

b+tlc BARTS
CHARITY

Funding extraordinary
healthcare

Trustees' Annual
Report 2016



Contents

Barts Charity: A brief introduction	2
Chairman's report	4

Grants

Grants review	5
The heart of the matter: Major new funding for heart-related research	6
Mapping the future: Promoting the use of innovative cardiac imaging	7
Controlling hypertension: A consultant pioneering new methods of hypertension control	7
Transforming Rainbow Ward: A revamp of children's facilities at Newham	8
Preparing parents: Helping parents of children with autistic spectrum disorder	8
Putting diabetic kidney disease on the map: A new centre gets off to a flying start	9
A garden of sensory delights: A new garden space for children at Whipps Cross	9
Microbe detective: Using new technology to identify infections – and save lives	10
Food for thought: Helping carers understand the impact of arthritis	10
The road to recovery: New technologies are helping stroke patients reconnect	11
The power of art: Art therapy is benefiting cancer patients and their carers	11
Genes and health: A genetic resource dedicated to local South Asian populations	12
Cycling proficiency: In-bed rehabilitation for the seriously injured	12
Tackling diabetes in people with severe mental illness	13
Do try this at home: Helping trainee orthopaedic surgeons hone their skills	13

Fundraising

Fundraising review	14
Working together for the good of the heart: Linklaters and Barts Charity join forces	15
Enhancing paediatric care: A spotlight on Exceptional Ambassador Josephine Chui	15

Governance

Governance review	16
Trustees and advisers	18

Finance review and strategic report

Financial review	20
Professional advisers	24

Financial statements

Statement of Trustees' responsibilities	25
Auditor's report	26
Financial statements and notes to the accounts	27

Supplementary financial statements Covering year to 31 March 2015

Background and basis of preparation	42
Auditor's report	43
Supplementary statements and notes	44





Our vision

To be a leading charity promoting extraordinary healthcare.

Our mission

To grant funds for innovative projects promoting improvements in patient care, medical research and health education, which fall outside NHS funding.

Our beneficiaries

We support projects that will enhance the health and well-being of our beneficiaries, who are mainly the individuals and communities of the City and East London who are served by Barts Health NHS Trust hospitals.

We work primarily (but not exclusively) through Barts Health NHS Trust and Barts and The London School of Medicine and Dentistry, which is part of Queen Mary, University of London (QMUL).

Our grants strategy

We award grants to support innovative healthcare and medical research to promote the health and well-being of our beneficiaries.

Our strategy is to support the best people and the best projects, building on excellence. In this way, our funding can make a real difference to healthcare, now and in the future.

We liaise closely with Barts Health and the Medical School to ensure that grants are awarded in areas of strategic importance. We obtain independent opinions on grant applications, to ensure that projects are worthwhile and offer good value for money. We also track projects to ensure they achieve their milestones and main aims in order to demonstrate impact.

Our financial strategy

Barts Charity plans to exist in perpetuity, a principle that guides our investment and grant-giving strategies. Our investments are managed with a long-term perspective, generating income to support an annual grant-giving programme while also growing our asset base. Our investments are widely diversified by asset type, geographically and by fund manager.

Our fundraising strategy

Our principal focus is on securing 'major gifts' (between £10,000 and £1m) from individuals, corporate bodies and charitable trusts. We have established a 'Barts Ambassador' programme to underpin our major donor strategy. We also rely on the exceptional generosity of many individual fundraisers and donations from patients and their families, and we are looking to grow our income from the wider Barts Health community.

Because endowment income covers all our administrative costs, we can guarantee that 100% of every donation supports a donor's chosen cause.

Barts Health

Barts Health is the largest NHS Trust in the UK, treating more than a million patients a year. It provides a network of health facilities across north and east London through its five hospitals:

- St Bartholomew's Hospital (Barts, founded in 1123)
- Mile End Hospital
- Newham University Hospital
- The Royal London Hospital
- Whipps Cross University Hospital

Its associated medical school, Barts and The London School of Medicine and Dentistry, is internationally recognised for its medical research. It is regularly ranked among the top medical schools in the country.



In 2015/16

Total amount awarded:

£24,678,399



Patient care:

44



Medical specialties:

59



Research:

39



Chairman's report



Two sizeable grants made this year, totalling £17.1m, on top of £7.6m of other grants, illustrate our commitment to supporting Barts Health and its Medical School in building world-class capability and improving patient care.

At our strategy review in May 2014, the Board of Trustees decided that, on top of our annual grant-giving, we would consider large one-off funding applications. Our objective was to target strategically important areas with the potential to deliver a step change in the care delivered to the communities served by Barts Health. In 2015/16, we awarded two such grants, for transformational projects at Barts Heart Centre and Newham University Hospital.

Our £10.28m Barts Heart Centre grant (see page 6) is designed to build on the outstanding clinical facilities and expertise on the St Bartholomew's Hospital site – a world-leading centre for the treatment of cardiovascular disease. Our funding will integrate an extensive programme of research into these clinical services, helping the team push back the boundaries of cardiovascular medicine.

Our £6.85m grant to Newham University Hospital (see page 8), to rebuild Rainbow Ward and the Ark outpatients' area, will transform the hospital experience for children and young people. Fewer patients will have to

travel outside of the Newham area for treatment and clinicians will be able to deliver better, more flexible and local care.

That we were able to make these large one-off awards is down to healthy finances that give us the resources to support and pump-prime activities that benefit patient care. Much of the credit for this goes to my predecessor, Michael Smith, and our recently retired Chief Executive, Andrew Douglas. Over six years, Michael and Andrew have transformed our financial position, and this will help us through the turbulent times ahead as the UK resets its relationship with the EU. They have overseen the development and implementation of a new strategy, and negotiated our independence from the Department of Health so we have agility and flexibility. Michael and Andrew leave a legacy that will benefit our communities now and in the future and we are hugely grateful for the difference they have made.

This year also saw Katherine Payne complete her trustee term of appointment. I would like to thank Katherine for her valued contribution, particularly as chair of the Grants

Committee. We also said farewell to our Director of Grants, Dr Laura Wilson, who did great work in helping to refine our grants strategy.

I am delighted that Fiona Miller Smith has joined us from Social Finance as our new Chief Executive, bringing the skills and personality to help us take Barts Charity forwards. We also welcome our new Director of Grants, Dr Francesca Gliubich, who has joined us from Queen Mary, University of London.

It is a great privilege and responsibility to have been appointed Chairman of Barts Charity. We achieved much under Michael and Andrew's leadership. I am confident that with our new CEO and strong executive team, and with the help of our committed and able Trustees, we can build on what has been achieved so far and support Barts Health and its Medical School in their work to deliver extraordinary health care to our local communities.

Paul Rawlinson Chairman



Grants

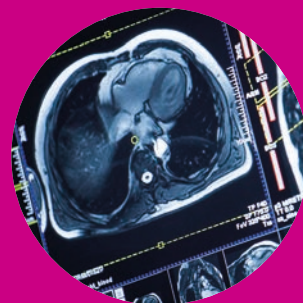
We support projects that will enhance the health and well-being of our beneficiaries, the individuals and communities served by Barts Health.

Barts Charity's grant-making supports projects that enhance high standards of care, as well as research of potentially major importance to health. The aim is to ensure that the institutions under the Barts Health umbrella maintain their position at the forefront of innovative healthcare delivery. Funding is aligned with areas of known strength, including cardiovascular medicine, paediatrics and trauma.

In addition to our annual grants programme, we periodically make large one-off awards in strategically important areas, when they have the potential to achieve a step change in care. We made two such major awards this year – £10.28m to Barts Heart Centre (see page 6) and £6.85m to the Rainbow Centre at Newham University Hospital (see page 8). These transformative awards will make a dramatic difference to the adult population served by Barts

Health, which is badly affected by cardiovascular disease, and to the young people and their families using Newham University Hospital.

Through our annual grants programme, we awarded 39 grants of up to £20,000 totalling £421,251 and 42 grants of up to £500,000 totalling £7.1m in 2015/16. These awards are supporting a wide range of innovative projects, including the development of new tools for cardiac imaging (see page 7), art therapy for cancer patients and doctors (see page 11), and a new landscaped garden area for children staying at Whipps Cross Hospital (see page 9), as well as a number of training and research fellowships. Notably, grants were awarded for projects at all Barts Health hospitals – St Bartholomew's Hospital, Mile End Hospital, Newham University Hospital, The Royal London Hospital and Whipps Cross University Hospital.



The heart of the matter

A £10.28m grant will ensure that Barts Heart Centre remains at the forefront of innovation in cardiovascular medicine.

The creation of Barts Heart Centre has established one of the world's leading sites for treatment of cardiovascular disease. It has also provided a unique opportunity to embed programmes of research to push back the boundaries of cardiovascular medicine – the goal of a £10.28m grant from Barts Charity.



New funding will support the development of innovative treatments for heart patients.

The new funding is supporting work across five areas:

Barts Clinical Trials Unit: The Unit will be developed into a specialist centre for cardiovascular studies. With new expertise and equipment, it will be able to support an extensive portfolio of trials and have a competitive edge in applications for funding.

Medical devices: A new centre is being established specialising in medical devices for heart patients. One focus will be 'ventricular assist' devices for patients with heart failure, as well as innovative electrocardiogram (ECG) 'jackets' for monitoring electrical activity across the heart, to support highly targeted elimination of heart tissue responsible for abnormal heart rhythms.

Drug treatments: A new trial is testing the heart-protective properties of inorganic nitrates – compounds thought to be responsible for the beneficial effects of green leafy vegetables – and of pharmaceuticals that mimic their mode of action. New research will also explore ways to minimise the heart-damaging side-effects of certain cancer treatments.

Genomic medicine:

A strand of work will aim to identify the genetic causes of rare cardiac abnormalities, and establish a new clinical service for patients with genetic forms of heart disease.

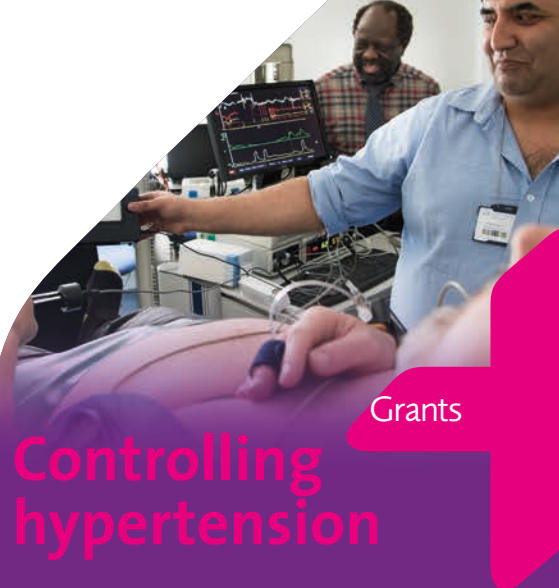
Patient-generated data:

A major new resource will be developed based on the continuous collection of data from patients, through questionnaires or electronic devices. This information will complement data in health records and that generated by analysis of biological samples – providing a huge body of patient-related data for research.

Cardiovascular disease is a huge problem in the communities served by Barts Health. Barts Heart Centre is delivering world-class care to these communities, and these new initiatives will ensure they are among the first to benefit from innovations in cardiovascular medicine.



The new programme of heart-related work is being supported by a £10.28m grant from Barts Charity awarded in 2015/16.



Grants

Controlling hypertension

Dr Melvin Lobo is becoming the 'go to' man when doctors are struggling to control patients' high blood pressure.

High blood pressure (hypertension) can often be controlled by medication. But for many patients, drugs are either not suitable or ineffective, leaving them at increased risk of a host of cardiovascular conditions.

In a bid to help these patients, Barts Charity provided funding to hypertension specialist Dr Melvin Lobo, enabling him to establish a new laboratory to investigate the complex physiological mechanisms that control blood pressure and to explore new treatment options. This funding has helped to establish Dr Lobo as an international leader in difficult-to-treat hypertension.

Dr Lobo is leading multiple studies assessing innovative new treatments. These include the use of high-power ultrasound to eliminate nerves supplying the kidney that are important in blood pressure regulation, as well as an innovative 'bypass' device that creates a bridge between an artery and vein in the upper thigh.

In pioneering new work, he is assessing a novel device that electrically stimulates blood vessels in the neck, as well as an approach targeting nerves surrounding the mid-aorta, the main blood vessel leaving the heart. Now known internationally for his expertise in novel treatments, Dr Lobo receives a steady stream of referrals of 'difficult' cases from the UK and overseas.



Dr Lobo's research was funded through a £400,000 grant from Barts Charity awarded in 2012/13.

Mapping the future

Precisely engineered jars – known as 'phantoms' – are playing a key role in the global roll-out of an innovative method of cardiac imaging.

In 2013, Barts Charity awarded £2.2m funding for two state-of-the-art cardiac magnetic resonance imaging (MRI) scanners – helping to establish Barts Heart Centre as Europe's leading site for cardiac imaging.

Imaging of the heart is an increasingly important tool for diagnosing heart conditions and for tracking the effects of treatment. Professor James Moon (above) has been pioneering the use of a specific type of cardiac MRI, known as T1 mapping, to characterise the build-up of fibrous tissue in the heart – which is seen in several rare conditions but also occurs during normal ageing, affecting heart function. As well as generating a better understanding of heart fibrosis, T1 mapping is also helping doctors select the most effective treatments for patients.

The Barts Health team is keen to extend the use of T1 mapping to other cardiac centres worldwide. A crucial

step in this roll-out is to ensure that all cardiac MRI machines are operating to equivalent standards. To achieve this standardisation, Professor Moon has used funding from Barts Charity to work with an Australian medical device company and an international consortium to develop a set of 'phantoms' – jars of tightly defined composition that can be scanned and used to calibrate machines.

Phantoms are being distributed to 70 centres worldwide, with the results analysed at Barts Heart Centre so performance can be assessed across every site. As well as enabling high-quality T1 mapping to be rolled out, this global calibration will also allow international multicentre clinical trials to be carried out, for example of new treatments for heart fibrosis.



The T1 mapping phantoms have been funded by an £18,000 grant awarded by Barts Charity in 2015/16.



Transforming Rainbow Ward

A multimillion-pound redevelopment of Rainbow Ward at Newham University Hospital will transform the hospital environment for young patients.

The new Rainbow Centre at Newham University Hospital, funded by a £6.85m grant from Barts Charity, will create a united facility for young inpatients and outpatients. It has been expressly designed to provide a welcoming and comforting environment to improve the hospital experience for children of all ages.

The Rainbow Centre will boast a range of new facilities, including additional high-dependency beds, a schoolroom and separate recreation areas for

younger and older children – unlike the old Rainbow Ward, which was tailored more to the needs of young children than adolescents. Patients will also have access to an outside play area, and extra space has been set aside for parents.

The centrepiece of the new facility will be a striking curved feature wall stretching from the reception area to the rear of the unit. Developed with valuable input from Vital Arts (a charity delivering arts programmes to the patients and staff of Barts Health), it features a

vibrant pattern drawing inspiration from the colours of the rainbow.

The redevelopment has also provided an opportunity to rethink how clinical services are offered. More services will be available, so children will have less need to travel outside of the Newham area for treatment. The new space will also make it easier for doctors to offer clinics outside traditional times. In addition, the reception space could also be used flexibly, for example to host school visits or small community workshops.



Preparing parents: Parents of children with suspected autistic spectrum disorder can now find out more about the condition and its likely impact through specially commissioned films funded by a £19,199 grant awarded in 2014/15. The films also describe assessment procedures at Barts Health and the experience of local families receiving a similar diagnosis. The films can be viewed at <http://bartshealth.nhs.uk/our-services/services-a-z/c/childrens/resources-for-parents/>



Putting diabetic kidney disease on the map

A newly established centre dedicated to diabetic kidney disease is already achieving international recognition.

In 2014/15, Barts Charity awarded a £3.4m grant to Professor Magdi Yaqoob, Dr Neil Ashman and colleagues, to establish a centre dedicated to treatment and research into diabetic kidney disease. One of the most serious complications of diabetes, diabetic kidney disease can leave patients needing dialysis and eventually a kidney transplant.

In its first year, the new centre has begun recruiting researchers who will be studying the mechanisms of disease – particularly as seen in the ethnic minority populations of East London, which are badly affected by the condition – and possible targets for new treatments.

An important goal is to identify patients early, so treatment can begin before extensive damage to the kidney has occurred. The centre has established links with local primary practices to ensure that patients are referred in a timely fashion, and that important patient data, for example on kidney function, are captured in a consistent way.

The centre has also begun to establish a programme of work in education. It is setting up a master's course in diabetic kidney disease and plans to establish an annual national meeting to encourage discussion and the sharing of knowledge in hot topics in treatment and prevention.

Of particular note, the research results obtained from Barts Charity funding are enabling the renal team to explore alternative sources of income and new partnerships – including a major collaboration with an international pharmaceutical company. This new partnership is aiming to identify factors associated with increased risk of disease, which could be used to differentiate patients likely to benefit most from early treatment.

While transforming the patient experience has been central to the redevelopment, the Rainbow Centre will also be an inspiring place in which to work, motivating staff and supporting the recruitment and development of the paediatric nursing team.

+ The redevelopment of the Rainbow Centre has been funded by a £6.85m grant from Barts Charity awarded in 2015/16.

+ Barts Diabetic Kidney Centre is being supported by a £3,369,000 grant from Barts Charity awarded in 2014/15.



A garden of sensory delights: Redevelopment of the garden area next to the paediatric Acorn Ward at Whipps Cross University Hospital, funded by a £25,380 grant awarded in 2015/16, will provide a treat for the senses of young patients. Colourful landscaping provides a feast for the eyes, while other areas feature highly scented plants. Special care has been taken to make the area accessible to those with mobility difficulties or special educational needs. It will also have educational value, with space to grow vegetables and a 'bug hotel' to introduce children to the multitude of mini-beasts inhabiting a typical garden. Having an outdoor area provides a respite from the wards, and fresh air for both children and their families. It can be a welcome distraction from any pain or worries, and allows children to be children.



Microbe detective

Innovative new technology is helping doctors identify the causes of infection more rapidly.

Ideally, doctors need to know what kind of infection a patient has, as rapidly as possible, so that they can tailor their treatments accordingly. Doctors typically rely on microbiologists to identify pathogens, yet the diagnostic methods they use – culturing bacterial colonies on Petri dishes – have hardly changed in a century.

Recently, new technologies have been developed to provide quicker diagnosis, and Dr Mark Wilks, based in Barts Health's Microbiology Department, is a nationally recognised leader in their assessment. In a £495,000 project funded by Barts Charity, he is evaluating a novel diagnostic platform that can identify any of thousands of microbial infections within a matter of hours. Uniquely, the Iridica platform combines DNA-based methods that amplify specific fragments of bacterial DNA with mass spectrometry technology that, in effect, 'weighs' these fragments to identify their bacterial origins.

However, although Iridica technology is quick and accurate, it is also expensive, so it is not suitable for analysis of every hospital sample. Dr Wilks is therefore working with clinicians in multiple hospital departments to test the technology, identify situations where it is most

likely to be useful, and to carry out an economic analysis to support its introduction into routine care.

Pilot studies have already illustrated the platform's life-saving potential in difficult cases. For example, the technology identified a highly unusual infection in a 36-year-old builder seriously ill with sepsis and meningitis who had failed to respond to a range of treatments.

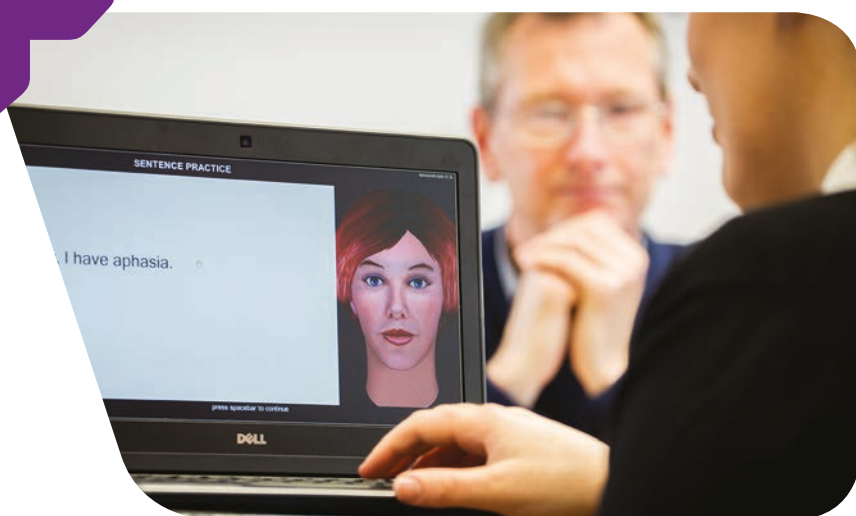
Iridica could thus ensure patients receive the right antibiotic much sooner. But it could also ensure that patients are not given antibiotics they do not need. Unnecessary antibiotic use is a waste of valuable resources, and can also cause harm – in young infants, for example, antibiotic use can double the risk of potentially lethal damage to the gut.



Dr Wilks's project has been funded by a £495,084 grant from Barts Charity awarded in 2015/16.



Food for thought: In malnutrition training sessions with carers and healthcare staff, Barts Health dietitians are using specially designed gloves and goggles to convey a sense of what it is like to have arthritis or visual impairments. Malnutrition in the community and in hospital patients is a huge problem, but carers may not appreciate how people with arthritis struggle with packaged foods or the difficulties visually impaired individuals might have with menus or meals. The teaching aids were purchased through a £2,069 grant awarded in 2015/16.



The road to recovery

iPads, Kindles and other new technologies are helping stroke patients recover their speech and language skills – and reconnect with friends and family.

When they suffer a stroke, many patients lose language skills – the ability to speak, read, write or engage in conversations (collectively known as ‘aphasia’). Aphasia can have a major impact on quality of life, making social interactions much more difficult and often causing patients to withdraw and become socially isolated.

At City University London, Dr Celia Woolf has been running a research project, funded by a £416,000 grant from Barts Charity, exploring whether widely used electronic devices – such as iPads and Kindles – and readily available software can be adapted to help stroke patients recover their language and communication skills.

Patients with reading difficulties, for example, are being given Kindles and apps that enable text to be read aloud. For patients who struggle with writing, dictation apps are being piloted, enabling patients to generate text without having to write or type. To enhance conversation skills, patients

are being taught how to use Skype and then practise with researchers skilled in conversation development.

The project is being run as a trial, so the impact of each intervention – not just on speech and language skills but also on wider quality of life – can be rigorously identified. If they prove effective, they are relatively low-cost tools that speech and language therapists could readily integrate into rehabilitation programmes.

Although the project is still running, the team has already seen evidence of benefits to individual patients. One has begun using software to write and share short stories, while another has been put in touch with a choir welcoming people with speaking difficulties, having heard about it during conversation practice with a therapist.



Dr Woolf's project was funded through a £415,785 grant from Barts Charity awarded in 2013/14.



The power of art: Cancer patients and their doctors are benefiting from art therapy sessions, thanks to a £15,302 grant awarded in 2015/16. To reduce anxiety, patients are being offered the chance of one-hour sessions during chemotherapy treatments or before radiotherapy. Clinicians are taking part in a structured six-week programme, with art sessions providing a forum for artistic expression and open discussions with colleagues, to guard against the risk of burnout and ‘compassion fatigue’.



“I wasn’t sure what to expect, really wasn’t sure if it would help. Amazed – I have actually painted at home after a bad day at work (using my son’s paints!) and it helped.”

Cancer doctor



“Talking with a therapist about my illness was helpful and the artwork itself was relaxing and therapeutic which surprised me.”

Cancer patient



A recruitment event for the East London Genes & Health initiative.

Grants

Genes and health

Researchers are creating a unique resource to help identify genetic factors affecting the health of East London residents of Bangladeshi and Pakistani heritage.

The South Asian communities of North and East London experience alarmingly high levels of cardiovascular disease and diabetes. In part, this could reflect the genetic make-up of these populations. By linking volunteers' lifelong health records to the results of DNA analyses, Professor David van Heel of Barts and The London School of Medicine and Dentistry hopes to gain new insight into cardiovascular and metabolic conditions in these populations – and also create a resource that could be used to investigate other important health issues.

The ambitious East London Genes & Health initiative, which has received £250,000 funding from Barts Charity (as well as major support from other

funders), aims to recruit 100,000 participants of Bangladeshi and Pakistani heritage. Launched in March 2015, by April 2016 it had already surpassed its first target of 10,000 volunteers.

Using funds from Barts Charity, the initiative has built strong community links to support its aims. A host of influential local figures – the 'First 46' – have thrown their weight behind the scheme, volunteering and encouraging others to do the same. As well as providing a saliva sample and giving permission for researchers to access their health records, volunteers also agree that they can be contacted and invited to take part in follow-up studies. The East London Genes & Health BioResource expects to launch in early 2017, utilising

a new Centre for Population Genomic Medicine in Whitechapel.

Barts Charity funding has also enabled Professor van Heel to lead an innovative analysis of samples collected to date, to identify genes that can be disrupted without causing us harm. Remarkably, these results, published in the leading journal *Science*, suggest that around 800 genes – one in 25 of our total genetic stock – can be lost entirely without any apparent effect on our health.

+ East London Genes & Health (www.genesandhealth.org), jointly led by Professor van Heel and Professor Richard Trembath, received £250,000 funding from Barts Charity in 2012/13.



Cycling proficiency: Patients confined to bed in The Royal London Hospital's Adult Critical Care Unit can take much-needed and highly beneficial physical exercise, using innovative 'MOTomed' equipment purchased through a £9,000 grant awarded in 2014/15. The MOTomed 'in-bed bicycle' enables patients to exercise their upper or lower limbs, and has been shown to speed up the recovery process.



Do try this at home: Trainee Barts Health orthopaedic surgeons can now practise their manual dexterity skills at home, using a set of 'ArthroBox' simulators funded through a £4,299 grant awarded in 2015/16. The simulators, which can be dismantled and carried in handy cases, make no attempt to mimic complex human anatomy, but set a series of manual challenges resembling the basic tasks performed by orthopaedic surgeons.



Tackling diabetes in people with severe mental illness

Interviews with patients and healthcare professionals may highlight new ways to help people with severe mental illness manage their diabetes.

As well as the distressing symptoms associated with their condition, people with severe mental illness face a greatly increased risk of diabetes – double that of people without mental illness – and of suffering diabetes-associated complications.

In part, this may be a side-effect of treatment, as some medications promote weight gain – a key risk factor for diabetes. Smoking and sugar-rich foods can provide temporary relief from mental distress. And, amid the difficulties of managing a disabling mental health condition, patients can find it difficult to focus on longer-term health issues.

At City University London, Professor Alan Simpson and colleagues are keen to develop a programme to help people with severe mental illness better manage their diabetes. As a first step, with £29,000 funding from Barts Charity, his team has been conducting in-depth interviews with patients and a wide range of healthcare professionals who provide support to patients, in mental health teams and general practice.

These interviews have revealed that patients are generally aware of

the need to manage their diabetes, but struggle to do so in practice. They typically value the care they receive from healthcare staff and would appreciate more support in this area. In turn, healthcare professionals are keen to help patients with their diabetes management, but are not always sure how to go about it.

With further funding from Barts Charity, Professor Simpson's team is conducting a survey to gather data from larger numbers of patients and staff on the insights emerging from the interviews. If the survey confirms his initial findings, he hopes to apply to national funders for large-scale support to develop and test a new training programme that would equip healthcare professionals to help patients better manage their diabetes.



Professor Simpson's qualitative study was funded through a £29,402 grant from Barts Charity awarded in 2014/15.



Fundraising

The opening of Europe's largest specialist heart centre in April 2015 created an exciting opportunity for a new, proactive fundraising and engagement initiative.

In November 2015, we launched Circulate, the Barts Charity heart health network, to raise awareness of heart disease among businesses, organisations and communities close to Barts Heart Centre, and to generate much-needed funds for life-saving treatment and research.

Our aim is to build bridges between the Centre and local charitable and commercial organisations. Open to all, the Circulate network offers its partners a range of engagement activities, seminars and events around heart health. So far, these have included office-based presentations from leading heart specialists, behind-the-scenes tours of the Centre, an interactive, hands-on cooking experience, and a participatory event exploring links between heart health and mental health. Circulate also provides a route through which network partners can support innovation in patient care and research at Barts Heart Centre, to push back still further the frontiers of cardiovascular medicine.

With a dedicated website (<http://bartscharitycirculate.org.uk>) and regular

events, Circulate has already attracted some 500 'Circulators', including a range of major corporate partners, and begun to generate a new stream of funds.

In 2015, we also celebrated the second anniversary of our Ambassadors programme, with a dinner at the House of Lords hosted by Lord Clement-Jones. In September 2015, our first Exceptional Ambassador, Tom Baker, unveiled an Exceptional Ambassadors' plaque in St Bartholomew's Hospital. Tom's was the first name on the plaque, and will be joined by new Exceptional Ambassadors Josephine Chui (see right), Lord Clement-Jones, Charlotte Frost and Cormac Mac Crann, all of whom have made outstanding contributions to our work.

We are indebted to the many organisations and individuals who have donated funds to Barts Charity. These donations support a wide range of innovative and worthwhile projects – in children's health, emergency care and cancer, to name but a few. Support from the Worshipful Company of Merchant Taylors, for example, enabled us to organise special interactive music workshops for children with eye cancer

and babies in the neonatal intensive care unit.

Also of note is the impressive £100,000 raised by Epsom Downs racecourse with generous support from the Childwick Trust and various friends and family, to support research into cancer of the eye through the 'Caroline's Vision for Cancer' appeal. This has been driven forward by Anthony Cane, Chairman of Epsom Downs, Chairman of the Childwick Trust and valued Barts Charity Ambassador, in memory of Caroline Beaumont, who had a long association with the racecourse. Caroline was loved by many and is sorely missed, but this loss has created a significant legacy which will not only allow Caroline's memory to live on, but will also give hope to countless others with eye cancer.

Working together for the good of the heart

Linklaters has worked closely with Barts Charity to ensure the success of the innovative Circulate network.

Multinational law firm Linklaters LLP was the founding partner of the Circulate network, launched by Barts Charity in 2015. Circulate connects businesses and other organisations around the City of London with Barts Hearts Centre, Europe's largest specialist cardiovascular centre.

Linklaters has been a partner in this exciting new venture from its earliest stages – a relationship that has been mutually beneficial. The company has gained privileged access to leading heart doctors, who have provided advice on good heart health practices for employees, who get to hear of the latest

thinking on disease prevention and how to handle cardiac emergencies.

In return, Linklaters has offered invaluable strategic advice on how to engage with commercial organisations and ways to promote employee health and well-being. It has sponsored Circulate events and provided valuable networking opportunities during planning stages. The Circulate team looks forward to collaborating on more strategic events in 2016, with Linklaters benefiting from a healthier and happier workforce and close association with a globally recognised centre of excellence in cardiovascular care.



To find out how to become part of the Circulate network, go to <http://bartscharitycirculate.org.uk/get-involved/>



CIRCULATE

Far left: The cardiac imaging suite at Barts Heart Centre.

Left: A promotional event for the Circulate network.

Above: Demonstrating heart treatment equipment to Circulate partners.



Enhancing paediatric care

Two new ventilators have been acquired by The Royal London Hospital, thanks to the efforts of Exceptional Ambassador Josephine Chui.

Josephine has first-hand experience of the superb work carried out by The Royal London Hospital's Paediatric Critical Care Unit. Aged just six weeks, her son Jayden was rushed to hospital suffering from severe bronchiolitis, a lower respiratory tract infection. Jayden was placed on a ventilator and, thanks to the hospital staff, he went on to make a full recovery.

Since then, Josephine has worked tirelessly as an Ambassador for Barts Charity, playing an instrumental role in securing a £90,000 corporate donation that enabled the Paediatric Critical Care Unit to purchase two new ventilators to support the breathing of other seriously ill children like Jayden. In recognition of her unflagging support for our work, Josephine was made an Exceptional Ambassador in 2015.



Governance

Barts Charity is a company limited by guarantee (registration number 7168381) and a registered charity in England and Wales (registration number 212563). It is governed by Articles of Association most recently updated on 15 December 2014. In July 2014, it became the first NHS charity to gain full independence from the Department of Health.



Charitable purposes

Barts Charity's charitable purposes relate to hospital services (including research), or to any other part of the health service associated with any hospital as the Trustees think fit. In practice, we target our charitable activities on our stakeholders (see right).

Barts Charity also includes five Special Purpose Charities, which are registered with the Charity Commission but accounted for as restricted funds in the financial statements of Barts Charity under a Charity Commission uniting direction. Their purposes are set out in their respective governing documents and are largely connected with the provision of health services and medical research.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Barts Charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

Trusteeship

Barts Charity acts through its Directors (who are known as Trustees). At the end of the reporting year, there were 14 such Trustees. Since then, two Trustees have retired and one new Trustee has been appointed (see page 18).

All Trustees give of their time freely and no Trustee remuneration is paid. Details of Trustee expenses and related transactions are disclosed in notes 15.1–4 to the accounts. Trustees are required to disclose all relevant interests and register them with the Director of Corporate Services and, in accordance with Barts Charity's policy, withdraw from decisions where a conflict of interest arises.

Power to appoint new Trustees lies with the existing Trustees, in accordance with the provisions of Barts Charity's Articles of Association. All Trustees are appointed for a fixed term of not more than three years (renewable to a maximum of nine years in total). New Trustees have an induction programme, during which they are familiarised with key constitutional and operating documents, meet senior Trustees, and tour the hospitals.

Stakeholders

We work closely with, and provide the majority of our grants to, Barts Health NHS Trust, which provides services to the communities served by St Bartholomew's Hospital, Mile End Hospital, Newham University Hospital, The Royal London Hospital and Whipps Cross University Hospital. We also award grants to Barts and The London School of Medicine and Dentistry at Queen Mary, University of London and to the School of Community and Health Sciences at City University London. Although the Trustees are careful to consult with representatives of these organisations through their committee meetings and other less formal contacts, they retain their independence to act in the best interests of Barts Charity and the communities it serves.



The Trustees



Michael Smith



Sir Stephen O'Brien



Paul Rawlinson



Katherine Payne



William Medicott



Dr Thomas Round



Nick Anstee



Professor Ian Sanderson



John Bacon CB



Professor John Shepherd



Andy Bruce



Jessica Wanamaker



Dominic Hollamby



Leopoldo Zambetti



Professor John Monson

Michael Smith Chairman

(to 30 April 2016)

Adviser in healthcare strategy; formerly Chairman of Nuffield Health, of NHS Trusts and of private healthcare organisations; formerly Managing Director of BUPA.

Paul Rawlinson Chairman

(from 1 May 2016)

Deputy Chairman

(to 30 April 2016)

Chartered Accountant; formerly partner and member of Executive Board of PricewaterhouseCoopers LLP.

William Medicott Deputy Chairman

(from 1 May 2016)

Chartered Accountant; formerly Finance Director for ITV Broadcasting, part of ITV plc.

Nick Anstee

Chartered Accountant and Senior Director at City law firm King & Wood Mallesons LLP; former head of the private equity advisory practice at Arthur Andersen and Lord Mayor of London 2009/10.

John Bacon CB

(from 1 August 2015)

Chairman of Barts Health NHS Trust (*ex officio* Trustee).

Andy Bruce

Partner, Head of UK Real Estate, Linklaters LLP solicitors.

Dominic Hollamby

Chartered Accountant; Vice-Chairman of Rothschild Bank, Global Head of Healthcare/Life Sciences and Pharmaceuticals; formerly partner at Arthur Andersen, Honorary Treasurer of the Refugee Council and Honorary Treasurer of Home-Start.

Senior Management



Andrew Douglas
Chief Executive
(to 22 May 2016)



Fiona Miller Smith
Chief Executive
(from 23 May 2016)

Professor John Monson

Emeritus Professor of Clinical Endocrinology at Barts and The London School of Medicine and Dentistry

Sir Stephen O'Brien CBE

Chairman, London Works; Chairman of Ed Miliband's Mental Health in Society Task Force; Deputy Chairman of Woods River Cruises and Water City Developments; President of Proshanti (charity promoting the construction of a health centre in Bangladesh); Vice-President of Business in the Community; Trustee/Director of the Mayor's Fund for London; formerly Chairman of Barts Health NHS Trust, Barts and The London NHS Trust, NHS Tower Hamlets, International Health Partners, Teach First, London First, NCH Leadership Board (now Action for Children) and the Board of Governors of the University of East London.

Katherine Payne

(to 30 April 2016)

Solicitor; Head of Charities at the Mercers' Company; Trustee of the Retail Trust.

Dr Thomas Round

(from 1 April 2016)

GP at the Bromley by Bow Health Partnership; Academic Clinical Research Fellow in Primary Care and Public Health Sciences at King's College London; Clinical Lead for the Royal College of General Practitioners (RCGP) Essential Knowledge Updates programme; member of the National Cancer Research Institute primary care clinical studies group; represents RCGP on the management board of the National Institute for Health and Care Excellence Collaborating Centre for Cancer.



Fiona Bickley
Director of
Corporate Services



Dr Francesca Gliubich
Director of Grants
(from 16 May 2016)



Aneta Saunders
Director of Community
and Engagement



Belinda Dee
Director of
Development



Arati Patel
Director of Finance
and Operations



Dr Laura Wilson
Director of Grants
(to 15 April 2016)

Professor Ian Sanderson

Professor of Paediatric Gastroenterology, Barts and The London School of Medicine and Dentistry; Visiting Professor, University College London; Visiting Professor at Juntendo University, Tokyo, Japan; external faculty, Harvard Medical School, Boston, USA.

Professor John Shepherd

Emeritus Professor of Surgical Gynaecology at Barts and The London School of Medicine and Dentistry; Consultant Surgeon and Gynaecological Oncologist, the Royal Marsden Hospital, London; Honorary Consultant at the London Clinic and King Edward VII Hospital, London.

Jessica Wanamaker

Solicitor; change leadership and development consultant; Council Member and Chair of External Relations Committee of Goldsmiths, University of London; Board Member and Company Secretary, Contemporary Applied Arts.

Leopoldo Zambeletti

Strategic adviser to healthcare companies in corporate finance matters; Director of Advanced Accelerator Applications (nuclear diagnostics and therapeutics company), DS Biopharma, Faron Pharmaceuticals, Immelpis Ltd (all drug discovery and development companies), Nogra Pharma (Irish pharmaceutical company), Qardio Inc. (designs and develops wearable solutions for heart and health monitoring) and Summit Therapeutics (NASDAQ-listed biotech company); formerly Managing Director, Head of Healthcare Investment Banking at Credit Suisse and JP Morgan, London.

Board Advisers

Advisers to the Board are appointed for their expertise in various fields for an initial two-year term, renewable to five years in total. Dr Thomas Round was a Board Adviser during 2015/16 prior to being appointed a Trustee (see left).

Committees

The Board of Trustees has established a series of committees so that much of the detailed work of the Board can be conducted by groups of Trustees and specialist advisers with the most relevant experience and expertise. Day-to-day management is delegated to the Chief Executive and the management team.

Finance and Audit Committee

- William Medlicott (Chairman)
- Nick Anstee
- Dominic Hollamby
- Paul Rawlinson

Appointments and Remuneration Committee

- Michael Smith (Chairman to 30 April 2016)
- Paul Rawlinson (Chairman from 1 May 2016)
- Andy Bruce (from 1 May 2016)
- William Medlicott
- Katherine Payne (to 30 April 2016)

Grants Committee

- Katherine Payne (Chairman to 30 April 2016)
- Paul Rawlinson (Chairman from 1 May 2016)
- William Medlicott
- Professor John Monson
- Sir Stephen O'Brien
- Dr Thomas Round
- Professor Ian Sanderson
- Professor John Shepherd
- Jessica Wanamaker
- Leopoldo Zambeletti

Investment Committee

- Michael Smith (Chairman to 30 April 2016)
- Leopoldo Zambeletti (Chairman from 1 May 2016)
- Andy Bruce
- William Medlicott (from 1 December 2015)
- Paul Rawlinson

As at 20 July 2016.

Finance

Finance review and strategic report

Barts Charity continues to deliver sound results through prudent financial and investment management. Our strong performance has enabled us to award exceptional large project grants in addition to our annual grant-giving programme.

- + Total gross asset base: £401.9m (+£26.8m)
- + Net assets: £362.2m (+£8.0m)
- + Total charitable expenditure: £25.7m (+£13.9m)

Figures as at 31 March 2016.

As reported in last year's Annual Report, after Barts Charity achieved independence from the Department of Health in July 2014, audited accounts were produced for the 8-month period to 31 March 2015. This year's audited accounts (pages 25–41) therefore show comparative figures from the 8-month period to 31 March 2015. Last year's Annual Report also included supplementary financial statements covering the entire 12-month period 1 April 2014 to 31 March 2015, which consolidated activity in the 4 months prior to independence with the 8-month activity after independence (these figures are reproduced on pages 42–55). The comparative figures quoted in this section relate to the 12-month period to 31 March 2015.

Financial review

Our proactive but prudent approach to the management of our investment portfolio and annual operating activities delivered 2.2% growth in net assets for FY2015/16 (Figure 1). Annual growth has averaged 9.7% over the past five years, increasing net assets by 48.6%. It is this financial strength that supports the Trustees' decision to solicit higher-value grant applications.

Income has also been healthy, with the investment portfolio generating £11.7m for FY2015/16 (£10.6m in 12-month period to 31 March 2015; Figure 2). Fundraising income for FY2015/16 was £2.4m. Since we use income generated from our endowment to cover operating costs, we are in the unusual position of being able to guarantee our supporters that 100% of their contributions will be committed to charitable activities.

Spending review

Total expenditure for FY2015/16 was £28.6m (£14.37m in 12-month period to 31 March; Figure 3) owing to a significant increase in charitable activities. Expenditure for charitable activities relates to annual grant expenditure, which has ranged between £7.5m in FY2011/12 to £25.7m in FY2015/16 (Figure 4). With the significant recent growth in the investment portfolio, we have been able to plan for annual grant-making expenditure of £10–12m, while maintaining provision for large one-off grant requests that will have a significant impact on healthcare delivered by Barts Health NHS Trust (such as the £10.28m grant supporting work at Barts Heart Centre, see page 6, and the £6.85m grant for redevelopment of the Rainbow Centre at Newham University Hospital, see page 8).

The total cost of generating funds – expenditure on fundraising activities and management of the investment portfolio – was £2.86m for FY2015/16 (£2.27m in 12-month period to 31 March 2015). Of this figure, £2.1m relates to management of investments.

Costs relating to financial investments (£1.56m) amount to less than 1% of asset value (exclusive of private equity and private credit). The annual spend for property-related investments for FY2015/16 was £0.54m against an average asset value of £114.2m, representing 0.5% of asset value. The property assets are predominantly multi-let commercial properties in London and the South-East.

Staff remuneration is determined by a salary survey carried out by specialist reward consultants. Jobs are benchmarked against similarly rated posts across all sectors in organisations based in London that have a similar turnover.

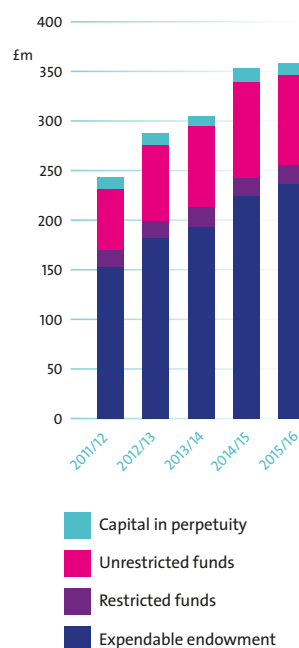
Investment review

We conduct an annual review of our Statement of Investment Policies and Objectives, which sets out our financial and investment objectives. Endowment and unrestricted funds are intended to last into perpetuity and are managed accordingly. Hence the investment policy provides for long-term stability, preservation of purchasing power, and liquidity sufficient for the funding of annual grant-making and other operating activities. It also sets out guidelines for the portfolio's risk profile, strategic asset allocation and investment restrictions. These restrictions prevent any investment managers from direct investment in Barts Charity's name in tobacco-related securities and from engaging in 'soft commission' arrangements.

The investment portfolio is defined by a relatively simple structure with below-average risk and complexity (Table 1). Movements in the investment portfolio in FY2015/16 continued the realignment begun in FY2007/08 to create a high-quality portfolio that is diversified, robust, and generates a reliable source of income and market appreciation to support our grant programme. The target allocation of 30% for property and 70% for financial investments was maintained during the reporting year.

Financial investments are principally held in 14 investment funds, allowing for diversification by asset type, risk profile, geographical exposure and manager style (active and passive). There are additional holdings in both private equity (with a focus on secondaries) and private credit, which account for only 3.9% and 2.2%, respectively, of the total investment portfolio.

Figure 1: Net assets



See note 1.3 to the accounts for details of fund structure

Figure 3: Summary of expenditure

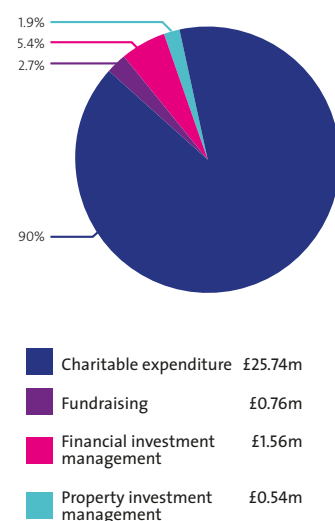


Figure 2: Income

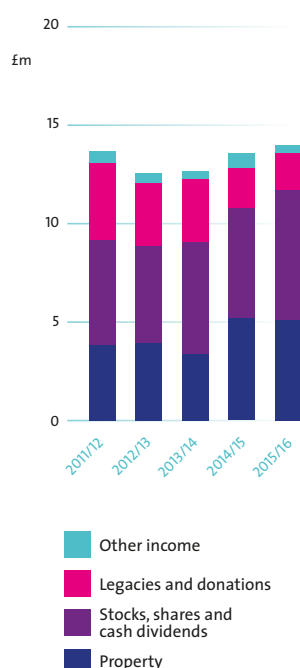
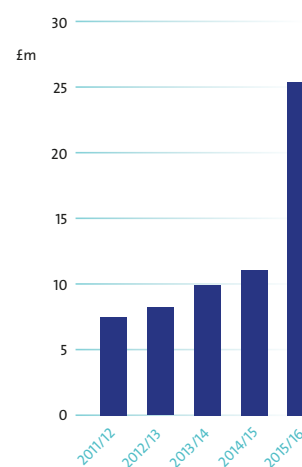
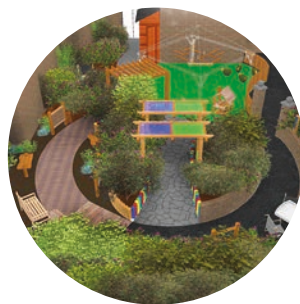


Figure 4: Grant expenditure





Investment review cont.

Measured against standard benchmarks, the investment portfolio is achieving sound performance during continuing uncertain economic times (Table 2). The target for the portfolio is an average real return of 4.5% over a rolling three-year period; as of 31 March 2016 this has been comfortably exceeded, with a return of 9.4% in FY2015/16 and of 10.2% per year over the past three years.

Long-term investment returns have exceeded market benchmarks and the performance of peers. Several factors have contributed to this success: a realignment of direct property holdings to focus on lower-risk 'core' investments; an emphasis on investment in straightforward cash-yielding strategies; and remaining fully invested in order to minimise the low yield on cash deposits. There has also been a tactical shift from sovereign bonds to public credit in response to a perceived overvaluation of the former.

Investment performance is monitored quarterly by the Investment Committee with the assistance of Cambridge Associates Ltd, which provides advice and monitoring services for the financial portfolio. Gryphon Property Partners provides similar support for the property portfolio. In addition, Workman provides tactical advice and management services for the property portfolio.

Table 1: Asset allocation

	FY2015/16 (%)	FY2014/15 (%)	FY2013/14 (%)	Target (%)
Growth drivers (public and private equity)	46.7	48.8	50.7	45.5
Diversifiers (public and private credit)	9.9	9.2	9.9	5.0
Inflation hedging (property and commodities)	35.1	32.8	29.9	30.0
Deflation/disaster hedging (fixed income and cash)	8.3	9.2	9.6	19.5

Table 2: Total investment portfolio performance

	Cumulative trailing 1 Year (%)	Annualised trailing 3 Year (%)	Annualised since November 2005 (%)
Total assets	9.4	10.2	9.3
Long-term policy benchmark	2.1	7.2	5.5
Value added	7.3	3.0	3.8
Total assets excl. private investments	-1.2	4.7	5.4
Long-term policy benchmark	-1.0	4.7	6.2
Value added	-0.2	0.0	-0.8
Total assets excl. property	-0.3	5.2	5.6
Long-term policy benchmark	-1.0	4.9	6.2
Value added	0.7	0.3	-0.6

Future plans

In addition to the annual grant-giving programme and on-going fundraising efforts, areas of particular focus for 2016/17 will include:

- Raising awareness of Barts Charity among the patients and staff of Barts Health hospitals through community-based engagement activities and recruitment of site-specific community fundraisers;
- Increasing engagement with our current supporter base through digital media and ensuring that we address the needs of our donors and supporters as well as we can;
- Developing and implementing a new communications strategy; and
- Enhancing operational efficiency through the effective use of integrated business systems implemented in 2015/16.

Reserves and risks

Reserves policy

Our reserves, spending and long-term investment policies are intended to deliver the following objectives:

- Provide for long-term stability and liquidity sufficient for the funding of the annual grant-making and other operating activities, and occasionally exceptional grants beyond the normal annual level when appropriate circumstances arise;
- Maintain the 'real' purchasing power of the reserves such that Barts Charity can exist in perpetuity;
- Confirm the annual minimum level to which Barts Charity could expect reserves to fall temporarily in the worst case as a result of exceptional grants and/or market movements;
- Agree actions to rebuild the levels of reserves if the minimum is not achieved; and
- Review and update the reserve, spending and long-term investment policies on an annual basis.

The management of risk

The Trustees regularly review the major risks to which Barts Charity is exposed. An operational risk register is reviewed and updated annually as part of the annual business planning process, while a strategic risk register is reviewed by the Trustees at all Board and Committee meetings. Where appropriate, systems and procedures have been established to mitigate risks, and these are also reviewed regularly. The major risks include the ability to sustain the current level of income, a fall in investment values and returns, reputational risk and unforeseen changes in the operation of the NHS. These risks are mitigated by careful portfolio construction, active management and review of investments, and regular liaison with Barts Health NHS Trust and Barts and The London School of Medicine and Dentistry.



Donations and grants

Donations and grants (greater than £50,000)

Association of Cardiac
Patients and Friends of
St Bartholomew's Hospital
(‘Barts Hearts’)
Boston Scientific
Goldman Sachs
SFM Corporate Services Ltd

Legacies

Legacies £5,000 and over

S Bridge
H Byron
D Fieldwick
P Friend
M Giles
C Hannaford
E Harris
N Honigbaum
M Horrocks
A King
H Law
S Lewis
B Lively
E Mason
D Mowbray
I Scott
B Tanna
D Wallis
B Webster
F White
R York

Professional advisers

Bank

Royal Bank of Scotland
280 Bishopsgate
London EC2M 4RB

Auditors

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Legal advisers

Bircham Dyson Bell
50 Broadway
London SW1H 0BL

Taylor Wessing LLP
5 New Street Square
London EC4A 3TW

HR advisers

St James's Place
Beech House
Brotherswood Court
Great Park Road
Bristol BS32 4QW

Property advisers

Gerald Eve LLP
72 Wellbeck Street
London W1G 0AY

Gryphon Property Partners

12 Austin Friars
London EC2N 2HE

Workman LLP

Alliance House
12 Caxton Street
London SW1H 0QS

Investment adviser

Cambridge Associates Ltd
80 Victoria Street
Cardinal Place
London SW1E 5JL

Global custodian

The Northern Trust Company
50 Bank Street
Canary Wharf
London E14 5NT

Insurance broker

Willis Ltd
The Willis Building
51 Lime Street
London EC3M 7DQ



Financial statements for 2015/2016

Statement of Trustees' responsibilities	25
Auditor's report	26
Financial statements and notes to the accounts	27

Statement of Trustees' responsibilities in respect of the Trustees' Annual Report and the financial statements

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income 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 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; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Trustees of Barts Charity.



Chairman
20 July 2016

Independent auditor's report to the members of Barts Charity

We have audited the financial statements of Barts Charity for the year ended 31 March 2016 set out on pages 27–41. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 25, 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.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report, which constitutes the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Fleur Nieboer

For and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

26 July 2016

Statement of Financial Activities (including income and expenditure account)

for the year ended 31 March 2016

				12 months to 31 March 2016	Restated 8 months to 31 March 2015
	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds £000
Income					
Income from generated funds:					
Donations	7.3	68	1,235	0	1,303
Legacies		304	356	0	660
Grants and other voluntary income		48	357	0	405
Total income from generated funds		420	1,948	0	2,368
Income from investments	7.4	11,021	657	0	11,678
Total income		11,441	2,605	0	14,046
Expenditure					
Costs of generating funds:					
Voluntary fundraising costs		753	9	0	762
Investment management costs:					
Financial		1,557	0	0	1,557
Property		540	0	0	540
Total cost of generating funds		2,850	9	0	2,859
Charitable activities	2.1	23,133	2,611	0	25,744
Total expenditure		25,983	2,620	0	28,603
Net gains/losses on investments					
Gains/(losses) on revaluation and disposal of investment assets		9,085	(32)	13,460	22,513
Receipt from prior year investment property transaction		0	0	0	0
Net income/(expenditure)		(5,457)	(47)	13,460	7,956
Transfer between funds	10.4	71	(71)	0	0
Net movement in funds		(5,386)	(118)	13,460	7,956
Reconciliation of funds					
Fund balances brought forward at 31 March 2015		96,708	19,748	237,803	354,259
Fund balances transferred from Barts and The London Charity Trustee as at 31 July 2014	1.2	0	0	0	0
Balances representing permanent endowment funds	1.2	0	0	0	0
Fund balances carried forward at 31 March 2016		91,322	19,630	251,263	362,215

During the reporting period, no operations have been either discontinued or acquired by Barts Charity. The notes on pages 30–41 form part of these accounts.

Balance Sheet

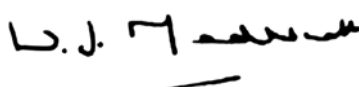
as at 31 March 2016

					Restated
				12 months to	8 months to
				31 March 2016	31 March 2015
Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	£000	£000	£000	£000	£000
Fixed assets					
Intangible and tangible assets	5	244	0	244	130
Heritage assets	6	14,428	0	14,428	14,428
Investments	7.1	109,071	23,002	383,336	339,707
Total fixed assets		123,743	251,263	398,008	354,265
Current assets					
Debtors	8.1	3,794	0	3,794	8,420
Cash at bank and in hand		103	0	103	12,408
Total current assets		3,897	0	3,897	20,828
Creditors: amounts falling due within one year	9.1	(22,903)	(2,602)	(25,505)	(15,203)
Net current assets/(liabilities)		(19,006)	0	(21,608)	5,625
Total assets less current liabilities		104,737	251,263	376,400	359,890
Creditors: amounts falling due after more than one year	9.2	(13,415)	(770)	(14,185)	(5,631)
Total net assets		91,322	251,263	362,215	354,259
Funds of Barts Charity					
Capital funds:					
Endowment funds	10.1	0	251,263	251,263	237,803
Income funds:					
Restricted funds	10.2	0	19,630	19,630	19,748
Unrestricted funds					
General funds		90,403	0	90,403	95,733
Designated funds	10.3	919	0	919	975
Total funds		91,322	251,263	362,215	354,259

The notes on pages 30–41 form part of these accounts.



Paul Rawlinson
Chairman
20 July 2016



William Medlicott
Trustee

Cash Flow Statement

for the year ended 31 March 2016

		12 months to 31 March 2016 £000	Restated 8 months to 31 March 2015 £000
Notes			
Cash flows from operating activities			
	Net cash provided by (used in) operating activities	11	(2,134)
Cash flows from investing activities			
	Dividends, interest and rents from investments		11,150
	Payments to acquire intangible fixed assets		(197)
	Payments to acquire investment assets		(87,860)
	Receipts from sales of investment assets		66,840
	Receipt/(payments) from prior year investment property transactions		(104)
	Net cash provided by (used in) investing activities		(10,171)
	Change in cash (and cash equivalent) in the reporting year		(12,305)
	Cash (and cash equivalents) at the beginning of reporting year		12,408
	Cash transferred from Barts and The London Charity Trustee as at 31 July 2014		0
	Cash (and cash equivalents) at the end of reporting year/period		103

The notes on pages 30–41 form part of these accounts.

Notes to the accounts

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception of investments and heritage assets, which are included at year-end market value.

- a. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP [FRS 102]), the Financial Reporting Standards 102 applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent to provide a true and fair view. This departure has involved following the Charities SORP (FRS 102) issued on 16 July 2014 rather than the preceding Charities SORP (SORP 2005) which was effective from 1 April 2005 and has since been withdrawn.

In applying FRS 102 for FY2015/16, the comparatives have been appropriately restated. Rental income from investment properties is reported as operating lease and lease incentive is recognised as accrued income and amortised on a straight-line basis. The Charity has adopted the exemption under FRS 102 to continue to amortise lease incentives up to the first rent review, for which the lease agreement was already in place at the date of transition to FRS 102 (1 April 2014).

Barts Charity constitutes a public benefit entity as defined by FRS 102.

- b. **Reconciliation with previous Generally Accepted Accounting Practice:**

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and Charities SORP FRS 102, a restatement of comparative items was needed. In accordance with the requirements of FRS 102, a reconciliation of opening balances and net income/ (expenditure) for the year is provided (see note 19), with the net income/(expenditure) under previous Generally Accepted Accounting Practice adjusted for the presentation of investment gains/(losses) as a component of reported income. Note 19 also includes a reconciliation of total income.

1.2 Transfer of assets and legal separation

Barts Charity is a charitable company limited by guarantee, regulated solely by the Charity Commission. Before 31 July 2014, it was known as Barts and The London Charity Trustee and was regulated by both the Charity Commission and the Secretary of State for Health, under the powers set out in the NHS Act 2006. Under an appointment by the NHS Trust Development Authority effective 1 April 2013, it acted as the trustee of the unincorporated charity, Barts and The London Charity.

By a Deed of Assignment effective midnight 30 July 2014, Barts and The London Charity Trustee transferred all of the assets which it held in its capacity as trustee (save as set out below) to itself as absolute owner. The Charity Commission approved this assignment in an Order dated 28 July 2014. By a Statutory Instrument dated 31 July 2014 (2014 No. 1905), Barts and The London Charity Trustee ceased to be regulated by the Secretary of State for Health under the provisions of the NHS Act 2006. Barts and The London Charity Trustee also changed its name

to Barts Charity with effect from the same date.

By virtue of a Charity Commission Order dated 31 July 2014, Barts Charity was appointed as trustee of the permanent endowment assets remaining in Barts and The London Charity and the four Special Purpose Charities related thereto. By a Charity Commission uniting direction dated 31 July 2014, Barts Charity is permitted to account for these trustee assets within its accounts.

1.3 Fund structure

- a. Restricted funds are funds for which a legal restriction exists over their use and related income is restricted to the purpose of the fund as set out in note 10.2.
- b. Endowment funds include the following:
 - (i) Permanent endowment funds: capital is held in perpetuity but the related income may be used for unrestricted or restricted purposes as specified by the donor.
 - (ii) Expendable endowment: donations received by the hospitals of Barts Health NHS Trust prior to 5 July 1948 (the date on which the NHS was established). The income and capital are available for such expenditure related to sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4 of the National Health Service Act 2006 (see c(i) below).
- c. Unrestricted funds and their related income are available for use at the discretion of the Trustees for general charitable purposes relating to the following:
 - (i) General
Sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4 of the National Health Service Act 2006: To hold the property on trust for such purposes relating to hospital services (including research), or to any other part of the health service associated with any hospital, as the person holding the property thinks fit.

(ii) Designated

The Trustees have chosen to earmark these funds for specific areas within the general charitable purposes (see note 10.3).

1.4 Income

Income is recognised when Barts Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the dates on which either: Barts Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to Barts Charity that a distribution will be made, or 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 Barts Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to Barts Charity, or it 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.

1.5 Expenditure

All expenditure is accounted for on an accrual basis. Direct costs of generating funds (including fundraising), charitable activities and support costs are charged to the relevant category or activity according to the area to which the expenditure relates. Support and governance costs incurred that relate to more than one cost category are apportioned based on estimates of time spent on activity in each area.

1.6 Fixed assets

a. Tangible and intangible assets
Tangible and intangible assets are included in the balance sheet at cost less accumulated depreciation. Depreciation is charged on a straight-line basis to support costs over the estimated useful life of three years for software development costs and five years for other assets. See note 1.5 for apportionment basis.

b. Heritage assets
Heritage assets are capitalised and include art collections, historic archives, sculptures, ceramics, surgical instruments, uniforms, teaching materials and other items. They are reported on the balance sheet at their insured values, which are based on replacement values in the retail market or, where appropriate, in the second-hand retail market with items of a similar nature, age, condition and quality. They are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2014. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities.

Assets are reviewed regularly for significant damage and appropriate remedial works are carried out wherever possible to preserve the assets or prevent further deterioration. See note 6 for further details.

c. Investments
Quoted investments are stated at market value at the balance sheet date. Asset purchases and sales are recognised at date of trade.

Unquoted pooled financial investments are stated at fair value, the basis of fair value being the market value of the underlying investments held. These valuations are provided by the fund managers and are subject either to independent valuation or annual audit.

Private equity investments are held through funds managed by private equity groups. As there is no identifiable market price for private equity funds, these funds are included at the most recent valuations from the private equity groups and adjusted for cash flows if the valuation is not available at the balance sheet date.

The annual market valuation of Barts Charity's investment properties has been carried out in accordance with the Royal Institution of Chartered Surveyors' 'Valuation Standards' (January 2014).

The valuations were carried out by Gerald Eve LLP, Chartered Surveyors, who have been instructed as external valuer to value Barts Charity's freehold and long leasehold interests at 31 March 2016. They have reported their opinion of the aggregate of the values of Barts Charity's interest in the individual buildings.

1.7 Realised and unrealised gains and losses

Realised and unrealised gains and losses on investment assets are included in 'gains and losses on investment assets' within the Statement of Financial Activities.

1.8 Overdraft facility

An overdraft facility permitted under charity law and supported by Barts Charity's Memorandum and Articles of Association was renewed in July 2016. It is used for short-term cash flow requirements while also allowing Barts Charity to be fully invested.

Notes to the accounts

1.9 Financial instruments

Basic financial instruments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Barts Charity does not acquire put options, derivatives or other complex financial instruments.

1.10 Pensions contributions

The cost of employer contributions to the NHS Pension Scheme and the Defined Contribution Scheme is charged to the Statement of Financial Activities.

Certain past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of benefits payable under these provisions can be found on the NHS Pensions website (www.pensions.nhsbsa.nhs.uk). The Scheme is an unfunded, defined benefit scheme, preparing its own statements, that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of underlying Scheme assets and liabilities. Therefore,

the Scheme is accounted for as if it were a defined contributions scheme: the cost to an NHS body of participating in the Scheme is taken as equal to the contributions payable to the Scheme.

Applicable rates for employee contributions for the NHS Pension Scheme ranged from 9.3% to 13.5% for 2015/16 and for the 8-month period to 31 March 2015, while employer contributions were 14.3% for 2015/16.

Employees employed after 1 April 2011 can choose to belong to a Defined Contribution Scheme, which is a Group Personal Pension Scheme. For 2015/16, the rates of employer contribution for the Defined Contribution Scheme were 9% for directors and 7% for other staff. Employee contributions are voluntary.

Details of resources expended – charitable activities by funding source

2.1

	Grant-funded activity £000	Activities undertaken directly £000	Staff and support costs £000	12 months to 31 March 2016 Total funds £000	Restated 8 months to 31 March 2015 Total funds £000
Research	14,607	7	494	15,108	9,857
Enhancement in service delivery	9,746	139	367	10,252	821
Innovation and training	22	346	99	467	312
Patient and community engagement	303	60	25	388	309
Others	0	244	65	309	222
Reversal of prior years' grants (a)	(780)	0	0	(780)	(525)
Total	23,898	796	1,050	25,744	10,996
Total for 8 months to 31 March 2015	9,915	602	479		10,996

(a) Reversal of prior years' grants reflects underspend across various projects. Although Barts Charity maintains regular contact with grantholders, there are occasions when planned expenditure is not achievable and the related grant accrual is reversed.

Direct charitable expenditure by institution

2.2

	12 months to 31 March 2016 Aggregate amount paid £000	8 months to 31 March 2015 Aggregate amount paid £000
Barts Health NHS Trust	11,855	5,791
Barts and The London School of Medicine and Dentistry	11,959	3,691
Other	84	433
Grant-funded activity	23,898	9,915
Activities undertaken directly for benefit of patients at Barts Health NHS Trust	796	602
Total grants awarded	24,694	10,517

The £24.694m of grants awarded does not include Barts Charity staff and support costs allocated to charitable activities. A detailed list of grants paid to institutions during the year can be obtained on application to Barts Charity's office at 12 Cock Lane, London EC1A 9BU.

Grants paid to individuals

2.3

No grants were paid to individuals in 2015/16 or during the 8-month period ending 31 March 2015.

Auditor's remuneration

3.1

In 2015/16, the external auditor was paid £50,280 in respect of the audit of statutory accounts (£50,280 in 8 months to March 2015). Additional costs for assurance services and tax advice for the financial year to March 2016 were £34,800 and £20,680, respectively (costs of £8,400 were incurred in the 8 months to March 2015 in relation to the transfer of assets and legal separation).

Notes to the accounts

Resources expended, including support costs	3.2	Cost of generating funds				12 months to	8 months to
		Fundraising	Investment management	Property management	Charitable activity	31 March 2016	31 March 2015
						Total	Total
		£000	£000	£000	£000	£000	£000
Direct costs		100	1,452	411	24,694	26,657	11,500
Salary costs		446	73	88	699	1,306	790
Apportionment of other overheads		216	32	41	351	640	392
Total support costs		662	105	129	1,050	1,946	1,182
Total resources		762	1,557	540	25,744	28,603	12,682
8 months to 31 March 2015							
Direct costs		60	838	85	10,517		11,500
Salary costs		328	54	61	347		790
Apportionment of other overheads		169	44	47	132		392
Total support costs		497	98	108	479		1,182
Total for 8 months to 31 March 2015		557	936	193	10,996		12,682

Where possible, costs have been directly allocated to one of the above categories. Of total overheads, 69% were allocated in this manner for 12 months to 31 March 2016 (79% in 8 months to 31 March 2015). The remainder, relating to general office costs, has been allocated on the basis of staff time. Support costs include governance costs of £156,250 (£203,000 in 8 months to 31 March 2015).

Analysis of staff costs	4.1	12 months to	8 months to
		31 March 2016	31 March 2015
		Total	Total
		£000	£000
Salaries and wages		1,109	672
Social security costs		115	71
Other pension costs		82	47
Total		1,306	790
Average monthly number of full-time equivalents		23	22
Average head count		24	23

Pension contributions for higher paid employees	4.2	The following pension contributions were made for employees within the annual emolument ranges indicated:	
		Value of contributions	Number of staff receiving contributions
		£000	
		£	
60,001 to 70,000		0	0
70,001 to 80,000		0	0
80,001 to 90,000		23	2

Higher paid employees

4.3 The following number of employees received annual emoluments falling within the ranges indicated:

£	2016	2015
60,001 to 70,000	1	1
70,001 to 80,000	0	1
80,001 to 90,000	2	1
140,001 to 150,000	1	1

These employees have been in post for 12 months and so the emoluments indicated above are for this period of time, whereas the cost included in note 4.1 for prior period is for 8 months only. Key management personnel received aggregate employee benefits of £443,677 for 12 months to 31 March 2016 (£239,481 in 8 months to 31 March 2015). Key management personnel are the senior management team of Barts Charity.

Fixed assets**5 Fixed assets: Intangible and tangible**

	Freehold land and buildings £000	Fixtures, fittings and equipment £000	Intangible assets £000	Total £000
Tangible and intangible fixed assets:				
Balance at 31 March 2015	0	229	110	339
Additions	0	21	193	214
Write off	0	(6)	(3)	(9)
Balance at 31 March 2016	0	244	300	544
Accumulated depreciation:				
Balance at 31 March 2015	0	167	42	209
Charge for the year	0	46	54	100
Write off	0	(6)	(3)	(9)
Balance at 31 March 2016	0	207	93	300
Net book value at:				
31 March 2016	0	37	207	244
31 March 2015	0	62	68	130

Heritage assets**6**

	2016 £000	2015 £000
Transfer from Barts and The London Charity Trustee at 31 July 2014	0	14,428
Valuation at start of year	14,428	0
Revaluation	0	0
Valuation at end of year	14,428	14,428
Type of heritage asset:		
Antique furniture	2,165	
Paintings, prints and drawings	5,631	
Books and manuscripts	2,897	
Other	3,735	
Total	14,428	

The balance transferred represents the valuation of the heritage assets held by Barts and The London Charity Trustee up to 30 July 2014 (see note 1.2).

Painting, prints and drawings include two William Hogarth paintings which have been valued at £1.4m and £1.25m. Other heritage assets include clocks, barometers, works of art, sculptures, ceramics, glass, silver and gold (see note 1.6b).

Notes to the accounts

Analysis of fixed asset investments	7.1 Fixed asset investments	Property	Financial	2016 Total	2015 Total
		£000	£000	£000	£000
		102,866	236,780	339,646	0
	Market value at 1 April 2015				
	Balanced transferred by Barts and The London Charity Trustee as at 31 July 2014	0	0	0	292,337
	Assets representing permanent endowment	0	0	0	12,641
	Less: Disposals at carrying value	(37,257)	(28,917)	(66,174)	(23,302)
	Add: Acquisitions at cost	33,823	54,029	87,852	31,784
	Net gain/(loss) on revaluation	26,048	(4,044)	22,004	26,186
	Market value at 31 March 2016	125,480	257,848	383,328	339,646
	Cash held as part of the investment portfolio	0	8	8	61
	Total	125,480	257,856	383,336	339,707

The balance transferred represents the valuation of the financial and property investments held by Barts and The London Charity Trustee up to 30 July 2014, less those representing the permanent endowment funds which are reported in Barts Charity accounts by virtue of a Charity Commission uniting direction (see note 1.2).

Investments	7.2 Market value at 31 March:	Held in UK	Held outside UK	2016 Total	2015 Total
		£000	£000	£000	£000
		125,480	0	125,480	102,866
	Investment properties				
	Investments listed on stock exchange	92,695	142,095	234,790	217,272
	Cash held as part of the investment portfolio	8	0	8	61
	Alternative investments	5,064	17,994	23,058	19,508
	Total	223,247	160,089	383,336	339,707

Financial investments held at 31 March 2016 include 14 unit trust funds, representing 61.25% of the total value, and 11 separate alternative investments.

Analysis of donations	7.3 Voluntary income	
		Donations include £239,000 transfer of funds from the dissolution of the Association of Cardiac Patients and Friends of St Bartholomew's Hospital ('Barts Hearts'). This is reported as restricted funds.

Analysis of gross income from investments	7.4		12 months to 31 March 2016	Restated 8 months to 31 March 2015
		Held in UK	Held outside UK	Total
		£000	£000	£000
		5,083	0	5,083
	Investment properties			3,550
	Investments listed on stock exchange	3,514	3,027	6,541
	Interest on cash held as part of the investment portfolio	54	0	54
	Total	8,651	3,027	11,678
				6,985

Accounting for lease incentives increased investment property income by £558,000 for 12 months to 31 March 2016 (see note 1.1).

Analysis of
debtors

8.1 Amounts falling due within one year as at 31 March:	2016	Restated 2015
	£000	£000
Trade debtors	1,492	1,786
Prepayments	150	135
Accrued income	2,144	1,454
Other debtors	8	5,045
Total	3,794	8,420

Accrued income relates to income on financial investments and amortisation of rent-free period for related leases (see note 1.1). Prior year other debtors includes a receivable of £5.07m in relation to a prior year property transaction. This was received in January 2016.

8.2 Operating lease

Barts Charity generates income from leasing out space within its investment properties. The future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £000	2015 £000
Not later than one year	5,397	4,137
Later than one year and not later than five years	15,671	10,951
Later than five years	29,103	5,277
Total	50,171	20,365

Figures for the financial year to 31 March 2016 include a 45-year lease granted in December 2014, which had a 12-month rent-free period to December 2015.

Analysis of
creditors

9.1 Amounts falling due within one year as at 31 March:	2016	2015
	£000	£000
Trade creditors	1,308	1,387
Other creditors	175	157
Grant accruals	22,774	12,583
Deferred income	1,248	1,076
Total	25,505	15,203

Deferred income represents rent billed to the tenants in advance for first quarter of the following financial year. Prior period deferrals were released in FY2015/16.

9.2 Total creditors falling due after more than one year as at 31 March:	2016	2015
	£000	£000
Grant accruals	14,185	5,631
Total	14,185	5,631

There are no grants payable whose values require subjective estimation and therefore no provisions have been included in this set of accounts.

Notes to the accounts

Analysis of funds

10.1 Endowment funds

	Balance 31 March 2015 £000	Gains and losses £000	Balance 31 March 2016 £000
Expendable endowments	224,071	13,678	237,749
Permanent endowments:			
H F Bailey	5,701	(91)	5,610
Aylwen Bursaries	2,067	(33)	2,034
Edward Hewlett	1,698	(27)	1,671
JJ Guthrie Blandford and George Shuter Staff Benefit	1,494	(24)	1,470
Hannington	669	(11)	658
David Hughes	497	(8)	489
Bailey City and Hackney	210	(3)	207
Hamblen Thomas	209	(3)	206
MacCready Mann	205	(3)	202
11 Funds each under £200k	982	(15)	967
Total	237,803	13,460	251,263

Note 1.3 on page 30 provides further details of the endowment fund structure. There were no other resources received, expended or transferred in FY2015/16.

Name of fund	Nature and purpose of each fund
Expendable endowments	For purposes relating to NHS hospitals
Permanent endowments:	
H F Bailey	For children's services
Aylwen Bursaries	Funding of research bursaries
Edward Hewlett	General purposes
JJ Guthrie Blandford and George Shuter Staff Benefit	Staff benefit
Hannington	General purposes
David Hughes	General purposes
Bailey City and Hackney	For children's services
Hamblen Thomas	For children's services
MacCready Mann	Research purposes

10.2 Restricted funds	Balance 31 March 2015 £000	Incoming resources £000	Resources expended £000	Gains and losses £000	Transfer between funds £000	Balance 31 March 2016 £000
Material funds						
JJ Guthrie Blandford and George Shuter Staff Benefit	1,523	65	4	(29)	0	1,563
Margaret Centre	1,286	43	(103)	0	0	1,226
Tallerman Research Fund Legacy	1,006	15	0	0	0	1,021
Gastroenterology Whipps Cross	620	9	0	0	0	629
Cancer Fund	524	87	(33)	0	0	578
Renal Disease Research	518	22	(4)	0	0	536
Funds £400k–£500k (0)	0	0	0	0	0	0
Funds £300k–£400k (5)	2,318	159	(804)	0	0	1,673
Funds £200k–£300k (8)	1,866	530	(91)	0	0	2,305
Funds £100k–£200k (20)	2,815	203	(381)	0	0	2,637
Others	7,272	1,472	(1,208)	(3)	(71)	7,462
Total	19,748	2,605	(2,620)	(32)	(71)	19,630

Note 1.3 on page 30 provides further details of the restricted fund structure.

Details of material funds

Name of fund	Nature and purpose of each fund
JJ Guthrie Blandford and George Shuter Staff Benefit	Staff benefit
Margaret Centre	Margaret Centre at Whipps Cross University Hospital
Tallerman Research Fund Legacy	Facilitates research into children's diseases
Gastroenterology Whipps Cross	Gastroenterology department at Whipps Cross
Cancer Fund	General cancer purposes
Renal Disease Research	Renal research

10.3 Designated funds	Balance 31 March 2015 £000	Incoming resources £000	Resources expended £000	Transfer between funds £000	Balance 31 March 2016 £000
Whipps Cross general fund	53	138	(27)	50	214
HF Bailey City and Hackney	147	10	0	0	157
Cardiac fund	118	4	0	0	122
Funds up to £100k (24)	657	69	(331)	31	426
Total	975	221	(358)	81	919

Details of material funds

Name of fund	Nature and purpose of each fund
Whipps Cross general fund	Hospital services at Whipps Cross University Hospital
HF Bailey City and Hackney	East London NHS Foundation Trust
Cardiac fund	Treatment of and research into cardiac disease

Notes to the accounts

Details of transfer between funds	10.4	Unrestricted £000	Restricted £000	Endowment £000
Total transfer between funds		71	(71)	0
		71	(71)	0

Transfer between funds largely relates to closure of funds.

Notes to the Cash Flow Statement	11	Net cash provided by (used in) operating activities	12 months to 31 March 2016 £000	8 months to 31 March 2015 £000
		Net income/(expenditure) for the period	7,956	39,344
		Adjustments for:		
		Gains/losses on revaluation and disposal of investment assets	(22,617)	(26,442)
		Receipt from prior year property transaction	104	(16,702)
		Investment income	(11,677)	(6,833)
		Depreciation charges	100	37
		(Increase)/decrease in debtors	5,326	2,797
		Increase/(decrease) in creditors	18,674	3,225
		Cash inflow/(outflow) from operating activities	(2,134)	(4,574)

12	Analysis of changes in cash and cash equivalents	Balance 31 March 2015 £000	Movement £000	Balance 31 March 2016 £000
	Cash in hand and at bank	12,408	(12,305)	103
	Total cash and cash equivalents	12,408	(12,305)	103

Contingent assets 13 There are no contingent assets as at 31 March 2016. A contingent asset of £5.07m for a non-interest bearing receivable for the financial year to 31 March 2015 was received in January 2016. The £1.17m held in escrow pending resolution of rights of light was not received.

Contingent liabilities 14 There are no contingent liabilities as at 31 March 2016. In the financial year to 31 March 2015, there was a contingent liability for a grant of £6.8m agreed in principle in September 2014, to fund the building of a new children's centre at Newham University Hospital. The grant was awarded in the financial year to 31 March 2016 as conditions were met and is included in the grants awards.

Trustee and connected persons transactions 15.1 **Trustee expenses reimbursed**
Trustee expenses of £5,116 (for hospitality) were reimbursed in 2015/16 to one Trustee (£1,200 was reimbursed to one Trustee in 8-month period to 31 March 2015).

15.2 Trustee remuneration

No Trustee received remuneration in 2015/16 or during the 8-month period to 31 March 2015.

15.3 Details of transactions with Trustees or connected persons

There were no other transactions with the Trustees or connected persons in 2015/16 or during the 8-month period to 31 March 2015.

15.4 Trustee indemnity insurance

12 months to 31 March 2016	8 months to 31 March 2015
£	£

Premiums paid by Barts Charity during the reporting period	1,219	813
--	-------	-----

Loans or guarantees secured against assets

16 There were no such loans or guarantees for Barts Charity in 2015/16 or during the 8-month period to 31 March 2015.

Connected organisations

17 There were no connected organisations of Barts Charity in 2015/16 or during the 8-month period to 31 March 2015.

Related party transactions

18 During the year, neither the Trustees, nor any member of the key management staff or parties related to them, undertook any material transactions with Barts Charity.

During the year, Barts Charity made revenue and capital grants totalling £11.8m and £11.9m to Barts Health NHS Trust and Barts and The London School of Medicine and Dentistry, respectively. John Bacon is a Trustee and Chairman of Barts Health NHS Trust.

FRS 102 prior year restated balances**19 Transition to FRS 102**

Reconciliation of reported net income for the year ended 31 March 2015	31 March 2015 £000
--	-----------------------

Net income/(expenditure) as previously stated	(3,800)
Adjustment for accrued rental income	152
Adjustment for gains/losses on investment now treated as a component of net income	43,144
2015 net income as restated	39,496

Restated total comprehensive income for the year ended 31 March 2015	31 March 2015 £000
--	-----------------------

Original balance for the year ended 31 March 2015	8,882
Accrued rental income for property lease	152
Restated closing balance for the year ended 31 March 2015	9,034

Restated statement of financial position	31 March 2015 £000
--	-----------------------

Original fund balances at 31 March 2015	354,107
Accrued rental income for property lease	152
Restated closing balance for the year ended 31 March 2015	354,259

Accrued income of £152,494 was recognised for amortisation for rent-free period for one lease.

There is no restatement for the financial year ended 31 March 2014.

Supplementary statements for year to 31 March 2015: Background and basis of preparation

Supplementary financial statements for year to 31 March 2015

Background and basis of preparation	42
Auditor's report	43
Supplementary statements and notes	44

Background

Barts Charity is a charitable company limited by guarantee, regulated solely by the Charity Commission. Before 31 July 2014, it was known as Barts and The London Charity Trustee and was regulated by both the Charity Commission and the Secretary of State for Health, under the powers set out in the NHS Act 2006. Under an appointment by the NHS Trust Development Authority effective 1 April 2013, it acted as the trustee of the unincorporated charity, Barts and The London Charity.

By a Deed of Assignment effective midnight 30 July 2014, Barts and The London Charity Trustee transferred all of the assets which it held in its capacity as trustee (save as set out below) to itself as absolute owner. The Charity Commission approved this assignment in an Order dated 28 July 2014. By a Statutory Instrument dated 31 July 2014 (2014 No. 1905), Barts and The London Charity Trustee ceased to be regulated by the Secretary of State for Health under the provisions of the NHS Act 2006. Barts and The London Charity Trustee also changed its name to Barts Charity with effect from the same date.

By virtue of a Charity Commission Order dated 31 July 2014, Barts Charity was appointed as trustee of the permanent endowment assets remaining in Barts and The London Charity and the four Special Purpose Charities related thereto. By a Charity Commission uniting direction dated 31 July 2014, Barts Charity is permitted to account for these trustee assets within its accounts.

Basis of preparation

The supplementary financial statements were prepared to summarise the detail of Barts Charity's activities for the 12-month period 1 April 2014 to 31 March 2015. As such, they consolidated the 4-month activity of Barts and The London Charity Trustee with the 8-month activity of Barts Charity. The comparatives are those of the 12-month period to 31 March 2014 for Barts and The London Charity Trustee.

The accounting convention applied was consistent with that applied to the statutory financial statements for the 8-month period to 31 March 2015 in that they were prepared under the historic cost convention, with the exception of investments and heritage assets, which were included at year-end market value.

The financial statements were prepared in accordance with the Statement of Recommended Practice by Charities (SORP 2005), where deemed appropriate.

Independent auditor's report to Barts Charity

We have audited the non-statutory accounts of Barts Charity (previously Barts and The London Charity Trustee) for the year ended 31 March 2015 set out on pages 44–55. The non-statutory accounts have been prepared for the reasons and on the basis of the accounting policies set out in the background note to the non-statutory accounts.

Our report has been prepared for the charitable company solely in connection with the engagement letter dated 12 February 2015. It has been released to the charitable company on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the charitable company's own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of the charitable company determined by the charitable company's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the charitable company for any purpose or in any context. Any party other than the charitable company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 25, the Trustees are responsible for the preparation of the non-statutory accounts in accordance with the basis of preparation as set out in the background note to the non-statutory accounts. Our responsibility is to audit, and express an opinion on, the non-statutory accounts in accordance with the terms of our engagement letter dated 12 February 2015 and in accordance with International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the non-statutory accounts

A description of the scope of an audit of accounts is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report 2015 to identify material inconsistencies with the audited non-statutory accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on non-statutory accounts

In our opinion the non-statutory accounts of the entity for the year ended 31 March 2015 have been properly prepared, in all material respects, in accordance with the basis of preparation and the accounting policies set out in the background note to the non-statutory accounts.



Fleur Nieboer

For and on behalf of KPMG LLP,
Statutory Auditor
15 Canada Square
London E14 5GL

16 July 2015

Supplementary Statement of Financial Activities

for the year ended 31 March 2015

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2015 Total funds £000	2014 Total funds £000
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Donations		33	1,039	0	1,072	1,455
Legacies		122	953	0	1,075	1,513
Grants and other voluntary income		0	498	0	498	456
Total voluntary income		155	2,490	0	2,645	3,424
Investment income	6.3	9,979	623	0	10,602	9,139
Total income from generated funds and total incoming resources		10,134	3,113	0	13,247	12,563
Resources expended						
Costs of generating funds:						
Voluntary fundraising costs		716	3	0	719	625
Investment management costs:						
Financial		1,349	0	0	1,349	1,418
Property		201	0	0	201	384
Total cost of generating funds		2,266	3	0	2,269	2,427
Charitable activities	1.1	9,500	2,302	0	11,802	10,047
Governance costs		295	0	0	295	284
Total resources expended		12,061	2,305	0	14,366	12,758
Net incoming/outgoing resources before other recognised gains/(losses)		(1,927)	808	0	(1,119)	(195)
Administrative transfer of Charitable Funds from Whipps Cross Hospital Charity and Newham Hospital Charity	10.1	0	0	0	0	2,586
Total net incoming resources for the year		(1,927)	808	0	(1,119)	2,391
Gains/(losses) on revaluation and disposal of own fixed assets		0	0	0	0	2,292
Gains/(losses) on revaluation and disposal of investment assets		9,944	144	20,697	30,785	14,729
Receipt from prior year property transaction	10.2	6,718	0	9,984	16,702	0
Net movement in funds		14,735	952	30,681	46,368	19,412
Fund balances brought forward at 31 March 2014		81,821	18,796	207,122	307,739	288,327
Fund balances carried forward at 31 March 2015		96,556	19,748	237,803	354,107	307,739

Supplementary Balance Sheet

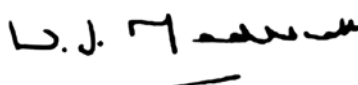
as at 31 March 2015

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2015 Total funds £000	2014 Total funds £000
Fixed assets						
Intangible and tangible assets	4	130	0	0	130	126
Heritage assets	5	0	0	14,428	14,428	14,428
Investments	6.1	93,483	22,849	223,375	339,707	307,517
Total fixed assets		93,613	22,849	237,803	354,265	322,071
Long-term debtor	7.1	0	0	0	0	4,980
Total long-term assets		93,613	22,849	237,803	354,265	327,051
Current assets						
Debtors	7.2	8,268	0	0	8,268	2,788
Cash at bank and in hand		12,408	0	0	12,408	0
Total current assets		20,676	0	0	20,676	2,788
Creditors: amounts falling due within one year	8.1	(12,538)	(2,665)	0	(15,203)	(16,314)
Net current assets/(liabilities)		8,138	(2,665)	0	5,473	(13,526)
Total assets less current liabilities		101,751	20,184	237,803	359,738	313,525
Creditors: amounts falling due after more than one year	8.2	(5,195)	(436)	0	(5,631)	(5,786)
Total net assets		96,556	19,748	237,803	354,107	307,739
Funds of Barts Charity						
Capital funds:						
Endowment funds	9.1	0	0	237,803	237,803	207,122
Income funds:						
Restricted funds	9.2	0	19,748	0	19,748	18,796
Unrestricted funds						
General funds		95,581	0	0	95,581	78,012
Designated funds	9.3	975	0	0	975	3,809
Total funds		96,556	19,748	237,803	354,107	307,739

The notes on pages 47–55 form part of these accounts.



Michael Smith
Chairman
15 July 2015



William Medlicott
Trustee

Supplementary Cash Flow Statement for the year ended 31 March 2015

	Notes	2015 £000	2014 £000
Cash outflow from operating activities	11.1	(12,786)	(2,484)
Returns on investments and servicing of finance			
Investment income		10,467	9,698
Net cash inflow from returns on investments and servicing of finance		10,467	9,698
Capital expenditure and financial investment			
Payments to acquire intangible fixed assets		(47)	0
Payments to acquire investment assets		(47,417)	(110,399)
Receipts from sales of investment assets		46,076	100,426
Receipt from prior year property transaction		16,702	0
Net cash inflow/(outflow) from capital expenditure and financial investment		15,314	(9,973)
Increase/(decrease) in cash and liquid resources	11.2	12,995	(2,759)

The notes on pages 47–55 form part of these accounts.

Supplementary notes to the accounts

Details of resources expended – charitable activities by funding source	1.1	Grant-funded activity £000	Activities undertaken directly £000	Staff and support costs £000	2015 Total funds £000	2014 Total funds £000
Research		9,964	4	398	10,366	4,529
Enhancement in service delivery		763	214	87	1,064	4,728
Innovation and training		32	380	79	491	536
Patient and community engagement		293	35	16	344	305
Others		0	224	205	429	235
Reversal of prior years' grants (a)		(892)	0	0	(892)	(286)
Total		10,160	857	785	11,802	10,047
Total for 2014		8,552	888	607		10,047

(a) Reversal of prior years' grants reflects underspend across various projects. Although Barts Charity maintains regular contact with grantholders, there are occasions when planned expenditure is not achievable and the related grant accrual is reversed.

Direct charitable expenditure by institution

	2015 Aggregate amount paid £000	2014 Aggregate amount paid £000
Barts Health NHS Trust	5,898	4,672
Barts and The London School of Medicine and Dentistry	3,643	2,845
Other	619	1,035
Grant-funded activity	10,160	8,552
Activities undertaken directly for benefit of patients at Barts Health NHS Trust	857	888
Total grants awarded	11,017	9,440

A detailed list of grants paid to institutions during the year can be obtained on application to Barts Charity's office at 12 Cock Lane, London EC1A 9BU.

Supplementary notes to the accounts

Resources expended, including support costs	2	Cost of generating funds					2015 Total £000	2014 Total £000
		Fundraising	Investment management	Property management	Charitable activity	Governance		
		£000	£000	£000	£000	£000		
Direct costs		69	1,255	110	11,016	0	12,450	11,017
Salary costs		439	72	69	638	96	1,314	1,151
Temporary staff		26	0	0	8	1	35	61
Audit fees		0	0	0	0	59	59	68
Insurance		0	0	0	0	33	33	29
Annual Report		0	0	0	0	19	19	18
Professional fees		0	0	0	0	55	55	36
Apportionment of other overheads		185	22	22	140	32	401	378
Total support costs		650	94	91	786	295	1,916	1,741
Total resources expended		719	1,349	201	11,802	295	14,366	12,758
Direct costs		59	1,268	250	9,440	0		11,017
Support costs		566	150	134	607	284		1,741
Total for 2014		625	1,418	384	10,047	284		12,758

Where possible, costs have been directly allocated to one of the above categories. In 2015, 79% of total overheads were allocated in this manner (78% in 2014). The remainder, relating to general office costs, has been allocated on the basis of staff time.

Analysis of staff costs	3.1			2015	2014
				Total	Total
				£000	£000
Salaries and wages				1,170	1,022
Social security costs				107	107
Other pension costs				72	83
Total				1,349	1,212
Average monthly number of full-time equivalents in the year:				22	20

Staff costs include exceptional costs relating to restructuring of £161,000.

Pension contributions for higher paid employees	3.2	The following pension contributions were made for employees within the ranges indicated:		Value of contributions	Number of staff receiving contributions
				£000	
				£	
70,001 to 80,000				11	1
80,001 to 90,000				11	1
170,001 to 180,000				1	1

Higher paid employees**3.3** The following number of employees received emoluments falling within the ranges indicated:

£	At 31 March 2015
60,000 to 70,000	1
70,001 to 80,000	1
80,001 to 90,000	1
130,001 to 140,000	1
170,001 to 180,000	1

Fixed assets**4****Fixed assets: Intangible and tangible**

	Freehold land and buildings £000	Fixtures, fittings and equipment £000	Intangible assets £000	Total £000
Tangible and intangible fixed assets:				
Balance at 31 March 2014	0	351	120	471
Additions	0	0	59	59
Disposal	0	0	0	0
Write off	0	(122)	(69)	(191)
Balance at 31 March 2015	0	229	110	339
Accumulated depreciation:				
Balance at 31 March 2014	0	245	100	345
Write off	0	(122)	(69)	(191)
Charge for the year	0	44	11	55
Balance at 31 March 2015	0	167	42	209
Net book value at:				
31 March 2015	0	62	68	130
31 March 2014	0	106	20	126

Heritage assets**5**

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Valuation at 1 April	14,428	12,136	12,136	12,136	12,136
Revaluation	0	2,292	0	0	0
Valuation at 31 March	14,428	14,428	12,136	12,136	12,136

	2015 £000
Type of heritage asset:	
Antique furniture	2,165
Paintings, prints and drawings	5,631
Books and manuscripts	2,897
Other	3,735
Total	14,428

Heritage assets are revalued every five years, with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2014.

Painting, prints and drawings include two William Hogarth paintings which have been valued at £1.4m and £1.25m. Other heritage assets include clocks, barometers, works of art, sculptures, ceramics, glass, silver and gold.

Supplementary notes to the accounts

Analysis of fixed asset investments	6.1	Fixed asset investments	Property	Financial	2015	2014
			£000	£000	Total £000	Total £000
		Market value at 1 April	75,937	231,149	307,086	282,511
		Less: Disposals at carrying value	(11,364)	(33,932)	(45,296)	(100,309)
		Add: Acquisitions at cost	24,365	23,164	47,529	110,433
		Net gain/(loss) on revaluation	13,928	16,399	30,327	14,451
		Market value at 31 March	102,866	236,780	339,646	307,086
		Cash held as part of the investment portfolio	0	61	61	431
		Total	102,866	236,841	339,707	307,517

Investments	6.2	Market value at 31 March:	Held in UK	Held outside UK	2015	2014
			£000	£000	Total £000	Total £000
		Investment properties	102,866	0	102,866	75,937
		Investments listed on stock exchange	89,253	128,019	217,272	213,145
		Cash held as part of the investment portfolio	61	0	61	431
		Alternative investments	4,499	15,009	19,508	18,004
		Total	196,679	143,028	339,707	307,517

Financial investments held at 31 March 2015 include 14 unit trust funds, representing 92% of the total value, and eight separate alternative investments.

Analysis of gross income from investments	6.3	Total gross income	Held in UK	Held outside UK	2015	2014
			£000	£000	Total £000	Total £000
		Investment properties	5,021	0	5,021	3,444
		Investments listed on stock exchange	3,188	2,327	5,515	5,625
		Interest on cash held as part of the investment portfolio	66	0	66	70
		Total	8,275	2,327	10,602	9,139

Analysis of debtors	7.1	Amounts falling due after more than one year as at 31 March:	2015	2014
			£000	£000
		Long-term debtors	0	4,980

The FY2013/14 debtor related to the proceeds from property sales (see note 7.2).

Analysis of
debtors
(continued)

7.2 Amounts falling due within one year as at 31 March:		2015 £000	2014 £000
Trade debtors		1,786	1,286
Prepayments		135	71
Accrued income		1,302	1,410
Other debtors		5,045	21
Total		8,268	2,788

Accrued income relates to income on financial investments.

Other debtors includes a receivable of £5.07m due in January 2016, part of proceeds from property sales, which is recognised net of its unamortised discount, £40,000 at 31 March 2015, with related interest income recognised as investment income in the Statement of Financial Activities.

Analysis of
creditors

8.1 Amounts falling due within one year as at 31 March:		2015 £000	2014 £000
Overdraft		0	587
Trade creditors		1,387	1,177
Other creditors		157	279
Grant accruals		12,583	13,277
Deferred income		1,076	994
Total		15,203	16,314

The overdraft is used for short-term cash flow requirements, allowing Barts Charity to be fully invested.

Deferred income represents rent billed to the tenants in advance for first quarter of the following financial year. Prior year deferrals were released in FY2014/15.

8.2 Total creditors falling due after more than one year as at 31 March:		2015 £000	2014 £000
Grant accruals		5,631	5,786
Total		5,631	5,786

There are no grants payable whose values require subjective estimation and therefore no provisions have been included in this set of accounts.

Supplementary notes to the accounts

Analysis of funds	9.1 Endowment funds	Balance 31 March 2014 £000	Gains and losses £000	Transfers between funds £000	Balance 31 March 2015 £000
	Expendable endowments	194,481	29,590	0	224,071
	Permanent endowments:				
	H F Bailey	5,248	453	0	5,701
	Aylwen Bursaries	1,903	164	0	2,067
	Edward Hewlett	1,563	135	0	1,698
	JJ Guthrie Blandford and George Shuter Staff Benefit	1,375	119	0	1,494
	Hannington	616	53	0	669
	David Hughes	458	39	0	497
	Bailey City and Hackney	193	17	0	210
	Hamblen Thomas	192	17	0	209
	MacCready Mann	189	16	0	205
	11 Funds each under £200k	904	78	0	982
	Total	207,122	30,681	0	237,803

There were no resources received, expended or transferred in FY2014/15.

Details of material funds

Name of fund	Nature and purpose of each fund
Expendable endowments	For purposes relating to NHS hospitals
Permanent endowments:	
H F Bailey	For children's services
Aylwen Bursaries	Funding of research bursaries
Edward Hewlett	General purposes
JJ Guthrie Blandford and George Shuter Staff Benefit	Staff benefit
Hannington	General purposes
David Hughes	General purposes
Bailey City and Hackney	For children's services
Hamblen Thomas	For children's services
MacCready Mann	Research purposes

9.2 Restricted funds

	Balance 31 March 2014 £000	Incoming resources £000	Resources expended £000	Gains and losses £000	Transfers between funds £000	Balance 31 March 2015 £000
Material funds						
JJ Guthrie Blandford and George Shuter Staff Benefit	1,325	50	15	134	0	1,524
Margaret Centre	1,249	53	(16)	0	0	1,286
Tallerman Research Fund Legacy	993	13	0	0	0	1,006
Children's Fund	751	54	(64)	0	0	741
Gastroenterology Whipps Cross	0	1	0	0	619	620
Irritable Bowel Disease Research	0	1	0	0	563	564
Cancer Fund	467	57	0	0	0	524
Renal Disease Research	513	7	(2)	0	0	518
Funds £300k–£400k (4)	1,103	186	31	0	0	1,320
Funds £200k–£300k (5)	1,789	790	(46)	0	(1,182)	1,351
Funds £100k–£200k (21)	2,725	406	(205)	0	0	2,926
Others	7,881	1,495	(2,018)	10	0	7,368
Total	18,796	3,113	(2,305)	144	0	19,748

The transfer between funds relates to two substantial legacies which were held in a holding legacy fund until the appropriate Special Purpose Funds were created to receive them.

Details of material funds**Name of fund****Nature and purpose of each fund**

JJ Guthrie Blandford and George Shuter Staff Benefit	Staff benefit
Margaret Centre	Margaret Centre at Whipps Cross University Hospital
Tallerman Research Fund Legacy	Facilitates research into children's diseases
Children's Fund	Treatments of and research into paediatric illnesses
Gastroenterology Whipps Cross	Gastroenterology department at Whipps Cross
Irritable Bowel Disease Research	Irritable bowel disease research
Cancer Fund	General cancer purposes
Renal Disease Research	Renal research

Supplementary notes to the accounts

9.3 Designated funds	Balance 31 March 2014 £000	Incoming resources £000	Resources expended £000	Transfers £000	Balance 31 March 2015 £000
HF Bailey Newham Community	244	21	0	0	265
HF Bailey City and Hackney	132	15	0	0	147
Cardiac fund	110	8	0	0	118
Sir Alan Parks research fund	108	8	0	0	116
Funds up to £100k (24)	3,215	60	(2,708)	(238)	329
Total	3,809	112	(2,708)	(238)	975

During the year, a grant of £3.4m was made to Barts Diabetic Kidney Centre, of which £2.45m was expended from one designated fund. Of the transfer between funds, £223,000 represents a decision to utilise designated funds for a grant awarded from unrestricted funds in a prior year. A further £15,000 previously designated was transferred to unrestricted funds during the year.

Details of material funds

Name of fund	Nature and purpose of each fund
HF Bailey Newham Community	Paediatric services provided by Newham CCG
HF Bailey City and Hackney	East London NHS Foundation Trust
Cardiac fund	Treatment of and research into cardiac disease
Sir Alan Parks research fund	Treatment of and research related to gastrointestinal tract illnesses

Whipps Cross and Newham Hospitals Charitable Funds transfer **10.1** An administrative transfer of the charitable assets held by Whipps Cross University Hospital NHS Charity and Newham University Hospital NHS Trust General Charitable Fund was agreed by the Department of Health on 17 June 2013 and effected in October 2013.

Prior year property transaction receipt **10.2** The sale of an investment in a freehold interest in land and buildings in the City of London was completed on 1 April 2011 but was subject to further payments. During the year, £16.7m was received in relation to this transaction, of which £12.4m was received on 31 March 2015 (see note 11.2).

Notes to the Cash Flow Statement **11.1 Reconciliation of cash flows from operating activities to net incoming/(outgoing) resources**

	2015	2014
	£000	£000
Net incoming/(outgoing) resources	(1,119)	2,391
Non-operating cash flows eliminated:		
Investment income	(10,602)	(9,139)
Depreciation charges	55	57
(Increase)/decrease in debtors	(283)	660
Increase/(decrease) in creditors	(837)	3,547
Cash inflow/(outflow) from operating activities	(12,786)	(2,484)

11.2 Analysis of changes in cash and short-term investments and deposits

	Balance	Movements	Balance
	2014		2015
	£000	£000	£000
Cash in hand and at bank	0	12,408	12,408
Overdraft	(587)	587	0
Change in cash and liquid resources in the year	(587)	12,995	12,408

The overdraft is reported as part of creditors falling due within one year.

A receipt of £12.4m, in relation to a prior year property transaction, was received on 31 March 2015. This was subsequently invested in two existing investment funds (see note 10.2).

Support Barts Charity

There are many ways in which you can help, either as an individual or organisation:

- + Make a regular donation and become a long-term partner, working closely with our clinicians and scientists
- + Support a specific project or area through a one-off donation
- + Introduce us to contacts who could help support our work
- + Select us as your organisation's charity partner
- + Encourage your employees and colleagues to take part in fundraising activities
- + Organise or take part in a fundraising event
- + Leave a gift in your will

For further information about how you can get involved and support our beneficiaries, contact our fundraising team on **020 7618 1720** or go to **www.bartscharity.org.uk**.

Photography:

Cover, pp. 1, 2 (top left), 5, 6, 7 (main), 10, 11, 12 (lower), 13 (right), 14, 16 (top), 22 (top left), 23: David Bishop; pp. 2, 24: Barts Health NHS Trust; p. 3: 'Animals' by Chris Haughton (commissioned by Vital Arts, Barts Health NHS Trust); pp. 4, 13 (top): Ian Jones; pp. 7 (right), 17: David Sayer; pp. 9 (top), 16 (centre): Noel Murphy; pp. 9 (lower), 22 (right): courtesy Timotay Playscapes; p. 12 (top): Jorge Duarte Esteveao/QMUL; p. 15: courtesy Josephine Chui.

Text and project management:

Ian Jones, Jinja Publishing Ltd.

Design and production:

Fountainhead Creative Consultants.



Barts Charity

Ground Floor, 12 Cock Lane
London EC1A 9BU
Tel: 020 7618 1717
Fax: 020 7248 9395
Web: www.bartscharity.org.uk

Barts Charity is a charity registered in England and Wales, no. 212563,
and a company registered in England and Wales, no. 7168381,
whose registered office is 12 Cock Lane, London EC1A 9BU.