

**ST MARK'S HOSPITAL FOUNDATION**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**



**A Future Free From The  
Fear Of Bowel Disease**

**ST MARK'S HOSPITAL FOUNDATION**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

**CHARITY NUMBER: 1140930**  
**COMPANY NUMBER: 07532184**

# A year of supporting research & education

The UK's National Bowel Hospital



Cancer,  
IBD &  
surgical  
research  
projects



Academic events



Facilitating  
the sharing  
of  
expertise



Fundraising challenge events



100's  
of  
volunteers



They chose us as

charity of the year!



## ST MARK'S HOSPITAL FOUNDATION

### TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

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## ST MARK'S HOSPITAL FOUNDATION

### TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

#### Chairman's Statement

This has been a year of change for the St Mark's Hospital Foundation and I wanted to take this opportunity to thank all of my fellow Trustees and the Foundation staff for their hard work and contributions during this period. I would also like to express my gratitude to the clinicians of St Mark's Hospital for their invaluable contributions to the advancement of knowledge through their research and education programmes.

Specifically, I would like to thank Dr Michele Marshall who has been a Trustee since 2011. September 2019 marks the end of Michele's third and final term. I would also like to thank Professor Sue Clark who completed her five-year term as Dean of the St Mark's Academic Institute at the beginning of 2019. Both Sue and Michele continue in their roles as senior clinical and research consultants at St Mark's and we look forward to working with them in this capacity.

I would like to take this opportunity to welcome a new Trustee to our Board. Moni Mannings joins in December 2019, bringing a wealth of experience from the legal and finance professions as well as the charity sector. Moni is Chair of Investec Holdings (Ireland) Ltd and also on the board of Barnardo's. In addition, I would like to extend our welcome to our new Dean of the Academic Institute, Dr Siwan Thomas-Gibson.

During the 2018/19 financial year we saw the appointment of Jason Bacon into a new role as the CEO of the St Mark's Hospital Foundation which encompasses all aspects of fundraising, facilitating research as well as operational leadership for the delivery of education and generation of income for St Mark's Academic Institute. Jason has settled in well and brings new energy and enthusiasm to this important role.

Delivering our education programme was a strategic focus alongside improving the operational and administrative support for delivery of research initiatives. A record number of education courses and more participants in postgraduate teaching resulted in higher income of £391k representing an 11% increase over the prior year. Research expenditure was also higher with £927k spent representing an increase of 18%. A significant proportion of this expenditure was drawn from existing restricted reserves. The principal driver of this increase was the robotic programme discussed below.

The management transition part way through the year and our focus to improve the operations of the Foundation has meant this year of change would inevitably impact fundraising. We successfully raised £672k from donations and legacies this year, 54% lower than £1.47m raised in the preceding year. We were still able to support our research funding needs in the year, supplemented by existing reserves. Although funds raised were significantly lower, I am confident the changes implemented this year will greatly benefit the overall activities of the Foundation as well as improve its fundraising potential over the coming years.

The Robotic Surgery programme was launched in April 2018 and has begun to see some measurable benefits in patient experience, with fewer post-operative complications and shorter length of stay in hospital as the result of delivering a more precise and minimally invasive surgical technique. 140 colorectal surgery procedures were conducted in the first 18 months and we are proud to have seed-funded and enabled the launch of this programme.

St Mark's Hospital continues to be uniquely positioned in the role it plays in bowel disease and cancer research. As the UK's National Bowel Hospital and tertiary referral centre, our medical staff have enormous expertise across all disciplines of disease diagnosis, disease management, patient care and surgery. This multi-disciplinary clinical approach reflects our research strategy, which is often multi-disciplinary itself. We contribute our expertise and complex patient experience when collaborating with many other institutions in nationwide and often global research initiatives. Many of these are highlighted in this report.

Finally, on behalf of the Board and management team I would like to thank all our donors who enable us to continue to support our mission to find solutions for complex bowel related diseases.

*Sir Tom Troubridge*

## ST MARK'S HOSPITAL FOUNDATION

### TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

The Trustees present their report and the audited financial statements for the year ended 31<sup>st</sup> March 2019. St Mark's Hospital Foundation is a company limited by guarantee, incorporated on 16<sup>th</sup> February 2011 and not having a share capital. It was registered as a charity with the Charity Commission for England and Wales on 2<sup>nd</sup> March 2011. The Foundation commenced operations on 1<sup>st</sup> April 2011, when the assets and operations of St Mark's Hospital Foundation Trust, a charity registered with the Charity Commission for England and Wales under Charity Number 1088119, were transferred to the corporate charity. The Foundation is operating under exactly the same principle and objects as the unincorporated Trust and continues to support St Mark's Hospital, particularly by funding research projects and providing support for existing educational courses and the introduction of new courses.

#### **Governance and Management**

Trustees are appointed by Ordinary Resolution or by a simple majority of all the Trustees entitled to attend and vote at any meeting of the Trustees. Trustees hold office until the end of the first meeting of the Trustees following the third anniversary of appointment or reappointment. Trustees are permitted to stand for re-election for up to two further terms of which the first shall be three years and the second two years in duration. Amongst the Trustees there is a good mix of skills with both medical and non-medical representatives bringing medical, business and financial expertise to the Board. There is also diversity of gender and age.

The Chair of Trustees was re-elected in December 2018 and two Trustees were re-elected for their second terms in September and December 2018. In September 2019 Michele Marshall completed her term as Trustee.

Jason Bacon was appointed to the new role of CEO and commenced on 1<sup>st</sup> October 2018.

The Board of Trustees administers St Mark's Hospital Foundation, meeting quarterly. The day-to-day operations of the Foundation are managed by the CEO, supported by the Manager of the Academic Institute, who reports to the Board on performance against the strategic plans approved by the Trustees at quarterly meetings, when reports from the Clinical Director and the Dean of the Academic Institute are also received.

The Trustees do not receive remuneration or derive any other personal benefit from the activities of the Foundation.

The Trustees may delegate any of their powers to a committee consisting of two or more Trustees. The following committees have been established:

#### **Finance and Audit Committee**

This consists of the Chairman (Trustee), Treasurer (Trustee), CEO and Accountant.

Expenditure is supervised by the Committee to ensure compliance with decisions taken by the Board of Trustees. The Committee presents the draft annual budget to the Board, oversees the performance of investments, helps to identify, evaluate and manage risks and oversees the effectiveness of the Foundation's external audit including appointment of the Auditors. Monthly management accounts are provided to the Trustees, giving information on income and expenditure and budget comparisons.

#### **HR Committee**

The HR Committee was disbanded at the September 2018 Board meeting. Responsibility for HR was given to the CEO with a Trustee selected as Trustee HR representative to oversee policies and to be first point of contact for any employee with HR related concerns.

#### **Fundraising Committee**

This consists of the Chairman (Trustee), three Trustees, the CEO and Fundraising Manager.

The role of the Fundraising Committee is to provide oversight of the activities of the fundraising team, to ensure that fundraising activity is in accordance with the strategic goals of the Board of Trustees. The Committee is the key conduit for communication and reporting between the fundraising team and the Board.

#### **Research Oversight Committee**

This committee does not have any direct Trustee representation. It consists of the Dean of the Academic Institute, the Clinical Director of St Mark's Hospital, senior consultant doctors and the CEO of the Foundation. The Committee reviews applications for grant funding and makes recommendations to the Board.

## Risk and Internal Control

The Trustees have overall responsibility for ensuring that the Foundation has an appropriate system of internal controls, financial and otherwise. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Foundation or for publication is reliable; and
- the Foundation complies with relevant laws and regulations.

As part of the Foundation's risk management process, the Trustees acknowledge their responsibility for the Foundation's system of internal controls and reviewing its effectiveness. It is also recognised by the Trustees that such a system is designed to manage rather than eliminate the risk of failure to achieve the Foundation's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss.

In line with the Charity Commission's guidelines on risk management, the Foundation has developed a risk register, outlining the potential risks the Foundation could face, weighing the likelihood and potential impact of each and the current and proposed actions required to mitigate those risks as appropriate. The most significant risks for the Foundation include:

- its ability to fundraise sufficient unrestricted income to cover core costs and to generate a surplus for Trustees to designate for research and education;
- the length of time from receipt of funding to research project completion.

The Trustees minimise risk to the Foundation by:

- monitoring the risks by reviewing the risk register on a regular basis;

- setting a policy on expenditure approval, signing of cheques and the authorisation of online banking transactions;
- holding regular Trustee Meetings;
- holding an Hiscox Charity Care insurance policy;
- receiving monthly management accounts comparing activity against budget;
- receiving updates during the year on current research; and
- receiving updates during the year on postgraduate education.

The above enables the Trustees to satisfy themselves that the Foundation policies are being implemented, that significant weaknesses of control identified are being promptly addressed and on the overall adequacy and effectiveness of the Foundation's system of internal control and risk management.

## Objectives and Activities for the Public Benefit

The objects of the Foundation, as set out in the Articles of Association, are restricted specifically to the promotion of research into and education in disorders of the gastro-intestinal tract and pelvic floor. The policy adopted is to provide support for research at St Mark's Hospital, by making grants for research projects approved by the Board of Trustees, and to fund the Academic Institute's postgraduate courses and lectures and the observation of surgical procedures at St Mark's Hospital for medical students from around the world.

A Multi-Media Department, funded by the Foundation, is a unique resource providing support for both research and education within St Mark's Hospital.

The Trustees refer to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

## Achievements and Activities 2018-19:

### Overview

St Mark's Hospital Foundation is dedicated to funding medical research that in turn drives clinical improvement at St Mark's Hospital and contributes to pushing the boundaries of research led knowledge externally. The Foundation also operationally facilitates the delivery of an extensive programme of education and income generating courses for the St Mark's Academic Institute. These are delivered by the medical staff at St Mark's Hospital to doctors, nurses and medical trainees who come from across the globe.

2018/19 was a period of change for the Foundation. Following the departure of the Fundraising Director in September 2018 the Trustees appointed Jason Bacon to the new role of CEO in October 2018.

The priority for this year has been to:

- strengthen the operations of the Foundation and Academic Institute;
- build closer relationships with all key stakeholders including, inter alia, the Foundation and Academic Institute's staff, hospital's medical/non-medical staff, donors and strategic supporters;
- more closely monitor progress and expenditure on research projects;
- assess if the Academic Institute can become financially independent in the long term; and
- assist the hospital management in implementing the Surgical Robot programme.

Significant progress has been made over the past twelve months. The Board is confident that the actions implemented have strengthened the Foundation and will better enable the organisation to raise funds for high quality medical research at St Mark's Hospital.

The CEO worked closely with the Research Oversight Committee to agree the strategic research priorities.

Education income in 2018-19 was £391,009, an increase of 11% over 2017-18. Voluntary income that is restricted to funding specific projects in 2018-19 was £413,968 compared with £1,181,423 in 2017/18, a decrease of 65%. Total restricted research expenditure was £875,922 (2017-18: £656,345), an increase of 33%, out of which £456,137 (2017-18: £571,406) was derived from restricted funds carried forward from the previous financial year.

The decrease in voluntary income is a consequence of, inter alia, a general slowdown in the external fundraising environment accentuated by the UK's unstable political situation, management and operational changes during the year and the Board's wish to focus research activity on existing, funded projects.

Projects attracting substantial funding included the Surgical Robot Programme, Ulcerative Colitis to cancer predisposition, the BiCyCLE bowel cancer research project and both the PERFECTS and PROGRESS diagnostics projects.

Unrestricted income for the year was £693,805, slightly lower than £731,704 in 2017-18. Unrestricted expenditure for the year was £720,240, 12% below £820,447 in the prior year.

## Achievements and Activities 2018-19 (continued):

### Major research projects funded from new and existing Restricted Funds

#### **Surgical Robotics Programme for Enhanced Minimally Invasive Surgery**

The Foundation continued to support the hospital's robotic surgery programme through its ongoing funding. This programme aims to analyse and improve the long-term health outcomes for people who require surgery for colorectal cancer. The programme exceeded its target for colorectal cancer procedures, undertaking 140 cases over the first 18 months. The Foundation has successfully funded the initial contractual cost in accordance with the terms of the agreement.

#### **BiCyCLE**

The BiCyCLE project is researching ways of boosting the immune system of bowel cancer patients to help them fight the disease. BiCyCLE addresses key medical challenges such as sarcopenia, which is weight loss that occurs in an individual due to cancer. The impact of muscle strengthening exercises Vitamin D and protein supplements on patient outcomes is being measured as a key part of this research.

#### **Predisposition for Polyps to become Cancerous**

Measuring how cancer develops from polyps in patients with FAP (Familial Adenomatous Polyposis) can help isolate additional factors impacting people with genetic predisposition. This research also analyses environmental and other factors that can increase cancer risk in any patient presenting with polyps.

#### **IBD**

Research assessing genetic and microbiological contributions to disease, fistula and pouch research and IBD-related Cancer Research are all priority areas in our IBD Research Centre. Developing new methods to effectively stratify IBD patients by their risk of developing cancer is an internationally collaborative project that St Mark's Hospital is at the heart of. The primary aim of our ongoing research is to create and then clinically test molecular biomarkers that accurately determine cancer risk in IBD patients. The Foundation, with support from a large donor, is in advanced discussions to launch the next phase of this project.

#### **PERFECTs**

The accuracy levels for identifying pre-cancerous and cancerous growths by CT Colonography (an alternative, virtual screening method significantly reducing intervention) vary widely throughout the UK, from 14% in some centres to almost 100% at St Mark's Hospital. The PERFECTs research programme aims to train all CT Colonographers in the UK to a high standard of proficiency and to provide professional accreditation. PERFECTs has the potential to address the currently highly variable reporting of pre-cancerous and cancerous growths via CT Colonography by improving the national skill level of CT Radiologists.

#### **PROGRESS**

Bowel cancer screening and surveillance has been carried out for many years in the same, standardised way. A person who has had a polyp removed at colonoscopy is entered into a surveillance programme where they receive colonoscopy at one, three and five years. This means that patients at high risk of developing bowel cancer are not necessarily receiving the intensive surveillance they require and people at low risk are having unnecessary, invasive procedures. PROGRESS has investigated the application of cutting-edge molecular pathology techniques combined with results of colonoscopy and an individual's familial cancer history to more accurately predict who will develop bowel cancer and to tailor the intensity of colonoscopies appropriately. The initial trial has shown promising results and the project has moved into the next phase to scale the investigation.



## **Achievements and Activities 2018-19 (continued):**

### **Education**

St Mark's Academic Institute, which is funded by the Foundation and supported by course fees, is dedicated to education and dissemination of best practice in the field of bowel disease at St Mark's Hospital.

Drawing on the medical, surgical and nursing expertise both at the Hospital and further afield, the Academic Institute runs over 30 specialist courses each year, attracting in excess of 1,500 practitioners from the UK and overseas. The Foundation operationally supports over 30 research fellows undertaking either MDs or PhDs. The Academic Institute supports and promotes a vibrant research ethos.

Frederick Salmon founded St Mark's Hospital in 1835 as the Benevolent Dispensary for the Relief of the Poor Afflicted with Fistula, Piles and other Diseases of the Rectum and Lower Intestines. Although the Hospital now has a far broader remit, it is fitting that Salmon's ultimate goal, benefitting the patient, remains the objective of the educational courses we offer today.

### **Academic Institute department staff within the Foundation**

- Manager (part-time)
- Multi-media consultant/producer/audio-visual co-ordinator
- Course manager
- Course assistant (part-time)
- Research co-ordinator

### **Academic Institute Course Overview**

As the first hospital in the world to specialise in colorectal disease, St Mark's Hospital has embraced the education of others. Since the 1950's doctors have come to St Mark's Hospital from all over the world to learn, with many returning to establish the specialism in their own country. The treatment of intestinal and colorectal disease has now become a specialty in its own right throughout the world and St Mark's Hospital remains at the frontier, continuing to attract around 1,200 postgraduate visitors a year from both the UK and abroad.

The St Mark's Academic Institute has access to a wealth of highly qualified and experienced staff who have a proactive attitude to education. Courses vary in length and attract a broad range of postgraduate medical staff.

All educational courses are advertised on the internet and via the medical and paramedical press. We provide facilities on all our educational courses for the disabled. Attendees, in particular for the St Mark's Hospital's Frontiers meeting and postgraduate teaching courses, are from throughout the UK as well as Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Eire, Egypt, Finland, France, Germany, Greece, Hungary, Iceland, India, Israel, Italy, Japan, Kingdom of Bahrain, Korea, Macedonia, Mongolia, Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Russia, Saudi Arabia, Serbia, Spain, Sri Lanka, Singapore, Switzerland, Taiwan, Thailand, United States of America and Uruguay.

Courses are charged at a standard and comparable rate for educational courses in this field and discounted places are often provided for trainees.

**Academic Institute 2018-19 Course List**

Another busy year for the institute successfully delivered a number of specialised courses as set out below accounting for over 3,000 people-days of academic learning and development.

<b>Course name and description</b>
<b>Frontiers in intestinal and colorectal disease</b> A lecture course covering a broad variety of topics, live surgery/endoscopy and state of the art keynote talks
<b>Postgraduate teaching terms (2 per year)</b> A surgically orientated teaching programme which includes immersion into the hospital's day-to-day activities
<b>Intestinal failure study day</b> Lectures and breakout seminars looking at chronic and acute intestinal failure and home parenteral nutrition
<b>Virtual colonoscopy course</b> A hands-on course for radiographers covering various aspects of virtual colonoscopy
<b>Chinese postgraduate teaching term</b> Lectures which focus predominantly on proctology and which is attended only by delegates from China
<b>St Mark's Association scientific meeting</b> An alumni association which organises a different scientific meeting that reflects the career of its president
<b>Open day for prospective medical students</b> An introduction to careers in medicine for sixth form students
<b>Benign Proctology</b> A work shop including lectures and a live complex anal fistula operation
<b>Nutrition, colitis and the amazing gut</b> Covering contemporary topics around colitis
<b>Surgical IBD study day</b> Covering surgical aspects of inflammatory bowel disease
<b>Techniques in Coloproctology</b> Hands on workshops, lectures and live surgery covering various aspects of coloproctology
<b>Prescribing biologics in IBD</b> Translating clinical evidence into practice
<b>Gastrointestinal study day for nurses</b> To increase understanding of a variety of gastrointestinal topics
<b>Addressing common concerns of colorectal cancer patient survivors</b> For nurses specialising in patients who have undergone treatment for bowel cancer
<b>Biliary surgical week</b> A five-day observership with an expert in the field of biliary surgery
<b>Pouch masterclass</b> Run in conjunction with industry and covering various aspects of the ileal anal pouch
<b>Gastrointestinal pathology study day</b> Identifying and reporting on gastrointestinal pathology
<b>FRCS Viva preparation for those taking their fellowship of surgery exam</b>
<b>ESD Masterclass in Colonoscopy</b> Hands on workshop for highly skilled endoscopists
<b>How to develop your laparoscopic colorectal surgery</b> Lectures and live operating looking at improving laparoscopic surgery
<b>Anopress workshops</b> in collaboration with the medical industry
<b>Continuing medical education</b> with the medical industry
<b>Gastroenterology teaching day</b>
<b>40 years of Pouch Surgery</b>
<b>Upskills course in colonoscopy</b>
<b>Abdominal Wall Reconstruction Surgery</b> - presentations and live surgery
<b>Sacral Nerve Stimulation training day</b> – hands-on and presentations
<b>VAAFT and EPSiT</b> – hands-on training with simulators

## Other Notable Educational Activities

### Research Co-ordination

The department's full-time research co-ordinator supports the Research Fellows in a number of key ways, including their medical grant applications and research impact measurement reporting. The research process can be administratively complex and we have successfully developed relationships and collaborations with other research institutions, formalised the process for collecting research metrics and developed a programme of talks for the Research Forum.

### Surgical Education and Observation including the Robotic Surgery Education Programme

As St Mark's Hospital is a tertiary referral centre of excellence, there is a high demand from both trainee and more experienced surgeons to attend courses and observe live surgery. The Robotic Surgery Education Programme is delivering a series of 1:1 clinical observations and group education days in robotic colorectal cancer surgery. We also conducted a new advanced masterclass course in innovative techniques in surgical endoscopy.

### Intestinal Failure Unit (IFU) relaunched as the Intestinal Rehabilitation Unit

St Mark's Hospital was the first hospital to have a dedicated IFU unit and we have relaunched it along with some new research into the parental nutritional care for patients.

### Education for Trainee Gastroenterologists

We increased the educational offer targeted towards trainee gastroenterologists and because of St Mark's Hospital's unique model and fully multi-disciplinary approach, these courses have proved very popular.

### Nurse Education

Following last year's launch of the new degree, Pathway for Nurses, two nurses have completed their degree award. Another four nurses have one more module to pass before they receive their awards from our academic partner, Birmingham City University. We plan to broaden the academic offer to include a Masters level degree by commencing a Post Graduate Certificate programme in early 2020.

## Policy

Historically, most voluntary donations have come from patients of St Mark's Hospital, their families and friends. The Foundation has launched a number of initiatives to support the medical staff when responding to patients who request information on how they can support research.

St Mark's Hospital Foundation does not employ agency fundraisers, does not engage in street collections aimed at the general public nor does it engage in cold calling.

The CEO and the Foundation's Fundraising Manager are members of the Institute of Fundraising. The CEO is also a member of the newly formed IoF Healthcare SIG (Special Interest Group). The Foundation ensures all members of the Fundraising Department adhered to the Institute of Fundraising's Code of Fundraising Practice. St Mark's Hospital Foundation fully complied with the Institute of Fundraising's legal requirements and best practice guidelines.

The Fundraising Department has a clear policy of not approaching potential legators or vulnerable people. St Mark's Hospital Foundation's legacy information is made available on our website. Unsolicited approaches are never made by the Foundation to create new legacies.

The Foundation is GDPR compliant and the Fundraising Department follows the policy of conducting one direct mail appeal per year to regular supporters who have received a copy of the Foundation's privacy policy and who have been given the opportunity to opt out.

# ST MARK'S HOSPITAL FOUNDATION

## TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019 (continued)

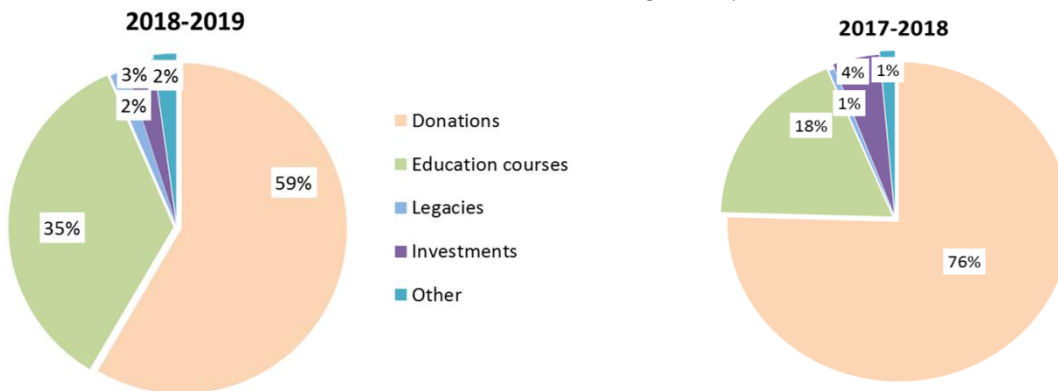
### Financial Review

#### Income

The Foundation received donations from a variety of sources and is not dependent on the support of any particular individual, corporation or class of donor. Total income for the year was £1,107,773 (2017-18: £1,913,127), a fall of 42%, with the largest driver representing donations. Donations (incl. legacy gifts) were £671,926 (2017-18: £1,468,023), a decrease of 54%.

Although income was markedly lower due to the reasons outlined earlier, the ability to fund a wide range of research projects was not impacted due to the large accumulation of reserves (approximately £3m) mainly relating to research funds from prior years.

The decrease in donations has changed the income mix in the current year. As a result, income from education courses represented a higher proportion of total income, as shown in the chart below (in absolute value terms income from education courses grew by 11% from £352,833 to £391,009).



#### Expenditure

The total expenditure for the year was £1,638,002 (2017-18: £1,575,961).

Research expenditure, up from 50% of total expenditure in 2017-18 to 57% in 2018-19, was mainly driven by the Robotic Surgical programme. Education expenditure as a percentage of total expenditure was broadly similar to last year. The cost of raising funds decreased from 19% to 14%. This was driven by efforts to be more cost efficient without impacting the Foundation's fundraising ability.



The Trustees continued to review the cash held on deposit, holding sufficient short-term cash to meet current obligations. Net outgoing resources for the year amounted to £530,229.

Total funds at the end of the year were £3,331,123, compared with £3,861,352 in the previous period.



## ST MARK'S HOSPITAL FOUNDATION

### TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019 (continued)

#### **Funds and Reserves**

The Trustees are satisfied that adequate funds are available in each fund, as shown in the notes to the accounts, for the Foundation to meet its obligations. Restricted Funds are for particular areas of research as specified by the donors. Designated Funds are those funds set aside for future research or educational projects as approved by the Trustees and expected to be fully spent over the next two financial years.

The Trustees have a policy of holding Reserves. Unrestricted Reserves are required for designation to fund the future planned activity of the Foundation, including research and education projects that the Trustees may wish to support. They are also required to provide regular cash flow to finance on-going expenditure and core support costs and to protect the Foundation's activities from any unforeseen fluctuations in income.

The Trustees reviewed the reserves policy in the year and agreed the policy remain unchanged, with a target level for unrestricted reserves equivalent to four to six months' operating expenditure (£290,000 - £435,000). Unrestricted Reserves at the year-end were £402,192, equivalent to just under six months' operating expenditure.

Restricted Reserves (representing funds raised for specific projects currently in progress) were £2,775,946 at the year-end compared with £3,232,083 at year-end in the prior year.

#### **Investments**

The objective of the Foundation's treasury policy is to produce the best financial return within an acceptable level of risk.

The Trustees have continued the policy of holding the financial assets of the charity in fixed-term sterling deposit accounts.

The funds are deposited across several financial institutions and the cash position and fixed deposit returns are monitored on a regular basis. The Treasurer reports at the regular Trustee Meetings on the performance of the deposits.

## ST MARK'S HOSPITAL FOUNDATION

### TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019 (continued)

#### Statement of Trustees' Responsibilities

The trustees (who are also the directors of the St Mark's Hospital Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

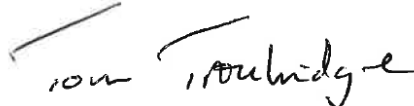
Members of the Foundation guarantee to contribute an amount not exceeding £1 to the assets of the Foundation in the event of winding up. The total number of such guarantees at 31<sup>st</sup> March 2019 was eight. The Trustees are Members of the Foundation but this entitles them only to voting rights. The Trustees have no beneficial interest in the Foundation.

#### AUDITORS

The auditors, Knox Cropper LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on 14 November 2019 and signed on its behalf by:



Sir Thomas Troubridge  
Chairman

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

### ST MARK'S HOSPITAL FOUNDATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

#### Opinion

We have audited the financial statements of St Mark's Hospital Foundation (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of 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.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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 auditors' 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.

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

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

### ST MARK'S HOSPITAL FOUNDATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of Trustees**

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of our auditor's report.

#### **Use of the audit 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. Our audit work has been undertaken, so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report or for the opinions we have formed.



**Kevin Lally**

**Senior Statutory Auditor**

**for and on behalf of Knox Cropper LLP**

**Statutory Auditors**

**65 Leadenhall Street**

**London EC3A 2AD**



**ST MARK'S HOSPITAL FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Income and Endowments</b>						
Donations and Legacies	2	280,510	-	391,416	<b>671,926</b>	1,468,023
Investment Income	3	30,856		-	<b>30,856</b>	84,589
Income from Charitable Activities: Education Courses		382,439		8,570	<b>391,009</b>	352,883
Other Incoming Resources		-	-	13,982	<b>13,982</b>	7,682
<b>Total Income and Endowments</b>		<b>693,805</b>	<b>-</b>	<b>413,968</b>	<b>1,107,773</b>	<b>1,913,127</b>
<b>Expenditure</b>						
Costs of Raising Funds	4	222,986		3,236	<b>226,222</b>	298,046
Charitable Activities	5	497,254	41,840	872,686	<b>1,411,780</b>	1,277,915
<b>Total Expenditure</b>	<b>6</b>	<b>720,240</b>	<b>41,840</b>	<b>875,922</b>	<b>1,638,002</b>	<b>1,575,961</b>
<b>Net (Expenditure)/Income before Gains and Losses on Investments</b>	<b>7</b>	<b>(26,435)</b>	<b>(41,840)</b>	<b>(461,954)</b>	<b>(530,229)</b>	<b>337,166</b>
Net Losses on Investments	10	-	-	-	-	(42,481)
<b>Net (Expenditure)/Income</b>		<b>(26,435)</b>	<b>(41,840)</b>	<b>(461,954)</b>	<b>(530,229)</b>	<b>294,685</b>
Transfers between funds	13/14	(19,698)	13,881	5,817	-	-
<b>Net Movement in Funds</b>		<b>(46,133)</b>	<b>(27,959)</b>	<b>(456,137)</b>	<b>(530,229)</b>	<b>294,685</b>
<b>Balance at 1<sup>st</sup> April 2018</b>		<b>448,325</b>	<b>180,944</b>	<b>3,232,083</b>	<b>3,861,352</b>	<b>3,566,667</b>
<b>Balance at 31<sup>st</sup> March 2019</b>		<b>402,192</b>	<b>152,985</b>	<b>2,775,946</b>	<b>3,331,123</b>	<b>3,861,352</b>

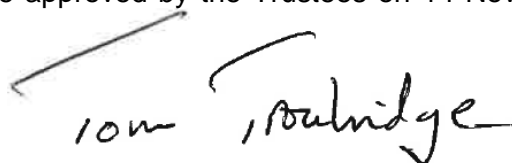
All income and expenditure has arisen from continuing activities.

**ST MARK'S HOSPITAL FOUNDATION**

**BALANCE SHEET  
AS AT 31<sup>ST</sup> MARCH 2019**

	Note	2019		2018	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	9		3,926		6,149
Investments	10		-		-
			<b>3,926</b>		<b>6,149</b>
<b>Current Assets</b>					
Debtors	11	116,622		594,989	
Notice deposits	15	3,060,000		2,971,941	
Cash at Bank and in Hand	15	318,083		844,629	
		<b>3,494,705</b>		<b>4,411,559</b>	
Creditors: Amounts falling due within one year	12	(167,508)		(556,356)	
<b>Net Current Assets</b>			<b>3,327,197</b>		<b>3,855,203</b>
<b>Net Assets</b>			<b>3,331,123</b>		<b>3,861,352</b>
<b>Funds</b>					
Restricted	14		2,775,946		3,232,083
Designated	13		152,985		180,944
Unrestricted			402,192		448,325
<b>Total Funds</b>			<b>3,331,123</b>		<b>3,861,352</b>

These financial statements were approved by the Trustees on 14 November 2019 and signed on their behalf by



Sir Thomas Troubridge  
Chairman

Company Number: 07532184

**ST MARK'S HOSPITAL FOUNDATION**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

Statement of Cash Flow	2019	2018
	£	£
<b>Cash flows from operating activities:</b>		
<b>Net cash (used in)/provided by operating activities</b>	<b>(469,343)</b>	222,482
Cash flows from investing activities:		
Dividends, interest and rents from investments	30,856	84,589
Proceeds of sale of investments	-	2,816,635
<b>Net cash provided by investing activities</b>	<b>30,856</b>	2,901,224
<b>Cash flows from financing activities</b>		
Net cash provided by/(used in) financing activities	-	-
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(438,487)</b>	3,123,706
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>3,816,570</b>	692,864
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,378,083</b>	3,816,570

Reconciliation of Net (Expenditure)/Income to Net Cash Flow from Operating Activities	2019	2018
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	<b>(530,229)</b>	294,685
Adjustments for:		
Depreciation charges	2,223	2,223
Losses on investments	-	42,481
Dividends, interest and rents from investments	<b>(30,856)</b>	(84,589)
Decrease/(increase) in debtors	<b>478,367</b>	(383,833)
(Increase)/decrease in creditors	<b>(388,848)</b>	351,515
<b>Net cash (used in)/provided by operating activities</b>	<b>(469,343)</b>	222,482

Analysis of Cash and Cash Equivalents	2019	2018
	£	£
Cash in hand	<b>318,083</b>	844,629
Notice deposits	<b>3,060,000</b>	2,971,941
<b>Total cash and cash equivalents</b>	<b>3,378,083</b>	3,816,570

## ST MARK'S HOSPITAL FOUNDATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

#### 1. ACCOUNTING POLICIES

(a) **Basis of Preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) and the Companies Act 2006.

(b) **Research Expenditure**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

The expenditure is accounted for where either the Trustees have agreed to pay without condition and the recipient has a reasonable expectation that they will receive an award, or any condition attaching to the expenditure is outside the control of the Foundation.

(c) **Tangible Fixed Assets and Depreciation**

All assets costing more than £1,000 are capitalised and all assets are valued at historic cost. Depreciation of fixed assets is calculated on cost at rates estimated to write off the assets, by equal instalments, over their expected working lives. Fixtures and fittings and office equipment are written off over five years. Computers are written off over three years. The modular building was depreciated over four years.

(d) **Income**

Research funding income is recognised in the year in which the charity receives a written commitment from the funder. Research funding is deferred only when the charity has to fulfil conditions before becoming entitled to it or the donor has specified that the income has to be spent in a future period.

All other incoming resources are included in the Statement of Financial Activities (SOFA) when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(e) **Value Added Tax**

The Foundation is not registered for VAT and accordingly, where applicable, all costs and expenditure incurred are inclusive of VAT.

(f) **Allocation of Support Costs**

Support costs have been allocated between charitable activities and fundraising. Support costs relating to charitable activities have been apportioned based on a weighted salary percentage basis. The allocation of support costs is analysed in note 6.

(g) **Costs of Raising Funds**

The cost of generating and administering voluntary income includes fundraising costs, investment managers' fees and a proportion of staff costs.



## ST MARK'S HOSPITAL FOUNDATION

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019 (continued)

#### 1. ACCOUNTING POLICIES (continued)

(h) **Charitable Activities**

Costs of charitable activities include grants made and an apportionment of overhead and support costs as shown in note 5. Overhead costs are apportioned based on the staff time spent on the charitable activities.

(i) **Fixed Asset Investments**

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(j) **Realised Gains and Losses**

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

(k) **Funds**

Unrestricted funds are funds which can be used at the Trustees' discretion. Restricted Funds are funds whose purposes have been restricted by the donor. Designated Funds are unrestricted funds which have been earmarked by the Trustees for particular purposes.

#### 2. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	2019 £	2018 £
Donations and Grants	263,670	390,731	654,401	1,457,843
Legacies	16,840	685	17,725	10,180
	280,510	391,416	671,926	1,468,023

#### 3. Investment Income

	2019 £	2018 £
Dividends and other Investment Income	-	84,503
Bank Interest	30,856	86
	30,856	84,589

**ST MARK'S HOSPITAL FOUNDATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019 (continued)**

**4. Expenditure on Raising Funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2019</b>	<b>2018</b>
	£	£	£	£
Fundraising Costs	32,228	3,236	<b>35,464</b>	99,812
Investment Management Fees	-	-	-	18,674
Governance Costs	6,188	-	<b>6,188</b>	5,232
Overheads	17,155	-	<b>17,155</b>	9,007
Staff Costs	167,415	-	<b>167,415</b>	165,321
	<b>222,986</b>	<b>3,236</b>	<b>226,222</b>	<b>298,046</b>

**5. Analysis of Charitable Activities**

	<b>Direct Expenditure</b>	<b>Support Costs</b>	<b>2019</b>	<b>2018</b>
	£	£	£	£
Research Expenditure	820,107	107,163	<b>927,270</b>	787,624
Education	411,875	72,635	<b>484,510</b>	490,291
	<b>1,231,982</b>	<b>179,798</b>	<b>1,411,780</b>	<b>1,277,915</b>

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>2019</b>	<b>2018</b>
	£	£	£	£	£
<b>Directly Incurred</b>					
Re-charged Salaries	-	-	295,597	<b>295,597</b>	418,976
Equipment	-	-	240,000	<b>240,000</b>	-
Expenses	29,283	29,021	213,079	<b>271,383</b>	317,768
Salaries	206,001	-	-	<b>206,001</b>	202,364
Courses	204,625	-	14,376	<b>219,001</b>	186,227
	<b>439,909</b>	<b>29,021</b>	<b>763,052</b>	<b>1,231,982</b>	<b>1,125,335</b>
<b>Support Costs</b>					
Salaries	44,044	-	109,634	<b>153,678</b>	136,826
Legal & Professional	2,335	-	-	<b>2,335</b>	1,233
Audit and Accountancy	3,345	-	-	<b>3,345</b>	3,097
Other Costs	7,621	12,819	-	<b>20,440</b>	11,424
	<b>57,345</b>	<b>12,819</b>	<b>109,634</b>	<b>179,798</b>	<b>152,580</b>
<b>Total Expenditure</b>	<b>497,254</b>	<b>41,840</b>	<b>872,686</b>	<b>1,411,780</b>	<b>1,277,915</b>

**ST MARK'S HOSPITAL FOUNDATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019 (continued)**

**6. Expenditure**

	<b>Research</b>	<b>Education</b>	<b>Fundraising</b>	<b>2019</b>
	£	£	£	£
<b>Directly Incurred</b>				
Re-charged Salaries	295,597	-	-	<b>295,597</b>
Equipment	240,000	-	-	<b>240,000</b>
Expenses	239,973	31,410	-	<b>271,383</b>
Salaries	44,537	161,464	-	<b>206,001</b>
Courses	-	219,001	-	<b>219,001</b>
	<b>820,107</b>	<b>411,875</b>	<b>-</b>	<b>1,231,982</b>
<b>Support Costs</b>				
Salaries	86,829	66,848	167,415	<b>321,092</b>
Legal & Professional	1,319	1,017	2,542	<b>4,878</b>
Audit and Accountancy	1,890	1,455	3,645	<b>6,990</b>
Investment Management Fees	-	-	-	<b>-</b>
Other Costs	17,125	3,315	17,155	<b>37,595</b>
Fundraising Costs	-	-	35,465	<b>35,465</b>
	<b>107,163</b>	<b>72,635</b>	<b>226,222</b>	<b>406,020</b>
<b>Total Expenditure</b>	<b>927,270</b>	<b>484,510</b>	<b>226,222</b>	<b>1,638,002</b>
	<b>Research</b>	<b>Education</b>	<b>Fundraising</b>	<b>2018</b>
	£	£	£	£
<b>Directly Incurred</b>				
Re-charged Salaries	418,976	-	-	418,976
Expenses	283,290	34,478	-	317,768
Salaries	-	202,364	-	202,364
Courses	-	186,227	-	186,227
	<b>702,266</b>	<b>423,069</b>	<b>-</b>	<b>1,125,335</b>
<b>Support Costs</b>				
Salaries	74,720	62,106	165,321	302,147
Legal & Professional	673	559	1,489	2,721
Audit and Accountancy	1,692	1,406	3,743	6,841
Investment Management Fees	-	-	18,674	18,674
Other Costs	8,273	3,151	9,007	20,431
Fundraising Costs	-	-	99,812	99,812
	<b>85,358</b>	<b>67,222</b>	<b>298,046</b>	<b>450,626</b>
<b>Total Expenditure</b>	<b>787,624</b>	<b>490,491</b>	<b>298,046</b>	<b>1,575,961</b>

**ST MARK'S HOSPITAL FOUNDATION**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019 (continued)**

**7. Net (Expenditure)/Income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/Income for the year is stated after charging:		
Depreciation	<b>2,223</b>	2,223
Auditors' remuneration for audit services	<b>6,990</b>	6,840

**8. Staff Costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Directly Employed Staff:		
Salary Costs	<b>306,403</b>	320,684
Social Security Costs	<b>25,729</b>	23,405
Pension Contributions	<b>13,421</b>	9,813
	<b>345,553</b>	353,902
Staff Seconded from Northwest London Hospitals NHS Trust	<b>154,489</b>	150,609
	<b>500,042</b>	504,511
Average number of employees during the year:		
Full-time	<b>5</b>	6
Part-time	<b>2</b>	2

Total emoluments for one employee fell within the £60,000-£70,000 band in the year (none in 2017-18). The total remuneration of the five key management personnel for the year was £228,365. (£154,037 for three key personnel in 2017-18). This included a £21,500 redundancy payment. The above disclosures relate to established posts.

Staff seconded from Northwest London Hospitals NHS Trust are in the NHS pension scheme and the recharge includes the social security costs and employer pension costs.

Details of the Trustees' remuneration are dealt with in note 16.

**9. Tangible Assets**

	<b>Land and Buildings</b>	<b>Fixtures and Fittings</b>	<b>Software</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost Brought Forward	235,000	3,499	10,584	<b>249,083</b>	249,083
Additions	-	-	-	-	-
Cost Carried Forward	235,000	3,499	10,584	<b>249,083</b>	249,083
Depreciation Brought Forward	235,000	3,393	4,541	<b>242,934</b>	240,711
Charge for Year	-	106	2,117	<b>2,223</b>	2,223
Depreciation Carried Forward	235,000	3,499	6,658	<b>245,157</b>	242,934
Net Book Value at 31.03.19	-	-	3,926	<b>3,926</b>	6,149
Net Book Value at 31.03.18	-	107	6,042	<b>6,149</b>	8,372

The land and buildings represent a prefabricated building funded by St Mark's Hospital Foundation which is used by St Mark's Hospital.



**ST MARK'S HOSPITAL FOUNDATION**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

**10. Investments**

	<b>2019 £</b>	<b>2018 £</b>
Quoted UK Stock Exchange Investments:		
Market Value at 1 <sup>st</sup> April 2018	-	2,859,118
Additions	-	304,319
Disposal Proceeds	-	(3,120,956)
Losses on Investments	-	(42,481)
Market Value at 31 <sup>st</sup> March 2019	-	-
Cash with Brokers	-	2,971,941

The investment portfolio was liquidated in February 2018, which realised a loss on investments of £42,481.

**11. Debtors**

	<b>2019 £</b>	<b>2018 £</b>
Tax Recoverable	<b>1,285</b>	8,057
Donations and Grants Receivable	<b>10,305</b>	216,668
Prepayments in respect of Robot	<b>10,000</b>	250,000
Other Debtors	<b>95,032</b>	120,264
	<b>116,622</b>	594,989

All amounts fall due within one year.

**ST MARK'S HOSPITAL FOUNDATION**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

12. **Creditors: Amounts Falling Due within One Year**

	2019 £	2018 £
Accruals and Deferred Income	24,109	123,071
Operating Lease Liability	-	250,000
Other Creditors	143,399	183,285
	<b>167,508</b>	556,356

13. **Designated Funds**

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
Chairman's Action Fund	12,481	-	(12,481)	-	-
Dean's Fund	4,978	-	(338)	5,000	9,640
Nurse Education Fund	12,658	-	(1,278)	10,081	21,461
Academic Institute Fund	2,476	-	(848)	-	1,628
Seedcorn Fund	118,960	-	(26,895)	(1,200)	90,865
Crohn's Disease Fund	15,379	-	-	-	15,379
Development Fund	14,012	-	-	-	14,012
	<b>180,944</b>	<b>-</b>	<b>(41,840)</b>	<b>13,881</b>	<b>152,985</b>

**The Chairman's Action Fund** finances discretionary projects.

**The Dean's Fund** finances general research.

**The Nurse Education Fund** finances projects for student nurses.

**The Academic Institute Fund** finances a number of projects to facilitate education including the provision of IT facilities and online access to the Academic Institute library for post-graduate students and lecturers.

**The Seedcorn Fund** finances start-up funding for education projects, research projects and research fellowships at St Mark's Hospital.

**The Crohn's Disease Fund** finances research into Crohn's disease.

**The Development Fund** finances the development of strategic plans of the Foundation.

**ST MARK'S HOSPITAL FOUNDATION**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

**14. Restricted Funds**

Restricted funds comprise the following unexpended balances of donations and grants given for specific purposes:

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
Stoma Care	2,371	1,050	(1,885)	-	1,536
Radiology	206,084	30,000	(74,290)	(490)	161,304
Colorectal Cancer Unit	23,753	72,703	(8,397)	1,500	89,559
Colorectal Cancer Research	18,883	-	(369)	-	18,514
Surgery	7,222	6,920	(7,075)	-	7,067
Medical Nutrition	186,580	8,359	(71,919)	-	123,020
Psychological Medicine	356,938	-	(37,383)	-	319,555
Polyposis	116,116	9,819	(25,398)	-	100,537
IBD Research	248,826	62,601	(71,167)	(2,621)	237,639
Pouch Research	3,752	-	-	-	3,752
Burdett	38,490	-	(34,167)	-	4,323
Nurse Education & Research	14,193	700	(2,561)	1,013	13,345
Education Support	14,429	-	(4,776)	-	9,653
Enhanced Recovery	10,303	-	-	-	10,303
Surgical Research	897,115	125,018	(180,400)	(1,275)	840,498
Flex Surgery	439,282	-	(30,784)	-	408,458
Robotic Surgical Programme	385,986	64,667	(246,045)	-	204,608
Pathology	10,910	-	-	-	10,910
Wolfson Unit for Endoscopy	110,334	19,315	(28,254)	-	101,395
Virtual Colonoscopy	93,691	-	(14,589)	490	79,592
St Marks Association	11,132	7,877	(15,476)	2,160	5,693
Other	35,693	4,939	(20,987)	5,040	24,685
<b>2018-19</b>	<b>3,232,083</b>	<b>413,968</b>	<b>(875,922)</b>	<b>5,817</b>	<b>2,775,946</b>
2017-18	2,660,677	1,181,423	(659,692)	49,675	3,232,083

Transfers represent movements between restricted fund balances, transfers from designated funds and transfers of St Mark's Academic Institute course income to cover convenors' projects.

Movements between restricted fund balances are the movement of funds not specifically restricted to one particular group of research or education to support new or ongoing restricted projects.

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**14. Restricted Funds (continued)**

The purposes of the Funds are as follows:

Stoma Care - for research into improvement of STOMA appliances  
 Radiology - for research & education in that department  
 Colorectal Cancer Unit - for research & education in that department  
 Colorectal Cancer Research - for research & education in that department  
 Surgery - for clinical research in surgery  
 Medical Nutrition - for research and education in that department  
 Psychological Medicine - for research into patient psychology  
 Polyposis - for research & education in the Polyposis Registry  
 IBD Research - for research into all forms of inflammatory bowel disease  
 Pouch Research - for research in that department  
 Burdett - to develop the Burdett Nursing Scholarship Programme in Gastro-Intestinal Nursing at St Mark's Hospital  
 Nurse Education and Research - to support training costs  
 Education Support - to fund costs for travel and attendance at conferences  
 Enhanced Recovery - for research in that department  
 Surgical Research - for general surgical research & education  
 Flex Surgery – minimally invasive surgical technique  
 Robotic Surgical Programme – for equipment rental costs  
 Pathology - for research in that department  
 Wolfson Unit for Endoscopy - for research & education in that department  
 Virtual Colonoscopy - for research into improvements to colonoscopy procedures  
 St Marks Association - to maintain and develop links between current clinical and academic staff of St Mark's Hospital, and those who have previously worked with the hospital

**15. Analysis of Assets and Liabilities between Funds**

	<b>Unrestricted and Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2019 £</b>
Fixed Assets	3,926	-	<b>3,926</b>
Current Assets:			
Debtors	105,793	10,829	<b>116,622</b>
Notice Deposits	310,000	2,750,000	<b>3,060,000</b>
Cash at Bank and In Hand	220,887	97,196	<b>318,083</b>
Liabilities	(85,429)	(82,079)	<b>(167,508)</b>
	<b>555,177</b>	<b>2,775,946</b>	<b>3,331,113</b>

**16. Trustees' Remuneration and Expenses**

No remuneration, directly or indirectly, out of the funds of the Foundation was paid or payable for the year to any Trustee or to any person or persons known to be connected with any of them. No expenses were reimbursed to any Trustee other than costs paid on behalf of the Foundation and subsequently recovered.

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**17. Pension Scheme**

The Foundation offers NEST pension scheme to its employees. Foundation matches up to 6% of the contributions made by the employees into the pension scheme. The Foundation also makes contributions into the personal pension schemes of three employees. The contribution rate for both the employee and employer is 6%. The London North West University Healthcare NHS Trust is responsible for the pension liabilities of those staff which it has seconded to the Foundation and the Foundation has no liability in respect of these staff other than the annual recharge from the NHS Trust for their services.

**18. Taxation**

St Mark's Hospital Foundation is a registered charity and is exempt from taxation in respect of income and capital gains to the extent that such income or gains are applied to exclusively charitable purposes.

**19. Lease Commitments**

On 29 March 2018, the Foundation entered into an agreement with Intuitive Surgical Limited ("Intuitive") to rent a surgical robot, the da Vinci Xi Surgical System Dual Console, for a period of 26 months. Under the terms of the agreement, the Foundation will make rental payments aggregating £520,000 until May 2020. The first payment has subsequently been made in May 2018 with the final payment due at the end of the term (May 2020). Following the agreement, the Foundation made the robot available to London North West University Healthcare NHS Trust ("Trust") to use in accordance with the terms of a Memorandum of Understanding between the Foundation and the Trust.

The Foundation has the option to acquire the robot prior to the end of the rental period for an agreed purchase price less any rental payments received by Intuitive. Alternatively, the Foundation can also request Intuitive to renew the rental agreement on terms that are mutually acceptable to Intuitive and the Foundation.

The Foundation also has a commitment under a lease agreement to pay annual charges of £4,302 (2018: £4,302) on other equipment. This agreement was renewed in May 2016 for a further five years.

The total minimum lease payments due over the lease term:

	<b>2019 Surgical Robot £</b>	<b>2019 Other £</b>	<b>2018 Surgical Robot £</b>	<b>2018 Other £</b>
<b>Due Date</b>				
Within 1 year		<b>4,302</b>	250,000	4,302
Within 2-5 years	<b>270,000</b>	<b>17,652</b>	270,000	21,954

**20. Related Party Transactions**

There were no Related Party Transactions during the year.



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**Reference and Administrative Information**

Charity Number	1140930	
Company Number	07532184	
Registered Office and Operational Address	St Mark's Hospital, Watford Road, Harrow HA1 3UJ	
Trustees	<p>The Trustees, who are also directors under company law, who served during the year and up to the date of this report (unless stated otherwise) were as follows:</p> <p>T. R. Troubridge (Chair)<sup>1,2</sup> C. Boardman<sup>1</sup> P. B. Bouscarle<sup>1</sup> A. Latchford M. J. Marshall<sup>1</sup> (retired at end of term in Sept 2019) S. Rathke (Treasurer)<sup>2</sup> M. H. Burgess (resigned 6<sup>th</sup> Jun 2018)</p> <p><i>1 Fundraising Committee member</i> <i>2 Finance Committee member</i></p>	
Secretary	M. Phutkaradze	
CEO	J. Bacon (appointed 1 <sup>st</sup> Oct 2018)	
Clinical Director of St Mark's Hospital	O. Faiz (appointed 20 <sup>th</sup> Nov 2018) R. K. S. Phillips (resigned 17 <sup>th</sup> Nov 2018)	
Dean of the St Mark's Academic Institute	S. Thomas-Gibson (appointed 31 <sup>st</sup> Jan 2019) S.K. Clark (resigned 31 <sup>st</sup> Dec 2018)	
Manager of Academic Institute	J.C. Landgrebe	
Accountants	M. Phutkaradze S. Muruganathan	
Auditors	Knox Cropper LLP, Chartered Accountants 65 Leadenhall Street, London EC3A 2AD	
Bankers	Cafcash Limited Kings Hill, West Malling Kent ME19 4TA	Lloyds Bank plc 25 Moorgate, London EC2R 6AY