

Island Health Trust
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2021

Island Health Trust
(A company limited by guarantee)

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Island Health Trust
(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers
For the Year Ended 31 March 2021

Trustees

Mavis Wenham
Jocelyn Braun
Elaine Bagshaw
Candida Ronald
Dr Shera Chok

Company secretary

James Brown

Company registered number

06780453

Charity registered number

1127466

Registered office

Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Independent auditors

Alliotts LLP
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

Island Health Trust

(A Company Limited by Guarantee)

Trustees' Report

For the Year Ended 31 March 2021

The trustees present their annual report together with the audited financial statements of Island Health Trust for the year 1 April 2020 to 31 March 2021.

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 2021 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 focused on improvement of 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. It is to be noted however that IHT's activities does not include subsidising public sector activities and projects, as it has no permission to do so.

Appointment of Trustees

New Trustees are appointed by existing Trustees having regard to the mix of skills and relevant experiences that the Board may benefit from. Prospective Trustees are invited to meet fellow Trustees and, if appointed, goes through an on-boarding process where they are provided with comprehensive information that includes all the legal and regulatory responsibilities of the Charity and the Trust, the operations, and the projects. This naturally also includes providing a comprehensive on-boarding to get acquainted with the aims of the charity and the responsibilities that Trusteeship involves.

Control and Reporting

Regular board meetings are conducted to keep the Trustees abreast of the outstanding performance of the Charity and the Trust, from strategic, operational, financial, and charitable activities. In between meeting, Trustees are kept informed by the COO and are engaged as and when necessary. All Trustees give of their time freely and without remuneration.

The Island Health Centre – The Trust's key asset and source of income

IHT's main asset, as can be seen in the balance sheet, represents ownership of a health Centre at Crossharbour on the Isle of Dogs. In 2020-21, the first floor of this Health Centre houses GPs and Dentists who in turn provide a range of health and wellbeing services to the local population on the Isle of Dogs. The second floor, on the other hand, remained unoccupied for an extended period, despite numerous expressions of interests from potential lessees, aggravated by the issues around COVID-19. Thus, as can be seen in the Profit and Loss statement, income is lower than what the Trust might have wished it could be. The Trustees also now see the need to rethink about new use cases for the facility as the problem of COVID-19 has prompted companies and practitioners to rethink their office and facility use, what with increasing work-from-home schemes.

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Trustees' Report
For the Year Ended 31 March 2021

What we did in 2020/21

a. Regulatory

Charity Commission Investigation: Following the Charity Commission's decision to discharge the Interim Managers (IMs) on the 23rd of March 2020, the trustees have reviewed possible next steps. The Statutory Inquiry remains open but has been placed on hold subject to regular updates from the Trustees.

b. Financial performance

i. Result for the Year.

The charity's financial results for the year ended 31 March 2021 are presented in the Statement of Financial Activities (SofA) of these accounts. We are happy to report that the charity has been able to successfully turnaround its financial performance from two years of consecutive yearly net deficit to a positive net surplus of £3,013 for this year. This result has been achieved by the twin approach of stabilizing costs and a slight increase in revenues.

Overall Administrative Cost Management. The Board has continued its prudent cost management this year, which it started in 2019-20. Total administrative costs were reduced dramatically from £253,167 in 2018-19 financial year to £172,216 in 2019-20, and have remained in line with expectation in 2020-21 (£175,101).

Consulting and other non-legal professional fees. These cost items have been completely avoided for the last 2 years, leading to a savings of £37,008 from 2018-19 figures.

Rental costs. The Board has made the decision to use its own vacant facilities to conduct physical meetings when necessary and allowed during the COVID-19 times or have shifted to online meetings to avoid unnecessary expenses.

Legal fees. The trustees have continued to fully engage with the Charity Commission's Statutory Inquiry and continued to incur legal fees in line with expectation to support this process.

Grants. Due to the uncertainties presented around COVID-19 in 2020-21, amongst other things, the trustees decided to pause grant giving activity in 2020/21 and focus on cost controls and improving the Island Health Centre, exploring use cases that align with its objects. The Trust is in active and advanced discussions with several parties to explore partnering in an extensive community-based health project, using the first floor of the Heath Centre as the base of operations. Our grant-giving spend decreased significantly but continued offering grants to support complimentary meds to support the provision of complementary therapies offered by the practice team to its patients. Sessions to patients are offered through GP referrals of free osteopathy, massage, and acupuncture sessions to be provided throughout the year.

Revenues. The Board continued to explore options to enhance its revenues from its main asset, the Health Centre building, limited as it may be due to the advent of COVID-19 and the resulting reduced demand for office space and similar facilities. To manage the risk of escalating costs amidst uncertainty, the Board looked mainly at options that are cost efficient but are still in line with the charity's mandate, like providing free space for social and charitable activities that are in line with the charity's objects. Unfortunately, the problems and restrictions created by the COVID-19 pandemic has prevailed and although rental income has increased slightly by 6% to a revenue of £179,474, it is at par with the 2019 levels due to the adjustments in rental payments of the dental practice, which allowed IHT to recover some of the lost rental income from the unoccupied space.

ii. Balance Sheet

The net asset and fund position remained healthy at 31 March 2021 at £3,672,646, up slightly from 2019-20 by £3,013. This is largely a result of prudent cost management as discussed in the previous section.

Fixed Asset. The value of Total Fixed Assets is slightly down due to depreciation of office and computer equipment only. The main investment property asset value is unchanged.

Cash position. Cash balances at the end of the year remains healthy at £693,993. The reduction during the year is due to timing with a significant rise in debtors.

Designated Funds. The charity holds a designated 'fabric' fund, as explained in note 14 to the financial statements, which represents funds set aside to meet the costs of improvement to the Health Centre. This fund remains unchanged at £95,838.

Reserves. The trustees recognize the need to manage and mitigate its key risk of revenue shortfall and put in place a reserves policy

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Trustees' Report
For the Year Ended 31 March 2021

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 maintains free reserves equal to at least one year's annual income. This would give sufficient time to find replacement tenants. As at 31 March 2021 the charity's free reserves (being total funds less designated funds and less the net book value of fixed assets) amounted to £734,188 (2020: £729,629), up slightly due to the surplus for the year plus the reduction in the carried value of tangible fixed assets.

c. Strategic approach to new challenges

The Trust continues to be active in discussions to explore ways to improve and broaden the range of its activities, making sure it is relevant, impactful, and aligned with the objects. This includes looking at options for social prescribing interventions and/or education offerings for local people and service providers. There are advanced discussions with several stakeholders to explore possibilities of using some of the space towards supporting health and general wellbeing for people who live in Tower Hamlets and Newham. Whilst progress has been delayed due to COVID-19, the Trust is committed to progressing these conversations as and when possible.

What we plan to do in 2021/22

As a result of prudent cost management, the Charity remains in a strong cash position for the following year. This will enable the Trustees to explore other options following the 'new normal' in health centre use as part of its strategic challenge. The plan involves expanding its activities to include Newham as its beneficiary even if the health centre is in Tower Hamlets.

a. Grants

Our grants programme will remain under review, but we shall ensure we are able to continue supporting our target beneficiaries in Tower Hamlets and Newham. We will continue explore use cases for the available space that can support charitable activities. We shall continue to build upon the hard work we have put working with the HIP Community project team, despite the challenges of COVID-19.

b. Health Centre-maintenance

Using the building reserves designated fund for the health centre, the Trust is exploring building upgrades and modernization. The Charity will continue to improve the property and explore use cases that align with the Trust's charitable mission.

c. Managing Costs and enhancing income

IHT is focused fully on proactively managing costs and performance of suppliers and partners, ensuring that the Charity gets value for money. Although significant reductions in operating costs have already been achieved since 2018-19, the Trust will continue to be managed very carefully throughout 2021/22 and explore its options around the 'new normal' for its use of space.

Risk Assessment

As previously discussed, the trustees have set up its reserves policy to mitigate liquidity risk, which is the risk of not having sufficient funds to cover its costs due to loss of rental income. We are happy to report that the trustees' assessment of this liquidity risk is low. Due to the nature of its operation, the risk of fraud at IHT is very low; all financial activities are manageable, with the organisation's size being small and its complexity, very low.

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 on behalf of the Board of Trustees on 30/03/2022 by:



Elaine Bagshaw
Trustee



Jocelyn Braun
Trustee

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Statement of trustees' responsibilities
For the year ended 31 March 2021

The trustees (who are also the directors of the company 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 . 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 its incoming resources and application of resources, including its income and expenditure, 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees and signed on its behalf by:



Elaine Bagshaw
Trustee



Jocelyn Braun
Trustee

Date: 30/03/2022

Independent auditors' report to the Members of Island Health Trust

Opinion

We have audited the financial statements of Island Health Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent auditors' report to the Members of Island Health Trust (continued)

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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity sector
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, taxation legislation and data protection, anti-bribery, employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual,

Independent auditors' report to the Members of Island Health Trust (continued)

- suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Audit response to risks identified:

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members, 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 LLP

Chartered Accountants

Statutory Auditors

Imperial House

8 Kean Street

London

WC2B 4AS

Date: 31 March 2022

Island Health Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Income from:				
Charitable activities	3	179,093	179,093	169,672
Investments	4	381	381	1,337
Total income		179,474	179,474	171,009
Expenditure on:				
Charitable activities:	6			
Grants payable		760	760	24,413
Support costs		175,701	175,701	172,216
Total expenditure		176,461	176,461	196,629
Net movement in funds before other recognised gains		3,013	3,013	(25,620)
Other recognised gains:				
Gains on revaluation of fixed assets		-	-	592,500
Net movement in funds		3,013	3,013	566,880
Reconciliation of funds:				
Total funds brought forward		3,669,633	3,669,633	3,102,753
Net movement in funds		3,013	3,013	566,880
Total funds carried forward	14	3,672,646	3,672,646	3,669,633

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 11 to 18 form part of these financial statements.

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Registered number: 06780453

Balance sheet
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	120	1,666
Investment property	11	2,842,500	2,842,500
		<u>2,842,620</u>	<u>2,844,166</u>
Current assets			
Debtors	12	263,454	50,895
Cash at bank and in hand		693,993	906,825
		<u>957,447</u>	<u>957,720</u>
Creditors: amounts falling due within one year	13	(127,421)	(132,253)
Net current assets		<u>830,026</u>	<u>825,467</u>
Total net assets		<u><u>3,672,646</u></u>	<u><u>3,669,633</u></u>
Charity funds			
Restricted funds	14	-	-
Unrestricted funds	14	3,672,646	3,669,633
Total funds		<u><u>3,672,646</u></u>	<u><u>3,669,633</u></u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:



Elaine Bagshaw
Trustee

Date: 30/03/2022



Jocelyn Braun
Trustee

The notes on pages 11 to 18 form part of these financial statements.

Notes to the financial statements
For the year ended 31 March 2021

1. General information

Island Health Trust is a charitable company limited by guarantee, registered in England and Wales. Its registered office is Thames House, Roman Square, Sittingbourne, Kent, ME10 4BJ. The members of the company are the trustees named on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), 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.

2.2 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.

2.3 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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

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.

2.4 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%
Computer equipment	-	33%

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.5 Investments

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

2.6 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.

2.7 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.

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Rental income	179,093	179,093	169,672
	<hr/>	<hr/>	<hr/>
<i>Analysis of 2020 total by fund</i>	169,672	169,672	
	<hr/>	<hr/>	

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank interest	381	381	1,337
	<hr/>	<hr/>	<hr/>
<i>Analysis of 2020 total by fund</i>	1,337	1,337	
	<hr/>	<hr/>	

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Notes to the financial statements
For the year ended 31 March 2021

5. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Grants payable	760	760	24,413
<i>Total 2020</i>	<i>24,413</i>	<i>24,413</i>	

The company has made the following material grants to institutions during the year:

	2021 £	<i>2020 £</i>
Name of institution		
Food Academy UK Limited	-	17,573
Island Health Practice	760	6,840
	<u>760</u>	<u>24,413</u>

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Promote the provision of primary health care	176,461	176,461	196,629
<i>Analysis of 2020 total by fund</i>	<i>196,629</i>	<i>196,629</i>	

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Notes to the financial statements
For the year ended 31 March 2021

7. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Promote the provision of primary health care	760	175,701	176,461	196,629
<i>Total 2020</i>	<i>24,413</i>	<i>172,216</i>	<i>196,629</i>	

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Depreciation	1,546	1,546
Executive services	34,068	48,450
Professional fees	21,284	13,110
IT equipment and support	950	2,327
Audit fees	3,700	4,000
Insurance	4,952	4,952
Sundry	839	1,192
Public sector and Charity Commission engagement	43,911	10,150
Service charges	64,451	61,489
Property maintenance	-	25,000
	175,701	<i>172,216</i>

8. Auditors' remuneration

	2021 £	<i>2020 £</i>
Fees payable to the company's auditor for the audit of the company's annual accounts	4,000	4,000

9. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no trustee expenses have been incurred (2020 - £NIL).

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10. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2020	481	5,175	5,656
At 31 March 2021	481	5,175	5,656
Depreciation			
At 1 April 2020	240	3,750	3,990
Charge for the year	121	1,425	1,546
At 31 March 2021	361	5,175	5,536
Net book value			
At 31 March 2021	120	-	120
At 31 March 2020	241	1,425	1,666

11. Investment property

	Freehold investment property £
Valuation	
At 1 April 2020	2,842,500
At 31 March 2021	2,842,500

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.

The trustees have concluded that it is appropriate to include the carrying value of the investment property at £2.84m based on the most recent formal valuation received (January 2021). The trustees believe that this is the best current use estimate of the market value as at 31 March 2021. The historical cost of the investment property is £717,680.

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.

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12. Debtors

	2021	2020
	£	£
Trade debtors	45,675	50,895
Other debtors	217,779	-
	<u>263,454</u>	<u>50,895</u>

13. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	-	64,817
Other taxation and social security	787	632
Other creditors	-	6,241
Accruals and deferred income	126,634	60,563
	<u>127,421</u>	<u>132,253</u>

Included above is deferred rental income of £38,063 (2020 - £38,063).

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Notes to the financial statements
For the year ended 31 March 2021

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
Designated funds				
Fabric fund	95,838	-	-	95,838
General funds				
Accumulated general fund	1,448,975	179,474	(176,461)	1,451,988
Revaluation reserve	2,124,820	-	-	2,124,820
	<u>3,573,795</u>	<u>179,474</u>	<u>(176,461)</u>	<u>3,576,808</u>
Total Unrestricted funds	<u>3,669,633</u>	<u>179,474</u>	<u>(176,461)</u>	<u>3,672,646</u>

The trustees set aside a sum as a designated 'fabric fund' in order to meet the costs of improvements to the Health Centre.

The revaluation reserve relates to the increase in fair value of the investment property.

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds						
Designated funds						
Fabric fund	120,838	-	-	(25,000)	-	95,838
General funds						
Accumulated general fund	1,449,595	171,009	(196,629)	25,000	-	1,448,975
Revaluation reserve	1,532,320	-	-	-	592,500	2,124,820
	<u>2,981,915</u>	<u>171,009</u>	<u>(196,629)</u>	<u>25,000</u>	<u>592,500</u>	<u>3,573,795</u>
Total Unrestricted funds	<u>3,102,753</u>	<u>171,009</u>	<u>(196,629)</u>	<u>-</u>	<u>592,500</u>	<u>3,669,633</u>

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15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	120	120
Investment property	2,842,500	2,842,500
Current assets	957,447	957,447
Creditors due within one year	(127,421)	(127,421)
Total	3,672,646	3,672,646

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	1,666	1,666
Investment property	2,842,500	2,842,500
Current assets	957,720	957,720
Creditors due within one year	(132,253)	(132,253)
Total	3,669,633	3,669,633

16. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

17. Related party transactions

The company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the company at 31 March 2021.

18. Post balance sheet events

In the period following 31 March 2021, the trust reached a settlement in connection with an ongoing service provision dispute, for which there was an inflow of funds into the trust.