



GUY'S &
ST THOMAS'
CHARITY

Annual Report and Accounts 2018/19

We're an independent urban health foundation

- > For over 500 years we've been based in the London boroughs of Lambeth and Southwark. We focus on tackling complex health issues that are prevalent locally but also prominent in other urban areas across London, the UK and internationally.

As a foundation, we tackle key health challenges that affect inner-cities. We do this by taking a whole-systems and place-based approach, running focused programmes that come at issues from different angles.

We are also the proud charity for Guy's and St Thomas' NHS Foundation Trust. In that role, we make best use of the generous donations from the public to ensure that staff are supported to be the very best and that patients have a world-class experience.

We use all our assets, including investments and properties, to have the greatest possible impact on health. By combining our resources with those of others, we create the kind of momentum that achieves meaningful change now and for future generations.



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This report reflects our considerable progress and learnings in 2018/19.

This year, we executed our plans for our first two urban health programmes, tackling childhood obesity and multiple long-term conditions. We also spent time carefully selecting new health challenges to focus on. Backed by data analysis, evidence and the views of our residents and stakeholders, we took the decision to explore the health impact of air pollution and adolescent mental health, with a plan to launch programmes on these in 2019/20.

Informed by our expert advisory committees and shaped by our internal team, our programmes are focused on impact. Personally, I've been pleased to see the innovative and wide-ranging partnerships we have established this year to help achieve our goals. This includes, as an example, our partnership with responsible investment charity ShareAction to harness the power of the investment system to tackle childhood obesity.

Our funding commitments tell one part of our story, and this report highlights the £18.9 million in charitable funding we provided to our partners.

I continue to be overwhelmed by the public's generous support for the fantastic work of our partner Guy's and St Thomas' NHS Foundation Trust. So, my thanks go to anyone who has abseiled St Thomas', run a marathon or pledged their support for its world-leading services.

Our endowment outperformed the market benchmarks considerably, with a net return of 11.3%, above our composite benchmark of 4.5%. The performance of our property portfolio was particularly strong. The year also saw a shift in our approach to use all our assets, including investment and properties, to improve people's health. One year on since committing to impact investing, we have a bespoke impact investment strategy that aligns strongly with our charitable mission and have made those first crucial investments.

A major focus for Trustees was progressing our strategic property development at Royal Street, opposite St Thomas' Hospital. Following a very competitive process, we were delighted to secure Stanhope and Baupost as our development partners for the site. We look forward to working with them, and our partners at the Trust, to deliver a world-class scheme that showcases London's emerging medtech sector and that puts health and wellbeing at its heart.

As I watch the Charity's reputation flourish and impact grow, I am indebted to the work of the excellent staff team and the support of my fellow Trustees. I am delighted to welcome Paul Brown and Yasemin Lamy to the Board this year – strengthening our expertise on areas of impact and data as we continue towards our ambitious goals.

A handwritten signature in black ink that reads "Wol Kolade".

Wol Kolade
Chair



We are now two years into our new strategy addressing complex urban health issues and I'm delighted with our progress – not just on what we're achieving, but how we're achieving it.

We often describe how we work as three distinct areas: our work as an urban health foundation, as the fundraising charity for Guy's and St Thomas' NHS Foundation Trust and as custodians of an endowment. Real life means there is much overlap, but this report illustrates excellent progress on all three fronts.

As an urban health foundation, the main focus for the year has been further developing our programmes on childhood obesity and multiple long-term conditions. We take a whole-systems approach to programmes. This means we use data, evidence and lived experience to help us target our activities, and partner with others to layer up different projects at varying scales, to achieve impact. We then share lessons to influence policy and practice elsewhere. Over the past year we've backed more than 70 initiatives and worked with a wide range of partners across sectors – from local councils to schools, and from GPs to national supermarkets.

As the fundraising charity for Guy's and St Thomas' NHS Foundation Trust, we have created an ambitious new strategy with our partners to raise more donated income. We also awarded a total of £8.6 million in charitable funding directly to the Trust. Particular highlights of the year have been the opening of the rebuilt Emergency Department and a new Rare Diseases Centre, both supported through charitable funds.

Finally, as custodians of an endowment, we have been pleased to maintain financial performance in challenging markets while also exploring ways in which our assets can further support health impact. One example of this is our emerging impact investment strategy. In 2018/19, we made two investments, in funds that tackle homelessness – which is deeply connected with ill health – and that support the innovative delivery of healthcare services.

Importantly, we have continued developing our team and how we work as an innovative funder and a responsible employer. In 2018/19 we became a Living Wage Funder and joined the 360Giving movement. We are also doing more to place diversity and inclusion at the heart of our work and this year commissioned an external review to see where we can make further improvements.

As I look ahead to the coming year, there is much to be excited about as we launch new programmes, start major fundraising campaigns and drive forward our property plans and impact investments. All our work is driven by a simple philosophy: to make change happen, you need to go to where people are. I continue to be inspired daily by our place in South London, the people we partner with, and the motivation of the team here at the Charity to make a difference.

A handwritten signature in black ink that reads "K. Boyle".

Kieron Boyle
Chief Executive



Trustees' report

Strategic Report

Achievements and performance

- In the second year of our new strategy tackling urban health issues, we developed our understanding of what works, enabling us to focus our efforts and strengthen our approach to achieving impact.

Through our urban health programmes, we worked with over 50 local and national organisations on projects of different scales, from neighbourhood schemes to international collaborations. We created an ambitious new fundraising strategy and awarded £8.6 million of charitable funding directly to Guy's and St Thomas' NHS Foundation Trust.

We also used the lessons learnt from our work in Lambeth and Southwark to inform borough, city and national policy. Our partnerships broadened to include more commercial businesses alongside public, charity and social enterprise sector organisations.

The year ending 31 March 2019 marked our first full year making impact investments and we prepared key properties for future development. We also became a Living Wage Funder and helped improve transparency and decision-making in the grant-giving sector by joining the 360Giving movement.

Priorities we set for the year

Our core strategic goals for 2018/19 reflected our organisational priorities. Ultimately, we work to drive lasting change for local people, be a leading international voice on urban health, have greater impact as a hospital fundraising charity and grow the impact we make through our endowment. In the year, we identified several key areas of focus:

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

What we did:

- Continued delivering our programmes on childhood obesity and multiple long-term conditions.
- Started developing new programmes around other major health issues: the health effects of air pollution and adolescent mental health.
- Shared emerging insights from our work and continued to build our strategic partnerships – with the Mayor of London, national charities and others – to catalyse action in London, nationally and internationally. Further influencing is a work in progress, to be tackled in 2019/20.
- Developed the team to deliver our programmes, recruiting new staff and strengthening the capability of our team.

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

What we did:

- Scoped a potential major fundraising campaign for Evelina London and started work – with more needed in 2019/20 – to raise awareness of fundraising and funding among Trust staff.
- Surpassed our target of spending through our Special Purpose Funds by nearly £1 million and built an ambitious pipeline of projects to support.
- Built in lessons to our new fundraising strategy having not achieved our target fundraised income (raised £4.8 million against our target £6.6 million).
- Established some new approaches to supporting the Trust by, for example, identifying opportunities to use our arts assets.
- As part of our work to communicate about our charitable activity, we kicked off a review of fundraising brands in late 2019. We continued to develop shared opportunities with our partners to communicate about the impact of charity funding at the Trust.

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

What we did:

- Brought in a development partner for our major site on Royal Street, opposite St Thomas' Hospital, with a plan that emphasises using the site to support the Trust, medtech businesses and health and wellbeing.
- Embedded impact investing into our work and committed our first three investments underpinned by our emerging methodology, which we will hone in the coming year.

4. Grow our impact, effectiveness and reputation

What we did:

- Developed high quality business insight, including embedding our new CRM system and starting to deliver better reporting.
- Managed lean, professional and agile services by ensuring compliance with the new data protection regulation and built our data and analytic capability.
- Agreed an approach to developing our brand and reviewed our communications infrastructure for greatest impact.

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

What we did:

- Ran comprehensive line management training and developed a new learning and development programme. The delivery of a new staff retention plan moved to later in 2019.
- Nurtured a positive organisational culture that champions our values, including reviewing how we approach inclusion and diversity.
- Supported wellbeing by focusing on work/life balance and producing a new wellbeing policy and programme, as well as ongoing investments in learning and development.



Our funding

In 2018/19, our funding helped to tackle some of the biggest urban health issues in the London boroughs of Lambeth and Southwark. We supported over 230 projects and initiatives from a broad mix of partners across both our urban health programmes and in our role as the charity for Guy's and St Thomas' NHS Foundation Trust.

In this period, our charitable expenditure was £18.9 million, which was down from last year's total figure of £26 million (£21.8 million in grants and other charitable funding plus £4.2 million of charitable investment write downs). This difference was largely because the 2017/18 expenditure included an £8 million donation to support the expansion of our children's hospital.

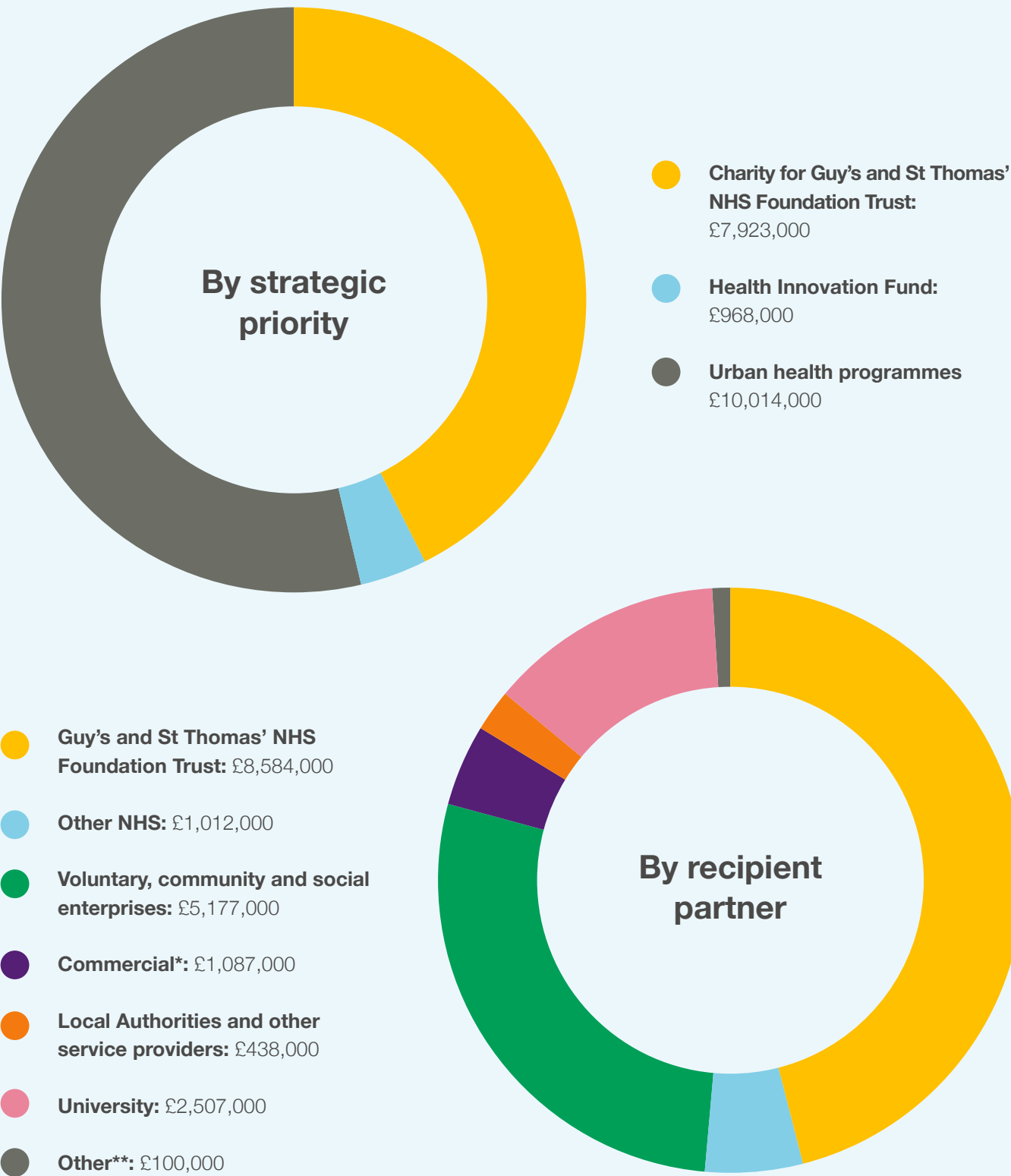
Of our total charitable expenditure this year, around £7.9 million was awarded in our role as the charity for Guy's and St Thomas' NHS Foundation Trust, helping to deliver world-class healthcare, improve patient experience and welfare and better environments for

patients, staff and visitors. Another £10 million went to support our urban health programmes on childhood obesity and multiple long-term conditions. This figure was considerably higher than £3.3 million in the previous year. Of the £10 million, £4.1 million went to childhood obesity work and a similar amount went to multiple long-term conditions. Around £1.8 million was dedicated to cross-programme activity.

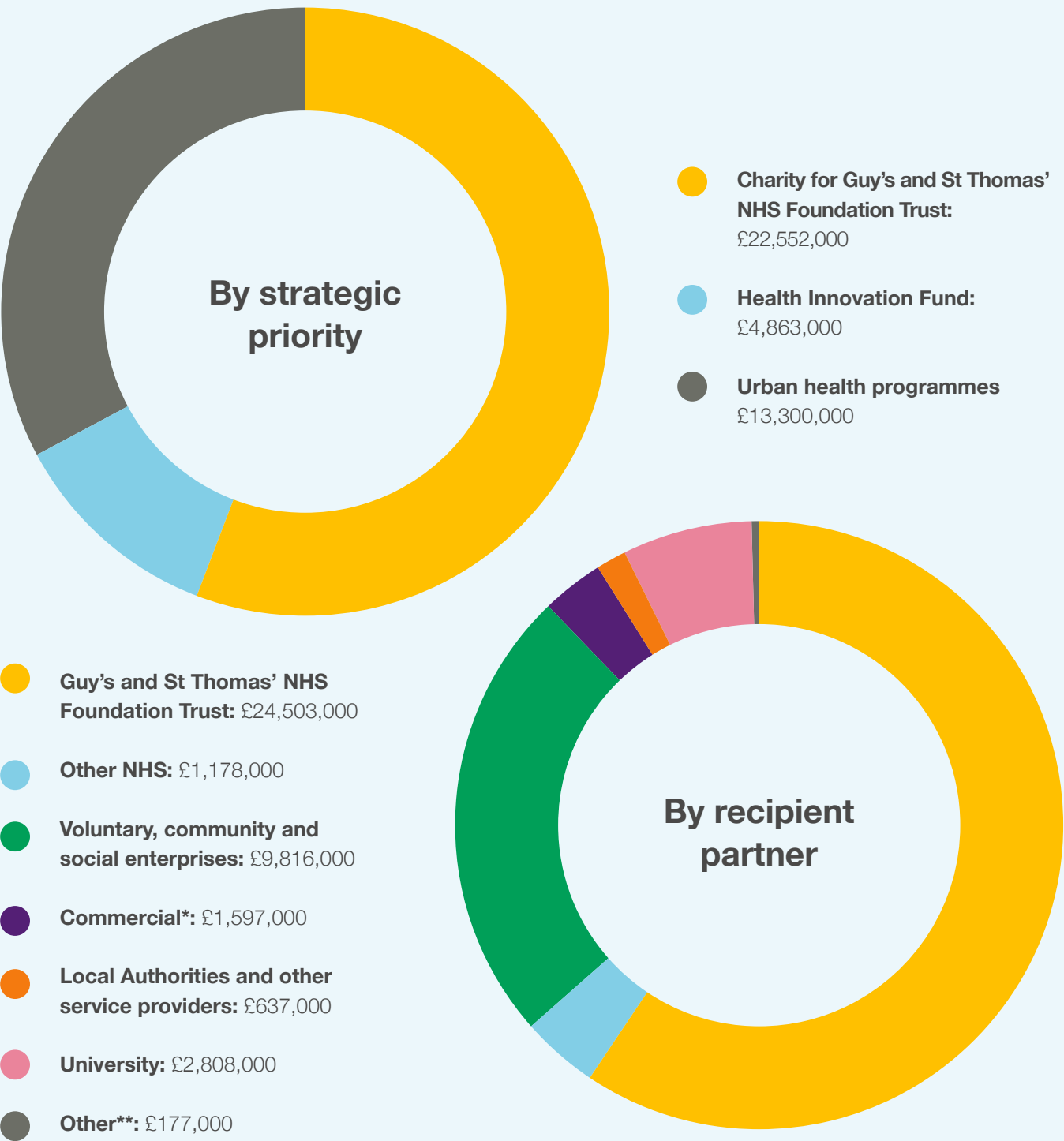
We also look to source investment from others to help tackle the urban health issues we work on. In the year, we saw around £342,000 leveraged in co-funding, which was mainly used to support our childhood obesity programme.

In 2018/19 we contributed £18.9 million to improving the health of local people

Our charitable expenditure in 2018/19
Total: £18,905,000



Two year view: 2017/18 – 2018/19
Total: £40,716,000



*This includes funding to commercial organisations to provide research, evaluation and other forms of support to our portfolio of partners across our urban health programmes

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

- All amounts are shown net of any write backs and adjustments.

- Charitable expenditure in 2017/18 as reflected in our financial statements included an additional £4,209,000 in respect of programme related write downs.



Our urban health programmes

In 2018/19 we continued developing our urban health programmes, focusing on a small number of health issues at a time. We're currently working on reducing childhood obesity and slowing people's progression to multiple long-term conditions. We also started preparations to add additional health issues around air pollution and adolescent mental health to our portfolio of programmes in 2019/20.

Our urban health programmes are long-term initiatives, and often need many different actors to take part in delivering lasting solutions. In 2018/19 we continued to build a range of interconnected projects and partners to tackle these complex health issues – working at a neighbourhood, borough, city and national level. Over the year we supported 72 new projects with a total of £10 million, working with 52 organisations, groups and communities, layering up solutions as part of our whole-systems approach.

By the end of the first year of programme delivery, our childhood obesity programme had involved over 2,500 children and young people, over 500

parents and families, 100 businesses, stores and entrepreneurs and 35 schools and early years settings. Similarly, through our multiple long-term conditions programme, we engaged with almost 1,500 residents and 25 health and voluntary sector organisations, and nearly 80 individuals were part of targeted interventions.

We take a structured approach to learning how to tackle urban health issues. This year, we had a major focus on better understanding the issues we work on. We used evidence and our work so far to bring more clarity to our programmes' strategies and how we evaluate our impact:

By the end of 2018/19, our childhood obesity programme had involved over 2,500 children and young people, more than 500 parents and families, over 100 businesses, stores and entrepreneurs and 35 schools and early years settings

- In our childhood obesity programme, we gained a deeper understanding of how to impact the environments where children and families live, play, eat and shop. We ensured that data, evidence and people's experience were at the heart of deciding where to target our efforts. We also finalised the evaluation strategy for our programme, informed by cutting-edge modelling – developed using Quality Adjusted Life Years (QALY) – to forecast the programme's potential net benefit to the health service.
- In our multiple long-term conditions work, we increased our focus on slowing down people's progression to many conditions, following our research into local prevalence and progression. As a result, our work pays great attention to the wider determinants of health alongside healthcare. We concentrate on two key routes to support working age adults at greatest risk of developing long-term health conditions: helping people improve their physical and mental health and enhance the management of their conditions, and supporting people to make changes to the social factors that influence progression to multiple conditions.

In 2018/19 we strengthened our four Neighbourhood Schemes and laid the groundwork to set up more in the near future. These hyper-local, multi-partner schemes are one way we layer up initiatives within our programmes to help us test a whole-system approach in place.

Our model is to run a small number of long-term programmes on urban health issues that are relevant to our place and in other cities around the world. This year, we also spent time and energy exploring new health issues for our future programmes of work. We carried out sophisticated data analysis, studied existing evidence, gained insight from residents in Lambeth and Southwark and held discussions with experts as well as local and national stakeholders. As a result, we will begin our next programme in autumn 2019 focusing on the health effects of air pollution and will be launching a programme on adolescent mental health in 2020.

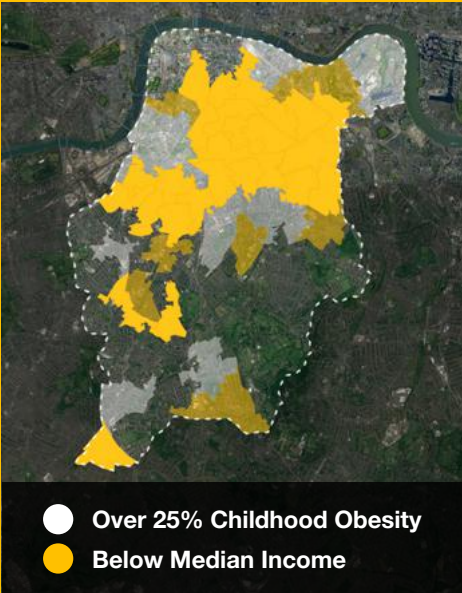
By the end of 2018/19 in our multiple long-term conditions programme, we had engaged with 1,500 residents, 25 health and voluntary sector organisations and nearly 80 individuals through targeted interventions



How we tackle childhood obesity

Narrowing our focus

We defined the impact we wanted to achieve during the early stages of developing our programme by bringing together data, evidence and people’s lived experiences



International evidence from behavioural sciences showed the environments we live in have an overwhelming impact on obesity levels. We also saw a **clear correlation between an area’s average income and childhood obesity rates**: five-year-olds from the lowest income groups are twice as likely to be obese compared to their more affluent counterparts.

So, we focused on the parts of our boroughs experiencing the highest rates of childhood obesity.

The places children spend time – their **homes, schools** and **streets** – hold many of the cues that drive eating and physical activity.

We looked at primary qualitative data to find out about the area’s assets and explored the lived experience of residents.

We identified a range of potential local partners and worked together to design projects in different ways to best fit the reality of local communities.

In 2018/19, we continued refining our approach to tackling complex urban health issues. Here’s a look at our childhood obesity programme methodology – including how we identify our goals and opportunities for impact.

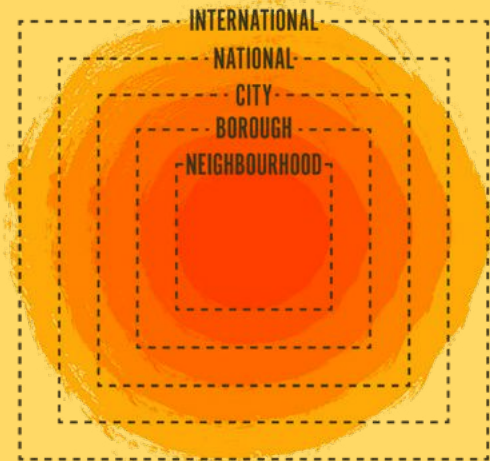
Creating a roadmap for change

Our programme theory of change sets out our assumptions for how we might achieve the impact we want to see. It also acts as our framework for testing and refining our approach as our programme evolves.

To create healthier environments for children, we have organised our programme activity into three strands:

- Streets**
Improving streets, parks, green spaces and the inside of retail outlets to increase healthy eating and physical activity
- Schools**
Improving the school environment to increase healthy eating and physical activity
- Homes**
Improving the environment in homes and early years settings to increase healthy eating and physical activity

Through these strands, we back partners and projects that impact on one or several of these connected environments. Our whole-systems approach means working across sectors, influencing policy, and working at different scales – from projects in small neighbourhoods all the way to international collaborations.



Defining our impact

Our programme goal is to reduce the high rates of childhood obesity in the least affluent neighbourhoods, bringing them closer to the levels in the most affluent areas

To achieve our goal, we will help 13,000 children in our target area reach a healthier weight

We worked with the Behavioural Insights Team (BIT) to quantify this goal and our potential impact in the context of where we work in Lambeth and Southwark.

From our work with BIT, we know that if we help 13,000 children in our target area achieve a healthier weight, this will close the gap in rates between lower-income and more affluent areas by 25%.

We believe that, by designing interventions around families and children on the lowest incomes, they’re likely to work for everyone.

Measuring our impact

We developed an outcome framework to define specific goals, measure progress and test assumptions from our theory of change.

We also wanted to understand and test the value for money that our programme offers, particularly to the State. To do that, we developed a cost-effectiveness model using Quality Adjusted Life Years (QALY). It modelled the shift in weight distribution among children against the cost of the programme. It showed that achieving our programme goal would generate more than four times the benefit to the State than the planned cost of our 10-year intervention.

We now use the QALY model as a tool to help inform our investment decisions through the programme.



Reducing childhood obesity

Here is a snapshot of some of the projects we supported to help more children achieve a healthy weight in our boroughs.

Tackling childhood obesity in Faraday

We increased our impact on childhood obesity in some of the areas in Southwark with the highest rates by investing an extra £1.2 million in the Faraday Neighbourhood Scheme. Our aim is to support over 3,000 children in the area to achieve a healthier weight by 2025. To reach this number, we’ve expanded the boundaries of the scheme to include the neighbouring wards of North Walworth and Camberwell Green. With the additional support, we introduced cooking and storing facilities for families on low incomes, and our partner Alexandra Rose Charity helped 1,900 more families to access fruit and vegetables at East Street Market.

“The risk of spending money on different food, such as a wider variety of vegetables puts many off trying new things. This approach is different.”

Kerry, mum of one and recipient of free vouchers from Alexandra Rose Charity



Collaborating for healthier shopping baskets

In February 2019, we partnered with The Consumer Goods Forum – an international consortium of major food retailers and manufacturers – to introduce its Collaboration for Healthier Lives initiative to the UK for the first time. The ambitious collaboration brought together some of the largest retailers including Tesco and Sainsbury’s to test ways to move consumers in Lambeth and Southwark towards healthier shopping baskets. This included promotions on fruit and vegetables, as well as encouraging people to swap products high in fat or sugar for healthier alternatives.

Harnessing the power of investors

We launched a new campaign to encourage investors to fund healthy food options in partnership with responsible investment charity ShareAction. The Healthy Markets campaign brought investors together to call on major food and drinks companies in the UK to change key practices including to produce healthier, affordable products, limit marketing of sugary products and provide clear and accurate food labelling.

“Investors looking for sustainable returns should take a critical look at profits driven by a sugar high.”

Catherine Howarth
Chief Executive, ShareAction



Creating healthy and affordable food options

Working with Big Society Capital and The Food Foundation, we carried out a study into consumer behaviour and the role of ‘challenger’ food brands – largely start-ups and small companies driven by a social mission – in providing healthy, tasty and affordable options, particularly for families on low incomes. We published our findings in our *Healthy Returns* report in November 2018 and shared them with investors, including in a dedicated round table. Our work in this area will continue in 2019/20, including testing a prototype investment fund to accelerate the growth of healthy, affordable food ventures for low income families.

Slowing down progression to multiple long-term conditions

Here are some examples of our portfolio of projects to help slow down people’s progression from one to many long-term conditions.



Exploring the impact of personal finances on health

In February 2019, we committed to a year-long research project with Glasgow Caledonian University to better understand the financial lives of people living with long-term conditions in Lambeth and Southwark. The findings from the FinWell project are helping us make informed decisions about how to tackle what, we believe, is one of the key social risk factors of progression to multiple long-term conditions. As part of the research methodology, residents have been recording their income, spending and other financial details over a six-month period, using tools including financial diaries that have been piloted successfully in the US.

New community hub to support better health

Working with partners in Walworth, Southwark, we planned for a new space in the community to provide coordinated support and services to people at risk of developing multiple long-term conditions. Run by Pembroke House, the ‘Walworth Living Room’ opened in 2019 and brings professionals from different disciplines together to deliver a combination of clinical and non-clinical approaches. This includes GP admin teams, finance and debt advisors, psychological therapies, and volunteer and employment opportunities.

“At the heart of this approach is a belief that a community-led social space will improve coordination and support.”

Mike Wilson
Executive Director, Pembroke House



Research to help understand progression

We launched the Multiple Long-Term Conditions Challenge Fund in November 2018 to support research projects to help us understand how healthcare and social risk factors play a part in people’s progression from one to many long-term conditions. Administered by King’s College London, the fund has awarded a total of £1 million to projects lasting up to 24 months. We are particularly interested in exploring this issue among those living on lower incomes and people from Black, Asian and Minority Ethnic (BAME) communities. The final projects will be completed in December 2020.

Understanding health at a population level

There is very little evidence on what drives progression from one to multiple health conditions. In partnership with a team from King’s College London and Outcomes Based Healthcare, we commissioned research to better understand multiple long-term conditions in specific population groups in Lambeth and Southwark. The three-year research project is identifying the groups that are at highest risk of developing multiple long-term conditions, understanding the factors driving people’s progression and developing and testing approaches to segmenting and identifying key populations. Due to be completed in 2022, the study has begun to help us understand multiple long-term conditions in greater detail than we do today, guiding our efforts to slow down progression.

“There is a need for data and evidence to help us better understand people’s life course ‘journeys’ to multimorbidity.”

Helen Stokes-Lampard
Chair, Royal College of General Practitioners



Nurturing partnerships, sharing insights and informing policy

Learning from and collaborating with others is central to our strategy of improving urban health. To drive our whole-systems approach, we help build partnerships across sectors – from grassroots organisations to public sector bodies, and local and commercial businesses. These partnerships allow us to learn from others, compare experiences and share what we are seeing.

Our premise is that, to effect deep and long-lasting impact on local health issues, we often need to look beyond our place in Lambeth and Southwark. Some of the impact we want to see locally requires changes to happen in policy and decision-making city-wide or even nationally.

In 2018/19 we continued our collaboration with the Mayor of London and others on London's Child Obesity Taskforce. The Taskforce attracted a membership of entrepreneurs, academics, public health experts and others to ensure the capital helps children to grow up in environments that support their health and weight.

Meanwhile, we continued to learn and share with experts in the Taskforce on Multiple Conditions, our partnership with the Richmond Group, a collaboration of national health and social care charities and the Royal College of General Practitioners. In October 2018, the Taskforce released *Just one thing after the other* – new research that places people living with multiple long-term conditions as central to making decisions and acting on the issue.

To see deep and long-lasting impact on local health issues, we often needed to look beyond our place and drive change at a city, national or even international level

Using local lessons to drive wider change

This year we made important progress in sharing insights from both of our programme areas.

In spring 2018, we informed a Parliamentary inquiry into childhood obesity and fed into the UK Government's Chapter 2 of the childhood obesity strategy. We were pleased to see the strategy paying more attention to the unequal spread of obesity rates and the disproportionate impact on lower income households.

Meanwhile, at a city level, we shared our views on hot takeaway food in the capital to inform the Mayor's London Plan. And in our boroughs, we started to inform Southwark Council's Superzones, which look to ensure areas around how schools promote health.

In our multiple long-term conditions work, research with King's College London helped us explore the

issue in our boroughs, including what sits behind people's progression to multiple conditions. In July 2018, we shared this learning in our *From one to many: Exploring people's progression to multiple long-term conditions in an urban environment* report. Off the back of the report, we were invited to inform NHS England's 10-year plan around multimorbidity.

We also shared learnings from our focus on urban health and place-based approaches. In June 2018, we were featured in The King's Fund's report on the role of cities in improving population health and, in March 2019, we were invited to speak about local innovation in health in front of national health decision-makers at the Nuffield Trust's Health Policy Summit.

Sharing what we learn with others was key to widening our impact, and we plan to grow our work in this area in the next few years.

We fed into the Government's Chapter 2 of the childhood obesity strategy and were pleased to see it now paying more attention to the disproportionate impact of the issue on lower income households

“When I had the stroke, I said I’ll do a bit of physio to help myself. It took me many years to be able to use my left side better. Since I went to Tai Chi, to the reflexologist, the massage I took, the dancing, the singing, the artwork I do, it relaxes you and you try to make the brain remember things and all of that. It helps”

Jacqueline
54, Denmark Hill

In summer 2018, we published *From one to many*. The report explored multiple long-term health conditions in urban environments, with a focus on people's progression from one to multiple conditions.

Through data and the experiences of local people like Jacqueline, we learnt that, against common belief, this is not just a problem of old age. In Lambeth, one third of people with multiple conditions are under 65. We also saw how a focus on single diseases in the healthcare system misses the combined impact on the person. And we learnt that background and social context play an important role – for example, people in the lowest income areas in our boroughs are living with multiple long-term conditions 13 years earlier than people in more affluent neighbourhoods.

These findings have shaped our programme approach. We sharpened our focus on preventative healthcare and social risk factors experienced by working age adults. The insights also informed work by others, including the NHS's long-term planning around multimorbidity. In 2019, we commissioned further research to continue growing our and others' understanding of the issue, with final findings expected in 2022.



Our work as the charity for Guy's and St Thomas' NHS Foundation Trust

As the charity for Guy's and St Thomas' NHS Foundation Trust, we work to improve the experience and welfare of patients and staff at the Trust's hospitals and community sites.

We awarded £8.6 million directly to the Trust in 2018/19, in the form of donations, grants and other charitable funding. We backed over 150 projects at the Trust – from supporting patients with mental health conditions and providing therapeutic care to those living with cancer, to building an outdoor gym to help people with their rehabilitation. The figure also included funding from our work supporting the Trust to drive change in health in our communities, for example, improving children's health in Lambeth and Southwark.

In 2018, the NHS marked its 70th anniversary and we also celebrated the opening of the rebuilt Emergency Department and a new Rare Diseases Centre, both supported through charitable donations. These transformed care for hundreds of thousands at St Thomas' Hospital by creating large, modern and patient-centred spaces for emergency and specialist services.

In December 2018, our Board approved a new strategy to develop our fundraising activity, aiming to increase the amount we raise to support a world-class experience for patients and staff. Our

new strategy focuses on three priorities – Evelina London, Guy's Cancer and unrestricted funds to support wider initiatives. We invested in our leadership, marketing and ways of working to ensure we can raise as much money as possible to support the Trust's vital work.

We also worked to make best use of charitable funding available in our Special Purpose Funds. These are donations given with a specific purpose. We worked hard to make sure they delivered the greatest benefit for patients and staff, implementing a new online system to support colleagues at the Trust to access them. By 31 March 2019, we exceeded our target of spending these funds by nearly £1 million.

Finally, in early 2019, we kicked off activity to support the celebrations for the 150th anniversary of Evelina London. We were excited to put a spotlight on Evelina's unique children's health services and to build the support of patients, donors and the community to ensure these services continue to thrive for the next 150 years. An important focus of our new fundraising strategy is supporting a major new campaign for the expansion of Evelina London.

This year we backed over 150 projects at the Trust – from providing therapy for people living with cancer to building an outdoor gym to help people with their rehabilitation

Supporting Guy's and St Thomas' NHS Foundation Trust



New art display at St Thomas'

Artworks, selected by hospital porters, went on display at St Thomas' Hospital. We partnered with Breathe Arts Health Research and poet Simon Mole to produce The Art of Portering, which looked at artworks in our large collection through the eyes of the portering team. The art was displayed in areas where porters walk through several times a day to transport patients, blood samples and equipment. Guy's, St Thomas' and Evelina London are homes to much of our collection of fine art and heritage, one of the largest and oldest collections in hospitals in the UK – with 4,500 artworks dating back to the early 1500s.

“The project has brightened up our most walked routes and given us something to talk to the patients about. Chatting to them about something unrelated to their illnesses can put them at ease.”

Porter, St Thomas' Hospital



Promoting diversity and inclusion

Guy's and St Thomas' NHS Foundation Trust introduced rainbow badges for staff working at its hospitals and community services to signal it is an open, non-judgemental and inclusive place for lesbian, gay, bisexual and transgender plus (LGBT+) patients. The badges were rolled out in March 2019, following a pilot at Evelina London in which almost one third of staff actively signed up to the scheme. Funded through two £5,000 grants from donated funds, the pilot and later roll-out across the Trust have had an impact on the wider NHS. A toolkit to support other NHS organisations to implement it has been used by over half of NHS Trusts and NHS-wide organisations in England.

“Wearing this badge may help break down their worry of who they feel safe and confident with, to be able to speak without fear of judgement. ”

Staff member, Evelina London

We backed projects to provide exceptional healthcare, through supporting a world-class environment for patients and staff alike. Here are some examples.



Boosting staff wellbeing

We supported the Trust's Showing We Care About You programme to boost the health and wellbeing of the 16,000 staff members at the Trust. The programme provided access to services such as smoking cessation, stress management and physiotherapy. In 2018/19, we helped enhance the programme with a grant of over £800,000, which included prioritising cognitive behaviour therapy and psychological support.

“It's so great to feel looked after by our Trust and to have access to all these free, amazing services. I have had physio for neck pain and I used the counselling services after my mum passed away as I was struggling with grief. I couldn't be more thankful”

Staff member and beneficiary of the programme



Helping patients in financial need

This year, the Samaritan Fund – one of our longest standing Special Purpose Funds – provided £22,000 to support patients in immediate financial need in 33 wards across the Trust. Founded by Georgian and Victorian philanthropists, the fund also supports outpatients and people in community units. All awards are approved by a relevant member of staff who aims to help people as quickly as possible. For example, a clothes store allows those admitted suddenly to be discharged with a suitable coat or shoes, particularly people without family and friends to support them.

“Thank you for helping me when I was desperate”

Beneficiary, the Samaritan Fund



Using our endowment to drive impact

Our endowment is crucial in helping us to improve health in Lambeth and Southwark. Made up of generous donations received over centuries, managing it well makes all the difference to the support available for our charitable activities now and in future.

This year saw an exceptional performance of our investments, with a net return of 11.3% – above our composite benchmark of 4.5%. Our endowment outperformed the market benchmarks, particularly our property investments. The net value of our endowment ended the year at £759 million, £54 million above last year's figure. Over the last five years, the net value of the endowment has grown from £509 million and provided £109 million for charitable expenditure.

Overall, the costs of managing our financial and property investments increased by £0.9 million to £8.3 million mainly because of one-off fees linked to major property developments.

This year was the first full year we delivered on our commitment to invest 5% of our endowment – over £40 million – to investments that have an impact on health, as well as a financial return. Our impact investment strategy helps further our charitable aims

by supporting us to make investments that align with our organisational mission.

In 2018/19, we committed £10 million to two funds. We invested in funds that tackle homelessness – which is deeply connected with ill health – and in funds that support the innovative delivery of healthcare services. We also commissioned support from impact investing experts, Tideline, to help identify which sectors we should prioritise, and helped raise the profile of impact investment by speaking at events including the well-established Alternatives Summit in January 2019.

Finally, in this year we also prepared key sites in our large property portfolio for future development. In September 2018, we purchased a pub in London Bridge to enable a comprehensive redevelopment of our existing properties at Snowfields. Likewise, we prepared our agricultural holding at Maple Cross, Hertfordshire, for residential development.

In March 2019, the net value of our endowment was £759 million – up from £705 million in 2017/18

Investing for better health

We invested in two funds in 2018/19 that are seeking an impact on health in the UK. In this financial year, we invested in the Resonance Real Lettings Property Fund, which aims to reduce homelessness by purchasing and refurbishing homes in London. These are leased to homelessness charity St Mungo's which lets the properties to vulnerable individuals and families. We also invested in a fund run by Bridges Fund Management to add to our impact portfolio. This will help us create impact by innovating on how health and social care services are costed and delivered. These commitments joined our initial impact investment in early 2018, in a healthcare fund managed by Apposite Capital, which invests in businesses that deliver high quality, efficient and cost-effective care solutions.

Developing Royal Street

In 2018/19 we continued to prepare for the future redevelopment of Royal Street, a five-acre mixed-use site opposite St Thomas' Hospital. The site – which accounts for 20% of the value of our endowment – will house a medtech hub dedicated to using technology to progress medical developments, as well as outpatient facilities, residential property and office space. Our plan is to deliver a world-class scheme with health and wellbeing at its heart. This year, we appointed Stanhope and Baupost as our development partners, following a highly competitive tender process. In the year we also worked to ensure protected tenants in the current site were relocated to suitable alternative accommodation.

Continued support for health innovation

Our Health Innovation Fund closed in 2017 after five years of backing hundreds of health innovations, many of which continue to deliver impact. The Fund closed as we moved to our new urban health strategy, however we still support a small amount of the life-changing work it started.

This includes awarding an additional £1.5 million (totalling £6.4 million of funding since 2015/16) to the Children and Young People's Health Partnership (CYPHP) this year to continue improving everyday healthcare for local children and young people. Through its Health Check service, CYPHP saw 60% of local children with asthma reporting significant improvements in their symptoms, and a 10% decrease in hospital admissions.

We continued to support the Transforming Outcomes and Health Economics Through Imaging (TOHETI) programme, which is due to close in 2020. Over the last four years, TOHETI has focused on making transformational improvements in imaging across local hospitals and GP surgeries, including improving accessibility to pathways, identifying ineffective treatments and reinventing ways of working.

Another project we funded through the Health Innovation Fund, the Integrated Heart Failure Service, continued supporting people with heart failure to live better lives, and had its integrated pathways adopted across the Pan London Heart Failure Network.

We were proud to see the King's Health Partners Pathway Homeless Team named as one of the Psychiatric Teams of the Year at the prestigious Royal College of Psychiatrists Awards 2018. We funded the project for three years to provide integrated care for homeless people attending local NHS trusts.

Finally, in September 2018, we celebrated the opening of the Science Gallery, a new space we supported with £4 million to connect art, science and health in the heart of the city. The spending through the Health Innovation Fund reported in this year's accounts is made up of funds awarded in 2018/19, minus funding written back from previous awards.



Our plans for 2019/20

- Our strategy sees us taking on some of the most complex challenges in urban health. In our five-year plan, we outline strategic goals that will help us achieve these aims. Our activities in 2019/20 continue to build towards these goals.



Strategic goals we set for the year 2019/20

1. Make a step change impact on complex health issues prevalent in urban areas

- In 2019/20 we plan to:**
- Continue to develop our programmatic model, with particular emphasis on how we scale the impact of our current programmes
 - Launch a third programme focused on the health effects of air pollution, and prepare for a fourth programme on adolescent mental health
 - Build on our partnership approach to influencing others, amplifying messages and solutions around childhood obesity and multiple long-term conditions

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

- In 2019/20 we plan to:**
- Embed our new fundraising strategy and structures
 - Develop a strategy for spending charitable funds to achieve more focused impact
 - Review our brands to ensure we are connecting with, and motivating, supporters and staff
 - Finalise our plans for an appeal to support the expansion of Evelina London Children's Hospital

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

- In 2019/20 we plan to:**
- Continue to progress with partners our major development at Royal Street, Nuffield House and Snowfields in South London, and Maple Cross in Hertfordshire
 - Develop our approach to achieving health impact through the endowment, and continue building our portfolio of impact investments

4. Grow our impact, effectiveness and reputation

- In 2019/20 we plan to:**
- Strengthen our use of data in the design and delivery of our programmes, to inform our understanding and approach to health issues in urban environments
 - Embed the use of our CRM system, Salesforce, in the management of all grants and other uses across the organisation, including for reporting on progress towards goals
 - Grow our reputation as an innovative funder and investor

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

- In 2019/20 we plan to:**
- Initiate a comprehensive approach to inclusion and diversity at the Charity
 - Implement a new plan for staff retention
 - Roll out and evaluate our new health and wellbeing and our learning and development programmes

Financial review

Financial Key Performance Indicators

Measure	Key Performance	Key Indications
Grant commitments for programmes	£10.0 million against a budget of £11.2 million	A successful second year of programmatic activity resulted in 93% of budgeted commitments being achieved
Funds raised	£4.8 million against a budget of £6.6 million	A successful year in our mass fundraising channels offset by underperformance in Major Gift channels
Financial support as the charity for the Trust	£7.9 million against a budget of £7.3 million	Special Purpose Funds had a particularly active year and committed £4.9 million against a budget of £3.9 million
Return on the endowment compared to benchmark	11.3% return on endowment for 2018/19 compared to benchmark return of 4.5%	An exceptional year of outperformance against our benchmark, mainly due to the strength of our property returns

Overview

This year we saw exceptional outperformance of our endowment returns. We also met our overall goals for charitable activity in the second year of our strategy. Funds raised from donors were still significant but less than we had hoped.

The Charity remains in a strong financial position.

Although our donated income was lower than last year (£4.8 million compared to £9.1 million), our investments delivered a net return of £77.0 million, well above benchmark. This puts the net value of our endowment at £759.4 million, £53.5 million above the last financial year. As at 31 March 2019, the Charity had healthy free reserves of £36.7 million (£28.7 million at 31 March 2018). We plan to spend these reserves in the foreseeable future in line with our policy to not hold free reserves over the long-term.

As we continued building our infrastructure and team to deliver our ambitious new strategy, the cost of running our activities went up. Staff costs increased by £460,000 over the previous year following a recruitment drive to deliver our ambitious programmes. We also put £1.2 million towards strengthening our infrastructure, including embedding our new business information and reporting system to allow for better and more timely decision-making. Our fundraising costs are £0.8 million higher than the previous year at £2.7 million, in the first year of a new fundraising contract which started in July 2017; this will rise further as we pay the full cost of the fundraising resources that we use within our fundraising partner, King’s College London.

The endowment transferred £25.0 million (2017/18: £23.1 million) to support charitable activities. After this transfer, the net assets of the endowment increased by 7.7% to £759.4 million. This increase is well ahead of inflation for the year and the endowment remains ahead of its target of keeping pace with inflation as measured over rolling 15-year periods.

Charitable activities

In line with plans, grants commitments and other direct charitable expenditure fell to £18.9 million from £26.0 million. There was a drop in commitments from restricted funds and Special Purpose Funds to £4.9 million from £13.0 million after last year’s exceptional grants related to two appeals.

Investments

This year we saw endowment returns of 11.3%; which is 5.8% above the Charity’s composite benchmark. The make-up of our investment portfolio was similar to last year.

TABLE 1 - Guy’s and St Thomas’ Charity Performance Summary: April 2018 – March 2019

Asset Class	Strategic asset allocation band (%)	Strategic asset allocation (%)	Allocation as at 31 March 2019 (%)	Actual Performance (%)	Benchmark Performance (%)	Allocation as at 31 March 2018 (%)
Global Equities	17-35	21.0	25.5	6.1	5.6	28.4
Private Equity	5-17	14.0	8.7	15.6	7.5	7.6
Hedged Equities	0-14	10.0	10.1	6.7	(1.3)	8.4
Absolute return	0-12	6.0	5.2	(6.2)	0.1	6.0
Credit	3-12	5.0	5.5	(8.5)	5.0	5.0
Commodities	0-5	-	-	N/A	-	-
Fixed Income	0-10	3.0	-	N/A	-	-
Cash	0-10	1.0	1.1	0.0	0.8	1.2
Composite financial asset class performance - local currency				4.6	4.2	
Property	30-50	40.0	43.9	12.3	5.5	42.0
Composite asset class performance - local currency				7.8	4.8	
Currency gain/(loss)				2.6	(0.3)	
Fees and other expenses				(0.2)	-	
Return on gross investment assets				10.2	4.5	
Effect of loans				1.1		
Return on the endowment Equity				11.3		

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 financial asset portfolio at 4.6% were marginally ahead of markets generally. Equity-related markets had a good year with returns ranging from 6.1% for Global Equities to 15.6% for Private Equity. 44.3% of our endowment is invested in equity-related asset classes. Meanwhile, 43.9% of our endowment is invested in property, which saw returns of 12.3%; this was significantly ahead of general UK property, which returned 5.5% and was driven by exposure to student housing, London and rural developments. Our investments in the Credit and Absolute Return asset classes performed poorly; they were impacted by specific exposures to insurance of natural disasters and the value factor.

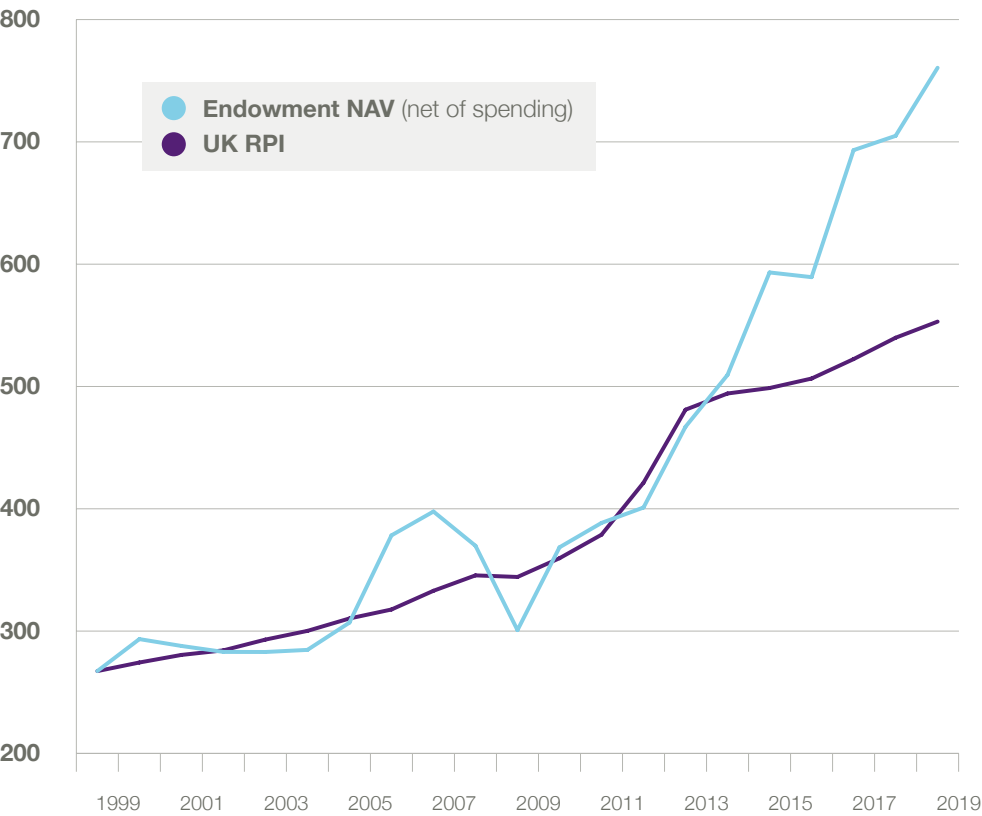
The costs of managing our investments in the endowment increased slightly from £7.4 million to £8.3 million. This reflects higher internal staff resources deployed to manage the redevelopment of our property portfolio and related external transaction fees.

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 20 years, illustrated in the graph below. Our 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.

Endowment vs RPI



Health impact investing

We have made further progress with our goal to invest 5% of the endowment in funds that aim to make:

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

We committed £10.0 million to two funds this year: Resonance Real Lettings Fund and Bridges Fund Management’s Social Outcomes Fund II.

Ethical approach to investing

Our policy is that our investments should meet recognised ethical and governance standards and that our investments need to be consistent with both our ethical values as a UK charity and our financial return requirements. For the third year, we surveyed our managers, covering 87% (2017/18: 81%) of our financial investments. 71% (2017/18: 67%) of capital in public funds have a policy with regard to voting public shares. 43% (2017/18: 46%) of capital consider Environmental, Social and Governance (ESG) issues when making investment decisions. 23 out of 43 (2017/18: 17/38) managers have a formal Socially Responsible Investing (SRI) policy. We 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 0.07% (2017/18: 0.15%) of the endowment.

We are reviewing our approach to a number of issues this year including climate change, diversity and wider ESG matters.

Reserves policy

During the year our total Unrestricted Funds increased from £57.6 million to £65.6 million. As at 31 March 2019, £29.0 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 £36.7 million (2017: £28.7 million), which are managed through a Distribution Account.

The Charity plans the distribution of its Unrestricted Funds through a five-year budget. 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 commencing 1 April 2017, we plan to spend the projected available unrestricted resources of £119.0 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. These 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 and management of ongoing review of risks. We are willing to take on risks to be able to test and fund different projects. We have strengthened our systems for identifying and monitoring risks, as we know we need to take risks to achieve our charitable and other goals.

Funding

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

- **Programme strategies fail to realise forecasted impact on health issues.** Mitigation actions include defining programme impact goals, theories of change and outcome forecasts to track progress. We embed evaluation and learning processes into programme and project design and review programme insight and learning to inform investment decision-making on a quarterly basis.
- **Insufficient scale and diversity of project pipeline to deliver planned activity on health issues.** To mitigate, we are optimising funding process to attract a diverse range of delivery partners, monthly review of project pipeline plans at Business Unit Meetings and quarterly review of project pipeline plans at Programme Committees.
- **Failure to select effective delivery partners.** We are strengthening internal due diligence process and capability and embedded programme and project learning into Executive Investment Committee decision-making process.
- **Failure of delivery partners to achieve planned outcomes.** Mitigation includes defining clear project activity and outcome plans, building trusted relationships with delivery partners and active and regular monitoring of project activity and outcomes by programme managers.
- **Failure to effectively monitor and manage impact.** We partner with leading evaluation experts to design and implement programme evaluation strategies. In addition, we are developing an impact platform for live management of impact at a programme and project level and have an evaluation advisory group to oversee design of programme evaluation strategies.

Fundraising and donated funds deployment

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

- **Actions relating to fundraising conflict with the Charity's polices, create bad publicity or contravene legislation.** We have embedded the new fundraising structures with increased monitoring and transparency on working practices. We also maintain lines of communication and oversight between the Charity and King's, including holding regular meetings, as well as undertaking regular reviews on key areas of best practice compliance, including GDPR, wealth screening and insurance.
- **Outsourced fundraising arrangement (partnerships with King's College London and King's Health Partners), meaning that the Charity does not have direct control over fundraising performance.** We have regular review points to monitor performance, including scheduled reporting, involvement in recruitment and monitoring staff morale. We also maintain lines of communication and oversight between the Charity and Kings, including regular meetings, reviews and reporting, as well as monitoring and responding to changes in regulations and other initiatives. We will continue to regularly review our fundraising arrangements on an ongoing basis.
- **Partnership working with complex tripartite relationship between the Charity, Trust and King's, hampers the ability of the Charity to meet its fundraising targets.** Mitigation includes building engagement between leadership from the Charity, King's and the Trust to achieve alignment and to maximise benefits. We are recruiting senior fundraising leaders, as well as establishing clear processes for coordinating fundraising decision-making across partners. In addition, we have implemented new management reporting based on KPIs and activity pipelines to enable timely understanding of whether goals are likely to be met.
- **The Charity fails to engage and support Trust staff in building a culture of fundraising and fund spending.** We are defining projects within the Corporate Plan for 2019/20 and the 2019–2023 Fundraising Strategy (stakeholder engagement strategy for the Trust). We are also developing a funding strategy and finding ways to demonstrate how we are having impact together. In addition, our Fundraising Committees and Leadership Team are providing integrated forums to bring together the Trust, the fundraising team and the Charity, as well as other key stakeholders, to enable better transparency and partnership working.

Investment

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

- **Poor advice/management of portfolio by investment advisors resulting in a failure to manage for good returns and monitor outcomes.** The Director of Finance and Investment continues to play an active role in the monitoring and reviewing of asset performance, allocation and manager selection. We review relationships with advisors on an annual basis, together with in-depth reviews every three to five years. In addition, we ensure appropriate composition and effectiveness of the Investment Committee.
- **Failure to maintain investment risk levels in a severe market downturn by selling risk assets.** We ensure the investment strategy and distribution rule are fully understood by the Investment Committee including stress tests for adverse markets, and to make sure portfolio reporting includes longer-term (15-year period) as well as quarterly information. Role play behaviour of Committee, advisers and staff in market dislocation is carried out every 36 months.

- **Property development opportunities/transactions are delayed or do not deliver expected benefits.** Regular reporting to and oversight by Chief Executive and Investment Committee is carried out, as well as ensuring the property team is resourced to allow sufficient time to focus on key transactions. In addition, we engage with partners/key stakeholders at a high level to ensure smooth transactions.
- **Failure to deliver health impact and investment returns through impact investment portfolio.** We are developing a theory of change for the portfolio, a framework to analyse sectors of interest and rationale and a portfolio monitoring dashboard.
- **The Charity's management of the endowment conflict with the Charity's programme activities or, the corollary, that the Charity's programme and activities conflict with the management of the endowment.** We assess the potential for the endowment to support or conflict with all four programmes or wider charity activities, as well as assess wider ESG, climate change and diversity issues for potential to have positive impact through the endowment or reputational risk. Also, we monitor the investment portfolio for ESG engagement.

Governance and operations

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

- **Not achieving sufficiently on the strategy (mission and outcomes); not getting correct balance of activities and resource allocation.** We have a five-year corporate plan, annual business plan and budget providing review points. We also ensure availability and transparency of information, with management information made available to the Trustees, as well as making sure that the Charity's goals and progress towards these are shared publicly.
- **Proposed IT software projects for grants, CRM and collection management may fail to deliver expected benefits and/or significantly exceed budgeted cost.** We regularly monitor progress throughout the life of the projects and ensure that any corrective action required is undertaken in a timely manner. Project outcomes are also assessed and reviewed on completion. Also, we engage staff in new systems and the testing and validation of outputs.
- **Failure to retain the culture and collaborative nature of the Charity as it grows, to develop succession plans, recruit effectively and retain key staff and encourage diversity within the workforce.** Actions include maintaining open dialogue on succession plans to mitigate disruption, continuing to facilitate senior staff involvement in the strategic development of the Charity through the Executive Team and continuing to promote career development to aid staff retention. We also maintain an open culture within the Executive Team to help sharing of information across the teams, prevent build-up of problems and encourage early notice of intentions to move on. In addition, we continue to develop the People Strategy and hold regular People Meetings.
- **Failure of Charity's staff to engage with Trustees and committees to allow Trustees to provide effective oversight.** We carry out regular internal audits to highlight areas of weakness, as well as ensure effective and efficient flow of information from staff to Trustees and committees through Board and Committee Meetings (use of board packs and 360 dashboards).

Engagement

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

- **Inability to effectively tell the story of our impact (project or organisation-wide) to influence key decision-makers as strongly as our theory of change requires.** We maintain a proactive approach to identifying insights within and outside of programmes (internal system). We also maintain a communications plan, identifying opportunities for targeted dissemination of insights (external sharing), as well as maintain an active portfolio of committed amplification partners (local, national and international). In addition, we maintain strong working relationships between communications and funding to ensure we are representing thoughts, insights and impact appropriately.
- **Failure of major grant, other charitable or property project.** Action includes ensuring both internal and external stakeholders understand that ambitious projects may, by their very nature, not always succeed. We also encourage an open culture at the Charity, including the handling of any complaints, to help avoid the concealment of problems until it is too late to take corrective action. In addition, we clearly communicate the risks of particular projects to all project participants and, where appropriate, the wider public. We are also prepared to make full disclosure of and publicly discuss any failures.
- **Failure to effectively apply and review the Charity's principles for indirect impact used for consideration of influencing opportunities.** We promote principles across the Charity to embed them in all teams, as well as review principles on an annual basis to ensure they still meet the needs of the Charity. In addition, we are developing indirect impact plans for each programme to ensure targeted activity.

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

Yasemin Lamy and Paul Brown joined as Trustees in December 2018 and March 2019 respectively.

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 undertaken by King’s for several years. During the course of the year, we developed a revised strategy, leadership, resource allocation and financial goals for our fundraising activities. We have a contract with King’s 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 teams of both the Charity and the 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 19 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.

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.

Our team

Our team is made up of highly driven individuals who work to transform the health of people in our communities. Of the 40 people in the Charity in 2018/19, 80% were female (68% in 2017/18) and 20% male (32% in 2017/18). Our Executive team is 30% female and 70% male.

In 2018/19 roughly a quarter (23%) of employees¹ were non-white.

Diversity and inclusion

To succeed as a charity, we need to draw on the broadest possible range of perspectives, expertise and talents. We therefore commissioned an independent review into access, diversity and inclusion in autumn 2018 to help us understand where we are on these issues.

The report, from research specialist Inclusive Boards, explored how we think and feel about diversity and inclusion. It also analysed what we look like as an organisation across characteristics such as age, gender, ethnicity and educational background.

The results showed that we compare well to others in our sector and that we have taken practical steps to increase our diversity and inclusion. They also showed that we have further to go to promote diversity and inclusion in our workforce.

8 in 10 staff at the Charity are female and almost a quarter (23%) are from Black, Asian and Minority Ethnic (BAME) backgrounds (compared to 9% in the wider charity sector). As at 31 March 2019, 40% of our Trustees were female and 30% came from BAME backgrounds.

Over half (52%) of all employees rated the workplace culture as ‘very inclusive’. However, women and people from BAME backgrounds were more likely to rate the workplace culture as being ‘moderately inclusive’.

We are using the findings from the report to reflect on and review some of our key policies and behaviours in 2019/20, starting with a focus on recruitment processes, funding practice, and internal decision-making at the Charity.

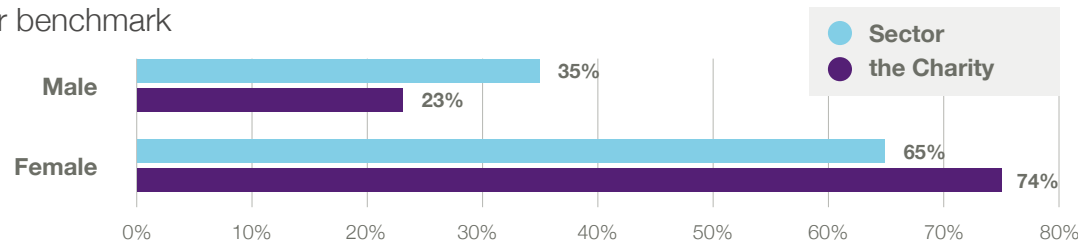
As at 31 March 2019, 40% of our Trustees were female and 30% came from Black, Asian and Minority Ethnic backgrounds

¹ Based on data from an independent review into our diversity and inclusion at the Charity in Autumn 2018

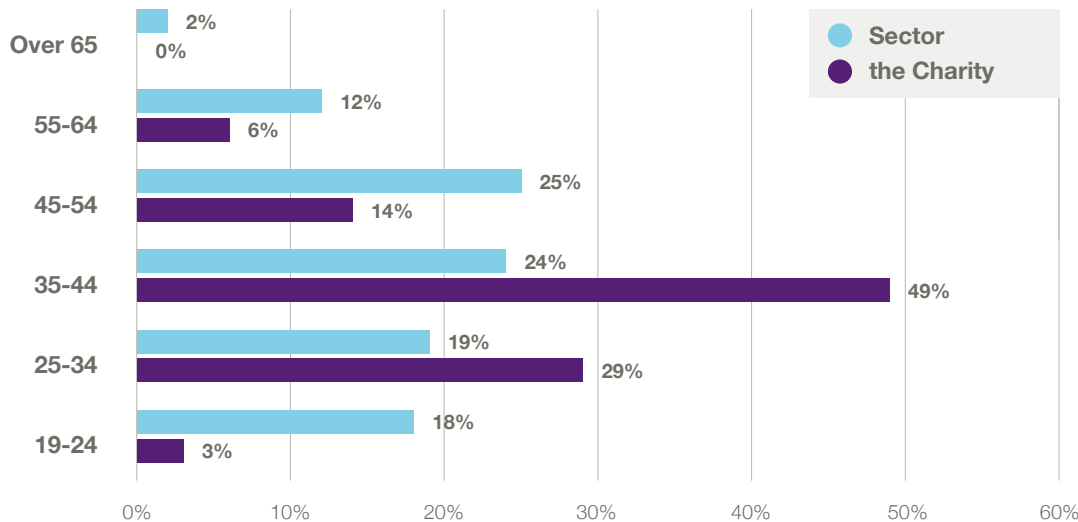
Gender, age, ethnicity, disability and educational background at the Charity
Comparison with the charitable sector

Data from survey among staff in October aggregated against available data from the charity sector.

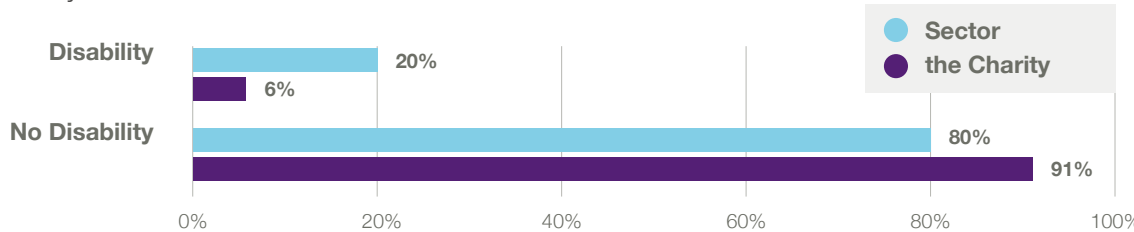
Gender benchmark



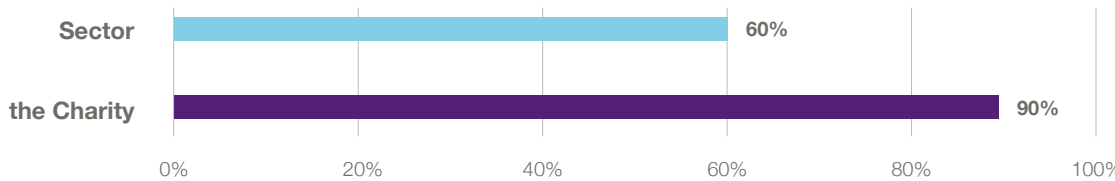
Age benchmark



Disability benchmark



Level 4 Qualifications and above



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.

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 2019

	Annual salary (Full Time Equivalent)	Actual salary payments	Pension contributions	Total remuneration	Increase in annual salary over 2017/18
Kieron Boyle Chief Executive	138,684	138,614	17,803	156,487	2.5%
David Renton Director of Finance and Investment	126,288	126,288	17,150	143,438	8.6%
Jon Siddall Director of Funding	107,765	107,035	13,728	120,764	4.6%
Gayle Willis Director of Communications and Engagement (job share)	107,717	60,774	8,769	69,543	14.2%
Catherine Cullen Director of Communications and Engagement (job share)	107,717	68,796	8,410	77,346	14.2%
Gail Macdonald Property Director	120,000	115,164	16,647	131,811	11.5%

Over the course of 2018/19, pay rises of greater than 10% were made to Gayle Willis and Catherine Cullen (job share), reflecting an increase in management responsibilities for oversight of our Trust Engagement business unit, and to Gail Macdonald, reflecting market benchmarking for the complexity and size of property portfolio.

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 2019 and shows the full-time equivalent pay to help compare rates of pay better.

Salary band	Number of staff
£20,000 - £60,000	25
£60,000 - £100,000	8
£100,000 - £140,000	7
	40

All staff employed before 1 Jan 2018 were awarded a pay increase of 2.5% on 1 April 2018. The Charity has been certified as a London Living Wage employer since 2016/17.

Gender pay gap

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 average (median and mean) earnings and expressed as a percentage of men’s earnings.

Although we fall significantly below the threshold for mandatory reporting on gender pay², we are committed to being transparent on the issue. We see gender equality as a key component of our ambition to be a fair and inclusive employer.

As at 31 March 2019, our median gender pay gap was 34.6%. This reflects a growth from the 29.1% gender pay gap reported in the previous year.

This headline figure masks considerable progress over the year in equalising pay across similar roles and benchmarking all salaries against market. In the top three pay quartiles, the median gender pay gap is below +/- 10%.

The majority of our gender pay gap is driven by women disproportionately filling our lowest paid positions (as at 31 March 2019, no men filled our most junior roles). This tracks applications to these roles, which are disproportionately from women.

As we use name and gender-blind recruitment processes, we will continue to ensure our job adverts are checked for gender bias and work harder to actively advertise positions to reach diverse audiences. In 2019/20, we will also embed a new retention plan as well as learning and development plans to ensure everyone can access new skills and opportunities for progression.

Staff pay analysis (as 31 March 2019) Gender pay gap:

	Male		Female		Gap	Gap
	Number	Percent	Number	Percent	Mean	Median
Upper quartile	4	10%	5	13%	9.5%	8.0%
Upper middle quartile	1	3%	9	23%	7.0%	8.0%
Lower middle quartile	3	8%	7	18%	-0.9%	-3.2%
Lower quartile	–	0%	11	28%	n/a	n/a
All staff	8	20%	32	80%	32.7%	34.6%

Ethnicity pay gap

For the first time, this year we have explored our pay gap in relation to ethnic background. We based our calculations on self-reported data from 37 staff members (93% of all staff), where 73% reported their ethnicity as White and 20% as Black, Asian and Minority Ethnic (BAME). Analysis of these data shows no significant structural ethnicity pay gap, with a median gap of 7.4%, and a mean gap of -2.8%.

Staff pay analysis (as 31 March 2019) Ethnicity pay gap:

	White		BAME		Gap	Gap
	Number	Percent	Number	Percent	Mean	Median
Upper quartile	7	18%	2	5%	-12.6%	-10.8%
Upper middle quartile	8	20%	2	5%	11.9%	15.9%
Lower middle quartile	7	18%	2	5%	12.7%	14.1%
Lower quartile	7	18%	2	5%	-28.9%	0.0%
All staff	29	73%	8	20%	-2.8%	7.4%

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

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

Moore 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.

The Trustees’ Annual Report is approved by the trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in company law of the Charity.

By order of the Board:

Bj Moorhouse

Barbara Moorhouse
2 October 2019



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 and Engagement (job share)

Catherine Cullen, Director of Communications and Engagement (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 Somerset House, NHS Improvement and is a former Chair of the British Private Equity and Venture Capital Association. Since 2017, he has been an Emeritus Governor of LSE. He became Chair of the Charity in October 2015.



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 co-chaired 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.



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 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.



Barbara Moorhouse. Barbara joined the Charity in September 2015. 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 the Chair of the Rail Safety and Standards Board and a Non-Executive Director with Balfour Beatty plc, Microgen plc and Agility Trains. 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 refocused the investment strategy and diversified the portfolio and is also a board member of the Pension Protection Fund. Tom chairs our Investment Committee.



Sir Ron Kerr. Ron was appointed as Council of King's College London in August 2019. Prior to this, he joined Guy's and St Thomas' NHS Foundation Trust as Chief Executive in 2007. He stepped down in 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 the Vice-Chair of our Trust Engagement 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.



Helen Bailey. Helen is an experienced public sector leader and is Chief Executive of the London Borough of Sutton. She has worked in an advisory capacity with iMPower and has served as a Senior Treasury official and the Chief Officer of the Mayor's office for Policing and Crime. She was a member of the Board of Clarion Housing Group. Helen is the Chair of our Trust Engagement Committee.



Yasemin Saltuk Lamy. Yasemin joined the Charity in December 2018 and is the Deputy Chief Investment Officer for higher risk strategies at CDC Group. She previously covered Digital Identity and Innovation at Omidyar Network and served in several roles at J.P. Morgan in London across derivatives and impact investing. Yasemin earned a Master of Science with merit in financial mathematics from King's College London.



Paul Brown. Paul joined the Charity in March 2019. Paul is the General Manager (Europe) for HTC, a virtual reality and smartphone technology company. He is an experienced Media and Technology Executive having previously held leadership positions at The Walt Disney Company, EMEA as Senior Vice President of its Interactive and Direct to Consumer division and prior to that in the digital music and media space with Spotify, Pandora and Sony Music. Paul began his career in corporate law specialising in private equity and venture capital transactions for city firm Lovells (now Hogan Lovells). He also currently sits on the BAFTA Immersive Entertainment Advisory Group.

Committees

We have a number of committees who report to the Trustee Board, and funding committees who advise the board on charitable expenditure, made up of experts in their respective fields.

Since 2017, when we marked the start of our new strategy, funding decisions related to our programmes are made either by the Trustee Board (if over £2.0 million or otherwise advised by the relevant Programmes Committee), the Executive Investment Committee or by the Chief Executive under delegated authority (if under £100,000).

Funding decisions in respect of our work with the Trust are made by either the Trustee Board (for amounts above £2.0 million), the Trust Engagement Committee or specific delegated individuals or committees for amounts below £100,000 (Strategic Fund and Special Purpose Fund holders) or for amounts below £500,000 (The Evelina, Cancer, Charitable Funds Committees) and amounts between £100,000-£500,000 for Special Purpose Fund within their scope.

Board Committees

Investment Committee

This committee takes responsibility for investment strategy and management of the Charity's non programme-related assets and the investment of the assets of the Endowed Charity which are held by the Charity as sole corporate Trustee. It reports to the Trustee Board.

Impact Investment Committee

This committee is a sub-committee of the Charity's Investment Committee. It is responsible for overseeing and guiding our initiative to build a portfolio of funds that generate both risk-adjusted financial returns and health benefits in the UK. This committee reports to the Investment Committee and recommends funds to the Investment Committee for approval.

Finance and Audit Committee

This committee takes responsibility for overseeing financial governance and all matters relating to the internal and external audit, oversees the maintenance of an effective system of internal financial control, management reporting and risk management and advises the Trustee Board on governance arrangements. It reports to the Trustee Board.

Remuneration Committee

This committee develops policy on staff remuneration and approves overall spending on staff remuneration and benefits. The committee also approves senior executive remuneration and terms of employment of the Chief Executive. It reports to the Trustee Board.

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. This includes overseeing the distribution of restricted funds held in Special Purpose Funds and unrestricted funds raised or allocated by the Board for Trust Engagement activities; and, in relation to these activities, will coordinate the Charity's relationship with Guy's and St Thomas' NHS Foundation Trust. It reports to the Trustee Board. It was set up in April 2017.

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. It reports to the Trustee Board.

Programme Committees

Programme Committee - Childhood Obesity

This committee provides unique perspectives to our childhood obesity programme. It includes members from social enterprise, schools, 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

This committee challenges and advises us on how to maximise impact, capture insights and effectively influence on this issue. Expertise are drawn from the NHS, community, commercial and social enterprise sectors. It was set up in May 2017.

Trust focused Committees

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.

Charitable Funds Committee

This committee meets four times a year to consider bids for £500,000 or more for funding against unrestricted donations. It approves grants to improve patient care, staff welfare or staff development. It reports to the Trust Engagement Committee.

Relationship with external 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

Following a restructure of St Olave's & St Saviour's Schools Foundation on 1 April 2019, we no longer appoint a representative to serve on its Foundation Trustee body. From our last two appointed representatives, Mr Malcolm Edwards served until February 2019 and Mrs Elizabeth Edwards is serving until May 2021.

Auditors (Statutory) Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	Insurance Brokers H W Wood Limited The Baltic Exchange 38 St Mary Axe London EC3A 8BH	Savills 33 Margaret St, Marylebone, London W1G 0JD	Lambert Smith Hampton UK House 180 Oxford Street London W1D 1NN
Auditors (Internal) KPMG LLP 15 Canada Square Canary Wharf London E14 5GL	Investment Advisors Partners Capital LLP 5 Young Street London W8 5E	Property Managers Allsop Letting and Management Princes House 53-54 Queens Road Brighton BN1 3XB	Solicitors Withers LLP 16 Old Bailey London EC4M 7EG
Bankers NatWest 91 Westminster Bridge Road London SE1 7HT	Property Advisers Savills Wytham Court 11 West Way Oxford OX2 0QL	Fresh Student Living Third Floor 7-9 Swallow Street London W1B 4DE	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT

The image is a vertical split. The left half shows a close-up of a brick wall with three white-framed, double-hung windows. The top window has a dark interior, the middle one has light-colored curtains, and the bottom one is partially visible. A light blue, torn-edge banner is overlaid on the middle window. The right half shows a multi-story modern apartment building with a grid of balconies and windows. Some balconies have plants or laundry. A green tree is in the bottom right corner, and a black street lamp is visible on the left side of the modern building.

Auditor's report and Financial Statements

Independent auditor’s report to the members and trustees of Guy’s and St Thomas’ Charity

Opinion

We have audited the financial statements of Guy’s and St Thomas’ Charity for the year ended 31 March 2019 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 strategic report and the Trustees’ annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees’ annual report have 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 strategic report or the Trustees’ annual 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:

- 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.

Responsibilities of Trustees

As explained more fully in the Trustees’ responsibilities statement set out on page 50, 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

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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. Our audit work has been undertaken so that we might state to the charitable company’s members 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 and charitable company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

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



Devonshire House, 60 Goswell Road, London, EC1M 7AD
Date: 2 October 2019



Consolidated Statement of Financial Activities
(incorporating an Income and Expenditure Account)

For the year ended 31 March 2019		2019				2018			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	Notes	£000	£000	£000	£000	£000	£000	£000	£000
Income from:									
Investments	2	2,028	155	17,039	19,222	1,670	99	16,242	18,011
Release from endowment funds	3	24,795	225	(25,020)	–	22,881	211	(23,092)	–
Donations, legacies and other	4	550	4,284	–	4,834	1,738	7,316	–	9,054
Total income		27,373	4,664	(7,981)	24,056	26,289	7,626	(6,850)	27,065
Expenditure on:									
Raising funds									
Investment costs	5	511	–	10,662	11,173	502	–	9,664	10,166
Fundraising cost	5	339	2,337	–	2,676	541	1,301	–	1,842
		850	2,337	10,662	13,849	1,043	1,301	9,664	12,008
Charitable activities									
Grants	5	14,731	2,930	–	17,661	9,896	10,472	–	20,368
Other charitable activities	5	1,791	2,312	–	4,103	5,506	2,751	–	8,257
		16,522	5,242	–	21,764	15,402	13,223	–	28,625
Total expenditure	7	17,372	7,579	10,662	35,613	16,445	14,524	9,664	40,633
Net income/(expenditure) before gains and losses on investments									
		10,001	(2,915)	(18,643)	(11,557)	9,844	(6,898)	(16,514)	(13,568)
Net gains on revaluation and disposal of investments	9	551	–	73,126	73,677	2,777	–	28,193	30,970
Net income/(expenditure)		10,552	(2,915)	54,483	62,120	12,621	(6,898)	11,679	17,402
Transfers between funds	19	(2,537)	2,537	–	–	(1,432)	1,432	–	–
Other recognised (losses)/gains									
(Loss)/gain on revaluation of tangible fixed assets	8	(6)	–	–	(6)	(4)	–	–	(4)
Net movement in funds		8,009	(378)	54,483	62,114	11,185	(5,466)	11,679	17,398
Reconciliation of funds									
Total funds brought forward		57,566	9,150	704,924	771,640	46,381	14,616	693,245	754,242
Total funds carried forward		65,575	8,772	759,407	833,754	57,566	9,150	704,924	771,640

The notes on pages 67 to 89 form part of these financial statements

Consolidated Balance Sheet

As at 31 March 2019		2019				2018			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total at 31 March £000	Unrestricted Funds	Restricted Funds	Endowment Funds	Total at 31 March £000
	Notes	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets									
Tangible assets	8	3,808	–	–	3,808	3,784	–	–	3,784
Investments	9	25,183	–	862,908	888,091	25,083	–	810,610	835,693
		28,991	–	862,908	891,899	28,867	–	810,610	839,477
Current assets									
Debtors	10	273	441	17,896	18,610	1,365	359	1,090	2,814
Inter-fund loan	11	62,850	–	(62,850)	–	47,350	–	(47,350)	–
Cash and short term deposits	12	1,383	19,239	12,660	33,282	9,547	23,788	8,311	41,646
		64,506	19,680	(32,294)	51,892	58,262	24,147	(37,949)	44,460
Creditors: Amounts falling due within one year									
Grant creditors	6	18,492	9,153	–	27,645	21,019	13,057	–	34,076
Other creditors	13	2,354	930	11,207	14,491	3,603	971	7,737	12,311
		20,846	10,083	11,207	42,136	24,622	14,028	7,737	46,387
Net current assets									
		43,660	9,597	(43,501)	9,756	33,640	10,119	(45,686)	(1,927)
Total assets less current liabilities									
		72,651	9,597	819,407	901,655	62,507	10,119	764,924	837,550
Creditors: Amounts falling due after one year									
Grant creditors	6	7,076	680	–	7,756	4,941	769	–	5,710
Other creditors		–	145	–	145	–	200	–	200
Private placement loan	14	–	–	60,000	60,000	–	–	60,000	60,000
		7,076	825	60,000	67,901	4,941	969	60,000	65,910
Total net assets									
		65,575	8,772	759,407	833,754	57,566	9,150	704,924	771,640
Funds of the charity									
Income funds									
Unrestricted		43,386	–	–	43,386	35,454	–	–	35,454
Unrestricted - revaluation reserve	18	22,189	–	–	22,189	22,112	–	–	22,112
	15	65,575	–	–	65,575	57,566	–	–	57,566
		–	8,772	–	8,772	–	9,150	–	9,150
Restricted	16	65,575	8,772	–	74,347	57,566	9,150	–	66,716
Capital funds									
Endowment funds		–	–	483,057	483,057	–	–	392,295	392,295
Endowment funds - revaluation reserve	18	–	–	276,350	276,350	–	–	312,629	312,629
	17	–	–	759,407	759,407	–	–	704,924	704,924
Total funds									
		65,575	8,772	759,407	833,754	57,566	9,150	704,924	771,640

The Charity has not presented its unconsolidated income and expenditure account in accordance with the exemption under Section 408 of the Companies Act 2006. The net income for the Charity only for the year ended 31 March 2019 was £62,247,000 (2018: £19,456,000).

Approved by the Trustees and signed on their behalf:



Barbara Moorhouse
2 October 2019

The notes on pages 67 to 89 form part of these financial statements

Balance Sheet

As at 31 March 2019		2019				2018			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total at 31 March £000	Unrestricted Funds	Restricted Funds	Endowment Funds	Total at 31 March £000
	Notes	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets									
Tangible assets	8	3,808	–	–	3,808	3,784	–	–	3,784
Investments	9	23,138	–	862,293	885,431	22,717	–	809,604	832,321
		26,946	–	862,293	889,239	26,501	–	809,604	836,105
Current assets									
Debtors	10	270	441	18,898	19,609	1,362	359	2,106	3,827
Inter-fund loan	11	62,850	–	(62,850)	–	47,350	–	(47,350)	–
Cash and short term deposits	12	1,151	19,239	12,267	32,657	9,509	23,788	8,301	41,598
		64,271	19,680	(31,685)	52,266	58,221	24,147	(36,943)	45,425
Creditors: Amounts falling due within one year									
Grant creditors	6	18,492	9,153	–	27,645	21,019	13,057	–	34,076
Other creditors	13	2,354	930	11,201	14,485	3,603	971	7,737	12,311
		20,846	10,083	11,201	42,130	24,622	14,028	7,737	46,387
Net current assets									
		43,425	9,597	(42,886)	10,136	33,599	10,119	(44,680)	(962)
Total assets less current liabilities									
		70,371	9,597	819,407	899,375	60,100	10,119	764,924	835,143
Creditors: Amounts falling due after one year									
Grant creditors	6	7,076	680	–	7,756	4,941	769	–	5,710
Other creditors		–	145	–	145	–	200	–	200
Private placement loan	14	–	–	60,000	60,000	–	–	60,000	60,000
		7,076	825	60,000	67,901	4,941	969	60,000	65,910
Total net assets									
		63,295	8,772	759,407	831,474	55,159	9,150	704,924	769,233
Funds of the charity									
Income funds									
Unrestricted		45,896	–	–	45,896	37,837	–	–	37,837
Unrestricted - revaluation reserve	18	17,399	–	–	17,399	17,322	–	–	17,322
	15	63,295	–	–	63,295	55,159	–	–	55,159
		–	8,772	–	8,772	–	9,150	–	9,150
Restricted	16	63,295	8,772	–	72,067	55,159	9,150	–	64,309
Capital funds									
Endowment funds		–	–	483,967	483,967	–	–	393,205	393,205
Endowment funds - revaluation reserve	18	–	–	275,440	275,440	–	–	311,719	311,719
	17	–	–	759,407	759,407	–	–	704,924	704,924
Total funds									
		63,295	8,772	759,407	831,474	55,159	9,150	704,924	769,233

Approved by the Trustees and signed on their behalf:



Barbara Moorhouse
2 October 2019

The notes on pages 67 to 89 form part of these financial statements

Consolidated Statement of Cash Flows

For the year ended 31 March 2019	31 March 2019 £000	31 March 2018 £000
	Notes	
Cash flows from operating activities:		
Net cash used in operating activities		
Cash flows from investing activities:		
Rents, dividends and interest from investments		
Proceeds from sale of investments		
Purchase of investments		
Purchase of tangible fixed assets		
Net cash provided by/(used in) investing activities		
Change in cash and cash equivalents in the reporting period		
Cash and cash equivalents at the beginning of the reporting period	12	
Change in cash and cash equivalents due to exchange rate movements		
Cash and cash equivalents at the end of the reporting period	12	
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period		
Adjustments for:		
Depreciation charges		
Gains on investments		
Programme related investments written off		
Rents, dividends and interest from investments		
Donated fixed assets		
Decrease/(increase) in debtors		
Increase/(decrease) in grants payable		
Increase/(decrease) in other creditors		
Net cash used in operating activities		
Increase/(decrease) in grants payable comprises:		
Grants awarded		
Grants paid out		
Change in fair value		

The notes on pages 67 to 89 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 Charity’s forecasts and projections and have taken account of pressures on income. 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:
<ul style="list-style-type: none">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.
<ul style="list-style-type: none">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:
<ul style="list-style-type: none">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 servicesGrants 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.

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 2018.

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 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 2019.
- 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

	2019				2018			
	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	–	–	1,744	1,744	–	–	1,360	1,360
Absolute return	–	–	195	195	–	–	5	5
Private equity	–	–	14	14	–	–	26	26
Programme related financial investments								
Royalties and interest	–	–	–	–	7	–	–	7
	–	–	1,953	1,953	7	–	1,391	1,398
Property investments								
Property investments								
Rents	–	–	16,004	16,004	–	–	15,615	15,615
Other income	–	–	65	65	–	–	107	107
Programme related property investments								
Rents	887	–	–	887	769	–	–	769
Other income	11	–	–	11	–	–	–	–
	898	–	16,069	16,967	769	–	15,722	16,491
Interest								
Cash and short term deposits	78	155	69	302	10	99	13	122
Inter-fund loan (see note 11)	1,052	–	(1,052)	–	884	–	(884)	–
	1,130	155	(983)	302	894	99	(871)	122
	2,028	155	17,039	19,222	1,670	99	16,242	18,011

3. Release from endowment funds

	2019				2018			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
For disbursement under the Charity's distribution rule	24,795	–	(24,795)	–	22,881	–	(22,881)	–
Permanent endowments total return allocated to income	–	225	(225)	–	–	211	(211)	–
	24,795	225	(25,020)	–	22,881	211	(23,092)	–

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

	2019				2018			
	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	441	3,797	–	4,238	452	7,121	–	7,573
Legacies	107	459	–	566	1,249	160	–	1,409
	548	4,256	–	4,804	1,701	7,281	–	8,982
Charitable activities	–	24	–	24	–	31	–	31
Other	2	4	–	6	37	4	–	41
	550	4,284	–	4,834	1,738	7,316	–	9,054

Notes to the Financial Statements (continued)

5. Total expenditure

	2019						
	Grants £000	Art £000	Other charitable activities £000	Total charitable activities £000	Investments £000	Fundraising £000	Total £000
Unrestricted funds							
Direct expenditure							
Property investments	–	–	–	–	304	–	304
Grants awarded	12,685	–	–	12,685	–	–	12,685
Other direct	–	97	1,214	1,311	–	339	1,650
	<u>12,685</u>	<u>97</u>	<u>1,214</u>	<u>13,996</u>	<u>304</u>	<u>339</u>	<u>14,639</u>
Support costs							
Salary and other payroll	1,447	138	198	1,783	144	–	1,927
Other support	598	57	83	738	61	–	799
Depreciation	17	2	2	21	2	–	23
	<u>2,062</u>	<u>197</u>	<u>283</u>	<u>2,542</u>	<u>207</u>	<u>–</u>	<u>2,749</u>
Change in fair value							
Grant creditors	(16)	–	–	(16)	–	–	(16)
Total unrestricted funds	<u>14,731</u>	<u>294</u>	<u>1,497</u>	<u>16,522</u>	<u>511</u>	<u>339</u>	<u>17,372</u>
Restricted funds							
Direct expenditure							
Grants awarded	2,874	–	–	2,874	–	–	2,874
Other direct	–	–	2,035	2,035	–	2,337	4,372
	<u>2,874</u>	<u>–</u>	<u>2,035</u>	<u>4,909</u>	<u>–</u>	<u>2,337</u>	<u>7,246</u>
Support costs							
Salary and other payroll	38	–	191	229	–	–	229
Other support	18	–	84	102	–	–	102
Depreciation	–	–	2	2	–	–	2
	<u>56</u>	<u>–</u>	<u>277</u>	<u>333</u>	<u>–</u>	<u>–</u>	<u>333</u>
Total restricted funds	<u>2,930</u>	<u>–</u>	<u>2,312</u>	<u>5,242</u>	<u>–</u>	<u>2,337</u>	<u>7,579</u>
Endowment funds							
Direct expenditure							
Financial investments	–	–	–	–	2,064	–	2,064
Property investments	–	–	–	–	5,408	–	5,408
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>7,472</u>	<u>–</u>	<u>7,472</u>
Support costs							
Salary and other payroll	–	–	–	–	588	–	588
Other support	–	–	–	–	246	–	246
Depreciation	–	–	–	–	7	–	7
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>841</u>	<u>–</u>	<u>841</u>
Interest costs							
Private placement loan	–	–	–	–	2,232	–	2,323
Other interest	–	–	–	–	117	–	117
Private placement loan	–	–	–	–	2,349	–	2,349
Total endowment funds	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>10,662</u>	<u>–</u>	<u>10,662</u>
	<u>17,661</u>	<u>294</u>	<u>3,809</u>	<u>21,764</u>	<u>11,173</u>	<u>2,676</u>	<u>35,613</u>
Of which:							
Total direct expenditure	15,559	97	3,249	18,905	7,776	2,676	29,357

	2018						
	Grants £000	Art £000	Other charitable activities £000	Total charitable activities £000	Investments £000	Fundraising £000	Total £000
	–	–	–	–	334	–	334
	7,982	–	–	7,982	–	–	7,982
	–	87	5,001	5,088	–	541	5,629
	<u>7,982</u>	<u>87</u>	<u>5,001</u>	<u>13,070</u>	<u>334</u>	<u>541</u>	<u>13,945</u>
	1,317	118	177	1,612	117	–	1,729
	557	47	71	675	49	–	724
	26	2	3	31	2	–	33
	<u>1,900</u>	<u>167</u>	<u>251</u>	<u>2,318</u>	<u>168</u>	<u>–</u>	<u>2,486</u>
	14	–	–	14	–	–	14
	<u>9,896</u>	<u>254</u>	<u>5,252</u>	<u>15,402</u>	<u>502</u>	<u>541</u>	<u>16,445</u>
	10,419	–	–	10,419	–	–	10,419
	–	–	2,531	2,531	–	1,301	3,832
	<u>10,419</u>	<u>–</u>	<u>2,531</u>	<u>12,950</u>	<u>–</u>	<u>1,301</u>	<u>14,251</u>
	34	–	148	182	–	–	182
	18	–	69	87	–	–	87
	1	–	3	4	–	–	4
	<u>53</u>	<u>–</u>	<u>220</u>	<u>273</u>	<u>–</u>	<u>–</u>	<u>273</u>
	<u>10,472</u>	<u>–</u>	<u>2,751</u>	<u>13,223</u>	<u>–</u>	<u>1,301</u>	<u>14,524</u>
	–	–	–	–	2,748	–	2,748
	–	–	–	–	4,148	–	4,148
	–	–	–	–	6,896	–	6,896
	–	–	–	–	373	–	373
	–	–	–	–	157	–	157
	–	–	–	–	7	–	7
	–	–	–	–	536	–	536
	–	–	–	–	2,232	–	2,232
	–	–	–	–	–	–	–
	–	–	–	–	2,232	–	2,232
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>9,664</u>	<u>–</u>	<u>9,664</u>
	<u>20,368</u>	<u>254</u>	<u>8,003</u>	<u>28,625</u>	<u>10,166</u>	<u>1,842</u>	<u>40,633</u>
	18,401	87	7,532	26,020	7,230	1,842	35,092

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 £25,773 (2018: £25,712) in respect of the external audit of the statutory accounts.

Direct charitable expenditure	Total	Total	Total	Total	Total	Total
	2015	2016	2017	2018	2019	2015-2019
	£000	£000	£000	£000	£000	£000
By activity – five year profile						
Grants	17,088	7,699	11,402	7,982	12,685	56,856
Unrestricted	1,804	1,367	2,449	10,419	2,874	18,913
Restricted	18,892	9,066	13,851	18,401	15,559	75,769
Art	106	177	187	87	97	654
Other charitable activities						
Special purpose funds	1,357	2,091	1,844	2,531	2,035	9,858
Donations and other charitable support	417	–	436	–	–	853
Charity commissioned activities	223	155	224	639	775	2,016
Value of asset contribution to new Ronald McDonald House	6,993	–	–	–	–	6,993
Programme related investment write down	–	–	–	4,209	–	4,209
Other	158	209	168	153	439	1,127
	9,148	2,455	2,672	7,532	3,249	25,056
	28,146	11,698	16,710	26,020	18,905	101,479
By recipient – five year profile						
Guy's and St Thomas' NHS Foundation Trust	12,554	6,868	9,711	15,919	8,584	53,636
Other King's Health Partners:						
King's College London	3,154	1,707	1,422	(173)	2,364	8,474
South London and Maudsley NHS Foundation Trust	725	1,463	560	40	(12)	2,776
King's College Hospital NHS Foundation Trusts	150	–	(28)	–	–	122
	4,029	3,170	1,954	(133)	2,352	11,372
Ronald McDonald House Charities	6,993	–	–	–	–	6,993
Other organisations	4,570	1,660	5,045	10,234	7,969	29,478
	11,563	1,660	5,045	10,234	7,969	36,471
	28,146	11,698	16,710	26,020	18,905	101,479

Notes to the Financial Statements (continued)

5. Total expenditure (continued)

Direct charitable expenditure (continued)	Total	Total	Total	Total	Total	Total
	2015	2016	2017	2018	2019	2015-2019
	£000	£000	£000	£000	£000	£000
By strategic priority - five year profile						
Urban Health Programmes:						
Childhood obesity	-	-	-	1,545	4,125	5,670
Multiple long-term conditions	-	-	-	1,741	4,141	5,882
R&D	-	-	-	-	1,748	1,748
	-	-	-	3,286	10,014	13,300
Charity for Guy's and St Thomas' NHS Foundation Trust:						
On-going charitable support	-	-	-	6,655	7,813	14,468
Expenditure of appeal funds	-	-	-	7,974	110	8,084
	-	-	-	14,629	7,923	22,552
Programme related Investment write down	-	-	-	4,209	-	4,209
	-	-	-	18,838	7,923	26,761
Health Innovation Fund	28,146	11,698	16,710	3,896	968	61,418
	28,146	11,698	16,710	26,020	18,905	101,479

6. Grants awarded by recipient

	Awarded	Awarded	Awarded	Awarded	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
	Total	Unrestricted	Restricted	Total	Creditors	Creditors	Payments	Payments	Creditors	Creditors
	2019	2019	2019	2019	31 March	31 March	Made 2019	Made 2019	31 March	31 March
	Number	£000	£000	£000	2018	2018	£000	£000	2019	2019
Guy's and St Thomas' NHS Foundation Trust	105	3,910	2,577	6,487	£000 8,994	£000 13,728	(3,451)	(6,807)	£000 9,453	£000 9,498
Other King's Health Partners:										
King's College London	15	2,167	197	2,364	10,480	98	(5,096)	(60)	7,551	235
South London and Maudsley NHS Foundation Trust	-	(12)	-	(12)	1,297	-	(334)	-	951	-
King's College Hospital NHS Foundation Trust	-	-	-	-	-	-	-	-	-	-
	15	2,155	197	2,352	11,777	98	(5,430)	(60)	8,502	235
Others:										
ShareAction	1	1,100	-	1,100	-	-	(181)	-	919	-
Alexandra Rose Charity	1	1,049	-	1,049	170	-	(131)	-	1,088	-
Lambeth CCG	2	455	-	455	60	-	(118)	-	397	-
Pembroke House	2	449	-	449	431	-	(163)	-	717	-
Shift Design	3	403	-	403	26	-	(18)	-	411	-
Other	32	3,101	100	3,201	4,720	-	(3,492)	-	4,329	100
	41	6,557	100	6,657	5,407	-	(4,103)	-	7,861	100
Individuals	53	63	-	63	44	-	(77)	-	30	-
	214	12,685	2,874	15,559	26,222	13,826	(13,061)	(6,867)	25,846	9,833
Fair value adjustments					(262)	-			(278)	-
		25,960	13,826						25,568	9,833

Notes to the Financial Statements (continued)

6. Grants awarded by recipient (continued)

Five year profile	Awarded	Awarded	Awarded	Awarded	Awarded	Awarded Total 2015-2019 £000
	Total 2015	Total 2016	Total 2017	Total 2018	Total 2019	
	£000	£000	£000	£000	£000	
Guy's and St Thomas' NHS Foundation Trust	10,747	4,732	7,390	12,858	6,487	42,214
Other King's Health Partners:						
King's College London	3,145	1,702	1,422	300	2,364	8,933
South London and Maudsley NHS Foundation Trust	719	1,463	560	40	(12)	2,770
King's College Hospital NHS Foundation Trust	150	-	(28)	-	-	122
	4,014	3,165	1,954	340	2,352	11,825
Other organisations:						
Thames Reach	1,959	-	1,957	2,042	(219)	5,739
Southwark CCG	478	475	20	-	367	1,340
Alexandra Rose Charity	-	-	-	237	1,049	1,286
ShareAction	-	-	-	-	1,100	1,100
Pembroke House	-	-	-	481	449	930
London Citizens UK	714	-	-	30	-	744
London South Bank University	19	-	675	-	-	694
Breathe Arts Health Research	-	-	165	201	234	600
Shift Design	-	-	-	-	403	403
Grantham Practice	-	-	-	345	196	541
Lambeth CCG	-	(6)	-	60	455	509
Healthwatch Lambeth	-	-	-	498	-	498
Lambeth GP Federations	-	-	-	-	385	385
Redthread Youth Ltd	20	(1)	313	-	-	332
The Innovations Unit	-	-	247	-	-	247
Soil Association	-	-	-	-	276	276
London Borough of Southwark	-	-	-	-	259	259
Rosetta Life	246	-	-	-	-	246
School for Social Entrepreneurs	-	-	-	-	243	243
Florence Nightingale Museum	26	(3)	-	199	-	222
Evolve	-	-	-	-	210	210
Marie Curie	-	-	-	-	203	203
Canterbury Christchurch University	194	8	-	-	-	202
Other	428	646	1,091	1,053	1,047	4,265
	4,084	1,119	4,468	5,146	6,657	21,474
Individuals	47	49	40	57	63	256
	18,892	9,065	13,852	18,401	15,559	75,769
	Number	Number	Number	Number	Number	Number
Guy's and St Thomas' NHS Foundation Trust	41	39	67	69	105	321
King's Health Partners:						
King's College London	16	20	20	9	15	80
South London and Maudsley NHS Foundation Trust	3	4	2	-	-	9
King's College Hospital NHS Foundation Trust	3	-	-	-	-	3
	22	24	22	9	15	92
Other organisations	25	23	38	35	41	162
Individuals	47	41	39	34	53	214
	135	127	166	147	214	789

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 the Maudsley NHS Foundation Trust.

Notes to the Financial Statements (continued)

7. Staff costs

Analysis of total staff costs	2019	2018	Remuneration of senior employees		
	£000	£000	The following number of senior employees received salaries falling within the following ranges		
Salaries and wages	2,216	1,862			
Social security costs	262	210		2019	2018
Other pension costs	266	212		Number	Number
	2,744	2,284			
During the year non-contractual payments of £11,960 (2018: £72,000) 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.			£60,001 to £70,000	4	2
			£70,001 to £80,000	3	2
			£80,001 to £90,000	2	1
			£90,001 to £100,000	–	–
			£100,001 to £110,000	1	2
			£110,001 to £120,000	1	1
			£120,001 to £130,000	1	–
			£130,001 to £140,000	1	1
Number of employees	2019	2018			
	Number	Number			
Average monthly number of employees in the year	38	33	No senior employee received any taxable benefits in kind in addition to their salaries as shown above.		
Pension creditor	2019	2018	Pension contributions for senior employees		
	£000	£000	The following pension contributions were made for senior employees:		
Pension contributions due but not yet paid	14	14			

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 £47,000 (2018:£28,000).

Notes to the Financial Statements (continued)

9. Fixed asset investments

Group	2019			2018		
	Investments	Programme related investments	Total	Investments	Programme related investments	Total
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Financial investments	10	5,138	5,148	10	5,485	5,495
Property investments	-	20,035	20,035	-	19,588	19,588
	10	25,173	25,183	10	25,073	25,083
Endowment funds						
Financial investments	483,378	-	483,378	469,682	-	469,682
Property investments	379,530	-	379,530	340,928	-	340,928
	862,908	-	862,908	810,610	-	810,610
Total funds						
Financial investments	483,388	5,138	488,526	469,692	5,485	475,177
Property investments	379,530	20,035	399,565	340,928	19,588	360,516
	862,918	25,173	888,091	810,620	25,073	835,693
Company						
Unrestricted funds						
Financial investments	10	3,093	3,103	10	3,119	3,129
Property investments	-	20,035	20,035	-	19,588	19,588
	10	23,128	23,138	10	22,707	22,717
Endowment funds						
Financial investments	483,378	-	483,378	469,682	-	469,682
Property investments	378,915	-	378,915	339,922	-	339,922
	862,293	-	862,293	809,604	-	809,604
Total funds						
Financial investments	483,388	3,093	486,481	469,692	3,119	472,811
Property investments	378,915	20,035	398,950	339,922	19,588	359,510
	862,303	23,128	885,431	809,614	22,707	832,321

Notes to the Financial Statements (continued)

9.1 Investments

Group	Market Value	Disposals	Acquisitions	Net	Market Value
	31 March	at Carrying	at Cost	Gains on	31 March
	2018	Value	£000	Revaluation	2019
	£000	£000		£000	£000
Unrestricted funds					
Financial investments					
Global equity	10	-	-	-	10
Endowment funds					
Financial investments					
Global equity	229,061	(117,794)	92,705	17,974	221,946
Hedged equity	68,177	-	9,976	10,385	88,538
Private equity	66,133	(15,577)	16,903	13,829	81,288
Absolute return	47,710	(31,568)	23,204	(2,207)	37,139
Credit	51,870	(30,954)	27,766	(1,432)	47,250
Core property	-	-	2,500	(505)	1,995
Multi-asset class	5,289	(251)	-	30	5,068
Forward FX contracts	1,442	(67,644)	67,644	(1,288)	154
	469,682	(263,788)	240,698	36,786	483,378
Property investments	340,928	(2,056)	8,748	31,910	379,530
	810,610	(265,844)	249,446	68,696	862,908
	810,620	(265,844)	249,446	68,696	862,918
Company					
Unrestricted funds					
Financial investments					
Global equity	10	-	-	-	10
Endowment funds					
Financial investments					
Global equity	229,061	(117,794)	92,705	17,974	221,946
Hedged equity	68,177	-	9,976	10,385	88,538
Private equity	66,133	(15,577)	16,903	13,829	81,288
Absolute return	47,710	(31,568)	23,204	(2,207)	37,139
Credit	51,870	(30,954)	27,766	(1,432)	47,250
Core property	-	-	2,500	(505)	1,995
Multi-asset class	5,289	(251)	-	30	5,068
Forward FX contracts	1,442	(67,644)	67,644	(1,288)	154
	469,682	(263,788)	240,698	36,786	483,378
Property investments	339,922	(2,031)	8,748	32,276	378,915
	809,604	(265,819)	249,446	69,062	862,293
	809,614	(265,819)	249,446	69,062	862,303

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	2019 Total £000	2018 Total £000
Group						
Global equity	10	221,946	–	–	221,956	229,071
Hedged equity	–	44,151	–	44,387	88,538	68,177
Private equity	–	–	3,163	78,125	81,288	66,133
Absolute return	–	19,880	–	17,259	37,139	47,710
Credit	–	6,632	12,380	28,238	47,250	51,870
Core property	–	–	1,995	–	1,995	–
Multi-asset class	–	–	–	5,068	5,068	5,289
Forward FX contracts	–	–	–	154	154	1,442
Property	–	–	379,530	–	379,530	340,928
Market value at 31 March 2019	10	292,609	397,068	173,231	862,918	
Market value at 31 March 2018	10	343,964	352,998	113,649		810,620
Historic cost at 31 March 2019	–	206,329	204,460	213,459	624,248	
Historic cost at 31 March 2018	–	245,408	155,120	97,453		497,980
Company						
Global equity	10	221,946	–	–	221,956	229,071
Hedged equity	–	44,151	–	44,387	88,538	68,177
Private equity	–	–	3,163	78,125	81,288	66,133
Absolute return	–	19,880	–	17,259	37,139	47,710
Credit	–	6,632	12,380	28,238	47,250	51,870
Core property	–	–	1,995	–	1,995	–
Multi-asset class	–	–	–	5,068	5,068	5,289
Forward FX contracts	–	–	–	154	154	1,442
Property	–	–	378,915	–	378,915	339,922
Market value at 31 March 2019	10	292,609	396,453	173,231	862,303	
Market value at 31 March 2018	10	343,964	351,991	113,649		809,614
Historic cost at 31 March 2019	–	206,329	204,456	213,459	624,244	
Historic cost at 31 March 2018	–	245,408	155,116	97,453		465,840

Notes to the Financial Statements (continued)

9.2. Programme related investments

	Market Value 31 March 2018 £000	Disposals at Carrying Value £000	Acquisitions at Cost £000	Written Down £000	Net Gains on Revaluation £000	Market Value 31 March 2019 £000
Group						
Unrestricted funds						
Property	19,588	-	-	-	447	20,035
Health innovations investments	5,485	(24)	46	(251)	(118)	5,138
	25,073	(24)	46	(251)	329	25,173
Historic cost at 31 March 2019						6,140
Historic cost at 31 March 2018						6,117
Company						
Unrestricted funds						
Property	19,588	-	-	-	447	20,035
Health innovations investments	3,119	(8)	-	(100)	82	3,093
	22,707	(8)	-	(100)	529	23,128
Historic cost at 31 March 2019						6,471
Historic cost at 31 March 2018						6,479

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

Group	2019			2018		
	Investments	Programme related investments	Total	Investments	Programme related investments	Total
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Unrealised gains/(losses)						
Financial investments	-	(119)	(119)	(1)	872	871
Property investments	-	448	448	-	1,800	1,800
	-	329	329	(1)	2,672	2,671
Realised gains						
Property investments	-	-	-	-	106	106
	-	-	-	-	106	106
Total gains/(losses)						
Financial investments	-	(119)	(119)	(1)	872	871
Property investments	-	448	448	-	1,906	1,906
	-	329	329	(1)	2,778	2,777
Endowment funds						
Unrealised gains/(losses)						
Financial investments	36,786	-	36,786	14,354	-	14,354
Property investments	31,910	-	31,910	9,857	-	9,857
	68,696	-	68,696	24,211	-	24,211
Realised gains/(losses)						
Financial investments	3,816	-	3,816	4,324	-	4,324
Property investments	584	-	584	-	-	-
	4,400	-	4,400	4,324	-	4,324
Other gains/(losses)	30	-	30	(341)	-	(341)
Total gains/(losses)						
Financial investments	40,602	-	40,602	18,678	-	18,678
Property investments	32,494	-	32,494	9,857	-	9,857
Other	30	-	30	(341)	-	(341)
	73,126	-	73,126	28,194	-	28,194
Total funds						
Total gains/(losses)						
Financial investments	40,602	(119)	40,483	18,677	872	19,549
Property investments	32,494	448	32,942	9,857	1,906	11,763
Other	30	-	30	(341)	-	(341)
	73,126	329	73,455	28,193	2,778	30,971

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 profit of £11,139,222 for the year ended 31 March 2019 and its net assets at that date amounted to £13,384,827. 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 profit of £213,228 for the year ended 31 March 2019 and its net assets at that date amounted to £3,777,596. 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 2019. 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 2019	£	Summary Balance Sheet as at 31 March 2019	£
Gross income	53,900	Tangible fixed assets	14,000,000
Expenditure	(49,873)	Net current assets	393,357
Net income	4,027	Total assets less net current liabilities	14,393,357
Investment gains	11,135,195	Creditors due after one year	(1,008,530)
Net profit	11,139,222	Net assets and shareholder’s funds	13,384,827
GSTC Health Innovations Ltd			
Summary Income and Expenditure account for the year ended 31 March 2019	£	Summary Balance Sheet as at 31 March 2019	£
Gross income	2,289	Tangible fixed assets	3,542,950
Expenditure	(73)	Net current assets	234,646
Net income	2,216	Total assets less net current liabilities	3,777,596
Investment gains	211,012	Net assets and shareholder’s funds	3,777,596
Net profit	213,228		

Notes to the Financial Statements (continued)

10. Debtors

	2019				2018			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group								
Debtors falling due within one year	273	441	17,896	18,610	1,365	359	1,090	2,814
Debtors falling due after one year	–	–	–	–	–	–	–	–
	273	441	17,896	18,610	1,365	359	1,090	2,814
Company								
Debtors falling due within one year	270	441	17,889	18,600	1,362	359	1,097	2,818
Debtors falling due after one year	–	–	1,009	1,009	–	–	1,009	1,009
	270	441	18,898	19,609	1,362	359	2,106	3,827

10.1 Debtors falling due within one year

	2019				2018			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group								
Prepayments	159	–	–	159	61	–	27	88
Accrued income	6	277	340	623	1,100	253	235	1,588
Due from sale of investments	–	–	16,724	16,724	–	–	75	75
Other debtors	108	164	832	1,104	204	106	753	1,063
	273	441	17,896	18,610	1,365	359	1,090	2,814
Company								
Prepayments	159	–	43	202	61	–	27	88
Accrued income	3	277	308	588	1,097	253	246	1,596
Due from sale of investments	–	–	16,384	16,384	–	–	75	75
Other debtors	108	164	1,154	1,426	204	106	749	1,059
	270	441	17,889	18,600	1,362	359	1,097	2,818

10.2 Debtors falling due after one year

	2019				2018			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Company								
Loan to subsidiary undertaking	–	–	1,009	1,009	–	–	1,009	1,009

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 the total of 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 for an initial term of 5 years, and with effect from 9 April 2018 the facility was renewed for a further 5 years with an upper loan limit of £65,000,000. Repayments of any amount can be requested by the unrestricted fund or the endowment fund at any time. The unrestricted fund receives interest on this loan at a rate of 12 month sterling LIBOR + 0.8% fixed annually on the anniversary of the commencement of the loan which is paid by transfers from the endowment fund to the unrestricted fund. At 31 March 2018 the balance outstanding was £47,350,000 and during the year the balance fluctuated between this amount and the balance outstanding at 31 March 2019 of £62,850,000, in accordance with the cash requirements of the unrestricted fund.

12. Cash and short term deposits

	2019				2018			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group								
Short term deposits								
within one month	1,000	4,000	9,695	14,695	–	1,250	–	1,250
between one to three months	–	2,480	–	2,480	–	2,500	–	2,500
between three months and one year	–	11,250	–	11,250	–	11,250	–	11,250
	1,000	17,730	9,695	28,425	–	15,000	–	15,000
Cash at bank and in hand	383	1,509	2,965	4,857	9,547	8,788	8,311	26,646
	1,383	19,239	12,660	33,282	9,547	23,788	8,311	41,646
Company								
Short term deposits								
within one month	1,000	4,000	9,695	14,695	–	1,250	–	1,250
between one to three months	–	2,480	–	2,480	–	2,500	–	2,500
between three months and one year	–	11,250	–	11,250	–	11,250	–	11,250
	1,000	17,730	9,695	28,425	–	15,000	–	15,000
Cash at bank and in hand	151	1,509	2,572	4,232	9,509	8,788	8,301	26,598
	1,151	19,239	12,267	32,657	9,509	23,788	8,301	41,598

13. Other creditors falling due within one year

	2019				2018			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group								
Purchase creditors	1,552	–	–	1,552	889	–	2,251	3,150
Accruals	305	–	2,184	2,489	1,748	–	3,444	5,192
Deferred investment property income	188	–	2,271	2,459	137	–	2,042	2,179
Tax and social security	93	–	–	93	84	–	–	84
Other creditors	216	930	6,752	7,898	735	971	–	1,706
	2,354	930	11,207	14,491	3,603	971	7,737	12,311
Company								
Purchase creditors	1,552	–	–	1,552	899	–	2,251	3,150
Accruals	305	–	2,184	2,489	1,748	–	3,444	5,192
Deferred investment property income	188	–	2,265	2,453	137	–	2,042	2,179
Tax and social security	93	–	–	93	84	–	–	84
Other creditors	216	930	6,752	7,898	735	971	–	1,706
	2,354	930	11,201	14,485	3,603	971	7,737	12,311

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 2018 and 2019, 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

	Balance				Gains and	Balance
	1 April 2018	Income	Expenditure	Transfers	Losses	31 March
	£000	£000	£000	£000	£000	2019
						£000
Group						
Programme-related investment funds						
Charitable property fund	19,588	–	–	–	447	20,035
Health innovations investments fund	5,485	–	–	(451)	104	5,138
	25,073	–	–	(451)	551	25,173
Art collection fund	3,650	–	–	55	(6)	3,699
Distribution account	28,843	27,373	(17,372)	(2,141)	–	36,703
	57,566	27,373	(17,372)	(2,537)	545	65,575
Company						
Programme-related investment funds						
Charitable property fund	19,588	–	–	–	447	20,035
Health innovations investments fund	3,119	–	–	(108)	82	3,093
	22,707	–	–	(108)	529	23,128
Art collection fund	3,650	–	–	55	(6)	3,699
Distribution account	28,802	27,371	(17,222)	(2,483)	–	36,468
	55,159	27,371	(17,222)	(2,536)	523	63,295

The distribution account represents the free reserves of the Charity.

16. Restricted funds

	Balance				Gains and	Balance
	1 April 2018	Income	Expenditure	Transfers	Losses	31 March
	£000	£000	£000	£000	£000	2019
						£000
Group and Company						
Material funds						
Integrated Cancer Centre Fund	831	516	(688)	-	-	659
The Evelina Children's Hospital Appeal	905	1,556	(1,638)	-	-	823
Children's Heart Fund	413	57	(109)	-	-	361
Next Generation Nightingale Fund	86	250	(24)	-	-	312
Neonatal Unit	325	66	(80)	-	-	311
Masterstroke - Polycythaemia	323	147	(166)	-	-	304
LFRUPA	295	23	(20)	-	-	298
Samaritan Fund	174	134	(22)	-	-	286
Academic Cardiology Fund	151	68	(3)	-	-	216
Teenage & Young Adult Haematology/Oncology	199	-	(1)	-	-	198
St Thomas' Lupus Trust Fund	1	197	(9)	-	-	189
Department of Nuclear Medicine Fund	157	24	(5)	-	-	176
Guy's Hospital Nurses League	172	-	-	-	-	172
Breast Cancer Research fund	151	21	(10)	-	-	162
St John's Hospital	171	1	(12)	-	-	160
Others (186)	4,796	1,604	(4,792)	2,537	-	4,145
	9,150	4,664	(7,579)	2,537	-	8,772

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 2019:

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

Notes to the Financial Statements (continued)

17. Endowment funds

	Balance 1 April 2018 £000	Income £000	Expenditure £000	Transfers £000	Gains and Losses £000	Balance 31 March 2019 £000
Group						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,651	(66)	(2)	-	9	1,592
The Leak Trust	1,288	(52)	(2)	-	7	1,241
The Guy's and St Thomas' Patients Amenities Fund	1,196	(48)	(2)	-	7	1,153
S J Lam Legacy Fund	750	(29)	(1)	-	3	723
Dr Reginald Curle Trust	490	(30)	(1)	-	4	463
	5,375	(225)	(8)	-	30	5,172
Expendable endowment						
General fund	699,549	(7,756)	(10,654)	-	73,096	754,235
	704,924	(7,981)	(10,662)	-	73,126	759,407
Company						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,651	(66)	(2)	-	9	1,592
The Leak Trust	1,288	(52)	(2)	-	7	1,241
The Guy's and St Thomas' Patients Amenities Fund	1,196	(48)	(2)	-	7	1,153
S J Lam Legacy Fund	750	(29)	(1)	-	3	723
Dr Reginald Curle Trust	490	(30)	(1)	-	4	463
	5,375	(225)	(8)	-	30	5,172
Expendable endowment						
General fund	699,549	(7,765)	(10,649)	-	73,100	754,235
	704,924	(7,990)	(10,657)	-	73,130	759,407

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 2018			
Gift components of the permanent endowments	2,329	-	2,329
Unapplied total return	-	3,046	3,046
	2,329	3,046	5,375
Movements during the period			
Investment return	-	30	30
Realised and unrealised losses	-	30	30
Allocated to income during the period	-	(233)	(233)
Net movements during the period	-	(203)	(203)
At 31 March 2019			
Gift components of the permanent endowments	2,329	-	2,329
Unapplied total return	-	2,843	2,843
Balance at 31 March 2019	2,329	2,843	5,172

Details of material funds at 31 March 2019:

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 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 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 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

	2019				2018			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group								
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
Revaluation gain/(loss) for the year								
Financial investments (see note 9)	(119)	-	36,786	36,667	871	-	14,354	15,225
Property investments (see note 9)	448	-	31,910	32,358	1,800	-	9,857	11,657
Art collection (see note 8)	(6)	-	-	(6)	(4)	-	-	(4)
	323	-	68,696	69,019	2,667	-	24,211	26,878
Disposals during the year								
Financial investments	(246)	-	(105,297)	(105,543)	-	-	(32,787)	(32,787)
Property investments	-	-	322	322	(898)	-	557	(341)
	(246)	-	(104,975)	(105,221)	(898)	-	(32,230)	(33,128)
Balance at 31 March 2019								
Financial investments								
Property investments	6,485	-	48,901	55,386	6,850	-	117,412	124,262
Art collection	16,773	-	227,449	244,222	16,325	-	195,217	211,542
	(1,069)	-	-	(1,069)	(1,063)	-	-	(1,063)
	22,189	-	276,350	298,539	22,112	-	312,629	334,741
Company								
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
Revaluation gain/(loss) for the year								
Financial investments (see note 9)	(119)	-	36,786	36,667	871	-	14,354	15,225
Property investments (see note 9)	448	-	31,910	32,358	1,800	-	9,857	11,657
Art collection (see note 8)	(6)	-	-	(6)	(4)	-	-	(4)
	323	-	68,696	69,019	2,667	-	24,211	26,878
Disposals during the year								
Financial investments	(246)	-	(105,297)	(105,543)	-	-	(32,787)	(32,787)
Property investments	-	-	322	322	(898)	-	557	(341)
	(246)	-	(104,975)	(105,221)	(898)	-	(32,230)	(33,128)
Balance at 31 March 2019								
Financial investments	1,696	-	48,902	50,598	2,061	-	117,413	119,474
Property investments	16,772	-	226,538	243,310	16,324	-	194,306	210,630
Art collection	(1,069)	-	-	(1,069)	(1,063)	-	-	(1,063)
	17,399	-	275,440	292,839	17,322	-	311,719	329,041

Notes to the Financial Statements (continued)

19. Gross transfers between funds

	2019				2018			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group and Company								
Restricted funds net support costs	(2,537)	2,537	-	-	(1,475)	1,475	-	-
Other transfers	-	-	-	-	43	(43)	-	-
	(2,537)	2,537	-	-	(1,432)	1,432	-	-

The transfer from unrestricted to restricted funds of £2,536,000 (2018: £1,475,000) 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. Trustee and connected person transactions

	2019	2018	2019	2018
	£	£	£000	£000
Trustee expenses reimbursed			Trustees' indemnity insurance	
Travel and subsistence	2,271	2,372	Trustee's and officers liability	26
				26
	2018	2017	Transactions with trustees or connected persons	
	Number	Number		
Number of Trustees receiving reimbursement	2	2	During the year ended 31 March 2019 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.	

Trustees' remuneration

No person received remuneration as a Trustee of Guy's and St Thomas' Charity in either the current year or the previous year

	2019	2018
Number of trustees	Number	Number
Total number of Trustees	10	8

21. Commitments

There was no capital expenditure contracted or provided for at 31 March 2019 (2018 £nil). The Group has no commitments for future lease payments (2018 £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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