

TROPICAL HEALTH AND EDUCATION TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
CHARITY No. 1113101
COMPANY No. 05708871

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TROPICAL HEALTH AND EDUCATION TRUST

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2017

Reference and administrative details of the charity, its Trustees and advisors

The name of the charity is Tropical Health and Education Trust; it is also known as THET.

Trustees :	Ms Morounke Akingbola	
	Mr David Alexander	
	Ms Anne Austen	Appointed 29 June 2018
	<i>Mr Andrew Bacon</i>	<i>Resigned 7 December 2017</i>
	Ms Titilola Banjoko	Appointed 28 June 2018
	Ms Janice Barber	Appointed 28 June 2018
	Professor Ged Byrne	
	Ms Frances Day-Stirk	
Chairwoman:	Professor Judith Ellis	
	<i>Ms Vanessa Forster</i>	<i>Resigned 30 March 2018</i>
	Professor Irene Leigh	
	Mr Michael McKirdy	Appointed 28 June 2018
	<i>Dr James Nwabineli</i>	<i>Resigned 7 December 2017</i>
	Mr Hugh Risebrow	Appointed 29 March 2018
	<i>Professor Simon Taylor-Robinson</i>	<i>Resigned 27 February 2018</i>
	Mr Jonathan Roland	Appointed 29 March 2018
	<i>Dr Gillian Thomas</i>	<i>Resigned 30 March 2018</i>
Chief Executive:	Ben Simms	
Company Secretary:	<i>Ngozi Onodugo</i>	Appointed 16 February 2017
		<i>Resigned 7 December 2017</i>
	Ms Jacqueline Mutibwa	Appointed 29 March 2018
Registered Office:	1 Wimpole Street, London, W1G 0AE	
Bankers:	Charities Aid Foundation, Kings Hill, West Malling, Kent, ME19 4TA	
Auditors:	Menzies LLP, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT	
Charity Registration No:	1113101	
Registered Company No:	05708871 (England & Wales)	

The Trustees, who are also the Directors of the company for the purposes of the Companies Act, present their Annual Report, which is also the Directors' report for purposes of the Companies Act, together with the audited Financial Statements of the company for the year ended 31 December 2017.

The financial statements comply with current statutory requirements, the requirements of the charity's governing document and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102)).

Chairs' Report

2017 has been a year of opportunities, celebration and indeed some challenges for the Tropical Health and Education Trust but above all we have witnessed an increasing recognition by external stakeholders of the excellent contribution THET continues to make, effectively working in partnership to support the development of health workers and thus health services across the world.

The launch and enthusiastic uptake of THET's Principles of Partnership demonstrates acceptance that THET is leading the way in identifying, encouraging and sharing good practice in partnership activity and this was confirmed by the global attendance and success of the 2017 conference. THET is ever continuing to improve the evaluation of the impact of its activity including its approaches to Programme and Grant management, and in 2017 it was encouraging to receive an A+ rating for THET's management of the DfID Health Partnership Scheme which has led to limited ongoing funding.

What cannot be overlooked in reviewing 2017 is the challenging times faced by the UK NHS, with apparent health workforce shortages and increasing financial pressures, which have also been felt by the UK Charity sector. The success of THET's activity is dependent upon health service clinicians, professionals and managers recognising health as a global challenge and THET's publication of "In Our Mutual Benefit" provided a powerful case for accepting the value to the UK health service and indeed NHS professionals of actively engaging in global activity. Any partnership activity must benefit both partners and THET now has 5 in-country offices. Throughout 2017, THET has responded to the complex challenges of working across many jurisdictions and has now developed effective systems and processes that can be adapted to minimize future risk if new in country offices are to be established.

This annual report provides you with far more detail of the vast array of THET activity in 2017 and the challenges the charity has faced, particularly in relation to funding. However, what is apparent is that this charity is well respected, with dedicated and outstanding staff striving to deliver the strategic vision, with the selfless support and commitment of excellent Trustees and Honorary advisors.

Professor Judith Ellis

Chair

1. Objectives and activities

THET has been training and educating health workers overseas since 1988. We work closely with governments and diverse partners in over 30 countries, implementing programmes directly, awarding grants to our partners across the UK health community, and undertaking policy work. In 2017, over 22,000 health workers were trained through our activities.

At the heart of our work is the health partnership approach. Health Partnerships are a model for improving health and health services based on ideas of co-development between actors and institutions from different countries. The partnerships are long-term but not permanent, and are based on principles of reciprocal learning and mutual benefits, for countries overseas, and for us here in the UK.

This report outlines our main achievements in 2017 and states our strategic priorities for 2018. In producing this report, THET's Board of Trustees can confirm that they have complied with the duty outlined in the Charities Act 2011 to have due regard to Charity Commission guidance on public benefit.

This report is structured around our Key Performance Indicators (KPIs) which we have developed to measure our progress in implementing THET's Strategic Plan 2016-2021. Staff and partners reported progress against a set of quantitative targets and qualitative measures, on a quarterly basis for five Enabling Goals, and every six months on three Impact Goals. We also looked at an overarching impact question, which in 2017 focused on examining the extent to which our work is accelerating gender equality.

Our dedicated Monitoring & Evaluation team gather regular reports from our programmes teams and grantees. In addition, we commissioned studies to investigate effectiveness, such as value for money, and we developed case studies on project and partnership impact.

Five Headline Achievements in 2017

Training health workers around the world

- Over 22,000 health workers have been trained as a result of our grant-making and programmes work in 2017.

Championing excellence through health partnerships

- We continue to be a thoughtful charity, providing vibrant thought-leadership, as our policy papers and editing of *Globalization and Health* throughout 2017 have demonstrated.
- We continue to convene effectively, creating opportunities for our partners in the health partnership community, as this year's conference spectacularly demonstrated.
- Securing an A+ rating for the final year of our work managing the 2011-2017 HPS scheme.

Building our in-country programmes presence

- In 2017, we increased our staff presence to five countries, opening a new office in Myanmar, reflecting our belief that a presence in-country enhances our ability to be an effective partner to UK organisations. We have also managed to continue to support a low level of activity in a sixth country, Ethiopia, where we have been working for over 20 years.

Maintaining momentum in a challenging environment

- Successfully concluding negotiations with DFID on the £2.1 million extension of the Health Partnership Scheme (HPS) grants programme which began to benefit our partners in December 2017.
- Signing our first Service Level Agreement with Health Education England.
- Concluding the first year of our \$500,000 Africa Grants Programme in partnership with Johnson and Johnson, and reaching agreement on a second year of funding, to benefit our partners in 2018.

Our people centred organisation

- Laying the foundations for a robust People Strategy that will ensure THET continues to recruit, retain and support staff who are working in an extremely challenging environment.

Our Performance against Our Strategy

1. IMPACT GOAL 1

Redouble our efforts to train and support health workers.

In 2017, 84 health partnership projects and five THET country programmes provided training and educational opportunities to a total of 22,043 health workers in Africa, Asia and Middle East. Of these, 9,767 were women and 7,572 were men. Whilst we do not have a gender breakdown for over 21% (4,704) of health workers trained, the available data seems to suggest that health partnerships have provided training to more female health workers than male health workers. The gender ratio may vary significantly depending on the cadre of health workers. For example, for our country programmes, we are still seeing some continuation of traditional gender roles, with women being slightly more represented cadres such as Nutritionist and Community Health Workers (CHWs), and men being more significantly represented in bio-medical engineering. We are also seeing a marked underrepresentation of women in the medical internship programme in Somaliland.

Examples of the impact this training activity have on the availability or quality of services for patients include:

- In Zambia, we strengthened the role and effectiveness of Health Technology Managers, implementing a project with DFID funding, focused on the professional development of Bio-Medical Engineering Technicians at Northern Technical College. In June 2017, and using baseline and tracking data, we were able to document that 'uptime' (the period when equipment is fully operational) improved from 71% to 90% between June and December thanks to this project.
- In Tanzania, we worked to ensure Community Health Workers (CHWs) have the right skills through a programme launched by THET with support from Comic Relief in March 2017. 505 students have graduated from the course and have been assessed to have the appropriate skills and knowledge to work as CHWs. However, following a 'satisfaction survey' major recommendations about the scope and content of training programmes for CHWs have been identified. As a result, we are providing support to the Tanzanian Ministry of Health (MOH) in the process of adapting the curriculum to broaden the programme areas.
- In July 2017, DFID extended the Health Partnership Scheme (HPS) managed by THET and a new call for grant applications focused projects on questions of sustainability, scale-up, and access to services by women and girls and people with disabilities. These objectives reflect the findings and recommendations of the HPS independent evaluation commissioned by DFID and annual review, and the gender and

population studies THET commissioned earlier in 2017. The programme, which started in December 2017 and will run until December 2018, is supporting 20 projects in Uganda, Tanzania, Zambia, Myanmar and Ghana.

- In addition, THET's partnership with Johnson and Johnson continued in 2017. The Africa Grants Programme (AGP) supports the training of health workers in low- and middle-income countries (LMICs). From 2016 to 2017, the first round of AGP funding supported seven health partnership projects in seven African countries, ranging from setting up palliative care training programmes for CHWs in Mauritania to building the capacity of Safer Anaesthesia from Education (SAFE) training providers in Malawi. As a result of this programme, 1390 health workers were trained, over 50% of which were women.

2. IMPACT GOAL 2

Partner with national governments to strengthen health systems.

Examples of how our work is contributing to strengthening the health systems and the capacity of health sector leaders in the countries we work include:

- In Somalia/Somaliland THET has finalized a Frontline Health Worker capacity assessment based on the WHO Somalia Standardized Treatment Guidelines (SSTGs) in Sahil/Somaliland, Karkar/Puntland and Gedo/Jubaland, and developed a detailed training plan. In addition, in collaboration with health authorities and UNICEF, THET launched a nutrition strategic capacity assessment for Somalia. This assessment will identify the gaps and craft a comprehensive capacity development plan for Somalia.
- As part of the Kings-led SPHEIR programme, THET is now coordinating the development of a Medical Education policy for Somaliland, and will subsequently be overseeing the development of a harmonised medical curriculum for the country.
- In Tanzania, THET is working with the Ministry of Health, Community Development, Gender, the Elderly and Children (MOHCHGEC) and Presidents Office - Regional Administration and Local Government (PO-RALG) to support the formalisation of a professional CHW cadre. We have supported the development of key policy documents such as the 'scheme of service' for CHWs and 'supervision guidelines'.
- In Uganda, THET reviewed the Government's Non-Communicable Diseases (NCDs) policy and training manuals. THET is now in the process of designing a support package towards the operationalization of these documents.
- Additionally, through the DFID Health Partnership Scheme, 21 health partnerships have been awarded funding for 23 projects that specifically aim to strengthen health systems in 12 countries, in the following health system areas: referral pathways, auditing systems, leadership and management, health workforce strengthening (including curricula development and CPD), and institutional processes.

3. IMPACT GOAL 3

Champion the contribution health workers are making to the development of our societies.

In 2017, THET invested energy to ensure the uptake of recommendations in our report *In Our Mutual Interest* which examined the opportunities and challenges associated with the health partnership approach.

Some of the key achievements include:

- A roundtable discussion to refine our messaging and further explore our tactics for approaching NHS Boards to support the development of a persuasive offering to NHS health institutions. The meeting saw the participation of the Head of Programmes at NHS Improvement, the former Managing Director of Healthcare UK and the Director of Education and Quality at Health Education England, and resulted in the development of a THET briefing for NHS Boards and a mapping of hotspots across the UK of those NHS organisations that are engaging globally.
- A series of meetings with high-level civil servants, public sector heads and parliamentarians. This culminated in a Parliamentary reception held on 24th April 2017 and hosted by The Lord Speaker and Lord Crisp. The event was designed to galvanise political support for THET's partnership approach. Several members of the House of Lords, report contributors and our partners across Whitehall did attend, but the announcement of the election the previous Friday led to the cancellation of a keynote speech from James Wharton, a DFID Minister and no attendance by MPs.
- The launch of THET's Principles of Partnership in the form of a self-assessment toolkit at our Health Partnership Symposium in Dar es Salaam on 28th February and 1st March. We are now exploring how this can be developed in to a training offer for individual NHS staff engaged in global health work. By the end of 2017, 54 health partnerships had signed-up to the Principles of Partnership. To ensure lasting improvements in quality we have supported health partnerships to embed best practice in their work by conducting in-depth Partnership Health Checks. DFID has integrated the Principles of Partnership into the funding criteria for the new Health Partnership Scheme Accountable Grant (AG).

4. ENABLING GOAL 1

Forge strong country bonds to increase programme quality.

In 2017, we increased our staff presence to five countries, opening a new office in Myanmar, reflecting our belief that a presence in-country enhances our ability to be an effective partner to UK organisations. We have also managed to continue to support a low level of activity in a sixth country (Ethiopia). This enabled us to be engaged meaningfully in a number of Government initiatives.

An additional highlight was first *Health Partnership Symposium*, held in Dar es Salaam, Tanzania, in February 2017. The event was attended by 90 global health actors, including health partnership representatives from 14 countries in Africa, Asia and the UK as well as the Government of Tanzania, INGOs and the multilateral and donor community. The event looked at different areas of health systems strengthening including human resources for health partnership approaches, sustainability in diverse country contexts and circumstances.

5. ENABLING GOAL 2

Champion the health partnership approach positioning THET as an essential partner to NHS, academic and private sector institutions in the UK.

Great progress was made on this objective in 2017. Examples include:

- The signing of a Service Level Agreement (SLA) between THET and Health Education England (HEE). The SLA identified areas where THET will provide a service to HEE in Uganda in particular and allowed for the recruitment of new THET staff in Myanmar. It is hoped that we will build on our partnership in these two countries to identify further areas of cooperation in 2018. The partnership is contributing to a more ambitious and strategic relationships between the UK and Uganda and Myanmar.
- THET's 2017 Annual Conference was the most ambitious to date. With three days, 350 delegates and 98 speakers presenting on all things global health and partnerships: the conference provided insight into the power of global health collaboration and partnership working. Ministers including the Rt. Hon Alistair Burt MP, and leading practitioners, including Professor Sally Davies, CMO England and Professor Francis Omaswa came together to debate the challenges and responses to global health issues and how the UK is contributing to the attainment of the Sustainable Development Goals. The themes of sustainability and scale-up within the health partnership community were also furthered and we were delighted to have the Minister announce the Health Partnership Scheme successor programme in 2019 during the Conference.
- THET has continued to represent the UK in the European ESTHER Alliance, now as an Associate Member rather than as an Observer as in the previous years.
- Our status as an NGO in Official Relations with the World Health Organization (WHO) continued throughout 2017. The main focus of the relationship is with the WHO's Twinning Partnerships for Improvement Programme where THET has a role in reviewing documentation and implementation plans and channelling UK expertise in health partnerships in to WHO processes.

6. ENABLING GOAL 3

Ensuring security through diverse funding sources.

Our third enabling goal emphasises the vital importance of our income-generating activities and our target of raising at least £707,000 in unrestricted income in 2017. Further details are provided in the financial statement of this Annual Report and we were pleased to end the year in line with our budget.

We also spent considerable time in the first half of 2017 reviewing our approaches to income-generation over recent years. This led to the adoption of a new income-generating strategy by Trustees in April 2017. This led in turn, to the appointment of a role at the level of Senior Management Team in August, specifically tasked to diversify our income, an investment which we hope to see succeed in 2018.

7. ENABLING GOAL 4

Create a people centre organisation, accountable and empowered.

In 2017, we drafted a 'People Strategy' which will enable THET to meet its strategic goals by ensuring that THET staff are supported, engaged and retained by the organisation. This strategy will also be designed to ensure that THET remains compliant in the jurisdictions it works in and has robust systems and processes in place in order to effectively manage its staff.

In March we conducted a staff survey, benchmarking the organisation against the previous 2016 survey. The results indicated that staff in 2017 were engaged with the organisation, experienced good working relationships

with colleagues and managers and felt that there were good communication channels and trust with senior management. The survey identified that career advancement and training opportunities were areas that staff felt least satisfied with. These findings will be used to inform the People Strategy.

8. ENABLING GOAL 5

Transparency and accuracy through robust evidence gathering.

Examples of how we developed our commitment to evidence-based programme and grant making activities include:

- In response to the DFID-commissioned external evaluation of the Health Partnership Scheme, THET commissioned a Gender Study and a Population Study to analyse, across a sample of health partnerships, their approach to gender equality and the populations who use the health services that they have worked to strengthen. The studies included recommendations for health partnerships to integrate gender equality in project management and to support health systems and services for disadvantaged populations.
- As part of our series *Globalization and Health* eight papers were published in 2017. Some papers presented research carried out by health partnerships themselves on the impact of their work, ranging from cascading training the trainers in ophthalmology across Eastern, Central and Southern Africa to an innovative framework for delivering mental health care in rural Nepal.
- Launching of our five Thematic Task Forces. Composed of THET staff, Trustees and advisors the groups work to ensure that we are offering the right solutions to the most pertinent issues, as determined by the Ministries of Health overseas. The thematic focuses are: Gender, Health Technology Management, Non-Communicable Diseases, Mental Health and Global Surgery and Anaesthesia.

9. IMPACT THEME 2017

For 2017, our impact theme focuses on examining how our work is (or is not) accelerating gender equality. This question is inspired in part by the criticism raised in the independent evaluation commissioned by DFID on the Health Partnership Scheme, which pointed out that health partnerships have “limited understanding or analysis of how gender inequality and social exclusion can affect efforts to enhance human resource capacity and skills or improve people’s access to and use of services”. In response to this, in 2017 we have undertaken a series of activities to examine gender equality in relation to our current and future work. This included analysing gender equality in our ongoing work to develop recommendations on how to accelerate our contributions in this area, developing additional activities specifically aimed to address gender inequality, integrating gender equality aspects to proposals for new programmes and examining gender equality as part of how we operate as an organisation and who we work with.

KEY LESSONS LEARNT – CHALLENGES IN 2017

- THET is operating in a very challenging environment at home and overseas. In the UK, the announcement of the June 2017 General Election took us by surprise and significantly delayed our negotiations with DFID on the award of an accountable grant. Overseas, there was great volatility in Uganda (elections), Somalia (expansion of al-Shabaab activities in to Puntland), Ethiopia (a State of Emergency was declared) and Myanmar.
- THET also sought to play a modest role in explaining the value our use of UK Official Development Assistance brings to our partners overseas and here in the UK, in the face of unprecedented levels of attack on this commitment.
- The NHS itself is under great pressure, which has presented challenges for our 'optimistic' narrative about the contribution the NHS can make overseas and the recommendations outlined in our report, In Our Mutual Interest. Nonetheless, we saw no downturn in the appetite to engage in global health activities across the NHS.
- We continue to work towards defining and cementing a sustainable future for THET. As a small NGO we constantly work beyond our official capacities to ensure our programmes run smoothly and efficiently however this does lead to strains on teams within the organisation and is something we will strive to address in 2018.
- As identified in the Independent Review of the HPS, there were examples of women health worker empowerment but gender and social inclusion approaches and analysis had not been strong enough within the scheme. This is something we are determined to improve upon.

Five Top Priorities for 2018

Our efforts to train and educate health workers will remain our overarching priority in 2018. We will also:

Champion excellence through health partnerships

- Maintaining our position at the heart of the Health Partnership movement by successfully bidding to become the managing agent for the DFID 'programme 2019-2023 Stronger Health Partnerships for Stronger Health Systems' programme.

Build our in-country programmes presence

- In 2018 we aim to consolidate our presence overseas, and further increase this as funding opportunities allow with a particular priority to Ethiopia.

Maintain our momentum in a challenging environment

- Further diversifying our income sources to ensure the charity is not over-dependent on DFID funding.

Continue to be a people centred organisation

- Implementing a robust People Strategy.

Structure, Governance and Management

THET is a registered charity (registration number 1113101) and is constituted as a company registered in England and Wales and limited by guarantee (registration number 05708871). Its objects and powers are set out in its Memorandum and Articles of Association.

The Directors of THET are the Trustees, collectively known as The Board of Trustees (The Board). The Board, THET's governing body, comprises a minimum of 3 and a maximum of 12 Trustees. Trustees serve an initial term of three years that can be extended up to a maximum of three years. The trustees are also members of the company. New Trustees are appointed by ordinary resolution at the general meeting. Members of the Board have guaranteed the liabilities of the company up to £1 each.

Trustees are appointed following open advertising in specialist publications or on specialist websites and following a rigorous interview process. All new Trustees are provided with a structured induction programme.

The Board of Trustees has created three specialist sub-committees to assist it with its work: the Risk and Governance Committee (RGC), the Programmes Quality Committee and the Remuneration Committee (RemCo). Each committee includes members of the Board and may include additional members appointed for their specialist knowledge.

The Risk and Governance Committee (RGC), THET's audit committee, chaired by the Treasurer, meets as necessary with the external auditors, both with and without the presence of management. The RGC reviews the external auditor's management letter and monitors implementation of actions required as a result. The RGC also has responsibility to advise the Board on whether the audit, risk management and control processes within THET are effective. The Remuneration Committee monitors THET's policy on remuneration and benefits for its staff, and reports annually to the Board.

THET's Trustees are responsible for everything that THET does. However, to ensure that THET is managed efficiently and effectively, the Trustees have delegated a range of day-to-day decision-making powers to the Senior Management Team. Trustees have also established appropriate controls and reporting mechanisms to ensure that the Senior Management Team operates within the scope of the powers delegated to it. The delegation policy is updated on an ongoing basis and is formally reviewed and approved by Trustees. The last review was in June 2017. The members of the Senior Management Team are not directors for the purposes of company law.

There has been no specific restriction imposed by the charity's governing document on the operation of the Trust. Trustees are authorised by the charity's governing document to invest any money of the Charity not immediately required for its function in appropriate, legal investments provided that any necessary consents are first obtained.

Annual trustee activity

A typical year for a trustee includes the following:

- Attendance at four Board meetings per annum
- Attendance at the AGM in June
- Attendance at committee meetings, and at ad hoc groups convened for specific purposes
- Attendance at staff or senior management meetings on an occasional basis
- Attendance at events e.g. public meetings, meetings with THET volunteers/supporters/donors, THET Away Day
- Attendance at the Annual Conference
- Trustees with specialist knowledge may work with senior management, both to provide advice and support, and to enhance board understanding and scrutiny.

Risk assessment

Trustees are ultimately responsible for risk management and the effectiveness of THET's internal control systems. The major risks to which THET's is exposed, as identified by Trustees, have been reviewed and systems or procedures have been established to manage those risks.

The Board of Trustees has considered and approved the risk management policy and its appetite for risk. It has delegated the regular review of the risk management process to the Risk and Governance committee which is made of three trustees.

Senior management ensures that day-to-day risk management process are embedded across the organisation through effective implementation of policies and procedures. Senior Management Team reviews and updates the corporate risk register four times a year and it is shared with the Risk and Governance committee.

Trustees keep strategic and operational risks under regular review with an assessment of probability, impact and mitigating actions. In terms of its general affairs, THET operates prudent policies in all its financial operations, with any significant expenditure requiring approval by Trustees. THET also makes arrangements for appropriate insurance cover and other protection where this is appropriate in its activities at home and overseas.

One of the key risks identified this year is that of cyber-risk which is complex and evolving and it requires a dynamic response. The Risk and Governance committee acknowledges the threat of cyber-risk; on-going work is taking place to ensure there are sufficient controls in place to mitigate a cyber incident, around systems, processes and people.

Grant-making policies

THET issues grants to health partnerships delivering projects in keeping with its mission. Grants are selected following a fair and transparent process whereby applicants are provided with template forms and guidelines that state the purpose of the funds, eligibility criteria and a timeline for submission and selection.

Once awarded and when contracts are signed, grants are managed in line with the Grants Management System, which sets out checks and controls to ensure that funds are being used for the purpose stated in the application. Financial and narrative reports are submitted at contracted intervals to show levels of spend and activity against plan and, where necessary, to explain exceptional variances. Milestones are set during the inception phase of each grant and progress is measured against these.

Other risk management processes include checks and controls on adequate financial management and verification of the legal protection and safety of those involved in the project. Information is gathered through reports and meetings and through spot checks on receipts and other documentation.

Financial review:

The financial results are aligned with the expectation of the Board of Trustees who made the decision to make a modest investment in income-generation capacity in order to address long-term questions around the sustainability of the organisation and diversification of our income streams. It is anticipated that this investment of reserves will run through 2018 and result in a much stronger charity in 2019.

Charitable funds

The funds held by THET are in interest-bearing accounts managed by the Charities Aid Foundation from which they can be withdrawn as needed. The Trust is able to meet all its obligations and commitments within its present cash flow and assets.

THET does not hold assets except as detailed in the accounts. The salaries of project staff are derived mainly from grants. THET operates in collaboration with other charitable bodies to pursue its objectives.

The majority of the restricted funds income is received in arrears and, therefore, the only balances at the year end of major significance were for the Comic Relief (£583,844) paid in advance.

Reserves Policy

The Board of Trustees has established a General Reserves Policy which continues to protect our programme work from risk of disruption at short notice due to a lack of funds. The Policy also provides parameters for future strategic plans and contributes towards decision-making. It determines an appropriate target level for general reserves, taking into account the following factors:

- Vulnerability to unplanned changes in financial position, relating mainly to unpredictability of fundraising and unrestricted income and securing future restricted and unrestricted contracts.
- Net financial risk related to the above, taking into account the likely speed of onset as well as the mitigation steps available to management.
- The fact that expenditure is generally predictable and long term, with the exception of 'variable' spend on restricted programmes where risks typically involve unplanned events such as hostile government action or major uninsured health and safety or security emergencies.

This approach provides a target base level of general reserves of twelve months' support costs plus twelve months' costs of governance which for 2018 has been assessed to be £200,000. The basis of determining the target reserves level is kept under periodic review and will be adjusted as perceptions of risk and other factors change.

General Reserves (Unrestricted)

General reserves are not restricted to or designated for a particular purpose. General reserves are £292,662 (2016:£383,975) at the end of December 2017. This is still largely in line with our target base level of twelve months' support costs plus twelve months' costs of governance and consistent with our intention to align our unrestricted spend to income levels. Given the ongoing uncertainties in world economies, our future plans are to maintain and increase this level of general reserves by aligning our unrestricted spend to the income predictions. The Trustees have approved a budget for 2018 which aims to restore this balance.

Restricted Funds

These funds are tied to particular purposes, as specified by the donor or as identified at the time of a public appeal. At 31 December 2017, unspent restricted funds were £352,951 (2016: £375,338).

Arrangements for monitoring and reviewing the reserves policy:

The reserves policy is subject to annual review and will be considered each year by Trustees with the next review scheduled for early 2018. In addition the Trustees will be monitoring THET's performance against the budget throughout the year.

Investment Policy

There were no investments at the year-end date or for the prior year.

Investments must be managed in such a way as to provide an income to the charity. The value of investments assets should aim to keep pace with inflation in the long term. An approximate balance is to be maintained between the enhancement of capital and the generation of income. A "low risk" approach is to be adopted in the management of the charity's assets. The objects of the charity are to be met by way of a prudent investment strategy based on a diversified range of bonds and equities which are quoted on a recognised investment exchange, and unit trusts and Open Ended Investment Companies (OEICs) which are authorised under the Financial Services and Markets Act 2000. For the time being Trustees do not consider that external investment advice is required.

The portfolio should not include any investments in companies associated with tobacco products or the arms trade. No further ethical restrictions apply, although Trustees reserve the right to exclude from the portfolio any investments in companies whose representation might prove damaging, directly or indirectly, to the purposes or reputation of the charity.

The performance of the overall portfolio will be monitored by the Trustee Board as a whole at least once each year. This investment policy is subject to periodic review by the Trustee Board to ensure that it remains compatible with the charity's objects and requirements with the next review scheduled for early 2016.

Trustees' responsibilities

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Companies Act 2006 and with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102)). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TROPICAL HEALTH AND EDUCATION TRUST

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2017

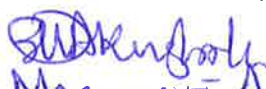
Each of the Trustees confirm that

- so far as they are aware there is no relevant audit information of which the charity's auditor is unaware, and,
- they have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 23rd July 2018 and signed on its behalf by

PP Professor Judith Ellis
Chair of Trustees


MORONIKE AKINKUGBO

31 July 2018

Independent Auditors' Report to The Members of Tropical Health and Education Trust

OPINION

We have audited the financial statements of Tropical Health and Education Trust (the charitable company) for the year ended 31 December 2017. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of the its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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. 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, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Malcolm Lucas FCA (Senior statutory auditor)

for and on behalf of

Menzies LLP
Chartered Accountants
& Statutory Auditor

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

Date: 1 August 2018

Menzies LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

TROPICAL HEALTH AND EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Income					
Donations and Legacies	4	44,669	15,334	60,003	69,003
<i>Income from charitable activities</i>					
Contractual Income Programs: Fees					3,661
Operational programmes and projects grants	5		2,174,099	2,174,099	6,377,093
<i>Income from other trading activities</i>					
Health Partnership Scheme fees		661,953		661,953	893,027
Conference fees		19,982		19,982	12,078
Fixed asset disposal	11	8,000		8,000	-
Consultancy work		8,300		8,300	-
Investment income		26		26	571
Total income		742,930	2,189,433	2,932,363	7,355,433
Expenditure					
Expenditure on raising funds	7	103,913		103,913	86,142
<i>Expenditure on charitable activities</i>					
Operational programmes and projects	8	46,265	1,680,816	1,727,081	6,096,416
Salaries and fees	9	647,876	319,999	967,875	986,788
Other support costs	10	36,189	211,005	247,194	159,994
Total expenditure		834,243	2,211,820	3,046,063	7,329,340
Net income/(expenditure)		(91,313)	(22,387)	(113,700)	26,093
Net movement in funds		(91,313)	(22,387)	(113,700)	26,093
Total funds brought forward at 1 January 2017		383,975	375,338	759,313	733,220
Total funds carried forward at 31 December 2017		292,662	352,951	645,613	759,313

TROPICAL HEALTH AND EDUCATION TRUST

BALANCE SHEET AS AT 31 DECEMBER 2017

YEAR ENDED 31 DECEMBER 2017

	Note	2017 Total £	2016 Total £
<u>Fixed assets</u>			
Tangible assets	11	1,986	1,536
<u>Current assets</u>			
Debtors	12	657,692	509,055
Cash at bank and in hand		698,032	955,125
		1,355,723	1,464,180
Creditors: amounts falling due within one year	13	(712,096)	(706,403)
Net current assets		643,627	757,777
Total net assets		645,613	759,313
<u>Represented by:</u>			
Unrestricted funds		292,662	383,975
Restricted funds		352,951	375,338
Total funds and reserves	14	645,613	759,313

Approved on behalf of the Trustees:

PP Professor Judith Ellis
Chair of Trustees

MORONKE AKINGBOLA

Date: 31 July 2018

Company Number: 05708871

TROPICAL HEALTH AND EDUCATION TRUST**STATEMENT OF CASH FLOWS**

YEAR ENDED 31 DECEMBER 2017

	2017	2016
	Total	Total
Cash flows from operating activities		
Net movement in funds	(113,700)	26,094
Add: Depreciation	48	2,009
Less: Bank interest received	(26)	(571)
Add: Interest paid on bank loan and overdraft	1,189	23,190
Adjustment for exchange rate movement on cash and cash equivalents	(29,633)	30,265
(Increase)/decrease in debtors	(148,637)	166,054
Increase/(decrease) in creditors	5,693	157,626
Net cash used in operating activities	<u>(285,065)</u>	<u>404,667</u>
	£	£
Cash flows from investing activities:		
Bank interest received	26	571
Purchase of tangible fixed assets	(498)	-
<i>Net cash used in investing activities</i>	<u>(472)</u>	<u>571</u>
Cash flows from financing activities:		
Draw down/(repayment) of borrowing		
Interest paid on loan and overdraft	<u>(1,189)</u>	<u>(23,190)</u>
Net cash used in financing activities	<u>(1,189)</u>	<u>(23,190)</u>
Change in cash and cash equivalents in the year	(286,726)	382,048
Cash and cash equivalents brought forward	955,125	603,342
Change in cash and cash equivalents due to exchange rate movements	29,633	(30,265)
Cash and cash equivalents carried forward	<u>698,032</u>	<u>955,125</u>

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Tropical Health and Education Trust is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 3. The principal activities of the company and the nature of its operations are set out in the trustees report on pages 4 to 25.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of preparation

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

THET meets the definition of a public benefit entity under FRS 102.

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

b. True and fair view

The charity does not seek to make a profit, nor can its results be measured by normal commercial criteria. In order that a true and fair view of the activities of the charity is given a statement of financial activities has been included in place of a profit and loss account as required by the Companies Act 2006.

c. Going concern

The Trustees have prepared, reviewed and formally approved detailed operating and cash flow projections covering the next twelve months to June 2019. On the basis of these projections they have assessed that the Charity has adequate financial resources and the appropriate structures in place to manage its operational risks. In addition, the budgeting and forecasting process has taken account of the current economic and funding climate and its potential impact on our various sources of income and expenditure. Therefore, the Trustees are confident that there is a reasonable expectation that the Charity has adequate resources and control mechanisms to continue in operational existence for the foreseeable future and, on this basis the trustees believe, to the best of their belief and knowledge, that the Charity remains a going concern for at least the period to June 2019 and, accordingly, these financial statements have been prepared on the going concern basis.

d. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount measured reliably. Where income is received in advance of providing services, it is deferred until THET becomes entitled to that income.

Donations are recognised in the statement of financial activities in the year in which they are received.

For legacies, entitlement is taken as the earlier of the date on which either: (i) the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to THET that a distribution will be made, or (ii) when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income is recognised in the statement of financial activities in the year in which it is receivable.

e. Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

In accordance with the Charities SORP (FRS 102), the donated services from our volunteers are not included within the financial statements.

f. Expenditure and irrecoverable VAT

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

Costs of charitable activities are the costs applied by the charity in undertaking its work and achieving its charitable objectives, as opposed to the cost of raising funds to finance those objectives.

Value Added Tax which is not recoverable by the charity is included in the relevant costs in the statement of financial activities.

g. Allocation of support costs

Non-directly attributable costs are allocated based on an estimate of time spent.

h. Grants

Grants are included in the statement of financial activities as they become payable. THET's ability to make grant payments is entirely dependent on funding from DFID under a contract that is subject to monthly reporting and annual renegotiation. In the opinion of the Trustees a constructive obligation is only created when (i) ongoing grant conditions are being satisfactorily fulfilled and, (ii) contract renewal has been successfully negotiated with DFID.

i. Fund accounting

- Unrestricted general funds are funds which can be used in accordance with the charitable objectives at the discretion of the Trustees
- Designated funds are funds set aside for specific purposes from THET's own reserves
- Restricted funds are funds that can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by a donor or when funds are raised for particular purposes

j. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. A capitalisation limit of £500 has been applied.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, which is reviewed annually. The rates used are as follows:

- | | | |
|-----------------------------------|---|----------------------------------|
| • Leasehold property improvements | - | 33 $\frac{1}{3}$ % straight line |
| • Furniture and fittings | - | 33 $\frac{1}{3}$ % straight line |
| • Computing equipment | - | 33 $\frac{1}{3}$ % straight line |
| • Office equipment | - | 33 $\frac{1}{3}$ % straight line |

k. Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sale proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

l. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured and estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

p. Pension

THET operates a defined contribution pension scheme for the benefit of staff. Contributions by THET to the scheme are charged in the statement of financial activities in the period in which the employment services qualifying for the benefit are provided. THET has no further obligation once the contributions have been paid.

q. Leases

Rental payments under operating leases are charged as expenditure is incurred over the term of the lease.

r. Foreign currency

Transactions denominated in foreign currencies are translated at the average rate of exchange during the month. Foreign currency balances at the balance sheet date are translated at the average rate for the month of December 2017. Foreign exchange losses incurred in respect of overseas operations are included in the statement of financial activities within charitable activity expenditure for the period in which they are incurred.

3. Company limited by guarantee

The charity is a company limited by guarantee. The members of the company are the trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to a maximum of £1 from each of the trustees.

TROPICAL HEALTH AND EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

4	Donations & Legacies	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
	Donations	31,419	15,334	46,753	54,478
	Grants receivable	13,250	0	13,250	14,525
		<u>44,669</u>	<u>15,334</u>	<u>60,003</u>	<u>69,003</u>

5	Grants	2017 Total £	2016 Total £
	Grants from UK Government:		
	<i>Department for International Development:</i>		
	Health Partnership Scheme	(225,391)	3,437,423
	Somaliland (via PSI)	272,239	1,593,332
	Zambia HRH	399,309	364,693
	Accountable Grant	229,043	0
		<u>675,200</u>	<u>5,395,448</u>
	Other Grants:		
	Trusts	8,312	10,217
	UNICEF	52,966	14,953
	WHO		19,920
	Johnson & Johnson	212,262	140,000
	The BEIT Trust	10,540	0
	SUN Fund	152,408	292,304
	WHO- MIM&C	134,425	127,243
	ODI	40,881	
	Comic Relief	339,838	256,308
	State of Guernsey	0	33,654
	Kings College	165,083	10,941
	CAF Advocacy	0	29,045
	Association of Clinical Pathologists	0	15,400
	Heath Education England	320,250	18,160
	Other Agencies	61,934	13,500
		<u>2,174,099</u>	<u>6,377,093</u>

All grants are related to restricted funds in the current and prior years.

TROPICAL HEALTH AND EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

6 Net (income)/expenditure for the year

This is stated after charging / (crediting):

	2017	2016
	£	£
Operating leases	76,297	99,356
Auditors' remuneration – audit fees	12,000	11,450

7 COSTS OF GENERATING VOLUNTARY INCOME

	2017	2016
	£	£
Direct Salaries	48,279	33,532
Indirect Salaries	31,428	34,621
Total of Direct & Indirect Salaries (see Note 9)	79,707	68,153
Other Direct Costs	3,845	6,939
Indirect Support Costs (see Note 10)	20,361	11,050
	103,913	86,142

8 CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Direct Expenditure on Programmes and Projects	46,265	1,669,094	1,715,359	2,709,802
Grants (see Note 17)		11,721	11,721	3,386,614
	46,265	1,680,815	1,727,080	6,096,416

TROPICAL HEALTH AND EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

9	STAFF COSTS (TOTAL)	2017	2016
		£	£
	Salaries & Fees	936,190	941,244
	Social Security	76,503	79,346
	Pension	34,889	34,351
		1,047,582	1,054,941

The comparative figures for staff numbers have been amended to include all relevant group staff as necessary.

These costs are charged to Charitable Activities (Unrestricted funds) and Costs of Generating Income. The indirect charges are a proportion of unrestricted costs based on time spent by the Chief Executive, Financial Accountant and other Administrative staff.

		2017	2016
		£	£
	Charitable Activities:		
	Unrestricted	647,876	687,029
	Restricted	319,999	299,759
	Total per Statement of Financial Activities	967,875	986,788
	Costs of Generating Income – Salaries (see Note 7)	79,707	68,153
	Costs of Governance – Indirect Salaries	1,047,582	1,054,941

The average number of full-time equivalent employees during the year was as follows:

	2017	2016
	No.	No.
Charitable Activities Programme & Projects	25.9	24.5
Administration	6.5	7.8
Generating Income	1.2	1.0
	33.6	33.3

The total number of employees for 2017 was 34 (2016: 42).

3 employees received emoluments exceeding £60,000 in 2017 (2016: 3 employees)

The number of higher paid employees was:

	2017	2016
	No.	No.
In the band £60,001-£70,000	2	2
In the band £70,001-£80,000	1	1

No trustee received remuneration for their service. During the year 3 trustees (2016: 2) received reimbursement of travel and subsistence expenses totalling £941 (2016: £966).

The key management personnel of THET comprise the Chief Executive and the Senior Management Team (SMT).

The SMT consists of Head of Finance, the Head of Programmes, Head of Partnerships, Head of Engagement and HR & Operations Manager.

The total employee benefits for the key management personnel was £290,655 (2016: £247,804)

TROPICAL HEALTH AND EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

10 SUPPORT COSTS	2017	2016
	£	£
Personnel	30,444	33,757
Rent and Rates	76,297	102,775
Administration and Office Expenses	140,760	13,444
Governance costs	20,054	21,068
	<u>267,555</u>	<u>171,044</u>

The following allocation of Unrestricted Support Costs was done pro rata to the estimated time spent by staff (see Note 9).

	2017	2016
	£	£
Charitable Activities:		
Restricted	211,005	138,899
Unrestricted	36,189	21,095
Total per statement of financial activities	<u>247,194</u>	<u>159,994</u>
Expenditure on raising funds - indirect support Costs (see Note 7)	20,361	11,050
	<u>267,555</u>	<u>171,044</u>

11 TANGIBLE ASSETS

	Leasehold Property Improvements	Furniture & Fittings	Computing Equipment	Office Equipment	Total
<u>Cost</u>	£	£	£	£	£
Balance brought forward	30,767	20,602	45,273	2,274	98,916
Additions			498		498
Disposals		(3,627)			(3,627)
Balance Carried Forward	<u>30,767</u>	<u>12,602</u>	<u>45,771</u>	<u>2,274</u>	<u>91,414</u>
<u>Less: Depreciation</u>					
Balance brought forward	30,767	20,602	43,737	2,274	97,380
Charge for year			48		48
Disposal		(3,627)			(3,627)
Balance Carried Forward	<u>30,767</u>	<u>12,602</u>	<u>43,785</u>	<u>2,274</u>	<u>89,428</u>
<u>Net Book Value</u>					
Balance Brought forward	0	0	1,536	0	1,536
Balance Carried Forward	<u>0</u>	<u>0</u>	<u>1,986</u>	<u>0</u>	<u>1,986</u>

TROPICAL HEALTH AND EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

12 DEBTORS	2017	2016
	£	£
Income tax recoverable	2,009	822
Trade Debtors	18,913	133,904
Accrued income	528,475	334,253
Prepayments	68,966	40,076
Disallowed costs	39,329	
	657,692	509,055

13 CREDITORS	2017	2016
	£	£
Trade Creditors	78,979	100,114
Other taxes and social security	28,132	21,191
Accruals	21,141	83,839
Deferred Income	583,844	501,259
	712,096	706,403

Included in accruals is £5,020 (2016: £5,226) of accrued pension contributions.

14 STATEMENT OF FUNDS

	Balance at 1 Jan 2017	Surplus/ (Deficit)	Transfers between funds	Balance at 31 Dec 2017
	£	£	£	£
General funds	383,975	(91,314)		292,661
Total unrestricted funds	383,975	(91,314)	0	292,661
Restricted (see note 17)	375,337	(22,387)		352,951
	759,312	(113,701)	0	645,612

General funds

General funds are the accumulation of surpluses, less deficits, on the income and expenditure account, bequests for general purposes of the charity and various donations and grants.

TROPICAL HEALTH AND EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

Programme development fund

This is a designated fund that will support future programme development in various countries.

Legacy

THET is in receipt of a legacy and has designated it for use by Health Partnerships.

Restricted funds represent balances held for disbursement against specific projects.

Analysis of assets between funds:

	Assets £	Cash £	Debtors £	Creditors £	Total 2017 £	Total 2016 £
Unrestricted	1,985	388,942	26,877	(125,143)	292,661	383,975
Restricted		348,418	591,485	(586,953)	352,951	375,338
	<u>1,985</u>	<u>737,360</u>	<u>618,363</u>	<u>(712,096)</u>	<u>645,612</u>	<u>759,313</u>

15 FINANCIAL COMMITMENTS

At 31 December 2017 the charity was committed to making the following annual payments under non-cancellable operating leases:

	2017 £	2016 £
Not later than 1 year	6,000	99,356
Later than 1 year and not later than 5 years		49,678
	<u>6,000</u>	<u>149,034</u>

16 FUNDS HELD AS INTERMEDIARY AGENT

At the year-end THET acted as intermediary agent for the following organisations. The balances stated represent cash at bank. The following balances, and any income and expenditure in the period, have not been included in the financial statements:

	Balance held at 1 Jan 2017	Net receipts/ (payments)	Balance held at 31 Dec 2017
	£	£	£
Links Lusaka	4,394		4,394
Gondar Dermatology Research	2,410		2,410
Island Hospice	354		354
Charitable Giving		2,540	2,540
	7,158	2,540	9,698

Links Lusaka

These funds are being held by THET on behalf of a Link between Lusaka's University Teaching Hospital and Brighton and Sussex University Hospitals and Medical School to support their two-way trips by nurses, doctors, librarians and other allied health professionals for teaching and CPD.

Gondar Dermatology Research

These funds are held on behalf of Dr Paul Buxton, a member of the Gondar – Leicester Health Link, to provide a subscription to the Community Dermatology Journal and support travel and conferences relating to dermatology research in northern Ethiopia.

Island Hospice

Incoming funds from crematorium fees are donated by doctors at a number of hospices and are used to support medical training and exams in Bulawayo, Zimbabwe.

TROPICAL HEALTH AND EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

17 STATEMENT OF RESTRICTED FUNDS

	Balance at 1st Jan 2017 £	Incoming resources £	Resources expended £	Balance at 31 Dec 2017 £
<u>INTERNATIONAL</u>				
Health Partnership Scheme - Grants	13,904	(225,391)	(219,040)	7,553
DFID Accountable Grant	-	229,043	230,762	(1,719)
Johnson & Johnson Funds	130,047	189,762	144,613	175,196
CAF Advocacy for Development Fund	15,093	-	14,125	968
Principles of Medicine in Africa 4th Ed.	2,055	-	710	1,345
Tropical Doctor Subscriptions	6,735	10,540	7,056	10,219
Pharo Foundation	1,316	-	1,316	-
GE Foundation: Conference	184	-	-	184
State of Guernsey	8,592	-	8,592	-
Total International	177,926	203,954	188,134	193,746
<u>SOMALILAND</u>				
Kings College	7,366	-	7,366	-
Change	(2,254)	272,239	272,239	(2,254)
UNICEF	14,953	25,061	44,793	(4,779)
SPHIER	-	165,083	165,083	-
WHO	11,233	134,425	145,657	1
Total Somaliland	31,298	596,808	635,138	(7,032)
<u>ETHIOPIA</u>				
Gondar Research	846	-	-	846
Ethiopia Chronic	7,953	-	-	7,953
Ethiopia Epilepsy	4,162	-	-	4,162
Supporting Rural Health Centres	31,689	15,334	32,547	14,476
Total Ethiopia	44,650	15,334	32,547	27,437
<u>ZAMBIA</u>				
Human Resources for Health	(39)	399,309	399,104	166
Zambia Nutrition	(13)	13	-	-
National First 1,000 Days [SUN Fund]	100,572	152,408	308,980	(56,000)
Pathological Society	5,382	-	5,382	-
Beit Trust	1,521	-	-	1,521
UNICEF Zambia	-	27,891	10,216	17,675
Biomedical Engineering	-	22,500	4,174	18,326
Medical Training - Pathological Society	15,400	10,000	-	25,400
Zambia UK Health Workforce Alliance	412	8,312	4,292	4,432
Gordon Urquhart Memorial Fund	20	-	20	-
Total Zambia	123,255	620,433	732,168	11,520
<u>UGANDA</u>				
Health Education England	(1,791)	205,467	118,064	85,612
DFID (Uganda Office)	-	38,251	38,251	-
Total Uganda	(1,791)	243,718	156,315	85,612
<u>TANZANIA</u>				
Comic Relief	-	339,838	339,838	-
ODI	-	40,881	36,084	4,797
Total Tanzania	-	380,719	375,922	4,797
<u>MYANMAR</u>				
Health Education England	-	128,467	91,596	36,871
Total Funds	375,338	2,189,433	2,211,820	352,951

Health Partnership Scheme

Since 2011 THET has been the managing agent for the UK government's Department for International Development Health Partnership Scheme. This scheme supports the development of training and education links between UK healthcare providers and their peer institutions overseas in low and middle-income countries. The initial award of £20m in 2011 was extended in 2015 to include a further £10m. The contract was completed in June 2017. THET reported on the impact this scheme has had in an Impact Report published in August 2017, with a foreword by the Rt Hon Andrew Mitchell MP. The report showed how, over the six years of the scheme, grants have been awarded to over 130 NHS Trusts, Royal Colleges and UK academic institutions, partnering with 170 health institutions across 31 low- and middle-income countries and resulting in the training of over 84,000 health workers.

DFID Accountable Grant

On completion of the Health Partnership Scheme DFID awarded THET an accountable grant designed to maintain the momentum behind some of the work undertaken by partners across the UK healthcare community. This grant scheme, valued at £1.3m, has enabled THET to award grants to 20 institutions across six countries in Africa and Asia, for projects running up until March 2019. Projects focus on a wide-range of areas, including scaling up and improving access to childhood cancer services for children in Myanmar; raising standards of care for children with epilepsy in Ghana, Tanzania, Uganda, Kenya by scaling up sustainable Paediatric Epilepsy Training (PET) targeted at high-level health workers; and increasing access to eye healthcare in two Ugandan health regions through an innovative outreach clinic training programme.

Johnson and Johnson Funds

This is made up of the following funds:

Johnson & Johnson: Strengthening Surgical Capacity Programme

The Strengthening Surgical Capacity (SSC) Programme focuses on health partnerships working in maternal and child health across Sub-Saharan Africa. Specifically, it supports projects that aim to reduce morbidity and mortality from conditions requiring surgical intervention, either directly or through enhanced patient safety as a result of improved anaesthetic care.

Johnson & Johnson: WACS UK Surgical Forum

Johnson & Johnson awarded a grant to the WACS UK Forum's Surgical Mission to Togo. The grant, which is supported and managed by THET, funds a surgical camp run by UK volunteers and the West African College of Surgeons to train local surgeons and treat complex surgical cases.

Johnson & Johnson: European Round Table on Medical Equipment

This mission aims to improve the provision of medical equipment to African healthcare centres. It brings together organisations working on medical device donations and training in order to share good practice and to explore areas of potential collaboration. The expected outcomes of the European Round Table are strengthened dialogue between similarly focused organisations and the commitment to work collaboratively.

Johnson & Johnson Africa Grants Programme

THET had received funds in 2016 to set up a larger grants management programme with J&J which will run until June 2017. The Africa Grants Programme focuses on surgery and access to community healthcare.

Principles of Medicine in Africa 4th Edition

This DFID grant is held by THET and is being used for the latest revision of the "Principles of Medicine in Africa" book, including covering travel, meeting and editing costs.

“Tropical Doctor” subscriptions

The Beit Trust has supported THET for over 20 years to enable the provision of subscriptions to the Tropical Doctor journal for approximately 200 hospitals in Zimbabwe, Malawi and Zambia. The journal provides an essential forum for sharing experiences and establishing best practice, aiding communication between medical professionals around the world.

Pharo Foundation

In November 2012, The Pharo Foundation awarded a grant to the Poole Africa health partnership which works with Wau Teaching Hospital, South Sudan. The grant, which is supported and managed by THET, aims to train health workers with a focus on basic skills of diagnosis and care of the critically ill patient.

GE Foundation Conference

The GE Foundation provided funds since 2015 to enable THET to organise a workshop in South Africa to strengthen the professional associations of bio medical engineering professionals.

Somaliland: UNICEF

UNICEF funded a three year Sexual and Reproductive Health project in Somaliland through the development of Emergency Maternal and New Born Care (EmONC) national protocols and training for health workers in the Awdal and Puntland regions of Somalia.

Further funding was received in 2015 from UNICEF for a programme to analyse the nature of the nutrition workforce as part of a programme to improve the lives of children and women in Somaliland/Somalia through nutrition based interventions.

Somaliland: WHO

A grant was awarded to THET to support the internship training of newly qualified doctors in Somaliland

Ethiopia Funds

These are made up of the following projects:

Ethiopia: Supporting Rural Health Centres

This project will enable rural people suffering from chronic diseases to receive essential care near to their homes from health workers who are appropriately trained and continuously supported and encouraged to develop their skills.

Ethiopia: Research

- **Chronic Research:** The chronic disease programme enables patients to be seen at the health centre nearest their home around Gondar and Jimma; THET contributes funds for staff development and training, and the collection of data, which is the research base of our work.
- **Ethiopia Epilepsy:** Chronic disease clinics include epilepsy. This fund was established as epilepsy attracts regular gifts from Southampton; these are used by Dr Martin Prevett, who has worked with THET for 15 years, for studies chiefly in rural patients at the chronic disease clinics.

Zambia: Human Resources for Health – Strengthening training & education of health workers

In response to a request by the Zambian Ministry of Health, THET and our partners had delivered innovative and sustainable training and education project, which had assisted with the development and delivery of Master of Medicine courses in the selected clinical specialisms of pathology, anaesthetics, psychiatry and biomedical engineering.

Zambia: National First 1,000 Days (Scaling Up Nutrition (SUN) Fund)

The SUN Fund is a unique international movement, uniting government, civil society, the United Nations, donors, businesses and researchers, in a collective effort to improve nutrition. The SUN Fund has been supporting the BSc and MSc in Nutrition at UNZA, and includes the provision of long and short-term volunteers and equipment procurement.

Zambia: The Pathological Society

THET supports a 4-year Master of Medicine (MMed) postgraduate course in Pathology at the University of Zambia. Clinical placements outside Zambia are an integral part of the course. They provide trainees with the opportunity to experience techniques and specialisms that are of limited availability in Zambia – liver, renal, neuro, bone/joint and specialist cytology – and thus acquire new clinical and service development skills. THET has a partnership with Aga Khan University in Kenya to host the trainees on 5-month clinical placements. Funds from The Pathological Society support these placements.

Zambia: The Beit Trust

The Beit Trust awarded THET a grant that covered the full cost of conversion of the Biomedical Engineering Skills Workshop at the Northern Technical College (NORTEC). This was an important infrastructural component of the Biomedical Engineering Technologist (BMET) training programme.

Zambia: UK Health Workforce Alliance (ZUKHWA)

A network of Zambian-based and UK-based organisations which work together to promote and improve the coordination and impact of Zambia-UK joint work in health.

Comic Relief: Building National Training Capacity

THET is working with the Benjamin W.Mkapa Foundation (BMF) to implement a 3-year project which aims to support the Ministry of Health, Community Development, Gender, Elderly and Children-(MoHCDGEC) to roll out a new formal cadre of community health workers. The project supports the Ministry in the development of policies to implement based health programmes as well as to build capacity of zonal, regional and district levels on effective training, recruitment and retention of Community Health workers.

Health Education England (HEE)

THET is working in partnership with Health Education England to support the development and management of strategic Alliances between the UK and National Health institutions in Myanmar and Uganda.

18 Controlling party

In the opinion of the Trustees, the charity has no ultimate controlling party.

19 Related party transactions

THET's Chair of Trustees, Professor Judith Ellis, was also the CEO of Royal College of Paediatrics and Child Health (RCPCH) during the year under review. In 2016, an amount of £498,400 was awarded as grants under HPS to RCPCH. Professor Judith Ellis was not involved in the grant-making approval process. These grants closed in 2017.