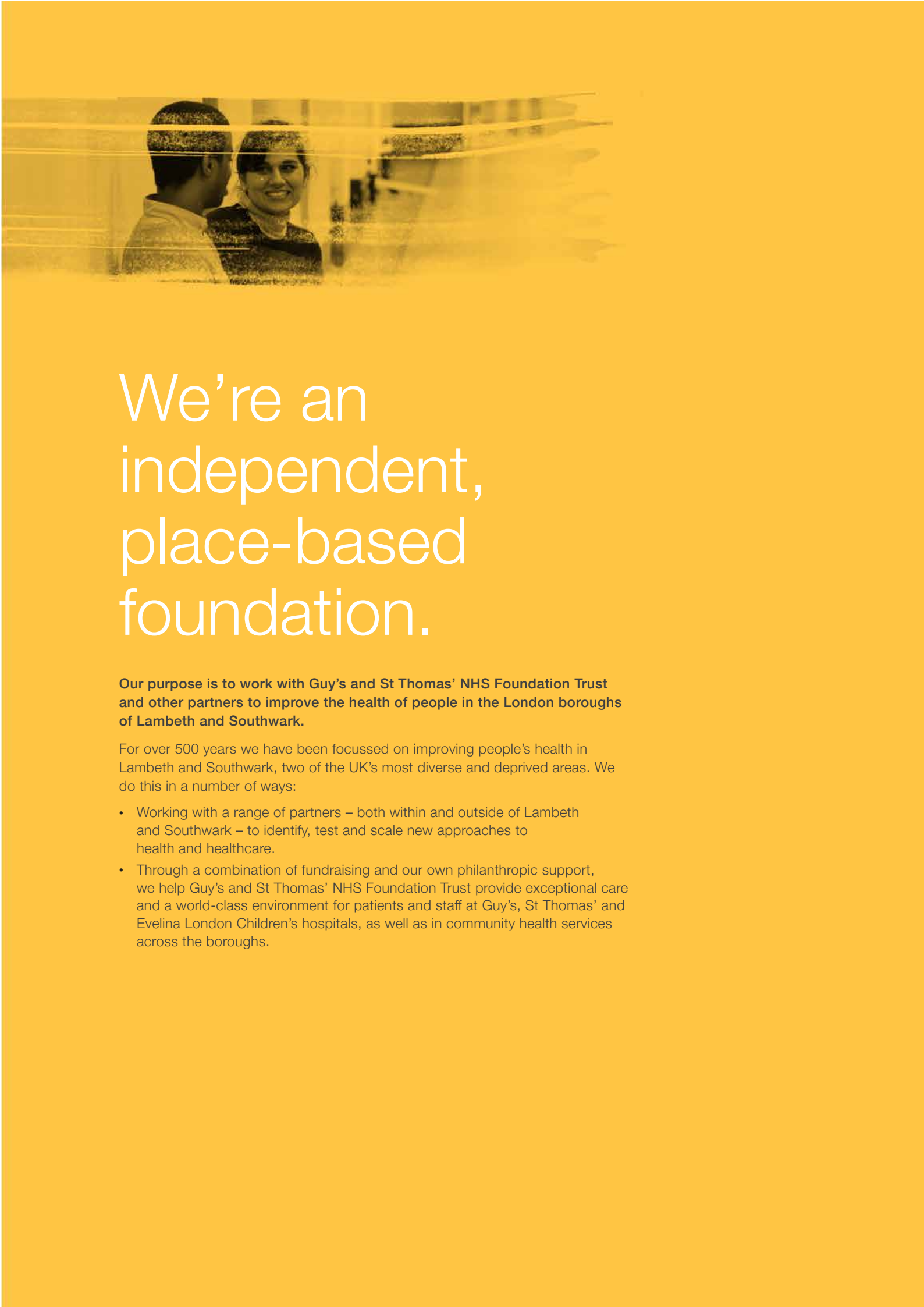




Annual Report and Accounts 2017/18



We're an independent, place-based foundation.

Our purpose is to work with Guy's and St Thomas' NHS Foundation Trust and other partners to improve the health of people in the London boroughs of Lambeth and Southwark.

For over 500 years we have been focussed on improving people's health in Lambeth and Southwark, two of the UK's most diverse and deprived areas. We do this in a number of ways:

- Working with a range of partners – both within and outside of Lambeth and Southwark – to identify, test and scale new approaches to health and healthcare.
- Through a combination of fundraising and our own philanthropic support, we help Guy's and St Thomas' NHS Foundation Trust provide exceptional care and a world-class environment for patients and staff at Guy's, St Thomas' and Evelina London Children's hospitals, as well as in community health services across the boroughs.

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This Annual Report represents the first full year under our new strategy tackling complex urban health issues and highlights the exciting shift in how we work as a placed-based health foundation.

Over the year we developed our first two programmes on childhood obesity and multiple long-term conditions – both complex issues that play out severely in urban, diverse and deprived communities. We spent time getting under the skin of the issues to truly understand how best to tackle them and tested partnerships and projects to learn how our programmes could have the most impact.

We also scaled up our ambition as the charity for Guy's and St Thomas' NHS Foundation Trust to be an even better fundraiser and champion of excellent staff welfare, patient experience and clinical care. Over £15.4 million in charitable funding went towards supporting improvements at the Trust, including backing hundreds of ideas – from a multi-million grant to expand Evelina London to additional support to provide patients in greatest need with basic clothing on discharge. Thanks to the continued generosity of our supporters, our donated income was higher than last year.

It was a difficult year in the markets and the performance of our investments reflected that. The net value of our endowment ended the year at £704.9 million, up from £693 million. Although the increase was not in line with inflation, as an endowed organisation with over 500 years of history, it is vital for us to take a long-term perspective. The trend since 1999 is upwards and comfortably above inflation.

We also took strides forward in our ambition to enhance our health impact through all elements of our work. Trustees agreed to invest 5% of our endowment annually – over £40 million – to investments that make a health impact, whilst also providing financial returns that make our charitable work possible. Our large property portfolio remains a core part of our investment strategy and we spent the year preparing key sites for future development – including our strategic site at Royal Street, opposite St Thomas' Hospital.

It remains a privilege to serve as Chair of Guy's and St Thomas' Charity and I would like to recognise the commitment of our staff team, our dedicated committees and advisors, and my fellow Trustees. I would also like to acknowledge the contribution of our outgoing Trustees Sue Gallagher and Ian Dalton.

2017/18 set the foundations for our ambitious new strategy and I was delighted to welcome incoming Trustees Duncan Selbie and Helen Bailey to help drive forward our ambitious agenda over the coming years.

Wol Kolade
Chairman



This has been a year of change and learning as we began implementing our new strategy tackling complex urban health issues.

We spent much of the year working behind the scenes to transform how we work to become a truly cutting-edge funder. We reimagined how we fund and work with those we support, putting in place a strong team and infrastructure to deliver our new approach. In so doing, we developed a more enterprising, collaborative and delivery-minded culture.

We started our new programmatic approach, beginning two 10-year programmes on childhood obesity and multiple long-term conditions. We worked with a mix of statutory and voluntary sector organisations, community organisations, social enterprises and commercial partners. Initially, these partnerships focussed on developing our understanding of these issues and testing what works, to identify how best to focus our effort and resources.

We are proud to be rooted in the London boroughs of Lambeth and Southwark and our focus on place gives us a unique opportunity to layer up interventions to see what works. We began to establish strategic partnerships to make this placed-based change a reality – both working at a hyper-local level with community partners in specific neighbourhoods and bringing national partners on board to introduce new ideas to our boroughs.

As an independent place-based health foundation, we also hope insights from our work can help others tackling similar challenges elsewhere in the UK and internationally. This year we published our first major report on childhood obesity and commissioned valuable research on the prevalence and distribution of multiple long-term conditions in our boroughs.

Similarly, it was a transitional year for our work as the charity for Guy's and St Thomas' NHS Foundation Trust, as we started revising how we support fundraising and back new ideas at the Trust to be a champion of world-class care. We are again hugely indebted to the thousands of fundraisers who showed their support of the Trust – by donating, baking, running, cycling and supporting us on the hospital wards. They helped us to invest £15.4 million in charitable funding to continue improving the experience and welfare of patients and staff.

The first year of our strategy has drawn to a close and I'm proud of what our team and partners have been able to achieve in such a short time. Collectively, we are setting out to do something incredible – and I could not be more excited by the progress we are making towards that goal.

Kieron Boyle
Chief Executive

Trustees' report





Strategic report

Achievements and performance

Our work this year is the first under our new strategy tackling complex urban health issues. We began two ten-year programmes of work focussing on reducing childhood obesity and improving the lives of people living with multiple long-term conditions.

We have worked with over 70 local and national organisations to start testing new approaches to help us tackle these two major health challenges head on.

As the charity for Guy's and St Thomas' NHS Foundation Trust, we revised how we support fundraising and back new ideas to continue to improve our support for the Trust to provide world-class care. We are, as ever, hugely indebted to the thousands of fundraisers who showed their support – by donating, taking part in a range of fundraising activities and supporting us on the hospital wards. They helped us invest £15.4 million in charitable funding to continue improving the experience and welfare of staff and patients.

In the year ended 31 March 2018, we also focussed our efforts on starting to build strategic partnerships to help us deliver our goals and to broaden our direct and indirect impact.

We continued to make best use of our endowment and assets during the year, including by making a commitment to impact investments – backing companies which generate health benefits alongside financial returns.

Priorities we set for the year

In 2017/18, we started our new strategy which sees us focussing on the major health challenges facing people living in urban, diverse and deprived areas. We have ambitious goals to drive real and lasting change for local people; be a leading international voice on urban health; increase our impact as a hospital fundraising charity; and increase impact through our endowment.

Our core strategic goals for 2017/18 reflected these priorities. During the year, we identified several key areas of focus.

1. Gain a better understanding of health through the combined lens of urban environment, diversity and deprivation

- What we did:**
- Worked in partnership with our communities to understand how they view health and the impact of the urban environment on their wellbeing.
 - Explored and interrogated evidence on complex health issues and how the urban environment impacts on them.
 - Commissioned new work on how childhood obesity and multiple long-term conditions unfold locally.

2. Make a successful transition to a programmatic approach for deploying Charity funds

- What we did:**
- Developed infrastructure, team, processes and partnerships to support our new programmatic approach to driving change.
 - Launched two new programmes, on childhood obesity and multiple long-term conditions.
 - Used learnings from our development phase to target how we work with partners to create impact – for example, working within specific neighbourhoods to help test whole-systems approaches.

3. Generate evidence of impact, providing insights to share with others, and leverage as new strategic partners contribute resource alongside us

- What we did:**
- Developed initial theories of change and evaluation frameworks to guide our activities and measure our impact.
 - Started planning how we identify and share insights from our programmes with external audiences, although we have further to go in 2018/19 to meet this goal.
 - Set the foundations for strategic national partnerships, in the form of two expert taskforces, to help amplify our impact.
 - Produced and published *Bite Size* - our first major report on child obesity in inner cities, contributing towards Health Select Committee evidence on the issue.

4. Scale up our ambition and commitment to staff welfare, patient experience and innovation in clinical care at Guy's and St Thomas' NHS Foundation Trust

- What we did:**
- Increased the amount of funds raised to benefit our hospitals, as well as the rate of spending of donated funds on improvements for patients and staff.
 - Reviewed our infrastructure and approach to raising funds, including starting work on a new fundraising strategy, although our ambition to embed a deeper fundraising culture at the Trust is still a work in progress.

5. Take steps to deliver greater impact through the assets within the endowment

- What we did:**
- Progressed our property masterplan at Royal Street as well as plans for the London Bridge campus with our partners.
 - Agreed to dedicate up to 5% of investments in our endowment to health impact – committing to supporting funds that offer financial returns and lead to positive impact on health in the UK.

6. Develop our capacity to be at the cutting-edge

- What we did:**
- Started to build a more enterprising, collaborative and delivery-minded culture.
 - Recruited new members to our team and invested in people, strengthening our approach to learning and development and supporting new ways of working.
 - Although not yet achieved, made good progress towards ensuring high quality management throughout the organisation, including by investing in bespoke line management training.

Our funding

In 2017/18, our funding supported the move to our new strategy. We partnered with a broad a mix of statutory, voluntary sector and community organisations, social enterprises and commercial partners to help us explore and develop approaches to tackling the complex health issues we want to help address in Lambeth and Southwark.

In this period, our charitable expenditure went from £16.7 million to £21.8 million, an increase of £5.1 million on last year's spending. This was made possible through a mix of funds from our endowment and generous donations. More than three quarters of that funding went towards work to support Guy's and St Thomas' NHS Foundation Trust, including £15.4 million in grants and other funding awarded directly to the Trust.

Around £3.3 million went to a range of partners in our new programmes of work, to help us learn about and test what works in addressing complex urban health issues. An additional £3.8 million supported transformational projects initiated under our former strategy, the Health Innovation Fund, which are still active and driving change in our boroughs, including on children's health and adult mental health.

**In 2017/18 we contributed
£21.8 million to improving the
health of local people**

Our funding

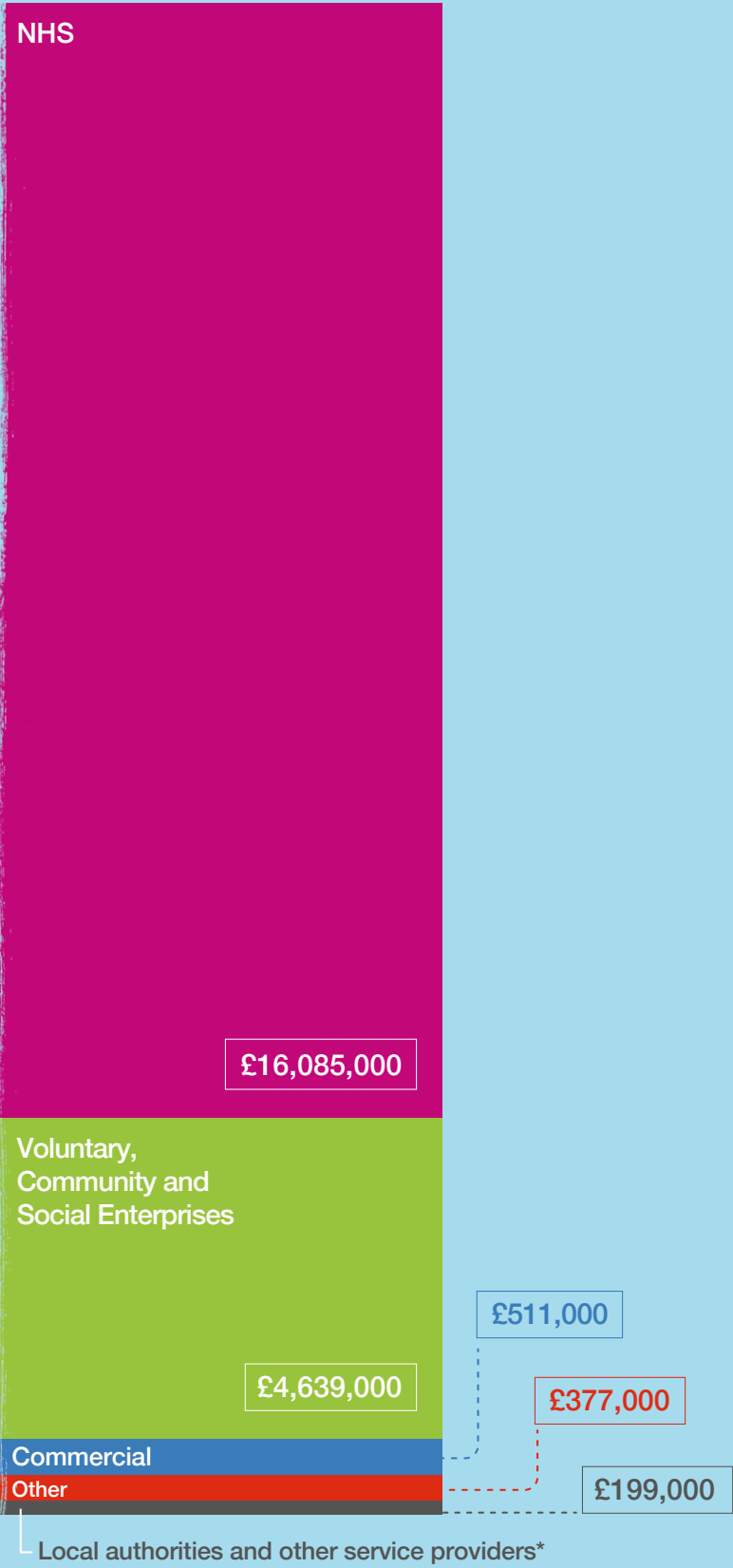
Our charitable expenditure in 2017/18

Total: £21,811,000

By strategic priority



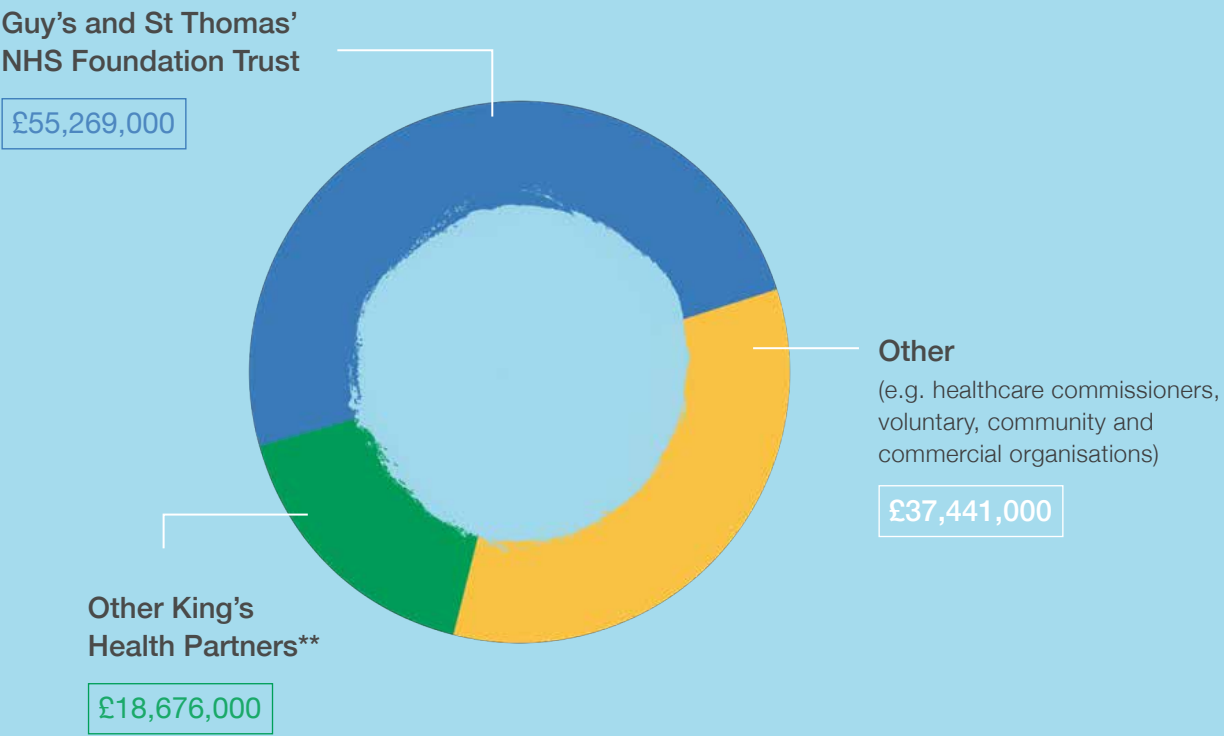
By recipient partner



Our charitable expenditure in 2013/14 - 2017/18

Total: £111,386,000

By recipient partner



*Includes borough councils, the Greater London Authority and housing associations

**King's Health Partners is an Academic Health Sciences Centre for London bringing together research, education and clinical practice for the benefit of patients. Partners include Guy's and St Thomas' NHS Foundation Trust, King's College Hospital NHS Foundation Trust, King's College London and South London and Maudsley NHS Foundation Trust.

Charitable expenditure in 2017/18 as reflected in our financial statements, including investment write downs, totals £26,020,000.



Our programmes of work

In 2017/18 we brought extra focus to our work as a charitable place-based foundation by targeting two complex health challenges. This year was one of discovery: partnering with many to learn what works and test a combination of approaches.

We developed our first two programmes around two issues: reducing childhood obesity and improving the lives of people with multiple long-term conditions. We worked with over 70 local and national organisations to start testing the best ways to help us tackle these major health issues.

We supported £3.3 million of new projects, including a range of hyper-local projects like our neighbourhood schemes in North Lambeth, Walworth and Waterloo. These saw us starting to test whole-systems approaches within small geographies, working with a mix of partners, layering and connecting different solutions.

In shaping the models and ambitions of our long-term programmes, we spent time getting under the skin of these complex issues. We partnered with The Behavioural Insights Team, Shift and Citizens UK to explore what impacts on child obesity in inner-city environments. We also commissioned new research with King's College London into the prevalence and frequency of multiple long-term conditions, looking at local GP data alongside people's experiences in Lambeth and Southwark to help us better understand why and how people progress from one to many conditions.

To increase the chances of successes locally, we built partnerships with others in London and nationally, to create evidence and help address policy and other barriers to change. This included two new taskforces: with the Mayor of London to find ways to close the child obesity deprivation gap in the capital; and with the Richmond Group of Charities and the Royal College of General Practitioners on finding solutions to the growing impact of multiple long-term conditions.

This year we put £3.3 million into new projects to help us learn and test how to tackle childhood obesity and multiple long-term conditions in our place



A collective approach to tackling multiple long-term conditions in Walworth

Walworth, in Southwark, is a microcosm of inner-city life, with vast regeneration schemes side-by-side to estates that have some of the highest levels of deprivation in the UK. The area also has a high prevalence of people living with three or more long-term conditions. Coordinated by local settlement organisation Pembroke House, the Walworth Neighbourhood Scheme aims to bring together services and perspectives from across the community to improve the health and wellbeing of people with multiple health conditions. We provided £431,000 of funding to combine action from voluntary, community and private organisations with health and social care providers and commissioners to test a whole-systems approach that tackles multiple long-term conditions within a specific neighbourhood.

Testing a layered approach to reducing childhood obesity in Faraday

The Faraday ward, in Southwark, has some of the highest rates of child obesity in the UK, with nearly 23% of children under five at an unhealthy weight. It sits in the centre of what we call our boroughs' 'obesity corridor' - a distinct area where we see clear correlation between levels of poverty and obesity. Through the Faraday Neighbourhood Scheme, we're bringing together five partners and supporting them with £454,000 of funding to tackle child obesity. The scheme consists of a mix of projects – from free fruit and veg vouchers to cooking lessons and sports groups – that focus on healthy eating and physical activity in the three environments where children spend their time: home, school and street. We want to understand how a whole-systems approach could be scaled up and will be evaluating the combined impact that the scheme has on reducing child obesity in the area.



Identifying opportunities for environmental changes

We worked with social change design charity Shift to explore family perspectives on childhood obesity. We wanted to understand the barriers and opportunities to creating environments that promote healthy food choices and physical activity in our boroughs. The *Families and Food* report is a rich exploration of the experiences of 44 parents and young people living in Lambeth and Southwark. It highlights the significant influence that living in deprived, inner-city areas can have on food behaviours, and it also identifies opportunities for improving the local food environment as key to tackling the issue.



Creating indirect impact by working with others

We joined forces with other experts, organisations and local and national bodies to form two cross-sector taskforces to help us learn from and influence others, share what we're finding and support collective action:

- The London Childhood Obesity Taskforce – an initiative in partnership with the Mayor of London in collaboration with Public Health England and others aiming to take action to change the environments in the capital that promote poor nutrition and little movement.
- The Taskforce on Multiple Conditions – a collaborative programme of activity, which we are jointly funding and driving alongside the Richmond Group of Charities and the Royal College of General Practitioners, to learn more about the causes of, and potential solutions to, the growing challenge of multiple long-term conditions.

Through both taskforces, we look to drive forward change on a national scale to support our goal of reducing childhood obesity and improving the lives of people living with long-term conditions in our local communities.

A national conversation about inner-city childhood obesity

In February 2018 we launched *Bite Size – breaking down the challenge of inner-city childhood obesity*, setting out the early insights to emerge from our childhood obesity programme. Developed in partnership with The Behavioural Insights Team, it brings together evidence on behaviour change and the experiences of families living in inner-city London alongside insights from data and learnings from interventions on the ground. The report called on people to rethink and reframe the issue as a problem of environment not individual willpower. It also provided the evidence and impetus for the strategic goal of our programme – to break the link between child obesity and deprivation. The report captured national media attention and was included as evidence to the Health and Social Care Select Committee's inquiry on child obesity, informing and influencing national debate and the development of the Government's Child Obesity Plan.





The charity for Guy's and St Thomas' NHS Foundation Trust

Alongside improving health through our programmes of work, we are the charity for Guy's and St Thomas' NHS Foundation Trust. We work to improve the experience and welfare of patients and staff at Guy's, St Thomas', and Evelina London Children's hospitals, as well as the Trust's many community health sites.

Last year, we scaled up our ambition and commitment as the Trust's charity, changing how we organise our fundraising to help us raise even more funds and better support a world-class environment for patients and staff.

In the year, we provided £15.4 million directly to the Trust, in the form of grants and other charitable funding. This figure included funding from donations, and was bolstered by one-off grants of £7.6 million towards the expansion of Evelina London and £2 million for a new Clinical Research Facility at the children's hospital. By the end of the year, more of the historic donations we hold in our Special Purpose Funds went into making improvements across the Trust. The amount also includes funding from our work as an independent foundation, where we've partnered with the Trust to drive change in health in our communities, for example, improving children's health in Lambeth and Southwark.

With that funding, we backed hundreds of ideas – from a multi-million grant to expand Evelina London, additional support to provide patients in greatest need with basic clothing on discharge, and a small award to help long-term young patients celebrate Halloween and get a much-welcomed distraction from treatment. Plus, we continued to drive improvements to the health environment using our arts and heritage collection, and through supporting a free programme of performing arts for staff and patients.

We created two special vehicles to award funds at the Trust – the Charitable Fund and the Strategic Fund. This year, these provided £2.0 million of funding, in addition to our Special Purpose Funds, to help us champion more excellent staff welfare, patient experience and clinical care.

We also saw the opening of a ground-breaking centre to treat rare diseases supported through donations - the first of its kind in the UK to provide a space designed for adults and children with life-long genetic and skin conditions.

Our stated charitable expenditure relating to the work we do as the charity for Guy's and St Thomas' NHS Foundation Trust was £18.8 million. This figure includes investments in commercial ventures associated with the Trust which were written down during the year.

In the year, we provided £15.4 million directly to the Trust, in the form of grants and other charitable funding



Expanding Evelina London to improve care

This year, as part of improving patient experience at Evelina London, we awarded nearly £8 million towards an ambitious expansion to provide new facilities to allow more children to receive care including a new fetal cardiology, imaging and High Dependency unit. As part of this, we also supported a comprehensive arts programme across nine departments, which include large-scale illustrations and decorative wooden patterns on wall cladding, printed ceiling tiles, animated LED distraction artworks and back-lit panels to enhance clinical and non-clinical spaces across departments.



Inspiring innovation in cancer research

We committed £800,000 to funding new Cancer Research Awards which will help two to three applicants per year over the next five years to develop innovative ideas to benefit patient care. These funds will help clinical colleagues fulfil academic aspirations by allowing them to dedicate fixed periods within job plans towards clinical research. The objectives of these awards might consist of a significant grant application, development of an investigator led clinical trial or clinical innovation, and they are designed to enhance the development of clinical academic positions in cancer at the Trust.

Getting creative to improve parents' experience

We continued to support Trust staff to improve patient experience and care through our Special Purpose Funds. We supported Jane, a play specialist at the intensive care unit at Evelina London, with £10,000 to progress the idea to help parents with children receiving treatment often involving long stays in hospital. To counter what can often be a lonely and isolating experience for parents as well as children, Jane organised a crafting group for parents to come together, get creative and make toys for children in the hospital. Craft Angels now fundraises and sells crafts and cakes throughout the year to help make the project sustainable in the future.

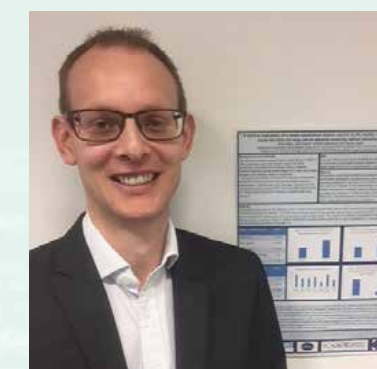


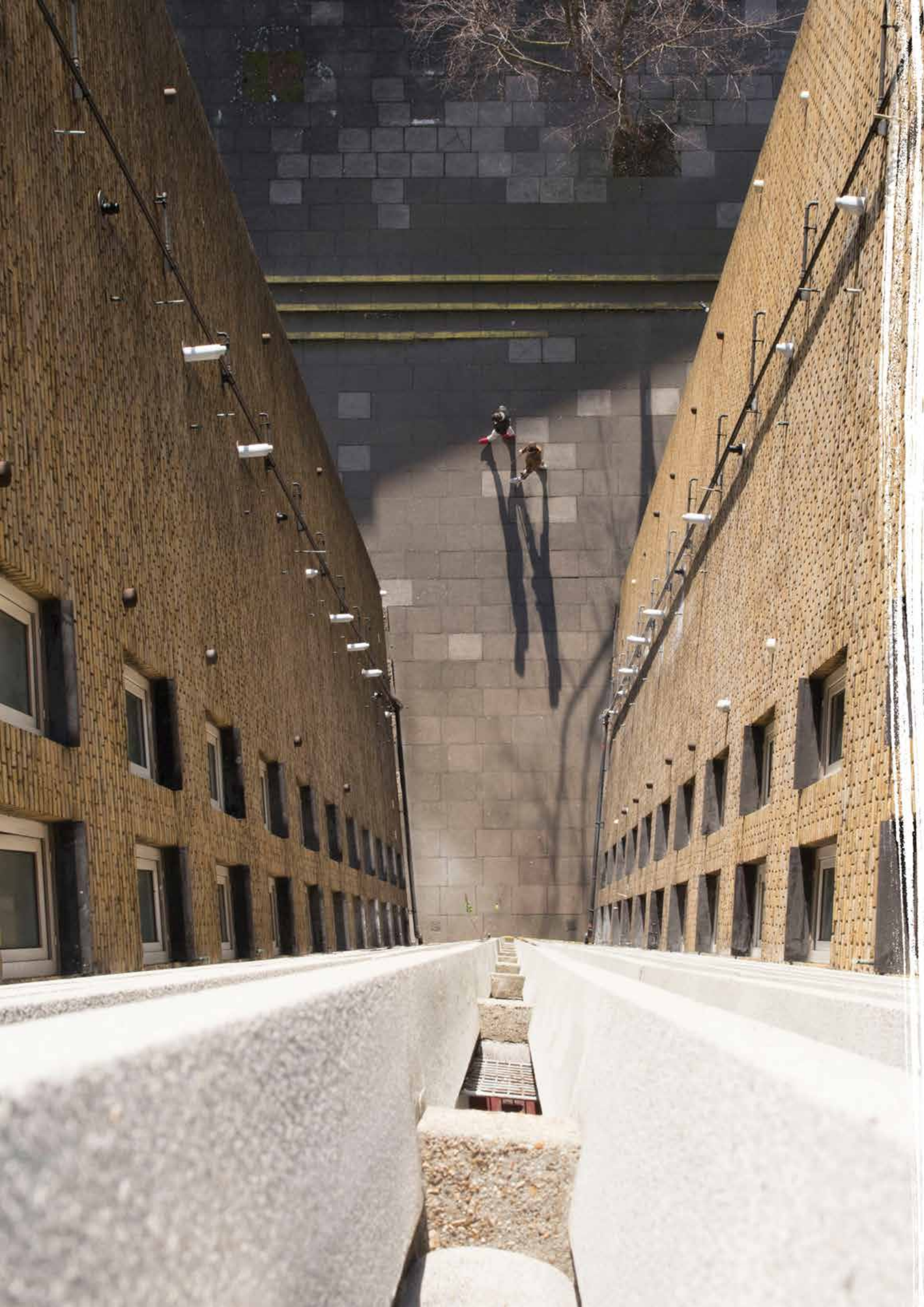
New Rare Diseases Centre opens

The Rare Diseases Centre at St Thomas' Hospital, which we supported with £1.8 million of public donations, opened in November 2017. It is the first of its kind in the UK to provide a space designed for adults and children with life-long genetic and skin conditions that affect many organs in the body. Families living with the same conditions can now be seen together at the new family consultation rooms, and the space features windows fitted with clear UV filters to help patients who are hypersensitive to light. The centre also features an 'enchanted forest' wall, bringing the outdoors to patients unable to expose themselves to sunlight. The new £2.2 million centre was also supported by £350,000 in donations from the charities DEBRA and the Four Acres Trust. It brings together several specialist services in one place which had previously been spread across both Guy's and St Thomas' sites, saving time and improving patient experience.

Helping staff share breakthroughs

This year we supported Rhys, a dietitian at Guy's and St Thomas', with an Individual Staff Award. These awards help staff cover the costs of presenting at professional events, and Rhys used it to attend a top specialist conference in Dublin to share the benefits of having a dietitian as an integral part of cancer services. Side effects of lung cancer radiotherapy can often require a particular diet – however too many referrals from the radiotherapy clinic meant long waiting times to see a dietitian. Rhys and his team came up with a new model to attend weekly radiotherapy clinics to save time and review patients then and there. By sharing their new approach with professionals across the UK, Rhys has helped inspire better practice elsewhere.





Continued impact through our Health Innovation Fund

The Health Innovation Fund, our previous funding programme set up to support local health innovation, closed in 2017 after five years backing new and exciting ideas.

To continue the legacy of our previous strategy, in 2017/18 we awarded £3.8 million to provide additional support to a small number of long-term transformational initiatives we started under the Fund. This included awarding an additional £1.7 million (totalling £5.4 million of funding since 2015/16) to the Children and Young People's Health Partnership – a partnership approach helping to transform the delivery of everyday health services for the 190,000 children and young people in Lambeth and Southwark. The first 18-month phase of the programme, which we helped to fund, has identified the needs of children and young people in our area including delivering healthcare closer to home and schools, and addressing health inequalities for some of the most vulnerable children. We also awarded £1.8 million to continue the work of the Lambeth Living Well Network Hub, a 'front door' to holistic support for people with mental health issues in the borough.

Many of the initiatives we supported through the Fund continue to deliver impact. For example, 'Get Healthy in the pub', a project which helps address isolation and loneliness among older men in Southwark, has directly reached over 70 men through its sessions. Through its unique outreach and approach, meeting people in social rather than clinical settings, it has significantly decreased isolation among those attending. Meanwhile, Psychology in Hostels – a multi-year initiative delivered by South London and Maudsley NHS Foundation Trust, Thames Reach and Lambeth Council – provided integrated mental health and accommodation support for homeless people. Over 4,290 formal psychological interventions were offered in the three-year pilot with a 78% attendance rate. Initial economic evaluation analysis showed an 86% reduction in prison stays and a 57% reduction in A&E attendance leading to hospital admissions. Psychology in Hostels has substantially contributed to the evidence-base of 'what-works' for homeless people, and now has the largest dataset of mental health interventions with homeless people collected worldwide.

Our 'Psychology in Hostels' pilot of support for homeless people showed an 86% reduction in prison stays and a 57% reduction in A&E attendance leading to hospital admissions

Using our endowment to drive impact

Our ability to support improvements to local health comes from our endowment, the accumulation of donations over many centuries. We manage and invest it carefully so that we can fund charitable activities that transform people's health.

The net value of our endowment ended the year at £704.9 million. Although it did not increase in line with inflation in 2017/18, when we look at long-term performance, we've seen an upward trend comfortably above inflation since 1999.

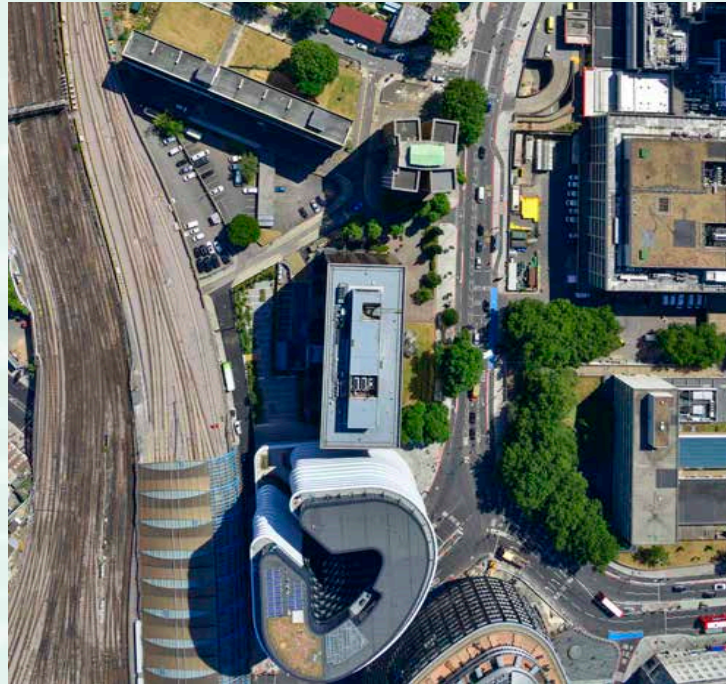
Our investment performance in 2017/18 reflects a difficult year in the markets. We saw a net return of 5.1%, slightly below our chosen benchmark of 6.5%.

In addition to our current investment portfolio, we are building our ability to improve health through our endowment with impact investing. This year, we committed to dedicating 5% of our endowment per year – over £40 million – to funds that can help us drive even more health impact in the UK while also providing financial returns to continue making our charitable work possible.

As the charity for Guy's and St Thomas' NHS Foundation Trust, we also raise funds to make care at our hospitals even better. Our fundraising team supports staff, patients and the general public to raise vital money. In 2017/18, our donated income increased to £9.0 million, up from £8.8 million in the previous year.

The year also saw us preparing key sites in our large property portfolio for future development. We worked closely with partners and advisors to prepare to find a development partner for our large site at Royal Street, opposite St Thomas' Hospital. We also started conversations to prepare our agricultural holding at Maple Cross, in Hertfordshire, for residential development. Our portfolio includes properties that we use to help create better healthcare facilities and health outcomes, and investment properties that generate returns for our funding programmes.

In 2017/18, our donated income increased to £9.0 million - up from £8.8 million in the previous year



Redeveloping Royal Street

In 2017/18 we accelerated preparations for the future redevelopment of Royal Street – a large mixed-use site covering five acres (the equivalent of five football pitches) opposite St Thomas' Hospital, near Westminster. The site is an opportunity to create a vibrant, new space that will be at the cutting edge of promoting world-class health and wellbeing through the built environment. We are working in partnership with Guy's and St Thomas' NHS Foundation Trust to ensure that the site delivers what is needed for future healthcare provision. As we embark on seeking a development partner for the site in autumn 2018, we wanted to ensure any development reflects and shares the Charity's vision and values, as well as prioritising social sustainability. In the year, we worked with the Design Council to engage health and wellbeing experts to inform the brief for our development partner and put improving health at the heart of our strategic objectives for the site.

London Bridge 'greening' of the historic yards

The area around London Bridge and Borough High Street is a vibrant space for workers, visitors, students and residents. It's one of the most historic parts of London, however as it continues to grow, many of the busiest walking routes have poor air quality, cramped pavements and flooding in heavy rainfall. To improve pedestrian routes to Guy's Hospital, better the areas where King's College students live and encourage more pedestrians to use yards in the area, we've partnered with Better Bankside, Southwark Council, the Greater London Authority, and Team London Bridge on a green infrastructure project to improve the link between Borough High Street and Guy's Campus. This includes the development of a living wall and planters watered by rooftop rain collection tanks as well as light installations to improve walkways and safety in the area. The project is due to complete in 2018.





Our plans for 2018/19

Our strategy sees us taking on some of the most complex challenges in urban health. In our corporate plan for the next five years, we outline key strategic goals that will help us achieve these aims. Our main activities in 2018/19 are all designed to help get us closer to those goals.

Strategic goals we set for the year

1. Make a step-change impact on complex health issues prevalent in urban, diverse and deprived areas

In 2018/19, we plan to:

- Design and implement programmes that address key urban health issues, including starting the delivery phase of our programmes on child obesity and multiple long-term conditions, and developing new programmes around other major health issues.
- Share 'what works' to catalyse action nationally and internationally, making available insights from our programmes and leveraging partnerships on a national scale.
- Develop the team to deliver our programmes effectively.

2. Unlock civic contributions that support patient experience and staff welfare at Guy's and St Thomas' NHS Foundation Trust

In 2018/19, we plan to:

- Raise awareness of fundraising among Trust staff and scope a potential major fundraising campaign for Evelina London.
- Deploy assets well to support patient experience and staff welfare, including by increasing the rate of spend from Special Purpose Funds and by building an ambitious pipeline of projects to support through donations.
- Establish new approaches to supporting the Trust by, for example, identifying opportunities to use our arts assets and building a shared plan to communicate about fundraising and charitable activity.

3. Deliver effective returns to the endowment and use our assets to support health impact

In 2018/19, we plan to:

- Help deliver the redevelopment of the Royal Street site, including bringing a development partner on board.
- Embed impact investing as part of our endowment, making our first investments underpinned by a new impact investment methodology.

4. Grow our impact, effectiveness and reputation

In 2018/19, we plan to:

- Develop high quality business insight, including embedding our new CRM system and delivering stronger reporting and evaluation.
- Manage lean, professional and agile services by ensuring compliance with new data protection regulation and building our data and analytic capability.
- Enhance our reputation and voice by agreeing an approach to developing our brand, prioritising our work as a NHS Trust charity, and reviewing our communications infrastructure to ensure we have the right approach.

5. Be a cutting-edge charity achieving ambitions beyond itself

In 2018/19, we plan to:

- Support people's skills and development including by running line management training and delivering a reviewed learning and development programme and a new retention plan.
- Nurture a positive organisation culture that champions our values, including reviewing how we approach inclusion and diversity.
- Support wellbeing in our team, ensuring work/life balance is possible and producing a new wellbeing policy and programme.

Financial review

Financial Key Performance Indicators

Measure	Key Performance	Key Indicators
Cumulative total unrestricted charitable expenditure committed from 1 April 2013	£84.7 million or 87% committed by the final year of our £97 million five-year budget cycle	The Charity was expecting to commit all of its available unrestricted funds. However, with a new strategy being developed, commitments were lower than planned at the outset of the five-year planning period.
Return on the endowment compared to benchmark	5.1% return on endowment for 2017/18 compared to benchmark return of 6.5%	The performance of the Charity's endowment investments, net of management and other costs, is behind the Charity's composite benchmark for the year.
Total support costs	£3.3 million compared to £3.0 million in 2016/17, an increase of 10%	The increase in the Charity's support costs was due to further investment in staff resource to execute our new approach to charitable activities.

Overview

This was a year of transition in our charitable activities as we completed our five-year plan to be a catalyst for innovation and commenced our new approach focusing on tackling specific health issues in Lambeth and Southwark and supporting Guy's and St Thomas' NHS Foundation Trust.

Our fundraising activities are also evolving and we established a new direct relationship with our fundraising team at King's College London. We are working closely with the team and the Trust to sharpen both our strategy and our interaction with donors and Trust staff. As we address these changes, income from donations and legacies grew by 2.7% to £9.0 million.

Overall, charitable spending levels increased to £26.0 million from £16.7 million. This year this includes a write down of £4.2 million in the value of programme related investments.

Restricted fund expenditure saw a particular increase as we committed the funds raised from our successful appeal for the expansion of Evelina London and a new Clinical Research Facility at the children's hospital.

Returns on our endowment this year were positive but lower than our benchmark with good underlying returns offset by adverse currency moves. Returns on the financial asset portfolio were 9.8% (benchmark 9.5%) with our equity market asset classes all returning in excess of 10%. After a run of strong returns, our property portfolio fared less well, earning 7.3%. This was less than the benchmark of 11.2%; contrary to previous years, our higher weighting to London operated against us. Much of our financial assets are invested internationally and we suffered a 3.7% loss from adverse currency movements this year, partially reversing gains from the previous year.

The endowment transferred £23.1 million (2016/17: £21.3 million) to support charitable activities. After this transfer, the net assets of the endowment increased by 1.6% to £704.9 million. This increase was behind inflation for the year but the endowment remains ahead of its target of keeping pace with inflation as measured over rolling 15-year periods.

Charitable activities

Grants commitments and other charitable expenditure increased to £26.0 million from £16.7 million. There was a significant increase in commitments from restricted funds and Special Purpose Funds to £13.0 million from £4.3 million. Monies from two appeals were committed to expand the Evelina London and for the creation of a Clinical Research Facility at the children's hospital.

Investments

This year we saw endowment returns of 5.1%, below the Charity's benchmarks. The make-up of our investment portfolio was similar to last year.

TABLE 1: Guy's and St Thomas' Charity Performance Summary: April 2017 – March 2018

Asset Class	Strategic asset Allocation band (%)	Strategic asset allocation (%)	Allocation as at 31 March 2018 (%)	Actual Performance (%)	Benchmark Performance (%)	Allocation as at 31 March 2017(%)
Global Equities	17-35	21.0	28.4	10.4	11.2	29.0
Private Equity	5-17	14.0	7.6	15.8	17.6	7.9
Hedged Equities	0-14	10.0	8.4	11.1	7.6	8.7
Absolute return	0-12	6.0	6.0	5.2	5.0	5.8
Credit	3-12	5.0	6.4	5.7	3.6	5.9
Commodities	0-5	-	-	N/A	-	-
Fixed Income	0-10	3.0	-	N/A	-	-
Cash	0-10	1.0	1.2	-	0.4	1.5
Composite financial asset class performance - local currency				9.8	9.5	
Property	30-50	40.0	42.0	7.3	11.2	41.3
Composite asset class performance - local currency				8.9	10.2	
Currency gain/(loss)				(3.7)	(3.7)	
Fees and other expenses				(0.3)	-	
Return on gross investment assets				4.8	6.5	
Effect of loans				0.3		
Return on the endowment				5.1		

All performance figures are net of management costs. The relevant benchmarks are identified in the Charity's Distribution Rule and Investment Policy.

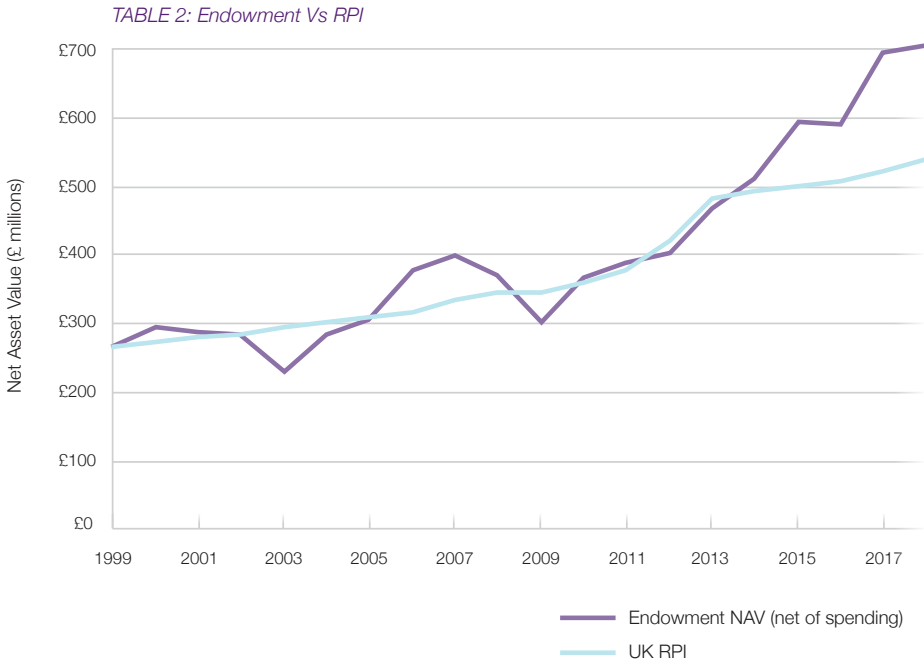
Returns on our international financial asset portfolio were strong and in line with markets generally measured in local currency. Equity-related markets had a good year with returns ranging from 10.4% for Global Equities to 15.8% for Private Equity. 44.4% of our endowment is invested in equity-related asset classes. However, our financial asset portfolio was affected by adverse currency moves when translated to Sterling, losing 3.7% through this. Meanwhile, 42.0% of our endowment is invested in property in the UK, which saw returns of 7.3% (compared to 12.0% in 2016/17).

The costs of managing our investments in the endowment decreased slightly from £8.0 million to £7.5 million. Higher property expenditure was more than offset by lower performance-related fees on the financial investments.

Longer-term performance

The Distribution Rule and Investment Policy sets out the Charity’s approach to maintaining the value of the endowment over the long term. This is defined as keeping the value of the endowment in line with the UK’s Retail Prices Index (RPI), measured over rolling 15-year periods.

The endowment was recognised in the accounts in March 1999 so its performance history can be traced back 19 years, illustrated in the graph below. The Investment Committee continues to monitor potential positive and negative return scenarios and remains of the view that, whilst the surplus in the endowment is significant, it is not excessive given the risks that returns will be lower in future.



Ethical and health-related investment

Following last year’s revision to the Charity’s approach to ethical and health-related investment within the endowment, steps have been taken to implement the new approach to making investments in funds that should produce:

- A return commensurate with the investment risks being taken.
- Positive impact on health in the UK during the life of the fund or thereafter.

We recruited an Investment Director to lead this initiative and an initial commitment has been made to the Apposite Healthcare Fund II. We expect to build this portfolio to be circa 5% of the endowment over the next couple of years.

We also joined the Charities Responsible Investment Network, a network of over 20 charities with investment assets of over £5 billion. It provides a forum to share ideas and best practice for charities to connect our investment practice with our charitable goals.

Our policy is that our investments should meet recognised ethical and governance standards and that they need to be consistent with both our ethical values as a UK charity and our financial return requirements. For the second year, we surveyed our managers, covering 81% (2016/17: 80%) of our financial investments. 67% (2016/17: 74%) of capital in public funds have a policy with regard to voting public shares. 46% (2016/17: 49%) of capital consider Environmental, Social and Governance (ESG) issues when making investment decisions. 17 out of 38 (2016/17: 14/32) managers have a formal Socially Responsible Investing (SRI) policy. We will continue to monitor these issues.

We consider the potential direct and indirect health impacts, both negative and positive, when making investments. We do not make any direct investment in tobacco-related shares, bonds or property. In addition, we monitor the level of indirect tobacco ownership through holdings in externally managed funds to ensure that this level does not rise above a de minimis level (defined as 0.25% of the endowment). Our indirect tobacco exposure is 0.15% (2016/17: 0.12%) of the endowment.

Reserves policy

During the year our total Unrestricted Funds increased from £46.4 million to £57.6 million. As at 31 March 2018, £28.8 million of these funds were designated in the form of properties and other assets that are used in the provision of our charitable activities. This leaves the Charity with free reserves of £28.7 million (2017: £16.8 million), which are managed through a Distribution Account.

The Charity plans the distribution of its Unrestricted Funds through a five-year budget. The first such budget was approved by Trustees for the period 1 April 2013 to 31 March 2018. Performance against the budget is reviewed annually. The budget is based on the distribution of all available resources projected to arise in the five-year period covered by the budget.

In the five-year period from 1 April 2013 to 31 March 2018, we committed £84.7 million of charitable spending from unrestricted funds compared to the plan of £97 million and actual available resources over that period of £109.5 million.

In the five-year period commencing 1 April 2017, we plan to spend the projected available unrestricted resources of £125 million.

The Charity maintains the ability to transfer funds from the expendable endowment if necessary to meet its disbursement targets.

Principal risks and their management

We believe we have appropriate procedures and controls to identify and mitigate against risks we are exposed to. Systems include:

- A long-term strategic plan, a five-year budget for charitable support and an annual budget for all income and expenditure – all of which are approved by the Trustees.
- Regular consideration by the senior management team and Trustees of financial results and performance indicators.
- Periodic review of systems and controls by the Finance and Audit Committee supported by internal audit reports.
- Identification, management of ongoing review of risks. We are evolving our approach here to identify where we need to take risk and how much risk we should take in order to achieve our charitable and other goals.

We have identified the following principal areas of risk, and ways to manage them:

Funding

- Failure to design and deliver effective programmes resulting in insufficient number or value of high quality grant applications or other charitable projects. Mitigation actions include designing an effective programme operating model, recruitment of an expanded funding team, understanding the evidence base, and developing systems to share insights with and to learn from partners.
- Poor decision-making in the assessment and award of grant applications or other funding. Mitigation includes establishing new strategy and programme committees that are well staffed and run effectively. We make use of information from the evaluation of grant outcomes to inform the decision-making process.
- Failure to effectively manage and monitor progress of grants and other charitable activities. We avoid this by having robust grant management processes in place and playing an active role in the governance of larger projects. In addition, we are investing in new processes, IT systems, people and training to enhance our effectiveness.
- Failure to engage effectively with the Trust and its staff resulting in charitable funds not being deployed effectively. Mitigation has involved the formation revised governance arrangement and ways of working involving the Trust more closely.

Investment

- Poor selection and management of investment advisors. We annually review the performance of managers and advisers and adjust where needed.
- Failure to maintain investment risk levels. We discuss how to react when markets are volatile to ensure we are willing to hold our investments in such circumstances.
- Failure to correctly evaluate, plan and execute high value property projects. We rigorously appraise projects and monitor progress regularly. Professional advisors are used as appropriate. The Investment Committee reviews appraisals and progress reports.

Operations

- Failure to develop succession plans and recruit effectively for key staff. We maintain succession plans and facilitate senior staff involvement in the strategic development of the Charity, and an open culture within the senior management team.
- Malicious cyber-attacks resulting in data security breaches or corruption/ destruction of data held in the Charity's IT systems. We have conducted a review of cyber security, including penetration testing, and are addressing the recommendations including improved awareness, policies, training, passwords and testing. We also prepared our systems and staff for the introduction of the General Protection of Data Regulations which came into effect in May 2018.
- New IT systems may fail to deliver expected benefits or costs may exceed budget. We monitor progress against plans and budget. We also regularly critique our approach to ensure that IT projects are linked properly to our people and ways of working.

Reputation

- Fundraising actions create adverse publicity or contravene regulations. We have revised the contractual basis and ways of working with King's College London who perform our fundraising activities. These were further reviewed in the light of the issues raised by the publicity surrounding The Presidents Club dinner in February 2018.
- Failure of major grants, or other charitable or investment projects. We ensure that stakeholders understand that innovative projects, by their very nature, don't always succeed, and we encourage an open culture between the Charity and its partners to help avoid concealment of problems.
- Actions or statements by the Charity's outsourced fundraising partner conflict with the Charity's policies, create bad publicity or contravene legislation. We are developing a new contractual framework to clarify roles, responsibilities and reporting requirements. A new Trust Engagement Director role has been created to ensure better Charity involvement with and oversight of our fundraising activities.

Structure, governance and management

Charity’s object

Guy’s and St Thomas’ Charity is an independent charitable company. Our charity number is 1160316 and the charity is registered as a company limited by guarantee with number 9341980. Our registered office is Francis House, 9 King’s Head Yard, London, SE1 1NA.

The charitable company is the trustee of Guy’s and St Thomas’ Endowed Charity and a number of other linked charities. Unrestricted Funds – and those Restricted Funds that are not separate charities linked to us – are part of the charitable company.

The object of Guy’s and St Thomas’ Charity is any charitable purpose or purposes relating to the general or any specific purposes of Guy’s and St Thomas’ NHS Foundation Trust or the purposes of the health service (as described in section 1 of the NHS Act 2006 or any statutory modification of that section).

Funding policy

We work with many partners and fund projects and initiatives that will make a positive contribution to our strategic goals. All spend is reviewed by the Charity against our criteria for quality and value for money. Ongoing projects are monitored to ensure that they are achieving their milestones and are formally evaluated.

Appointment of Trustees

Following our reconstitution on 1 April 2015, Trustee appointments are made by the Trustees after open advertisement. Guy’s and St Thomas’ NHS Foundation Trust has the right to appoint and remove one Charity Trustee. Trustees are given a thorough induction to the Charity and its staff and operations when they join our Board, and training needs are also addressed.

Trustee changes

Sue Gallagher retired as a Trustee in July 2017 having completed two four-year terms of office. Ian Dalton resigned as a Trustee in July 2017 following his appointment as Chief Executive of Imperial College Healthcare NHS Trust. Helen Bailey and Duncan Selbie joined as Trustees in July 2017.

Powers of investment

The Charity’s powers of investment in its own right are principally derived from its Articles of Association and the Companies Act 2006; in exercising these powers, the Trustees must act in accordance with their duties as charity trustees and as company directors as set out in the Charities Act 2011 and the Companies Act 2006 and as derived from case law.

The Charity’s powers of investment in its capacity as corporate trustee of the Guy’s and St Thomas’ Endowed Charity and the other linked charities are principally derived from the revised Scheme approved by the Charity Commission in 2015 and the Trustee Act 2000; in exercising these powers, the Charity must act in accordance with its duties as set out in the Scheme and the Trustee Act 2000.

In each case, these powers of investment are wide, allowing the Trustees and the Charity in its capacity as corporate trustee of the Endowed Charity and the other linked charities to invest in such stocks, funds, shares, securities or other investments as they see fit.

Fundraising

The Charity’s fundraising activities have been successfully undertaken by King’s College London (King’s) for several years. During the course of the year, we agreed a new contract to cover these activities. King’s reports regularly to the Charity on fundraising activities, income, other key performance indicators and any issues arising, including complaints. These reports are discussed with King’s and by the senior executive team and Trust Engagement Committee at the Charity.

The Charity and King’s are both registered with the Fundraising Regulator and seek to abide by best fundraising practice.

The Charity keeps abreast of subcontractors used by King’s for fundraising activities and King’s actively monitors them.

The Charity received 39 complaints during the year. The Charity and King’s take all such complaints seriously and respond appropriately to issues raised.

The Charity takes seriously the protection of vulnerable people and other members of the public from inappropriate fundraising behaviour. In order to protect against unreasonable intrusion, persistence and undue pressure to give, King’s College London ensures communications to supporters are relevant to their targeted audience and there is a clear opportunity for supporters to opt out of receiving future communications or change their contact preferences at any time.

The Charity had been supported by The Presidents Club in prior years. In February 2018, the Charity had to respond to the press reports about inappropriate behaviour at a fundraising dinner held by The Presidents Club. After rapid but careful assessment, we announced that we would not take further donations from The Presidents Club and would return historic donations. Subsequently, and after consultation with the Charity Commission, we announced that we would retain historic donations but would continue to refuse donations from the dinner.

Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 and that they have considered the Charity Commission’s guidance on public benefit in shaping the Charity’s objectives and planning future activities.

The Trustees are conscious of the need to ensure that the activities of the Charity comply with the public benefit requirement and they believe that all the charitable activities, most of which are described in this report, are for the public benefit.

¹ Based on a representative sample of employees who have completed our employee survey

Our team

Our team is made up of a group of highly driven individuals who work to transform the health of people in our local communities. Of the 34 people employed as of March 2018, 68% were female and 32% male. Our Executive team is 40% female and 60% male.

In 2017/18 roughly 30% of employees¹ were non-white. 88% were aged between 30-54, 6% under 30 and 6% over 54.

Gender pay

The gender pay gap shows the difference in pay between male and female employees in an organisation. It is defined as the difference between men's and women's earnings and expressed as a percentage of men's earnings.

As of March 2018, our pay gap in 2017/18 was 29.1%.

	Number of employees	Male		Female	
		Number	Percentage	Number	Percentage
Upper quartile	8	4	50%	4	50%
Upper middle quartile	9	4	44%	5	56%
Lower middle quartile	8	2	25%	6	75%
Lower quartile	9	1	11%	8	89%
	34	11		23	

Although significantly below the threshold for mandatory reporting on gender pay², gender equality is a key component of our ambition to be a fair and inclusive employer and we are committed to transparency on the issue.

We know that we need to do better on this. The majority of the gap sits at our Executive Team level, which is comprised of a small number of roles, and would shift significantly if any role was filled by a different gender. The remainder is driven by women disproportionately filling our lowest paid positions.

Over the past 18 months we have worked to advertise positions to more diverse audiences, implemented name blind recruitment and equalised pay across similar roles. All of our salaries have also been benchmarked against market in the past 24 months.

We will continue to actively review and reflect on our practice and in keeping with our values as an organisation will publish these details annually.

Remuneration

The governing principles of the Charity's remuneration policy are to set pay levels that:

- Help us to attract and retain a motivated workforce with the skills and expertise necessary for organisational effectiveness.
- Are equitable, understandable and coherent across the Charity.
- Are appropriate in the context of the wider charity sector and the interests of our beneficiaries.

These principles apply to all staff, including senior executives.

² Under legislation introduced in August 2017, UK employers with more than 250 employees are required to publish their gender pay details annually.

Senior executive remuneration

The following table sets out the remuneration of the Charity's Executive Committee and other staff paid at a commensurate level.

TABLE 3: Remuneration for the year ended 31 March 2018

Name	Annual salary (Full Time Equivalent)	Actual salary payments	Pension contributions	Total remuneration	Increase in annual salary over 2016/17
Kieron Boyle Chief Executive	£135,300	£135,300	£17,181	£152,481	2.5%
David Renton Director of Finance and Investment	£116,280	£116,280	£15,615	£131,895	2.5%
Jon Siddall Director of Funding	£103,000	£103,000	£13,076	£116,076	n/a
Gayle Willis Director of Communications	£94,340	£33,019	£8,163	£41,182	2.5%
Catherine Cullen Director of Communications	£94,340	£72,168	£9,166	£81,334	2.5%
Gail Macdonald Property Director	£107,628	£107,628	£15,391	£123,019	2.5%

Contributions were made by the Charity to the NHS Pension Scheme at the Scheme rate of 14.38% of pay in relation to their membership of that scheme for Gayle Willis and Gail Macdonald. Contributions were made to the Charity's defined contribution pension scheme for Kieron Boyle, Jon Siddall and Catherine Cullen. David Renton received payment in lieu of the pension contribution and payments were made for life/critical illness cover.

Below we include information on staff compensation by salary band. This covers staff who were on payroll at 31 March 2018 and shows the full-time equivalent pay to help compare rates of pay better.

Salary band	Number of staff
£20,000 - £60,000	20
£60,000 - £100,000	9
£100,000 - £140,000	5
	34

All staff were awarded a pay increase of 2.5% on 1 April 2017. The Charity has been certified as a London Living Wage employer since 2016/17.

Responsibilities of the Board

The Trustees (who are also directors of Guy's and St Thomas' Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Board are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards, including (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- Follow the SORP, Accounting by Charities; and:
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, Accounting Standards and Statements of Recommended Practice and the regulations under the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to the auditor

So far as the Board of Trustees are aware:

- a. There is no relevant audit information of which the charity's auditors are unaware; and:
- b. They have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditors

Kingston Smith LLP were appointed as auditors during the previous year and are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

By order of the Board:



Barbara Moorhouse

26 September 2018



Organisation

Our staff

Our Executive Team is made up of:

- Kieron Boyle, Chief Executive
- David Renton, Director of Finance and Investment
- Gayle Willis, Director of Communications (job share)
- Catherine Cullen, Director of Communications (job share)
- Jon Siddall, Director of Funding

Details of our Executive Team and a full list of our staff members are available on our website.

Trustee Board



Wol Kolade. Wol is the Managing Partner of private equity investor Livingbridge. Wol holds a number of non-executive positions. He is currently on the board of NHS Improvement and is a former Chair of the British Private Equity and Venture Capital Association. He has been a Governor at the London School of Economics and Political Science since 2002. He became Chair of the Charity in October 2015.



Sally Tennant OBE. Sally brings many years’ experience in the banking and investment sectors. She is currently an independent wealth management adviser, after serving as Chief Executive of Kleinwort Benson from 2011 to March 2014. Sally was previously Chief Executive of Lombard Odier (UK) Ltd, after four years as Chief Executive of Schroders Private Banking. Her early career was spent at Morgan Grenfell Asset Management and at S.G. Warburg & Co. Sally is a trustee of the STARS Foundation. Sally chairs our Childhood Obesity Programme Committee.



Duncan Selbie. Duncan is the founding Chief Executive of Public Health England. Prior to 2013, he was Chief Executive of Brighton and Sussex University Hospitals, the regional teaching hospital for the south east of England. From 2003 to 2007 he was the Director General of Programmes and Performance for the NHS and subsequently its first Director General of Commissioning. Prior to this, he was Chief Executive of South East London Strategic Health Authority and before that Chief Executive of the South West London and St George’s Mental Health NHS Trust. He joined the NHS in January 1980. Duncan chairs our Multiple Long-Term Conditions Programme Committee.



Sir Ron Kerr. Ron joined Guy’s and St Thomas’ NHS Foundation Trust as Chief Executive in 2007. He stepped down on 1 October 2015 after 30 years in senior NHS leadership roles remaining with the Trust as Executive Vice Chair. His other Chief Executive roles have included the National Care Standards Commission, United Bristol Healthcare NHS Trust, and the South East London Commissioning Agency. Ron is vice-chair of our Trust Engagement Committee.



Helen Bailey. Helen is an experienced public sector leader. She has most recently worked in an advisory capacity with iMPower and as Chief Executive of a London Borough, a senior treasury official and the Chief Officer of the Mayor’s office for Policing and Crime. She is a member of the Board of Clarion Housing Group. Helen is the Chair of our Trust Engagement Committee.



David Colin Thomé. David brings with him extensive experience of primary care as a GP for more than 30 years, as well as significant knowledge of national policy as the Department of Health’s National Clinical Director for Primary Care from 2001-10. He also chaired the Long-Term Conditions Board and cochaired and led the Primary and Community Care Strategy (PCSS) for the NHS Next Stage (Lord Darzi’s) Review, published in 2008. He subsequently chaired the PCSS Clinical Advisory Group and co-chaired the Transforming Community Health Services board. David chairs our Strategy Advisory Group.



Barbara Moorhouse. Barbara joined the Charity in September 2015. She brings a depth of strategic, operational and financial leadership experience from both the private and public sectors. After spending most of her career as Chief Operating Officer/Chief Finance Officer in international quoted companies, she then held senior executive positions at the Ministry of Justice, Department for Transport and Westminster City Council. Barbara is currently a non-executive director with Balfour Beatty plc, Microgen plc, IDOX plc, Agility Trains and the Lending Standards Board. Barbara chairs our Finance and Audit Committee.



Tom Joy. Tom began his career as a graduate trainee at Royal Sun Alliance Investment Management. He then joined Schroders and held a variety of different roles culminating in becoming Head of Investment – Multi-Manager. He then joined RMB Asset Management as Chief Investment Officer. In 2009, he became Director of Investments at the Church Commissioners for England, where he has refocussed the investment strategy and diversified the portfolio, and is also a Board member of the Pension Protection Fund. Tom chairs our Investment Committee.



Sue Gallagher. Sue has held a number of senior roles in the NHS and was Chief Executive of Merton, Sutton and Wandsworth Health Authority from 1997 to 2002. More recently she has worked with the Department of Health as a consultant and with many individuals and organisations in the public and third sectors as an executive coach, facilitator and development consultant. Sue is lay member on Lambeth Clinical Commissioning Group and a stakeholder governor of Guy’s and St Thomas’ and King’s College Hospital NHS Foundation Trusts. Sue stepped down from her role as Trustee in July 2017.



Ian Dalton CBE. Ian is currently Chief Executive of NHS Improvement. Prior roles include Chief Executive of Imperial College Healthcare NHS Trust and President, Global Government and Health, at BT plc. Ian has many years of experience in the NHS and social care, and is one of England’s most senior healthcare leaders. Before BT, he was Chief Operating Officer and Deputy Chief Executive Officer for NHS England. He has held many senior roles in the NHS including CEO of NHS North of England, Managing Director of Provider Development, National Director of NHS Flu Resilience and CEO of NHS North East. Ian stepped down from his role as Trustee in July 2017.

Committees

We have a number of committees who report to the Trustee Board, and funding committees who advise the board on charitable expenditure.

Our committees are made up of experts in their respective fields. In April 2017, we reorganised our committees to help us implement our new strategy.

Funding decisions in respect of our programmes are now made either by the Trustee Board or by the executive team. Unless a Programme Committee advises otherwise, charitable spending of up to £2 million is approved by the Charity’s executive leadership.

Funding decisions in respect of our work with the Trust are made by either the Trustee Board (for amounts above £1 million), the Trust Engagement Committee or, for amounts below £100,000, specific delegated individuals or committees.

Board Committees

Investment Committee

This committee takes responsibility for investment strategy and management. It reports to the Trustee Board.

Finance and Audit Committee

This committee takes responsibility for overseeing financial governance and all matters relating to the internal and external audit. It reports to the Trustee Board.

Remuneration Committee

This committee develops policy on staff remuneration and approve overall spending on staff remuneration and benefits. The committee also approves senior executive remuneration.

Strategy Advisory Group

The group is made up of multi-disciplinary, national experts who help us to focus on impact, to derive insight and lessons from our work and to effectively influence others to act.

Programme Committees

Programme Committee - Childhood Obesity

This committee provides unique perspectives to our childhood obesity programme. It includes members from social enterprise, school, public health, corporate and philanthropic backgrounds, all with experience working to support children and young people. It was set up in May 2017.

Programme Committee - Multiple long-term conditions

The multiple long-term conditions committee advises us on how to maximise impact, capture insights and effectively influence this complex issue. The committee has expertise in long-term condition management, community development, public health, clinical commissioning, digital health and population health management. It was set up in May 2017.

Trust focussed Committees

Trust Engagement Committee

This committee oversees our role as the Trust’s Charity and ensures we maximise the impact of dedicated funding streams and fundraising. It reports to the Trustee Board. It was set up in April 2017.

Evelina Children’s Fund Committee

This committee meets quarterly and is responsible for considering applications for funding from the Evelina Children’s Fund. It reports to the Trust Engagement Committee.

Cancer Funds Committee

This committee meets three times a year and is responsible for overseeing Special Purpose Funds benefiting cancer services and considering applications for funding to improve cancer care at Guy’s and St Thomas’ NHS Foundation Trust. It reports to the Trust Engagement Committee.

Relationship with other charities

Newcomen Collett Foundation

The Charity has the right to appoint a representative governor to serve on the Newcomen Collett Foundation Board of Trustees.

St Olave’s & St Saviour’s Schools Foundation

The Charity has the right to appoint a representative to serve on the Foundation Court of Governors of St Olave’s & St Saviour’s Schools Foundation.

Mr Malcolm Edwards is serving as Foundation Court Governor (Trustee) for St Olave’s & St Saviour’s Schools Foundation until February 2019.

Mrs Elizabeth Edwards is serving as Foundation Court Governor (Trustee) for St Olave’s and St Saviour’s Schools Foundation until May 2021.

Advisors

Auditors (Statutory)

Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

Auditors (Internal)

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Bankers

NatWest
91 Westminster Bridge Road
London SE1 7HT

Insurance Brokers

H W Wood Limited
The Baltic Exchange
38 St Mary Axe
London EC3A 8BH

Investment Advisors

Partners Capital LLP
5 Young Street
London W8 5E

Land Agents

Savills
Rolfes House
60 Milford Street
Salisbury SP1 2BP

Property Managers

Allsop Letting and Management
Princes House
53-54 Queens Road
Brighton BN1 3XB

Fresh Student Living
Third Floor
7-9 Swallow Street
London W1B 4DE

Lambert Smith Hampton
UK House
180 Oxford Street
London W1D 1NN

Solicitors

Withers LLP
16 Old Bailey
London EC4M 7EG

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

Auditor's report and Financial Statements



Independent Auditor's Report To The Members And Trustees Of Guy's And St Thomas' Charity

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies exemption in preparing a strategic report.

Responsibilities of Trustees

As explained more fully in the responsibilities of the Board statement set out on page 38, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the Trustees’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company’s

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

Use of our report

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity’s Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company’s members and trustees those matters which 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 any party other than the charitable company, the charitable company’s members, as a body, and the charity’s Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Luke Holt (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor



Date: 26 October 2018
Devonshire House, 60 Goswell Road, London, EC1M 7AD
Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

(incorporating an Income and Expenditure Account)

For the year ended 31 March 2018

2018					2017				
Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	
Income from:									
Investments	2	1,670	99	16,242	18,011	2,042	45	16,264	18,351
Release from endowment funds	3	22,881	211	(23,092)	-	21,141	197	(21,338)	-
Donations, legacies and other	4	1,738	7,316	-	9,054	1,378	7,374	-	8,752
Total income		26,289	7,626	(6,850)	27,065	24,561	7,616	(5,074)	27,103
Expenditure on:									
Raising funds									
Investment costs	5	502	-	9,664	10,166	571	2	10,234	10,807
Fundraising cost	5	541	1,301	-	1,842	481	-	-	481
		1,043	1,301	9,664	12,008	1,052	2	10,234	11,288
Charitable activities									
Grants	5	9,896	10,472	-	20,368	13,326	2,491	-	15,817
Other charitable activities	5	5,506	2,751	-	8,257	1,471	2,024	-	3,495
		15,402	13,223	-	28,625	14,797	4,515	-	19,312
Total expenditure	7	16,445	14,524	9,664	40,633	15,849	4,517	10,234	30,600
Net income/(expenditure) before gains and losses on investments		9,844	(6,898)	(16,514)	(13,568)	8,712	3,099	(15,308)	(3,497)
Net gains on revaluation and disposal of investments	9	2,777	-	28,193	30,970	8,013	-	119,165	127,178
Net income/(expenditure)		12,621	(6,898)	11,679	17,402	16,725	3,099	103,857	123,681
Transfers between funds	19	(1,432)	1,432	-	-	(189)	189	-	-
Other recognised (losses)/gains									
(Loss)/gain on revaluation of tangible fixed assets	8	(4)	-	-	(4)	(701)	-	-	(701)
Net movement in funds		11,185	(5,466)	11,679	17,398	15,835	3,288	103,857	122,980
Reconciliation of funds									
Total funds brought forward		46,381	14,616	693,245	754,242	30,546	11,328	589,388	631,262
Total funds carried forward		57,566	9,150	704,924	771,640	46,381	14,616	693,245	754,242

The notes on pages 55 to 78 form part of these financial statements

Consolidated Balance Sheet

As of 31 March 2018

		2018				2017			
Notes		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March £000
Fixed assets									
Tangible assets	8	3,784	-	-	3,784	3,793	-	-	3,793
Investments	9	25,083	-	810,610	835,693	25,927	-	786,493	812,420
		28,867	-	810,610	839,477	29,720	-	786,493	816,213
Current assets									
Debtors	10	1,365	359	1,090	2,814	952	376	2,297	3,625
Inter-fund loan	11	47,350	-	(47,350)	-	39,500	-	(39,500)	-
Cash and short term deposits	12	9,547	23,788	8,311	41,646	9,349	19,091	10,406	38,846
		58,262	24,147	(37,949)	44,460	49,801	19,467	(26,797)	42,471
Creditors: Amounts falling due within one year									
Grant creditors	6	21,019	13,057	-	34,076	21,476	3,765	-	25,241
Other creditors	13	3,603	971	7,737	12,311	4,121	797	6,451	11,369
		24,622	14,028	7,737	46,387	25,597	4,562	6,451	36,610
Net current assets									
		33,640	10,119	(45,686)	(1,927)	24,204	14,905	(33,248)	5,861
Total assets less current liabilities									
		62,507	10,119	764,924	837,550	53,924	14,905	753,245	822,074
Creditors: Amounts falling due after one year									
Grant creditors	6	4,941	769	-	5,710	7,543	280	-	7,823
Other creditors		-	200	-	200	-	9	-	9
Private placement loan	14	-	-	60,000	60,000	-	-	60,000	60,000
		4,941	969	60,000	65,910	7,543	289	60,000	67,832
Total net assets									
		57,566	9,150	704,924	771,640	46,381	14,616	693,245	754,242
Funds of the charity									
Income funds									
Unrestricted		35,454	-	-	35,454	26,038	-	-	26,038
Unrestricted - revaluation reserve	18	22,112	-	-	22,112	20,343	-	-	20,343
	15	57,566	-	-	57,566	46,381	-	-	46,381
	16	-	9,150	-	9,150	-	14,616	-	14,616
Restricted		57,566	9,150	-	66,716	46,381	14,616	-	60,997
Capital funds									
Endowment funds		-	-	392,295	392,295	-	-	372,597	372,597
Endowment funds - revaluation reserve	18	-	-	312,629	312,629	-	-	320,648	320,648
	17	-	-	704,924	704,924	-	-	693,245	693,245
Total funds									
		57,566	9,150	704,924	771,640	46,381	14,616	693,245	754,242

Approved by the Trustees and signed on their behalf:



Barbara Moorehouse
26 September 2018
The notes on pages 55 to 78 form part of these financial statements

Balance Sheet

As at 31 March 2018

		2018				2017			
Notes		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March £000
Fixed assets									
Tangible assets	8	3,784	-	-	3,784	3,793	-	-	3,793
Investments	9	22,717	-	809,604	832,321	21,500	-	785,521	807,021
		26,501	-	809,604	836,105	25,293	-	785,521	810,814
Current assets									
Debtors	10	1,362	359	2,106	3,827	945	376	3,273	4,594
Inter-fund loan	11	47,350	-	(47,350)	-	39,500	-	(39,500)	-
Cash and short term deposits	12	9,509	23,788	8,301	41,598	9,319	19,091	10,396	38,806
		58,221	24,147	(36,943)	45,425	49,764	19,467	(25,831)	43,400
Creditors: Amounts falling due within one year									
Grant creditors	6	21,019	13,057	-	34,076	21,476	3,765	-	25,241
Other creditors	13	3,603	971	7,737	12,311	4,118	797	6,445	11,360
		24,622	14,028	7,737	46,387	25,594	4,562	6,445	36,601
Net current assets									
		33,599	10,119	(44,680)	(962)	24,170	14,905	(32,276)	6,799
Total assets less current liabilities									
		60,100	10,119	764,924	835,143	49,463	14,905	753,245	817,613
Creditors: Amounts falling due after one year									
Grant creditors	6	4,941	769	-	5,710	7,543	280	-	7,823
Other creditors		-	200	-	200	-	9	-	9
Private placement loan	14	-	-	60,000	60,000	-	-	60,000	60,000
		4,941	969	60,000	65,910	7,543	289	60,000	67,832
Total net assets									
		55,159	9,150	704,924	769,233	41,920	14,616	693,245	749,781
Funds of the charity									
Income funds									
Unrestricted		37,837	-	-	37,837	26,367	-	-	26,367
Unrestricted - revaluation reserve	18	17,322	-	-	17,322	15,553	-	-	15,553
	15	55,159	-	-	55,159	41,920	-	-	41,920
Restricted	16	-	9,150	-	9,150	-	14,616	-	14,616
		55,159	9,150	-	64,309	41,920	14,616	-	56,536
Capital funds									
Endowment funds	18	-	-	393,205	393,205	-	-	373,507	373,507
Endowment funds - revaluation reserve	17	-	-	311,719	311,719	-	-	319,738	319,738
		-	-	704,924	704,924	-	-	693,245	693,245
Total funds									
		55,159	9,150	704,924	769,233	41,920	14,616	693,245	749,781

Approved by the Trustees and signed on their behalf:



Barbara Moorehouse
26 September 2018
The notes on pages 55 to 78 form part of these financial statements

Consolidated Statement of Cash Flows

For the year ended 31 March 2018

	Notes	31 March 2018 £000	31 March 2017 £000
Cash flows from operating activities:			
Net cash used in operating activities		(18,677)	(35,386)
Cash flows from investing activities:			
Rents, dividends and interest from investments		18,011	18,351
Proceeds from sale of investments		102,524	182,657
Purchase of investments		(98,694)	(160,637)
Purchase of tangible fixed assets		(22)	(94)
Net cash provided by/(used in) investing activities		21,819	40,277
Change in cash and cash equivalents in the reporting period		3,142	4,891
Cash and cash equivalents at the beginning of the reporting period	12	38,846	32,813
Change in cash and cash equivalents due to exchange rate movements		(342)	1,142
Cash and cash equivalents at the end of the reporting period	12	41,646	38,846
Reconciliation of net income to net cash flow from operating activities			
		31 March 2018 £000	31 March 2017 £000
Net income for the reporting period		17,402	123,681
Adjustments for:			
Depreciation charges		44	38
Gains on investments		(30,970)	(127,178)
Programme related investments written off		4,209	58
Rents, dividends and interest from investments		(18,011)	(18,351)
Donated fixed assets		(17)	-
Decrease/(increase) in debtors		811	1,380
Increase/(decrease) in grants payable		6,722	(18,878)
Increase/(decrease) in other creditors		1,133	3,864
Net cash used in operating activities		(18,677)	(35,386)
Increase/(decrease) in grants payable comprises:			
Grants awarded		18,401	13,851
Grants paid out		(11,693)	(33,029)
Change in fair value		14	300
		6,722	(18,878)

The notes on pages 55 to 78 form part of these financial statements

Notes to the Financial Statements

1. Accounting Policies

1.1 General

The financial statements have been prepared under the historical cost convention, with the exception of: investments and works of art which are included at market value; and grant creditors payable after more than one year which are included at their present value. The financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), the Statement of Recommended Practice for Accounting and Reporting by Charities issued in January 2015 ("Charity SORP"), and applicable United Kingdom law and accounting standards. The Charity is a Public Benefit Entity as defined by FRS 102.

1.2 Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the scale of the endowments funds, the small percentage of such funds that are spent each year, the volatility of such funds and the liquidity of the funds. After making enquiries the trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Fund accounting

The Charity maintains various types of funds and descriptions of these funds are provided in notes 15 to 17. Income and expenditure on these funds is shown separately within the Statement of Financial Activities and analysed into their main components also in notes 15 to 17.

There are three main types of funds as follows:

- Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the Charity.
- Restricted funds represent funds where the grants and donations are requested by the donor to be spent on a specific purpose.
- Endowment funds are funds which are held as the long term capital of the Charity to provide an on-going income to expend in furtherance of the Charity's objects. The Charity has two types of endowment funds; those expendable at the Trustees' discretion (expendable endowment funds) and those which must be permanently held as capital (permanent endowment funds). A total return approach to investment has been adopted for both types of endowment fund under which the funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation. The Charity has developed a distribution rule which is designed to produce a consistent and sustainable amount to be transferred annually to the unrestricted fund whilst maintaining the value of the endowments in real terms over the long term (see note 3).

1.4 Critical accounting estimates and judgements

The Charity's management is required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. There is one judgement which has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, which is that relating to the discount rate applied to the calculation of the present value of grant creditors payable after more than one year. The Charity has assessed the most appropriate discount rate to be the interest rate of the inter-fund loan from the unrestricted fund to the endowment fund, as described in note 11, as this best reflects the opportunity cost of income foregone.

1.5 Incoming resources

All incoming resources received or receivable are brought into account and allocated as appropriate to one of the three types of fund – unrestricted, restricted or endowment.

- Donations, gifts, legacies and investment income are accounted for when received or when due and receipt is probable.
- Dividends and interest are brought into account gross of recoverable UK and overseas taxation.

1.6 Resources expended

All expenditure is accounted for on an accruals basis. The majority of costs are attributable directly to specific activities. Shared costs are apportioned to activities based on an estimate of the proportion of staff time spent on each of these areas of work. Expenditure in the accounts is analysed into the following activities:

- Expenditure on raising funds comprise costs incurred in managing the Charity's investment portfolio and maintaining the Charity's investment properties as well as the amount charged to the Charity for fundraising services.
- Grants awarded are brought into account when a constructive obligation exists for the Trustees to make the grant.
- Other charitable activities relate to expenditure in support of beneficiaries which is not made as part of the normal grants programme. It includes expenditure on Arts in the hospitals and day to day beneficiary expenditure incurred through special purpose funds.

1.7 Pensions contributions and employee benefits

The cost of employer contributions to the NHS Pension Scheme and other schemes is charged to the Statement of Financial Activities. The NHS Pension Scheme is an unfunded defined benefit scheme that covers NHS employers, GP practices and other bodies allowed under the direction of the Secretary of State. The Scheme is not designed to be run in a way that would enable employer bodies to identify their share of the underlying Scheme assets and liabilities. Therefore the Scheme is accounted for as a defined contribution scheme. Employer contributions to the NHS Scheme are based on 14.38% of gross salaries.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee through, for example, redundancy, or to provide termination benefits.

1.8 Allocation and apportionment of costs

Staff costs are considered on a person by person basis and allocated between expense headings on the basis of an estimate of time spent on activities in each area. Other overheads which are not directly attributable to one particular area of activity are apportioned in the same ratios as salary costs. Details of expenditure are provided in the notes to the accounts.

Notes to the Financial Statements (continued)

1.9 Tangible fixed assets

Capitalisation:

- Leasehold improvements and fixtures, fittings and equipment which are capable of being used for more than one year and have a cost equal to or greater than £5,000 are capitalised.
- Works of art which are included in the Charity's art collection are capitalised without reference to a minimum cost.

Valuation:

- Leasehold improvements and fixtures, fittings and equipment are included at cost less depreciation where applicable.
- Works of art which are included in the Charity's art collection are included at open market value where such a market exists for a particular asset. Assets for which there is no ready open market and for which the original cost is not available are included at a nominal value. The entire collection was professionally valued as at 31 March 2017.

Depreciation:

- Leasehold improvements and fixtures, fittings and equipment are depreciated on a straight line basis. Leasehold improvements are depreciated over 10 years or the term of the lease if shorter. Furniture and equipment is depreciated over 5 years. Computers and other IT hardware is depreciated over 3 years.
- The art collection is not depreciated as the residual value of works of art is considered to be at least equal to the book value.

Impairment:

- As at the balance sheet date there was no indication that the recoverable amount of any functional fixed asset was below its net book value.

1.10 Fixed asset investments

- Property assets are included at market valuation. Investment properties are professionally valued annually and the last valuation was as at 31 December 2017. The Charity also has holdings in two pooled property funds; these funds are included at their net asset value as at 31 March 2018.
- Listed investments are included in the Balance Sheet at market value.
- Unlisted Investments are valued with reference to the most recent valuations provided by the fund managers, all of which were as at 31 March 2018.

The net gains and losses arising on revaluation and disposals throughout the year are included in the statement of financial activities.

1.11 Financial instruments

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity instrument of another entity. Financial instruments are classified as either basic financial instruments or other financial instruments.

Basic financial instruments are recognised in the accounts as follows:

- Cash and cash equivalents, which includes cash at banks and in hand and short term deposits with a maturity date of three months or less, are carried at the value of the cash so held.
- Trade and other exchange transaction debtors and creditors receivable or payable within one year of the reporting date are initially recognised at their settlement amount and subsequently measured at the cash or other consideration expected to be paid or received.
- Other debt instruments subject to a market rate of interest are initially recognised at the amount of principal advanced less material arrangement or similar fees and subsequently measured at amortised cost using the effective interest method.
- Fixed asset financial investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date as described in note 1.10 above.

Other financial instruments comprise forward dated contracts for the purchase and sale of foreign currencies ("forward FX contracts") which are both initially recognised and subsequently measured at their fair value.

1.12 Grant creditors

Grant creditors are amounts committed under grant awards but not yet paid. They are non-contractual in nature and therefore not financial instruments. Grant creditors that are estimated as payable after more than one year are measured at the present value of the expected future payments discounted at a market rate of interest.

1.13 Consolidation

The consolidated financial statements include the results of the Charity and its wholly-owned subsidiary undertakings, GSTC Health Innovations Limited and GSTC Property Investments Limited. The Charity has not presented its unconsolidated income and expenditure account in accordance with the exemption under Section 408 of the Companies Act 2006.

Notes to the Financial Statements (continued)

2. Income from investments

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Financial investments								
Financial investments								
Dividends, distributions and interest								
Global equity	-	-	1,360	1,360	-	-	988	988
Absolute return	-	-	5	5	-	-	-	-
Private equity	-	-	26	26	-	-	108	108
Programme related financial investments								
Royalties and interest	7	-	-	7	11	-	-	11
	7	-	1,391	1,398	11	-	1,096	1,107
Property investments								
Property investments								
Rents	-	-	15,615	15,615	-	-	14,974	14,974
Other income	-	-	107	107	-	-	1,183	1,183
Programme related property investments								
Rents	769	-	-	769	988	-	-	988
Other income	-	-	-	-	6	-	-	6
	769	-	15,722	16,491	994	-	16,157	17,151
Interest								
Cash and short term deposits	10	99	13	122	22	45	26	93
Inter-fund loan (see note 11)	884	-	(884)	-	1,015	-	(1,015)	-
	894	99	(871)	122	1,037	45	(989)	93
	1,670	99	16,242	18,011	2,042	45	16,264	18,351

3. Release from endowment funds

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds
For disbursement under the Charity's distribution rule	22,881	-	(22,881)	-	21,141	-	(21,141)	-
Permanent endowments total return allocated to income	-	211	(211)	-	-	197	(197)	-
	22,881	211	(23,092)	-	21,141	197	(21,338)	-

The Charity aims to release 4% of the value of the expendable endowment on a smoothed basis annually to the unrestricted fund for charitable and other expenditure, whilst maintaining the value of the endowment in line with the level of the Retail Prices Index over the long term. The Charity aims to release approximately 4% of the value of the permanent endowments annually for charitable spending in accordance with their objects by way of transfers to appropriate restricted funds.

4. Income from donations, legacies and other

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Donations and legacies								
Donations	452	7,121	-	7,573	687	6,658	-	7,345
Legacies	1,249	160	-	1,409	677	691	-	1,368
	1,701	7,281	-	8,982	1,364	7,349	-	8,713
Charitable activities	-	31	-	31	-	17	-	17
Other	37	4	-	41	14	8	-	22
	1,738	7,316	-	9,054	1,378	7,374	-	8,752

Notes to the Financial Statements (continued)

5. Total expenditure

2018						
	Grants £000	Art £000	Other charitable activities £000	Total charitable activities £000	investments £000	Fundraising £000
Total £000						
Unrestricted funds						
Direct expenditure						
Property investments	-	-	-	-	334	-
Grants awarded	7,982	-	-	7,982	-	-
Other direct	-	87	5,001	5,088	-	541
	7,982	87	5,001	13,070	334	541
Support costs						
Salary and other payroll	1,317	118	177	1,612	117	-
Other support	557	47	71	675	49	-
Depreciation	26	2	3	31	2	-
	1,900	167	251	2,318	168	-
Change in fair value						
Grants creditors	14	-	-	14	-	-
	14	-	-	14	-	-
Total unrestricted funds	9,896	254	5,252	15,402	502	541
Restricted funds						
Direct expenditure						
Grants awarded	10,419	-	-	10,419	-	-
Other direct	-	-	2,531	2,531	-	1,301
	10,419	-	2,531	12,950	-	1,301
Support costs						
Salary and other payroll	34	-	148	182	-	-
Other support	18	-	69	87	-	-
Depreciation	1	-	3	4	-	-
	53	-	220	273	-	-
Total restricted funds	10,472	-	2,751	13,223	-	1,301
Endowment funds						
Direct expenditure						
Financial investments	-	-	-	-	2,748	-
Property investments	-	-	-	-	4,148	-
	-	-	-	-	6,896	-
Support costs						
Salary and other payroll	-	-	-	-	373	-
Other support	-	-	-	-	157	-
Depreciation	-	-	-	-	7	-
	-	-	-	-	536	-
Interest costs						
Private placement loan	-	-	-	-	2,232	-
	-	-	-	-	2,232	-
Total endowment funds	-	-	-	-	9,664	-
	20,368	254	8,003	28,625	10,166	1,842
Of which:						
Total direct expenditure	18,401	87	7,532	26,020	7,230	1,842

2017						
	Grants £000	Art £000	Other charitable activities £000	Total charitable activities £000	Investments £000	Fundraising £000
Total £000						
Unrestricted funds						
Direct expenditure						
Property investments	-	-	-	-	411	-
Grants awarded	11,402	-	-	11,402	-	-
Other direct	-	187	828	1,015	-	481
	11,402	187	828	12,417	411	481
Support costs						
Salary and other payroll	948	151	122	1,221	96	-
Other support	655	98	79	832	62	-
Depreciation	21	3	3	27	2	-
	1,624	252	204	2,080	160	-
Change in fair value						
Grants creditors	300	-	-	300	-	-
	300	-	-	300	-	-
Total unrestricted funds	13,326	439	1,032	14,797	571	481
Restricted funds						
Direct expenditure						
Grants awarded	2,449	-	-	2,449	-	-
Other direct	-	-	1,844	1,844	-	-
	2,449	-	1,844	4,293	-	-
Support costs						
Salary and other payroll	25	-	103	128	-	-
Other support	16	-	75	91	2	-
Depreciation	1	-	2	3	-	-
	42	-	180	222	2	-
Total restricted funds	2,491	-	2,024	4,515	2	-
Endowment funds						
Direct expenditure						
Financial investments	-	-	-	-	4,831	-
Property investments	-	-	-	-	2,672	-
	-	-	-	-	7,503	-
Support costs						
Salary and other payroll	-	-	-	-	296	-
Other support	-	-	-	-	197	-
Depreciation	-	-	-	-	6	-
	-	-	-	-	499	-
Interest costs						
Private placement loan	-	-	-	-	2,232	-
	-	-	-	-	2,232	-
Total endowment funds	-	-	-	-	10,234	-
	15,817	439	3,056	19,312	10,807	481
Of which:						
Total direct expenditure	13,851	187	2,672	16,710	7,914	481

Notes to the Financial Statements (continued)

5. Analysis of total expenditure (continued)

The Charity's fundraising activities have been undertaken since February 2011 by a King's Health Partners consolidated unit within King's College London and until 30 June 2017 the Charity paid a contribution to the consolidated unit's costs based on a fixed formula. With effect from 1 July 2017 the Charity entered into a contractual relationship with King's College London for fundraising services in exchange for a fixed annual fee based upon the actual cost of providing the services.

Total expenditure includes auditor's remuneration of £25,712 (2017: £28,506) in respect of the external audit of the statutory accounts.

Direct charitable expenditure

	Total 2014 £000	Total 2015 £000	Total 2016 £000	Total 2017 £000	Total 2018 £000	Total 2014-2018 £000
By activity - five year profile						
Grants						
Unrestricted	25,005	17,088	7,699	11,402	7,982	69,176
Restricted	734	1,804	1,367	2,449	10,419	16,773
	25,739	18,892	9,066	13,851	18,401	85,949
Art	130	106	177	187	87	687
Other charitable activities						
Special purpose funds	2,065	1,357	2,091	1,844	2,531	9,888
Donations and other charitable support	626	417	-	436	-	1,479
Charity commissioned activities	187	223	155	224	639	1,428
Value of asset contribution to new Ronald McDonald House	-	6,993	-	-	-	6,993
Programme related investment write down	-	-	-	-	4,209	4,209
Other	65	158	209	168	153	753
	2,943	9,148	2,455	2,672	7,532	24,750
	28,812	28,146	11,698	16,710	26,020	111,386

By recipient - five year profile

Guy's and St Thomas' NHS Foundation Trust	10,691	12,554	6,868	9,711	15,445	55,269
Other King's Health Partners:						
King's College London	6,757	3,154	1,707	1,422	301	13,341
South London and Maudsley NHS Foundation Trust	2,349	725	1,463	560	40	5,137
King's College Hospital NHS Foundation Trust	76	150	-	(28)	-	198
	9,182	4,029	3,170	1,954	341	18,676
Ronald McDonald House Charities	-	6,993	-	-	-	6,993
Other organisations	8,939	4,570	1,660	5,045	10,234	30,448
	8,939	11,563	1,660	5,045	10,234	37,441
	28,812	28,146	11,698	16,710	26,020	111,386

Notes to the Financial Statements (continued)

5. Analysis of total expenditure (continued)

Direct charitable expenditure (continued)

	Total 2014 £000	Total 2015 £000	Total 2016 £000	Total 2017 £000	Total 2018 £000	Total 2014-2018 £000
By strategic priority - five year profile						
Programmes:						
Childhood obesity	-	-	-	-	1,545	1,545
Multiple long-term conditions	-	-	-	-	1,741	1,741
	-	-	-	-	3,286	3,286
Support for Guy's and St Thomas' NHS Foundation Trust:						
On-going charitable support	-	-	-	-	6,655	6,655
Expenditure of appeal funds	-	-	-	-	7,974	7,974
	-	-	-	-	14,629	14,629
Programme related investment write down	-	-	-	-	4,209	4,209
	-	-	-	-	18,838	18,838
Cancer	231	849	1,817	518	-	3,415
Public health	5,777	790	943	1,615	-	9,125
Research & development	6,906	1,507	1,486	688	420	11,007
System transformation	9,865	21,941	5,368	8,746	3,409	49,329
	22,779	25,087	9,614	11,567	3,829	72,876
Other	6,033	3,059	2,084	5,143	67	16,386
	28,812	28,146	11,698	16,710	26,020	111,386

6. Grants awarded
By recipient

	Awarded Total 2018 Number	Awarded Unrestricted 2018 £000	Awarded Restricted 2018 £000	Awarded Total 2018 £000	Unrestricted Creditors 31 March 2017 £000	Restricted Creditors 31 March 2017 £000	Unrestricted Payments Made 2018 £000	Restricted Payments Made 2018 £000	Unrestricted Creditors 31 March 2018 £000	Restricted Creditors 31 March 2018 £000
Guy's and St Thomas' NHS Foundation Trust	69	2,482	10,376	12,858	11,111	3,878	(4,599)	(526)	8,994	13,728
Other King's Health Partners:										
King's College London	9	256	43	299	11,927	108	(1,703)	(53)	10,480	98
South London and Maudsley NHS Foundation Trust	-	40	-	40	2,574	-	(1,318)	-	1,296	-
King's College Hospital NHS Foundation Trust	-	-	-	-	1	-	-	-	1	-
	9	296	43	339	14,502	108	(3,021)	(53)	11,777	98
Others:										
Breathe Arts Health Research	1	201	-	201	360	-	(320)	-	241	-
Grantham Practice	1	345	-	345	-	-	(100)	-	245	-
Healthwatch Lambeth	1	498	-	498	-	-	-	-	498	-
Pembroke House	2	481	-	481	-	-	(50)	-	431	-
Thames Reach	1	2,042	-	2,042	983	-	(936)	-	2,089	-
Other	27	1,580	-	1,580	2,301	59	(1,978)	(59)	1,903	-
	33	5,147	-	5,147	3,644	59	(3,384)	(59)	5,407	-
Individuals	34	57	-	57	38	-	(51)	-	44	-
	145	7,982	10,419	18,401	29,295	4,045	(11,055)	(638)	26,222	13,826
Fair value adjustments					(276)	-			(262)	-
					29,019	4,045			25,960	13,826

Notes to the Financial Statements (continued)

6. Grants awarded (continued)
By recipient (continued)

Five year profile						
	Awarded Total 2014 £000	Awarded Total 2015 £000	Awarded Total 2016 £000	Awarded Total 2017 £000	Awarded Total 2018 £000	Awarded Total 2014-2018 £000
Guy's and St Thomas' NHS Foundation Trust	7,964	10,747	4,732	7,389	12,858	43,690
Other King's Health Partners:						
King's College London	6,757	3,145	1,702	1,422	299	13,325
South London and Maudsley NHS Foundation Trust	2,341	719	1,463	560	40	5,123
King's College Hospital NHS Foundation Trust	76	150	-	(28)	-	198
	9,174	4,014	3,165	1,954	339	62,336
Others:						
Breathe Arts Health Research	1,073	-	-	165	201	1,439
Design Council	1,195	-	-	-	-	1,195
Grantham Practice	-	-	-	-	345	345
Healthwatch Lambeth	-	-	-	-	498	498
London Citizens UK	-	714	-	-	30	744
London South Bank University	-	19	-	675	-	694
Participle Limited	844	-	-	-	-	844
Pembroke House	-	-	-	-	481	481
Redthread Youth Ltd	-	20	-	313	-	333
SH24 C.I.C	3,054	-	-	104	-	3,158
Southwark CCG	231	478	475	20	-	1,204
Thames Reach	1,377	1,959	-	1,957	2,042	7,335
The Reader Organisation	467	-	-	-	-	467
Other	313	894	645	1,234	1,550	4,636
	8,554	4,084	1,120	4,468	5,147	23,373
Individuals	47	47	49	40	57	240
	25,739	18,892	9,066	13,851	18,401	85,949
	Number	Number	Number	Number	Number	Number
Guy's and St Thomas' NHS Foundation Trust	43	41	39	67	69	259
King's Health Partners:						
King's College London	24	16	20	20	9	89
South London and Maudsley NHS Foundation Trust	3	3	4	2	-	12
King's College Hospital NHS Foundation Trust	1	3	-	-	-	4
	28	22	24	22	9	105
Other organisations	23	25	23	38	33	142
Individuals	49	47	41	39	34	210
	143	135	127	166	145	716

Amounts awarded are shown net of write backs and other adjustments.

Grants to individuals are awarded to staff members of Guy's and St Thomas' NHS Foundation Trust, King's College London and South London and Maudsley NHS Foundation Trust.

Notes to the Financial Statements (continued)

7. Staff costs

Analysis of total staff costs

	2018 £000	2017 £000
Salaries and wages	1,862	1,416
Social security costs	210	164
Other pension costs	212	161
	<u>2,284</u>	<u>1,741</u>

During the year non-contractual payments of £72,000 (2017: £35,000) were made to former employees following the termination of their employment in settlement of any claims or potential claims by those employees against the Charity.

	2018	2017
Number of employees	Number	Number
Average monthly number of employees in the year	33	25

Pension creditor

	2018 £000	2017 £000
Pension contributions due but not yet paid	48	15

Key management personnel

The total employment costs of key management personnel during the year were £585,000 (2017: £504,000), of which £460,000 (2017: £395,000) was salaries, £62,000 (2017: £55,000) employer's National Insurance contributions and £63,000 (2017: £54,000) pension contributions.

8. Tangible fixed assets

Group and Company	Art Collection £000	Leasehold Improvements £000	Fixtures, Fittings and Equipment £000	Total £000
Cost or valuation				
Balance at 31 March 2017	3,615	192	201	4,008
Acquisitions	39	-	-	39
Revaluation	(4)	-	-	(4)
Balance at 31 March 2018	3,650	192	201	4,043
Depreciation				
Balance at 31 March 2017	-	56	159	215
Charge for the year	-	21	23	44
Balance at 31 March 2018	-	77	182	259
Net book value at 31 March 2018	3,650	115	19	3,784
Net book value at 31 March 2017	3,615	136	42	3,793
Original cost at 31 March 2018	4,714	192	201	5,107
Original cost at 31 March 2017	4,674	192	201	5,067

The Charity's accounting policy is to capitalise only those assets with a cost of £5,000 or above. As the majority of IT and other office equipment items purchased have a cost of less than this threshold, they are charged in full to the SoFA in the year of acquisition. During the year, the total cost of IT and other office equipment purchased was £28,000 (2017: £20,000).

Notes to the Financial Statements (continued)

9. Fixed asset investments

Group	2018			2017		
	investments	Programme related investments	Total	investments	Programme related investments	Total
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Financial investments	10	5,485	5,495	10	7,229	7,239
Property investments	-	19,588	19,588	-	18,688	18,688
	10	25,073	25,083	10	25,917	25,927
Endowment funds						
Financial investments	469,682	-	469,682	459,409	-	459,409
Property investments	340,928	-	340,928	327,084	-	327,084
	810,610	-	810,610	786,493	-	786,493
Total funds						
Financial investments	469,692	5,485	475,177	459,419	7,229	466,648
Property investments	340,928	19,588	360,516	327,084	18,688	345,772
	810,620	25,073	835,693	786,503	25,917	812,420
Company						
Unrestricted funds						
Financial investments	10	3,119	3,129	10	2,802	2,812
Property investments	-	19,588	19,588	-	18,688	18,688
	10	22,707	22,717	10	21,490	21,500
Endowment funds						
Financial investments	469,682	-	469,682	459,409	-	459,409
Property investments	339,922	-	339,922	326,112	-	326,112
	809,604	-	809,604	785,521	-	785,521
Total funds						
Financial investments	469,692	3,119	472,811	459,419	2,802	462,221
Property investments	339,922	19,588	359,510	326,112	18,688	344,800
	809,614	22,707	832,321	785,531	21,490	807,021

Notes to the Financial Statements (continued)

9.1 Investments

Group	Market Value 31 March 2017 £000	Disposals at Carrying Value £000	Acquisitions at Cost £000	Net Gains on Revaluation £000	Market Value 31 March 2018 £000
Unrestricted funds					
Financial investments					
Global equity	10	-	-	-	10
Endowment funds					
Financial investments					
Global equity	230,263	(43,478)	38,551	3,725	229,061
Hedged equity	68,590	-	-	(413)	68,177
Private equity	62,278	(14,746)	12,292	6,309	66,133
Absolute return	46,275	(938)	5	2,368	47,710
Credit	46,834	(23,606)	28,077	565	51,870
Multi-asset class	5,209	(237)	-	317	5,289
Forward FX contracts	(40)	(13,017)	13,017	1,482	1,442
	459,409	(96,022)	91,942	14,353	469,682
Property investments	327,084	(1,165)	5,152	9,857	340,928
	786,493	(97,187)	97,094	24,211	810,610
	786,503	(97,187)	97,094	24,211	810,620
Company					
Unrestricted funds					
Financial investments					
Global equity	10	-	-	-	10
Endowment funds					
Financial investments					
Global equity	230,263	(43,478)	38,551	3,725	229,061
Hedged equity	68,590	-	-	(413)	68,177
Private equity	62,278	(14,746)	12,292	6,309	66,133
Absolute return	46,275	(938)	5	2,368	47,710
Credit	46,834	(23,606)	28,077	565	51,870
Multi-asset class	5,209	(237)	-	317	5,289
Forward FX contracts	(40)	(13,017)	13,017	1,482	1,442
	459,409	(96,022)	91,942	14,353	469,682
Property investments	326,112	(1,165)	5,152	9,823	339,922
	785,521	(97,187)	97,094	24,176	809,604
	785,531	(97,187)	97,094	24,176	809,614

Notes to the Financial Statements (continued)

9.1 Investments (continued)

Analysis of market value and historic cost

	Listed UK £000	Listed Overseas £000	Unlisted UK £000	Unlisted Overseas £000	2018 Total £000	2017 Total £000
Group						
Global equity	10	229,061	-	-	229,071	230,273
Hedged equity	-	29,112	-	39,065	68,177	68,590
Private equity	-	-	3,613	62,520	66,133	62,278
Absolute return	-	47,710	-	-	47,710	46,275
Credit	-	38,081	8,497	5,292	51,870	46,834
Multi-asset class	-	-	-	5,289	5,289	5,209
Forward FX contracts	-	-	-	1,442	1,442	(40)
Property	-	-	340,887	41	340,928	327,084
Market value at 31 March 2018	10	343,964	352,997	113,649	810,620	
Market value at 31 March 2017	10	262,790	327,564	196,139		786,503
Historic cost at 31 March 2018	-	172,975	148,057	176,949	497,980	
Historic cost at 31 March 2017	0	167,868	141,940	156,036		465,843
Company						
Global equity	10	229,061	-	-	229,071	230,273
Hedged equity	-	29,112	-	39,065	68,177	68,590
Private equity	-	-	3,613	62,520	66,133	62,278
Absolute return	-	47,710	-	-	47,710	46,275
Credit	-	38,081	8,497	5,292	51,870	46,834
Multi-asset class	-	-	-	5,289	5,289	5,209
Forward FX contracts	-	-	-	1,442	1,442	(40)
Property	-	-	339,881	41	339,922	326,112
Market value at 31 March 2018	10	343,964	351,991	113,649	809,614	
Market value at 31 March 2017	10	262,789	326,592	196,138		785,531
Historic cost at 31 March 2018	-	245,408	155,116	97,453	497,977	
Historic cost at 31 March 2017	0	167,868	141,936	156,036		465,840

Notes to the Financial Statements (continued)

9.2. Programme related investments

	Market Value 31 March 2017 £000	Disposals at Carrying Value £000	Acquisitions at Cost £000	Written Down £000	Net Gains on Revaluation £000	Market Value 31 March 2018 £000
Group						
Unrestricted funds						
Property	18,688	(900)	-	-	1,800	19,588
Health innovations investments	7,229	(7)	1,600	(4,209)	872	5,485
	25,917	(907)	1,600	(4,209)	2,672	25,073
Historic cost at 31 March 2018						6,117
Historic cost at 31 March 2017						4,526
Company						
Unrestricted funds						
Property	18,688	(900)	-	-	1,800	19,588
Health innovations investments	2,802	(7)	1,600	(1,276)	-	3,119
	21,490	(907)	1,600	(1,276)	1,800	22,707
Historic cost at 31 March 2018						6,479
Historic cost at 31 March 2017						4,888

All programme related investments were unlisted and held in the United Kingdom.
Programme related investments are investments made directly in pursuit of the Charity's charitable purposes.

Notes to the Financial Statements (continued)

9.3 Net gains on revaluation and disposal of investments

	2018			2017		
	Investments £000	Programme related investments £000	Total £000	Investments £000	Programme related investments £000	Total £000
Group						
Unrestricted funds						
Unrealised gains/(losses)						
Financial investments	(1)	872	871	-	5,574	5,574
Property investments	-	1,800	1,800	-	1,439	1,439
	(1)	2,672	2,671	-	7,013	7,013
Realised gains						
Property investments	-	106	106	-	1,000	1,000
	-	106	106	-	1,000	1,000
Total funds						
Financial investments	(1)	872	871	-	5,574	5,574
Property investments	-	1,906	1,906	-	2,439	2,439
	(1)	2,778	2,777	-	8,013	8,013
Endowment funds						
Unrealised gains/(losses)						
Financial investments	14,354	-	14,354	79,418	-	79,418
Property investments	9,857	-	9,857	21,290	-	21,290
	24,211	-	24,211	100,708	-	100,708
Realised gains/(losses)						
Financial investments	4,324	-	4,324	17,364	-	17,364
Property investments	-	-	-	-	-	-
	4,324	-	4,324	17,364	-	17,364
Other gains/(losses)	(341)	-	(341)	1,093	-	1,093
Total gains/(losses)						
Financial investments	18,678	-	18,678	96,782	-	96,782
Property investments	9,857	-	9,857	21,290	-	21,290
Other	(341)	-	(341)	1,093	-	1,093
	28,194	-	28,194	119,165	-	119,165
Total funds						
Total gains/(losses)						
Financial investments	18,677	872	19,549	96,782	5,574	102,356
Property investments	9,857	1,906	11,763	21,290	2,439	23,729
Other	(341)	-	(341)	1,093	-	1,093
	28,193	2,778	30,971	119,165	8,013	127,178

Notes to the Financial Statements (continued)

9.4. Subsidiary undertakings

- The Charity owns 100% of the following subsidiary undertakings.
- GSTC Property Investments Limited (registered in England and Wales number 7369879). The principal activity of this company is investment in land and buildings with long-term development potential. The company made a loss of £34,310 for the year ended 31 March 2018 and its net assets at that date amounted to £2,245,606. Its accounts have been consolidated into the Group accounts. The Charity's investment in this subsidiary undertaking has been valued at the net asset value and is included in direct property investments in the Charity's accounts.
 - GSTC Health Innovations Limited (registered in England and Wales number 6852696). The principal activities of this company are investment in healthcare technology innovations arising out of King's Health Partners (and the wider entrepreneurial community in Lambeth and Southwark) and commercialisation of these innovations. The company made a loss of £2,054,457 for the year ended 31 March 2018 and its net assets at that date amounted to £3,904,038. Its accounts have been consolidated into the Group accounts. The Charity's investment in this subsidiary undertaking has been valued at the original cost of the share capital purchased of £1,497,434.
 - GSTC Health Investments Limited (registered in England and Wales number 6861110). This company is dormant and did not make a profit or loss for the year ended 31 March 2018. Its net assets at that date were £1. The Charity's investment in this subsidiary undertaking has valued at it original cost of £1.
- Summary accounts for the active subsidiaries are shown below:

GSTC Property Investments Ltd			
Summary Income and Expenditure account for the year ended 31 March 2018		Summary Balance Sheet as at 31 March 2018	
	£		£
Gross income	12,770	Tangible fixed assets	3,252,150
Expenditure	(47,080)	Net current assets	1,986
Net loss	(34,310)	Total assets less net current liabilities	3,254,136
		Creditors due after one year	(1,008,530)
		Net assets and shareholder's funds	2,245,606
GSTC Health Innovations Ltd			
Summary Income and Expenditure account for the year ended 31 March 2018		Summary Balance Sheet as at 31 March 2018	
	£		£
Gross income	6,830	Tangible fixed assets	3,863,717
Expenditure	(71)	Net current assets	40,321
Net income	6,759	Total assets less net current liabilities	3,904,038
Investment losses	(2,061,215)	Net assets and shareholder's funds	3,904,038
Net loss	(2,054,456)		

Notes to the Financial Statements (continued)

10. Debtors

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Debtors falling due within one year	1,365	359	1,090	2,814	942	376	2,297	3,615
Debtors falling due after one year	-	-	-	-	10	-	-	10
	1,365	359	1,090	2,814	952	376	2,297	3,625
Company								
Debtors falling due within one year	1,362	359	1,097	2,818	935	376	2,298	3,609
Debtors falling due after one year	-	-	1,009	1,009	10	-	975	985
	1,362	359	2,106	3,827	945	376	3,273	4,594

10.1 Debtors falling due within one year

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Prepayments	61	-	27	88	137	-	202	339
Accrued income	1,100	253	235	1,588	530	198	262	990
Due from sale of investments	-	-	75	75	-	-	-	-
Other debtors	204	106	753	1,063	275	178	1,833	2,286
	1,365	359	1,090	2,814	942	376	2,297	3,615
Company								
Prepayments	61	-	27	88	137	-	202	339
Accrued income	1,097	253	246	1,596	529	198	273	999
Due from sale of investments	-	-	75	75	-	-	-	-
Other debtors	204	106	749	1,059	269	178	1,824	2,271
	1,362	359	1,097	2,818	935	376	2,298	3,609

10.2. Debtors falling due after one year

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group	-	-	-	-	10	-	-	10
Charitable loans	-	-	-	-	10	-	-	10
Company								
Loan to subsidiary undertaking	-	-	1,009	1,009	-	-	975	975
Charitable loans	-	-	-	-	10	-	-	10
	-	-	1,009	1,009	10	-	975	985

The loan to a subsidiary undertaking is a loan to GSTC Property Investments Ltd. It is drawn down under a facility of £9,000,000, is secured by a fixed and floating charge over the assets of that company, bears interest at a rate of 4.5% per annum, and is repayable no later than 9 December 2034.

Notes to the Financial Statements (continued)

11. Inter-fund loan

Within the unrestricted fund, the Charity's policy is to closely match grant liabilities and the balance on the distribution account with cash or cash equivalents. In order to enable the unrestricted fund to obtain a better return on this cash than would be available in the money market without incurring additional market risk, on 9 April 2013 the unrestricted fund lent £50,000,000 to the endowment fund. Since then, the unrestricted fund has received interest on this loan at a rate of 12 month sterling LIBOR + 1.25%. At 31 March 2017 the balance outstanding was £39,500,000 and during the year ended 31 March 2018 the balance fluctuated between this amount and a maximum of £53,000,000. At 31 March 2018 the balance was £47,350,000. The interfund loan has been extended to 8 April 2023 with a cap of £65m and the interest rate from 9 April 2018 decreased to 12 month sterling LIBOR + 0.80%.

12. Cash and short term deposits

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Short term deposits								
within one month	-	1,250	-	1,250	4,069	9,091	8,840	22,000
between one month and three months	-	2,500	-	2,500	-	2,500	-	2,500
between three months and one year	-	11,250	-	11,250	-	7,500	-	7,500
	-	15,000	-	15,000	4,069	19,091	8,840	32,000
Cash at bank and in hand	9,547	8,788	8,311	26,646	5,280	(0)	1,566	6,846
	9,547	23,788	8,311	41,646	9,349	19,091	10,406	38,846
Company								
Short term deposits								
within one month	-	1,250	-	1,250	4,069	9,091	8,840	22,000
between one month and three months	-	2,500	-	2,500	-	2,500	-	2,500
between three months and one year	-	11,250	-	11,250	-	7,500	-	7,500
	-	15,000	-	15,000	4,069	19,091	8,840	32,000
Cash at bank and in hand	9,509	8,788	8,301	26,598	5,250	(0)	1,556	6,806
	9,509	23,788	8,301	41,598	9,319	19,091	10,396	38,806

13. Other creditors falling due within one year

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Purchase creditors	899	-	2,251	3,150	3,451	-	2,462	5,913
Accruals	1,748	-	3,444	5,192	71	-	1,832	1,903
Deferred investment property income	137	-	2,042	2,179	199	-	2,157	2,356
Tax and social security	84	-	-	84	61	-	-	61
Other creditors	735	971	-	1,706	339	797	-	1,136
	3,603	971	7,737	12,311	4,121	797	6,451	11,369
Company								
Purchase creditors	899	-	2,251	3,150	3,451	-	2,462	5,913
Accruals	1,748	-	3,444	5,192	71	-	1,832	1,903
Deferred investment property income	137	-	2,042	2,179	197	-	2,151	2,348
Tax and social security	84	-	-	84	61	-	-	61
Other creditors	735	971	-	1,706	338	797	-	1,135
	3,603	971	7,737	12,311	4,118	797	6,445	11,360

Deferred investment property income represents rent received in advance of the period to which it relates and generally arises where, under the terms of a property lease, rent is due to be paid in advance at the commencement of a quarterly or half-yearly rental period. For the years ended 31 March 2017 and 2018, no income was deferred for more than six months and all amounts included in deferred income at the end of each year were released to the statement of financial activities during the subsequent year.

Notes to the Financial Statements (continued)

14. Private placement loan

The private placement loan is a £60,000,000 loan advanced to the Charity by way of a senior loan note issued on 21 December 2015. The loan bears interest at a fixed rate of 3.72% per annum and is repayable on 21 December 2045 unless previously repaid.

15. Unrestricted funds

Group	Balance 1 April 2017 £000	Income £000	Expenditure £000	Transfers £000	Gains and Losses £000	Balance 31 March 2018 £000
Programme related investment funds						
Charitable property fund	18,688	-	-	(900)	1,800	19,588
Health innovations investments fund	7,229	-	(4,243)	1,627	977	5,590
	25,917	-	(4,243)	727	2,777	25,178
Art collection fund	3,615	-	-	39	(4)	3,650
Distribution account	16,849	26,289	(12,202)	(2,198)	-	28,738
	46,381	26,289	(16,445)	(1,432)	2,773	57,566
Company						
Programme related investment funds						
Charitable property fund	18,688	-	-	(900)	1,800	19,588
Health innovations investments fund	2,802	-	(1,276)	1,593	105	3,224
	21,490	-	(1,276)	693	1,905	22,812
Art collection fund	3,615	-	-	39	(4)	3,650
Distribution account	16,815	26,282	(12,236)	(2,164)	-	28,697
	41,920	26,282	(13,512)	(1,432)	1,901	55,159

The distribution account represents the free reserves of the Charity.

16. Restricted funds

Group and Company	Balance 1 April 2017 £000	Income £000	Expenditure £000	Transfers £000	Gains and Losses £000	Balance 31 March 2018 £000
Material funds						
The Evelina Children's Hospital Appeal	4,477	4,965	(8,678)	-	-	764
Children's Heart Fund	347	88	(22)	-	-	413
Integrated Cancer Centre Fund	920	380	(932)	-	-	368
Neonatal Unit	336	76	(87)	-	-	325
Masterstroke - Polycythaemia	478	13	(168)	-	-	323
LFRUPA	448	29	(182)	-	-	295
MPN Voice fund	245	93	(108)	-	-	230
Teenage & Young Adult Haematology/Oncology	183	1	-	-	-	184
Samaritan Fund	404	128	(358)	-	-	174
Guy's Hospital Nurses League	250	-	(78)	-	-	172
St John's Hospital	169	2	-	-	-	171
St Thomas' Wegener's Trust fund	188	8	(37)	-	-	159
Department of Nuclear Medicine Fund	127	35	(5)	-	-	157
Breast Cancer Research fund	259	18	(126)	-	-	151
Academic Cardiology Fund	39	125	(14)	-	-	150
Others (186)	5,746	1,665	(3,729)	1,432	-	5,114
	14,616	7,626	(14,524)	1,432	-	9,150

Notes to the Financial Statements (continued)

16. Restricted funds (continued)

A full list of all financial transactions on restricted funds is available from the Charity.

Details of material funds at 31 March 2018:

Name of fund	Description of the nature and purpose of each fund
The Evelina Children's Hospital Appeal	For the benefit of the health and wellbeing of children and families accessing children's services at the Guy's and St Thomas' NHS Foundation Trust.
Children's Heart Fund	To support research and treatment for children with heart problems.
Integrated Cancer Centre Fund	To support the new Integrated cancer centre.
Neonatal Unit	To benefit the Neonatal Unit.
Masterstroke - Polycythaemia	To support polycythaemia research.
LFRUPA	To benefit the Lane-Fox Respiratory Unit.
MPN Voice fund	To provide medical information and emotional support to MPN patients and their families.
Teenage & Young Adult Haematology/Oncology	To support the Teenage and Young Adult Haematology/Oncology Unit.
Samaritan Fund	To benefit patients in need of financial and other assistance.
Guy's Hospital Nurses League	Training and relief of nurses, midwives or nursing assistants or former nurses.
St John's Hospital	To benefit the St. John's Institute of Dermatology.
St Thomas' Wegener's Trust fund	To improve patient education and fund research in the field of Wegener's vasculities.
Department of Nuclear Medicine Fund	To support research and departmental activities of the Department of Nuclear Medicine.
Breast Cancer Research fund	To support translational breast cancer research associated with the Breakthrough Breast Cancer Research Unit at Guy's Hospital.
Academic Cardiology Fund	To support education and research related to cardiology.

Notes to the Financial Statements (continued)

17. Endowment funds

	Balance 1 April 2017 £000	Income £000	Expenditure £000	Transfers £000	Gains and Losses £000	Balance 31 March 2018 £000
Group						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,618	(65)	(3)	-	101	1,651
The Leak Trust	1,262	(50)	(3)	-	79	1,288
The Guy's and St Thomas' Patients Amenities Fund	1,172	(47)	(2)	-	73	1,196
S J Lam Legacy Fund	734	(29)	(1)	-	46	750
Dr Reginald Curle Trust	480	(19)	(1)	-	30	490
	5,266	(210)	(10)	-	329	5,375
Expendable endowment						
General fund	687,979	(6,640)	(9,654)	-	27,864	699,549
	693,245	(6,850)	(9,664)	-	28,193	704,924
Company						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,618	(65)	(3)	-	101	1,651
The Leak Trust	1,262	(50)	(3)	-	79	1,288
The Guy's and St Thomas' Patients Amenities Fund	1,172	(47)	(2)	-	73	1,196
S J Lam Legacy Fund	734	(29)	(1)	-	46	750
Dr Reginald Curle Trust	480	(19)	(1)	-	30	490
	5,266	(210)	(10)	-	329	5,375
Expendable endowment						
General fund	687,979	(6,609)	(9,650)	-	27,829	699,549
	693,245	(6,819)	(9,660)	-	28,158	704,924

In October 2014 the Trustees resolved (i) to adopt a total return approach to investment to the five permanent endowment funds shown above pursuant to the power contained in the Charities Act 2011, and (ii) that the provisions in the Charities (Total Return) Regulations 2013 would regulate the trustees' use of the total return approach on an ongoing basis. The Charity received advice from its legal advisors Withers LLP with regard to the use of the power. Consequently, effective from 1 January 2015, these funds are invested to maximise total return and the Charity aims to release 4% of their value annually for charitable spending in accordance with their objects by way of transfers of portions of the unapplied total return to income of appropriate restricted funds. Until the power to make transfers is exercised, the unapplied total return remains invested as part of the relevant permanent endowment.

The table below sets out the dates that the values of the initial endowments (or the valuations at the nearest dates for which the information is available) were established. The initial values of the unapplied total return (in practice, the capital profits arising from the investment of the endowments) were established as at 31 December 2015.

Guy's and St Thomas' Samaritan Fund	31 March 2004
The Leak Trust	31 March 1998
The Guy's and St Thomas' Patients Amenities Fund	31 March 2001
S J Lam Legacy Fund	31 March 2013
Dr Reginald Curle Trust	31 March 1998

The note below shows the opening unapplied total return and fund transfer in the year.

Notes to the Financial Statements (continued)

17. Endowment funds (continued)

Permanent endowments - statement of total return				Trust for investment £000	Unapplied total return £000	Total endowments £000
Group and Company						
At 1 April 2017						
Gift components of the permanent endowments				2,329	-	2,329
Unapplied total return				-	2,937	2,937
				2,329	2,937	5,266
Movements during the period						
Investment return						
Realised and unrealised losses				-	329	329
				-	329	329
Allocated to income during the period				-	(220)	(220)
Net movements during the period				-	109	108
At 31 March 2018						
Gift components of the permanent endowments				2,329	-	2,329
Unapplied total return				-	3,046	3,046
Balance at 31 March 2018				2,329	3,046	5,375

Details of funds at 31 March 2018:

Name of fund	Description of the nature and purpose of each fund
Guy's and St Thomas' Samaritan Fund	For the relief of patients and former patients of the hospitals operated by the Guy's and St Thomas' NHS Foundation Trust, preference being given to those in need of financial assistance.
The Leak Trust	For medical research.
Guy's and St Thomas' Patients Amenities Fund	For the benefit of in or out patients who are or have been treated at hospitals operated by the Guy's and St Thomas' NHS Foundation Trust.
S J Lam Legacy Fund	To provide bursaries for medical students.
Dr Reginald Curle Trust	For providing extra comforts for the patients at hospitals operated by the Guy's and St Thomas' NHS Foundation Trust; and for the provision of accommodation for the use of relations.
General Fund	No restrictions on expenditure of income. Capital may be expended at Trustees' discretion.

Notes to the Financial Statements (continued)

18. Revaluation reserves

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Balance at 31 March 2017								
Financial investments	5,979	-	135,845	141,824	405	-	69,326	69,731
Property investments	15,423	-	184,803	200,226	16,117	-	162,908	179,025
Art collection	(1,059)	-	-	(1,059)	(358)	-	-	(358)
	20,343	-	320,648	340,991	16,164	-	232,234	248,398
Revaluation gain/(loss) for the year								
Financial investments (see note 9)	871	-	14,354	15,225	5,574	-	79,418	84,992
Property investments (see note 9)	1,800	-	9,857	11,657	1,439	-	21,290	22,729
Art collection (see note 8)	(4)	-	-	(4)	(701)	-	-	(701)
	2,667	-	24,211	26,878	6,312	-	100,708	107,020
Disposals during the year								
Financial investments	-	-	(32,787)	(32,787)	-	-	(12,899)	(12,899)
Property investments	(898)	-	557	(341)	(2,133)	-	605	(1,528)
	(898)	-	(32,230)	(33,128)	(2,133)	-	(12,294)	(14,427)
Balance at 31 March 2018								
Financial investments	6,850	-	117,412	124,262	5,979	-	135,845	141,824
Property investments	16,325	-	195,217	211,542	15,423	-	184,803	200,226
Art collection	(1,063)	-	-	(1,063)	(1,059)	-	-	(1,059)
	22,112	-	312,629	334,741	20,343	-	320,648	340,991
Company								
Balance at 31 March 2017								
Financial investments	1,190	-	135,846	137,036	144	-	69,327	69,471
Property investments	15,422	-	183,892	199,314	16,116	-	161,997	178,113
Art collection	(1,059)	-	-	(1,059)	(358)	-	-	(358)
	15,553	-	319,738	335,291	15,902	-	231,324	247,226
Revaluation gain/(loss) for the year								
Financial investments (see note 9)	871	-	14,354	15,225	1,046	-	79,418	80,464
Property investments (see note 9)	1,800	-	9,857	11,657	1,439	-	21,290	22,729
Art collection (see note 8)	(4)	-	-	(4)	(701)	-	-	(701)
	2,667	-	24,211	26,878	1,784	-	100,708	102,492
Disposals during the year								
Financial investments	-	-	(32,787)	(32,787)	-	-	(12,899)	(12,899)
Property investments	(898)	-	557	(341)	(2,133)	-	605	(1,528)
	(898)	-	(32,230)	(33,128)	(2,133)	-	(12,294)	(14,427)
Balance at 31 March 2018								
Financial investments	2,061	-	117,413	119,474	1,190	-	135,846	137,036
Property investments	16,324	-	194,306	210,630	15,422	-	183,892	199,314
Art collection	(1,063)	-	-	(1,063)	(1,059)	-	-	(1,059)
	17,322	-	311,719	329,041	15,553	-	319,738	335,291

Notes to the Financial Statements (continued)

19. Gross transfers between funds

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group and Company								
Restricted funds net support costs	(1,475)	1,475	-	-	(178)	178	-	-
Other transfers	43	(43)	-	-	(11)	11	-	-
	(1,432)	1,432	-	-	(189)	189	-	-

The transfer from unrestricted to restricted funds of £1,475,000 (2017: £178,000) represents the balance of the support costs incurred by the Charity in administering the restricted funds after taking account of the interest income earned on restricted fund cash balances.

20. Financial instruments

The financial statements include the following financial instruments:

	2018				2017			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Financial assets measured at fair value through statement of financial activities								
Fixed asset financial investments	5,495	-	469,682	475,177	7,239	-	459,409	466,648
Financial assets that are debt instruments measured at amortised cost								
Sales and other debtors	174	-	827	1,001	234	-	1,833	2,067
Accrued income	3	-	236	239	3	-	262	265
	177	-	1,063	1,240	237	-	2,095	2,332
Financial liabilities measured at amortised cost								
Purchase and other creditors	995	-	2,251	3,246	3,525	-	-	3,525
Accruals	1,748	-	3,444	5,192	71	-	4,294	4,365
Private placement loan	-	-	60,000	60,000	-	-	60,000	60,000
	2,743	-	65,695	68,438	3,596	-	64,294	67,890
Company								
Financial assets measured at fair value through statement of financial activities								
Fixed asset financial investments	3,129	-	469,682	472,811	2,812	-	459,409	462,221
Financial assets that are debt instruments measured at amortised cost								
Sales and other debtors	174	-	824	998	229	-	1,824	2,053
Accrued income	-	-	247	247	1	-	273	274
Loans due from subsidiary undertakings	-	-	1,009	1,009	-	-	975	975
	174	-	2,080	2,254	230	-	3,072	3,302
Financial liabilities measured at amortised cost								
Purchase and other creditors	995	-	2,251	3,246	3,525	-	-	3,525
Accruals	1,748	-	3,444	5,192	71	-	4,294	4,365
Private placement loan	-	-	60,000	60,000	-	-	60,000	60,000
	2,743	-	65,695	68,438	3,596	-	64,294	67,890

Notes to the Financial Statements (continued)

21. Trustee and connected person transactions					
Trustee expenses reimbursed			Trustees' indemnity insurance		
	2018	2017		2018	2017
	£	£		£000	£000
Travel and subsistence	2,372	2,843	Trustees' and officers' liability	26	28
	2018	2017			
	Number	Number			
Number of Trustees receiving reimbursement	2	2			
Trustees' remuneration			Transactions with trustees or connected persons		
No person received remuneration as a Trustee of Guy's and St Thomas' Charity in either the current year or the previous year.			During the year ended 31 March 2018 none of the Trustees, key members of the Charity's management or parties related to them has undertaken any material transactions with Guy's and St Thomas' Charity.		
Number of trustees					
	2018	2017			
	Number	Number			
Total number of Trustees	8	8			
22. Commitments					
There was no capital expenditure contracted or provided for at 31 March 2018 (2017 £nil). The Group has no commitments for future lease payments (2017 £nil).					

**Registered Office**

Guy's and St Thomas' Charity
Francis House
9 King's Head Yard
London SE1 1NA

Registered Charity Number

1160316

Company limited by guarantee

registered in England and Wales
9341980

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