

The charity paid Impact Invest Scandinavia, a company incorporated in Sweden controlled by Ruth Brannvall for detailed research work carried out within a sample area of one of the beneficiary populations, under a service contract, as follows:

	2018	2017
	£	£
Fees for research work	-	12,366
Reimbursed expenses relating to contract	-	1,280
	-----	-----
Total	-	13,646
	=====	=====

In addition Ruth Brannvall was reimbursed £Nil (2017: £4,570) in trustee expenses.