

# Trustees' Report and Financial Statements

for the year ended 31 March 2018





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Neil Dunning THT Cardiff, Alan Eagleson THT Glasgow, Charlotte Hadden [www.charlottehadden.co.uk](http://www.charlottehadden.co.uk), Chris Hamer THT Eastbourne.

# Foreword

It's my pleasure to introduce Terrence Higgins Trust's Trustees' Report for 2017-18.

Since becoming Chair of the organisation in January 2017, I've seen it make real strides toward achieving its aims and objectives.

The work that Terrence Higgins Trust does as a charity continues to inspire me and the rest of the Board of Trustees.

The team at Terrence Higgins Trust demonstrate dedication, passion and expertise in their roles and responsibilities — each contributing invaluable toward the charity's shared missions.

As you'll see in this report, the achievements of the organisation over the past 12 months have been tremendous, despite the numerous challenges we have faced.

Funding cuts remain a challenge for all organisations within the HIV and sexual health sectors.

Since our last Trustees' Report, Terrence Higgins Trust has reduced its central costs and embarked on an internal transformation programme. This is to ensure all of its services are relevant and as cost effective as possible, and that the organisation is fit for purpose to achieve its aims as efficiently and effectively as possible.

Part of this transformation involves the introduction of stronger digital tools, including a new mobile-ready website, improvements to our online counselling service and a self testing programme, where people from at risk communities can order free HIV self test kits.

It has also meant the creation of new roles — including strategic leads for ageing and health improvement — to ensure key areas of work can be given the focus and resources necessary for success.

These efforts, and the charity's move to act more strategically, give me great confidence as Terrence Higgins Trust moves forward.

The UK is making incredible progress towards achieving the global UNAIDS 90:90:90 target. Last year saw three 'firsts' in the 30-year history of the HIV epidemic in the UK, when London became the first city in the UK to meet the 90:90:90 target, meaning that:

- 90% of people living with HIV were diagnosed
- 97% of people diagnosed with HIV were receiving treatment, and
- 97% of people receiving HIV treatment were virally suppressed and 'undetectable'.

In London again, Public Health England (PHE) reported the first ever downturn of HIV transmission among men who have sex with men (MSM). PHE also reports that clinics in Manchester, Brighton and other cities with large gay populations have also seen above-average decreases in HIV diagnoses.

We now have the tools to stop HIV transmission, including treatment as prevention, testing, pre-exposure prophylaxis (PrEP) and condoms. The decrease in transmission truly demonstrates what combination prevention can accomplish when promoted in the right way.

This success proves what joined-up working and use of all available tools can achieve. Moving forward we hope to capitalise on these firsts and lead the way toward completely ending HIV transmission in the UK.

Terrence Higgins Trust has also continued to strive to improve sexual health across the UK, through: C-Card contracts to provide free condom and lube schemes for young people in certain parts of the UK; lobbying for compulsory and inclusive Relationships and Sex Education (RSE); and working with the media and in communities to eliminate stigma surrounding HIV and other STIs, which creates a barrier to testing.

Despite these successes, we still have so much left to do:

- To ensure that all people living with HIV are supported.
- To continue dispelling the myths that surround HIV and challenging stigma.
- To work toward eliminating HIV transmission.
- To improve sexual health across the UK.

And I have no doubt in my mind that, with the passion and commitment of everyone who works, or volunteers, for Terrence Higgins Trust, none of those things will be out of sight for too much longer.



Jonathan McShane  
Chair, Board of Trustees

# Objectives, mission and vision

Terrence Higgins Trust is at the forefront of the fight against HIV and improving the nation's sexual health. Our vision, mission and values are set out below.

## 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

- To end the transmission of HIV in the UK.
- To empower and support people living with HIV to lead healthy lives.
- To amplify the voices of those affected by HIV, across public and political arenas, to eradicate stigma and discrimination.
- To enable all people to enjoy good sexual health.

## Our values

- Ambitious: We believe individuals, and communities, are a force for positive change. We drive ourselves, and others, to make things happen.
- Honest: We communicate clearly, taking responsibility for both successes and challenges. We are transparent and accountable to our communities, donors and funders.
- Different: We are radical professionals, proud of our diversity and united by a common cause. We support, respect and value each other, and work without prejudice.
- Independent: We are an independent charity, rooted in the communities we serve. We use our voice to challenge and inspire change in health services, public policy and people's attitudes.

In developing its objectives for the year, Terrence Higgins Trust 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.

# Strategic report

The Trustees of Terrence Higgins Trust present their Annual Report for the year ended 31 March 2018 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

## Achievements and performance - our year in overview

Over 100,000 people are estimated to be living with HIV in the UK, with 12% of these unaware of their HIV status.

Despite this, the number of individuals newly diagnosed with HIV in the UK saw a welcome 18% decline on the previous year.

Combination prevention is helping to achieve this, through a significant increase in HIV testing, as well as:

- an increase in the uptake of anti-retroviral therapy following diagnosis
- sustained high condom use
- the use of PrEP.

Within that context, the past year has seen Terrence Higgins Trust at the heart of many pivotal developments in the field of HIV and sexual health.

We hosted the biennial National HIV Prevention conference in May 2017, attended by over 300 HIV and sexual health professionals. This covered the latest innovations in prevention and testing, as well as discussing the move from trial to reality for PrEP.

## Our persistence pays off:

### PrEP

The year also saw, thanks to the HIV sector's unified voice, sustained pressure on NHS England to fulfil its commitment to launch the PrEP Impact Trial for 10,000 people. The trial, which opened in October 2017, comes after the decisions made in Scotland and Wales to make PrEP available on the NHS to all at-risk groups.

Working closely with *iwantPrEPnow*, we also continued to signpost individuals to purchase PrEP online. We believe that PrEP is a game-changer in reducing the spread of HIV and we will keep the pressure on the Government to ensure that all those at risk will have the opportunity to access PrEP free of charge.

### Relationships and Sex Education (RSE)

While newly diagnosed HIV rates are decreasing, over 400,000 sexually transmitted infections (STIs) were diagnosed in England in 2017/18.

Young people under the age of 25 continue to be disproportionately impacted by STI transmission and suffer from poor sexual health. Compared to 25–59 year olds, STI diagnoses are twice as high among males and seven times higher among females.

To combat this increase among younger people, we continue working to secure compulsory and inclusive RSE we can all be proud of in all schools.

Having already successfully lobbied to secure compulsory RSE, in 2017/18 we drafted an extensive consultation response around what we believe should be part of inclusive RSE lessons. We will continue to campaign for inclusive RSE to become mandatory in all schools in Scotland and Wales as well.

We also continue to promote testing, including within community settings, and work to eliminate the stigma that surrounds testing for STIs.

### Blood donation rules

Late last year, we won our campaign to reduce the deferral period for MSM donating blood, and to lift the lifetime ban on former and current sex workers donating blood.

### HPV vaccination for MSM

Alongside other partners and stakeholders, we successfully persuaded Government to roll out across England an HPV vaccination programme for MSM following a national trial.

## Our messages have impact:

### Can't Pass It On

*Can't Pass It On* raised awareness of what being 'undetectable' means for someone living with HIV. This simple and powerful message has anchored many pieces of coverage Terrence Higgins Trust has secured over the past 12 months, enabling us to truly dispel myths and challenge stigma among a range of different national and regional audiences.

### National HIV Testing Week (NHTW)

HRH Prince Harry at the launch opening of our HIV self testing pop-up shop in Hackney was just one of the successes of the week in 2017.

To support *NHTW*, Public Health England expanded availability of free home sampling kits to all areas of England, which we promoted to help generate over 18,000 test orders during the campaign period. This is a successful part of our *It Starts With Me* social marketing campaign.

In addition to the free home sampling kits, clinics and community organisations held more than 300 additional testing events across the UK during *NHTW*.

### World AIDS Day

We marked one of our most high profile World AIDS Day campaigns ever in December 2017. We told our supporters: 'We're closer than ever to beating HIV. But we won't get there until we stamp out stigma. We need to See Red.'

This was in response to YouGov polling ahead of the day, which found that 1 in 5 people would be uncomfortable wearing a red ribbon on World AIDS Day.

Terrence Higgins Trust held events across England, Scotland and Wales to mark World AIDS Day, and was featured in interviews and articles across national, regional and sector broadcast, print and online media.

Perhaps the pinnacle of our World AIDS Day events and media coverage took place in Nottingham where HRH Prince Harry and Meghan Markle (now the Duke and Duchess of Sussex) attended a World AIDS Day fair hosted by Terrence Higgins Trust. It saw them speak to a range of people living with HIV or working for community groups that support people living with the virus. This ensured they heard about both the progress that's been made and the work that's still left to do. This included seeing a section of the AIDS memorial quilt and learning about where it came from and what it still means today.

### Friday/Monday

Friday/Monday, an online counselling pilot funded by the Public Health England Innovation Grant and run in partnership with London Friend, was hugely successful and demonstrated that online counselling is an acceptable model of delivery.

The service successfully reached MSM across England, including service users who had not used traditional services before. It won Best Poster at the Royal College of General Practitioners' Managing Drug and Alcohol Problems in Primary Care Conference.

## Our research and expertise is recognised:

### Public health contracts

During the year, we were awarded two Public Health England Innovation contracts to deliver programmes across the country:

- A self test pilot project testing the efficacy, acceptability and uptake of online self testing as a method to reduce barriers to HIV testing in black African communities.
- A sophisticated online assessment tool to help facilitate PrEP access and safe usage, which we will work on in partnership with iwantPrEPnow, Unity and the Eddystone Trust.

### Uncharted Territory

We presented our research *Uncharted Territory* — a report into the first generation growing older with HIV — at two international conferences: the AIDS IMPACT Conference in South Africa; the London School of Economics World AIDS Day Conference in London.

Our research was highlighted at the 2017 BHIVA Conference, receiving a Commended Poster Presentation prize, and the Mediscript Award for Best Presentation for Work in the Field of Social Science or Community-Based Work.

### BMA awards

We were recognised by the British Medical Association (BMA) for our campaign *It Starts With Me*, which won the overall BMA Patient Resource of the Year prize, and a Special Award for Innovation.

## Our relationships get stronger:

Strengthening relationships and enhancing partnerships with key stakeholders has remained a vital part of our work and has ensured that we continue to have as great an impact as possible on the communities we serve.

### We have worked with:

- London North West NHS Trust to deliver a range of community-based HIV and sexual health services throughout North West London.
- Camden Council and our Health Wealth and Happiness clients to draft a local authority scrutiny framework, to understand the degree to which social care needs were being met locally for people living with HIV.
- Cambridge Community Service NHS Trust, continuing a dynamic and creative partnership to deliver services across the east of England.

### Work Positive programme

Supporting people living with HIV getting back to work continued to be another important priority for us, as part of the Work Positive programme. This is supported by Barclays Spectrum and is in its seventh year.

The programme continues to help participants who have been out of work for more than two years to:

- build confidence
- learn new skills
- transform their lives.

This year we supported people in more locations than ever, including London, Brighton, and Suffolk, with over 50% of participants who completed the programme finding employment afterwards.

## Conclusion

Our presence within the media has continued to stand out, not just because of the high profile support from celebrities and VIPs, but because of our innovative initiatives and programmes, our bold and engaging marketing and design, and our ongoing policy engagement work with MPs and other Government officials.

Despite this, the year has still had its challenges. Funding pressures and reductions in funding from local authorities meant we had to cease or reduce a number of our services. In response to this, we began an organisational transformation in 2017/18, to ensure Terrence Higgins Trust is able to operate within a sound financial environment and that all of our services are fit for the future.

Terrence Higgins Trust has enjoyed an extremely successful year and, as we settle into a more focused organisational structure, we will be able to work more strategically to end HIV transmission in the UK, support people to live well with HIV, amplify their voices, and enable all people to enjoy good sexual health.



# Ending HIV transmission and improving sexual health

We believe that it's possible to end new HIV transmissions in the UK and we have a vital leadership role to play in achieving this.

Encouragingly, 2017/18 saw the biggest drop on record in new HIV diagnoses and the first ever decline among gay and bisexual men since the start of the epidemic. However, much of this progress was found in five large sexual health clinics in London, which saw a 28% drop in new diagnoses. We must learn from the tactics employed by these clinics to ensure that progress is seen across all the groups most affected and in all corners of the UK.

That's why we have continued to promote combination prevention, and the range of tools available to combat HIV. This includes:

- the use of PrEP in our work across England, Scotland and Wales
- making testing for HIV quick, easy and convenient by getting out into local communities and developing a free HIV self testing programme
- easy accessibility of condoms
- educating more people than ever before about the role of HIV treatment in ending the epidemic.

There are over 100,000 people living with HIV in the UK. It's estimated that around 12% of those remain undiagnosed, which means they are not accessing the treatment they need to look after their health and are greatly increasing the chances of unwittingly passing on HIV.

Gay and bisexual men and black African people continue to bear the greatest burden of HIV in the UK. In 2016, 54% of the 5,164 people diagnosed with HIV were gay or bi men; and of the 2,110 heterosexual people diagnosed, 39% were black African men and women.

For this reason, it's vital that targeted HIV prevention services remain key to ending the epidemic in the UK. This is something we embody in our separate HIV prevention streams of our *It Starts With Me* campaign.

There were over 400,000 new STIs diagnosed in 2017 in England, which remains worryingly high. That includes jumps in new syphilis and gonorrhoea diagnoses. Once again the highest rates were found among young people, black, Asian and minority ethnic (BAME) communities, gay and bisexual men, and people living with HIV.

We have a role to play in this by providing properly targeted health information and testing services, as well as calling for investment in vital sexual health services, both face-to-face and digital.

## *It Starts With Me*

Funded by Public Health England, *It Starts With Me* is a strategic and targeted HIV prevention campaign focused at those most affected by HIV in the UK. This is achieved through working with gay and bisexual men and people from black African communities, as well as local partners to ensure that the campaign has a wide impact across England, from Bolton to Brighton and Liverpool to London.

Working with partners is a hugely important part of the campaign, and in 2017/18 we hosted the National HIV Prevention England (HPE) conference, bringing together over 300 HIV and sexual health professionals to focus on joined-up prevention work. The conference was also live-streamed online across the world.

It covered key areas for HIV prevention including:

- innovation
- engaging most affected communities
- combination prevention
- how to best utilise PrEP.

The *It Starts With Me* campaign achieved some impressive numbers in 2017/18, and helped make a real impact on HIV prevention in England.

This included the use of online tools, including a 'test finder' and 'condom fit' tool, as well as media engagement and outdoor advertising.

## In numbers:

- 104,000 unique visitors to the website
- 30,000 completions of online tools, including our test finder
- 157 million opportunities to view targeted print and outdoor advertising
- 447 pieces of press coverage
- 19,600 postal test kits ordered due to promotion
- almost 800,000 resources ordered
- 3,500 condom sample packs ordered by target community members following online 'condom fit' tool completions
- 372 organisations participated in *NHTW* 2017/18.

## Award winners

We believe we make a real impact in HIV prevention and were honoured to win an award for best poster for our work in co-ordinating **NHTW**, at the British Association of Sexual Health and HIV (BASHH) annual conference in Belfast.

*It Starts With Me* also picked up two awards at the BMA Awards — Patient Resource of the Year Award and a Special Award for Innovation. The awards recognise excellence in the production and dissemination of accessible, well-designed and clinically balanced patient information. The targeted campaign was commended on its consultation strategy, ambition and clear focus.

## National HIV Testing Week (NHTW)

The highlight of our campaigning year is **NHTW**, which was created by Terrence Higgins Trust in 2012 and has gone on to become a central feature of HIV prevention work across the UK and Europe.

Clinics and community organisations held more than 300 additional testing events around the country, which were promoted through the *It Starts With Me* website. These tests and other events, such as information stalls, occurred in clinics, pharmacies, libraries, colleges, night venues and mobile testing buses in most high prevalence areas.

In 2017/18, we also highlighted the importance of testing among trans people, including a webinar promoting trans inclusive HIV testing and sexual health services in partnership with cliniQ, ClinicT, LGBT Foundation and Yorkshire MESMAC.

We illustrated the importance of testing with parliamentarians, and the influence this can have on their local communities. This resulted in more MPs testing than ever before, which

was achieved by working with other HIV organisations. Nineteen MPs tested in their local constituencies, including then Home Secretary Amber Rudd MP and Public Health Minister Steve Brine MP.

## Our websites

We worked throughout the year on a new Terrence Higgins Trust website, which went live in June 2018. The new site has been designed mobile first, reflecting the way most users access our sites.

We have also taken the opportunity to revise and rewrite our content to help people find the information they need as quickly as possible and to tie in fully with our overall strategy.

We provide high quality health information and support services through our websites. In 2017/18, we had:

- 2.2 million visits to the main Terrence Higgins Trust website, which was a record
- 2.6 million visits to all our sites
- 4.9 million page views of all our sites.

Through our Friday/Monday website, we trialled a new counselling and group support service for gay and bisexual men who needed support with drug and alcohol issues, and we also delivered a second successful pilot of our HIV self testing service.

## iwantPrEPnow

As the name suggests, iwantPrEPnow provides information for accessing PrEP from reputable sources, as well as information about accessing it on the NHS in Scotland and via trials in England and Wales. It also provides information about how PrEP works and how to take PrEP, whether daily or event based.

This year we welcomed iwantPrEPnow as part of Terrence Higgins Trust, with its founder Greg Owen remaining as the project lead, to ensure people at risk of contracting HIV are able to utilise PrEP alongside other HIV prevention interventions.

## Self testing

We know from our experience of running postal HIV testing services that many people prefer the option of testing at home and receiving their result in 15 minutes. In 2017/18 we ran a free pilot for gay and bisexual men and black African people.

Of the 1,950 who ordered kits, 18% had never tested and more than half had not tested in the past year. The pilot showed that self testing is highly acceptable among MSM and our findings in terms of social media targeting were used to inform the development of a much bigger self testing programme in 2018.

This service launched in May this year, including the offer of a click and collect service for black African communities, funded in part by a Public Health England Innovation Grant.

## HPV

Since the rollout of the HPV vaccination for girls, we've campaigned for this to be extended to boys, to ensure they are also protected from preventable cancers and HPV-related genital warts.

This year we won our campaign for a national HPV vaccination programme for gay and bisexual men in England, following a national trial. This is an important step, but the fight continues to ensure all young people are protected from HPV. We continue to play a lead role in parliamentary engagement on behalf of the HPV Action coalition.

# Empowering people to live well with HIV

Effective treatment has transformed what an HIV diagnosis means from a medical point of view. Today someone diagnosed early and accessing treatment can live as long and healthy a life as anyone else. However, many who were diagnosed prior to the advent of treatment have multiple health conditions, and stigma and self-stigma continue to impact on the wellbeing and mental health of people living with HIV.

That's why we are so ambitious about empowering people living with HIV not just to live, but to live well. We're achieving that through a holistic approach to build both physical and emotional resilience, including our successful back-to-work programme, our specialist services for older people living with HIV, and by utilising peer support wherever possible.

In addition to delivering high quality services across England, Scotland and Wales, we are unwavering in our commitment to updating the public's knowledge of HIV and tackling the stigma that still surrounds HIV, whether at the doctor, dentist, tattoo parlour, health spa or in the media.

We hear every day of how outdated beliefs around HIV transmission continue to have a negative impact on the lives of people living with HIV. That's why we launched our *Can't Pass It On* campaign. We were the first HIV organisation to launch a campaign to publicly endorse the game-changing message that people living with HIV who are on effective treatment cannot pass the virus on. This leadership has received praise from across the globe with more and more organisations coming out to promote the message.

We now have the tools necessary to end HIV transmission in the UK, but that does not come at the expense of ensuring the diverse HIV community has the support and services it needs.

## Online services

Our online services provide support and information for people living with HIV anywhere in the UK. Our myHIV forum continues to be the biggest online community of people living with HIV in the country, as well as supporting people who are further afield.

Last year, thanks to the dedication of our volunteer online peer mentors, we:

- provided 520 hours of support
- helped 346 clients with online counselling.

We want to be even more ambitious with our digital offering. Improvements to our new website will include:

- a simpler registration process
- smartphone optimisation to make it easier than ever to access services on the go
- additional support for people who aren't living with HIV

## Peer support in Scotland

We launched a new nationwide service to tackle loneliness and stigma among people living with HIV in Scotland. Funded by Big Lottery Fund Scotland, the project brings together people living with HIV to share their experiences, knowledge and advice to support others living with HIV and combat isolation.

We know how valuable peer support is for people living with HIV, whether newly diagnosed, or living with HIV in the long term, and we are committed to developing peer support services online and in person.

Last year, the project involved 414 clients and 37 volunteers across the whole of Scotland.

Peer-led services included:

- welfare advice and information
- counselling
- shadowing
- facilitating group work.

We can have a greater impact when we work with partner organisations. As part of this project we partnered with 15 other organisations including Shelter Scotland, Turning Point, Police Scotland, Job Centre Plus, Victim Support and several NHS trusts to provide support around drugs and alcohol, housing, and employment.

## Work Positive

Work Positive is one of our flagship programmes that support people living with HIV who are unemployed, helping them to get back to work through mentoring, training and work placements in supportive environments. This year 52 people took part in the programme with 30 expected to graduate.

This was the first year the programme was funded by Barclays Spectrum, the bank's lesbian, gay, bisexual, trans (LGBT) employee network. We are grateful to the network's ongoing support for this crucial programme, which links so strongly with the bank's inclusive ethos.

- 5 people have found full-time work
- 10 people have found part-time work
- 12 programme graduates are in placements at ViiV healthcare.

## THT Direct

Last year, we had almost 19,000 enquiries to our confidential free helpline THT Direct on a range of subjects related to HIV and broader sexual health. Around 3,500 enquiries were via email and 1,400 via our website.

The key subjects people called about were:

- HIV transmission
- HIV testing
- STIs
- PrEP and PEP
- accessing services.

There was also a significant rise in questions on undetectable viral load and transmission, as we talk more about the fact people living with HIV on effective treatment can't pass the virus on.

We couldn't do what we do without volunteers. We currently have 13 active THT Direct volunteers who gave up over 1,200 hours of their time to answer questions around HIV and sexual health and signpost to local services.

This year we provided training for staff and volunteers on HIV-related anxiety, and a more proactive approach to repeat callers, which resulted in our more frequent callers accessing the service less.

## Health, Wealth and Happiness

We are now seeing the first generation of people growing older with HIV thanks to incredible medical progress. In fact, 38% of people accessing HIV care are now aged 50 or over. The Health, Wealth and Happiness programme, which supports older people with HIV, was used by 430 people to access our services. Of these, 248 wanted advice about benefits.

We know that many older people living with HIV fear going into a care home when they're older because of the lack of understanding

that surrounds the virus; we know of many awful experiences including healthcare professionals 'double gloving'. That's why tackling stigma is key to enabling this group to live well with HIV, and why we delivered HIV awareness training to 60 organisations working with older people.

All participants reported a greater understanding of HIV and AIDS, and 98% said their understanding of how best to support older people with HIV had improved. We are also working in partnership with Skills for Care to develop new ways of addressing stigma and discrimination in the training of social care workers.

Over 240 people benefited from our group work and peer support activities in 2017/18, including workshops on men's health, HIV and the menopause, dementia awareness and an introduction to Universal Credit. Our peer support to tackle loneliness and isolation included our regular cinema club, as well as a walking group and trips.

## Feedback from over 50s living with HIV:

- 97% stated that our services had helped them in some way with their life
- 91% felt that accessing our events helped them to feel part of a community
- 81% felt that attending our events helped them to feel less lonely.



# Amplifying the voices of people living with HIV

No one is better placed to talk about the impact of HIV than someone living with HIV —what motivated them to test, how it felt to be diagnosed, the services they need. That's why we are more committed than ever to amplifying the voices of people living with and affected by HIV right across our work.

This ethos isn't limited to people living with HIV, but includes families and friends, as well as those on PrEP, individuals who are passionate about testing, and condom advocates. Young people are also integral to our work around ensuring RSE is fit for purpose with a strong emphasis on HIV and broader sexual health.

In our media team we are proud to have over 50 people who we work with to share their stories, who each play an active role in busting myths and changing perceptions.

We also work to ensure the voices of those affected by HIV are heard by decision-makers, and we have continued our sector-leading work with parliamentarians. That includes stepping up our policy and lobbying work in Wales, including our active role in the steering group overseeing Public Health Wales's review of sexual health services.

## Our policy priorities:

- **PrEP access for HIV prevention.**
- **High quality LGBT-inclusive RSE.**
- **Cuts to sexual health services.**
- **HIV and ageing.**
- **Blood donation rules.**
- **Access to the HPV vaccination for boys.**

## Press and PR

It's been a successful year for Terrence Higgins Trust in terms of media coverage, across national, regional and sector press, for print, online and broadcast.

Our reach over the past 12 months has been approximately 68 million views per month, which includes features in BBC News, Sky News, ITV, *The Guardian*, *The Times*, *Daily Mail*, *African Voice*, *Nigerian Watch*, *Attitude* and *Gay Times*.

## Social media

Consistently, amplifying the voices of those affected by HIV is what gets the most engagement on our social media channels. For example, posts over Mother's Day sharing the stories of a son living with HIV and his mum.

The more that people publicly speak about living with HIV, the more we can combat stigma. Our social media channels — Facebook, Twitter and Instagram — are a key way we can help do that.

This played a part in continued Facebook success in 2017/18, which saw a jump from 17,000 likes to over 30,000.

On Twitter our following jumped from 22,000 to over 26,000, with more engagement than ever before for our *Can't Pass It On* campaign. We continued to develop our Instagram offering to over 3,000.

Matt Stokes, who was diagnosed with HIV in 2016, and whose story we shared on our social media channels:

*'Just wanted to say thanks for all you've done with the FB post. I didn't really see it as a big deal for me, it was more to try to raise awareness, but the past couple of days have been kinda overwhelming.'*

*'It was the prompt for me to tell the few people in my extended family who didn't know about my diagnosis —and they all were great, got lovely messages of support. Same for my sister-in-law's family who I don't know very well but who left super nice messages on my Facebook post.'*

## Can't Pass It On

The campaign was all about educating the general public about HIV transmission following on from the PARTNER study. This monitored hundreds of couples over several years where one was HIV positive and on effective treatment and the other HIV negative. Despite recording over 58,000 acts of condomless sex, there were zero transmissions.

This was the robust evidence base we needed to champion our clear message that **people living with HIV who are on effective treatment can't pass the virus on**. It was our first integrated stigma-busting campaign outside of World AIDS Day and the voices of people living with HIV and their partners were key in making it so impactful.

Our 2017/18 YouGov poll revealed that just 9% of the general public are aware that someone living with HIV who is on effective treatment Can't Pass It On.

We launched the campaign in June 2017 with 10 case studies at the heart of the campaign in the press and on social media. On launch day, the landing page on our website had 1,469 views alone, the fourth highest day for visits to our website at the time.

The campaign resulted in 92 articles mentioning *Can't Pass It On* featuring 38 case study stories to directly amplify the voices of people living with HIV.

The campaign launch secured our second largest Facebook reach for a post with over 2,200 shares and our tweet was retweeted over 2,000 times, including by celebrities, MPs and influencers, such as David Walliams, Sarah Brown, Olly Alexander and Owen Jones.

But this was just the beginning. Our work continues to ensure this message is championed and explained wherever possible, to ensure more people play their part in ending HIV stigma.

Sadiq Ali, who was diagnosed with HIV in 2014, on the impact of the campaign:

*'It gives me as a HIV positive person a very easy way to inform and educate. Without getting too specific, it gives me a way to describe a massive progress we've made that's almost unknown.'*

*'I stole one of the banners from the Can't Pass It On campaign and put it on Facebook and straight away it showed that people don't know this information. It's really nice to put it down to this simple message that is understandable without a giant convoluted paragraph beforehand.'*

## World AIDS Day

On World AIDS Day we asked the world to 'See Red' — for remembrance, for love, for passion, for activism. Because, the sooner we see red, the sooner we'll end stigma. This led to brilliant red-themed events across the country in homage to the iconic red ribbon, which is the international symbol of HIV awareness.

As well as getting out and about across the country to raise awareness and funds, we hosted an event in Nottingham to showcase the amazing progress in the fight against HIV and the organisations leading the way in the city.

HRH Prince Harry and Ms Markle met key HIV organisations as well as people directly affected by HIV. These included:

- Paida, who was born with HIV
- Lizzie, who became a mother, widow and HIV positive within 18 months
- Chris, a personal trainer who is fitter than ever since his HIV diagnosis.

We were joined by Nottingham's African Institute for Social Development and the charity The Food Chain, which ensures people living with HIV can access the nutrition they need to live well.

#### Our World AIDS Day event in the media:

- **3,000+ hits in broadcast, online and print media**
- **240 million reach in the the UK alone**
- **global hits across 30+ countries, including India, US, Japan, UAE, Nigeria, Mexico, Malaysia, Brazil, Russia and Egypt**
- **features and interviews in a range of national media such as: BBC Breakfast, BBC News, ITV News, Sky News, Reuters, The Telegraph, Metro, and People Magazine.**

## Membership

We are a proud membership organisation and this year we made changes to how this operates so our members are able to thoroughly engage in the work that we do.

Over many years our membership had grown but was often under-utilised. That's why we decided to redefine our membership to:

- clarify rights and responsibilities
- encourage meaningful engagement
- create a strong and diverse pool of people who are passionate about HIV and sexual health.

We are now pleased to have a membership of supporters who are engaged in our work and want to be involved as we continue to move forward as a charity.

## Positive Voices

Our Positive Voices programme enables us to take the real stories of people living with HIV into schools and businesses to tackle stigma and give an up-to-date account of the realities of HIV.

#### Sue Riley is a Positive Voices speaker and leads the programme in Brighton:

*'I know what it's like growing up in a community that thinks HIV happens to other people. I remember my daughter asking, 'are you going to die mummy?' after I waited six years to tell her I was living with HIV.'*

*'My hope is that by telling my story I'm tackling the ignorance that surrounds HIV.'*

## PrEP

PrEP has the potential of playing a key part in ending the HIV epidemic in the UK. In England we lobbied the Government to make PrEP available on the NHS. Following the announcement of the PrEP Impact Trial, which makes 10,000 places available, we continue to press for PrEP to be available on prescription without limitations.

As part of our PrEP work, we also met NHS England Chief Executive Simon Stevens and ensured Public Health Minister Steve Brine met someone benefitting from PrEP as part of his visit to our offices in London. We are continuing to closely monitor the progress of this, to hold the Government to account on its promises and ensure that no one who could benefit — from any community and anywhere in the country — is left behind when it comes to PrEP.

In Wales, our lobbying and campaigning work alongside Stonewall Cymru was a major factor in the Welsh Government's decision to introduce a three-year uncapped PrEP trial. We were also invited to be part of the national PrEP steering group, overseeing the development and roll out of the trial in Wales.

This followed the decision in Scotland to make PrEP available on the NHS there.

## Blood donations

We won our hard-fought campaign to reduce the deferral period for gay and bisexual men donating blood, as well as the lifetime ban for former and current sex workers. We have always championed an evidence-based approach and welcome the new three-month deferral period for both groups. These new rules were introduced in November 2017 following recommendations by the government Advisory Committee on the Safety of Blood, Tissues and Organs, which we were part of.

## Relationships and sex education (RSE)

The historic Children and Social Work Act received Royal Assent, which paves the way for compulsory RSE in all secondary schools in England — something we have campaigned on for decades. But our work isn't over as we must hold the Government to account to ensure RSE is fit for purpose, LGBT-inclusive and has a clear focus on sexual health and STIs.

We held a UK Parliament event, along with Mencap and Young Minds, hosted by William Wragg MP. This brought together 15 young people and teachers to share their experiences of RSE and what is needed in the new curriculum. We also hosted a joint event with Sex Education Forum and other organisations. This was chaired by Sarah Champion MP and Maria Miller MP, and featured remarks about RSE from the then Education Secretary, Justine Greening MP.

We submitted an extensive consultation response to the UK Government on what should be included in RSE lessons, involving input from young people and Terrence Higgins Trust staff. Following the appointment of Damian Hinds as new Education Secretary in January 2018, we secured a commitment from the Department for Education that it would ensure RSE lessons were LGBT-inclusive. We also continued to carve out a role as one of the lead commentators on RSE.

## Parliamentary engagement

One of our key strengths is our relationships with parliamentarians and ability to improve the lives of people living with and affected by HIV and poor sexual health by influencing those who make the decisions.

In 2017/18, we:

- engaged with 115 MPs, peers and Welsh Assembly members
- had 52 meetings with MPs, peers and Welsh Assembly members, including the Education Secretary and Public Health Minister
- organised 3 events in Parliament and the Welsh Assembly
- were mentioned in Parliament 11 times.

## HIV manifesto

Working with 20 other HIV organisations, we led on the writing of a general election HIV manifesto setting out seven asks for the next government to commit to delivering. More than 1,300 emails were sent, reaching 750 parliamentary candidates.

Additionally, we partnered with the Local Government Association to produce a guide on HIV and sexual health for councillors which was launched at the Local Government Association annual conference. Building on the successes of the past year, we will continue putting our beneficiaries at the core of our work, ensuring their voices are heard and that we capture the advances across the sector in the delivery of our services.



# Our plans for the future

## The changing landscape

We are in a new era for HIV prevention and the aim of achieving the UNAIDS target of 90-90-90 by 2020 has never been closer. Our focus is on meeting this target before the 2020 deadline and working towards getting to zero new HIV infections in the UK.

We are determined to build on the recent decline in the numbers of people being newly diagnosed with HIV. We will work towards our aim of zero new HIV infections by delivering a varied programme of services and activities and ensuring that our prevention messages reach as broad an audience as possible. At the same time, we will continue to support all those living with HIV and affected by poor sexual health.

The challenges remain significant. Large cuts to public sector funding, which our services rely on, are having a detrimental impact on our beneficiaries across the UK and this looks likely to continue.

## Delivering our strategy 'Bold Ambitions'

We are putting our beneficiaries at the centre of everything we do. We are working to find new ways for beneficiaries to engage with us and to access the support that they need. We will be redesigning our services with beneficiary input to meet their needs.

We are enhancing our digital presence to enable us to offer more services, information and support online, so beneficiaries can access and offer support, whenever and wherever they are.

We launched our new website, with enhanced digital services, in June 2018. This includes a major online self testing programme which will distribute around 20,000 self test kits to MSM, black Africans and trans women. This will enable people to find out their HIV status

for themselves, without having to visit a clinic or return a kit to a laboratory.

We know that PrEP has an important role to play in our HIV prevention work. We have relaunched the *iwantPrEPnow* website, along with a new PrEP tool which will help to facilitate PrEP usage. In Autumn 2018 we will launch a PrEP Access Fund which will pay for up to 1,000 people on low or no incomes to purchase PrEP. Meanwhile, we will continue to press NHS England to make PrEP available to all who need it.

We will challenge the stigma that acts as a barrier to people testing for HIV and damages the lives of people living with HIV. We will work in collaboration with partners, businesses and professionals across the UK to normalise testing. Working with the global Prevention Access Campaign, we will continue to promote our *Can't Pass It On* message, raising public awareness of the fact that people living with HIV who are on effective treatment cannot pass the virus on to sexual partners.

We want to ensure that those who have been diagnosed with HIV are able to live well, not just through our programmes but also by eradicating the stigma that they face. For the increasing ageing with HIV population, we want to continue supporting those struggling with poverty, mental health problems and accessing social care.

To support delivery of the new service models for prevention and living well, we will be piloting new integrated delivery hubs to ensure that beneficiaries are supported in spaces that are welcoming, inclusive, and friendly. The first hub will be in Glasgow.

We will launch an ambitious National Commission for HIV. Working with other charities, health professionals and businesses we are committed to delivering our ambition of zero new transmissions in the UK. We believe that by working together the UK can be one of the first countries in the world to achieve the UNAIDS target to end HIV before 2030.

# Fundraising and sustainability

We are grateful to all of our supporters who have helped us to raise £5.9 million voluntary income in 2017/18. Some of our supporters leave us a gift in their will, others are members of the Friends Network of Terrence Higgins Trust and some donate through companies or charitable trusts and foundations. Others give their time and energy through participating in our Special Event Committees, volunteering and raising money and taking part in our running and challenge events.

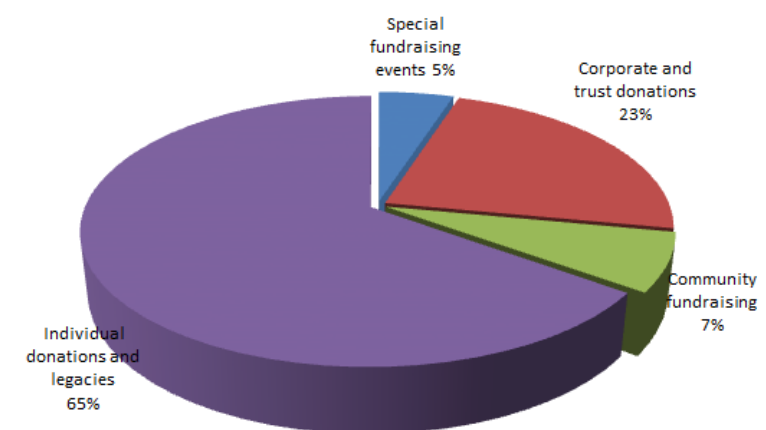
Our supporters enable us to be here to support anyone living with or affected by HIV, and to continue working toward ending HIV transmission in the UK and ensuring all people can enjoy good sexual health.

## Individual giving and legacies

Support from the general public, many of whom are long-term supporters, raised £1.6 million providing vital ongoing support for our HIV and sexual health services. Within the past year, we recruited over 994 new regular givers, primarily through two digital acquisition campaigns focused around Pride and World AIDS Day.

Over the last year we received £2.3 million from people who remembered us in their will. This includes a large legacy from the late actor, Alec McCowen, a supporter of Terrence Higgins Trust for over 25 years. This generous gift left by Alec has allowed us to pay for the initial six months of our own self testing programme, which is committed to delivering free HIV self tests to those from most at-risk communities.

## How we raised our money



## Special events

Our special events programme this year included a very successful Auction. This was thanks to the longstanding support of Prudential, our sponsor for the evening, and Christie's, our hosts, as well as our very generous lot donors and purchasers. We were also delighted to host our popular Supper Club, which was made possible by a large number of London's finest restaurants and our supportive diners. Both events performed well against the objectives set for this financial year with more than 85% of financial and strategic objectives achieved.

## Philanthropy and partnerships

We are so grateful to our amazing group of generous supporters who remain committed to Terrence Higgins Trust through our Friends network. This year's Friends Dinner was held at Plaisterers' Hall in London and featured entertainment from award-winning singer Gabrielle. We also hosted a Friends Talk, which allowed us to update members on our groundbreaking *Can't Pass It On* campaign.

Over the past year, we have received excellent support from a range of companies across the corporate sector. MAC AIDS Fund has continued to support our Positive Voices project in Brighton and Glasgow, allowing us to make a significant impact on those communities. American Express, another longstanding supporter, continued to fund our volunteer programme, and ViiV Healthcare has generously supported our Newly Diagnosed Groups.

We again partnered with Barclays Spectrum (Barclays' LGBT network) to support its Gala Dinner at The Savoy Hotel. This raised thousands of pounds to support our Work Positive programme. Barclays Spectrum also raised money for us with a stair climb and collections at its London offices in Canary Wharf on World AIDS Day. The enthusiasm and dedication of Barclays staff has been truly wonderful.

The Big Lottery Fund (England) has continued to support Terrence Higgins Trust through our Champions of Change project, which addresses the high rates of HIV among black African communities in the Midlands. Big Lottery Fund Scotland, meanwhile, supported our Peer Support Scotland programme, which delivers a multi-channel wellbeing service for people living with HIV in Scotland.

The City Bridge Trust has lent its support to Terrence Higgins Trust by funding a full-time specialist young people counsellor for two years, as well as our young people's therapy service project in London.

We were also delighted to receive support from Comic Relief, for our Stigma in Black Communities project and from Garfield Weston Foundation, which is currently supporting Positive Voices in London.

## UK-wide fundraising and challenge events

The UK-wide fundraising portfolio this year has included a range of fundraising activities. Many of these were active challenge events such as running, cycling, trekking, skydives and bungee jumps, where we saw hundreds of individuals and groups raising thousands of pounds through sponsorship.

We've also continued to support community-based fundraising such as quiz nights, bake-offs and celebrity tribute nights.

We have seen an increase in the number of students fundraising via LGBT societies and RAG groups at universities, as well as hundreds of new supporters signing-up to take part in our pilot home-based fundraising product to coincide with Eurovision.

Individuals, companies, universities, schools and community groups all over the country got involved in World AIDS Day, from ribbon collections, club nights and sponsored physical challenges to raise money for our flagship campaign *See Red*. We are extremely grateful to the many people who were involved in these activities.

## Our approach to fundraising

Terrence Higgins Trust is committed to providing the best possible standards for all our supporters. Our fundraising activities are carried out respectfully and we are a member of the Fundraising Regulator (FR) and the Institute of Fundraising (IOF), working within their agreed guidelines.

The FR is an independent, non-statutory body that regulates fundraising across the charitable sector in England, Wales and Northern Ireland. They work in partnership with other regulators and the representative bodies in the charitable and fundraising

sectors to build public confidence and ensure consistent fundraising standards across the UK.

IOF is the professional membership body for UK fundraising. They support fundraisers through leadership and representation; best practice and compliance; education and networking.

In January 2016 we reviewed how to collect and record consent from supporters, to improve fundraising communications and ensure our processes are transparent (prior to the introduction of the General Data Protection Regulation in May 2018) and we adhere to current GDPR consent regulations.

Our supporters are only contacted via communication channels they have explicitly 'opted in' to. Our supporter promise ensures we regularly ask supporters how they wish to be contacted, for example by email, letter or phone. Every communication sent to a supporter offers a feedback mechanism where specific requests regarding the frequency and type of communications received can be made. All preferences are recorded on our database.

We follow the Institute of Fundraising's 'Treating Donor Fairly Guidance 2016' to ensure vulnerable people are treated in a suitable way.

Community Fundraising supporters are provided with guidelines on conduct and best practice when hosting a fundraising event or fundraising in support of Terrence Higgins Trust. Supporters are provided with relevant materials to support their activities and to show they are acting in support of Terrence Higgins Trust rather than on behalf of Terrence Higgins Trust.

The Community Fundraising team keep in regular contact with supporters to ensure all activities carried out in support of Terrence Higgins Trust are in line with supporter fundraising guidelines.

We respond to all complaints promptly and include clear contact details on communications so that new or existing supporters can raise any issues or make changes to their contact preferences.

Any official complaints made in relation to fundraising are registered as part of our official complaints process and the complainant is allocated an Executive Director to resolve the issue. For the year ending 31 March 2018 we received three fundraising related complaints.

We use third party suppliers to undertake telephone fundraising and payroll giving fundraising on our behalf. All of these suppliers are subject to agreeing to our own robust terms of engaging with beneficiaries. Our telephone fundraising agency and payroll giving agency also supply a vulnerable persons policy as part of those contracts.

Our telephone fundraising agency is a member of the Institute of Fundraising and the Direct Marketing Association. We provide charity specific training to their fundraisers before each campaign and undertake weekly random call listening.

They also provide details of any calls they believe to be a cause for concern, in line with their vulnerable persons policy. We listen to the call and decide what action should be taken. Any complaints are also given to us, with the call recording. They use IOF'S Telemarketing Code of Conduct as the guidelines for their calling.

All call data is run through the Telephone Preference Service to ensure we have the correct permissions to call our supporters.

We also promise to never pressure anyone into giving a gift and respect a donor's decision if they decide to stop giving. We ensure all work carried out with third party fundraising organisations adheres to legal requirements and best practice guidelines.



# Charity fundraising: reporting by the Trustees

- The Trustees have been guided by six key principles:
- **Planning effectively:** our fundraising strategy was scrutinised and agreed at Terrence Higgins Trust's Finance, Audit and Risk Committee (FARC) and a subsequent Board Meeting.
  - **Supervising our fundraisers:** authority to oversee our Income Generation team is delegated to our CEO and Executive Director of Transformation and Operations. Our FARC receives and scrutinises regular reports on key areas of income generation.

- **Protecting our charity's reputation, money and other assets:** our FARC considers and approves reputational and financial risk and agrees our overall budget framework and investment strategy.
- **Following the law and recognised standards:** we carry out our fundraising activities respectfully. We are a member of the Fundraising Regulator and the Institute of Fundraising, and work within the Code of Fundraising Practice and other agreed guidelines.
- **Being open and accountable:** we receive regular reports of any fundraising complaints as part of Terrence Higgins Trust's overall complaints procedure, which is accessible, open and transparent.

# Financial Review

## The overall picture

We have seen significant changes in the charity's funding environment in 2017/18.

Our new business model dictates change in our working practices, financial management, and organisational structure.

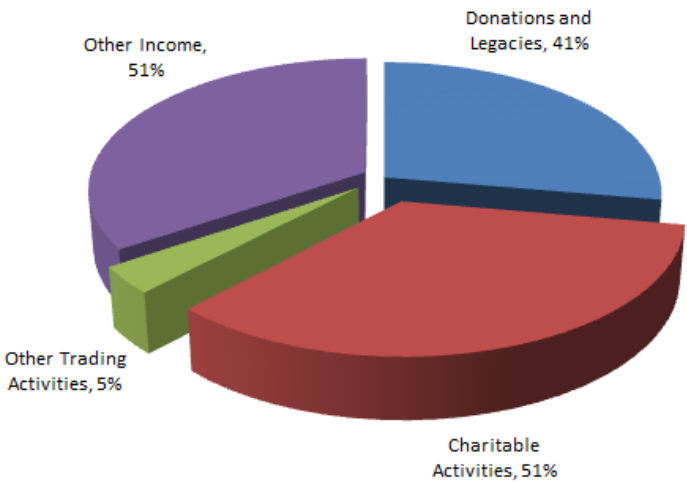
In 2017/18 Terrence Higgins Trust has been putting in place the building blocks for a new business model. To enable this we have:

- invested in our digital work streams to create efficiencies and maximize impact
- embraced partnership working to share skills and resources across the sector
- implemented a full review of core services, with appropriate restructuring.

Although our operational size has declined over the past year, we are still ambitious. We will continue to embrace innovation with a breadth of programmes which have a lasting impact for both individuals and the sector.

## Where our money comes from

The total income of £13.61 million for 2017/18 is from a multitude of sources, which we categorise into the four key areas shown below:



## Our income

Terrence Higgins Trust at 31 March 2018 had a total income of £13.61 million and expenditure of £13.66 million for the financial year 2017/18. This operational deficit of £0.05 million was within our budget framework and a reduction from the previous year (£0.96 million in 2016/17). It is testament to the success of our new business model: controlling the impact of statutory funding cuts, and working towards maximising new income streams.

Overall we have a positive net movement of £0.2 million in funds; a shift from an operational deficit of £0.05 million due to the gain of £0.3 million on the defined pension scheme and a revaluation loss of £0.05 million on the property in Lower Marsh, in line with the overall fall in the market.

## Donations and legacies

In 2017/18 donations and legacies contributed an income of £5.6 million, up from £5.4 million the previous year. Whilst consistent in the overall amount, donations and legacies has increased from 35% in 2016/17 to 41% in 2017/18 as a proportion of income. This reflects the sector's growing reliance on voluntary funds.

Of the £5.6 million raised, a shift from restricted to unrestricted income is shown by a 20% increase of £0.7 million, largely due to an upturn in our legacies. Restricted income decreased by £0.5 million. Whilst we are still working closely with the Big Lottery Fund (BLF), particularly in Scotland on our peer support contract, this decrease was due to multiple BLF projects coming to the end of their three year contract period.

Our future business plan is based upon developing our unrestricted voluntary income streams, with funding from statutory grants expected to reduce every year with wider competition for restricted funds. The shift towards unrestricted funding will give us added flexibility in the programmes we can deliver, one of the foundations of our new business model.

## Charitable activities supported by Statutory income from Local Government and health organisations.

Statutory income has always been the highest proportion of our income portfolio. In 2017/18, statutory income has fallen to 51% of our overall income, from 61% the previous two years. This 10% fall is a real terms decrease of £2.4 million from 2016/17 and £3.8 million from 2015/16.

Whilst we anticipated the decrease in statutory income, it has impacted the services we deliver:

- We have seen a £1.47 million fall in funding towards Ending HIV transmission due primarily to providers looking for efficiency savings.
- As in 2016/17, we have seen a disproportionate decrease in the services to 'Empower People to Live Well with HIV'; this time of 62% (£0.97 million), resulting from the trend away from specialist HIV provision towards encouraging individuals to access mainstream services.

Despite seeing contracts savings across the country, we are opening new services, extending the reach of THT and developing new ways of working. In 2017/18 we opened two new projects, in Luton and Milton Keynes, and are starting work on a grant from the PHE innovation fund to extend testing into BAME communities.

These figures are clear indicators of the statutory funding squeeze and the risk of over dependency on one funding stream. In transforming the way we work, we will manage this risk and ensure we have a sustainable financial model that continues to deliver services in line with the needs of the beneficiaries.

## Other trading activities

Income of £0.7 million was generated including from fundraising events, sponsorship, rent, room hire and catering (as detailed in note 4 to the accounts), an increase of 68% from 2016/17.

Rental income increased with one full year of leasehold occupancy in our freehold building in Lower Marsh, London, having been transferred to an investment property in 2016/17.

Terrence Higgins Trust has run a hugely successful auction for a number of years as part of our portfolio of fundraising events. In 2016/17, the date of the auction was changed from March to April 2017, and had a negative impact on our recognition of income that year. We have seen the upturn of this in 2017/18.

## Other income

Our £257,000 income in this area is primarily from training courses, counselling, student placements and investment income. This is a small increase on the previous year's income of £214,000..

## How we spend our money

Our total expenditure for 2017/18 was £13.7 million. This was an overall decrease of £2.9m (17%) from 2016/17 and as per budget. Despite the fall in expenditure, we are still delivering a vast breadth of services across, England, Wales and Scotland, and investing in innovation.

Our ambition as an organisation is still at the forefront of our current work and planning.

We reduced our staffing expenditure by £1.3 million (13%) to £8.6 million, with a decrease from 258 to 220 full time positions. This reduction in staff is in line with the new business model, ensuring that resource is maximised through fit for purpose structures.

From 2018/19 we will be driving an enhanced learning and development programme for managers as well as systems and process development.

In 2017/18 we spent £11.9 million directly on charitable activities, 87% of our overall expenditure. Although this is a fall in the level of expenditure, the overall proportion is still consistent with 2016/17 at 88%. The cost of raising funds was £1.8 million. This has reduced marginally from £1.9 million, a result of savings across multiple areas.

We have spent:

- £8.4 million (£9.7 million in 2016/17) on Ending HIV transmission and improving sexual health
- £3.1 million (£4.6 million in 2016/17) on Empowering People to live well with HIV
- £0.4 million (£0.4 million in 2016/17) on Amplifying the voices of people living with HIV.

It is important to note that 49% of this expenditure is funded by our voluntary income. In 2016/17 this was only 41%.

At Terrence Higgins Trust we have spent unrestricted funds specifically to support projects which are not widely funded, for example, a complementary therapy service for people diagnosed with HIV, counselling service and a programme to support people aged over 50 to live well.

We have also fully maintained investment in our campaigning and lobbying work, which is essential to fulfil our strategic aim of amplifying the voices of people living with HIV. As we have looked at earlier in the report, the impact is at a national level - a wide reach with minimal investment.

Support costs in 2017/18 are £1.8 million, a decrease of £0.3 million from 2016/17. This represents 13% of total expenditure, a proportion unchanging since 2016/17. We are focused on keeping our support costs in line with the needs of the services, ensuring a value for money approach.

We made further changes at the end of 2017/18 which will ensure that our support costs are appropriate to the size of the organisation. Costs associated with head office, IT, facilities, HR and Finance, have been allocated across areas on the basis of staff whole-time equivalents.

This is detailed fully in note 10 to the accounts.

## Our reserves

Our reserves this year are £10.2 million, consistent with the previous year.

There have been some key shifts. The general fund reserve decreased by £0.7 million, whilst the funds within subsidiary company Terrence Higgins Enterprises increased by £0.4 million. Changes to accounting for gift aiding profits from subsidiary companies under FRS102 mean we will be gift aiding profits from the subsidiary in the next year, leaving a balance in the subsidiary at this time. As Terrence Higgins Enterprises is a wholly owned subsidiary of Terrence Higgins Trust this does not have an overall impact on reserves.



FRS102 dictates how pension scheme assets and liabilities are calculated and disposed in the accounts. FRS102 requirements result in significant fluctuations in the value of the pension scheme which form part of our reserves. The pension scheme deficit as defined under FRS102 is now at a value of £2.8 million, (£3.1 million in 2016/17 and £1 million in 2015/16), giving a positive impact of £0.3 million on our overall reserve position.

In the current economic and funding environment, where continued cuts to statutory funding and increased competition for voluntary funding are having a sector-wide impact, it is essential that we keep strong reserves. We need to maintain long-term financial stability and the ability to invest in programme and digital development so we can adapt to the changing needs of our beneficiaries and the external environment.

In 2016/17 the Trustees agreed a new reserve policy that the free level of reserves held should be between the equivalent of three months and six months expenditure. Our budgeted expenditure for 2018/19 is £14.3 million, indicating a required reserve level of between £3.6 million and £7.1 million. We are within this at £4.7 million.

## Going concern

The Trustees agree that the current level of unrestricted reserves is appropriate, given current economic and funding challenges, and the organisation's commitment to providing continuity for key existing services.

The Trustees believe that Terrence Higgins Trust has adequate financial resources. Our planning process has included key areas to invest in to ensure sustainability; for example, our digital streams and increasing return on investment for voluntary income.

We plan to sell our head office building 314-320 Gray's Inn Road and move to a smaller, more appropriate office. The liquidity will be invested in sustainable programme design and our underlying financial security. This gain is not factored into our long-term budget, ensuring that our current assessment as a going concern is based upon prudent estimates.

The Trustees acknowledge our pension fund obligations and have a plan in place to eliminate the pension fund deficit over 12 years. The liability, as calculated according to FRS102 and included in these accounts, does not impact on the operational finances of the charity except for agreed payments under the deficit recovery plan. The plan was reviewed in 2016/17 by the Trustees of the Pension Scheme and Terrence Higgins Trust and the deficit recovery was agreed to be affordable, the details of which are in Note 13 to the accounts.

Therefore, Terrence Higgins Trust has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. With no material uncertainties that call into doubt the charity's ability to continue, the accounts have been prepared on the basis that the charity is a going concern.

## Investments

The charity has two investment funds managed by Rathbone Investment Management Limited:

- A capital fund from a legacy received in 1994/95 as a permanent endowment. Realised return of £7,000 in 2017/18, an overall decrease in value of £1,000, a 1% decrease in value over 12 months. Since inception, a 9% increase in value.
- In 2015/16 a fund from the sale of our Lighthouse West London Property was established. Realised return of £106,000 in 2017/18 which was reinvested, with an overall increase in value of £14,000, a 2% increase in value over the past 12 months, a 23% increase since inception.

The target return outlined in our Investment Policy is CPI plus 4% after expenses. CPI rose to 2.5% in March 2018. The return on both investment funds since inception outperforms this target.

We expected the funds to stabilise in 2017/18 after exceptional performance. We did not expect the total decreased level of return due to the global market correction in February 2018. We manage the risk and return of our investment portfolio on a long-term basis, and diversification of our asset classes within the portfolio guards against a certain level of risk. However, a global downturn will inevitably affect our investments.

Despite an increase in returns on our investments since April, due to anticipated market uncertainty over the next 18 months, we will be monitoring closely and build an additional level of risk into our business planning process.

The Trustees have reviewed the investment policy in May 2018 and agreed the following:

### Overview and Objectives of the investment

Terrence Higgins Trust has around £6m in investments as a result of the sale of Lighthouse West London.

The investments are both short-term and long-term in nature with £1.5m to be easily accessible and the remaining balance to be drawn down in line with the long-term agreed business plan of the organisation.

In line with the five year business plan it may be required to hold additional investments. The organisation will ensure that:

- a minimum cash balance for daily operational needs to be held by the charity which will be instantly accessible.
- additional funds for short-term strategic capital and revenue investment will be held in appropriate short-term accounts to maximise the return and ensure cash is accessible in line with business requirements.

Terrence Higgins Trust aims to maximise the financial return on the investments with an acceptable level of risk and volatility as defined below.

### Roles and Responsibility

The Board of Trustees delegates the appointment and monitoring of investment managers to FARC.

Investment decisions, within the confines of this IPS, are delegated by the Board to the Investment Manager.

The key contacts authorised to instruct the investment manager on behalf of the Board are any two of the Executive Director of Corporate Resources, the Head of Finance and the Chief Executive.

### Acceptable level of risk

Assets should be invested to protect against inflation in the long-term, however it is recognised that Terrence Higgins Trust intends to draw both capital and income out of the fund and as such its value will decrease over time.

Terrence Higgins Trust can tolerate some volatility in the capital value of assets as long as withdrawals can be met from total return and are sufficient to meet the requirements of the innovation fund. Any capital withdrawals should be planned to minimise the realisation of any capital losses.

Ethical restrictions

Terrence Higgins Trust assets should be invested in line with its charitable objectives. Investments should be excluded if perceived as conflicting with the charity's purpose. Specifically, Terrence Higgins Trust does not wish to invest directly in tobacco producing companies.

Target Asset Allocation (TABLE)

Asset Class	Tactical weight %	Strategic weight %	Range %
Fixed interest	13	18	0-30
UK equities	33	35	40-80
Overseas equities	37	35	
Diversifiers	15	10	0-20
Cash	2	2	0-20
Total	100	100	

Currency

The base currency of the investment will be sterling.

Long-term investment objective

Target return = Consumer Price Index (CPI) plus 4% after expenses.

Industry benchmark

Composite index benchmark, as detailed below, and Asset Risk Consultants (ARC) Steady Growth Charity Index.

The composite benchmark will comprise:

Asset class	Weight (%)	Index
UK equities	35.0	FTSE All-Share
Overseas equities	35.0	FTSE All-World (ex-UK)(£)
Property	5.0	FTSE UK Commercial Prop
Alternatives	5.0	3-month GBP LIBOR +2%
Fixed income	18.0	FT Brit Govt All Stocks
Cash	2.0	7-day LIBOR
Total portfolio	100.0	Composite of the above

Risk management

The charity has a Risk Management Framework that is designed to:

- identify and assess risks
- identify and evaluate options for the treatment of those risks
- select control objectives and controls that will reduce those risks to acceptable levels within the context of the business plan, operational requirements, constraints, objectives and international legislation and regulation.

Risks are classified as either 'strategic', 'quality', 'reputational', 'operational', 'information security', 'financial' or 'contractual' – this permits the charity to apply a category-specific Risk Appetite approach. Risk is managed through Directorate and Project Risk Registers and an overarching Charity Risk Register.

The Charity Risk Register is reviewed monthly by the Leadership team and by the Board's Finance, Audit and Risk Committee at its quarterly meetings. The register is also provided to the full Board quarterly. The review considers:

- significant risks to which the charity is exposed
- impact and probability associated with each risk
- existing internal controls and mitigating actions to reduce each risk to a level within the charity's Risk Appetite
- assurance available for the management of risk.

The framework is based on the following principles:



Principal risks and uncertainties

Principle Risk	Risk Management (internal controls and actions)
Changes to Government policy and reforms will reduce statutory funding beyond the level expected in the long-term financial plan and impact the resources available to achieve the charity's strategy.	<ul style="list-style-type: none"><li>• Development of a prudent financial strategy for the strategic period.</li><li>• Preparation of budgets, management accounts and careful monitoring.</li><li>• Implementation of fundraising growth strategy.</li><li>• Development of new enterprising income streams.</li><li>• Review our service offering to ensure we are maximising impact with the resources available.</li><li>• Developing our digital service provision to take advantage of technological advances to ensure our services are accessible to those who need them.</li><li>• Working closely with commissioners to ensure we can proactively manage contracts.</li></ul>



Fundraising may be unable to deliver the required growth in voluntary income and impact on our ability to achieve the charity's objectives.	<ul style="list-style-type: none"><li>• Development and implementation of a fundraising growth plan.</li><li>• Appropriate investment in fundraising activities to allow the generation of the required returns.</li><li>• Monitoring of performance against plans.</li><li>• To ensure the team has the depth and breadth of skills to respond to new and innovative funding opportunities.</li></ul>
Incidents may occur which adversely affect service delivery, reputation or security.	<ul style="list-style-type: none"><li>• Maintenance of robust incident management policy and procedure to ensure that incidents are reported, monitored and investigated and that lessons are learnt.</li><li>• Business Continuity and Disaster Recovery Plans put in place.</li><li>• Policy and procedure for the safeguarding of children and vulnerable adults in place, with an associated rolling training programme for staff.</li><li>• Proactive and reactive media management in place.</li><li>• Training of staff to be able to recognise and report incidents.</li><li>• Proactively manage the IT infrastructure to ensure systems are operational.</li></ul>
The charity's activities are not sufficiently focused to deliver the objectives set out in our strategy.	<ul style="list-style-type: none"><li>• Robust business planning aligned to the strategy.</li><li>• Executive review of activities and performance against the business plan.</li><li>• Robust team and line management to ensure all necessary activities are undertaken.</li></ul>
Terrence Higgins Trust strategy does not keep pace with the external environment and needs of beneficiaries.	<ul style="list-style-type: none"><li>• Proactively continue to network at all levels to ensure THT remains abreast of latest developments in the sector.</li><li>• THT pursues a co-production model of services so beneficiaries are involved.</li><li>• Executive and Board level review of strategy to ensure its relevance.</li></ul>
Available resources are not sufficient to be able to complete key service reviews and transformation of business model at the pace required.	<ul style="list-style-type: none"><li>• Robust business planning which clearly outlines resource requirements, key milestones and time-frames.</li><li>• Phased introduction of the transformation to ensure available resource is in place.</li><li>• Executive review of activities and performance against the business plan.</li><li>• Board of Trustee oversight of business plan to ensure delivery of milestones.</li><li>• To proactively explore new opportunities as they arise systematically and objectively.</li></ul>

# Structure, governance and management

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).

The Trustees of Terrence Higgins Trust are the charity's Trustees under charity law and the Directors of the charitable company. While the organisation is registered under the name The Terrence Higgins Trust, its working name is Terrence Higgins Trust (used throughout this Report).

Terrence Higgins Trust is governed by its Articles of Association. This document sets out the charity's objectives and the framework within which Terrence Higgins Trust must operate to achieve these. The Articles of Association are subject to approval by the Charity Commission and are regularly reviewed by Trustees to ensure they remain up to date.

A full review of Terrence Higgins Trust's governing documents took place in 2016 and as a result changes were approved at the Annual General Meeting (AGM) in December 2016. This included replacing the previous Memorandum and Articles of Association with one document. The Articles of Association were amended in July 2018 to increase the maximum number of Trustees from 12 to 15.

The charity has one active 100% owned subsidiary; Terrence Higgins Enterprises Limited, the activities of which are accounted for in Note 27. This company's principal activity is that of raising funds for the charity and its company registration number is 2242767. The company carries on trading activities for the benefit of Terrence Higgins Trust and is contracted to deliver some care contracts, the performance of which is subcontracted to Terrence Higgins Trust. The company will continue to develop merchandising and fundraising events to raise funds for Terrence Higgins Trust.

Since the Charity Governance Code was launched on 13th July 2017, the Board has utilised the Code as a tool to support the Board to reflect upon its governance structures and consider the ways in which the Charity and its Trustees currently apply the Charity Governance Code's seven principles and recommended practice. The Board of Trustees formally adopted the Code in September 2017.

The Charity already meets a number of the Code's measures. These include clear and accountable Trustee term-limits within the Charity's Articles of Association which state no Trustee can serve more than three three-year terms, an explicit statement regarding the size of the charity's Board, which shall consist of a minimum of 6 and a maximum of 15 Trustees (the Board currently consists of 11 trustees). The Board has also just instigated a review and evaluation of Trustee performance which will include an external review every 3 years.

Whilst the Charity already applies a considerable number of the recommended practices relating to each of the code's seven principles through an action plan, the charity and its Trustees believe that constant review of its governance arrangements is required to further improve standards and increase its overall effectiveness as an organisation.

## Trustees

Our Board of Trustees (Directors) is responsible for setting the overall strategy and direction of the charity, and for ensuring Terrence Higgins Trust uses its resources effectively in pursuit of its strategy.

The charity's Articles of Association provides for 15 Trustees, the majority of whom must be elected by the charity's members. Our Trustees are unpaid, are either elected or appointed and are drawn from a variety of backgrounds to ensure a balanced, skills-based Board. Our Articles provide for a mid-term vacancy on the Board to be filled by a co-opted Trustee, who holds office until the AGM following their appointment.

Trustees are:

- elected or appointed to the Board for three years at our Annual General Meeting (AGM)
- subject to re-election (or re-appointment)
- serve for a maximum nine-year term.

All Trustees undergo a formal induction to the charity, 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.

**The Board currently consists of 11 Trustees. Trustees who served during the year are:**

**Jonathan McShane** (Chair) ‡  
**Gavin Wills** (Deputy Chair) ‡  
**Dr Bilal Ali** ‡  
**Anthony Babajee** —retired August 2017 ∞  
**Dr Jake Bayley** ∞  
**Rt Hon. Ben Bradshaw MP**  
**Robert Glick** ‡∞  
**Gordon Mundie** — appointed April 2018  
**William Roberts** ~  
**Randeep Sidhu** ∞‡  
**Dr Lisa Thorley** — retired March 2018 ~‡  
**Dr Laura Waters** ~  
**Dr Samantha Westrop** ~‡

#### Key

- ‡ FARC member
- ~ Quality and Clinical Governance Committee member
- ∞ Strategy and Governance Committee member
- ‡ Trustee Recruitment Committee member

Biographical information on the current Trustees can be found at: [www.tht.org.uk/our-work/about-our-charity/our-governance/our-trustees](http://www.tht.org.uk/our-work/about-our-charity/our-governance/our-trustees)

## Committees

Trustees meet at least four times each year as a Board and attend two full-day strategy meetings. In addition to this, they are supported through the work of four committees:

- FARC, which is responsible for appointing the external auditors, reviewing Terrence Higgins Trust's accounts and financial controls, and reviewing the statements and actions on risk and internal controls.
- Strategy and Governance Committee, which oversees the development of strategy, organisational development and governance.
- Quality and Clinical Governance Committee, which oversees clinical and operational services provided by the organisation.
- Trustee Recruitment Committee, which oversees the recruitment of new Trustees. This includes: identifying which of the applicants meet the requirements of the Trustee specification; managing the application and interview process; and making recommendations to the Board of suitable candidates.

Membership of these committees is drawn from:

- Trustees
- Executive Directors
- Lay members.

Lay members are often specialists, who possess a particular expertise relevant to the work of the committee. During the year, Sue Baines, Tim Gutteridge and Peter Orlov served as lay members of the FARC.

## Trustees' responsibilities

The Trustees are responsible for preparing the:

- Strategic Report
- Trustees' Report
- 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 charity and the group, and of the surplus or deficit of the group, for that period.

In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the charity's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group 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 the group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees at the time of the Report are aware there is no relevant information of which the auditors are unaware and they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish the auditors are aware of that information.

Crowe U.K LLP has indicated its willingness to be reappointed as statutory auditor.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 26 September 2018, including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



**Jonathan McShane**  
*Chair, Board of Trustees*



## Executive team

The Executive Team works closely with the Board of Trustees to help turn the charity's vision and strategy into a reality. They are responsible for the day-to-day management of the organisation. The Executive Team pay is approved by the Board of Trustees. In addition, we periodically carry out external pay benchmarking using market data to assess senior staff salaries.

The Executive Team that served during the year are:

**Ian Green**  
Chief Executive

**Hannah Bodek**  
Executive Director of Corporate Resources —  
(resigned May 2018)

**Dr Michael Brady**  
Medical Director

**Dominic Edwardes**  
Executive Director of Communications

**Rebecca Phillips** (from June 2017)  
Executive Director of Transformation and  
Operations

Biographical information on the current  
Executive Team can be found at:  
[www.tht.org.uk/our-work/about-our-charity/  
our-governance/our-executive](http://www.tht.org.uk/our-work/about-our-charity/our-governance/our-executive)

## Volunteers, employees and supporters

As an organisation founded by a group of committed friends who recruited volunteers to join the cause, a strong volunteer culture developed in the organisation that continues today.

Our incredible volunteers are the backbone of many of our services, which otherwise could not exist.

In 2017/18 we were lucky enough to have an average of 156 volunteers per month working across England, Wales and Scotland. They undertook a variety of roles from fundraisers and receptionists, counsellors and trainers, office and retail assistants through to outreach workers.

Volunteers contributed more than 21,712 hours to Terrence Higgins Trust this year, equivalent to almost 14 full-time employees.

Terrence Higgins Trust also relies on the work and commitment of its 265 paid staff, which includes 118 part-time staff. We continue our commitment to equal opportunities and to good staff relations.

Terrence Higgins Trust has an Equality and Diversity for Inclusion Policy, the stated aim of which is:

*'to provide equality and diversity and fair treatment for all permanent, fixed term, part-time and full-time employees, volunteers and service users. Terrence Higgins Trust is opposed to all forms of unfair discrimination. To achieve this, Terrence Higgins Trust works within the legal obligations and in accordance with the relevant codes and practices relating to diversity and equality.'*

It is important to us that staff at Terrence Higgins Trust are representative of the beneficiaries we serve. This year 9% of staff are living with HIV.

To engage and consult staff in a structured and effective manner, we have a Staff Forum with terms of reference and elected representatives.

Representatives are able to raise issues on behalf of their colleagues in the presence of the Chief Executive. In addition to this formal structure, we have an intranet, regular communications to all staff and have introduced WorkPlace this year. WorkPlace is Facebook for work and provides a space for staff across the organisation to share work developments, best practice and ideas.

All of our communication channels exist to encourage and empower our staff to share their news, learn from one another and celebrate achievements.









# Independent Auditor's report to the members of Terrence Higgins Trust

## Opinion

We have audited the financial statements of The Terrence Higgins Trust for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 35], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Nicola May**  
**Senior Statutory Auditor**  
For and on behalf of  
**Crowe U.K. LLP**  
**Statutory Auditor**  
**London**

Date





# Financial statements

Terrence Higgins Trust  
Consolidated Balance Sheet  
As at 31 March 2018

Terrence Higgins Trust  
Consolidated Statement of Financial Activities (incorporating an income and expenditure account)  
For the year ended at March 2018

		2018			2017		
	Note	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Income and endowments from:							
Donations and legacies	3	4,286	1,278	5,564	3,570	1,863	5,433
Other trading activities	4	738	-	738	440	-	440
Investments	5	114	-	114	104	-	104
Charitable activities							
Ending HIV transmission and improving sexual health	6	6,379	88	6,467	7,895	43	7,938
Empowering people to live well with HIV	6	589	1	590	1,556	7	1,563
Other	7	143	-	143	110	-	110
Total		<b>12,249</b>	<b>1,367</b>	<b>13,616</b>	<b>13,675</b>	<b>1,913</b>	<b>15,588</b>
Expenditure on:							
Raising funds	8	1,812	-	1,812	1,925	-	1,925
Charitable activities							
Ending HIV transmission and improving sexual health	9	7,806	586	8,392	9,174	478	9,652
Empowering people to live well with HIV	9	2,463	593	3,056	3,176	1,403	4,579
Amplifying the voices of people living with HIV	9	303	100	403	346	45	391
Total		<b>12,384</b>	<b>1,279</b>	<b>13,663</b>	<b>14,621</b>	<b>1,926</b>	<b>16,547</b>
Net gains/(losses) on investments	16	14	(1)	13	554	25	579
Net income/(expenditure)		<b>(121)</b>	<b>87</b>	<b>(34)</b>	<b>(392)</b>	<b>12</b>	<b>(380)</b>
Other recognised gains and losses							
Gains/(losses) on revaluation of fixed assets		(50)	-	(50)	909	-	909
Actuarial gains/(losses) on defined benefit pension schemes	13	281	-	281	(2,137)	-	(2,137)
Net movement in funds		110	87	197	(1,620)	12	(1,608)
Reconciliation of funds:							
Total funds brought forward	21	<b>9,600</b>	<b>417</b>	<b>10,017</b>	<b>11,220</b>	<b>405</b>	<b>11,625</b>
Total funds carried forward	21	<b>9,710</b>	<b>504</b>	<b>10,214</b>	<b>9,600</b>	<b>417</b>	<b>10,017</b>

The restricted funds column includes an endowment fund as follows: Opening balance of £258,000, net loss on investment for the year of £1,000 and a closing balance of £257,000.  
Movements in funds are disclosed in Note 21 to the financial statements.  
The notes on pages 45 to 69 form part of these financial statements.

		Group		Charity	
	Note	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fixed assets					
Intangible fixed assets	14	587	441	587	441
Tangible fixed assets	15	5,765	5,934	5,765	5,934
Investments	16	7,288	7,249	7,288	7,249
		<b>13,640</b>	<b>13,624</b>	<b>13,640</b>	<b>13,624</b>
Current assets					
Debtors	17	1,990	1,438	1,933	1,413
Cash held as short term deposits		681	1,254	653	1,245
Cash at bank and in hand		138	754	138	754
		<b>2,809</b>	<b>3,446</b>	<b>2,724</b>	<b>3,412</b>
Creditors: amounts due within 1 year	18	<b>(2,355)</b>	<b>(2,597)</b>	<b>(2,687)</b>	<b>(2,569)</b>
Net current assets		454	849	37	843
Total assets less current liabilities		14,094	14,473	13,677	14,467
Creditors: amounts falling due after 1 year	20	<b>(1,102)</b>	<b>(1,317)</b>	<b>(1,102)</b>	<b>(1,317)</b>
Net assets excluding pension liability		12,992	13,156	12,575	13,150
Pension liability	13	<b>(2,778)</b>	<b>(3,139)</b>	<b>(2,778)</b>	<b>(3,139)</b>
Net assets including pension liability		<b>10,214</b>	<b>10,017</b>	<b>9,797</b>	<b>10,011</b>
Funds					
Permanent endowment funds	21	257	258	257	258
Restricted funds	21	247	159	247	159
Total		<b>504</b>	<b>417</b>	<b>504</b>	<b>417</b>
Unrestricted funds					
General funds	21	12,071	12,733	12,071	12,733
Subsidiary companies' non-charitable funds	21	417	6	-	-
Pension fund	21	<b>(2,778)</b>	<b>(3,139)</b>	<b>(2,778)</b>	<b>(3,139)</b>
Total unrestricted funds		<b>9,710</b>	<b>9,600</b>	<b>9,293</b>	<b>9,594</b>
Total funds		<b>10,214</b>	<b>10,017</b>	<b>9,797</b>	<b>10,011</b>

The Charity's net profit for the year of £0.2m (2017: loss of £1.6m)

The notes on pages 47 to 71 form part of these accounts.

The financial statements were approved and authorised for issue by the trustees on 26 September 2018 and signed on their behalf by

Jonathan McShane - Chair

Terrence Higgins Trust  
Consolidated Cash Flow Statement  
For the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	29	(930)	(1,153)
Cash flows from investing activities:			
Dividends, interest and rents from investments		94	91
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(3)	(9)
Purchase of investments		(106)	(69)
Net cash provided by (used in) investing activities		(945)	(1,140)
Cash flows from financing activities:			
Repayments of borrowing		(244)	(241)
Net cash provided by (used in) financing activities		(244)	(241)
Change in cash and cash equivalents in the reporting period		(1,189)	(1,381)
Cash equivalents at the beginning of the reporting period		<u>2,008</u>	<u>3,389</u>
Cash and cash equivalents at the end of the reporting period		<u><u>819</u></u>	<u><u>2,008</u></u>

Terrence Higgins Trust  
Notes to the Consolidated Financial Statements  
For the year ended 31 March 2018

1. Charity Information

The charity is a private limited company (registered number 1778149), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is 314-320 Gray's Inn Road, London WC1X 8DP.

2. Accounting policies

The principle accounting policies adopted and critical areas of judgements are as follows:

a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

Terrence Higgins Trust meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements of Terrence Higgins Trust and its subsidiary company are consolidated, on a line-by-line basis, to produce the Group financial statements. The consolidated entity is referred to as 'the Group'. No separate Statement of Financial Activities has been presented for Terrence Higgins Trust as permitted by Section 408 of the Companies Act 2006. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in this note, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- Dilapidation provision – The charity has provided for its possible liability in relation to its leasehold property which has been estimated and included in accruals in note 18.

- Pension liabilities – The charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 13.



c) Preparation of the accounts on a going concern basis

The charity reported a reserve position of £10.2m for the year on a group basis. The trustees are of the view that reserves and cash balances of the charity are sufficient and that on this basis the charity and group is a going concern.

d) Functional/Presentation currency

The functional currency of Terrence Higgins Trust and its subsidiary is considered to be in pounds sterling because that is the currency of the primary economic environment in which the charity/group operates. The consolidated financial statements are also presented in pounds sterling.

e) Income

Income is recognised in the period in which the Charity is entitled to their receipt, it is probable that they will be received and the amount receivable can be measured reliably. 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) on the earlier of the date of receipt of finalised estate accounts, the date of payment or where there is sufficient evidence to provide the necessary certainty that the legacy will be received and the value is measurable with sufficient reliability.

f) Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes 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.

Expenditure on raising funds comprise the direct costs of fundraising activities and a proportion of support costs.

g) Gifts 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.

Donated facilities and services are recognised as income if the charity would have otherwise purchased them and their value can be reliably measured. They are recognised at the value to the charity, which will often be the open market value. When the goods and services are consumed, an amount to the value of the income is recognised as expenditure. It is difficult to make a reliable estimate of the value of volunteer time and as such, this is not recognised in the accounts.

Lower value gifts that are donated for resale, usually in our Boutique, are recognised as income at the point at which they are sold.

Higher value gifts that are donated for resale, usually for our Auction, are recognised as income when they are received and held as stock on the balance sheet, where legal ownership has been transferred, until they are sold. They are recognised at fair value, being the expected sale proceeds less cost of sales.

h) Redundancy and termination costs

Redundancy and termination costs are recognised in the period in which they are incurred. Costs are considered to be incurred when staff have been formally notified of the decision to terminate their employment or accept their request for voluntary redundancy. Costs can include redundancy costs, contractual payment in lieu of notice (where applicable) and training costs, all in line with our Redundancy and Redeployment Policy and in exceptional circumstances, settlement costs.

i) Pension costs

THT operates a defined benefit scheme for employees, which provides benefits to members on retirement and on death in service. 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.

Current service costs relating to the defined benefit scheme are charged to the Statement of Financial Activities. Contributions to defined contribution schemes are charged to the Statement of Financial Activities in the year in which they are incurred.

j) 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).

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.

k) Intangible fixed assets

Website development, databases and management information software costs have been capitalised within intangible assets as they can be identified with a specific project anticipated to produce future benefits. Once brought into use they will be amortised over the anticipated life of the benefits arising from the completed project as following:

Website development	25% on cost (or over the life of the project if shorter)
Management information	10% on cost
Databases and other software	25% on cost (or over the life of the project if shorter)

l) Investments

Shares are stated at market value at the balance sheet date. The SOFA includes realised gain and losses on investments sold in the year and unrealised gains and losses on the revaluation of investments.

Terrence Higgins Trust holds one investment property at a value of £1.45m. The Trustees have approved the valuation which is based upon an independent Estate Agents market valuation. The original valuation of £1.5m was confirmed by three independent offers of purchase in excess of £1.5m. The loss on the asset in 2018 is in line with the slight fall in the market.

m) Financial instruments

Terrence Higgins Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits and the group's debtors excluding prepayments. Financial liabilities held at amortised cost comprise the group's short and long term creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Investments, including bonds and cash held as part of the investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

At the balance sheet date the charity held financial assets at amortised cost of £4,092,000 (2017 £4,674,000) and Financial liabilities at amortised cost of £3,165,000 (2017 £2,719,000)

n) Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

o) 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.

p) Fund accounting

Unrestricted funds (General 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.



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3. Donations and Legacies

	Unrestricted £'000	Restricted £'000	2018 £'000	2017 £'000
Corporate donations	142	404	546	464
Trust donations	28	103	131	195
Big Lottery Fund	-	677	677	1,381
Community fundraising	318	-	318	307
Individual donations	1,574	17	1,591	1,834
Legacies	<u>2,224</u>	<u>77</u>	<u>2,301</u>	<u>1,252</u>
Total donations and legacies	<u>4,286</u>	<u>1,278</u>	<u>5,564</u>	<u>5,433</u>

4. Other trading activities

	2018 £'000	2017 £'000
Fundraising events	307	97
Shop sales	91	93
Rental income from operating leases	324	229
Room hire and catering	7	9
Sponsorship, sales and cause related marketing	<u>9</u>	<u>12</u>
Total other trading activities	<u>738</u>	<u>440</u>

5. Investment income

	2018 £'000	2017 £'000
Investment income	106	91
Bank interest	<u>8</u>	<u>13</u>
Total investment income	<u>114</u>	<u>104</u>

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6. Income from charitable activities

	Unrestricted £'000	Restricted £'000	2018 £'000	2017 £'000
Ending HIV transmission and improving sexual health				
Public Health England	1,200	27	1,227	1,225
Health authorities	374	-	374	520
Local authorities and other statutory bodies	<u>4,805</u>	<u>61</u>	<u>4,866</u>	<u>6,193</u>
Total Ending HIV transmission and improving sexual health	<u>6,379</u>	<u>88</u>	<u>6,467</u>	<u>7,938</u>
Empowering people to live well with HIV				
Health authorities	117	1	118	166
Local authorities and other statutory bodies	<u>472</u>	<u>-</u>	<u>472</u>	<u>1,397</u>
Total Empowering people to live well with HIV	<u>589</u>	<u>1</u>	<u>590</u>	<u>1,563</u>
Total income for charitable	<u>6,968</u>	<u>89</u>	<u>7,057</u>	<u>9,501</u>

7. Other income

	2018 £'000	2017 £'000
Training and conferences	14	23
Counselling and therapy fees	58	43
Student placements	2	5
Other	<u>69</u>	<u>39</u>
Total other income	<u>143</u>	<u>110</u>

8. Expenditure on raising funds

	Cost of raising funds £'000	Fundraising & trading £'000	2018 £'000	2017 £'000
Salaried staff costs	715	108	823	813
Non-salaried staff costs	56	10	66	104
Printing costs	172	30	202	269
Event costs	129	25	154	169
Other direct costs	262	42	304	318
Premises costs	40	7	47	46
Support costs (note 10)	<u>204</u>	<u>12</u>	<u>216</u>	<u>206</u>
Total	<u>1,578</u>	<u>234</u>	<u>1,812</u>	<u>1,925</u>

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9. Charitable activities	Ending HIV transmission and improving sexual health	Empowering people to live well with HIV	Amplifying the voices of people living with HIV	Total	Total
	£'000	£'000	£'000	£'000	£'000
Salaried staff costs	4,527	1,932	288	6,747	8,022
Non-salaried staff costs	21	19	2	42	39
Subcontractors and partners	525	28	-	553	796
Clinical supplies	239	1	-	240	669
Hardship grants	-	60	-	60	68
Website	55	22	10	87	66
Volunteer costs	11	27	2	40	61
Print and design costs	264	18	3	285	443
Condoms & materials	99	1	-	100	142
Event costs	55	36	1	92	132
Campaign/service advertising	442	2	-	444	355
Research & evaluation	4	2	1	7	7
Staff travel and subsistence	127	44	12	183	267
Other direct costs	409	192	38	639	804
Premises costs	494	240	-	734	891
Support costs (note 10)	1,120	432	46	1,598	1,860
<b>Total</b>	<b>8,392</b>	<b>3,056</b>	<b>403</b>	<b>11,851</b>	<b>14,622</b>

10. Support costs	Ending HIV transmission and improving sexual health	Empowering people to live well with HIV	Amplifying the voices of people living with HIV	Fundraising & trading	Total
	£'000	£'000	£'000	£'000	£'000
Salaried staff costs	533	206	21	103	863
Non salaried staff costs	20	8	1	4	33
Staff travel and subsistence	6	2	-	1	9
IT costs	264	102	11	51	428
Other direct costs	281	108	12	54	455
Premises costs	16	6	1	3	26
<b>Total support costs</b>	<b>1,120</b>	<b>432</b>	<b>46</b>	<b>216</b>	<b>1,814</b>

Support costs include the cost of the Finance, Human Resources, IT and Estates departments. Support costs are allocated to activities based on the number of whole time equivalent

11. Net income	2018	2017
This is stated after charging:	£'000	£'000
Depreciation and amortisation	268	283
Rental costs relating to operating leases	342	402
Trustees' indemnity insurance	5	7
Auditors' remuneration: audit	27	30
Auditors' remuneration: pension	7	7
Actuarial fee for FRS 17 valuation	3	3

None of the Trustees received any remuneration from the Charity (2017: £nil). No trustees (2017: 0) were reimbursed for travel expenses during the year. No catering costs for the committee and other meetings were incurred (2017: £137). Travel and accommodation was booked and paid for directly by the charity for Trustees with total costs amounting to £739 (2017: £978). The auditors' remuneration stated above are exclusive of irrecoverable VAT that is an additional cost the the charity.

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12. Staff costs  
Staff costs (paid staff, not including volunteers) were as follows:

	2018	2017
	£'000	£'000
Salaries and wages	7,283	8,406
Social security costs	689	731
Pension contributions	264	290
Agency staff	140	203
Redundancy costs	198	270
<b>Total staff costs</b>	<b>8,574</b>	<b>9,900</b>

Redundancy costs relate to staff in posts that have been made redundant either because of changes to funding and the services we provide have been stopped or cut back as a result or because unfunded posts have been reduced through restructures that have been carried out to reduce the overheads of the Charity. At the 31st March 2018 £45,000 of redundancy payments were outstanding and were included in the accounts as a creditor.

Staff costs are categorised as:	Notes	2018	2017
		£'000	£'000
Cost of raising funds	8	771	790
Fundraising trading	8	118	127
Ending HIV transmission and improving sexual health	9	4,549	4,966
Empowering people to live well with HIV	9	1,951	2,831
Amplifying the voices of people living with HIV	9	290	263
Support staff	10	895	922
<b>Total staff costs</b>		<b>8,574</b>	<b>9,899</b>

The average head count of staff employed during the year was as follows:

	2018	2017
	No.	No.
Salaried staff	268	317

The average weekly number of whole time equivalent employees during the year was as follows:

	2018	2017
	No.	No.
Salaried staff	206	238
Sessional staff	14	20
<b>Total</b>	<b>220</b>	<b>258</b>

The number of higher paid employees was:

	2018	2017
	No.	No.
£60,000 to £69,999	4	2
£70,000 to £79,999	2	1
£100,000 to £109,999	1	1

Of the higher paid employees, all received employer contributions totalling £21,515 (2017: £23,000) paid into a defined contribution pension scheme. The total benefits received by the Executive team during the year ending 31 March 2018 was £621,884 (2017: £511,000) with salaries ranging from £14,185 to £100,000 in the current year. Due to a restructure during the year to 31 March 2018 some executive posts were paid through agencies on an interim basis. Total amount paid during that year in relation to executive agency staff was £16,500.



13. Staff pension

Terrence Higgins Trust operated a defined benefit pension scheme, Terrence Higgins Trust Pension Scheme ("the Scheme"), where benefits are based on each member's salary and pensionable service prior to leaving the scheme. The Scheme has been closed to new entrants for a number of years and existing members are no longer accruing defined benefits under the Scheme. Benefits receive statutory revaluation in deferment. Once in payment, pension increases are applied, the majority of which are linked to inflation ( subject to floors and caps ).

To replace the final salary scheme a Group Personal Pension Scheme was introduced. During the year ended 31st March 2018, THT contributed £228,245 (2017: £237,145) and employees contributed £165,827 (2017 £183,226).

**Funding**

The Scheme's assets are held completely separately from the Trust in a separate trust fund. The fund is looked after by the Pension Trustees on behalf of the members. The assets are invested to meet the benefits promised under the Scheme by a combination of investment returns and future contributions. Under the normal course of events, actuarial valuations are undertaken every three years to confirm whether the assets are expected to be sufficient to provide the benefits. If there is a shortfall, a recovery plan is put in place under which the Charity is required to pay additional contributions over a period of time agreed with the Trustees.

The last triennial actuarial valuation was at 31 July 2015 which indicated the Scheme had a shortfall. The charity agreed to pay deficit reduction contributions in line with the following schedule:

- £18,677 on 1st March 2017
- £14,000 per month from 1 April 2017 to 31 May 2030, increasing each subsequent 1 January in line with CPI (capped at 5% per pa);
- The amount raised to £14,378 per month on 1 January 2018

plus

A special lump sum of £1million to be paid into the Scheme on the earlier of:

- the completion of the sale of the Grays Inn Road property; and
- 31 December 2019.

The next full valuation is in progress and has an effective date of 31 July 2018.

The accounting disclosures are based on different assumptions from the Scheme's funding assumptions. This is because:

- i. The funding and accounting valuations may be carried out at different dates and so are based on different market conditions;
- ii. The funding assumptions are determined by the Trustees who must include margins for prudence. The accounting assumptions are determined by the Charity directors in accordance with accounting standards, which are different from funding regulations.

The FRS102 value placed on the pension benefit obligation has been determined by rolling forward from previous results, making adjustments to reflect benefits paid out of the Scheme, and for differences between the assumptions used at this year-end and the previous year-end.

13. Staff pension (continued)

Effective Date	At 31/03/18	At 31/03/17
<b>Principal Actuarial Assumptions</b>		
Discount rate	2.90%	2.90%
Pension increases ( RPI up to 5% )	3.20%	3.20%
Revaluation in deferment ( CPI up to 5 % )	2.10%	2.20%
Mortality		
- Base Table	S2PXA YOB	S2PXA YOB
- Allowance for future improvements	CMI 2015	CMI 2015
	1.25%	1.25%

<b>Scheme's assets</b>	3.20%	3.50%
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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:

Equities	80%	80%
Bonds	14%	14%
Other ( cash etc )	6%	6%

The actuarial gain on the Scheme's assets over the year to the review date was £281,000.

The assets do not include any investment in the Trust.

13. Staff pension (continued)

	31/03/18 £'000	31/03/17 £'000
Balance sheet position		
Present value of defined benefit obligation	18,947	18,893
Fair value of plan assets	16,169	15,754
Excess / ( Deficit )	(2,778)	(3,139)
Net Defined Benefit Liability	<u>(2,778)</u>	<u>(3,139)</u>
Net assets available for benefits	<u>16,169</u>	<u>15,754</u>
<b>Profit and loss</b>		
Interest on net liability	(89)	(38)
Past service cost	-	-
	<u>(89)</u>	<u>(38)</u>
Actual return on plan assets	<u>448</u>	<u>2,791</u>
<b>Other comprehensive income (OCI)</b>		
Actual less expected return on plan assets	(8)	2,297
Experience gains and losses on	(134)	135
Change in assumptions	423	(4,569)
Actuarial gain / (loss) recognised in OCI	<u>281</u>	<u>(2,137)</u>
<b>Changes in fair value of plan assets:</b>		
	31/03/18 £'000	31/03/17 £'000
Opening fair value of plan assets	15,754	13,017
Employer contributions	169	107
Benefit payments	(202)	(161)
Expected return on plan assets	456	494
Actuarial gains / ( losses )	(8)	2,297
	<u>16,169</u>	<u>15,754</u>
<b>Changes in present value of defined benefit obligation:</b>		
	31/03/18 £'000	31/03/17 £'000
Opening defined benefit obligation	18,893	14,088
Interest cost	545	532
Benefits paid	(202)	(161)
Actuarial losses / ( gains )	(289)	4,434
Closing defined benefit obligation	<u>18,947</u>	<u>18,893</u>

14. Intangible fixed assets - group and charity

	Website £'000	Software & systems £'000	Total £'000
Cost			
At the start of the year	562	1,502	2,064
Additions in year	206	38	244
Disposals/write offs in year	-	-	-
At the end of the year	<u>768</u>	<u>1,540</u>	<u>2,308</u>
Amortisation			
At the start of the year	562	1,061	1,623
Charge for the year	-	98	98
Disposals/write offs in year	-	-	-
At the end of the year	<u>562</u>	<u>1,159</u>	<u>1,721</u>
Net book value			
At the end of the year	<u>206</u>	<u>381</u>	<u>587</u>
At the start of the year	<u>-</u>	<u>441</u>	<u>441</u>

15. Tangible fixed assets - group and charity

	Freehold property £'000	Leasehold improvements £'000	Fixtures & fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At the start of the year	6,611	134	482	533	48	7,808
Additions in year	-	-	-	3	-	3
Disposals/write offs in year	-	(45)	(7)	(7)	-	(59)
Reclassification/Revaluation	-	-	-	-	-	-
At the end of the year	<u>6,611</u>	<u>89</u>	<u>475</u>	<u>529</u>	<u>48</u>	<u>7,752</u>
Depreciation and impairment provisions						
At the start of the year	847	89	439	453	46	1,874
Charge for the year	78	18	32	40	2	170
Disposals/write offs in year	-	(43)	(7)	(7)	-	(57)
Reclassification/Revaluation	-	-	-	-	-	-
At the end of the year	<u>925</u>	<u>64</u>	<u>464</u>	<u>486</u>	<u>48</u>	<u>1,987</u>
Net book value						
At the end of the year	<u>5,686</u>	<u>25</u>	<u>11</u>	<u>43</u>	<u>-</u>	<u>5,765</u>
At the start of the year	<u>5,764</u>	<u>45</u>	<u>43</u>	<u>80</u>	<u>2</u>	<u>5,934</u>

From the beginning of March 2017 one of the Charity's freehold properties, located at 14-15 Lower Marsh London, was surplus to operational requirements. It was marketed for commercial letting and is being leased to a number of tenants. As a result, the property is classified within investments.

Details of charges over properties are given in note 20.



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16. Fixed asset investments - group and charity

	Investment Property £'000	Unrestricted £'000	Endowment £'000	2018 £'000	2017 £'000
Market value at the start of the year	1,500	5,491	258	7,249	5,101
Reclassification	-	0	-	-	1,500
Additions	-	106	7	113	69
Withdrawals	-	-	(7)	(7)	-
Management fees	-	(30)	(2)	(32)	-
Unrealised gain/(loss)	<u>(50)</u>	<u>14</u>	<u>1</u>	<u>(35)</u>	<u>579</u>
Market value at the end of the year	<u>1,450</u>	<u>5,581</u>	<u>257</u>	<u>7,288</u>	<u>7,249</u>
Historic cost at the end of the year	<u>1,500</u>	<u>4,800</u>	<u>207</u>	<u>6,507</u>	<u>6,507</u>
Unrealised investment gain based on historical cost	<u>(50)</u>	<u>781</u>	<u>50</u>	<u>781</u>	<u>742</u>

Fixed asset investments comprise of an endowment fund and unrestricted investments. The endowment fund at £0.25m and £4.1m of the unrestricted investments are managed by Rathbones and are invested as detailed in the split below. £1.5m of unrestricted investments is cash held in long term deposit. The investment property, at the value of £1.45m, is a decommissioned operating unit which is now being marketed commercially. For details of investments held by the Charity in subsidiary undertakings see note 26.

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

UK Equities	36.6%
Overseas Equities	37.6%
Cash	0.5%
Alternatives	15.3%
Fixed Interest	9.9%

17. Debtors

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Grant and contract funding receivable and similar debtors	1,092	839	1,050	809
Other debtors	242	106	242	106
Amounts due from subsidiary undertakings	-	-	-	7
Prepayments	217	234	217	234
Accrued income	<u>439</u>	<u>259</u>	<u>425</u>	<u>257</u>
Total debtors	<u>1,990</u>	<u>1,438</u>	<u>1,934</u>	<u>1,413</u>

18. Creditors: amounts due within 1 year

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Loan repayable (note 20)	234	263	234	263
Trade creditors	267	239	267	239
Social security, pension contributions and other taxes	298	313	298	313
Other creditors	75	31	18	14
Accruals	852	1,135	852	1,135
Amount owed by subsidiary undertaking	-	-	411	-
Deferred income (note 19)	<u>629</u>	<u>616</u>	<u>607</u>	<u>605</u>
Total creditors due within 1 year	<u>2,355</u>	<u>2,597</u>	<u>2,687</u>	<u>2,569</u>

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19. Deferred income reconciliation

	At 1 April 2017 £'000	Released to income £'000	Deferred during the year £'000	At 31 March 2018 £'000
Donations and legacies	516	(516)	569	569
Charitable activities	83	(83)	161	161
Other income	<u>17</u>	<u>(17)</u>	<u>22</u>	<u>22</u>
	<u>616</u>	<u>(616)</u>	<u>752</u>	<u>752</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.

20. Creditors: amounts due after 1 year

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Loan	<u>1,102</u>	<u>1,317</u>	<u>1,102</u>	<u>1,317</u>

The loans which THT currently has outstanding are summarised below:

	Repayment term Years	Payments due in < 1 year £'000	Payments due in 2-5 years £'000	Payments due in > 5 years £'000	Total
Gray's Inn Road 1	19	155	619	25	798
Gray's Inn Road 2	<u>19</u>	<u>80</u>	<u>318</u>	<u>141</u>	<u>539</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%. There are charges over the Charity's buildings in relation to the loans.

As part of the funding discussions between the Charity and the Terrence Higgins Trust Pension Scheme, the Charity agreed to grant the Scheme Trustees security by way of a legal mortgage over two of its properties in respect of its liabilities under the scheme recovery plan. This charge ranks second in priority.

Terrence Higgins Trust  
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21. Movements in funds

As at 31st March 2018

	Opening balance £'000	Income £'000	Expenditure £'000	Other movement in funds £'000	At the end of March 2018 £'000
Unrestricted funds:					
General fund	12,739	12,249	(12,464)	(36)	12,488
Pension fund	(3,139)	-	80	281	(2,778)
Total unrestricted funds	<u>9,600</u>	<u>12,249</u>	<u>(12,384)</u>	<u>245</u>	<u>9,710</u>
Restricted funds					
American Express Volunteer Programme	17	44	(48)	-	13
Anglo American African Health Promotion Faith and Communities Project	24	-	(11)	-	13
Anglo American Group Foundation	-	10	(9)	-	1
Barclays Spectrum - Work Positive Project	-	176	(55)	-	121
Barclays SWISH placement service	7	-	(7)	-	-
Big Lottery Fund Investing in Communities: Confident Families	-	32	(32)	-	-
Big Lottery Fund People & Places: Community Liaison and Participation Project	-	40	(40)	-	-
Big Lottery Fund Reaching Communities: Health Navigators	-	-	-	-	-
Big Lottery Fund Reaching Communities: Informed Passions	-	28	(28)	-	-
Big Lottery Fund Reaching Communities: Living positively in West Sussex	-	-	-	-	-
Big Lottery Fund Reaching Communities: Talk Safe 2	-	-	-	-	-
Big Lottery Fund Silver Dreams: Health, Wealth and Happiness	-	135	(135)	-	-
Big Lottery Fund: Investing in Financial Futures	-	-	-	-	-
Big Lottery Fund: Life Positive Nottingham	-	20	(20)	-	-
BLF - Work Positive (Back to Work)	-	21	(21)	-	-
BLF Awards for all - Living Positively	-	8	(8)	-	-
BLF Champions of Change (African HP Midlands)	7	150	(157)	-	-
BLF Children & Families project Nottingham	-	21	(21)	-	-
BLF Peer Support Scotland	-	110	(110)	-	-
BLF People for People Peer Volunteering Coventry & Wirral	-	61	(61)	-	-
BLF Wales: Positive Action Wales 2 - Gweithredu HIV a Hepatitis Action Wales	-	51	(51)	-	-
CHAFEA - EMIS European MSM Survey & Training Esticom	-	33	(33)	-	-
Church of Scotland Fastest/Health Promotion Programme	1	-	(1)	-	-
City Bridge Trust Young People's Counselling	4	-	(4)	-	-
City Bridge Trust Young People's Counselling 2	-	24	(24)	-	-
Clinical Services Scotland	29	-	(29)	-	-
Comic Relief - Positive Balance (Advice)	-	28	(28)	-	-
Comic Relief:SWISH	5	-	-	-	5
ECDC -Developing European HIV & STI Testing Directory	-	21	(21)	-	-
Elton John AIDS Foundation - PrEP	-	28	(28)	-	-
European aids Treatment - EmERGE project leader	-	-	-	-	-
Fastest Direct Scotland	-	17	(17)	-	-
Friday/Monday Innovation - MSM Online therapeutic change	-	27	(27)	-	-
Garfield Weston - Positive voices	-	12	(12)	-	-
Gilead - HIV testing in Primary Care	-	19	(19)	-	-
Gilead BME MSN Outreach	-	9	(9)	-	-
Hardship Legacy	-	78	-	-	78
Helping Hands - BLF Awards for All Scotland	1	-	(1)	-	-
Henry Smith Welfare Rights Advice	-	6	(6)	-	-
Lambeth Law Centre BLF Advice	4	-	(4)	-	-
MAC - Positive Voices	-	66	(66)	-	-
MAD Trust Wales Policy	-	6	(6)	-	-
Pfizer - Health and Wellbeing Development	-	10	(10)	-	-
PHE Innovation Pilot	-	7	(7)	-	-
Soho Estates - MSM Outreach Project	-	10	(10)	-	-
Soho Estates - SWISH	-	1	(1)	-	-
Viiv Healthcare - European Migrants	-	22	(22)	-	-
Viiv Healthcare - Modelling intergrated HIV services	-	5	(5)	-	-
Viiv Healthcare Groupwork Peer Support	-	13	(13)	-	-
Viiv Healthcare - Modelling integrated HIV services in Primary care	4	-	(4)	-	-
Viiv Healthcare WAD events Nottingham	-	16	(16)	-	-
Other Restricted Funds	56	2	(42)	-	16
Restricted income funds	<u>165</u>	<u>1,367</u>	<u>(1,279)</u>	<u>-</u>	<u>247</u>
Permanent endowment	<u>258</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>257</u>
Total restricted funds	<u>417</u>	<u>1,367</u>	<u>(1,279)</u>	<u>(1)</u>	<u>504</u>
Total funds	<u>10,017</u>	<u>13,616</u>	<u>(13,663)</u>	<u>244</u>	<u>10,214</u>

Terrence Higgins Trust  
Notes to the Consolidated Financial Statements  
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21. Movements in funds

As at 31st March 2017

	Opening balance £'000	Income £'000	Expenditure £'000	Other movement in funds £'000	At the end of March 2017 £'000
Unrestricted funds:					
General fund	12,291	13,675	(14,690)	1,463	12,739
Pension fund	(1,071)	-	69	(2,137)	(3,139)
Total unrestricted funds	<u>11,220</u>	<u>13,675</u>	<u>(14,621)</u>	<u>(674)</u>	<u>9,600</u>
Restricted funds					
American Express Volunteer Programme	17	44	(44)	-	17
Anglo American African Health Promotion Faith and Communities Project	24	53	(53)	-	24
Barclays SWISH placement service	8	-	(1)	-	7
Big Lottery Fund Investing in Communities: Confident Families	-	235	(235)	-	-
Big Lottery Fund People & Places: Community Liaison and Participation Project	-	67	(67)	-	-
Big Lottery Fund Reaching Communities: Health Navigators	-	66	(66)	-	-
Big Lottery Fund Reaching Communities: Informed Passions	-	48	(48)	-	-
Big Lottery Fund Reaching Communities: Living positively in West Sussex	-	18	(18)	-	-
Big Lottery Fund Reaching Communities: Talk Safe 2	-	23	(23)	-	-
Big Lottery Fund Silver Dreams: Health, Wealth and Happiness	28	287	(315)	-	-
Big Lottery Fund: Investing in Financial Futures	-	102	(102)	-	-
Big Lottery Fund: Life Positive Nottingham	-	40	(40)	-	-
Big Lottery Fund: SWISH -Supporting people involved in sex work	-	22	(22)	-	-
BLF - PASH	-	24	(24)	-	-
BLF - Work Positive (Back to Work)	-	69	(69)	-	-
BLF Awards for all - Living Positively	-	2	(2)	-	-
BLF Champions of Change (African HP Midlands)	12	163	(168)	-	7
BLF Children & Families project Nottingham	-	26	(26)	-	-
BLF People for People Peer Volunteering Coventry & Wirral	-	45	(45)	-	-
BLF Wales: Positive Action Wales 2 - Gweithredu HIV a Hepatitis Action Wales	-	145	(145)	-	-
CHAFEA - EMIS European MSM Survey & Training Esticom	-	10	(10)	-	-
Church of Scotland Fastest/Health Promotion Programme	1	-	-	-	1
City Bridge Trust Young People's Counselling	10	4	(10)	-	4
Clinical Services Scotland	1	79	(51)	-	29
Comic Relief - Positive Balance (Advice)	-	60	(60)	-	-
ECDC - Developing European HIV & STI Testing Directory	-	19	(19)	-	-
Fastest Direct Scotland	-	62	(62)	-	-
Friday/Monday Innovation - MSM Online therapeutic change	-	14	(14)	-	-
Comic Relief:SWISH	5	-	-	-	5
Gilead - Lost to Follow up (C&W)	-	2	(2)	-	-
Garfield Weston - Positive voices	-	18	(18)	-	-
Gilead - HIV testing in Primary Care	-	5	(5)	-	-
Helping Hands - BLF Awards for All Scotland	1	-	-	-	1
Henry Smith Welfare Rights Advice	-	23	(23)	-	-
John Lyons - Women at risk of sexual exploitation	-	5	(5)	-	-
Lambeth Law Centre BLF Advice	4	-	-	-	4
MAC - Positive Voices	-	77	(77)	-	-
MSD HIV and Ageing Peer Researchers - Merck & Co	-	10	(10)	-	-
NOISE - MyHIV(EJAF)	-	2	(2)	-	-
Soho Estates - SWISH	-	22	(22)	-	-
Viiv Healthcare -Modelling integrated HIV services in Primary care	5	12	(13)	-	4
Other Restricted Funds	<u>56</u>	<u>10</u>	<u>(10)</u>	<u>-</u>	<u>56</u>
Restricted income funds	<u>172</u>	<u>1,913</u>	<u>(1,926)</u>	<u>-</u>	<u>159</u>
Permanent endowment	<u>233</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>258</u>
Total restricted funds	<u>405</u>	<u>1,913</u>	<u>(1,926)</u>	<u>25</u>	<u>417</u>
Total funds	<u>11,625</u>	<u>15,588</u>	<u>(16,547)</u>	<u>(649)</u>	<u>10,017</u>

21. 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 31st March 2018. This fund is held separately from the Charity and is not available for distribution on charitable activities.

Permanent endowment

A legacy was received in 1994/95 which the donor specified should be held as a permanent endowment. This was invested in Common Investment Funds but transferred in the 2016/2017 financial year to Rathbones. 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

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:

**American Express Volunteer Programme** - Supports the infrastructure of the volunteer programme in London and Brighton. The partnership helps to improve volunteer management systems to recruit, train and retrain volunteers.

**Anglo American Group Foundation** - African Health Promotion

**Anglo American African Health Promotion Faith and Communities Project** - An innovative project focussed on engaging African faith and community leaders across the UK to provide the congregations of churches, mosques and other community groups with the opportunity to test for and learn about HIV within their community.

**Barclays Spectrum: Work Positive** - Peer mentoring, support and training for people with HIV to access employment opportunities.

**Barclays SWISH Placement Service** - Supports sex workers who would like to exit the industry or find alternative employment. The project helps sex workers develop the skills and expertise needed to re-enter regular employment, education or volunteering.

**Big Lottery Fund Scotland: Confident Families** - Provision of a comprehensive support package of short and long term activities tailored to the needs of all types of families who have at least one person (including a child) living with HIV.

**Big Lottery Fund People & Places: Community Liaison and Participation Project** - Community action project raising awareness of HIV/Hepatitis C in Wales, including through volunteering.

**Big Lottery Fund: Investing in Financial Futures** - Provision of Welfare Rights and Financial advice for PLHIV.

**Big Lottery Fund Silver Dreams: Health, Wealth and Happiness** - This project supports older people living with HIV (OPLHIV) in London, Brighton, Manchester, Birmingham and Bristol.

**Big Lottery Fund Reaching Communities: Informed Passions** - A project training people from Yorkshire living with HIV and/or Hepatitis C, or at risk of poor sexual health, to become volunteers and deliver peer support to other people in the same or similar situations.

**Big Lottery Fund: Life Positive Nottingham** - Long Term Condition management support for PLHIV.

**Big Lottery Fund Reaching Communities: Living positively in West Sussex** - This project aims to improve the mental and physical wellbeing of people living with HIV in West Sussex through the creation of a peer support network.

**BLF - PASH** - To provide SRE to disadvantaged Young People in the Midlands, North and West.

**Big Lottery Fund: SWISH** - Advice and support for people involved in sex work.

**Big Lottery Fund Reaching Communities: Work Positive** - Peer mentoring, support and training for people with HIV to access employment opportunities.

**BLF Champions for Change** - An intergenerational project engaging with African communities who are infected with or affected by HIV across the Midlands.

**BLF Children & Family project Nottingham** - Project for children and families living with and affected by HIV.

**Big Lottery Fund Reaching Communities: Health Navigators** - to provide support for PLHIV through referral pathways in Midlands, Bristol and Wirral.

**BLF People for People Peer Volunteering Coventry & Wirral** - To support vulnerable PLHIV in West Midlands and the Wirral, to enable them to manage their long-term condition and to

**Big Lottery Fund Reaching Communities: Talk Safe 2** - Providing support to Young people through peer mentoring, counselling and outreach service, to enable them to make more informed choices regarding sex and relationships.

**Big Lottery Fund Wales: Positive Action Wales 2** - Support services for people living with HIV/Hepatitis C across Wales to self-manage their condition.

**BLF Awards for all - Living Positively** - This project aims to improve the mental and physical well being of people living with HIV through a creation of a support network.

**Children in Need: Children & Families Nottingham and Coventry** - Project for children and families living with and affected by HIV.

**Church of Scotland Fastest/Health Promotion Programme** - to support fastest clinics in Glasgow and Health promotion programme

**CHAFEA** - creating a training programme for community healthcare workers to improve their work with MSM in Europe.

**City Bridge Trust: Young People's Counselling Services** - For young people in London.

**Clinical Services Scotland** - HIV and sexual health testing clinic.

**Comic Relief: Positive Balance** - Designed to tackle the root causes of financial exclusion faced by people living with HIV in London, primarily in the deprived areas of Lambeth and Southwark.

**Comic Relief: SWISH** - Vital support service for sex workers.

**ECDC** - test finder to co-ordinate the development & promotion of the European test finder online tool in countries within WHO & European regions.

**European Aids Treatment - EmERGE project leader** - A research project commissioned by the European Commission to better understand the use of mobile technology (such as mobile apps) to improve patient empowerment and experience for people living with HIV in the UK.

**Fastest Direct Scotland** - HIV testing in Scotland.

**Friday/Monday Innovation** - online counselling and group work for MSM around alcohol, drugs and sexual behaviour.

**Garfield Western** - Positive Voices, London, is a project where people living with HIV volunteer to go into schools, colleges and universities to tell their story and talk about HIV, STIs and general sexual health. Positive Voices presents a unique opportunity to improve sexual health while directly addressing HIV stigma amongst the younger generation.

**Gilead Sciences Ltd** - HIV in Primary Care. The project aims to develop and deliver online HIV self-sampling in GP practices to facilitate HIV testing at GP registration and to increase the uptake of HIV testing in primary care, especially for high-risk communities.

**Gilead lost to follow up** - A project to re-engage with and provide support services for HIV patients who are no longer accessing treatment in Chelsea and Westminster.

**Helping Hands - BLF Awards for All Scotland** - To support PLHIV through the provision of workshops and group sessions.



**Henry Smith Charity: Scotland Welfare Rights** – Money management project providing advice and support on budgets for people living with HIV in Scotland.

**John Lyon's Charity: SWISH** – Support for young women at risk of sexual exploitation or those involved in sex work in Hammersmith & Fulham, Kensington & Chelsea and Westminster.

**Lambeth Law Centre BLF Advice** - Providing Advice for PLHIV.

**MAC AIDS Fund – Positive Voices.** Positive Voices is a project where people living with HIV go into schools, colleges and universities to tell their stories and talk about HIV. The project presents a unique opportunity to improve sexual health while directly addressing HIV stigma amongst the younger generation.

**MAD Trust Wales Policy** - To support the Policy post in Wales.

**MSD** - HIV and Ageing Peer Researchers project. This project sought to pilot an innovative methodology – training up older people living with HIV to co-produce the updated HIV and ageing research to ensure that people living with and affected by HIV are meaningfully involved in designing and delivering THT's work.

**NOISE** - MyHIV(EJAF) - Online MyHIV service.

**Soho Estates SWISH** - We have worked in partnership for six years to support SWISH at the Dean Street clinic which provides vital support services to sex workers.

**ViiV Healthcare Modelling integrated HIV services in Primary care** - The project aims to define and model a novel, wholly integrated pathway for a selected group of people over the age of 50 living with HIV in Lambeth and Southwark.

**ViiV Healthcare African Migrants Service** - Digital Marketing pilot for African Migrants in the UK, France, Sweden and the Netherlands.

**ViiV Healthcare - European Migrants** - Digital Marketing pilot for European Migrants.

**ViiV Healthcare Groupwork Peer Support**

22. Analysis of group net assets between funds

As at 31st March 2018

	Intangible and Tangible Fixed Assets £'000	Investments £'000	Net current assets £'000	Long-term liabilities £'000
General Funds	6,352	5,581	(210)	(3,880)
Subsidiary company	-	-	417	-
Total unrestricted funds	6,352	5,581	207	(3,880)
Restricted funds	-	-	247	-
Permanent endowment	-	257	-	-
Total restricted funds	-	257	247	-
Total funds	6,352	5,838	454	(3,880)

Prior year comparative

As at 31st March 2017

	Intangible and Tangible Fixed Assets £'000	Investments £'000	Net current assets £'000	Long-term liabilities £'000
General Funds	6,375	5,491	684	(4,456)
Subsidiary company	-	-	6	-
Total unrestricted funds	6,375	5,491	690	(4,456)
Restricted funds	-	-	159	-
Permanent endowment	-	258	-	-
Total restricted funds	-	258	159	-
Total funds	6,375	5,749	849	(4,456)

23. Lease commitments

As a lessee, the charity had future minimum commitments at the year end under non-cancellable operating leases as follows:

	2018 £'000
Not later than 1 year	235
Later than one year and not later than 5 years	228
Later than 5 years	<u>9</u>

As a lessor, the charity had future minimum rental income at the year end under non-cancellable operating leases as follows:

	2018 £'000
Not later than 1 year	332
Later than one year and not later than 5 years	329
Later than 5 years	<u>33</u>

24. Legacies Receivable

At the year end the Charity had been notified of an estimated £2.8m (2017: £3.6m) of residual legacies and are expected to be received by the Charity over a number of accounting periods. These mainly comprise shares in properties and investments held in trusts and have not been recognised as income by the Charity as we have been unable to form a reliable estimate of the amounts the Charity is entitled to.

25. Taxation

No corporation tax has been provided in these accounts because, as a registered charity, THT is entitled to the exemptions granted by sections 466 to 493 Corporation Tax Act 2010 .

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 £380,049 (2017: £430,873).

26. Subsidiary companies

The Charity has investments costing £100 (2017: £100) in two companies (2017: 2). The shareholding comprises ordinary shares. Details of the subsidiary companies at 31st March 2017, which were incorporated in England and Wales and are wholly owned or controlled directly by THT, are set out below:

Subsidiary companies	Activity
Terrence Higgins Enterprises Limited	Fundraising
Crusaid Limited	Dormant

Summary accounts for Terrence Higgins Enterprises Limited are shown in note 27.

27. Terrence Higgins Enterprises Limited

	2018 £'000	2017 £'000
Profit and loss account		
Turnover	421	522
Cost of sales	(9)	(291)
Administrative expenses	<u>(1)</u>	<u>(1)</u>
Profit on trading activities	411	230
Interest	<u>-</u>	<u>-</u>
Profit for the financial year	411	230
Profit donated through gift aid	<u>-</u>	<u>(230)</u>
Profit for the financial year after gift aid	411	-
Retained profit brought forward	<u>6</u>	<u>6</u>
Retained profit carried forward	<u>417</u>	<u>6</u>
Balance sheet		
Cash	28	8
Debtors	58	33
Amounts from parent undertaking	411	(7)
Other creditors	<u>(80)</u>	<u>(28)</u>
Net assets	<u>417</u>	<u>6</u>
Net assets	<u>417</u>	<u>6</u>
Share Capital	-	-
Retained profits	<u>417</u>	<u>6</u>
Capital and Reserves	417	6

28. Related party transactions

There were no material related party transactions during the year other than the transactions with the subsidiary company, Terrence Higgins Enterprise Limited and donations from Trustees that are described below (2017: none):

In 2018 the charity did not charge Terrence Higgins Enterprise Limited for any management fees (2017: £131,000)

In 2018 Terrence Higgins Enterprise Limited did not subcontract the provision of certain long term condition management services to the charity (2017: £186,200)

All profits made by Terrence Higgins Enterprise Limited will be gifted to the charity, the profits in 2018 of £412,000 will be transferred under member resolution in 2019. (2017:

During the year Trustees have made donations to the Charity with a total value of £5,094 (2017: £4,500). No conditions were attached to these donations.



29. Notes to the consolidated cash flow statement

(a) Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net (expenditure) / income for the reporting period (as per the Statement of Financial Activities)	(34)	(380)
Adjustments for:		
Net (gain) / loss on investments	13	(579)
Pension adjustment	(80)	(69)
Investment income	(106)	(91)
Bank interest received	(8)	(13)
Interest paid	20	13
Depreciation and amortisation charge	268	283
Loss on disposal of fixed assets	-	7
(Increase) / decrease in debtors	(550)	(347)
(Increase) / decrease in stock	-	28
(Decrease) / increase in creditors	(453)	(5)
Net cash provided by (used in) operating activities	<u>(930)</u>	<u>(1,153)</u>

(b) Analysis of cash and cash equivalents

	2018 £'000	2017 £'000
Cash held at bank and in hand	138	754
Liquid resources - cash held on short term deposits	<u>681</u>	<u>1,254</u>
	819	2,008
Mortgages due within one year	(234)	(263)
Mortgages due after one year	<u>(1,102)</u>	<u>(1,317)</u>
Total	<u>(517)</u>	<u>428</u>

30. Terrence Higgins Trust Scotland

This is a summary of the activities of the Terrence Higgins Trust in Scotland.

	Unrestricted £'000	Restricted £'000	2018 Total £'000	2017 Total £'000
Income:				
Donations and Legacies	6	205	211	539
Charitable Activities				
Statutory income for charitable activities	300	-	300	295
Other incoming resources from charitable	17	-	17	22
<b>Total</b>	<u>323</u>	<u>205</u>	<u>528</u>	<u>856</u>
Expenditure on:				
Charitable expenditure				
Clinical	-	59	59	123
Health Improvement	321	8	329	330
Long Term Condition Management	1	203	204	439
Premises	85	-	85	21
Support Costs	-	-	-	17
<b>Total</b>	<u>407</u>	<u>270</u>	<u>677</u>	<u>930</u>
<b>Net income (expenditure)</b>	<u>(84)</u>	<u>(65)</u>	<u>(149)</u>	<u>(74)</u>

# Glossary

**AIDS:** 'acquired immune deficiency syndrome' — (also known as 'late-stage' or 'advanced' HIV infection) is a term used to describe the point where your immune system is so badly damaged by HIV that it can no longer protect you from 'opportunistic infections'. HIV can lead to AIDS without early diagnosis and treatment but having HIV does not mean that you have or will develop AIDS.

**BAME:** black, Asian and minority ethnic.

**BHIVA:** British HIV Association

**Bold Ambitions:** Terrence Higgins Trust's current strategy (2016-2021).

**C-Card:** also known as 'Condom Card', a membership scheme to provide free condoms to under 25s.

**Chlamydia:** a bacterial sexually transmitted infection (STI), often symptom free but left untreated can cause serious problems in men and women. Chlamydia can be easily treated with antibiotics.

**Gonorrhoea:** a bacterial STI which lives in warm, moist parts of the body, such as the throat, rectum, penis and vagina. If left untreated, gonorrhoea can cause infertility in men and women. Gonorrhoea is treated with a course of antibiotics.

**Hepatitis:** an inflammation of the liver. There are three main types: A, B and C being increasingly common among people living with HIV. Hepatitis can be acute or chronic. Acute hepatitis happens after initial infection and is short term. It can lead to chronic hepatitis which is long term. Some types of hepatitis can be vaccinated against. Co-infection with hepatitis B and hepatitis C is increasingly becoming a major cause of illness in people with HIV.

Both viruses affect the liver and in some cases can be fatal. Treatments are available and these can work well in people with HIV.

**HIV:** 'human immunodeficiency virus' – a virus which weakens your immune system. Over time, without treatment, illnesses and infections it would normally fight off will be able to enter your body and take hold more easily. HIV medicines (known as 'antiretrovirals') keep HIV under control. If you are diagnosed early and start treatment, your immune system is less likely to get damaged. After being diagnosed with HIV most people are able to continue their lives without many alterations and live a normal lifespan.

**HPE:** HIV Prevention England, the Public Health England-funded HIV prevention programme run by Terrence Higgins Trust across England.

**HPV:** human papilloma virus is the name for a group of contagious viruses that affect the skin and membranes of the body, which can cause genital warts and cervical cancer.

**LGBT:** lesbian, gay, bisexual and trans.

**MSM:** men who have sex with men.

**myHIV:** Terrence Higgins Trust's online support resource, including a peer-mentored support forum, advice and counselling: [www.myhiv.org.uk](http://www.myhiv.org.uk)

**NHTW:** *National HIV Testing Week*, an annual campaign

**PARTNER study:** an international study which looked at 888 gay and straight couples (and 58,000 sex acts) where one partner was HIV positive and on effective treatment and one was HIV negative. Results found that where the HIV positive partner had an undetectable viral load, there were no cases of HIV transmission whether they had anal or vaginal sex without a condom.

**PEP:** post-exposure prophylaxis. A course of medication that someone takes shortly after possible exposure to HIV (following assessment by a doctor), to reduce the possibility of contracting HIV.

**PHE:** Public Health England, an executive agency, sponsored by the Department of Health that exists to protect and improve the nation's health and wellbeing, and reduce health inequalities.

**PLWHIV:** people living with HIV.

**Postal testing:** HIV testing by post, where a finger-prick blood sample is taken at home and sent to the laboratory. Results are given by text message or telephone call.

**PrEP:** pre-exposure prophylaxis. A course of HIV medication taken by an HIV negative person (at risk of HIV), prior to potential HIV exposure, to prevent HIV transmission.

**Self test:** HIV tests that can be taken at home (or anywhere), that give you your results back in around 15 minutes.

**SRE:** sex and relationships education, also referred to as RSE (relationships and sex education) or PSHE (personal, social, health and economic education).

**STI:** sexually transmitted infections are infections you can pick up and pass on during sex. STIs can be caused by one of three things: bacteria, viruses or parasites. Some STIs can cause symptoms within days, others may not show any symptoms and can only be detected by sexual health screening.

**THT Direct:** Terrence Higgins Trust's free helpline, providing advice and support on issues around HIV and sexual health. THT Direct can be contacted on 0808 802 1221 — it is free from landlines and mobiles. Calls will not show up on any phone bill.

**Undetectable viral load:** an 'undetectable' viral load does not mean there is no HIV present — HIV is still there but in levels too low for the laboratory test to pick up. Different laboratories may have different cut off points when classifying an undetectable viral load, however most clinics in the UK classify undetectable as being below 20 copies/mL.

**U=U:** 'Undetectable equals untransmittable', the message to explain what was proven by the PARTNER study, and which is the backbone to the *Can't Pass It On* campaign.

**Viral load:** the amount of HIV particles (copies) in a millilitre (mL) of blood – eg, 100 copies/mL.

**World AIDS Day (WAD):** 1 December — a day for people across the world to unite in support of the fight against HIV.



# Thank you

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Dr Rupert Whitaker  
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## 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)

## Auditors

Crowe U.K. 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

Rathbone Investment Management Ltd  
8 Finsbury Circus  
London  
EC2M 7AZ

## Solicitors

Bates Wells Braithwaite LLP  
10 Queen Street Place  
London  
EC4R 1BE

Weil, Gotshal & Manges LLP  
110 Fetter Lane  
London,  
EC4A 1AY

Russell—Cooke LLP  
2 Putney Hill  
London  
SW15 6AB

[www.tht.org.uk](http://www.tht.org.uk) | THT DIRECT  0808 802 1221

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