

## **BOARD RECRUITMENT PACK**

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## The HIV and sexual health charity for life



1 September 2010

Dear Friend

Thank you for your interest in joining Terrence Higgins Trust's Board of Trustees.

I am pleased to enclose an application pack, which should contain all the information you need about the appointment process and what being a trustee of Terrence Higgins Trust (THT) involves.

THT is governed by eleven trustees, who work closely with our six person Executive Team to create an integrated Board. Six trustees are elected by the charity's membership, comprising people using our services, volunteers and staff. In addition, five trustees are appointed by the Board to ensure the best mix of skills and experience.

This year, we are seeking to elect 2 people for 3 years. We are also seeking to appoint 2 people for 3 years. Candidates must demonstrate they can fulfil the requirements of the enclosed person specification and shortlisted candidates will be invited to an interview for this purpose. **Interviews are scheduled to take place on Thursday 7<sup>th</sup> October 2010**, so please ensure that you are available on this day.

Shortlisted candidates for elected positions will be put to the electorate during October; results of the election will be announced at our annual general meeting, which is being held on **23<sup>rd</sup> November** at 314 Grays Inn Road, WC1X 8DP. An induction day for successful applicants will take place in January 2011.

I hope you will take this opportunity to be considered as a trustee. I know the procedure is time consuming, but I'm sure you will appreciate the necessity for a fair and open process if we are to recruit a balanced and skills-based Board, which is integral to the charity's ongoing success.

If you have any questions about the enclosed information, please contact the Chief Executive's office on 020 7812 1850. They will answer your questions or put you in touch with me, or with another Board member, as appropriate, to discuss any issue in detail.

Please ensure that we receive your written application in the Human Resource's department at 314 Grays Inn Road, London WC1X 8DP, by 5:00pm on the closing date, **23<sup>rd</sup> September 2010**.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick Hulme'.

**Nick Hulme**  
Chair

**Patrons include:**

Dr Jane Anderson  
Sir Michael Bishop CBE  
Sir Richard Branson  
Simon Callow CBE  
Julian Clary  
Martin Clunes  
Dame Judi Dench  
Tracey Emin  
Stephen Fry  
Paul Gambaccini  
Charles Hart  
Sir Elton John  
Lord Kirkwood of Kirkhope  
Lord Morris of Handsworth  
Reverend Paul Oestreicher  
Professor Anthony Pinching  
Caroline Quentin  
Danny Rampling  
Claire Rayner OBE  
Gaby Roslin  
Sir Antony Sher KBE  
Reverend Nicolas Stacey  
Dr Miriam Stoppard OBE  
Dr Rupert Whitaker  
Tony Whitehead MBE



# **The Terrence Higgins Trust**

## **Trustees' Report and**

### **Financial Statements**

**for the year ended 31 March 2010**

Registered charity No. 288527 (England and Wales)  
Registered charity No. SC039986 (Scotland)  
Registered company No. 1778149



## Trustees' Report 2010

Dear Reader,

The Trustees of Terrence Higgins Trust are pleased to present their annual report for the year ended 31<sup>st</sup> March 2010.

The recession has meant a challenging year for THT. It has also meant that the need for our services is greater than ever – the charity is now offering more services to more people than ever before. We value the generosity and commitment of our donors and funders and we're proud of what staff and volunteers have achieved in difficult circumstances. The text of this report highlights some of these achievements in each of our core areas of activity.

THT continues to be governed by principles of openness and accountability; over half of our Trustees are elected by the charity's membership. Although the law sometimes requires the use of specific words or phrases, where possible this report uses simple language to describe THT's work.

We hope you find this report helpful. If you have any comments to make, please email us at [info@tht.org.uk](mailto:info@tht.org.uk).

Nick Hulme  
Chair

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## Our objects

"The promotion of better HIV, sexual and general health by education of the public, the provision of HIV and sexual health programmes and material, care and support services, clinical services, advice, information and advocacy."

## Our vision

A world where people with HIV live healthy lives free from prejudice and discrimination, and good sexual health is a right and reality for all.

## Our mission

**Maximise** sexual health in the UK, and minimise the spread of HIV and STIs, by encouraging people to value their sexual health and by leading innovation to increase access to local sexual health services.

**Empower** everyone living with HIV in the UK to maximise their health and wellbeing by working to ensure the best possible HIV treatment and support services.

**Lead** public and political support for HIV and sexual health issues, and campaign to eradicate stigma and discrimination.

## Our values

**Ambitious:** We believe communities and individuals can change their own lives. We push ourselves and others to make this happen.

**Honest:** We are accountable to our communities, donors and funders. We work with integrity, transparency and efficiency. We communicate clearly and responsibly.

**Different:** We support, respect and value each other and work without prejudice. We are radical professionals, proud of our diversity, and united by a common cause.

**Independent:** We are an independent charity, rooted in the communities we serve. We use our insight to innovate and inspire change in policies, services and minds.

## Our activities

In furtherance of our mission, THT carried out a wide range of different activities for public benefit during the year which have been categorised under the following headings:

- Clinical
- Health improvement
- Long term condition management
- Campaigning, lobbying and advocacy

In developing our objectives for the year, THT has considered the Charity Commission's guidance on public benefit. We believe that the range and accessibility of the services and activities offered and undertaken by the charity clearly demonstrate the public benefit that our work provides.

## OUR YEAR IN OVERVIEW

We began the year acutely aware that the country's rapid descent into recession and debt would hit many of our beneficiaries hard, would be likely to impact first on our voluntary income and later on the statutory funding for our national and local services.

With the needs and rising numbers of our service users in mind, our plans focused on strengthening and expanding our services across three service portfolios; delivering targeted, challenging but realistic programmes of campaigning, policy and parliamentary work, and going all out to safeguard our existing fundraising programmes and explore new opportunities.

This is why.

In 2009/2010, more than 7,000 people were newly diagnosed with HIV, and we estimate that 100,000 people will be living with HIV in the UK by the end of 2010.

A staggering 27,000 of those have yet to test positive, and until they are diagnosed and treated, HIV will damage their immune systems and their health day by day. Tragically, 500 people were diagnosed far too late and the best HIV treatment and care couldn't save their lives.

The UK has the worst sexual health in Western Europe – partly because of the parlous state of Sex and Relationship Education (SRE) here; partly because it can be difficult to get seen by sexual health services in some areas; and partly because we're British. We find it easier to have sex than talk about it, so myths abound and mistakes happen.

Young people make up 20% of our population, and yet they bear the burden of 80% of diagnosed sexually transmitted infections (STIs) in the UK. Rates of teenage pregnancy are still unacceptably high despite almost 10 years of a national strategy, and many women still have limited access to contraception choices.

So what did we do? We set the charity three objectives, and this is what we achieved:

### **OBJECTIVE: Maximise sexual health, and minimise the spread of HIV and STIs in the UK**

**HEALTH IMPROVEMENT:** Awareness of HIV in the UK was at its highest in the 80s, and dropped markedly once the public and political spotlight moved on in the late 90s. Twenty years later, more people are being newly diagnosed with HIV than at any time before.

Every person diagnosed with HIV will need around £350,000 of treatment and care over their lifetime, so effective HIV prevention work is both vital, and incredibly cost-effective in a tough economic climate.

Our **Health Improvement** teams target people who might be vulnerable to HIV or other sexually transmitted infections, and use a mix of campaigns, peer education, and innovative outreach work to reach them with safer sex information.

We have established programmes of HIV prevention and sexual health promotion work for gay men and African people living in the UK, along with innovative campaigns designed to get people at risk of HIV to get tested and avoid the dangers of late diagnosis.

We also work with young people to fill in the dangerous gaps left by the lack of sex and relationships education on the national curriculum. Last year marked the end of our award winning peer-led SRE programme funded by the Big Lottery Fund.

The Young Leaders project trained and supported 1,200 young people to develop and deliver their own SRE projects including a DVD teaching resource, a radio broadcast, a sexual health guide for lesbian and gay young people, SRE workshops and events for black and minority ethnic communities, training events led by young parents and a project supporting young people with learning disabilities.

In turn, these projects have delivered SRE to over **25,000 young people**, helping them to gain a thorough understanding of sex and relationships, while developing practical life skills. The training is accredited and particularly helpful to those who may struggle with learning.

In 2009, the Young Leaders Project received the Brook Sexual Health Project of the Year award.

*"80% of what was covered in the contraception training course was unknown to me before." Young Mum, Eastern Region*

*"I have become more confident in myself, more mature in my views on relationships and sex and more open minded about diversity and sexuality. I can now help my friends and give them good advice. I feel I have developed a lot through being involved in the Young Leaders Project." Jenn 16, Young Leader*

CLINICAL SERVICES: THT's clinical services are friendly, confidential, swift and accessible, which is crucial when reaching out to people who are at risk of HIV and STIs, and unlikely to visit traditional health services.

By far the most prevalent STI in the UK is Chlamydia. In 2009/10, it was estimated that as many as one in nine young people had the infection which can often be symptom-less, and if left untreated, can cause infertility.

THT's chlamydia screening services are for young people aged 15-24 and are run as part of the National Chlamydia Screening Programme.

Last year, we screened 100,000 young people for the infection, and helped every Primary Care Trust we worked with to reach their target of numbers screened – almost one in five in the country. Of those young people we tested, 6.4% had the infection and were treated which is higher than the national average of 6%.

Young people can be notoriously difficult to engage when it comes to health services, so our 'Young and Free' Chlamydia screening teams go out to them, and that's part of our success. We tested for Chlamydia in bars and clubs, in shopping centres and leisure centres, taking the simple test to people who might not otherwise seek it out.

One service user told us *"It was great being able to test while I'm out. Being a busy Mum, I don't have much time for doctors' appointments."*

As well as our Chlamydia Screening Programmes, our other clinical services tested for a full range of sexually transmitted infections, offered contraceptive services in a friendly, confidential setting, and used new technologies to get results to people quickly and safely.

Our HIV FasTest services target communities most at risk of HIV, and who are most likely to experience health inequalities. Using rapid HIV test kits which give a result within 20 minutes, the service diagnoses people unlikely to use traditional sexual health services, and that is reflected in our higher-than-average positivity rates.

By increasing the reach of our FasTest services, and through continuing to deliver effective campaigns and health improvement services, we hope to have an impact on the numbers of people living with HIV who don't know they have it, and reduce the numbers of people being diagnosed late.

Last autumn, THT opened its first community based integrated contraception and sexual health clinic in Bedfordshire, in partnership with Brook. By the year end, it had already seen more than 1,500 people.

**OBJECTIVE: Empower everyone living with HIV in the UK to maximise their health and wellbeing**

**Support to manage HIV as a long term condition**

Being diagnosed with HIV can be frightening and confusing. For many people, "How long have I got?" is often the question foremost in their minds, and more than half the people with HIV we saw last year didn't realise that it's now possible to live a near-normal life span with HIV as long as you take care of your health.

That's where THT's teams of Health Trainers step in. They support people with HIV to understand their medical condition better, and get the most out of their health and wellbeing. Many of our Health Trainers have HIV themselves, and all of them have a sound background and knowledge in HIV care management.

*Paul, a 28 year old African man was diagnosed with HIV more than two years ago, and despite his health deteriorating badly, he was reluctant to start treatment. His health care team had tried to encourage him, discussing the benefits of treatment, but without success. They referred Paul to our Health Trainer, working at the HIV clinic.*

*After two face-to-face sessions, and a follow-up session over the telephone, Paul felt confident enough to discuss his worries about treatment and possible side-effects. He started treatment, took up our offer of counselling, and is now taking a proactive approach to managing HIV.*

HIV clinics usually offer the very best of medical care to their patients. But people with HIV often have complex needs which a clinician does not usually have the time, or is best placed to address.

*David, a 67-year-old gay man was referred to one of our Health Trainers because he and his HIV-negative partner wanted to discuss safer sex and the risks of HIV transmission. Although David knew a lot about HIV as he'd been positive for six years, his partner didn't, and David wanted him to get the best information about what his HIV status would mean for them as a couple.*

*As well as comprehensive information, our Health Trainer has been offering both David and his partner emotional support which they've found extremely useful.*

The service has been running in South London for three years, in North London for two years, and this year the service went UK-wide thanks to generous funding from the Elton John AIDS Foundation. We now have health trainers in London, Manchester (in partnership with George House Trust), Birmingham, Cardiff, Glasgow and Brighton.

Our health trainers are one of a range of services designed to help people with HIV to live with a long-term condition. Our other services are complementary, and include fully-accredited counselling, advice and support services as well as care and case management.

In 2009/10, THT helped almost 22,000 people to live healthy lives with HIV, many of whom accessed more than one of our services.

*"I'm writing to let you know my deep satisfaction with your services...I was almost giving up my fight, I was starving... I never felt alone since I contacted THT...Everyone was efficient and professional...I wish you all the success in your work..."*

*"Public perception of HIV is so wrong and I now feel quite knowledgeable about the illness and any fundraising I do from now on will be in support of THT."*

*"You have helped me in so many ways and given me the strength to keep going"*

**OBJECTIVE: Lead public and political support for HIV and sexual health issues, and campaign to eradicate stigma and discrimination**

HIV need no longer be a death sentence in the UK, but it is still a difficult and complicated condition, often made harder to live with by poverty, discrimination, ignorance and fear.

THT's vision is of a world where people with HIV live healthy lives free from discrimination and where good sexual health is a right and reality for all.

In 2009-10, THT's Policy Division celebrated a number of achievements and milestones; some new and some the culmination of many years of lobbying and hard work. In particular 2009 saw the final demise of the US ban on people with HIV entering the country, unless they went through a humiliating, stigmatising and frequently unsuccessful visa process.

THT staff, volunteers and members had steadfastly campaigned for its repeal alongside others for many years. We continue to lobby for the repeal and reform of other entry restrictions internationally and to prevent their adoption by the UK.

Other major legal changes we worked on in 2009/10 included a ban on irrelevant medical questions being asked in pre-employment questionnaires and on discrimination on the grounds of perceived disability, including HIV.

THT played a key role in the development of Scotland's first HIV Action Plan which aims to enhance the profile of HIV nationally and sets the agenda for service improvement in prevention, diagnosis, treatment and care over the next 4 years. We were also represented on two key working groups charged with developing the first set of Standards for HIV Services in the NHS in Scotland.

Across the UK we continued to engage with prosecutors and police on the issue of criminal prosecutions for transmission of HIV, continuing to lobby for just, equitable and informed treatment of people with HIV at all stages of the law and to help individuals caught up in such cases.

In Wales, we participated in a revision of the National Sexual Health Strategy and a National Assembly investigation into discrimination against people with HIV in healthcare settings. We also supported and influenced the development of the new Service Specification and Care Pathway for HIV in Wales, which aims to standardise improvement in service delivery and patient experience.

We also significantly developed our membership base and now have almost 8,000 members – if you aren't yet one of us, please join – it's free. Just visit the website and register and you will have the opportunity to influence our development and vote for our democratically elected Board. We also developed national facebook pages for our work in England, Scotland and Wales and massively increased traffic to our facebook pages, including the highly successful World AIDS Day page. We now publish daily news from THT on facebook and have recruited a user testing panel who will review our future online developments.

In 2009 we began work investigating the impact of ageing on people with HIV, including obtaining the views of one in 25 of all people with HIV aged 50 and over in the UK. This research, undertaken with Age UK for The Joseph Rowntree Foundation, will be published in 2010 and is expected to have a major impact on services for this group.

In early 2010 THT also mounted a major campaign of work to ensure that candidates in the 2010 General Election were made aware of HIV and sexual health issues. In addition to attending party political

conferences with strong testing message – Time To Be Tested? (a slogan which ended up in the now Prime Minister's conference speech) we also ran a pledge campaign which was supported by more than 600 candidates, of whom over 100 are now MPs. THT also targeted work with those candidates with a history of interest in HIV, health or LGBT issues and will continue to educate and inform those who were duly elected.

In 2009 THT also set up and hosted Shout Loud, a collaborative web project with five other sexual health and HIV charities which provides information and tools to help individuals and smaller groups to lobby locally for improved sexual health and HIV services. This site already has 365 registered members.

### **Maintaining a sustainable organisation**

We know that it's not just what we do that's important, how we do it counts too. THT is a charity with a strong vision and mission, and clear values. In 2009/10, we looked at how we work, how we live our values, and what we might do better in the future. Here's a summary.

#### **Is THT A Happy Workplace?**

Following an independent survey of staff members, 93% of staff agreed their work is an important part of their life, and 94% believed THT is an organisation that makes a positive difference to the world. Around 70% of staff agreed they feel excited about where the organisation is going and 90% feel proud to work for our charity.

**Next year**, there will be a major redesign of the appraisal system, giving greater insight into where staff would like training and support and helping ensure THT remains a happy and productive workplace.

#### **Do we choose the right partners?**

THT's fundraising team always works with organisations that share our core values of equality, fairness, and human rights.

The Charity Commission does not allow us to turn down donations unless we can prove it would be reputationally damaging to accept them. Currently, offers of funding are approved on an ad hoc basis, with any concerns about potential funders taken to the board of trustees for their final decision.

**This year**, as corporate fundraising continues to grow as an income stream, the fundraising team will be working to develop an official set of guidelines for partnership working. It is important that this is properly researched and carried out, so THT can optimise potential sources of funding without compromising our core values.

#### **Is THT Green?**

THT, like most charities, relies heavily on paper stocks to push our messages to our target audiences. From Direct Marketing campaigns to information booklets, all THT's printed materials use FSC-certified paper produced from sustainable forests. Our printed materials are also fully recyclable and biodegradable.

Our IT team has commenced a programme of server virtualisation, to cut the number of servers required and so reduce THT's carbon footprint. They have also introduced Blade Technology, which reduces the power to the servers if they are not being fully used. All redundant ICT hardware is recycled or disposed of in an environmentally friendly way.

In Health Promotion, all condoms and lube distributed by THT are produced by Mates, a company with a strong policy on sustainable development and ethical and social responsibility. All of our condom packs also carry clear advice that litter should be disposed of carefully.

**This year**, THT's Finance and HR systems are all being automated, not only making the charity more efficient but also greatly reducing the amount of paper we use in transactions. This is a huge undertaking and the realisation of an exciting vision to come from our Resources Team.

As part of ongoing services redesign, staff travel is being reduced by increasing use of videoconferencing technology for internal meetings, meetings with third parties and service delivery.

And of course, this annual report is produced with minimal design on the fewest number of pages, and is also available on our website. We recognise this is just the start of making our working practices more sustainable but, in the future, we are confident we will find more ways to account for our activities without over-using precious resources.

None of our activities in the past year would have been possible without the generosity of the people and organisations who fund our services. 2009/10 was a challenging year for fundraising in the UK, and yet, despite being a traditionally unpopular cause, our Fundraising Team managed to increase the amount of money they raised for HIV and sexual health once again.

Through our community fundraising, our work with companies and trusts, our individual donors, our major donors and our wonderful events, we raised more than at any time in our history.

## Quality accounts

To reflect the increasing focus on quality within THT's services, for the first time this year THT has produced a set of Quality Accounts to sit alongside the charity's financial accounts.

The purpose of the Quality Accounts is to:

- describe THT's approach to quality
- describe THT's performance in ensuring a high quality service

## THT's approach to Quality

During 2009/10 THT renewed its Quality Strategy and established the following framework:

- safety, to ensure that all of THT's services are delivered in keeping with best practice
- outcome, to ensure that THT strives to achieve good outcomes for people using our services
- satisfaction, to ensure that people feel that they have received a good quality service from the charity

This framework builds upon work which the charity has done over the past 25 years in ensuring a good quality of service, and is currently being embedded within all services.

During 2009/10 THT has continued to invest heavily in quality. Key areas of development have included:

- the delivery of increased training to front line clinical and service delivery specialists
- a strengthening of the charity's service governance and clinical governance structures
- strengthening THT's safety, investigation and complaints systems to ensure that they are in line with Department of health recommended best practice

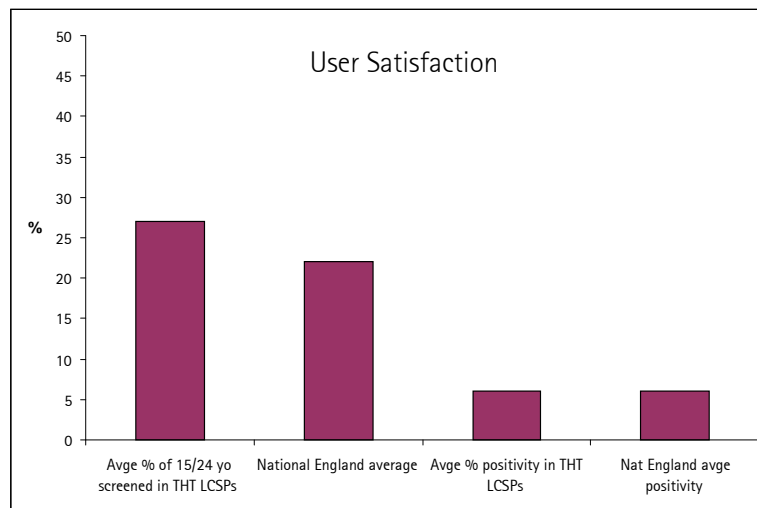
## Quality in Clinical Services

THT strives to put quality at the heart of its Clinical Services. This is illustrated by the charity's performance in delivering Chlamydia Screening services during 2009/10.

THT works to deliver a safe service delivered in line with recommended good practice, and this is achieved by operating within the recommended guidelines produced by the Department of Health's National Chlamydia Screening Programme. THT undertakes regular clinical audit of its Chlamydia Screening services to ensure that they are operating in line with its policies and procedures.

THT also works hard to ensure that the outcomes associated with its Chlamydia Screening services are of a high quality. THT assesses outcomes for these services in two ways. Firstly, by measuring the proportion of young people who have their chlamydia diagnosed and treated. Secondly, by seeking to focus work and resources with people who are most likely to have chlamydia. These outcomes are designed to optimise both the individual health and the public health benefits of chlamydia screening.

15% of people expressed a neutral opinion on the quality of the service received, and this will be resurveyed during 2010/11.



The satisfaction of people using our Chlamydia Screening services is important to us and therefore during 2009/10 THT began to assess satisfaction. This was undertaken by means of a telephone based survey of a sample of people using services and this showed that 85% were satisfied with the quality of the service they had experienced from THT.

### Quality in HIV Long Term Condition Management services

THT also strives to put quality at the heart of its Long Term Condition Management services for people with HIV. This is illustrated by the charity's performance in delivering Counselling services for people with HIV.

THT works to deliver a safe service delivered in line with recommended good practice, and this is achieved by operating within the Best Practice guidelines of the British Association for Counselling & Psychotherapy. THT ensures that training and professional development support is available to enable counsellors to retain their professional accreditation and to work to the standards set out in these guidelines.

This is reflected in the outcomes which THT obtains for people who are using our Counselling services. Each year THT undertakes an evaluation of outcomes for its Counselling services and the most recent evaluation undertaken during 2009/10 showed:

- 66% of people referred to THT's counselling services were assessed as being able to benefit clinically from the service
- 80% of these people experienced an improvement in mental health and psychological well being after 6 months

THT also works hard to ensure good levels of satisfaction amongst people with HIV using our Counselling services. An evaluation of this undertaken in 2009/10 showed 85% of people using the services self-rated their experience as high or very high quality.

### Quality In Health Improvement services

THT is well regarded for the quality of its health improvement services, and over many years these have won many awards. THT is applying the same quality framework to these services as it does to its other services. This is illustrated by reviewing THT's Health Improvement campaigns, many of which are delivered as part of the nationwide CHAPS initiative bringing together a number of local voluntary sector organisations with THT.

THT ensures safety in the quality of its campaigns by ensuring that these use the best available evidence base about the needs of the people they're designed for. In its work with gay men THT uses the Gay Mens Sex Survey, which is a joint initiative between THT and Sigma Research and which is the largest study of its kind in Europe. THT also ensures safety by working within the Department of Health's Information Standard. THT is the only organisation in the sexual health field to be accredited for the provision of its health information.

THT ensures good outcomes by working closely with campaign beneficiaries so that the likely outcome can be assessed in advance of a campaign being launched. This approach has contributed to THT being able to demonstrate that as a result of its campaigns with gay men, there was an increase in knowledge about how HIV is transmitted, where to get tested for HIV and other sexually transmitted infections, and greater awareness of rapid HIV testing making it easier for men to take an HIV test.

The satisfaction of people experiencing THT's campaigns is also important to us. Pre testing work with gay men for THT's Health Improvement campaigns in 2009/10 showed that the majority of gay men asked were satisfied with the approaches being adopted in the campaign and found these approaches to be engaging and informative.

## Financial review

A key element of THT's current strategy has been to ensure that THT remains a strong and sustainable organisation to safeguard its work in HIV and sexual health and this remains particularly true in the current financial downturn. In order to achieve this, THT has sought to secure funding to deliver new services as well as providing continuity for existing ones, whilst at all times aiming to provide value for money to funders and our beneficiaries. The following section of the Trustees' Report summarises and explains the financial information presented in the financial statements. Words presented in bold are headings on the Statement of Financial Activity (SOFA) and may be cross referenced to the figures on that page.

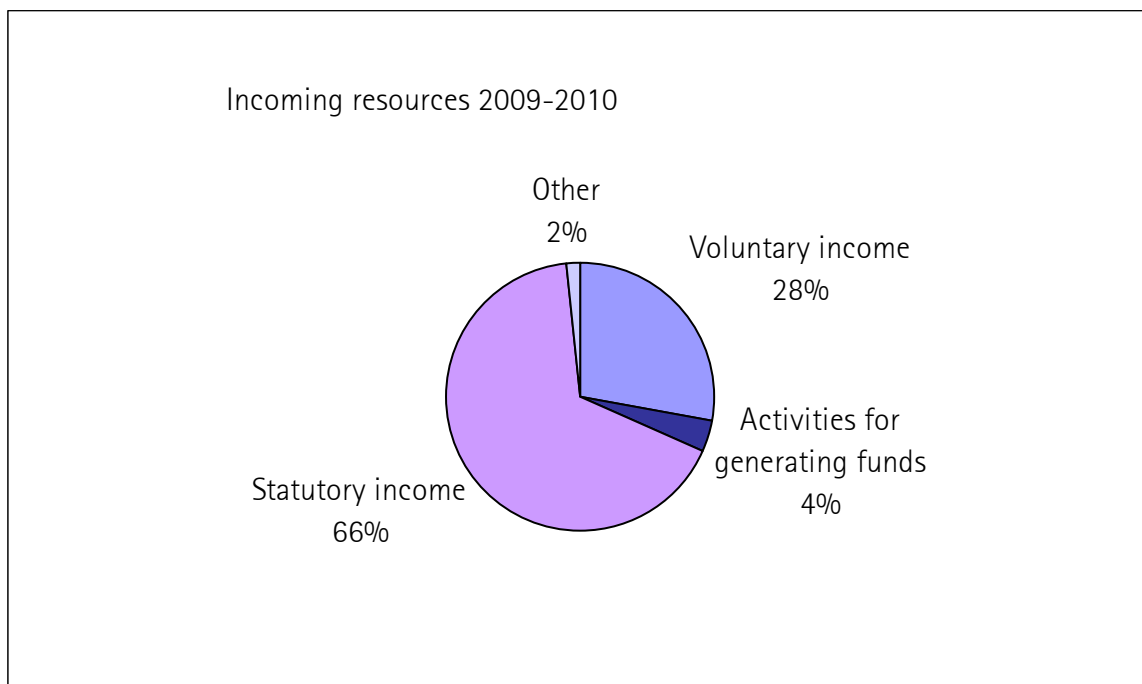
## Mergers

During the year THT merged with Peterborough HIV Support Services. The decision to merge was taken to strengthen HIV and sexual health services. In addition, shortly after the year end, THT merged with the HIV fundraising charity, Crusaid.

## Where our money comes from

THT receives funding from a variety of sources, to support us in our vital work. We call this **'incoming resources'** and in 2009/10, our income grew by 18% from £18,019,000 to £21,286,000. In line with our strategic aims, this growth in income has supported new services as well as maintaining existing ones.

The income came from the following sources each of which are explained below the graph. Further details of the figures can be found in the notes to the financial statements.



**Voluntary income** increased in 2009/10 by £1,500,000 (34%) to £5,891,000 reflecting a significant multi-year grant received from Elton John AIDS Foundation (EJAF) for work around Longterm Condition Management, and strong performance around Legacies and individual donations. Of the total voluntary income received, 63% was unrestricted (2009: 78%). This has continued to ensure that the charity has the flexibility to use funding to best meet its strategic aims, something which will become increasingly important during a period of economic downturn because it allows the charity to remain in control of the wider HIV agenda on behalf of beneficiaries.

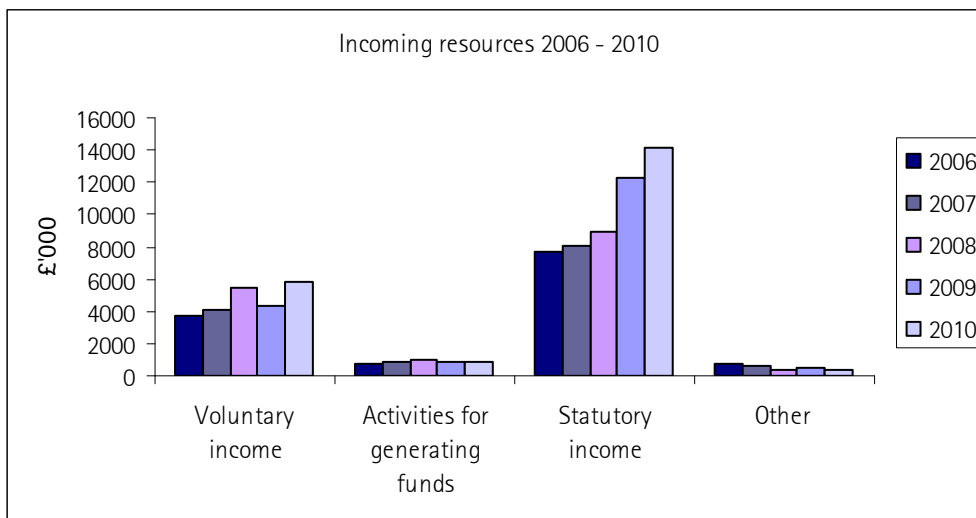
**Statutory income** received in 2009/10, totalled £14,577,000 from statutory bodies, funding both regional and national work. Of this, £298,000 was received for core funding with the remaining £14,279,000 being received through contracts for the direct provision of services. Overall, statutory income and core funding together grew by 15%. Importantly this meant that while THT has been able to establish new services, it has also been able to offer continuity of service to our beneficiaries.

This issue of full cost recovery on statutory contracts is key for many charities. THT continues to work to improve this position and for second year running, on an aggregated basis, THT achieved full cost recovery on statutory contracts in 2009/10.

**Activities for generating funds** comprise income from fundraising events, sponsorship, rent, room hire and catering. THT's Estates policy is designed to allow for growth within any operational building acquired, and in the short term this space is let to provide income. Total income from activities to generate funds was £850,000 (2009: £881,000).

Underlying **other income** increased in 2009/10 by £9,000 on the prior year.

The following graph summarises how our income has increased over the last five years:



**How we spend our money**

**Charitable expenditure** in 2009/10 increased by 9% on the prior year to £17,582. Whilst this increase meant that THT spent the largest sum ever in delivering services, for the first time the Board elected to set a surplus budget for 2009/10 which resulted in a net incoming resources before other gains and losses (operating surplus) of £1,775,000. Approximately £500,000 of this related to capital funds received from EJAF to fund improvements to the charity's website which will be spent next year, whilst the remainder reflects the need for the charity to remain financially sustainable during the uncertain times ahead.

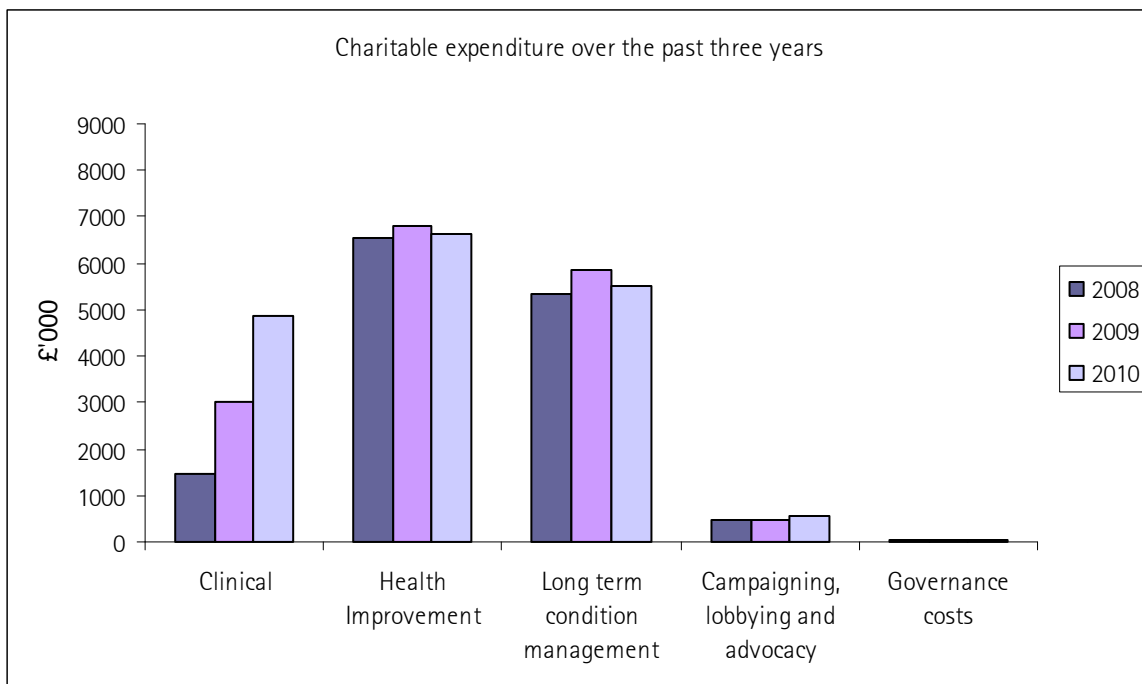
The breakdown of charitable expenditure has also been revised this year to reflect the improvements to services and the increase in the charity's clinical work. This has resulted in three new headings – Clinical, Health Improvement and Long Term Condition Management, and the comparative data for last year has been similarly reclassified to provide a meaningful comparison.

The fourth area of expenditure - campaigning, lobbying and advocacy has risen by £73,000 (15%) to £549,000, reflecting our ongoing campaigning work, and in particular our decision to continue funding for a full time campaigning post in Scotland.

Further details of the charity's service activities are given above.

**Governance costs** include the cost of audit, and an allocation of staff time. These costs are consistent with the previous year, and represent 0.2% of charitable expenditure.

Charitable expenditure over the past three years is summarised in the following graph:

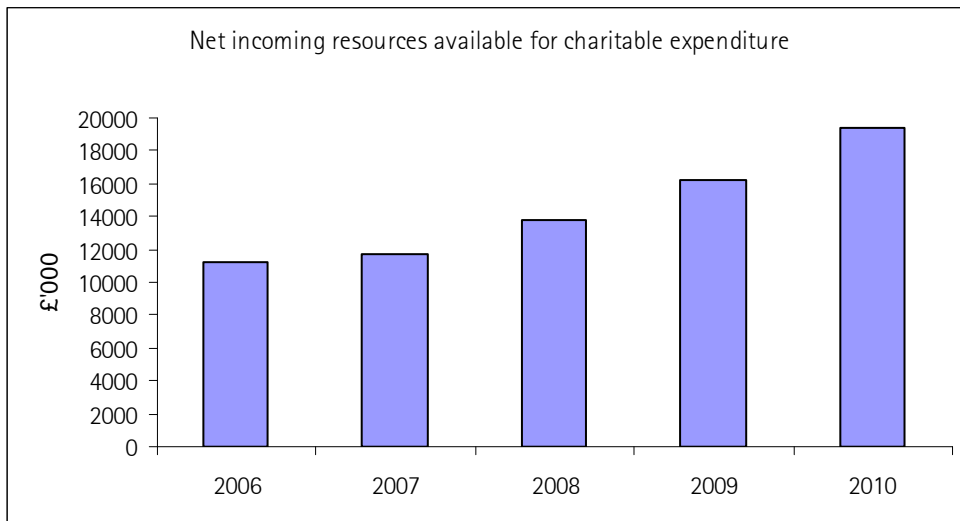


**Support costs** in 2009/10 totalled £3,607,000, an increase of 4% against an overall increase in turnover of 8% during the year. Support costs represent 18% of total expenditure and include rent, rates, heat and light as well as the salaries of staff in support roles. These costs have been allocated across activities on the basis of staff whole time equivalents. Although the charity operates across the UK, central services including finance, HR, IT and estates are all located at the charity's main premises in London in order to achieve economies of scale whilst still providing an effective support service for the organisation.

### Fundraising

In common with many charities THT has experienced increased challenges in raising voluntary income during the current recession, and the charity is very grateful to all those who have supported our work during the year. Despite these challenges, overall, voluntary income totalled £5,891,000, which represents an increase of 34% on 2008/09. The charity anticipates that the current recession will continue to impact its ability to fundraise, and this pressure has been anticipated in the 2010/11 budget.

Notwithstanding this, our overall **net incoming resources available for charitable application** have increased by 72% over the last 5 years, as demonstrated in the graph below.



### Pension scheme

Financial Reporting Standard 17 (FRS17) dictates how pension scheme assets and liabilities are calculated. It is designed to be prescriptive to prevent the funding of a scheme from being misrepresented, but a criticism of FRS17 is that it creates large movements year on year. In 2007/08 the pension scheme net assets increased from £303,000 to £915,000, whilst in 2008/09 the value dropped by £1,202,000 to a deficit of £287,000. Against the background of the current recession, the scheme deficit increased this year by a further £697,000 to £984,000. This is reflected in the accounts as an actuarial loss of £749,000. Further details can be found in Note 13.

## **Our reserves**

In common with many other charities over the past few years, THT has operated in an uncertain funding environment and this looks likely to continue against a background of increasing public spending cuts.

In such circumstances it is important to the charity to ensure its sustainability and, two years ago, the Board agreed a financial and business strategy which sought to improve the efficiency of the charity. The strategy included programmes to:

- a) standardise the charity's services ahead of a programme of redesign which will help deliver cost effective often virtual services which are fit for the future
- b) rationalise infrastructure which includes further exploitation of the charity's physical estates, introduction of a new web platform to support new services and further mechanisation of support functions like Finance and Human Resources
- c) the revision of the charity's reserves policy and the establishment of surplus budgets for both 2009/10 and 2010/11

Progress against all areas is on schedule, and an operating surplus of £1,775,000 was achieved which the Trustees feel is necessary to strengthen reserves in the current climate.

In reviewing the charity's reserves policy the charity has historically believed that it is inappropriate to exclude land and buildings from calculating the level of reserves because such assets would lead to the charity holding reserves which were higher than necessary.

However, the current credit conditions have weakened this position. The trustees have therefore revised the charity's reserves policy so that:

- a) the level of unrestricted reserves held be adjusted to 30% of total resources expended, and
- b) in calculating the level of unrestricted reserves, the element included within the charity's property portfolio will be restricted to 80% of the equity calculated at historic cost

Based on this policy, THT's reserves increased to £5.8m against a target of £5.8m at the end of the year. This figure is quoted after making an allowance of £1.0m in respect of the deficit on the final salary Pension Scheme.

The trustees are therefore of the view that the current level of reserves is sufficient, and continue to review this on an annual basis.

## Governance

Terrence Higgins Trust is a charitable company limited by guarantee, incorporated on 14 December 1983 (company registration number 1778149). Terrence Higgins Trust was registered as a charity in England and Wales on 26 January 1984 (registration number 288527) and with the Office of the Scottish Charity Regulator (OSCR) in January 2009 (registration number SC039986).

## Membership

Membership of THT is free, and is open to anyone who supports our aims and objectives. Our members are an important and valued part of our democratic structures. Members receive regular updates of the charity's activities, and are able to influence how the charity is run through voting to elect trustees and providing input to help shape services. Further information on membership and forms can be found on our website, [www.tht.org.uk](http://www.tht.org.uk).

## Trustees

The charity's constitution provides for eleven trustees, six of whom are elected by the charity's members. Our trustees are drawn from a variety of backgrounds to ensure a balanced, skills based board.

The trustees who served during the year were:

Neil Beasley (elected November 2009)  
Lord Norman Fowler (appointed November 2007)  
Marcia Fry (elected November 2008)  
Nick Hulme (appointed November 2009)  
Karen Jochelson (elected November 2009)  
Mike Marchment (appointed November 2008)  
Professor Peter Piot (appointed March 2009)  
Sam de Silva (elected November 2008)  
Nigel Simon (resigned November 2009)  
Dr Celia Skinner (elected November 2007)  
Simon Taylor (appointed November 2008)  
Karen Willey (retired November 2009)

As at the date of signing the Trustees' Report, there is one Trustee vacancy.

Trustees are elected to the board for three years at our Annual General Meeting and, subject to re-election, serve for a maximum six year term. Appointed trustees serve for terms of up to three years. All trustees undergo a formal induction to the charity upon election, the content of which is reviewed annually, and includes a mixture of formal training and visits to observe delivery of the charity's services and meetings with senior management.

### **Sub-committees**

Trustees meet four times a year as a board and also attend two full day strategy meetings. In addition to this they are supported through the work of four committees:

- Audit Performance and Risk committee, which is responsible for appointing the external auditors, reviewing THT's accounts and financial controls, and reviewing the statements and actions on risk and internal controls
- Board Development and Charity Governance committee, which oversees the development of strategy, organisational development and governance
- Board Short listing committee, which identifies which of the applicants who apply to become candidates for board election meet the requirements of the trustee specification
- Service & Quality Governance Committee, which oversees clinical services provided by the charity

The membership of these committees is drawn from trustees, executive directors and lay members, often specialists, who possess a particular expertise relevant to the work of the committee.

### **Trustees' responsibilities**

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

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue to operate.

The trustees are responsible for keeping proper 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Executive team

The executive team works closely with the board of trustees to help turn THT's vision and strategy into a reality. They are responsible for the day to day management of the charity.

Volunteers, employees and supporters

Around 1,000 volunteers actively support THT in a variety of ways. Volunteers continue to provide many valuable hours of work and are the backbone of many services which otherwise could not exist. Based on the average salary of the charity's workforce, the value to the charity of the work performed by volunteers during the year is estimated at £3.3m.

THT also relies on the work and commitment of its 750 paid staff (including 351 sessional workers). The charity is particularly grateful for the continued loyalty of its staff during another challenging and difficult year. THT also recognises UNISON for the purposes of collective bargaining. THT continues its commitment to equal opportunities and to good staff relations.

## Risk statement

The management of risk is an integral part of the charity's operational management and a series of systems operate to identify and mitigate risk.

These systems include:

- An integrated skills based board with effective separation of duties and regular reporting of management information.
- Effective and formal monitoring of the environment informing a risk assessment programme which includes Board level risk workshops and regular risk/strategy presentations by all departments.
- Regular monitoring of progress against both financial and non-financial objectives and mitigation of associated risks.

The Board regularly review the risks faced by the charity and feel the key risks currently facing the charity are:

- Difficulty in achieving sufficient prioritisation of and funding from Primary Care Trusts and Social Services Departments to sustain local service delivery
- Difficulty in maintaining and further increasing charitable income due to an unsupportive social and economic environment
- Difficulty in maintaining level of statutory income as a result of the general economic outlook
- Difficulty in influencing the external environment due to an unsupportive social and political climate
- Difficulty in maintaining organisational health and financial health as a result of the impact of the first four risks above

As part of charity's risk mitigation strategy the organisation entered into an interest rate swap arrangement in 2005. Based on our level of un-fixed debt at the time of the arrangement (£4.25m), this provides greater certainty to the organisation over liabilities going forward. The rate agreed was 4.89% for 5 years.

**Capital funds and investments**

A capital fund was established to accommodate a legacy received in 1994/95 as a permanent endowment. This is invested in Common Investment Funds managed by Cazenove Fund Management Ltd. The trustees believe this is the most appropriate investment given the size of the portfolio and the level of risk they wish to take.

**Auditors**

Howarth Clark Whitehill LLP have expressed their willingness to continue as auditors for the next financial year.

This report was approved by the Board on 27<sup>th</sup> July 2010.

Nick Hulme  
Chair

## Independent Auditor's Report to the Members of The Terrence Higgins Trust

We have audited the group and parent company financial statements of The Terrence Higgins Trust for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 29. These financial statements have been prepared in accordance with the accounting policies set out therein.

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 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of The Terrence Higgins Trust for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under the Companies Act 2006 and report to you in accordance with that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006 and comply with the requirements of regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with those records, if we have not received all the information and explanations we require for our audit or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006 and comply with the requirements of regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Naziar Hashemi  
Senior Statutory Auditor  
For and on behalf of  
**Horwath Clark Whitehill LLP**  
Statutory Auditor  
**London**

THE TERRENCE HIGGINS TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)  
For the year ended 31 March 2010

		Unrestricted	Restricted	2010 Total	2009 Total
	Note	£'000	£'000	£'000	£'000
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	3,702	2,189	5,891	4,391
Activities for generating funds	3	850	-	850	881
Investment income	4	11	-	11	38
<b>Incoming resources from charitable activities</b>					
Statutory income for charitable activities					
Clinical	5	4,829	56	4,885	3,106
Heath improvement	5	5,043	326	5,369	5,274
Long term condition management	5	3,029	916	3,945	3,911
Campaigning, lobbying and advocacy	5	79	-	79	-
Other incoming resources from charitable activities	6	255	-	255	246
Profit on the sale of fixed assets		-	-	-	172
<b>Total incoming resources</b>		<b>17,798</b>	<b>3,487</b>	<b>21,285</b>	<b>18,019</b>
<b>Resources expended</b>					
Cost of generating funds					
Cost of generating voluntary income	7	1,533	-	1,533	1,516
Fundraising trading	7	353	-	353	309
		<b>1,886</b>	<b>-</b>	<b>1,886</b>	<b>1,825</b>
Net incoming resources available for charitable application		15,912	3,487	19,399	16,194
<b>Charitable expenditure</b>					
Clinical	8	4,259	602	4,861	3,012
Heath improvement	8	5,275	1,365	6,640	6,823
Long term condition management	8	4,572	960	5,532	5,851
Campaigning, lobbying and advocacy	8	489	60	549	476
Governance costs	10	43	-	43	39
<b>Total resources expended</b>		<b>16,524</b>	<b>2,986</b>	<b>19,510</b>	<b>18,026</b>
Net incoming / (outgoing) resources before transfers	11	1,274	501	1,775	(7)
Net incoming / (outgoing) resources before other recognised gains and losses		1,274	501	1,775	(7)
<b>Other recognised gains and losses</b>					
Investment assets gains / (losses)	15	-	43	43	(44)
Actuarial (losses) / gains	13	(749)	-	(749)	(1,391)
<b>Net movement in funds</b>		<b>525</b>	<b>544</b>	<b>1,069</b>	<b>(1,442)</b>
Funds at the start of the year	19	4,127	2,314	6,441	7,883
<b>Funds at the end of the year</b>	<b>19</b>	<b>4,652</b>	<b>2,858</b>	<b>7,510</b>	<b>6,441</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

The notes on pages 25 to 44 form part of these accounts.

THE TERRENCE HIGGINS TRUST  
CONSOLIDATED BALANCE SHEET  
As at '31 MARCH 2010

	Note	Group		Charity	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
<b>Fixed assets</b>					
Tangible fixed assets	14	12,803	10,418	12,803	10,418
Investments	15	220	177	220	177
		<u>13,023</u>	<u>10,595</u>	<u>13,023</u>	<u>10,595</u>
<b>Current assets</b>					
Stock		-	10	-	10
Debtors	16	2,403	2,463	2,356	2,435
Cash held as short term deposits		1,909	-	1,909	-
Cash at bank and in hand		850	1,135	845	1,133
		<u>5,162</u>	<u>3,608</u>	<u>5,110</u>	<u>3,578</u>
<b>Creditors: amounts due within 1 year</b>	17	<u>(4,204)</u>	<u>(3,792)</u>	<u>(4,158)</u>	<u>(3,769)</u>
<b>Net current assets / (liabilities)</b>		958	(184)	952	(191)
<b>Total assets less current liabilities</b>		13,981	10,411	13,975	10,405
<b>Creditors: amounts falling due after 1 year</b>	18	<u>(5,487)</u>	<u>(3,683)</u>	<u>(5,487)</u>	<u>(3,683)</u>
<b>Net assets excluding pension liability</b>		8,494	6,728	8,488	6,722
Pension liability	13	<u>(984)</u>	<u>(287)</u>	<u>(984)</u>	<u>(287)</u>
<b>Net assets including pension asset</b>		<u>7,510</u>	<u>6,441</u>	<u>7,504</u>	<u>6,435</u>
<b>The funds of the charity</b>					
<b>Restricted funds</b>					
Permanent endowment		220	177	220	177
Income funds held as : Tangible fixed assets		2,048	2,073	2,048	2,073
Other		590	64	590	64
		<u>2,858</u>	<u>2,314</u>	<u>2,858</u>	<u>2,314</u>
<b>Total restricted funds</b>	19	<u>2,858</u>	<u>2,314</u>	<u>2,858</u>	<u>2,314</u>
<b>Unrestricted funds</b>					
General funds		5,630	4,408	5,630	4,408
Subsidiary companies' non-charitable funds		6	6	-	-
Pension fund		(984)	(287)	(984)	(287)
		<u>4,652</u>	<u>4,127</u>	<u>4,646</u>	<u>4,121</u>
<b>Total unrestricted funds</b>	19	<u>4,652</u>	<u>4,127</u>	<u>4,646</u>	<u>4,121</u>
<b>Total funds</b>		<u>7,510</u>	<u>6,441</u>	<u>7,504</u>	<u>6,435</u>

The notes on pages 25 to 44 form part of these accounts.

The financial statements on pages 22 to 44 were approved by the trustees on 27 July 2010 and signed on their behalf by

Nick Hulme - Chair

THE TERENCE HIGGINS TRUST  
CONSOLIDATED CASH FLOW STATEMENT  
For the year ended 31 March 2010

	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Net cash inflow from operating activities	29(a)		2,853		43
Return on investments and servicing of finance					
Investment income		9		9	
Bank interest received		2		29	
Interest paid		<u>(143)</u>		<u>(251)</u>	
			(132)		(213)
Capital expenditure and financial investments					
Payments to acquire tangible fixed assets			(2,950)		(578)
Receipts from sale of tangible fixed assets			-		1,072
Acquisitions and disposals					
Cash resources acquired from merged charities			<u>1</u>		<u>9</u>
Net cash outflow before management of liquid resources and financing			(228)		333
Management of liquid resources					
(Increase) / Decrease in short term deposits			-		580
Financing					
Capital repayments of secured loan			(300)		(512)
Receipt from new loan payable 2012			<u>2,150</u>		<u></u>
Increase in cash			1,622		401
Cash resources brought forward	29(b)		<u>1,135</u>		<u>734</u>
Cash resources carried forward	29(b)		<u><u>2,757</u></u>		<u><u>1,135</u></u>

**1. Accounting policies**

**a) Accounting convention**

The financial statements have been prepared under the historical cost convention with the exception of investments, which are included on a market value basis and the inclusion of certain freehold property at valuation. They are prepared in accordance with applicable accounting standards (United Kingdom Generally Accepted Accounting Practice) and follow the recommendations in the Statement of Recommended Practice for Charities (2005) and the requirements of the Companies Act 2006.

Consolidated accounts have been prepared on a line by line basis in accordance with SORP 2005. No separate income and expenditure account for the charity has been presented as permitted by section 408 of the Companies Act 2006. The income and expenditure for the charity is £21,320,000 and £19,500,000 giving a surplus in the year of £1,820,000.

**b) Services in kind**

Other than significant donated gifts-in-kind, no amounts are included in respect of the substantial contributions made by the many volunteers and volunteer organisations which provide various services and supplies free of charge. Where out of pocket travel and other expenses have been reimbursed to volunteers, these costs are included in the accounts.

**c) Gifts in kind**

Significant donated gifts-in-kind, where the items are given for the charity's own use or distribution, are included at estimated market value. Where gifts are donated as prizes in fundraising events the income generated is recognised in the financial statements.

**d) Incoming resources**

Incoming resources are recognised in the period in which the charity is entitled to their receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be used in a future accounting period.

Legacies are included in the Statement of Financial Activities (SOFA) when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

**e) Resources expended**

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

The SOFA headings comprise expenditure directly attributable to the activity. Where support costs (including finance, information technology, estates and human resources) cannot be directly attributed, they have been allocated to activities on a whole time equivalent basis.

The cost of generating funds comprise the direct costs of fundraising activities and a proportion of support costs.

Governance costs are those incurred in connection with the organisational administration and compliance with constitutional and statutory requirements, such as auditors' fees.

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**Accounting policies (continued)**

**f) Pension costs**

The charity contributes to a defined benefit pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held and managed separately from those of the charity. Pension scheme assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis. The net of these two figures is recognised as an asset or liability on the balance sheet. Any change in the asset or liability between the balance sheet dates is reflected in the statement of financial activities as a recognised gain or loss for the period.

Contributions to defined benefit schemes are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives. Contributions to defined contribution schemes are charged to the Statement of Financial Activities in the year in which they are incurred.

**g) Tangible fixed assets**

Assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at their original cost (including any incidental expenses of acquisition such as surveyor's fees), except for the freehold interest in the property located at 111-117 Lancaster Road, London ("The London Lighthouse"). This building is stated at its market value, as estimated in March 1999 in accordance with the rules and regulations of the Royal Institute of Chartered Surveyors, and so is included in the accounts at a value of £1,750,000. The valuation has not been updated.

Depreciation, which reduces the value of tangible fixed assets over time, is calculated at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	2% on cost
Leasehold improvements	20% on cost (or over the life of the lease if shorter)
Fixtures and fittings	20% on cost
Motor vehicles	25% on cost
Computer equipment	25% on cost

No depreciation is charged on freehold land.

**h) Investments**

Investments held as fixed assets are stated at market value at the balance sheet date. The gain or loss for the period is taken to the Statement of Financial Activities.

Investments in subsidiary companies are stated at cost.

**i) Leased assets**

Rental costs relating to operating leases, where substantially all the benefits and risks of ownership remain with the lessor rather than with THT, are charged to the Statement of Financial Activities as incurred.

**j) Fund accounting**

Unrestricted funds are those available for use at the discretion of the trustees in furtherance of the objectives of THT.

Designated funds comprise funds that are expendable, but which have been set aside by the trustees for specific purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of support costs.

Capital funds consist of income permanently endowed by donors. Income from these funds is transferred to General Funds.

**k) Mergers**

During the year ended 31 March 2010, THT merged with Peterborough HIV Support Services (PHSS). This merger has been accounted for as an acquisition, in accordance with FRS 6. The net assets transferred on merger are shown as an exceptional item within resources expended.

THE TERRENCE HIGGINS TRUST  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 For the year ended 31 March 2010

2. Voluntary income

	Unrestricted £'000	Restricted £'000	2010 £'000	2009 £'000
Corporate donations	72	188	260	283
Trust donations	91	1,054	1,145	266
Big Lottery Fund	-	721	721	577
Department of Health s64 grant	154	-	154	220
Core funding from statutory funders	-	145	145	173
Community fundraising	167	56	223	270
Individual donations	1,846	25	1,871	1,944
Legacies	1,372	-	1,372	658
<b>Total voluntary income</b>	<b>3,702</b>	<b>2,189</b>	<b>5,891</b>	<b>4,391</b>

3. Activities for generated funds

	Unrestricted £'000	Restricted £'000	2010 £'000	2009 £'000
Fundraising events	394	-	394	358
Rent, room hire and catering	385	-	385	407
Sponsorship, sales and cause related marketing	40	-	40	23
Other	31	-	31	93
<b>Total activities for generating funds</b>	<b>850</b>	<b>-</b>	<b>850</b>	<b>881</b>

4. Investment income

	Unrestricted £'000	Restricted £'000	2010 £'000	2009 £'000
Investment income	9	-	9	9
Bank interest	2	-	2	29
<b>Total investment income</b>	<b>11</b>	<b>-</b>	<b>11</b>	<b>38</b>

THE TERRENCE HIGGINS TRUST  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 31 March 2010

5. Statutory income for charitable activities

	Unrestricted £'000	Restricted £'000	2010 £'000	2009 £'000
<b>Clinical</b>				
Department of Health	-	33	33	-
Welsh Assembly Government	-	-	-	-
PCTs and Health Boards	4,805	19	4,824	3,048
Local authorities and other statutory bodies	24	4	28	58
<b>Total clinical</b>	<b>4,829</b>	<b>56</b>	<b>4,885</b>	<b>3,106</b>
<b>Health improvement</b>				
Department of Health	1,907	-	1,907	1,961
Welsh Assembly Government	47	-	47	80
PCTs and Health Boards	2,756	212	2,968	2,742
Local authorities and other statutory bodies	333	114	447	491
<b>Total health improvement</b>	<b>5,043</b>	<b>326</b>	<b>5,369</b>	<b>5,274</b>
<b>Long term condition management</b>				
Department of Health	-	500	500	962
Welsh Assembly Government	-	-	-	-
PCTs and Health Boards	2,251	100	2,351	2,027
Local authorities and other statutory bodies	778	316	1,094	922
<b>Total long term condition management</b>	<b>3,029</b>	<b>916</b>	<b>3,945</b>	<b>3,911</b>
Campaigning, lobbying and advocacy				
<b>Department of Health</b>	<b>79</b>	<b>-</b>	<b>79</b>	<b>-</b>
<b>Total campaigning, lobbying and advocacy</b>	<b>79</b>	<b>-</b>	<b>79</b>	<b>-</b>
<b>Total statutory income for charitable</b>	<b>12,980</b>	<b>1,298</b>	<b>14,278</b>	<b>12,291</b>

6. Other incoming resources from charitable activities

	Unrestricted £'000	Restricted £'000	2010 £'000	2009 £'000
Publications and exhibitions	3	-	3	4
Training and conferences	59	-	59	71
Counselling and therapy fees	25	-	25	12
Student placements	22	-	22	-
Other	140	-	140	73
Pension	-	-	-	96
Net assets/(liabilities) transferred on merger	6	-	6	(10)
<b>Total other income from charitable activities</b>	<b>255</b>	<b>-</b>	<b>255</b>	<b>246</b>

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7. Cost of generating funds

	Cost of generating voluntary income £'000	Fundraising trading £'000	2010 £'000	2009 £'000
Salaried staff costs	656	135	791	838
Non-salaried (agency) staff costs	13	3	16	15
Printing costs	69	16	85	63
Other direct costs	408	106	514	543
Allocated support costs (note 9)	387	93	480	366
<b>Total cost of generating funds</b>	<b>1,533</b>	<b>353</b>	<b>1,886</b>	<b>1,825</b>

8. Charitable expenditure

	Clinical £'000	Health promotion £'000	Long term condition management £'000	Campaigning, lobbying & advocacy £'000	2010 £'000	2009 £'000
Salaried staff costs	2,078	2,991	3,150	303	8,522	7,980
Non-salaried staff costs	66	29	69	-	164	152
Subcontractors and partners	332	772	59	-	1,163	572
Volunteer costs	2	19	21	1	43	42
Printing costs	189	458	45	14	706	783
Condoms & materials	112	95	16	-	223	1,216
Service user activities	1	47	17	-	65	34
Campaign/service advertising	7	205	11	1	224	356
Research & evaluation	-	75	-	17	92	221
Premises rental costs	139	133	155	10	437	441
Insurance	1	4	2	-	7	196
Other direct costs	1,352	728	630	101	2,811	1,046
Support costs (note 9)	582	1,084	1,357	102	3,125	3,125
<b>Total charitable expenditure</b>	<b>4,861</b>	<b>6,640</b>	<b>5,532</b>	<b>549</b>	<b>17,582</b>	<b>16,162</b>

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**9. Support costs**

	Clinical £'000	Health promotion £'000	Long term condition management £'000	Campaigning, lobbying & advocacy £'000	Fundraising and trading £'000	2010 £'000
Finance, HR, IT and Estates:						
Salaried staff costs	254	447	539	37	172	1,449
Non-salaried staff costs	11	19	22	1	7	60
Volunteer costs	2	3	5	-	2	12
Printing costs	8	20	28	3	13	72
Rental costs	-	1	1	-	-	2
Insurance	43	73	86	6	26	234
Other direct costs	265	522	677	54	260	1,778
<b>Total allocated support costs</b>	<b>583</b>	<b>1,085</b>	<b>1,358</b>	<b>101</b>	<b>480</b>	<b>3,607</b>

Finance, Human Resources, IT and the Estates department costs are allocated to activities based on the number of employees working within each activity. Premises costs are allocated to activities based on staff within each building to which costs relate.

**10. Governance costs**

	2010 £'000	2009 £'000
Salaried staff costs	15	11
Audit	28	28
<b>Total governance costs</b>	<b>43</b>	<b>39</b>

**11. Net incoming / (outgoing) resources before transfers**

This is stated after charging:

	2010 £'000	2009 £'000
Depreciation	518	497
Salaried staff costs	10,777	10,229
Rental costs relating to operating leases	485	523
Bank interest paid	143	279
Trustees' reimbursed expenses	-	3
Auditors' remuneration: audit	28	28
Actuarial fee for FRS 17 valuation	9	8

None of the trustees received any remuneration from the charity (2009: £nil). No trustees (2009: 2) were reimbursed for travel expenses during the year. Catering costs for the committee meetings, amounted to £1,000 in the year (2009: £3,000).

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12. Staff costs

Salaried staff costs (paid staff, not including volunteers) were as follows:

	2010 £'000	2009 £'000
Salaries and wages	9,517	8,995
Social security costs	864	837
Pension contributions	354	312
Redundancy costs	42	85
<b>Total salaried staff costs</b>	<b><u>10,777</u></b>	<b><u>10,229</u></b>

Salaried staff are categorised as:

	Notes		
Cost of generating voluntary income	7	656	707
Fundraising trading	7	135	131
Clinical	8	2,078	1,345
Health improvement	8	2,991	2,994
Long term condition management	8	3,150	3,371
Campaigning, lobbying and advocacy	8	303	258
Infrastructure	9	1,449	1,412
Governance	10	15	11
<b>Total salaried staff costs</b>		<b><u>10,777</u></b>	<b><u>10,229</u></b>

Included in salary and wages is £895,000 (2009: £703,000) paid to sessional workers who do not have fixed hour contracts, but work on a session by session basis.

The average weekly number of employees (excluding sessional workers) during the year was as follows:

	2010 No.	2009 No.
Charitable services	231	223
Fundraising, management and administration	64	57
	<b><u>295</u></b>	<b><u>280</u></b>

The analysis of the number of employees between charitable services and fundraising, management and administration reflects the figures in notes 7 to 10. Employee numbers are based on whole time equivalents (WTE). The average number of sessional workers employed during the year, all of whom provided charitable services, was 330 (2009: 302), but these are excluded from the number WTE staff above. Based on the average number of hours worked, these sessional workers are equivalent to approximately 47 WTE (2009: 33).

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**12. Staff costs (continued)**

The number of higher paid employees was:

	2010 No.	2009 No.
£60,000 to £69,999	2	2
£70,000 to £79,999	2	2
£80,000 to £89,999	2	2

Of these, 4 employees were members of the defined benefit pension scheme and 1 received employer contributions totalling £21,300 (2009: £9,400) paid into a defined contribution pension scheme.

**13. Staff pension**

THT operates a defined benefit scheme for employees, which provides benefits to members on retirement and on death in service. THT continues to make payments on behalf of existing members, although the scheme has been closed to new members since March 2004. During the year ended 31 March 2010 employer contributions of £226,000 (2009: £255,000) and employee contributions of £88,000 (2009: £99,000) were made.

The defined benefit scheme is administered by trustees and is independent of the charity's finances.

To replace the final salary scheme a Group Personal Pension Scheme was introduced. During the year ended 31 March 2010 THT contributed £150,000 (2009: £136,000) and employees contributed £106,000 (2009: £97,000).

The FRS17 liability does not include any allowance for discretionary benefits. The Trust expects to make contributions to the Scheme during the year to 31 March 2011 at the rate of 17.9% of member salaries.

For the purposes of FRS17, the major assumptions used by the actuary were:

	At 31/03/10	At 31/03/09
Discount rate	5.80%	6.90%
Inflation	3.90%	3.50%
Rate of increase in salaries	2.90%	3.50%
Rate of increase in pensions in payment	3.80%	3.40%
Pre-retirement mortality table	S1NA	PA92
Post-retirement mortality table	S1NA	PA92
Mortality projection	Medium Cohort based on Individual Year of Birth	
Proportion married	90.00%	90.00%
Tax-free cash	0.00%	0.00%
Withdrawals	None	None

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**13. Staff pension (continued)**

Under the mortality tables and projections adopted, the assumed future life expectancy at age 65 is as follows:

	At 31/03/10	At 31/03/09
Male currently aged 40	24.8 years	23.1 years
Female currently aged 40	27.6 years	25.9 years
Male currently aged 65	22.8 years	22.1 years
Female currently aged 65	25.6 years	25.0 years

The expected long term rate of return of the Scheme's assets were:

	At 31/03/10	At 31/03/09
<b>Scheme's assets</b>	6.60%	6.30%

The expected return on assets is a weighted average of the assumed long-term returns for the various asset classes.

The major categories of assets as a proportion of total assets are as follows:

	At 31/03/10	At 31/03/09
Equities	81.0%	74.4%
Bonds	7.0%	6.7%
Gilts	4.0%	6.2%
Other (cash etc)	8.0%	12.7%

The actual return on the Scheme's assets net of expenses over the year to the review date was approximately 19.9%.

The assets do not include any investment in the Trust.

**Amounts recognised in the balance sheet at 31 March 2010:**

	2010 £'000
Fair value of assets	8,035
Present value of funded obligations	(9,019)
Scheme deficit	<u>(984)</u>

**Analysis of the amount charged to the Statement of Financial Activities**

	2010 £'000
Actuarial loss	(749)
Current service cost	(124)
Expected return on pension scheme assets	363
Interest cost	(414)
Total	<u>(924)</u>

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**13. Staff pension (continued)**

Reconciliation of assets and defined benefit obligation

The change in assets over the period was:

	2010 £'000
Fair value of assets at the beginning of the period	5,704
Expected return on assets	363
Contributions by employer	226
Contributions by Scheme participants	88
Benefits paid	(185)
Actuarial gain on assets only	1,839
Fair value of assets at the end of the period	<u>8,035</u>

The change in the defined benefit obligation over the period was:

	2010 £'000
Defined benefit obligation at the beginning of the period	5,991
Current service cost	124
Contributions by Scheme participants	88
Interest cost	414
Benefits paid	(185)
Actuarial gain	2,587
Defined benefit obligation at the end of the period	<u>9,019</u>

Summary of prior year amounts

	31/03/10 £'000	31/03/09 £'000	31/03/08 £'000	31/03/07 £'000	31/03/06 £'000
Present value of defined benefit obligation	9,019	5,991	5,980	6,707	5,686
Scheme's assets	8,035	5,704	6,895	7,010	6,226
Scheme surplus/(deficit)	(984)	(287)	915	303	540
Experience gains an losses on Scheme's liabilities	14	(161)	(63)	108	95
Experience adjustments on Scheme's assets	1,839	(1,885)	(833)	41	1,063

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**14. Tangible fixed assets – group and charity**

	Freehold property £'000	Leasehold improvements £'000	Fixtures & fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>						
At the start of the year	9,966	156	577	1,757	87	12,543
Additions in year	2,392	45	34	479	-	2,950
Disposals/write offs in year	-	-	(27)	(280)	(9)	(316)
At the end of the year	<u>12,358</u>	<u>201</u>	<u>584</u>	<u>1,956</u>	<u>78</u>	<u>15,177</u>
Cost	10,608	201	584	1,956	78	13,427
Valuation - 1999	1,750	-	-	-	-	1,750
At the end of the year	<u>12,358</u>	<u>201</u>	<u>584</u>	<u>1,956</u>	<u>78</u>	<u>15,177</u>
<b>Depreciation</b>						
At the start of the year	537	41	417	1,044	86	2,125
Charge for the year	117	40	73	288	-	518
Disposals/write offs in year	-	-	(21)	(239)	(9)	(269)
At the end of the year	<u>654</u>	<u>81</u>	<u>469</u>	<u>1,093</u>	<u>77</u>	<u>2,374</u>
<b>Net book value</b>						
At the end of the year	<u><b>11,704</b></u>	<u><b>120</b></u>	<u><b>115</b></u>	<u><b>863</b></u>	<u><b>1</b></u>	<u><b>12,803</b></u>
At the start of the year	<u>9,429</u>	<u>115</u>	<u>160</u>	<u>713</u>	<u>1</u>	<u>10,418</u>

The book value of one of the charity's freehold properties located at 111-117 Lancaster Road, London is based on an open market value prepared in March 1999 in accordance with the rules and regulations of the Royal Institute of Chartered Surveyors. This treatment was necessary because the London Lighthouse building was significantly altered when the previous hospice was converted into leasehold flats. As part of the conversion process the consent of the Secretary of State for Health was required and obtained.

During the year the charity purchased an additional freehold property, 9 Larcom Street, London. The property will be refurbished before staff from across London are relocated there in 2011. The purchase of the property is part of the charity's commitment to ensure it's long term sustainability.

Details of charges over other properties are given in note 18.

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15. Fixed asset investments – group and charity

	2010 £'000	2009 £'000
Market value at the start of the year	177	221
Unrealised gain / (loss)	43	(44)
<b>Market value at the end of the year</b>	<b>220</b>	<b>177</b>
Historic cost at the end of the year	207	207
Unrealised investment (loss) / gain based on historical cost	13	(30)

All fixed asset investments are held in UK Common Investment Funds and are held by the charity. For details of investments held by the charity in subsidiary undertakings see note 25.

16. Debtors

	Group		Charity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Grant and contract funding receivable and similar debtors	1,285	1,539	1,202	1,468
Other debtors	86	64	86	64
Amounts due from subsidiary undertaking	-	-	49	43
Prepayments	325	179	325	179
Accrued income	676	631	663	631
Tax recoverable	31	50	31	50
<b>Total debtors</b>	<b>2,403</b>	<b>2,463</b>	<b>2,356</b>	<b>2,435</b>

17. Creditors: amounts due within 1 year

	Group		Charity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
(a) Loan repayable (note 18)	304	258	304	258
Trade creditors	1,368	1,053	1,364	1,049
Social security, pension contributions and other taxes	362	394	362	394
Other creditors	24	79	23	60
Accruals	1,111	852	1,111	852
Deferred income	1,035	1,156	994	1,156
<b>Total creditors due within 1 year</b>	<b>4,204</b>	<b>3,792</b>	<b>4,158</b>	<b>3,769</b>

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17. Creditors: amounts due within 1 year (continued)

(b) Deferred income reconciliation

	At 1 April 2009 £'000	Released to incoming resources £'000	Deferred during the year £'000	At 31 March 2010 £'000
Voluntary income	84	(84)	186	186
Statutory income	1,063	(1,000)	732	795
Other income	9	(9)	54	54
	<u>1,156</u>	<u>(1,093)</u>	<u>972</u>	<u>1,035</u>

Income is deferred when cash is received in advance of the charity being entitled to it, for example when funding is given a specific future date or for a specific activity that hasn't yet been performed.

18. Creditors: amounts due after 1 year

	Group		Charity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Loan	<u>5,487</u>	<u>3,683</u>	<u>5,487</u>	<u>3,683</u>

The loans which THT currently has outstanding are summarised below:

	Repayment term Years	Payments	Payments	Payments	Total
		due in < 1 year £'000	due in 2-5 years £'000	due in > 5 years £'000	
Gray's Inn Road 1	20	232	837	1,421	2,490
Gray's Inn Road 2	20	72	301	778	1,151
Larcom Street	<u>4</u>	<u>-</u>	<u>2,150</u>	<u>-</u>	<u>2,150</u>

Two loans were taken out to assist THT in the move to the charity's current headquarters. A loan of £3,000,000 was taken out in respect of the purchase of the building and a further loan of £1,250,000 was taken out to assist with the refurbishment of the premises. The interest rate on both loans is base rate plus 1%. These loans are secured by a charge over the building. A further loan of £2,150,000 was taken out during the year to purchase our new headquarters at Larcom Street, London. The interest rate on this loan is 1.45% above LIBOR. This loan is secured by a charge over the building plus further charges over the current headquarters at Gray's Inn Road and our property at Lower Marsh, London. The total value of the loan represents 63% of the net book value of the assets over which the loan is charged.

As part of the charity's risk mitigation strategy the organisation entered into an interest rate swap arrangement in 2005 for £2m. Based on our level of un-fixed debt at the time of the arrangement, this provides greater certainty to the organisation over liabilities going forward. The rate agreed was 4.89% for 5 years. The fair value of the interest rate swap has been estimated by Natwest PLC to be (£65,000) at 31 March 2010.

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**19. Movements in funds**

	At the start of the year £'000	Incoming resources £'000	Outgoing resources £'000	Other movement in funds £'000	At the end of the year £'000
<b>Unrestricted funds:</b>					
General fund	4,414	17,798	(16,576)	-	5,636
Pension fund	(287)		52	(749)	(984)
<b>Total unrestricted funds</b>	<b>4,127</b>	<b>17,798</b>	<b>(16,524)</b>	<b>(749)</b>	<b>4,652</b>
<b>Restricted funds</b>					
Anglo American Group Foundation: African community development work	-	7	(7)	-	-
Barclays: African Sector Development	-	39	(39)	-	-
BLF Investing in Communities - Life Transitions: Positive Scotland	-	37	(37)	-	-
BLF Reaching Communities: HIV Wellbeing Project	-	42	(42)	-	-
BLF Young People's Fund 2 Local Grants: Talksafe	-	115	(115)	-	-
BLF Young People's Fund: Young Leaders Project	54	472	(526)	-	-
Bristol-Myers Squibb: Mambo publications	-	10	(10)	-	-
Comic Relief: SWISH London	-	32	(32)	-	-
BIS Learning Revolution Transformation Fund: LearningPlus	-	70	(70)	-	-
EJAF: LifePlus	-	818	(245)	-	573
Gilead Fellowship: Aberdeen HBV clinic	-	12	(12)	-	-
HLF: Re-Writing History	-	11	(11)	-	-
JR Foudation: Fifty+ Research	-	60	(60)	-	-
London Councils: HIV+ RMP	-	83	(83)	-	-
London Councils: Discrimination Service	-	39	(39)	-	-
Pfizer Ltd: Sexual health clinic	-	42	(42)	-	-
Soho Estates: Soho testing and support service	-	3	(3)	-	-
The Eveson Charitable Trust: African Women Living with HIV	-	5	(5)	-	-
The MAC AIDS Fund: Fastest clinics Cardiff, Oxford and Sandwell	-	10	(10)	-	-
WCVA: THT Cymru Volunteering Project	-	25	(25)	-	-
ASG capital grant, Bristol	10	-	(10)	-	-
Lighthouse West Building	2,073	-	(25)	-	2,048
Other restricted funds	-	1,555	(1,538)	-	17
<b>Restricted income funds</b>	<b>2,137</b>	<b>3,487</b>	<b>(2,986)</b>	<b>-</b>	<b>2,638</b>
Permanent endowment	177	-	-	43	220
<b>Total restricted funds</b>	<b>2,314</b>	<b>3,487</b>	<b>(2,986)</b>	<b>43</b>	<b>2,858</b>
<b>Total funds</b>	<b>6,441</b>	<b>21,285</b>	<b>(19,510)</b>	<b>(706)</b>	<b>7,510</b>

## 19. Movement in funds (continued)

Unrestricted funds are funds that the trustees are free to spend on any charitable activities.

The pension fund represents the value of the defined benefit scheme at 31 March. This fund is held separately from the charity and is not available for distribution on charitable activities.

The permanent endowment fund relates to a legacy was received in 1994/95 which the donor specified should be held as a permanent endowment. This is invested in Common Investment Funds. Any income from this endowment is included in the unrestricted funds but losses or gains on the investment, arising from changes in market value, are included in the endowment fund.

Restricted funds relate to statutory grants and voluntary income received towards the charity's activities where their use is restricted by the conditions imposed by the grantors or donors. The majority of restricted income is spent in the same year that it is received. A description of our material restricted funds is given below:

**Anglo American Group Foundation** - African community development work across London delivered through community events.

**Barclays: African Sector Development** - training and seminars for African community workers on key subjects around HIV issues affecting black African communities in the UK.

**BLF Investing in Communities - Life** - a joint collaboration between THT and Waverley Care across Scotland to support people living with HIV and/or Hepatitis C, and their unpaid carers.

**BLF Reaching Communities: HIV** - training people from Yorkshire living with HIV, Hepatitis C, or at risk of poor sexual health to become volunteers and deliver peer support to other people in similar situations.

**BLF Young People's Fund 2 Local** - provides counselling and peer support for young people living in London via the internet, text messaging and face-to-face communication.

**BLF Young People's Fund: Young Leaders Project** - regional boards of young people receive training to award grants to their peers. The grants are for the delivery of sex and relationship education projects to the recipient's friends and fellow pupils.

**Bristol-Myers Squibb: Mambo publications** - supporting the production and distribution of Mambo, a health and lifestyle magazine for African people living outside of London.

**Comic Relief: SWISH London** - focusing on sexual health outreach and one-to-one support for young women selling sex in London.

**BIS Learning Revolution Transformation Fund: LearningPlus** - the development of a positive self management learning model for adults living with HIV across England and an online support network for those delivering the programme.

**EJAF: LifePlus** - provides a broad range of services for people living with HIV. Delivered locally via face-to-face interaction and delivered online nationally.

**Gilead Fellowship: Aberdeen HBV clinic** - focuses on testing and treating Hepatitis B to those who are most at risk.

**HLF: Re-Writing History** - allowing young LGBT people to research the history of the LGBT movement to inform their self-identity and learn various research techniques.

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**19. Movement in funds (continued)**

**JR Foundation: Fifty+ Research** - working with Age UK to research the needs of older people living with HIV resulting in a report with specific recommendations for policy and practice, and a guidance publication for older people with HIV.

**Pfizer Ltd: Sexual health clinic** - a young people's sexual health service comprising of a dedicated sexual health clinic and outreach work.

**Soho Estates: Soho testing and support service** - a service in Soho dedicated to male, female and transgender sex workers living or working in the Westminster area.

**The Eveson Charitable Trust: African Women Living with HIV** - providing support services for African women living with HIV and their families in the West Midlands.

**The MAC AIDS Fund: Fastest clinics Cardiff, Oxford and Sandwell** - providing HIV testing and results within one hour.

**Wales Council for Voluntary Action (WCVA): THT Cymru Volunteering Project** - providing volunteering opportunities to support people living with HIV in Wales.

**ASG capital grant, Bristol** - creating an information and resource room for service users.

**Lighthouse West Building fund** - represents the net book value of the London Lighthouse building in Lancaster Road, London. The terms relating to the ownership of this building place restrictions on the use of the building by the charity.

**London Councils section 37 statements**

**HIV+ Refugee Mentoring and Counselling Project (service 75)**

Grant income of £82,584 was received from London Councils for the HIV+ Refugee Mentoring and Counselling Project in the financial year ending 31 March 2010. The funding was used in line with the funding agreement, for the intended purposes as detailed below:

	2010
	£
<b>Staff costs</b>	56,349
<b>Equipment and materials</b>	590
<b>Premises and office costs</b>	6,823
<b>Volunteer costs</b>	2,378
<b>Contribution to infrastructure</b>	11,757
<b>Marketing and event costs</b>	4,687
	<b>82,584</b>
	<b>82,584</b>

**Discrimination Service (service 46, 48 & 51 )**

Grant income of £39,000 was received from London Councils for the Discrimination Service in the financial year ending 31 March 2010. The funding was used in line with the funding agreement, for the intended purposes as detailed below:

	2010
	£
<b>Staff costs</b>	19,934
<b>Staff recruitment</b>	5,860
<b>Equipment and materials</b>	887
<b>Premises</b>	2,956
<b>Contribution towards infrastructure</b>	9,363
	<b>39,000</b>
	<b>39,000</b>

THE TERENCE HIGGINS TRUST  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 31 March 2010

20. Analysis of group net assets between funds

	Fixed assets £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long-term liabilities £'000	Total funds £'000
Expendable funds	10,755	-	362	(6,471)	4,646
Subsidiary company	-	-	6	-	6
<b>Total unrestricted funds</b>	<b>10,755</b>	<b>-</b>	<b>368</b>	<b>(6,471)</b>	<b>4,652</b>
Restricted funds	2,048	-	590	-	2,638
Permanent endowment	-	220	-	-	220
<b>Total restricted funds</b>	<b>2,048</b>	<b>220</b>	<b>590</b>	<b>-</b>	<b>2,858</b>
<b>Total funds</b>	<b>12,803</b>	<b>220</b>	<b>958</b>	<b>(6,471)</b>	<b>7,510</b>

21. Net assets acquired from mergers

On 1 April 2009 THT merged with another charity; Peterborough HIV Support Services (PHSS). The decision to merge was taken to enable THT to expand services provided in the region.

Net assets acquired on merger were:

	PHSS £'000
Debtors	18
Cash at hand and in bank	1
Creditors due within 1 year	(13)
	<b>6</b>

No adjustment has been made for fair values as these are considered to be the same as book values.

Post balance sheet event

On 14 June 2010 THT merged with another charity; Cruisaid. The decision to merge was taken to enable THT to combine their experience and research with Cruisaid for a renewed anti-poverty strategy in support of people living with HIV in the UK. The event has been treated as a non-adjusting post balance sheet event.

**THE TERRENCE HIGGINS TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 31 March 2010

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**22. Lease commitments**

The charity had annual commitments at the year end under operating leases expiring as follows:

	2010		2009	
	Land & building £'000	Other £'000	Land & building £'000	Other £'000
Less than 1 year	185	4	97	19
1 - 2 Years	39	14	118	15
2 - 5 Years	193	2	108	2

**23. Capital commitments**

During the year the Trustees approved the replacement of the existing human resources and finance systems with a new integrated product. The project will increase efficiency across the charity and improve reporting. The total value of the commitment is £291,000, of which £25,000 has been recognised in the accounts for the year ending 31 March 2010. The outstanding commitment is payable within one year.

**24. Taxation**

No Corporation Tax has been provided in these accounts because, as a registered charity, THT is entitled to the exemptions granted by section 505 of the Income and Corporation Taxes act 1988.

THT is a partially exempt business, which means it can only reclaim a small proportion of the Value Added Tax (VAT) it incurs on expenses. The amount of irrecoverable VAT suffered by THT on its expenditure during the year was £520,000 (2009: £342,000).

**25. Subsidiary companies**

The charity has investments costing £103 (2009: £103) in total in three subsidiary companies. All shareholdings comprise ordinary shares. Details of the subsidiary companies at 31 March 2010, all of which were incorporated in England and Wales and are wholly owned directly or indirectly by THT, are set out below:

Subsidiary companies	Activity
Terrence Higgins Enterprises Limited	Fundraising
Action against AIDS Limited	Dormant (formerly fundraising)
AIDS Day Limited	Dormant (formerly fundraising)

Summary accounts for Terrence Higgins Enterprises Limited are shown in note 26.

THE TERRENCE HIGGINS TRUST  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 31 March 2010

**26. Terrence Higgins Enterprises Limited**

	2010	2009
	£'000	£'000
Profit and loss account		
Turnover	373	370
Cost of sales	<u>(310)</u>	<u>(315)</u>
Gross profit	63	55
Administrative expenses	<u>(10)</u>	<u>(5)</u>
Profit on trading activities	53	50
Interest	<u>-</u>	<u>-</u>
Profit on activities	53	50
Profit donated through gift aid	<u>(53)</u>	<u>(50)</u>
Profit for the financial year before dividend	-	-
Profit brought forward	<u>6</u>	<u>6</u>
<b>Retained profit carried forward</b>	<b><u>6</u></b>	<b><u>6</u></b>
<b>Balance sheet</b>		
Cash	4	1
Trade debtors	96	71
Amounts owed to parent undertaking	(49)	(43)
Other creditors	<u>(46)</u>	<u>(23)</u>
Net assets	<b><u>5</u></b>	<b><u>6</u></b>

**27. Related party transactions**

There were no material related party transactions during the year (2009: none).

**28. Joint ventures**

During the year ended 31 March 2007, THT entered into a joint venture agreement with Shoreditch Trust and Bliss Consultancy to open Acorn House Restaurant on the site of the charity's new headquarters.

THT holds one "B" share in Acorn House Restaurant, the remaining 99 "A" shares are held by Shoreditch Trust. Under the terms of the agreement the parties can jointly control the venture and there are procedures for such joint action. Each party to the agreement has a right to veto strategic policy decisions.

Distributable profits are split as follows: 24% THT, 48% Shoreditch Trust, and 24% Bliss Consultancy. In addition, THT, together with Shoreditch Trust, can agree how the remaining 4% of profits are distributed, subject to the requirement that they are paid to a charity or person providing education relating to healthy eating and nutrition.

No amount has been recognised in these financial statements in respect of the joint venture, as this would not be material.

At the 31 March 2010, there was an outstanding balance of £5,000 due from Acorn House Restaurant (2009: £nil).

THE TERRENCE HIGGINS TRUST  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 31 March 2010

29. Notes to the consolidated cash flow statement

(a) Reconciliation of net outgoing resources to net cash (outflow) / inflow from operating activities

	2010 £'000	2009 £'000
Net (outgoing) / incoming resources	1,775	(7)
FRS 17 Pension adjustment	(51)	(189)
Investment income	(9)	(9)
Bank interest received	(2)	(29)
Interest paid	143	251
Depreciation charge	518	497
Loss / (profit) on disposal of fixed assets	47	(165)
(Decrease) / increase in stock	(10)	2
Net (assets) / liabilities acquired in merger	(6)	10
Decrease / (increase) in debtors	78	(1,066)
Increase in creditors	370	748
<b>Net cash inflow from operating activities</b>	<b><u>2,853</u></b>	<b><u>43</u></b>

(b) Analysis of changes in net funds

	2009 £'000	Cash flow £'000	2010 £'000
Cash held at bank and in hand	1,135	(291)	844
Liquid resources - cash held on short term deposits	-	1,909	1,909
	<u>1,135</u>	<u>1,618</u>	<u>2,753</u>
Mortgages due within one year	(258)	(46)	(304)
Mortgages due after one year	<u>(3,683)</u>	<u>(1,804)</u>	<u>(5,487)</u>
<b>Total</b>	<b><u>(2,806)</u></b>	<b><u>(232)</u></b>	<b><u>(3,038)</u></b>

(c) Reconciliation of net cash flow to movement in net debt

Increase in cash	1,622
Cash inflow from decrease in liquid resources	-
Cash inflow from increase in mortgages	(1,850)
Net debt at 1 April 2009	<u>(2,806)</u>
Net debt at 31 March 2010	<u><u>(3,038)</u></u>

## Legal and Administrative Details

The charity is managed by an integrated Board supported by three sub committees and details of its operation and governance are given on page 14. Details of the current Trustees, sub committee members, the senior management and the charity's professional advisers are as follows (Membership of the Audit Performance & Risk Committee is indicated by †, of the Board Development & Charity Governance Committee by \*, of the Short listing Committee by #, and of the Service Quality and Governance Committee by ☐):

### Trustees

#### **Nick Hulme** –Chair \*†#

Nick is Chief Executive of Mayday Healthcare. Previous positions include Chief Operating Officer/Deputy CEO at Buckinghamshire Hospitals. He has extensive experience in the NHS and Social Services and was directly involved in patient care work and subsequently managing HIV services for 10 years. Nick has served as a trustee for seven years, and is now Chair of THT.

#### **Simon Taylor** – Deputy Chair \*#

Simon has had a long career in public relations and public policy and until recently was Corporate Affairs Director at Cadbury Plc. Previously he was Head of Press and Public Affairs for the United Nations High Commission for Refugees in the UK. He was Chair of THT for three years from 2006-2009, has been HIV positive for twenty five years and been involved in campaigning on HIV issues since the start of the epidemic.

#### **Neil Beasley**

Neil works in Media as a documentary maker for the BBC as well as working on communication and strategy in the healthcare sector. He has developed strategic programmes, targeting a variety of audiences, to support disease awareness and choices in the areas of HIV, Hepatitis C and Drug Addiction. Neil was also Editor of the publication Positive Times.

#### **Lord Norman Fowler** #

After a successful career in business and politics, including serving as Secretary of State for Health in 1982 when HIV was first identified in the UK, Lord Fowler was raised to the peerage in 2001. He was appointed as a trustee of THT in 2004.

#### **Marcia Fry** \*☐

Marcia has spent a long career in health policy and health regulation, originally in the Department of Health and more recently at the Healthcare Commission. Much of her work has been connected with sexual health issues, including work in Australia in the late 1980s on HIV education and support for people living with AIDS.

#### **Karen Jochelson**

Karen is Director of Research for the Equality and Human Rights Commission. During her career, Karen has worked as a journalist, university researcher and then policy specialist. She has worked on projects to understand the causes of health inequalities and prejudice and practical ways of solving these problems. She has also worked on HIV policy in South Africa trying to create consensus about treatment and safeguarding employment rights. More recently, at the King's Fund, she worked on preventing chronic ill-health through empowering individuals and enacting protective legislation.

#### **Mike Marchment** \*

Mike has worked for 25 years in the NHS, at first as a dentist and for the last 15 years as a CEO of NHS trusts, Health Authorities and lastly as an SHA CEO. For two years he worked on secondment to The Global Fund in Geneva. He is now retired.

**Professor Peter Piot**

Peter Piot, MD, PhD, is Professor of Global Health, and Director of the Institute for Global Health at Imperial College, London, UK. He was the founding Executive Director of UNAIDS and Under-Secretary of the United Nations from 1995 until 2008. Under his leadership UNAIDS became the chief advocate for worldwide action against AIDS, also spear heading UN reform by bringing together 10 UN system organizations in the global aids response.

Prof. Piot co-discovered the Ebola virus in Zaire in 1976, and led research on HIV/AIDS, women's health, and public health in Africa. He was a professor of microbiology, and of public health at the Institute of Tropical Medicine, Antwerp, the Free University of Brussels, and the University of Nairobi, was a Senior Fellow at the University of Washington, a Scholar in residence at the Ford Foundation, and a Senior Fellow at the Bill and Melinda Gates Foundation. He holds the chair "Science against poverty" at the College de France in Paris. He is also a member of the Institute of Medicine of the US National Academy of Sciences.

**Sam de Silva †**

Sam has over 10 years experience in global financial services and is currently an Executive Director at Goldman Sachs. He is also a steering committee member of the Goldman Sachs LGBT Network. Sam was appointed a Trustee of THT in 2008, and is Chair of the Audit Performance & Risk Committee.

**Dr Celia Skinner ☐**

Celia is the Deputy Clinical Director at Barts and the London Hospital, and is a specialist consultant in genito-urinary medicine. She is Chair of the Clinical and Service Governance Committee.

**Executive Team**

**Sir Nick Partridge OBE BA, Chief Executive**

Sir Nick has worked for the Terrence Higgins Trust since 1985 and was appointed its Chief Executive in 1991. Over the past twenty years he has been a consistent voice in the media coverage of AIDS in all its aspects. Sir Nick was appointed a Commissioner for Health Improvement in November 1999 and was more recently a Commissioner of the Healthcare Commission. He is also Chair of Involve, an advisory group promoting public involvement in NHS, public health and social care research, and a member of the Department of Health Independent Advisory Group on Sexual Health & HIV.

**Paul Ward BSc, Deputy Chief Executive**

Paul worked in the NHS in South London from 1982-1996, working in Bromley Health Authority, Kings College Hospital and Lambeth, Southwark and Lewisham Health Authority, where he was Director of Corporate Business. Previously he commissioned HIV services in South East London. He was diagnosed with HIV in 1994 and edited the self help magazine, Positive Nation in 1996 and 1997, before moving to Terrence Higgins Trust where he is currently Deputy Chief Executive. Paul is also a non-Executive Director of Oxleas NHS Trust.

**Andy Munro LLB MA FCMA, Executive Director of Resources**

Andy had fifteen years commercial experience prior to his appointment in 2001 and was a Trustee of the Aled Richards Trust from 1997 until its merger with THT. He was Deputy Chair of Stonham Housing Association from 2003-2009 and is an independent audit committee member of the International HIV AIDS Alliance and of Sightsavers International. He was a founding Director of Acorn House, the social enterprise training restaurant.

**Peta Wilkinson BA MBA, PhD Executive Director of Service Delivery & Development**

Peta joined THT in late February 2004 and has previously worked in the National Health Service for fifteen years in a variety of roles that span operational management, commissioning and leadership. Peta started out in Primary Care and fund management, moved to commissioning, education and training for the Health Service in Central and East London, then to providing a leadership role as a Primary Care Group Chief Executive Officer in Stevenage and latterly as a Primary Care Trust Chief Executive Officer in Essex.

**Genevieve Edwards BA, Executive Director of Communications**

Genevieve has worked in voluntary sector communications for fourteen years, principally in domestic and international children's charities. Most recently, she worked for Citigate Westminster on briefs for the Department of Health, the Home Office, and mental health charities, before joining THT as Corporate Head of Marketing. Genevieve became Director of Communications in February 2004. In addition to advising smaller charities on marketing and communications, she is working with other domestic and international charities to influence and improve the UK's media response to, and public understanding of, HIV and sexual health issues.

**Debbie Holmes BA, Executive Director of Fundraising**

Debbie joined THT in February 2002 as Corporate Head of Fundraising. She has been working as a fundraiser and senior fundraising manager in the voluntary sector for over 15 years. In that time she has worked for both domestic and overseas organisations within the fields of development, housing and mental health. She took up the post of Director of Fundraising in February 2004.

**Lisa Power BA, Policy and Public Affairs Director**

Lisa has worked for THT since 1996 when she joined the Health Promotion department to develop work with PWHIV and African communities. Prior to this she was active in LGBT issues including co-founding the Stonewall group and the Pink Paper. She was also Secretary General of the International Lesbian and Gay Association in which capacity she spoke at the United Nations. She is the author of a history of the Gay Liberation Front.

**Employees**

THT has a policy on Equality and Diversity Policy the stated aim of which is to "To provide equality of opportunity and fair treatment for all; To eliminate discrimination on the grounds of gender, race, marital status, ethnic origin, colour, religion or belief, disability, sexual orientation, age or HIV status and any other unfair grounds: To promote diversity in the workplace; To ensure that all employees are aware that it is their responsibility to work in a non-discriminatory way". In particular, THT has a target of employing 13% of staff who are living with HIV and have a specific HIV in the workplace policy.

THT has a Staff Involvement Committee with terms of reference and elected representatives in order to manage employee engagement and consultation in a structured and effective manner. Committee members are able to raise issues on behalf of their colleagues. In addition to this formal structure, THT has a staff newsletter and daily news email in which all items of interest such as new business, successes, publications etc are communicated to staff and through which staff and teams are encouraged to share their news with the rest of the organisation.

**Thank you to:**

Big Lottery Fund  
agnès b  
Anglo American Group Foundation  
Barclays  
Boehringer Ingelheim  
Bristol-Myers Squibb  
Comic Relief  
Department of Business, Innovation and Skills  
Durex  
Elise Pilkington Trust  
Elton John AIDS Foundation  
The Eveson Charitable Trust  
Gilead  
GlaxoSmithKline (now ViiV Healthcare UK)  
Harper Collins  
HCL Plc  
Heal's  
Heritage Lottery Fund  
Joseph Rowntree Foundation  
Kiehl's  
KPMG  
Laughing Stock Productions Limited  
Levi Strauss (UK) Limited  
The MAC AIDS Fund  
The Moffat Trust  
MSD  
Paperchase  
Peter Moores Foundation  
Pfizer Ltd  
The Robertson Trust  
Simplyhealth  
Soho Estates  
The Tudor Trust  
Uniserve Group  
The Volant Charitable Trust  
Wales Council for Voluntary Action  
Woodmansterne Publications Limited

**THE TERENCE HIGGINS TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 March 2010**

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**THT would like to thank the following statutory funders:**

ABMU LHB - Swansea Division	NHS Camden
Aneurin Bevan Health Board	NHS Gloucestershire
Ayrshire & Arran Health Board	NHS Greater Glasgow & Clyde
Barking & Dagenham PCT	NHS Highland
Barts & the London NHS Trust	NHS Leeds
Bath & NE Somerset Council	NHS Lincolnshire
Birmingham City Council	NHS Nottinghamshire County
Birmingham East & North PCT	NHS Rotherham
Body & Soul	NHS South West Essex
Brighton & Hove City Council	North Lanarkshire Council
Brighton & Hove City PCT	North Somerset District Council
Bristol City Council	Nottingham City Council
Bristol PCT	Nottingham City PCT
Cardiff & Vale University Local Health Board	Nottinghamshire County Council
City & County of Swansea	Oxfordshire County Council
City of Westminster	Oxfordshire PCT
Clare Lodge	Peterborough City Council
Connexions Oxfordshire	Peterborough PCT
Coventry City Council	Positively Women
Coventry NDC	Powys County Council
Coventry PCT	Redbridge PCT
Croydon PCT	Sandwell PCT
Cwm Taff Local Health Board	Sandwell Social Services
Department of Health	Scottish Executive
Devon PCT	SE Coast Specialist Commissioning Group
Doncaster PCT	Shropshire County PCT
East Sussex County Council	Solihull PCT
Essex County Council	South East Essex PCT
Expert Health Ltd	South Gloucestershire County Council
Flintshire Local Health Board	South Lanarkshire Council
Glasgow City Council	Southend on Sea Borough Council
Gloucestershire County Council	Surrey County Council
Grampian Health Board	Surrey PCT
Halton & St Helens PCT	Swindon Borough Council
Hammersmith & Fulham PCT	Telford & Wrekin PCT
Hillingdon PCT	Thurrock Council
Hywel Dda LHB - Carmarthenshire	Tower Hamlets PCT
Kensington & Chelsea PCT	Velindre NHS Trust
Kings College Hospital	Wakefield District PCT
Lanarkshire Health Board	Wales Centre for Health
London Borough of Barking & Dagenham	Walsall PCT
London Borough of Bromley	Waltham Forest PCT
London Borough of Camden	Warwickshire County Council
London Borough of Havering	Warwickshire PCT
London Borough of Hounslow	Welsh Assembly Government
London Borough of Lambeth	Westminster PCT
London Borough of Southwark	Wiltshire PCT
London Councils	Wirral PCT
Mid Essex PCT	Woking Borough Council
NAHIP	Wolverhampton City Council
Newham PCT	Wolverhampton Network Consortium
NHS Bedford	Wolverhampton PCT
NHS Cambridge	

**Patrons Include**

Dr Jane Anderson  
Sir Michael Bishop CBE  
Sir Richard Branson  
Simon Callow CBE  
Julian Clary  
Martin Clunes  
Dame Judi Dench  
Tracey Emin  
Stephen Fry  
Paul Gambaccini  
Charles Hart  
Sir Elton John  
Lord Kirkwood of Kirkhope  
Lord Morris of Handsworth  
Reverend Paul Oestreicher  
Professor Anthony Pinching  
Caroline Quentin  
Danny Rampling  
Claire Rayner OBE  
Gaby Roslin  
Sir Antony Sher KBE  
Reverend Nicolas Stacey  
Dr Miriam Stoppard OBE  
Dr Rupert Whitaker  
Tony Whitehead MBE

**Trustees**

Nick Hulme (Chair)  
Simon Taylor (Deputy Chair)  
Neil Beasley  
Lord Norman Fowler  
Marcia Fry  
Karen Jochelson  
Mike Marchment  
Professor Peter Piot  
Sam de Silva  
Dr Celia Skinner

**Executive Directors**

Sir Nick Partridge  
Chief Executive  
  
Paul Ward  
Deputy Chief Executive  
  
Andy Munro  
Executive Director of Resources  
  
Peta Wilkinson  
Director of Service Delivery and  
Development  
  
Genevieve Edwards  
Director of Communications  
  
Debbie Holmes  
Director of Fundraising  
  
Lisa Power  
Policy and Public Affairs  
Director

**Registered office**

314-320 Gray's Inn Road  
London  
WC1X 8DP

**Auditors**

Horwath Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

**Bankers**

National Westminster Bank PLC  
1-4 Berkeley Square House  
Berkeley Square  
London  
W1J 6BR

**Fund managers**

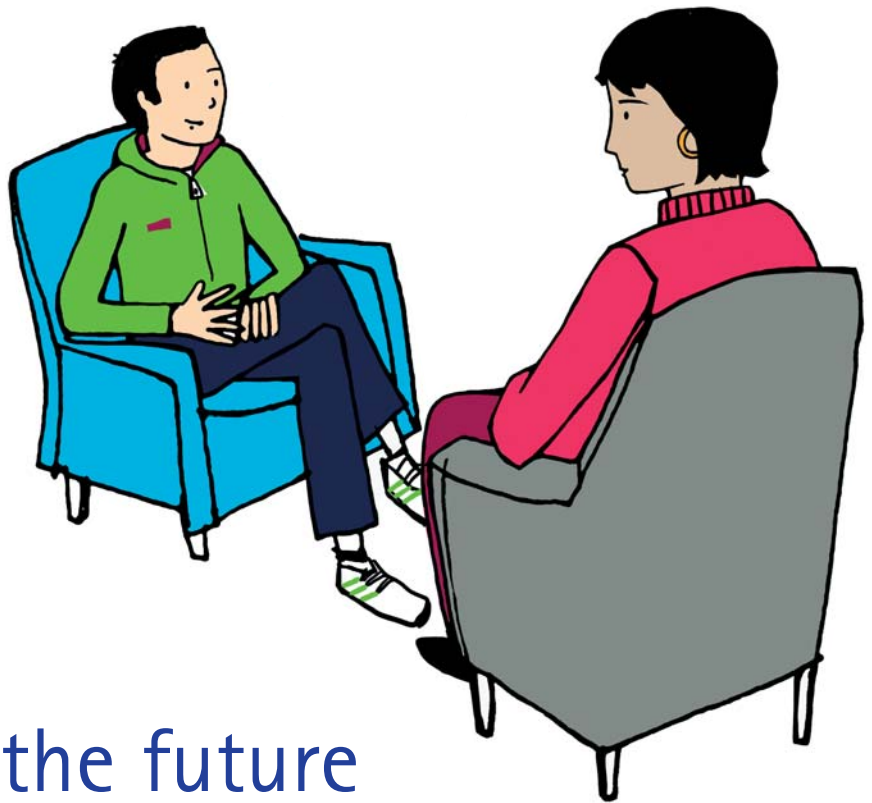
Cazenove Fund Management  
Limited  
3 Copthall Avenue  
London  
EC2R 7BH

**Solicitors**

Capsticks Solicitors LLP  
77/83 Upper Richmond Road  
London  
SW15 2TT

**Charles Russell LLP**

5 Fleet Place  
London  
EC4M 7RD



# Building the future

Our strategy 2008-12

## Our vision

A world where people with HIV live healthy lives free from prejudice and discrimination, and good sexual health is a right and reality for all.

## Our mission

**Maximise** sexual health in the UK, and minimise the spread of HIV and STIs, by encouraging people to value their sexual health and by leading innovation to increase access to local sexual health services

**Empower** everyone living with HIV in the UK to maximise their health and wellbeing by working to ensure the best possible HIV treatment and support services

**Lead** public and political support for HIV & sexual health issues, and campaign to eradicate stigma & discrimination

## Our values

**Ambitious:** We believe communities and individuals can change their own lives. We push ourselves and others to make this happen.

**Honest:** We are accountable to our communities, donors and funders. We work with integrity, transparency and efficiency. We communicate clearly and responsibly.

**Different:** We support, respect and value each other and work without prejudice. We are radical professionals, proud of our diversity, and united by a common cause.

**Independent:** We are an independent charity, rooted in the communities we serve. We use our insight to innovate and inspire change in policies, services and minds.

## Introduction

In 2007, Terrence Higgins Trust (THT) asked people with HIV, people using our services, our partners and funders what we should be doing for the next five years. We have taken those views, and have used them to shape our strategy for the period until 2012.

This paper sets out our strategy, and contains our plans for tackling HIV and poor sexual health over the next five years. We want to make sure we can make the biggest difference to the lives of people who need us the most.

As a charity and voluntary organisation with a strong track record of social enterprise, we recognise that people and funders have a choice of which organisation's services they use or fund. We are strengthening the ways in which we work with and involve beneficiaries and NHS, local authority, & voluntary funders in our work so that we continue to ensure that THT is a community service partner of choice in the HIV & sexual health field. We will also work in partnership with other provider organisations so that we can provide the best possible services for the people we serve.

This strategy is supported by more detailed implementation plans which are reviewed annually by the Board. Our progress in achieving the strategy will be described each year in an annual impact report which would be publicly available.

## The story so far

Since 2004, we believe we have made a strong contribution to HIV and sexual health in the UK. In particular, we have:

- expanded our HIV services and by the end of 2007 we'll be supporting over 50,000 people each year
- increased our HIV services for African people
- improved our website so that there was a five fold increase in the numbers of people using it between 2004 & 2007
- opened local sexual health services for people at greatest risk of sexual ill health, especially young people, gay men and sex workers. These services were being used by more than 20,000 people each year by the end of 2007.
- strengthened our local and national service provision in England and Wales, and opened services in Scotland
- had real success in both defending the rights of people with HIV and in increasing people's access to publicly funded HIV & sexual health services
- worked with the media to raise awareness and increase public and political support for HIV and sexual health
- continued to develop our fundraising work providing much needed resources to support our services and campaigning work

Despite this work, much remains to be done in the years ahead.

## The challenge ahead

By 2012, we estimate that:

- There will be over 100,000 people living with HIV in the UK.
- Over a quarter of these people will be undiagnosed
- People with HIV will continue to face high levels of poverty and discrimination
- There will be an increase in the numbers of people with HIV with needs related to long term diagnosis and ageing, and also increasing numbers of people with mental health need
- New diagnoses of sexually transmitted infections will remain high, particularly among people traditional services don't reach; the sexual health of gay men will continue to present a major challenge
- Rates of unwanted pregnancies will continue to be high
- Up to 400,000 people will have Hepatitis C, most of whom will be undiagnosed, and increasing numbers will be co-infected with HIV
- Demand for HIV and sexual health services will continue to exceed the levels of service publicly funded in the UK
- There will still be stigma attached to HIV and sexual health issues
- HIV and sexual health will remain unpopular causes for people to give money to
- There will be new technological opportunities and challenges within both the HIV and sexual health fields

## Our strategy until 2012

To meet the challenges ahead we plan to:

- Maximise sexual health in the UK, and minimise the spread of HIV and STIs, by encouraging people to value their sexual health and by leading innovation to increase access to local sexual health services
- Empower everyone living with HIV in the UK to maximise their health and wellbeing by working to ensure the best possible HIV treatment and support services
- Lead public and political support for HIV & sexual health issues, and campaign to eradicate stigma & discrimination

These are described in greater detail below.

### **To both maximise sexual health in the UK and minimise the spread of HIV & STIs by encouraging people to value their sexual health and by leading innovation to increase access to local sexual health provision.**

We intend to do this by:

- Delivering dynamic and responsive local and national sexual health promotion & HIV prevention services which enable integrated programmes of work to be undertaken with gay men, African communities, other BME communities, young people, sex workers and injecting drug users; as part of this THT will further enhance its approach to innovation and peer led service delivery
- Providing a range of targeted STI and HIV screening services with populations in greatest need; principally chlamydia screening and HIV testing in the first instance
- Expanding the availability of our local STI, contraception & reproductive health services, and establishing more partnerships with other specialist agencies including NHS organisations
- Providing a holistic service by integrating sexual health promotion with clinical service provision
- Provision of sexual health self management services within THT walk in services and within THT Direct and the THT website
- Increasing our encouragement of condom use across as many of our services as appropriate
- Advocacy for, and delivery of SRE work in schools
- Strengthening THT's leadership work in tackling worsening sexual health amongst gay men by integrating sexual health promotion, clinical service delivery and policy/campaigning work
- Maintaining a strong focus on innovation to ensure that local communities receive the full benefit of developments in sexual health technology and clinical practice



## **Empower everyone living with HIV in the UK to maximise their health and wellbeing by working to ensure the best possible HIV treatment and support services.**

We intend to do this by:

- Expanding our HIV testing services to help reduce the numbers of people who have undiagnosed HIV
- Establishing programmes for HIV long term condition management, integrating health & service navigation/information, self management services, health promotion and treatment support, advice, social care, counselling and emotional support services
- Establishment of a specific focus on the provision of social care, advice and community support to people with HIV in poverty, and who are under served by statutory services
- Development of THT's work within NHS HIV clinics so that people using these clinics are able to access integrated HIV hospital and community long term condition management services
- Further developing our helpline, THT Direct, to become a comprehensive HIV information, navigation, advice and advocacy service to empower people with HIV to maximise their health and to maximise their rights to service & legal entitlement
- Further strengthening our website and harnessing new technology to deliver an increased range of health promotion, self management, counselling, advice and primary health care services to people wherever they live
- Establishment of clearly identified health promotion/information/support services for people co-infected with HIV & HCV
- Designing our services so that they meet the needs of an ageing population and of people with long term diagnosed HIV
- Maximising the level of peer service delivery within THT's HIV services

## **Lead public and political support for HIV & sexual health issues, and campaign to eradicate stigma & discrimination.**

We intend to do this by:

- Establishing a dynamic approach to increase stakeholder & beneficiary involvement across campaigning, membership, donating and service use
- Building support for THT amongst all its beneficiary groups, through providing high quality services and campaigning work
- Using the experience and knowledge gained by being rooted in the communities we serve to inform our campaigning and service delivery work
- Expanding our web based campaigning work, and our political lobbying work with all UK governments
- Strengthening locally based lobbying work to influence local policy makers and funders
- Further developing THT as an authoritative public voice on both UK and global HIV & sexual health issues
- Maintaining a strong leadership role in the formulation of HIV & sexual health policy
- Developing our work with the media to inform and positively influence their coverage of HIV & sexual health
- Increasing the level of charitable giving for HIV and sexual health in the UK
- Strengthening THT's role as a campaigning organisation to improve the sexual health of gay men
- Using our approach to service delivery to challenge the stigma associated with sexual health & HIV

At the same time, we will also continue to strengthen the way in which the charity works so that high quality management & governance, and well functioning management & information systems actively support people using our services, our staff and volunteers. An important part of this will be the further development of outcome measures for our work.

## The HIV and sexual health charity for life

**Website:** [www.tht.org.uk](http://www.tht.org.uk) **THT Direct:** 0845 12 21 200

**Registered office:** 314-320 Gray's Inn Road, London WC1X 8DP

**Tel:** 020 7812 1600 **Email:** [info@tht.org.uk](mailto:info@tht.org.uk)

Terrence Higgins Trust is a registered charity no. 288527. Company reg. no.1778149.

Registered in England and Wales. A company limited by guarantee.

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## TERRENCE HIGGINS TRUST

### BOARD OVERVIEW

1. Terrence Higgins Trust (THT) is a registered charity and company limited by guarantee which is governed by a Board comprised of eleven trustees. The Board has overall responsibility for the work of the organisation, and has the following role:
  - To oversee the charity's governance
  - To establish strategy
  - To performance manage the achievement of the strategy
  - To contribute to the leadership of the charity
2. In practical terms however the THT Board also contains nine Executive Team Directors. This enables the charity to operate an integrated Board drawing on both trustee and officer skills and knowledge to maximise the quality of governance and leadership provided to the organisation.
3. Trustees can serve for a maximum of two three year periods of office which means that each year, typically, four trustee positions fall vacant. Of these positions, approximately half will be filled through election and the remainder by appointment by the Board.
4. The Board has a Chair and a Deputy Chair and is supported in its work by three principal Board committees – Audit Performance and Risk Committee, Board Development and Charity Governance Committee, Service Quality and Governance Committee. These committees provide an opportunity to engage in more detailed scrutiny and discussion of the charity's work than would otherwise be possible in an ordinary Board meeting.
5. The role of the Audit Performance and Risk Committee is to oversee the operation of the charity's audit work and to take an overview of the charity's financial performance. The role of the Board Development and Charity Governance Committee is to oversee issues of corporate and governance development. The role of the Service Quality and Governance Committee is to oversee service governance and standards within the charity's services. Each of these committees is chaired by a trustee and comprises a small number of trustees and executives.
6. The Board each year reviews and adopts a code of conduct which sets out the ways in which the Board intends to work.
7. The Board has the following minimum expectations of trustees:
  - Attendance at quarterly Board business meetings, and at half yearly Board Strategy meetings. This equates to four days a year – with the business meetings taking place over a weekday afternoon, and strategy days taking place over a full day during the week or at a weekend. In addition, there are approximately two days per year which should be allowed for reading papers and preparing in advance of Board meetings.
  - Availability via phone or email to the Chair or Executive for advice from time to time.

- Membership of a Board Committee, requiring attendance at about four meetings each year, usually held during the working day.
8. In addition, it is hoped that trustees will be able to undertake at least two of the following:
- Attendance at up to three fundraising events each year, usually held during the evening
  - Participation in at least one visit each year to a THT service centre.
9. The Board terms of reference are attached at overleaf.

## **TERRENCE HIGGINS TRUST**

### **BOARD OF TRUSTEES – TERMS OF REFERENCE**

#### **ROLE**

The role of the Board is to provide effective governance for Terrence Higgins Trust and to ensure it moves towards achieving its mission and aims.

#### **RESPONSIBILITIES**

1. To ensure that THT operates within its Memorandum and Articles of Association and all relevant charity and company legislation
2. To manage, review and develop, the organisation's governance and constitutional arrangements (including working to maximise the effectiveness of the Board)
3. To set the organisation's strategic aims
4. To provide leadership to ensure the strategic aims are met
5. To supervise the management of the organisation
6. To monitor the performance of the Chief Executive and Executive team
7. To exercise overall control over THT's financial affairs and to protect its assets
8. To make decisions and carry out their duties at all times in the best interests of the charity as a whole, as required by current legislation and in accordance with THT's aims and values

#### **MEMBERSHIP**

Eleven trustees of whom six are elected and five appointed. These trustee members have the primary responsibility under charity legislation for the governance of the organisation, and in the exceptional circumstances in which a vote is required are the only Board members entitled to vote. The quorum for a Board meeting is 6 voting trustees.

An unspecified number of Executive Team Director posts who have the role of non voting Board members. In September 2010 there are nine such members:

Chief Executive  
Deputy Chief Executive  
Executive Director of Fundraising  
Executive Director of Communications and Social Marketing  
Executive Director of Resources  
Executive Director of Service Growth and Operations (vacant)  
Medical Director  
Governance & Quality Director  
Policy Director

## TERRENCE HIGGINS TRUST

### CONFLICT OF INTEREST POLICY FOR TRUSTEES

What is a conflict of interest?

- 1 It is a breach of a trustee's duty to be in a situation in which his or her personal or professional interests could conflict with his or her obligation to act in good faith in the best interests of THT.

When could a conflict arise?

- 2 A conflict could arise out of a trustee's paid work, other voluntary work, business interests, investments or close business or personal relationships. Examples of situations in which a conflict of interest might arise include the following (note that this policy contains references to both unmarried non-business partners – or 'life partners' – referred to simply as 'partners' and business partners):
  - (a) a trustee is a trustee, director, chief executive or member of the senior management team of another charity or voluntary or commercial organisation which competes with THT for funding, contracts or where the policy objectives of the two organisations could be regarded as incompatible;
  - (b) a trustee is in a position in which he or she is able to influence decisions in a funding, contracting or purchasing organisation;
  - (c) a trustee is in a position in which he or she is able to influence decisions in a government or quasi-government organisation with responsibility for policy in an area related to THT's activities; and
  - (d) a trustee, his or her spouse or partner, child or business partner is a director, senior executive or a business partner of, or owns more than 20 % of the shares in, an organisation which provides THT with goods or services (for example, providing computer equipment, professional advice, consultancy services or as a sub-contractor); in other words, a situation in which financial or personal benefit might cause a conflict.
- 3 Even where there is no actual or potential conflict of interest, it is important to consider whether there might be the appearance of a conflict of interest.

What does the law and THT's constitution require?

- 4 The Companies Act 1985 section 317 ('s 317') requires a trustee to disclose to the Board any interest in a contract, transaction or arrangement with THT; failure to do so is a criminal offence.
- 5 THT's articles of association state that a trustee who is directly or indirectly interested in a contract with THT and who fails to comply with the obligation in s 317 will cease to be a trustee (article 59.7). Article 60 states that a trustee must not vote in relation to a contract in which he or she is interested.
- 6 An 'interest' which must be disclosed under s 317 will arise when a trustee or a person who is 'connected' with the trustee (see paragraph 7 below) could derive some personal benefit (directly or indirectly) from a transaction with THT. Some situations in which an interest which must be disclosed might arise are set out in paragraph 2(d) above.
- 7 The following is a summary of who is 'connected' with a trustee; the full definition of a 'connected person' is set out in the relevant legislation:
  - (a) a trustee's spouse, child under 18 or step-child under 18;
  - (b) an 'associated' company (ie a company in which a trustee (together with any other 'connected person') owns or controls the votes of 20% or more of the equity shares);
  - (c) a trustee of a family trust of the trustee or one where the beneficiary is an 'associated' company; or
  - (d) a business partner of a trustee.

The expression 'connected person' does not include a partner; only spouses are included. However, in keeping with the spirit of the legislation, partners should be included as far as THT is concerned.

What should a trustee do?

- 8 A trustee has a duty to avoid any conflict between (a) his or her personal interests and his or her duty to THT and (b) his or her duties to THT and to any other organisation. Of course, a trustee may also have a similar duty to any other organisations in which he or she is involved.
- 9 A trustee must always notify the Board of any actual or potential conflict of interest as soon as possible and before any decision on or relating to the relevant matter is made.
- 10 A trustee must also notify the Board of any actual or potential interest in a contract as required by s 317.
- 11 A trustee must disclose all relevant facts and circumstances to the Board and, where appropriate, propose how to resolve the conflict.

- 12 If a conflict of interest arises, the action which a trustee may take will depend on all the circumstances, taking into account the following:
- the degree of conflict – is it direct or indirect, general or specific?
  - the likely duration of the conflict – is it short-term or long-term?
  - the level of prejudice to THT which might arise from the conflict.
- 13 Depending on the circumstances, in the worst case a trustee will have to choose between the conflicting interests, which might involve resigning as a trustee, or resigning the other position. In relation to the examples set out in paragraph 2 above:
- (a) this is a general, ongoing conflict at a senior level which is likely to involve specific, frequent conflicts; resignation is advisable;
  - (b) generally speaking, there is probably no need to resign if the position will not give rise to a direct conflict situation, even if there could be conflicts involving other areas or levels of the organisation. However, if the position involves decision-making about contracts with THT, resignation may be the best option;
  - (c) resignation is likely to be the only option (which the other body may insist on in any case); and
  - (d) whether there are alternatives to resigning will depend on the size and duration of the contract involved and whether the trustee will be directly involved in performing it. Provided the trustee's interest has been disclosed, and the trustee has not participated in the decision to approve the contract, the fact that the trustee (or a 'connected person') receives a financial benefit should not lead to a problem provided the contract can be performed on an arm's length basis.
- 14 If a conflict is not so serious that it requires immediate resignation, the other options may include the trustee not receiving Board papers; not attending all or part of meetings; or not voting on relevant issues. These options are only really suitable for specific conflicts or for wider conflicts of limited duration. This is because a trustee has continuing duties which it may not be possible to fully discharge and because a trustee will continue to be liable for breaches of trust despite ignorance of the facts or lack of involvement in decisions.

What should other trustees do?

- 15 Trustees have an overriding duty to act in good faith in the best interests of THT. When considering a conflict situation at the Board, each trustee must weigh the issues with this in mind.
- 16 THT benefits from having people with influence and experience as trustees. However, trustees of this calibre may find themselves in difficult positions relating to actual or potential conflicts from time to time. Provided that any conflict can be managed to the

satisfaction of the Board and the individual trustee involved, it is preferable to find a solution which avoids a trustee having to resign.

- 17 In the worst case, all the other trustees can remove a trustee by a unanimous vote (article 59.6) if they believe that this is in the best interests of THT.

#### People applying to be trustees

- 18 All applicants to be a trustee should be told about THT's conflict of interest policy. Where there is an actual or potential conflict of interest this should be discussed by the applicant with the Chair of the Board (who may seek advice from the Company Secretary). If the actual or potential conflict will make it difficult or impossible for the applicant to be a trustee, the applicant should withdraw his or her application.
- 19 Any potential applicant should be encouraged to consult his or her employer and any other relevant organisations before going ahead with an application; this may be useful even if no actual or potential conflict exists as there may be other relevant issues.

#### Board meeting agendas

- 20 Conflicts of interest should be included as the first agenda item for all Board meetings to provide an opportunity for any issues to be raised.

#### Further advice

- 21 Further advice about this policy or any specific conflict issue can be obtained from the Chair, Deputy Chair or Company Secretary.

## TERRENCE HIGGINS TRUST

### BOARD RECRUITMENT – WHAT YOU CAN EXPECT FROM US

1. Each year THT ordinarily recruits to four of the eleven trustee positions within the Board. This year THT is recruiting to four positions.
2. The recruitment process is overseen by a Shortlisting Committee chaired by the Chair and Deputy Chair of the Board. It consists of about five people including serving trustees and external specialists.
3. Each year the Board identifies the skills which it needs within it, and then advertises for people with these skills to apply to become a trustee of the charity. Adverts appear at the beginning of September and the closing date is usually late September/early October. This year it is **23<sup>rd</sup> September**.
4. Candidates are required to complete an application form setting out details about themselves and their suitability for trusteeship. It helps us contact applicants promptly if a number of contact details can be included within the completed application form (eg, home and mobile telephones, email addresses as well as postal address).
5. These applications are treated on a confidential basis, and suitably anonymised are reviewed by the Shortlisting Committee against the skills criteria established by the Board.
6. Shortlisting takes place within a few days of the closing date for applications. Candidates who, on the basis of their application, meet the criteria will be invited to attend for interview by the Shortlisting Committee. Candidates will need to prepare and bring with them a 150 word statement which can be included with the election ballot papers should they be successful. Interviews are scheduled to take place on **Thursday 7<sup>th</sup> October** and will be held in London.
7. Following the interviews, the Shortlisting Committee will establish a shortlist of candidates who have been successful at interview through demonstrating that they meet the criteria established by the Board. These candidates will then be put before the charity's electorate. Within a day or so of the interviews being held, successful candidates will be contacted .
8. Unsuccessful candidates at this stage will also be contacted and informed that they have not been successful, and thanked for their interest.
9. The statements will be sent out with ballot papers to the charity's membership who will vote for candidates to fill the vacant elected positions within the Board. The membership includes people using services, staff, volunteers and supporters.
10. The election is undertaken by the Electoral Reform Society, and it takes place during the first part of November. The closing date for receipt of ballot papers by the Election Reform Society is **6<sup>th</sup> November**, after which the results are collated and made available to the Chair in time for the Annual General Meeting, which is to be held on **23<sup>rd</sup> November**.

11. Once the results are known the Board will make a decision as to whom to appoint to the remaining vacant appointed trustee positions. The results are announced at the AGM. The appointed trustees may be drawn from unsuccessful election candidates and other people on the basis of how they complement the knowledge and skills needs of the Board.
12. Within three working days following the AGM all candidates will be formally informed of the outcome of the election and thanked for their participation. Successful candidates will be invited to join the Board and appropriate induction arrangements made.
13. Following the submission of application forms all communication should be with the Chief Executive's office which can be contacted on 0207 812 1850, or by email to [kirsty.davies@tth.org.uk](mailto:kirsty.davies@tth.org.uk)

## **TERRENCE HIGGINS TRUST**

### **TRUSTEE ROLE DESCRIPTION**

#### **ROLE OF TRUSTEE**

1. To provide effective governance
2. To provide leadership to the organisation
3. To establish strategy for the organisation and its services
4. To performance manage the implementation of the strategy
5. To provide overview and scrutiny of the charity's risk management arrangements
6. To monitor the performance of the Chief Executive and Executive Team, and to determine overall remuneration policy
7. To regularly inform themselves at first hand, outside of the Board meeting, of THT's organisational activities

#### **SPECIFIC RESPONSIBILITIES**

##### **1. Governance**

- 1.1 To attend Board meetings, read Board papers and participate in decision making of the Board
- 1.2 To participate in Committees of the Board as agreed
- 1.3 To regularly evaluate the appropriateness and effectiveness of the Board
- 1.4 To ensure that the organisation's policies are in line with current legislation and good practice
- 1.5 To approve and regularly review the organisation's budget
- 1.6 To ensure that the organisation is financially structured for optimum strength
- 1.7 To ensure that all published reports adequately reflect the nature of the organisation and its financial health
- 1.8 To comply with the organisation's conflict of interest policy
- 1.9 To appoint independent auditors and approve audited accounts

## **2. Leadership**

- 2.1 To develop and approve the organisation's vision and values
- 2.2 To promote the reputation of the organisation
- 2.3 To provide the leadership necessary for all staff to deliver high quality services at all times
- 2.4 To provide leadership which supports staff to manage periods of change or difficulty
- 2.5 To represent the organisation at public events

## **3. Strategy**

- 3.1 To regularly assess the environment and develop the organisation's corporate strategy
- 3.2 To agree the annual Corporate Plan implementing the Corporate Strategy
- 3.3 To review and agree any major changes to the organisation e.g. mergers

## **4. Performance Management**

- 4.1 To monitor and assess the organisation's results in relation to the agreed corporate strategy, budget and corporate plan
- 4.2 To agree alternative action to remedy shortfalls in performance

## **5. Risk management**

- 5.1 To maintain a robust overview of the principal risks facing the charity
- 5.2 To exercise scrutiny over the charity's risk management systems

## **6. Executive performance monitoring and remuneration**

- 6.1 To recruit and manage the Chief Executive and Deputy Chief Executive
- 6.2 To monitor performance for the Chief Executive and Deputy Chief Executive and maintain an overview of Executive Team performance
- 6.3 To establish remuneration policy for the Chief Executive, Deputy Chief Executive and Executive Team

# TERRENCE HIGGINS TRUST

## Person Specification

TRUSTEE

How will criteria be assessed? Application = A Interview = I

Essential Criteria		
<b>Experience/Skill</b>		
<p>Applicants must be able to demonstrate knowledge, skills and experience of at least one of the following at a senior level:</p> <ul style="list-style-type: none"> <li>• Medical skills at Consultant Physician level</li> <li>• GP knowledge/experience</li> <li>• Public Health skills, social care/local government senior experience</li> <li>• High level political knowledge/influencing skills</li> </ul>	<p><b>A</b></p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p>	<p><b>I</b></p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p>
<b>Knowledge/Qualifications</b>		
<p>Particular consideration will be given to applicants who in addition to the above are able to Demonstrate at least one of the following:</p> <ul style="list-style-type: none"> <li>• High level governance and/or general management expertise gained in a large commercial/ public sector or charitable organisation</li> <li>• Experience of volunteering</li> <li>• Ability to act as an ambassador for THT, and draw in potential donors able to support THT's fundraising work</li> </ul> <p>In addition, candidates should be able to demonstrate:</p> <p>A commitment to the aims and objectives of THT, including its commitment to equal opportunities.</p> <p>Skills and experience in setting targets, monitoring and evaluating performance and projects</p> <p>Ability to contribute approx 10 hours a month. Board meetings are generally held six times a year at our offices in London.</p> <p><i>Applicants must also satisfy statutory requirements in order to become a trustee, as detailed overleaf.</i></p>	<p><b>A</b></p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p>	<p><b>I</b></p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p>

Any person aged 18 or over and of sound mind can act as a charity Trustee provided that they are not disqualified by law. Charities Acts 1993 and 2006 disqualify people:

- Who have unspent convictions for offences involving deception or dishonesty
- Who are undischarged bankrupts
- Who have been at any time removed from Trusteeship of a charity by the Charity Commission or the court in England, Wales or Scotland, because of misconduct
- Who are disqualified from being company directors under the Company Directors Disqualification Act 1986
- Who have failed to make payments under county court administration orders
- Who have failed to make compositions (i.e.: come to an arrangement) with their creditors and have not been discharged.

As soon as someone becomes disqualified, for example, the day they are convicted of an offence involving dishonesty, they are automatically barred from acting as a Trustee. It is a criminal offence to act as a Charity Trustee while disqualified. However, the Charity Commission can grant a waiver either generally or in relation to a charity or a specific class of charities. For example, waivers may be given to ex-offenders so that they can serve on the boards of charities working with offenders. If you are convicted of a relevant offence or become bankrupt and you wish to remain eligible to be a Trustee you may apply to the Commission for a waiver.

Any adult person who is not disqualified by law, or prohibited by law, or prohibited by the charity's articles or association, may become a Trustee (director) of a charitable company. Under the Company Directors Disqualification Act 1986 the court may disqualify people:

- Who have been convicted of criminal offences relating to the promotion, formation, management or liquidation of a company
- Who have been persistently in default of a company legislation for filing accounts and other documents
- Who have been found guilty of fraudulent trading or fraud
- Whose conduct as a director has made them unfit to be involved in the management of a company.