

Great Ormond Street Hospital Children's Charity

Annual Report and Financial Statements
2018/19



**GREAT
ORMOND
STREET
HOSPITAL
CHARITY**

Our mission

Our mission at Great Ormond Street Hospital Children's Charity (GOSH Charity) is to enhance Great Ormond Street Hospital's (GOSH) ability to transform the health and wellbeing of children and young people, giving them the best chance to fulfil their potential.

On average 619 children and young people from across the UK arrive at GOSH every day. Most of our young patients have life-limiting or life-threatening conditions, or complex serious illnesses. Every day, doctors and nurses battle the most difficult illnesses and conditions, and the brightest minds come together to achieve pioneering medical breakthroughs.

People like you have joined thousands from across the UK, united in fundraising to give seriously ill children the chance of a better future.

With your help, we're able to fund wards and medical facilities, state-of-the-art equipment, ground breaking research for better treatments and cures, and services such as parent accommodation.

On behalf of our young patients, their families and the staff at the hospital and charity, thank you for helping us to build a hospital for the future. We will always be grateful for your support.

On average

619

children and young people from across the UK arrive at GOSH every day.



Left and cover:
Bethany, age 12, has epilepsy. She's been coming to GOSH all her life and is treated under the Neurology team. She is well acquainted with having MRI scans and enjoys watching Disney films while in the scanner.

Introduction from our Chairman

We are dedicated to transforming the lives of seriously ill children and their families, giving each child the best possible chance of a brighter future.

We are extremely fortunate to have so many passionate and committed supporters, staff, volunteers and Trustees. Together they work tirelessly to help the children, young people and families who rely on the care that Great Ormond Street Hospital provides.

Our success is a consequence of their endeavours and I would like to say a heartfelt thank you. With your ongoing support, the charity can approach the coming year with excitement and optimism.

This year

The charity achieved a number of significant milestones in 2018/19, underpinned by another good year of fundraising in a challenging environment.

The Disney Reef opening in June 2018 created great excitement among both children and staff. The hospital's first outdoor space for children was a result of a long-term collaboration with Disney. It is a much-needed and magical place with special lights and a focus on sensory play.

There have also been great strides in our programme to provide the hospital with state-of-the-art facilities. The construction of the Zayed Centre for Research into Rare Disease in Children has made good progress, with our official opening event taking place in July 2019. Much work was also undertaken to create the UK's first paediatric Sight and Sound Centre. The facility is being supported by Premier Inn's £10 million commitment alongside other donors. Scheduled to open in 2020, it will house highly specialised treatment rooms in one place, so that children no longer need to move around the hospital during their visit. It will also feature a new arrival zone, easily navigable by children with specialist needs.

In a remarkable UK first, we saw GOSH surgeons carry out surgical repair of spina bifida while the baby was still in the womb. And GOSH researchers used the latest cell engineering techniques to

grow the world's first functioning oesophagus, a breakthrough that could ultimately lead to rejection-free transplants for children with severe gut problems. These extraordinary advances, along with many others this year, were made possible thanks to your support of GOSH Charity.

We know that we can't achieve everything alone and this year key partnerships have underpinned our research successes. Since children's medical research charity Sparks joined the GOSH Charity family in 2017, we've run two incredibly successful funding calls dedicated to child health research. This year, the call — the largest of its kind in the UK — funded 12 projects across the nation through a joint £2.1 million investment. Projects include pioneering gene therapy for children with difficult-to-treat epilepsy, creating superpowered immune cells to treat childhood tumours, and projects funded in partnership with charities Dravet Syndrome UK and Krabbe UK.

We were delighted to host Paul O'Grady's ITV series, *Little Heroes*, which highlighted the work of hospital staff, focusing on the specialist services offered, and celebrating the incredible children and young people treated there. The series also clearly demonstrated the impact of charitable funding on the hospital. Filming of the second series has been finalised and is due to air in the Summer.

Showing our commitment to creating a truly engaging work culture, we entered the Sunday Times Best Not for Profit Companies List for the first time in autumn 2018. We were delighted to have been awarded an 'Outstanding' rating, two-star accreditation and placed seventeenth in the top 100 list.

Challenges

It is difficult to assess the impact of Brexit and wider macro-economic uncertainty on our ability to fundraise. We will make sure our charity is as agile as possible to deal with any challenges by continuing to progress our cost review. This will ensure the charity is as cost effective as possible, maximising the funds available for charitable activities. Our newly appointed Head of Innovation will drive the development of our fundraising innovation strategy, helping us to remain competitive in a challenging fundraising market. She will explore how we can reach new audiences and continue to have a diverse portfolio of fundraising activities that will ensure a strong flow of funds raised so that, in turn, we can continue to provide support to the hospital and the UCL Great Ormond Street Hospital Institute of Child Health (ICH).

Trust in charities remains at a low point – we all have a responsibility to reassure supporters and the wider public about our values and practices. We continually seek to further strengthen our governance and operational procedures so that we adopt best practice in all of our activities at all times.

Appointments and retirements

Since our last report, four Associate Trustees stepped down from their respective Committees. Humphrey van der Klugt stepped down from the Investment Committee, David Lomas from the Finance and Audit Committee and Dr Benjamin Jacobs and Professor Mary Rutherford from the Grants Committee. We would like to thank Humphrey, David, Benjamin and Mary for their considerable support and contribution to the charity over a number of years.

We were delighted to welcome Mark Burgess and Joseph McDonnell as Associate Trustees to our Investment Committee. We are grateful to them both for taking up their positions and look forward to working with them.

Changes in leadership

In March we said goodbye to our long-standing Chief Executive, Tim Johnson. Tim has done an extraordinary job leading the charity over the past 11 years during which time there was a significant increase in the amount of funds raised to support the hospital. Under Tim's leadership, the charity was able to expand the range of hospital projects we could support and dramatically increase the impact the charity had on the lives of patients and their families. I would like to thank Tim for his considerable contribution to GOSH Charity and wish him all the very best for his future endeavours.

We were delighted to welcome Louise Parkes as Chief Executive of the charity on the 1st May. Louise, who has more than 20 years' experience in the sector, joined us from Barnardo's where she led their Income and Innovation division. Both Louise, and Matthew Shaw, the new Chief Executive of the hospital, will bring fresh perspectives and we are excited about this new stage for the charity.

On a personal note, this will be my last annual report as I am stepping down as Chairman in the summer of 2019 after eight years with the charity, initially chairing the fundraising committee for the Rare Disease Centre and latterly as Chairman of the Board of Trustees. It has been a privilege to work on behalf of a cause that will always be very close to my heart and I am proud to hand over to my successor a charity in such good health.

John Connolly
Chairman of Trustees
Great Ormond Street
Hospital Children's Charity
16 July 2019



Highlights from the year

SPRING 2018



Dory and Nemo at the Disney Reef

The Disney Reef opens

We celebrate the opening of the very special Disney Reef, a colourful, underwater-themed outdoor play area in the heart of the hospital where children can relax and enjoy themselves with their families.



Lead neurosurgeon Dominic Thompson

UK's first spinal surgery before birth

GOSH and University College London Hospitals (UCLH) surgeons perform the UK's first surgery to repair spina bifida before the child is born. The fetal surgery, brought to the UK thanks to funding from GOSH Charity, UCLH Charity and UCL, could help children avoid lifelong disabilities associated with the condition.



Paul O'Grady and GOSH patient Amelie

Paul O'Grady meets some little heroes

A six-part series, *Paul O'Grady's Little Heroes*, premieres on ITV. In this heart-warming programme, Paul visits GOSH patients and families from all over the UK, providing a unique insight into their experiences at one of the world's leading children's hospitals.

SUMMER 2018



Attendees at the Careers Festival

A bright future for GOSH patients

We host our first ever GOSH teens Careers Festival, inviting current and ex-patients to take part in CV workshops, interview training and creative team-building challenges. It's a wonderful opportunity for some of our amazing corporate partners to share their expertise and engage with young people.



Multi-faith room opening ceremony

A new space for reflection

GOSH unveils a new multi-faith room for prayer and reflection, following a generous donation from the Al-Khair Foundation, a leading UK Muslim charity. The room will be open to families and staff at GOSH, as well as ambulance drivers and paramedics from across the capital who drop off or collect patients.



GOSH patient Nina

Believing in the power of research

A major new public fundraising campaign launches to support our ongoing investment in vital child health research. The 'We believe' Research Fund will raise funds to help find new treatments and cures for children with rare and complex diseases.

AUTUMN 2018



Professor Paolo De Coppi

Incredible progress in lab-grown organs

A pioneering team supported by funding from GOSH Charity unveils the world's first functioning oesophagus grown in the laboratory. Once developed for a human oesophagus, this technique could change the lives of children born with severe gut problems, offering hope of personalised, rejection-free transplants.



Hoardings designed by Isobel Manning

Building a centre for the senses

Construction work begins to create the UK's first dedicated facility tailored to children with sight and hearing loss: the GOSH Sight and Sound Centre supported by Premier Inn. The centre will be entirely funded by GOSH Charity, with an incredible pledge of £10 million from Premier Inn getting us off to a fantastic start towards our £25 million target.



Dr Sara Ghorashian

GOSH leading the UK in genetics and cancer progress

GOSH is announced as one of seven new UK genomic laboratory hubs, selected as part of NHS England's initiative to improve understanding, diagnosis and treatment of genetic diseases. With ongoing GOSH Charity funding underpinning the hospital's world-leading cancer service, GOSH is also announced as the first hospital in the UK to offer NHS patients a groundbreaking new 'CAR-T' therapy harnessing the power of the immune system to treat leukaemia.

WINTER 2019



LifeArc

Funding pioneering ideas from bench to bedside

In partnership with LifeArc, a leading UK medical research charity, we launch a new scheme to fund high-quality research projects at GOSH that aim to translate discoveries into practical benefits for seriously ill children.



GOSH patient Charlie

Research to improve epilepsy surgery

Brain-surgeon-in-training Aswin Chari begins his role as our second GOSH Charity Surgical Scientist Fellow. The Lewis Spitz Surgical Scientist PhD fellowships support surgeons to take time out of their intense training programme to carry out vital research. Aswin hopes to use the latest electrode technology to find quicker, safer and kinder ways to diagnose childhood epilepsy.



Dr Owen Williams

Funding child health research around the UK

We announce a £2.1 million investment in 12 incredible child health research projects through the GOSH Charity and Sparks annual joint national call. This year, funding included two projects in partnership with other medical research charities: Krabbe UK and Dravet Syndrome UK.

2018/2019 in numbers

12

Disney friends arrived at GOSH as part of the new Disney Reef, which opened in June 2018.



1,133

volunteers generously donated their time to support GOSH Charity and Sparks – from the committees organising our events to supporters who act as the face of GOSH in their local community.

2,040

Royal Bank of Canada team members joined thousands in the RBC's Race for the Kids in Hyde Park. Aged nine, Rowan completed his fourth race, despite undergoing treatment for leukaemia.



100

year-old Syd jumped out of a plane on his birthday to raise money for GOSH Charity.



8,955

people responded to our annual supporter survey – thank you! We're using this valuable feedback to shape what and how we communicate with you, and how often.

539

silent auction items donated by our generous supporters were sold at fundraising events, from a £50 signed football shirt to a £10,000 holiday in Miami.



62,000

diners added £1 to their bill at Gordon Ramsay Restaurants in support of GOSH Charity.

6

episodes of *Paul O'Grady's Little Heroes* aired on ITV, reaching an average of 3.5 million people across the nation each week.

93%

of GOSH Charity staff agreed the organisation focuses everybody's energy on helping the cause — the second-highest score in the prestigious Sunday Times 100 'Best Not-for-Profit Organisations to work for' list.

381

guests attended the Daniel Galvin Bracken's A Night at the Museum gala dinner, raising over £1 million for a new intra-operative MRI suite that will transform the way brain surgery is performed at GOSH.



Objectives and achievements

The Charity's objectives are to further such charitable purposes relating to:

- a. the hospital services (including research) of Great Ormond Street Hospital and
- b. any other part of the health service associated with Great Ormond Street Hospital as the Trustees think fit

*provided that such support is not of a kind that would ordinarily be given by the statutory authorities.

To achieve this, the charity makes grants to fund the following areas:

Pioneering research
From revolutionary gene therapy to tailor-made organs for transplant and new research laboratories, to find new treatments for the most complex childhood illnesses.
Rebuilding and refurbishment
Wards and medical facilities designed around children and young people that let the hospital treat more patients in the best, most effective and efficient possible surroundings.
Child and family support
Services that can ease the burden on families, raise spirits, and support children and young people through their treatment.
Advanced medical equipment and systems
The most advanced medical equipment and systems for treating the toughest and rarest childhood conditions from iMRI scanners to new IT software to improve patient care, experience and research.

The NHS can only do so much. It meets the day-to-day running costs of the hospital, but GOSH relies on the support of all the charity's donors and volunteers who go above and beyond, to build a hospital for the future, to help pioneer new treatments for more children and to provide the extraordinary world-class care the hospital is known for.

Abhinav is 11 years old. While he's at GOSH for treatment, he passes the time by catching up on his Maths homework.



Pioneering research

We believe the key to improving the lives of seriously ill children is finding the treatments of tomorrow, today. This year we've invested £6.9 million into more than 80 research projects, supporting world-leading scientists to offer children around the globe the chance of a better future.

Enzo is seven years old and he's currently receiving treatment as part of a clinical research trial at GOSH. He loves playing on his games console and superheroes - he even has special Batman shoes that light up!

Research at a glance

5

surgeries to repair spina bifida performed while the child was still in the womb. Thanks to you, we were able to help bring this incredible service to the UK for the first time.



12

research projects funded across the nation through this year's national call, from pioneering gene therapy for children with difficult-to-treat epilepsy to creating superpowered immune cells to treat childhood tumours.

£552,000

invested in early stage research at GOSH, supporting world-class scientists to turn their ideas into life-changing treatments.

"Having laboratory research linked so closely with clinical care on one site is exceptional. It's an opportunity to rapidly translate ideas into results that will benefit children. I always had a real ambition to work here one day. GOSH is a global centre of research and clinical activity for seriously ill children. And the atmosphere is extraordinary. There is particular attention given to the wellbeing of young patients that goes beyond just medical care. I'm so pleased to be here."

Dr Giovanni Baranello, GOSH Charity Senior Clinical Lecturer in Neurosciences, who took up his post in January 2019. Dr Baranello will lead ground-breaking research and clinical trials into muscle-wasting conditions like Duchenne muscular dystrophy.

In October 2018 Professor Paolo De Coppi's team unveiled the world's first functioning oesophagus grown in the laboratory. Once developed for a human oesophagus, this research, supported by GOSH Charity, has the potential to change the lives of children with oesophageal atresia, a condition that leaves the oesophagus disconnected from the stomach.

"For Hudson," says mum Nicola, "an entirely new, functioning food pipe would be a game changer. It would give him a sense of normality, so that he can enjoy his life as fully and independently as any other child. We're excited and hopeful to see where this research goes."



Hudson, aged two, with his brother, Hank

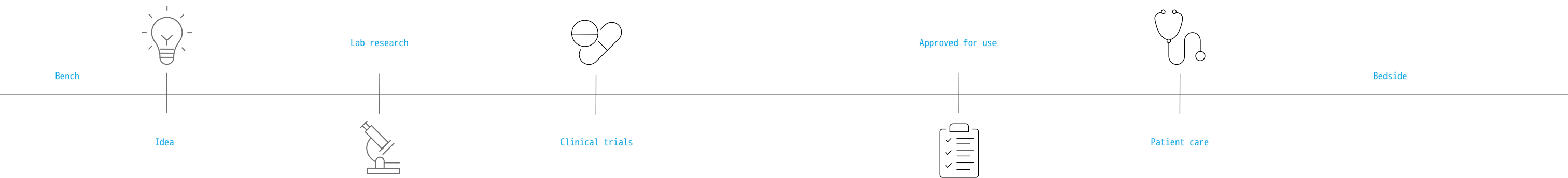
What's next

- We'll work closely with global experts in childhood heart conditions to identify areas where our funding will make the most difference to children with serious heart problems.
- Together with Sparks and in partnership with other research charities, we'll make up to £2 million available for pioneering child health research projects across the UK.
- We plan to recruit an early-career researcher who, with our support, will have the potential to become a world-leading childhood cancer researcher, finding the treatments and cures of tomorrow.

The national call: from bench to bedside

By supporting us to run the UK’s largest dedicated fund for child health research — the GOSH Charity and Sparks national call — you’re helping to push life-saving ideas from the laboratory bench to a child’s bedside as quickly and safely as possible.

One area we’re investing in is lysosomal storage disorders (LSDs), a group of conditions that leave the body unable to breakdown certain molecules, leading to a toxic build-up. There are currently no cures for LSDs and, tragically, many children lose their lives at an early age. Your support is helping to build a brighter future for these children.



Gene therapy for Sanfilippo syndrome Funded in 2014/15

Sanfilippo syndrome is a rare childhood LSD, caused by an error in DNA — the body’s built-in instruction manual. This error leaves the child’s body unable to break down a compound, which builds up in cells and causes damage to the brain. It causes progressive dementia, followed by the loss of the ability to walk and swallow. Children with Sanfilippo syndrome sadly don’t live past their mid-twenties and there are currently no effective treatments. The condition affects

around 100 children in the UK, and over 1,000 worldwide.

In 2014, we awarded funding to leading Sanfilippo researcher Professor Brian Bigger at the University of Manchester, through the GOSH Charity national call. His team aimed to develop a new, curative treatment for children with Sanfilippo syndrome. The approach — known as stem cell gene therapy — would involve taking blood stem cells from the child, modifying the cells in a laboratory to correct the genetic mistake, then reintroducing the cells back into the patient.

This will be one of the first clinical trials to use state-of-the-art gene and cell therapy manufacturing facilities in the new Zayed Centre for Research, funded by GOSH Charity.

Our funding allowed the team to develop a modified virus that could deliver the corrected cells back to the patient and to show the technique was safe, through laboratory testing.

The project was successful, putting the team in an ideal position to apply for grants from larger funders. Together with Professor Rob Wynn and Dr Simon Jones from the Manchester University Hospitals NHS Foundation Trust, they were able to licence the therapy and win an additional £2.6 million grant from Orchard Therapeutics

to cover all remaining lab work needed to take the treatment to clinical trial. As we write this, the team is preparing to launch a world-first clinical trial, working closely with Professor Adrian Thrasher and colleagues at the ICH and GOSH.

Professor Bigger says: “GOSH Charity’s funding helped us, at an early stage in the project, to prove that the idea had legs. It allowed us to gather the evidence we needed to apply for larger grants to fund the clinical trial and license the drug to a company to ensure it would

become a viable approved treatment in the UK and worldwide. It was undoubtedly pivotal in getting us to where we are today — seeing children with Sanfilippo syndrome get access to what could be a life-saving treatment. It’s fantastic to see, and the families are so excited to have some hope.”



Preventing brain damage in children with Krabbe disease
Funded in 2018/19

Krabbe disease is a rare LSD that causes most affected children to lose their lives within two years. This year, you helped us fund an innovative project in partnership with Krabbe UK, to improve treatments for children with this devastating disease.

"Krabbe disease affects many parts of the body," says lead researcher Dr Sara Benedetti, based at the ICH. "In particular, the toxic build-up causes brain cells to degenerate, so children experience seizures, lose their sight and hearing, and progressively and relentlessly lose all of their faculties.

"We know that special cells in the blood — known as blood stem cells — can reach the brain and turn into another type of cell known as a microglial cell. Those cells are great at clearing up the toxic build-up, so they could prevent the devastating brain degeneration we see in these patients.

"The idea of my project is to get as many of these blood stem cells into the brain as possible. But because our brain is so precious, it is protected by a 'gateway' known as the blood-brain barrier (BBB). The BBB determines which cells or molecules are allowed in or out of the brain. My aim is to modify that barrier to temporarily 'open

the gates,' so we can flood the brain with extra blood stem cells. Once in the brain, those cells will become microglial cells and clear up as much of the toxic build-up as possible. We'll do this in the lab, to ensure it's safe before it's tested in patients.

"Krabbe disease is our focus, because these children desperately need an effective treatment. But the principle could be applied to any LSD that causes brain damage and possibly, in the future, to neurodegenerative diseases like Alzheimer's or Parkinson's."

Tom's story

Tom was born at Hull Royal Infirmary on the 28th of July, 2012. He was a very happy, very healthy little boy. Then when he got to about six or seven months old, he started crying more. He started going into spasms and his whole body would go stiff.

Tom's dad Andrew says: "We took him to the doctor and he said he was admitting him to the hospital. Three weeks later, we got the news that he had a type of leukodystrophy – a group of genetic disorders that affect the central nervous system – called Krabbe disease.

"This meant that from that point, we had a maximum of two years with our son. I just felt numb. To be told there was no medicine, and no way you could fight the disease; I think that was one of the most frustrating things.



Tom

"One of the most shocking things for me was that, as the disease progressed, Tom couldn't do anything for himself. Week by week he lost the ability to do something. I actually have a picture of Tom's last smile. I remember it because the next day he couldn't do it.

That Saturday, his tummy stopped working so the doctor took us aside and told us he probably had two or three days left. But Tom liked to prove doctors wrong. He survived for another ten days and died on the 9th of December 2013, aged 17 months.

"The research that Sparks and GOSH Charity are funding for Krabbe disease is incredibly important. We know the enzyme that is missing in children that causes the disease, but we don't yet know how to do anything about it."

Reagan is 15 years old and she's currently receiving treatment on Sky Ward.



Supporting child health research across the UK

Each year, GOSH Charity and Sparks aim to make up to £2 million available for researchers across the UK who are working to improve child health. At this very moment, the nation's brightest minds are working hard to turn their ideas into the treatments of tomorrow. This map shows all the active national call projects that you're helping us to fund.

This year, as part of our £6.9 million investment in child health research, we committed an incredible £2.1 million to fund child health research projects across the UK through the national call. This included two grants awarded in partnership with smaller medical research charities: Krabbe UK and Dravet Syndrome UK. Thanks to your support, the national call is the largest funding opportunity in the UK dedicated to child health research.



"GOSH Charity, Sparks and other charities like Krabbe UK partnering together is absolutely fundamental to researchers like me getting funding. It means there is a pot of money for clinicians and scientists across the UK to access and use to push forward new treatments. I can't stress how vital that is to the future of child health."

Dr Sara Benedetti, funded through the 2018/19 GOSH Charity and Sparks national call, with partner funding from Krabbe UK.



Between 2011-2019, GOSH Charity and Sparks funded

150

projects at 47 institutions.

- 1. Great Ormond Street Hospital
- 1. University College London (UCL)
- 1. UCL Great Ormond Street Institute of Child Health
- 1. UCL Institute for Women's Health
- 1. UCL Institute of Neurology
- 1. UCL School of Pharmacy
- 1. Kings College London
- 1. Queen Mary University of London
- 1. Homerton University Hospital NHS Foundation Trust (London)
- 2. University of Manchester
- 3. University of Bristol
- 4. Royal Hospital for Children
- 5. Oxford University Hospitals
- 6. University of Southampton
- 7. Keele University
- 8. Plymouth University
- 9. Sheffield Hallam University
- 10. University of Birmingham
- 10. Birmingham Children's Hospital
- 11. University of Cambridge
- 12. University of Bath
- 13. Liverpool John Moores University

Rebuilding and refurbishment

We believe in creating futureproofed hospital wards and facilities. These spaces should allow GOSH to adapt to changes in medicine, and treat patients in functional, flexible surroundings that help children recover more quickly. This year, we committed £25.1 million to creating child-centred spaces for GOSH patients and families of the future, including a transformative new centre for children with sight and hearing loss.

Lola, age 11, has cystic fibrosis and comes to GOSH every six weeks. During her stay she loves to draw on the walls and windows. She is also an avid reader and has just finished the entire Harry Potter book series.



Rebuilding and refurbishment at a glance

In October 2018 we kicked off construction of the Sight and Sound Centre, supported by Premier Inn. This specialist outpatient facility is due to open in 2020 and will include quiet waiting spaces, a sensory garden and interior design tailored to the needs of children with sight and hearing loss.



“I have a cochlear implant and when I go to the hospital, I find it hard to understand what people are saying because it’s usually really loud. It can make me feel a bit annoyed or upset. But having my family and friends with me really helps. My favourite sound is probably birds in the morning, so I’m really looking forward to seeing the garden in the new Sight and Sound Centre!”

Paris, age 13.

9

children with sight and/or hearing loss, along with their families, gave their insight on patient-friendly design, helping to shape plans for the new specialist centre at GOSH.

£415,000

of work completed to improve the mortuary space at GOSH, giving families as much comfort, privacy and dignity as possible at the most difficult time of their lives.

1

Disney Reef – a colourful, underwater-themed outdoor play area where children can take some time away from the ward environment.


This year we marked one year since the completion of the Mittal Children’s Medical Centre, with the opening of the Premier Inn Clinical Building. Ward Manager Philomena Cosgrove’s team on Nightingale Unit sees the benefits of the new facilities every day as they care for patients undergoing procedures under anaesthetic. They held a special party to celebrate.



“We’ve gone from having eight beds, to having 18. Being able to admit more patients really takes the pressure off inpatient wards, who were having to use their own beds when we didn’t have space. Families tell us it’s lovely to come back to the same ward after their procedure and be looked after by the same nurse throughout the day. The staff are much happier here too. It’s a lovely environment to work in.”

What’s next

- On 2 July 2019 we celebrated the completion of the Zayed Centre for Research, an incredible new facility that will bring patients and researchers together under one roof.
- In early 2020 we plan to celebrate the opening the new Khoo Teck Puat iMRI suite. The facility will allow surgeons at GOSH to capture images of a child’s brain mid-operation, helping to reduce the need for repeat surgery.
- We will progress plans for a transformative rebuilding project designed to improve the hospital environment and imaging facilities for children with cancer.



Building on excellence

During 2018/19, we continued to support the construction of the Zayed Centre for Research, a major new facility designed to enhance the world-class research and care provided across Great Ormond Street Hospital and its research partner, the ICH. Realising GOSH's vision for a truly bench-to-bedside approach, the new centre will bring together both outpatient

facilities and laboratories under one roof, helping to fast-track new treatments and cures to the children who need them most.

The centre was made possible thanks to a transformational gift from Her Highness Sheikha Fatima bint Mubarak, the wife of the late Sheikh Zayed bin Sultan Al Nahyan. Researchers based at the centre will focus on three key cutting-edge themes.



Katie

Theme one: DNA and data

Deep in the centre of our cells, our genes are written in the form of DNA — the instruction manual for life. Molecules within our cells are constantly ‘reading’ this rulebook to keep our bodies functioning.

Within the Zayed Centre for Research, scientists will investigate how certain genes in the manual are miswritten or misread, causing rare childhood diseases. The centre’s cutting-edge genomics facility will house incredible technology with the potential to read every gene in the body: the entire rulebook. This will not only help researchers to develop a stronger understanding of disease-causing genes but also to create transformative new therapies.

Meet Katie, age 14

Katie has a rare movement disorder called dystonia, which causes uncontrollable muscle spasms that force her body into twisting, repetitive movements.

It has a huge impact on her daily life and can be very painful. Katie’s mum Sarah remembers her difficult early years: “The type of dystonia that Katie was diagnosed with meant that she was declining. She used to be able to ride a bike, skip and hop but she lost the ability to do all these things over the years.”

Katie’s problems began at the age of two, but it wasn’t until she was referred to GOSH at the age of seven that she finally got a diagnosis. Her family met Professor Manju Kurian, Paediatric Neurologist and UCL clinician scientist at GOSH.

For the past seven years, Professor Kurian has been working to understand what causes different types of dystonia. Her team took DNA from patients and, where possible, from their parents and siblings. “We found an overlapping region of DNA,” explains Professor Kurian. “It became clear that the faulty gene causing the condition must be in that region.”

Unfortunately, there’s no cure for most forms of dystonia, but thanks to this new information about the genetic cause of dystonia, Professor Kurian was able to identify a pioneering technique that could help some patients. Known as deep brain stimulation, the technique uses small wires to stimulate the movement centre of the brain.

Katie is one of a small group of children to have received deep brain stimulation through Professor Kurian’s work. Encouragingly, all ten have shown considerable benefit, with some regaining or significantly improving their independent walking and hand and arm movement.

Theme two: cell and gene therapy

The Zayed Centre for Research will be home to the largest dedicated clean room facility of its kind in Europe. In these labs, researchers will modify cells taken from patients to create therapeutic materials, which can then be given back to patients. This incredible capability could lead to the rapid development of innovative new treatments, from correcting the genetic mistakes responsible for muscle-wasting diseases, to modifying immune cells to target cancer.

Gene therapy involves inserting a working copy of a faulty gene into a patient’s cells, so that they can work correctly. This targeted approach not only has the potential to cure a disease, but could also mean fewer side effects than other, more invasive treatment options.

In 2001, GOSH patient Rhys became the first child in the UK to be treated with gene therapy for severe combined immunodeficiency (SCID). The treatment was delivered as part of a ground-breaking research trial led by world-leading researchers Professors Bobby



Professor Paolo De Coppi

The future of medicine

You’re helping us fund a world-class team of gene therapy researchers. They’re working hard to translate the success of gene therapy in treating children with immune system conditions to other disease areas.

Gaspar and Adrian Thrasher. Since then, more than 70 children have been treated with gene therapy for immune system disorders at GOSH.

Theme three: regenerative medicine

Regenerative medicine is defined as any treatment that restores normal function to tissues or organs, with an emphasis on harnessing the body’s natural ability to repair itself.

Cell regeneration is a rapidly growing area of medicine and new stem cell technology is revolutionising the way we approach medicine. Scientists at the Zayed Centre for Research will use a new state-of-the-art facility to transform cells from a patient’s own hair or skin into stem cells, which have the unique ability to turn into almost any other kind of cell, such as liver

or nerve cells. As these cells hold the same genetic information as the person they came from, they can be studied to understand that patient’s illness, or to test which treatments might work for them.

Researchers hope to use these cells to grow new tissues or organs tailored to each individual. This could have huge implications for patients at GOSH: from saving a child’s sight to treating children with complex nerve disorders.

What else will be in the Zayed Centre for Research?

- The centre will welcome around 500 academic and clinical staff from GOSH and the ICH, with over 150 laboratory spaces.
- A cardiac research suite where researchers can produce 3D models of the heart — an invaluable resource for investigating new treatments and devices.
- A dedicated suite for flow cytometry: a method of rapidly identifying and sorting different types of cells. This technique has multiple uses, including diagnosing and monitoring children with blood conditions such as immunodeficiencies and leukaemia.
- The centre will have an outpatient facility with 21 consultation rooms and eight clinical investigation rooms.

Faridat is six years old. She comes to Safari outpatients at GOSH with her mum and grandma to have treatment. While she's at the hospital, she enjoys playing with the toy kitchen and doing arts and crafts in the playroom.

Child, family and staff support

Caring for seriously ill children is about more than just medicine. From psychological support to family meal vouchers, the right support can be hugely beneficial to their recovery, mental health and long-term wellbeing. This year you've helped us invest £4.7 million in raising children's spirits, easing the burden on families, and supporting staff at the hospital.

Child, family and staff support at a glance

375

children were supported by the Play Team to overcome anxieties associated with medical procedures, helping them get the vital treatment they need. The Play team interact with many more patients and families on wards across the hospital every day.

2,000

families stay in our accommodation each year. This includes Powis Place, which we committed to refurbish this year to ensure families have access to comfortable and welcoming facilities just minutes from their child's bedside.

12

GOSH kidney transplant recipients took part in the 2018 British Transplant Games, an annual sporting event that brings transplant patients together, supports their return to fitness and promotes organ donation. GOSH renal competitors are supported by funding from GOSH Charity.



"The Play team at GOSH turn negatives into positives and add some giggles when there are difficult things like blood tests. They always help by distracting you with fun things and make being at hospital not so bad."

Emily, age eight.

"Our support can help children 'see the bigger picture'. That can really help to reframe their understanding of what's happening, making them feel calmer and more at peace with the situation. We also speak to GOSH staff, who can deal with upsetting situations every day. We help them understand cultural factors or family dynamics that might allow them to support GOSH families more effectively."

Rev Jim Linthicum leads the hospital's Chaplaincy Service, a support team funded by GOSH Charity and hugely valued by both families and staff.



Rev Jim Linthicum, second from left, with the Chaplaincy service

What's next

- By funding the refurbishment and running of parent accommodation, we'll ensure families at GOSH can stay in comfortable surroundings just minutes from their child's bedside.
- We'll continue to fund vital services that support children and their families through difficult times. These include the Play team, GOSH Arts, meal vouchers, children's parties and the Patient Advice and Liaison Service.
- We're exploring the possibility of funding a new 'Academy' at GOSH, to support staff with the specialist training required to care for children with the rarest and most complex conditions.

Beyond the medical



The chapel at GOSH

The families who come to GOSH are incredibly resilient, but we believe a little support can go a long way. You help us fund services that ease some of the stress on families while their children are in hospital.

There's increasing evidence that a holistic approach to care – offering support beyond medical care – can help children recover more quickly, avoid traumatic experiences, and reduce the risk of associated mental health problems now and in the future.

Spiritual care

Behind the hospital's main reception is a small oasis of calm, once described by Oscar

Wilde as the 'most delightful private chapel in London'. With only eight child-sized pews, the ornate Victorian GOSH chapel is a place of reflection, grief, hope, and comfort.

While the chapel is a Christian place of worship, the hospital's Chaplaincy service – funded by GOSH Charity – caters to people of all faiths and none.

This year, we funded and unveiled a new multi-faith room for prayer and reflection. The room is open to families and staff at GOSH, as well as ambulance drivers and paramedics from across the capital who drop off or collect patients.



The Chaplaincy team have around

3,800

interactions with patients and families each year.

Family accommodation

Imagine suddenly being burdened with the cost of staying in a central London hotel for months. No parent should have to worry about where they're going to sleep when their child is seriously ill. The hospital's newest buildings, funded by GOSH Charity, have space for a parent or carer to sleep by their child's bedside. For families with children in intensive care we also offer nearby accommodation, allowing parents to be at their child's bedside in minutes. You help us to fund family accommodation that's just a short walk from the hospital, including Powis Place, which we committed to refurbish this year.

Family relationships

Having a seriously ill child in hospital is incredibly stressful. Families can experience problems ranging from emotional and mental health issues, to a total family breakdown, as well as significant financial consequences. Without support, some families at GOSH would not be able to cope.

You help us to fund a dedicated Social Work team at GOSH. The team provides support for issues including the mental health and emotional wellbeing of parents and children. The team also provides practical and emotional help before, during, and after the death of a child.

1,172

children and their families supported by the Social Work service in 2018/19.

Addressing inequality

There is now overwhelming evidence linking poverty with poorer health. We are committed to supporting disadvantaged families, because all children deserve the same hope for a better future.

Your support helps us to fund a specialist welfare rights service at GOSH, delivered by Camden Citizens Advice Bureau in partnership with the hospital. The team gives advice on a range of issues, from applying for benefits and managing debts, to homelessness and immigration.

Meal vouchers

When a child is ill, families often need to reduce their working hours, or stop working altogether. They face increased costs such as travelling to and from hospital and regularly eating away from home.

We support families by providing meal vouchers for all breastfeeding mothers of babies under six months, helping to keep them and their babies healthy. We also provide vouchers to families who need financial support.

7,236

meal vouchers provided to 412 breastfeeding mothers in 2018/19.

Children's parties

Imagine being ill for years. Imagine needing regular intensive treatment for the rest of your life. Imagine you're facing all this at eight years old.

We can't cure every child at GOSH, but we can try to brighten their day. You help us fund children's parties throughout the year, from our Easter eggs-stravaganza complete with a chocolate fountain and fluffy rabbits, to our spectacular Christmas party with presents, performances, activities and Santa himself.

These parties are extremely important to families at GOSH, giving them something to look forward to and a semblance of normality during the most difficult times in their lives.

2,000

patients and their families enjoyed this year's Christmas party.

Play

Play isn't just fun, it's a vital part of a child's development. At GOSH, it's even more than that. The GOSH Charity-funded Play team uses play to ease a child's anxieties about being in hospital, to distract them from scary or uncomfortable procedures, and help them recover more quickly by reducing stress. The team develops activities to help children feel in control, from practising procedures on a teddy to choosing a flavour of lip balm to personalise their anaesthetic mask.



Felicity, age seven, with mum Louise and baby Florence

Meet Louise

When Louise went to her routine 20-week pregnancy scan, she was told that her unborn baby girl's heart wasn't pumping enough blood. Felicity, now seven years old, had coarctation of the aorta, meaning the main artery pumping blood from her heart was too narrow.

"Once I gave birth, Felicity was transported to GOSH and within two days she was having open-heart surgery. Naturally, I felt overwhelmed.

"I was very concerned about how I was going to afford staying in London, but the hospital arranged for us to stay across the

street from the main entrance. We didn't have to pay anything, which took away a lot of stress. I could focus on being calm and visit Felicity whenever I wanted.

"I was also offered meal vouchers, which were a great help. Things aren't cheap in London, especially being from Norwich. The vouchers meant we didn't have to worry about the cost of going out for food.

"Felicity is doing very well at school now. She's enthusiastic and sporty, and dreams of becoming an Olympic gymnast. I believe she can do anything she wants."



Oscar, age 12, has Crouzon syndrome, a rare, genetic condition where the bones in his skull fused together prematurely, causing too much pressure in his head. He's a huge Tottenham Hotspurs fan and loves anything to do with sports.



Lacey is 13 years old, but she's been coming to GOSH since she was a baby. Because she was born without intestines, she's had to have many procedures to help her body absorb nutrients.

Advanced equipment and systems

Technology is advancing at an unprecedented rate. You're helping GOSH patients to benefit from these advances, by supporting our investment in cutting-edge systems and equipment. This year we gave £6.6 million towards flexible, integrated kit that addresses the hospital's most urgent needs, from the latest heart monitors to vital MRI upgrades.



Equipment at a glance



“MRI is a fantastic window into the heart. With the latest software, we’ll be able to continue improving cardiac MRI scans, making them faster and more accurate for children and babies at GOSH and elsewhere.”

Vivek Muthurangu, Professor of Cardiovascular Imaging.

£2.9 million

committed to give the hospital’s cardiac catheter lab an urgent upgrade, helping GOSH specialists treat more children with heart conditions through a tiny 2mm incision rather than open surgery.

3

MRI scanners to be equipped with vital new software that will mean shorter scans and more accurate diagnoses.

385

unlinked computer systems at GOSH will become one when the hospital’s incredible new centralised electronic patient record system is switched on. The system, funded thanks to your support, will transform every aspect of patient experience and care at GOSH.

This year we celebrated the launch of DRIVE – the Digital Research, Informatics and Virtual Environments programme. Supported by GOSH Charity funding, DRIVE’s mission is to transform care and the way GOSH provides it by harnessing the latest technologies. By consulting young people, the team hope to ensure their visionary products are tailored to the needs of patients and families. GOSH Young Persons Advisory Group member Maryam, age 14, said:

“My favourite project was the virtual reality. It could have lots of different uses, like helping junior doctors during their training. I thought it was the technology that was the closest to being ready for use.”



Maryam

What's next

- We’ll continue working closely with the hospital to identify equipment most urgently needed and where our support could make the most difference.
- We’ll continue to support the incredible DRIVE programme, helping to ensure technology at GOSH stands the test of time in an age of rapid digital change.
- As the largest centre for child heart surgery in the UK, GOSH needs the latest cardiac technology to care for its patients. We’ll fund vital pieces of equipment designed to help heal the smallest hearts.

Pictures worth a thousand words

Everywhere we look technology is moving at an incredible pace. From folding smartphones, to 5G, the way we see the world is changing. This is also having a huge impact on medicine. New techniques allow us to not only see the shape, position and shadows of organs, but to see chemical reactions and what's going on inside cells, with more detail and clarity than ever before. Over the last few years, we have been helping GOSH take its imaging equipment to the next level.

Deep 'see' images — Turtle Imaging Suite

Back in 2013, we committed to fund a brand-new imaging suite with a state-of-the-art MRI and CT scanner. Since the suite

opened in 2016, it's had a huge impact on children with a range of conditions, from cancer to heart and brain conditions.

GOSH clinicians have seen dramatically improved image quality, leading to faster and more accurate diagnoses. And because they can now image the heart more quickly — in some cases a single heartbeat— less children need anaesthetics to keep still during scans.

Waiting times have reduced significantly, so more children can be seen. And importantly, when it comes to CT, the suite has helped clinicians reduce the levels of radiation children are exposed to by up to 50%, making vital scans much safer.

Bethany, age 12, has epilepsy. She has been coming to GOSH all her life and is treated under the Neurology team. She is well acquainted with having MRI scans and enjoys watching Disney films while in the scanner.

When medicine goes nuclear

Imaging that shows the processes going on inside cells is known as nuclear medicine. It provides vital information about a patient's condition and in some cases can even deliver the treatment itself.

Children are given small amounts of radioactive material that 'label' the processes doctors are interested in. The radiation travels around the body and its journey can be detected by a special camera, producing an image that reveals what is going on inside the cells. These multidimensional scans are mainly used for children with cancer, but are increasingly useful in spinal surgery, conditions of the kidneys and bladder, and other areas of medicine.

In 2017, we funded a brand-new SPECT-CT scanner that can produce better images, more quickly. Installed in 2018, the scanner is supporting

"This new scanner is making a huge difference to research. We're using it in lots of studies, including improving treatment for children with painful joint conditions and targeted treatment for life-threatening leukaemia."

Leanne Price, Medical Physicist

vital research to improve the diagnosis and treatment of a range of conditions, including difficult-to-treat cancers.

Newer, better, faster, smarter

GOSH currently has five MRI scanners. But keeping up with the pace of modern technology is a challenge. Three of the scanners are already beginning to date. Software updates are desperately needed to ensure that they remain state-of-the-art for as long as possible. This year we committed to fund MRI upgrades that will improve image quality while reducing the average scan time to as little as 10 minutes. Quicker scans should reduce waiting times and are much more suitable for younger children, helping to reduce the need for anaesthetic.

Transforming brain surgery

This year, we've watched a ground-breaking new imaging suite taking shape at GOSH. The Khoo Teck Puat iMRI suite, funded by GOSH Charity, will allow surgeons to carry out detailed MRI scans while carrying out delicate brain surgery to treat brain tumours or epilepsy.

Currently, surgeons rely on images of the brain taken before surgery to guide them through the operation, but structures in the brain can move during surgery, meaning pre-operative scans can quickly lose their accuracy. The current facilities at GOSH mean that it can be several days after an operation before another brain scan is done. During this time,

patients and families face a difficult and anxious wait until surgeons are able to confirm if all the affected area has been successfully removed.

The new iMRI facility will make imaging the brain during operations a seamless procedure, giving more children the best chance of a positive result. Mr Kristian Aquilina, Consultant Paediatric Neurosurgeon, says: "To say to parents with complete certainty, at the end of surgery, that we have done all we can to improve the life of their child, will make a world of difference."

Heart surgery with a two-millimetre incision

Thanks to advances in imaging, clinicians can now diagnose and treat some heart conditions without the need for open-heart surgery. That means less pain, a quicker recovery, and less time in hospital. Guided by ultrasound and other imaging, radiologists feed narrow tubes and wires through a patient's blood vessels to find the cause of their symptoms, or even to treat the condition. All that's needed is a tiny two-millimetre incision in the skin.

GOSH's current facilities are outdated, limiting the number and types of procedures they can do. The hospital desperately needs updated facilities to give more children the chance to benefit from this type of surgery. That's why this year we supported the construction of a brand new cardiac catheter suite, set to open in 2019.

Harvey, age three, wears brand new pyjamas for his hospital stay.



Meet Connie, age five

After years of health problems, three-year-old Connie was scheduled for a heart scan at her local hospital. This led to an urgent referral to GOSH, where doctors used state-of-the-art MRI scanners to diagnose her with pulmonary hypertension (PH).

The condition affects the arteries supplying blood to her lungs. High blood pressure in these vessels had put a strain on Connie's heart, causing the right side to enlarge. Doctors quickly gave her life-saving medication. The drugs improved blood flow to her lungs and helped to keep her heart stable, but they didn't reduce its size.

Scans were a crucial part of tracking Connie's progress, and the speed of new MRI scanning technology meant that she didn't need general anaesthetic for doctors to get a good picture of her heart.

After discussing options with the team at GOSH, Connie's parents decided to go ahead with a procedure to connect some of the blood vessels surrounding Connie's heart, relieving the pressure. Surgery went well and Connie was back at nursery in just three weeks.

Connie is now five years old and sadly there's no cure for her condition, but every stage of her future treatment will be supported by regular scans.



Knowing what to expect can make scans less strange and scary. The inflatable MRI scanner lets children like Connie, pictured here, explore inside the machine and get used to what a real scanner will be like.



Chloe, who's four years old, is recovering on Sky Ward after having surgery.

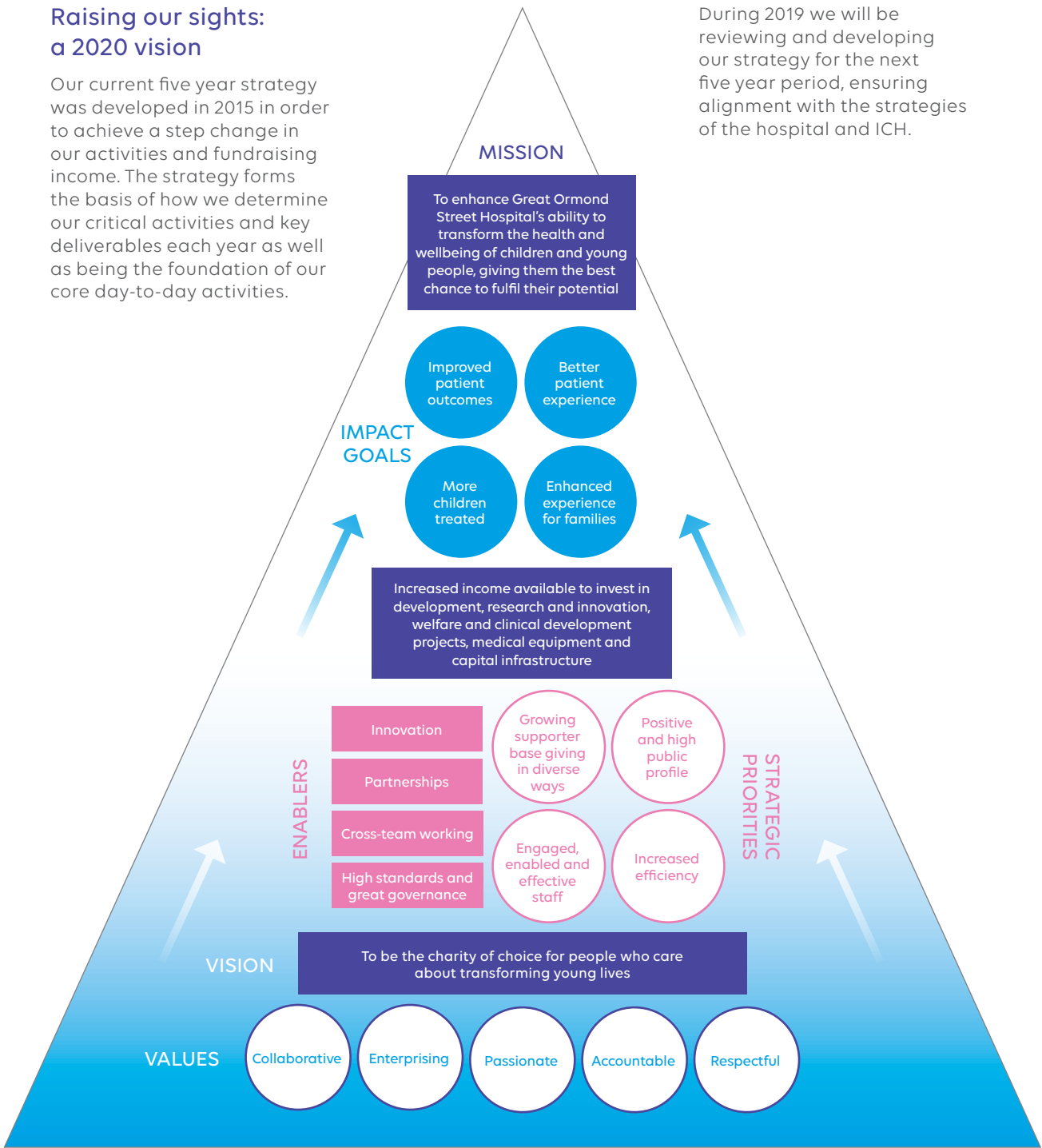


Strategy

Raising our sights: a 2020 vision

Our current five year strategy was developed in 2015 in order to achieve a step change in our activities and fundraising income. The strategy forms the basis of how we determine our critical activities and key deliverables each year as well as being the foundation of our core day-to-day activities.

During 2019 we will be reviewing and developing our strategy for the next five year period, ensuring alignment with the strategies of the hospital and ICH.



The year gone by

At the start of last year, we set out three longer-term critical activities to help us establish firm foundations for the future of our fundraising. This was to ensure we maintain and increase the level of support and impact we provide to transform the health and wellbeing of children and young people. We made good progress in advancing these activities during 2018/19, as described on these pages, but there is still much to do.

Lillie-Anne, age four, loves Disney’s Frozen and playing with her new toys. She is having treatment for a brain tumour.



National



Develop a campaign to publicise the national impact of GOSH and GOSH Charity, supporting fundraising efforts from existing and new sources and strengthening understanding of our cause outside our core regions.

We have worked with both the hospital and researchers across the country to map out the reach of the projects the charity funds. Whilst there is no doubt there is a high concentration of direct beneficiaries of the hospital in the South East, there are many children and young people who travel to GOSH from all over the UK for treatment of rare and complex conditions. In addition, the hospital’s development of pioneering treatments supported by charity funding helps to inform and impact child healthcare across the country. In the same way, the ground-breaking national research call funded by GOSH Charity and Sparks has a national and ultimately global impact. This understanding of where our impact is felt has helped us to develop and start to talk with greater confidence about our national impact. Some of this narrative was included in the *Paul O’Grady Little Heroes* TV series during the summer of 2018, which did a great deal to raise awareness of the broad range of work undertaken at the hospital. In March 2019 we were able to launch a fundraising campaign called ‘Never Far Away’ highlighting the need for parent accommodation for those families travelling from across the country. We will continue this work in 2019/20, developing further the narrative of our national impact.

International



Build on our high value donations from international sources, developing a proactive approach to international fundraising.

During the year we have undertaken analysis of our international income sources, in order to gain a greater understanding of the motivation of our international donors. We’ve also considered how we might expand our current international networks.

Discussions are ongoing with the hospital and ICH regarding respective priority territories. The Middle East remains the most significant source of international referrals for International Private Patients (IPP). China is the focus of proactive new marketing and relationship development activity, and for the ICH it is where several new significant research partnerships are being developed.

Innovation
(including digital fundraising)



In light of an increasingly competitive fundraising environment, develop a new approach to investing in innovation. This will focus on launching new fundraising initiatives, identifying new markets, and targeting new supporter groups, while supporting the growth of a digital culture.

Following a review of our approach to innovation in 2018, Trustees approved investment in the charity’s first dedicated innovation team. After a comprehensive search, our first Head of Innovation joined us in March 2019. The team to be established by the Head of Innovation will have a number of roles: to help fundraising teams bring new products to market; to work with teams to review and improve the performance of existing mechanisms, events and products; and to help us build a more innovative culture through market scanning, opportunity analysis, better audience insight and upskilling.

The Digital Transformation Steering Group is now co-led by the Deputy Director of Technology and the Head of Digital Engagement and has representative members from across the charity. A process is now established for this group to review new digital solutions and products which emerge. This group will work closely with the charity’s new Innovation team.

The following were also identified as key deliverables for the year 2018/19. Again, while there was progress during the year, some of these deliverables remain relevant for 2019/20.

<div>1</div> <div>Confirm key hospital projects post Zayed Centre for Research and the Sight and Sound Centre</div> <div>While approval of the next phase of the hospital's redevelopment has not been finalised during the year, the project has moved forward with the establishment of a joint hospital and charity team. This is comprised of hospital non-executive directors, charity Trustees and executives from both organisations, to help prioritise projects for the charity to support and ensure our funds are used to drive the largest impact.</div>	<div>possible. The implementation is now complete and focus is now moving towards simplifying processes and increasing charitable contribution.</div>
<div>2</div> <div>Zayed Centre for Research – complete construction work</div> <div>Delays in construction arose due to ongoing issues with sub-contractors and the complexity of the project, however, construction was completed in June 2019 and formally opened by HH Sheikh Theyab bin Mohamed bin Zayed Al Nahyan on 2 July. There is no doubt that the centre will be a transformational, world-leading centre for research.</div>	<div>5</div> <div>Complete cost review project</div> <div>The initial financial analysis for the cost review changed the focus of the project, making it a larger project than initially considered. It has identified a number of areas where we can improve the effectiveness of our fundraising activities and deliver a higher contribution to charitable activities. The project will continue into next year, ensuring that we use the learnings to inform our future fundraising and decision making.</div>
<div>3</div> <div>Continue to grow fundraising for research</div> <div>Fundraising for research through the Discovery Appeal has continued with the development of the appeal board, recruitment of new board members, identification of additional prospects and further developing fundraising propositions.</div>	<div>6</div> <div>Ensure that our working environment and organisational structure enables our employees to perform to their best to meet our business goals</div> <div>We identified five areas of focus for this priority area. These are organisational design, collaboration between teams, working smarter, learning for greater enablement, and finally business, project and activity planning, governance and learning. We have made excellent progress in all of these areas, but feel we can do even more to support better collaboration between teams, so this is a critical priority for 2019/20.</div>
<div>4</div> <div>Complete implementation and commence optimisation of our Salesforce operating system</div> <div>The vision for the new system is to transform engagement and stewardship of our supporters to ensure that they understand the impact their contribution is having. In addition, we aim to drive efficiencies throughout our operations / business processes in order to reduce costs where</div>	<div>7</div> <div>Ensure we are GDPR compliant</div> <div>The charity fully implemented the amendments required to be GDPR compliant. These practices are now embedded across the organisation and compliance is monitored continuously.</div>

Suveeksha is five years old and has been coming to GOSH regularly over the past year. She loves crafting and dancing and really enjoys learning at school.



Looking forward

2019/20 will be a transitional year for the Charity as John Connolly steps down as Chair of the Board of Trustees and a new Chair takes on the role to support Louise Parkes, our new Chief Executive, in taking the charity to its next stage of development. In addition, the Zayed Centre for Research project is completed and the final funding received, the charity and hospital will continue to develop and agree priorities for the next five years, including approval of the next large redevelopment project.

We are anticipating our total income for 2019/20, the final year of our current five-year financial plan, will be affected by the gap in large redevelopment projects for the hospital and have planned and budgeted accordingly. While we have seen a significant step change in our income from the previous five-year financial target period 2010/11-2014/15 (up over 30%), we are anticipating that we will fall slightly short of the ambitious target of £500 million set for the period 2015/16 – 2019/20. This is principally due to the unforeseen gap in redevelopment projects and the associated income these projects generate. However, we are still on track to deliver a contribution of £320 million against the target of £342 million, which is a significant increase on the prior five years.

Our critical activities for 2019/20 have been developed considering the challenging and competitive environment we are operating in.

1 Defining our fundraising plans and financial targets. Shape our fundraising plans and determine our financial targets for the next five years, fully informed by the decision on the next phase of the hospital's redevelopment and the development of other key GOSH/ICH projects.

- There are three key areas for development within this critical activity:
- a) Further develop our framework and priorities for charitable funding, with the hospital and ICH, keeping central consideration of the impact we are trying to deliver for our beneficiaries.
 - b) Review our fundraising model and ensure it is fit for purpose for future resilience, sustainability and growth.
 - c) Determine our grant commitment and income targets for the next five years.

2 Innovation. Create and enable our Innovation team to identify fundraising priorities and embed innovation in our ways of working, aligned with our digital transformation work where appropriate.

The Head of Innovation joined GOSH Charity in March 2019. She is assessing the innovation opportunities and challenges, setting out a plan for addressing these through the year as well as developing ways of working for the Innovation team and embedding an innovation programme across the charity.

It is anticipated that working with other teams, five key roles the Innovation team will play are:

- new product development
- partnering for improvement
- market scanning
- building capacity and capability
- opportunity analysis

A close alignment with our Digital Transformation Steering Group will be critical for the success of the Innovation team's work.

3 Research fundraising and communications. Develop our research fundraising and communications strategy for GOSH Charity and Sparks to maximise our research contribution through our Discovery Appeal and board, the individual giving Research Fund and the launch of a multi-year, integrated Sparks campaign.

In the coming year, we will:

- Refresh the overall research strategy.
- Launch an appeal focused on research, a new campaign aimed at philanthropists, grant-making foundations and companies.
- Further develop the combined communications strategy across the ICH, hospital and charity.
- Build on the launch in May 2019 of an integrated Sparks fundraising campaign.
- Develop a multi-year plan for Sparks, including the launch of the Sparks Giving Club and complete a Sparks landscape review to inform the research strategy elements specific to Sparks.
- Engage with successful grant applicants to provide further communications, case studies and fundraising opportunities.

4 Collaboration. Continue emphasis on improving internal collaboration across the charity to achieve our business goals, identifying specific projects to case study and demonstrate the impact that greater collaboration can have on the fundraising contribution we can make.

Collaboration includes but is not limited to describing the ways in which ideas and resources are shared across teams, the ways in which teams communicate and utilise their relative areas of expertise, and the extent to which one or more teams come together to deliver a shared objective more effectively than if done by one team only. This in turn will lead to greater efficiencies, potentially increasing income and saving costs, therefore increasing the contribution the charity is able to make to the hospital and ICH.

During 2019/20 we will focus on:

- Identifying and overcoming barriers and challenges to collaboration.
- Tracking the business benefits of key projects that will be undertaken collaboratively during 2019/20, and communicating these across the charity.
- Monitoring progress on collaboration and staff enablement via pulse checks and the staff representatives' group and acting on the outputs.

Key Deliverables for 2019/20

In addition to the critical activities for 2019/20, the following will be delivered in 2019/20:

- 1 Official opening of the Zayed Centre for Research into Rare Diseases in Children in July 2019
- 2 Undertake our five-year strategy review and evaluation
- 3 Deepen our engagement with the hospital community
- 4 Continue work on cost review and embedding a 'contribution and cost focused culture'
- 5 Continue to develop our national impact plan
- 6 Build on the launch of the Sparks fundraising campaign 'No time to lose'

When Aisha, who's 11, first came to GOSH, she was unable to leave her bed. Since being diagnosed with Crohn's disease, she's now able to get involved making treats in the playroom.



Financial review

Our income sources

Looking back over the past four years we have worked hard to make a step change in our income and are on track to raise £460 million income for the five-year period to 2019/20 against a target of £500 million. This compares to £331 million fundraising income in the prior five years. Our net contribution has grown from £234 million to projected £320 million during the same period. Whilst this is slightly below our original five-year target of £342m, it is undoubtedly a significant increase from the previous five-year period. The main driver for this shortfall vs target has been the delay in determining the next large redevelopment project, and the intrinsic link with philanthropy income.

Income	2018/19 £ million	2017/18 £ million
Donations	54.7	67.6
Legacies	23.0	26.3*
Trading	6.5	5.5
Total fundraising income	84.2	99.4
Investment income (realised)	1.9	1.6
Property and other income	1.4	2.2
Income before gain on investments	87.5	103.2
Gain on investments	2.6	0.4
Total income including investment gains	90.1	103.6

*Legacy income includes one off accrual adjustment of £8.6m

In order to make the grants required, the charity undertakes various fundraising activities under five main streams:

- Philanthropy (including Special Events)
- Corporate Partnerships
- Direct Marketing (including Retail)
- Community Fundraising
- Legacy Fundraising

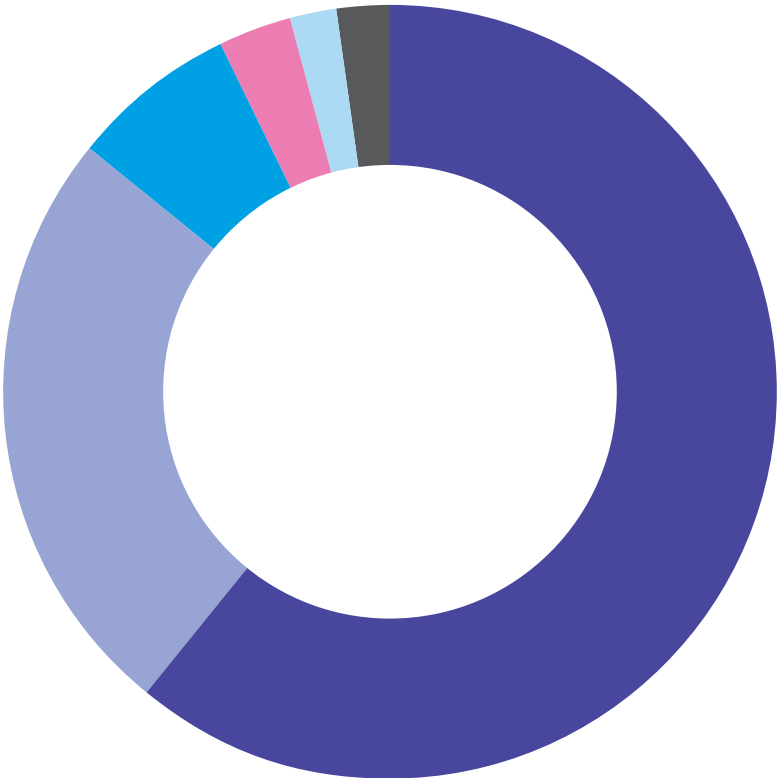
The five streams (the first four being classified as 'donations' in the table above) ensure diversity of income across a wide supporter base and provide resilience for the charity against changing market dynamics in one or more fundraising platforms.

Our total income for the year 2018/19 was £90.1 million (2017/18: £103.6 million) including £4.5 million gain realised and unrealised income on investments and £1.4 million property income. The lower overall income in 2018/19 was principally driven by two factors. First, the 2017/18 legacy income included a one off £8.6 million related to the change in the estimation process of our legacy accrual, legacy income at £23.0 million in 2018/19 was £7.2 million better than the underlying legacy income in 2017/18 (£15.7 million). Second, the £12.9 million reduction in donations from 2017/18 was primarily driven by delays in the construction of the Zayed Centre for Research and £10 million in related donor instalment payments (linked to construction milestones). These monies will be received in 2019/20.

Several bi-annual events occurring during the year saw the Special Events team achieve their highest ever income at £3.34 million compared to £1.84 million in the prior year.

2018/19 income

- Donations 61%
- Legacies 25%
- Trading 7%
- Gain on investments 3%
- Investment income (realised) 2%
- Property and other income 2%



Property income decreased as a result of the redevelopment of the Italian Building for which the charity previously charged rent in respect of non-clinical usage.

The total return on our investment portfolio at £4.6 million for 2018/19 was considerably higher than 2017/18 at £2.0 million reflecting stronger performance across equity markets globally.

How our money was spent

Use of funds	2018/19 £ million	2017/18 £ million
Research	7.4	11.5
Medical equipment and systems	7.1	16.7
Patient, family and staff support projects	5.1	6.9
Redevelopment and accommodation	26.9	5.2
Charitable activities commitments	46.5	40.3
Charity asset redevelopment – Zayed Centre for Research	27.1	27.6
Other properties	0.1	7.3
Charitable activities including charity capital items	73.7	75.2
Fundraising expenditure	16.2	19.0
Support and governance costs*	8.7	9.6
Total expenditure and charitable commitments including charity capital items	98.6	103.8

* includes finance, IT, operations, legal and compliance, HR and premises.

The table left shows how the charity applied the 2018/19 income plus some of the unspent funds raised in prior years. The total expenditure and commitments in the year, including charity capital items, was £98.6 million (2017/18: £103.8 million). As some of the projects that the charity supports can span a number of years, the commitment made in one particular year may exceed the actual money spent on the project in that year. For example, in 2016/17 the charity committed £31.5 million towards the hospital's new Electronic Patient Record (EPR) system but actual expenditure on the project has spanned 2016/17, 2017/18 and 2018/19.

Commitments made for charitable activities in 2018/19 totalled £46.5 million (2017/18: £40.3 million). The increase reflected the commitment made to the hospital for the redevelopment of the Italian Building into a world class Sight and Sound Centre. Other areas of charitable activity had reduced expenditure due to the fluctuating nature of project commitments.

Funding is provided for research, medical equipment and systems, and patient, family and staff support on an annual basis. However, commitments are made to the hospital's redevelopment and major infrastructure, systems and equipment projects when they are ready to proceed and usually extend over a number of years. These large commitments give rise to significant variations in expenditure from one year to the next, with some years incurring significantly large committed amounts being held in redevelopment funds.

In 2018/19 the charity committed £27.2 million (2017/18: £34.9 million) on property it owns but is used by or for the hospital, its staff, patients and family.

Accounting rules require this expenditure to be capitalised and, therefore, not reflected in charitable expenditure (see note 9 to the financial statements). This expenditure included a further £27.1 million (2017/18: £27.6 million) on the Zayed Centre for Research. In total our charitable expenditure, including the charity's capital projects, was £73.7 million.

Use of funds 2018/19

- Charity asset redevelopment – Zayed Centre for Research 28%
- Accommodation and redevelopment 25%
- Fundraising expenditure 17%
- Governance and support costs 9%
- Research 8%
- Medical equipment and systems 8%
- Patient, family and staff support projects 5%



A total of £24.9 million expenditure (£16.2 million of fundraising costs and £8.7 million of support and governance costs) was required to enable us to raise our fundraising income, invest for future growth, steward charitable expenditure and ensure that appropriate controls and governance were maintained and strengthened. Ongoing focus is given to ensuring that the charity maximises the cost effectiveness of its activities, obtains value for money and provides high standards of supporter care and compliance.

Fundraising, support and governance expenditure

The total costs of raising funds and operating the charity decreased to £24.9 million (2017/18: £28.6 million).

Expenditure on operations and raising funds	2018/19 £ million	2017/18 £ million
Fundraising	16.2	19.0
Support and governance	8.7	9.6
Total	24.9	28.6

This decrease in expenditure was driven by the reduction in direct marketing activities which had been increased temporarily in the prior year, some additional savings made throughout the year, and lower investment in IT projects than seen in prior years.

Cost:income ratio

To ensure we maintain the trust and support of our donors, it is very important that the charity optimises the amount of donated funds available for charitable activity, while also investing in income growth strategies for the future.

In line with the approach taken to measurement by most other charities, all income and expenditure not directly related to fundraising (including stewarding charitable expenditure and projects and investment and property related income and costs) is excluded. The ratio is calculated as follows:

Cost: expenditure on raising funds, governance, support and operations (£24.9 million) less investment management costs (£0.1 million).

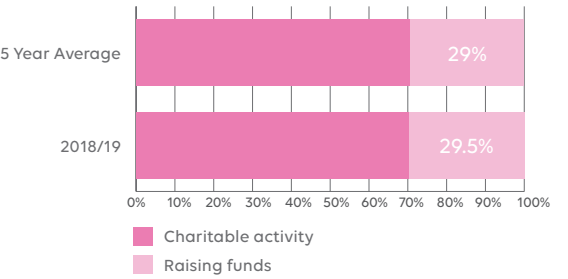
Income: income before gains on investments (£87.5 million) less realised investment income (£2.0 million) and property income (£1.4 million).

The resultant calculation is £24.8m/£84.1m = 29.5%

As well as making annual calculations, we monitor and report the cost:income ratio over a five-year period. We do this because the ratio inevitably varies from year to year due to the availability of large scale projects (eg hospital redevelopment) against which to raise specific funds (particularly from major donors and corporates). This gives rise to fluctuations in the amount of annual income we receive, and changes in the amount we invest each year in raising funds. The five-year average gives us a truer picture of the long-term relationship between charity costs and income raised.

The Board of Trustees has set a target of ensuring the costs of fundraising are limited to an average of 30% of total income on a rolling five-year period.

This means that an average 70p or more in every £1 donated over a five-year period should be available for charitable activities. The graph below shows cost:income ratio for 2018/19 and the average for the last five years.



Tangible fixed assets

Tangible fixed assets of £326.7 million (2017/18: £193.3 million) mainly consist of properties owned by the charity and used for clinical, residential and administrative purposes by the hospital and has increased by £133.4 million of which £110.9 million is a result of the property revaluation.

While the largest part of the charity's property portfolio is provided to the hospital to support clinical and research activities, certain of the residential properties are let to key hospital employees to assist with staff recruitment and retention. Others are provided, free of charge, to parents of children undergoing treatment at GOSH. In addition, tangible fixed assets include the Guilford Street site that has been developed into the Zayed Centre for Research, the construction costs of which are included in assets under

construction (£27.1 million in 2018/19 with a total expenditure to 31 March 2019 of £77.7 million).

A full valuation of the property portfolio was carried out at 31 March 2019, the results of which are reflected in the balance sheet value of tangible fixed assets. The basis of valuation of certain of the charity's buildings has been revised to reflect current accounting guidelines. The new valuation basis used is 'fair value' which aims to reflect a market value for buildings and associated land and replaces the existing use valuation basis used previously. The impact of this revised basis is to increase the valuation of two of the charity's buildings used to support clinical activity by £41 million and the associated land value by £36 million. The bulk of the remaining increase in land values relates to the land value of the Zayed Centre for Research which was near to completion on 31 March 2019, the time of the valuation. These assets are held by the charity to further its charitable purposes and are only used by the hospital or the ICH.

The valuation also identified an impairment to the value of the assets under construction associated with the Zayed Centre for Research amounting to £3.5 million. This primarily relates to facilitating works including demolition and S106 local authority public realm contributions.

The resulting increase in charity reserves is accounting only and does not realise nor does not reflect any significant change in the charity's underlying assets (including available cash and investments available for charitable giving in support of the hospital). The clinical buildings are under long-term leases issued to the hospital or ICH at peppercorn rents reflecting the nature of the clinical usage of these building and alignment with the charity's objects.

Investment policy and performance

The investment policy of the charity is risk averse, with the Trustees' first priority being to preserve capital in order to meet existing and future commitments on capital programmes and other grants made. The Investment Committee, a sub-committee of the Board, continues to review the charity's investment policy and strategy and, in compliance with the policy, explore ways of improving investment returns that minimise the risk of capital loss. The Investment

Committee will continue to frequently review the allocation of the investment portfolio to ensure it remains appropriate for the commitments and future funding expectations of the charity.

During the year, the charity used the services of a number of investment managers. The charity's investment managers follow strict investment guidelines in line with the charity's moral and ethical policy. This specifies that the charity does not invest in tobacco or arms manufacturing, or any stock in which either tobacco or arms manufacture are the main or a material element due to the negative impact they have on child health. The total investment portfolio in 2018/19 showed an overall gain of 2.3% over 12 months, 0.2% below the overall RPI benchmark of 2.5%. The long-term portfolio, which holds the risk assets that the charity invests in, made gains during the year, with an increase of 7.1% against a benchmark gain of 5.9%. A 0.8% return on the short-term portfolio, which is made up of cash assets and other low risk investments, was below the 1.06% benchmark (12 month LIBOR), performance over the last three years has been close to the overall benchmark. As part of the ongoing governance of our investment portfolio, in 2018/19 we carried out a review of our portfolio structure and in 2019/20 will be seeking to simplify the investment approach.

The value of the long-term portfolio at 31 March 2019 was £47.0 million spread across a number of funds managed by Blackrock, Ruffer and Investec and predominantly comprised of listed equity holdings. The short-term portfolio of £144.6 million at 31 March 2019 is held across a number of direct deposits with UK banks, investments with Royal London Cash Management and a short-term fixed income portfolio managed by HSBC. These short-term funds are retained to meet the charity's considerable commitments over the next three to four years.

During 2018/19, there were significant fluctuations in global equity markets. Net income, gains and losses earned from the charity's investments totalled a net gain of £4.6 million (2017/18: gain of £2.0 million), split between realised income of £2.0 million (2017/18: £1.6 million), and realised and unrealised gains of £2.6 million (2017/18: gains of £0.4 million), which are recognised as net income in the statement of financial activities.

Funds

Funds	2018/19 £ million	2017/18 £ million
GOSH Charity		
Restricted funds	1.7	9.0
Endowment funds	0.7	0.7
Unrestricted funds		
Designated fixed asset fund	145.5	149.4
Fixed asset revaluation reserve	110.9	0.0
Designated redevelopment fund	162.5	127.3
Designated research fund	15.0	16.0
General reserves	35.0	39.5
Total unrestricted funds	468.9	332.2
Sparks		
Restricted funds	(0.1)	(0.1)
General reserves	0.5	0.3
Designated research fund	-	-
Total Sparks funds	0.4	0.2
Total	471.7	342.1

The charity's total funds (ie reserves) increased by £129.7 million to £471.7 million at 31 March 2019 (31 March 2018: £342.1 million). The vast majority of these funds finance the charity's substantial existing property portfolio (£256.4 million, derived from the initial value and the revaluation adjustment) or are required for the charity's commitments and anticipated future commitments (a total of £162.5 million) including the Zayed Centre for Research, Sight and Sound Centre, other redevelopment projects, parent accommodation projects and the charity's research strategy. After allowing for these existing plans, general charity reserves (that is funds not restricted, endowment or designated in respect of use) amount to £35.5 million (including Sparks).

Restricted

The charity holds a number of different funds to support specific activities chosen by donors, which fall within the objectives of the charity. At 31 March 2019, including Sparks, there was £1.7 million (2017/18: £9.0 million) in funds restricted for specific areas of work as set out in note 19 to the financial statements.

Endowment

The charity holds five endowment funds totalling £0.7 million, which have been granted in order to generate funds to support specific charitable purposes.

Unrestricted

Unrestricted funds are expendable at the discretion of the Trustees to further the charity's objectives. The charity's unrestricted funds at 31 March 2019 were £469.4 million (including Sparks) and included £433.9 million of designated funds. Each year, the Trustees review the need to designate unrestricted funds raised to existing assets, the redevelopment of the hospital or to other specific projects to be committed and spent in future years. This helps to provide financial stability and confidence for vital areas of work within the hospital.

At 31 March 2019 the Trustees designated unrestricted funds as follows:

- Tangible and intangible assets (excluding assets under construction) of £145.5 million.
- Property revaluation reserve of £110.9 million.
- Redevelopment fund of £162.5 million (including assets under construction).
- Research fund of £15.0 million to cover the uncommitted element of the current five-year research and innovation strategy.

Designated

Fixed assets – tangible and intangible
The charity owns fixed assets, the majority of which are operational properties used by the hospital. As these properties serve a charitable purpose and are not held as investments, they cannot easily be converted into funds for day-to-day use. Therefore, the Trustees have decided that reserves equating to fixed assets (excluding assets under construction which are held in the redevelopment fund) should be placed in a designated fund (see above), which, by definition, will increase or decrease to reflect the net book value of these assets. If a decision is taken to dispose of any properties, the attributable value is transferred from the fixed asset designated fund to general reserves.

Property Revaluation

Similar to the fixed asset fund, the charity also holds a reserve in respect of the changes made in its property portfolio valuations arising from the March 2019 independent revaluation. As these reserves directly relate to the underlying properties included in the fixed asset fund, noted above, it is appropriate to hold a reserve equivalent to the increase in property values. Going forward, as and when property valuations change, such changes will be reflected in this fund.

Redevelopment

The Trustees set aside £162.5 million to cover the potential shortfall arising on the restricted redevelopment fund and to cover future committed expenditure on redevelopment projects, including the Zayed Centre for Research, the costs of conversion of the Italian Hospital into a designated Sight and Sound facility, parent accommodation buildings, and a number of other redevelopment projects currently planned or in progress.

Research

The charity has developed a £45.0 million, five-year research and innovation strategy. Commitments of £30.0 million have been made since 1 April 2015 on research projects, leaving £15.0 million to be granted to relevant projects during the remaining year of the plan.

Review and revision to charity's reserves and liquidity policy

During the year, the Trustees reviewed the charity's reserves policy within the context of the charity's level of investments and future potential commitments. The Trustees are keen to ensure that funds donated to the charity are not only used on the highest priorities delivering substantial impact but also that these funds are promptly used so that impact and benefits can be realised as soon as practical. At the same time, the Trustees need to balance this objective with the need to maintain financial prudence and ensure the long-term financial viability of the charity. The review identified that there is scope for Trustees in future to recognise the 'going concern' nature of the charity's financial performance and therefore commit more of its funds to charitable activities. This will be particularly important when the charity commits to further significant redevelopment projects for the hospital.

To support the adoption of this going concern approach, the charity has introduced guidelines for minimum liquidity levels which require the charity to be confident it can meet at least two years' future liabilities, when they fall due, under circumstances where its income would be significantly reduced. We have performed these checks on our financial position as at 31st March, 2019 and for our five year projection horizon and they indicate that the charity would be able to meet such liabilities as they fall due.

Sparks

As at 31 March 2019 the restricted funds of Sparks had a deficit of £0.1 million (31 March 2018 deficit of £0.08 million) for which payment plans are in place. General funds remained at £0.5 million, giving total funds of £0.4 million.

GOSIPL

As a trading subsidiary of GOSH Charity, Great Ormond Street International Promotions Limited (GOSIPL) gift aided profits of £1.1 million to GOSH Charity at 31 March 2019.

Idris, who's nearly two, was born prematurely and has been in hospital his whole life. He loves his older brother coming to visit.



Kai, age 11, is a patient on Bear Ward. He has been waiting for a heart transplant since March 2019.

Our people

We are very fortunate to have passionate and dedicated staff and volunteers, who are committed to doing their very best to help the children, young people and families who rely on Great Ormond Street Hospital. They have a broad range of skills and it is critical that they feel valued and recognised for the work that they do.

Staff

The central premise of our people strategy is to develop a culture of leadership that inspires and enables our staff to raise the vital funds that the Hospital needs. By developing and supporting our staff as leaders who can prepare for and manage an ever-changing environment, our people strategy is helping to drive us from 'Good to Great'. We have made considerable progress since the launch of the people strategy, having strengthened the base and moved through the 'embed and develop' phase which has seen us upskilling our people managers, embedding an HR business partner model and enhancing processes at the same time as developing new initiatives. We now move forward with our leadership development and strategic business partnering, with the aim of becoming the charity employer of choice.

We were delighted to be placed 17th in the prestigious Sunday Times 100 Best Not-for-Profit Organisations to Work For list, on our first application to be included! The competitive list recognises workplaces where staff are happy, cared for and have opportunities to develop their career. We were also awarded Best Companies 2-star accreditation status which represents outstanding levels of employee engagement.

Our Sunday Times placing and Best Companies accreditation is based on the views and opinions of our staff and what it means to them to work for GOSH Charity. 94% of our staff are proud to work for the charity, and 85% of staff feel the experience they gain while working here is valuable to their future career. We know we still have more to do in our journey, but we're very pleased with this result. It reflects our staff's passion for the hospital and the things we are doing to further develop our culture to make the charity an extraordinary place to work.

This is what our accreditation and list placing means to some of our employees:

"Working at the charity makes me feel very proud since starting here over nine years ago, I feel privileged to work for an organisation which makes such a huge difference to the patients and families at GOSH every day and knowing that I can play a small part in that is very humbling. The charity is a great place to work and it is no surprise to me at all that we have recently received recognition of outstanding levels of employee engagement." Charlotte Marley, Grants Officer.

"Working for an employer that values you and wants to develop its staff is hugely important to me – that is why I love working at GOSH Charity. It's clear to me that the charity is constantly looking at ways to create an even better working environment and atmosphere. That's pretty motivating, it's a powerful feeling to know you're working at a place trying to do something special." Chris Carter, Senior Partnership Manager.

94%

of our staff are proud to work for the charity

85%

of staff feel the experience they gain while working here is valuable to their future career

Remuneration

Our approach to remuneration is led by our reward principles in paying in the upper quartile of the charity sector to attract and retain people who can deliver great results in a great place to work. We take into account external benchmarking in the Charity Brand Index top 10, the charity sector and industry as a whole, our overall charity financial performance and reference CPI/RPI and reward trends. The Finance and Audit Committee considers the Remuneration Policy and Awards proposal on an annual basis and makes recommendations on these matters to the Trustee Board.

Executive pay

In determining executive pay, the Board of Trustees pays close attention to the fact that our income comes from generous supporters who ultimately want the best for children and families at GOSH, and that it fluctuates depending on the projects we are fundraising for at the time. As with the salaries of all staff, the salaries of the executive team are benchmarked across the sector. We endeavour to attract and retain an executive team who can consistently deliver ambitious targets, be sector leading and innovative, and most importantly maximise the impact the charity has on the hospital and children’s health.

Gender pay reporting 2018

Like many charities, we have a predominantly female workforce, with 73.5% female and 26.5% male. With a new female CEO having joined us on 1 May 2019, our executive team has for the first time an equal gender split and this will be reflected in our Gender Pay report for 2020 which will be published in 2021. The gender split of the executive team mirrors the Board of Trustees that is equally represented with five women and five men.

But despite the changes already in progress, and all that we have achieved this year on our gender pay gap commitments to our staff, our gender pay gap for 2018 is 22.77%, an increase of 2.26% from the 2017 figure of 20.5%.

Although we said last year that change wouldn’t happen overnight in reducing our gender pay gap, it is obviously disappointing to see it move the other way. We continue to have an imbalance of males in our highest earning roles. We are also a small organisation, reporting on 234 staff. This is below the specified 250 minimum reporting requirement, but we are reporting our figures because we believe in openness and transparency. In an organisation the size of GOSH Charity, small fluctuations in pay can have a big impact on our gender pay gap.

However, we are encouraged by the downward shift in our bonus gender pay gap (where the standard 'bonus' consists of a £25 voucher) from 10.96% to -15.79%, the excellent results from the Sunday Times ranking and our progress against our longer-term actions as part of our people strategy.

We remain committed to building upon the work that is underway to attract and develop the most diverse workforce, to champion gender equality and diversity and to reduce our current gender pay gap.

Equal pay

GOSH Charity is an equal pay employer and we are confident that our gender pay gap is not the result of unequal pay.

Listening to our employees

It is hugely important to us that our employees have the opportunity to tell us what they think and feel empowered to do so. We have an in-depth staff survey once every two years, with light touch ‘pulse check’ surveys every seven/eight months focussing on specific areas for development across the organisation. We were delighted that over 70% of staff took part in the two pulse check surveys held this financial year. The focus in the February 2019 pulse check was on collaboration, both within teams and across the organisation. While we saw lots of improvement on in-team collaboration responses, cross-charity collaboration remains an area for us to improve and we have made it one of our critical activities for 2019/20 to ensure it has appropriate focus and development. In addition to the staff surveys and pulse checks, we also listen to our staff through forums such as our staff reps group, our transparent appraisal process, and through the initiative of ‘Play your ace’ where staff can put forward an idea for anything across the organisation.

Safeguarding

Charity staff come into direct and indirect contact with children, patients of the hospital, patient families and members of the public through delivery of a range of services and activities. Safeguarding is a critical area of importance to us and our primary concern, at all times, is to promote the welfare and safety of children, vulnerable adults and young people. Our safeguarding policy is regularly reviewed and all staff have undergone mandatory safeguarding training to ensure they can respond appropriately should a safeguarding issue arise.

In addition to standard employment reference checks, all staff must obtain an enhanced DBS prior to employment, with a three-year renewal programme also in place.

Volunteering

We are incredibly fortunate to have a diverse volunteer workforce making a considerable contribution to both the hospital and the charity. We simply could not do what we do without them and we are truly grateful for the continued commitment and incredible support. The value of contribution is not reflected in our financial data.

At the hospital

In 2018/19, more than 1,150 hospital volunteers provided emotional and practical support for staff, children and parents, as well as bringing fun to the young patients. Volunteers work across over 132 roles, from bedside to back office, ranging from play volunteers and befrienders to ward administrators. This year they contributed more than 248,000 hours, generously sharing their time, skills and energy with the hospital.

For the charity

We are hugely reliant on thousands of volunteers from individuals to whole companies, providing vital support for our fundraising activities and forming an integral part of the success of our fundraising.

In 2018/19 our team of volunteer ambassadors grew to 314, inspiring thousands of others in their support of the hospital. Our Corporate Partnerships Board and fundraising leadership boards, whose volunteers number over 200, raised much needed funds for a range of projects across the hospital. In addition, our tireless cheerers and event volunteers, of which there are over 600, enable us to provide that extra support to those generously giving their time, energy and funds to the charity.

It is a testament to the dedication of the charity's staff that they regularly volunteer at events, and support the Crocodile Club, which provides opportunities to volunteer at the hospital.

Trustees and Associate Trustees

The volunteer Board of Trustees currently consists of a Chair and nine Trustees appointed for their relevant and individual skills and experience, having been through a thorough recruitment process including interview. Trustees are appointed for a fixed term not exceeding four years. At the end of the fixed term, they can be reappointed, but no Trustee may remain on the Board for more than nine years.

Associate Trustees with specific skills and experience can also be appointed as volunteers to work with the Trustees on Board committees to increase the expertise available.

A thorough induction programme is provided for Trustees and Associate Trustees on appointment and Charity Commission guidance is shared. Access to training is provided throughout the term of office. Trustees are also required to undertake an enhanced DBS check.







During the course of 2018/19 we were delighted to welcome Joseph McDonnell and Mark Burgess as Associate Trustees to our Investment Committee. Both Joseph and Mark bring extensive investment experience. Joseph was recently appointed Managing Director and Head of Portfolio Solutions at Neuberger Berman prior to which he spent 10 years at Morgan Stanley Investment Management. Mark is Deputy Global Chief Investment Officer and Chief Investment Officer, EMEA for Columbia Threadneedle Investments and responsible for the investment performance for all EMEA investment strategies.





During the year, Humphrey Van Der Klugt, Benjamin Jacobs and Mary Rutherford retired having served the full term of their appointments. David Lomas resigned due to a change in work related commitments. We would like to thank Humphrey, David, Benjamin and Mary for their considerable service and contribution to the charity.



James is eleven months old and was diagnosed with leukaemia on New Year's Day. Here he is visiting Elephant Ward with mum Faye.

Trustees throughout the year







 <p>John Connolly Chair</p> <p>John is currently the Chair of a number of companies including G4S, Metric Capital Partners, Cogital Group and Radius Inc. John will be retiring from the Board by 30 September 2019.</p>	 <p>Kaela Fenn-Smith Property and Development Committee Chair</p> <p>Kaela has previously been a director at Land Securities plc, Jones Lang LaSalle and CBRE.</p>
 <p>Nina Bibby Governance, Reputation and Risk Committee</p> <p>Nina is the Chief Marketing Officer at O2 (Telefonica UK), with commercial profit and loss accountability for the consumer and SMB mobile business. Nina is also a non-executive director of Barratt Developments.</p>	 <p>Jennifer Bethlehem Grants Committee Property and Development Committee</p> <p>Jennifer is a Corporate Partner at Freshfields Bruckhaus Deringer LLP and leads the firm's global healthcare team. Prior to becoming a lawyer Jennifer practiced for over 10 years as a nurse.</p>
 <p>Margaret Ewing Interim Vice Chair Finance and Audit Committee Chair Investment Committee Governance, Reputation and Risk Committee Trustee of Sparks Charity</p> <p>Margaret is currently a non-executive director of ITV plc, International Consolidated Airlines Group SA and ConvaTec Group plc. Prior roles include CFO of Trinity Mirror plc and BAA plc and a Vice Chair and Managing Partner of Deloitte LLP.</p>	 <p>Nicky Bishop Governance, Reputation and Risk Committee</p> <p>Nicky is and has been in the voluntary sector for 24 years. A repeat stay as CEO from 2007-10 at The Red Cross Children's Hospital Trust included funding new child health initiatives across sub-Saharan Africa. In addition, Nicky is an associate of The Philanthropy Company.</p>

 <p>Sandeep Katwala Governance, Reputation and Risk Committee Chair Finance and Audit Committee</p> <p>Sandeep spent 25 years as a lawyer with the global law firm Linklaters LLP where he was a member of the Executive Committee and headed up the firm's EEMEA Region and India business.</p>	 <p>Michael Marrinan Grants Committee</p> <p>Michael was a consultant Cardiothoracic Surgeon at King's College Hospital from 1992 until 2015 and was Medical Director of King's for six years. He is currently Medical Director of Royal Hospital for Neurodisability.</p>
 <p>Mark Sartori Investment Committee Property and Development Committee Trustee of Sparks Charity</p> <p>Mark retired from a career in Capital Markets where he worked in European Equities for Credit Suisse and Morgan Stanley. Mark also built a European Equities business for the Royal Bank of Canada.</p>	 <p>Professor Stephen Holgate Grants Committee Chair Trustee of Sparks Charity</p> <p>Stephen is Medical Research Council Clinical Professor at the University of Southampton with an interest in asthma and allergy. He is a special advisor to the Royal College of Physicians (RCP) on air quality and cofounded Synairgen, a company dedicated to respiratory drug discovery.</p>





Trustees appointed in year

There were no new Trustees appointed during the year.

Associate Trustees

 <p>Ruary Neill Investment Committee Chair</p> <p>Ruary had a long career in the financial sector working in Asian equity markets and then in Global asset allocation. He retired from UBS Investment Bank in June 2014. He is an independent non-executive director of JPMorgan Emerging Markets Investment Trust plc and a member of the Advisory Council of The SOAS China Institute, London University.</p>	 <p>Paul Langham Property and Development Committee</p> <p>Paul has extensive experience of property developments, both in the UK and internationally. He is currently Head of Project Management and Engineering at Land Securities having previously been Project Director at Stanhope Plc.</p>
 <p>Simon Stormer Finance and Audit Committee</p> <p>Simon has had an extensive career in the financial services sector at Credit Suisse, Morgan Stanley and now Deutsche Bank where he is the Regional Chief Operating Officer for the Channel Islands.</p>	 <p>Mark Burgess Appointed September 2018 Investment Committee</p> <p>Mark is Deputy Global Chief Investment Officer and Chief Investment Officer, EMEA for Columbia Threadneedle Investments. He is a statutory Board member and was awarded Financial News Investment Leader of the Year 2018.</p>
 <p>Chris Morris Property and Development Committee</p> <p>Chris is a specialist in real estate law and practised at Freshfields Bruckhaus Deringer, from 1982 to 2014, being a partner there from 1991 to 2014. Chris was on the Policy Committee of the British Property Federation for three years.</p>	 <p>Joseph McDonnell Appointed September 2018 Investment Committee</p> <p>Joseph is Managing Director and Head of Portfolio Solutions at Neuberger Berman. Prior to joining Neuberger Berman he spent 10 years as Head of Portfolio Solutions EMEA and Head of Diversified Alternatives for Morgan Stanley Investment Management.</p>

Associate Trustees during the year

 <p>Dr Benjamin Jacobs Term complete 31 March 2019 Grants Committee</p> <p>Benjamin has extensive experience in clinical and research paediatric practice. In 2009, he was appointed to the Trust Board at the Royal National Orthopaedic Hospital as Director of Children's Services. He is a member of the Royal College of Paediatrics and Child Health (fellow) and the Royal College of Physicians.</p>	 <p>Professor Mary Rutherford Term complete 31 March 2019 Grants Committee</p> <p>Mary trained as a paediatrician, specialising in neonatal neurology. Her experience is in the acquisition and interpretation of fetal and neonatal MRI of the brain. Her research interests include optimising MR sequences to allow objective quantification of both normal and abnormal brain development. She is Professor of Perinatal Imaging at King's College London.</p>
 <p>David Lomas Resigned 31 March 2019 Finance and Audit Committee</p> <p>David has significant financial experience and is currently Chief Financial Officer of Digicel, having previously been Chief Financial Officer of Spire Healthcare, Achilles and Elsevier and Chief Executive of British Telecom Multimedia Services. David has also been a non-executive director of the hospital.</p>	 <p>Humphrey van der Klugt Retired 31 October 2018 Investment Committee</p> <p>Humphrey spent most of his career at Schroder Investment Management Limited, where he was a director and member of the Group Investment and Asset Allocation Committees. He is currently chairman of Fidelity European Values Plc, a director of JPMorgan Claverhouse Investment Trust Plc and director of Allianz Technology Trust Plc.</p>

Structure and management

Statement of confirmation compliance with Companies Act and SORP

The Trustees confirm that the financial statements comply with the Companies Act 2016, Charities Act 2016, the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2015) (SORP), applicable accounting standards and the provisions of the Memorandum and Articles of Association for both the charity and its subsidiaries.

In addition financial statements for Sparks comply with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Legal structure and governing document, related parties and subsidiary companies

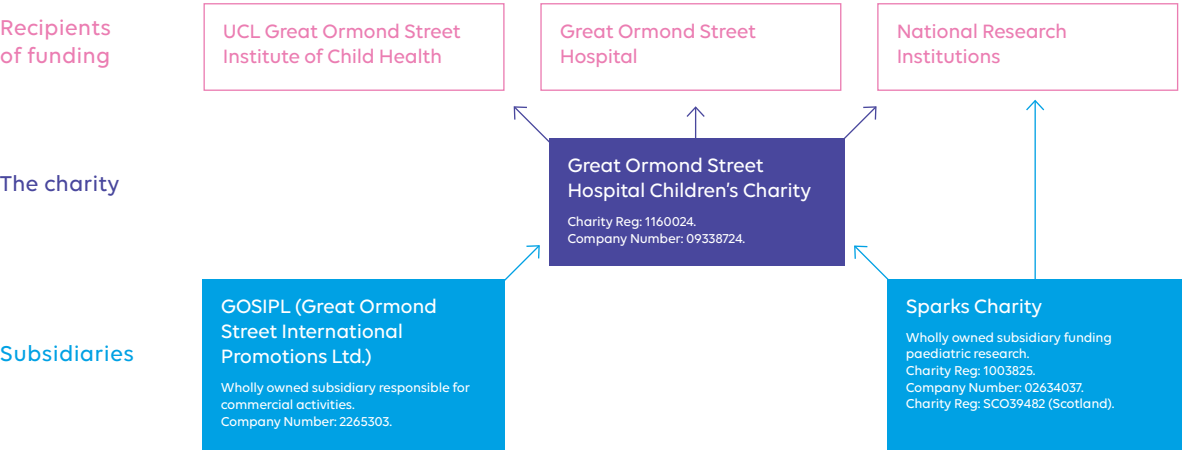
To ensure greater efficiency and reduce costs, the group structure was reviewed during the year 2017/18 and the Great Ormond Street Hospital Children's Charity (unincorporated charitable trust) and 'Friends' entities were both closed. The new structure is shown in the diagram following.

Sparks and GOSIPL remain separate entities and subsidiaries of GOSH Charity. Sparks continues to raise funds and make grants for children's medical research nationally in partnership with GOSH Charity. GOSIPL is responsible for all commercial activities of the group, namely licensing, sales promotions and mail order. All surplus funds earned by GOSIPL are donated, under Gift Aid, to the charity. Both entities have their own Board responsible for all governance issues. Financial details for both are summarised in the notes to the GOSH Charity financial statements, with their own audited financial statements filed as appropriate.

Much of the GOSH research funded by the charity is undertaken in partnership with UCL Great Ormond Street Institute of Child Health (ICH, see note 5 to the financial statements).

Transactions with other related parties are disclosed in note 24 of the financial statements.

Structure



Three-year-old Isabela is being treated on Panther Ward at GOSH. She's always smiling and loves watching sing-along shows on the TV.



Trustee responsibilities

The Board of Trustees meets six times per year and is responsible for providing governance for, and leadership to, the charity. It agrees strategic plans for fundraising and other operations and approves the allocation of charitable expenditure. The Board also sets operating plans and budgets and determines the risk appetite and tolerances acceptable in achieving the charity's purpose and strategy. A review of operating and financial performance is undertaken at each Board meeting. During the year, the Chief Executive and Director of Finance and Operations were invited to attend all meetings of the Trustees and other directors and senior managers were invited to attend for presentations and discussions of specific relevant topics. While most of the business of the charity is conducted at the scheduled Trustee meetings, there are occasional ad-hoc meetings to deal with matters of special interest.

Much of the Board's work is delegated to five sub-committees with remits as follows:

Governance, Reputation and Risk Committee

- Monitoring compliance with all governance policies, regulations, laws and sector guidelines.
- Recommending appointment of internal auditors, approve non-financial internal audit plan, review non-financial internal audit findings and monitor effectiveness of internal auditors.
- Policy setting and monitoring of all fundraising, including fundraising practices, supporter commitment and use, guidelines, monitoring of third parties and complaint monitoring.
- Reviewing risk management policy and risk register, monitoring all key non-financial risks of the charity and ensuring the charity is operating within the risk appetite and tolerance levels set by the Board.
- Monitoring the charity's reputation and setting policy for the identification, assessment, management and resolution of material reputational risk to the charity as well as understanding the opportunities available to enhance the reputation of the charity.
- Reviewing and approving all key HR policies.

Finance and Audit Committee

- Monitoring and review of the integrity of the charity's financial statements and financial reporting, including the approval of all accounting policies.
- Agreement of both external and financial internal audit plans and reports.
- Recommending appointment and reviewing effectiveness of the external auditors.
- Monitoring of major internal charity projects and review of associated non-property business cases.
- Review of the annual business plan, budget and pay award proposal on which it makes recommendations to Trustees.

Investment Committee

- Monitoring the allocation and performance of the charity's investment portfolios.
- Appointing professional advisors and investment managers, reviewing their appointment annually and evaluating their performance.
- Reviewing the investment strategy and related policies and recommending required changes to the Board of Trustees.
- Investing funds in accordance with the investment policy and in support of the charity's financial plan and strategy.

Property and Development Committee

- Reviewing and monitoring the effective and efficient management of the charity's property interests.
- Reviewing and recommending to the Board the strategy for the charity's estate in support of the hospital, ICH and the charity, and to monitor its implementation.
- Monitoring progress on all redevelopment projects that the charity supports.
- Overseeing the charity's disbursements relating to the hospital's property interests.

Grants Committee

- Recommending a research strategy for Board approval and recommending an overall grant making programme and grants strategy for the charity.
- Awarding and varying grants within the grant award budget streams approved by the Board as part of the annual plan and ensuring such grants are in compliance with the charity's charitable objects.
- Monitoring grants provided for all charitable activities (excluding property and redevelopment) and overseeing the charity's disbursements programme.
- Assessing applications for funding and making recommendations to the Board including those from the Research Assessment Panel (RAP).

All committees report to the full Board and each one meets at least three times per year.

Board objectives and performance review

The continuous improvement in the performance of the Board is vital to enable it to lead the charity in delivering its charitable objects and public benefit in an effective and sustainable manner.

For the past three years, the Board has undertaken an external independent review to evaluate the effectiveness of its structure, decision making processes and its performance. This demonstrates the Board's commitment to continuous learning and improvement and reflects the Board's commitment to the charity's overall good governance approach .

In June/July 2018 the Board undertook an extensive review by an independent external firm, Linstock, which included interviews with, and completion of a detailed questionnaire by, each Trustee, the CEO and the Director of Finance and Operations. The ratings throughout the review and the specific questions in respect of the Board's performance versus prior year indicated a significant improvement in the effectiveness of the Board over the prior year. The top priorities for 2018/19 were identified as:

- 1. continue the development of the Board dynamics
- 2. managing succession of CEO and Chair
- 3. evolving the effective working relationship with the charity's key partners: the hospital and ICH
- 4. prioritising strategic developments, especially having regard to major hospital projects
- 5. devoting more time in Board meetings to key strategic issues

Over the past year the Board has made good progress in addressing these priorities and has very recently (in June 2019) conducted a further review of its effectiveness. Given it is a time of change in the leadership of the Board and organisation, the Board decided to undertake an internal evaluation focused on the Board's performance as a collective. The evaluation included completion of a questionnaire by each Trustee, all members of the charity's senior leadership team, including the Chief Executive, and the Trustee Liaison Officer.

The results of the June 2019 Board evaluation process highlighted considerable ongoing improvement in the Board's effectiveness and relationship with the charity's management and staff, plus the hospital and ICH leadership, but also indicated opportunities for:

- 1. Improved diversity of age, ethnicity and skills and experience (particularly digital, strategic and entrepreneurial) on the Board and its committees.
- 2. Greater understanding of the views of key stakeholders. Whilst this has improved in respect of the hospital, ICH and certain regulators, the understanding of the views of patients, donors and other stakeholders could be improved and would better inform the Board in its decision making.
- 3. More challenge of delivery of strategy, fundraising, costs and innovation.
- 4. Additional oversight of the charity's risk management processes, particularly in respect of emerging risks.

All Trustees and members of the Senior Leadership Team recognised the significant importance and anticipated impact on the Board's effectiveness, and the charity's strategy for the next five years, of the impending appointment of a new Chair and that individual's partnership with Louise Parkes, the charity's new CEO. The June 2019 internal Board evaluation conclusions, and the need for the charity to develop its strategy for the next five years, provide an excellent platform for the future Chair to develop and improve the Board's effectiveness and from which to set new objectives for the Board and Chief Executive.

Decision making and stakeholder engagement

When making decisions, the Board gives consideration to the following:

- The charitable objectives of the charity.
- Any impact on the patients and families of GOSH as well as the hospital itself.
- Ensuring that they are acting within their powers as Trustees, in the best interests of the charity and in good faith.
- Full and appropriate compliance with all relevant regulations, laws and

good governance requirements.

- Whether they have sufficient relevant information to enable them to make an informed decision.
- Whether external advice is required, including from the Charity Commission or other regulators.
- Any conflicts of interest.
- The risk management framework.
- The professional opinion of the Executive team and other members of staff as appropriate.
- Any impact on supporters, staff and volunteers as key stakeholders.
- Wider charity sector activity and focus.

Management

Tim Johnson stepped down as Chief Executive at the end of March 2019 having taken on the role in 2008. Louise Parkes was appointed as Chief Executive by the Trustees after an extensive search process conducted by an external head hunter, Saxton Bamphyde and having consulted with the hospital and ICH leadership. Louise's appointment was effective from 1st May 2019 and she has responsibility for ensuring that policies and strategies agreed by Trustees are followed and for ensuring the effective operational management of the charity. The Chief Executive works alongside seven executive directors, each of whom has responsibility, experience and expertise in a specific area key to ensuring the stability and development of the charity, as well as wider knowledge and experience to drive sector-leading change. Trustees meet with the executive directors in Board meetings (and frequently outside Board meetings) to review and discuss ongoing critical and strategic issues and to determine where Trustees may best add value to the charity beyond Board and committee membership, whilst ensuring they remain independent.

Going concern

The Trustees have reviewed the financial position of the charity, including its forecast cash flows, liquidity position and existing and potential funding commitments for the next five years. As noted above, the Trustees have approved a new reserves policy that will see charity funds used

more promptly, however, the Trustees will continue to only commit funds to charitable activities and other capital projects when they are confident that these obligations can be met. The charity's fundraising streams are well diversified and, therefore, a significant drop in any one channel would not materially affect our ability to meet existing financial commitments. Consequently, the Trustees believe that there are adequate resources to continue in operation for the foreseeable future and that it is appropriate to continue to adopt the going concern basis of accounting in preparing this annual report and financial statements.

Public benefit statement

The Trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit. The charity exists to benefit the patients and families of GOSH. Our grants are structured to ensure that the money raised is used to best effect to support the hospital's work and is in line with donors' wishes and the charity's mission and objectives.

The charity does not provide facilities directly to the public, but provides them to the hospital, and in so doing, the patients of the hospital. For example, thanks to our supporters, the charity is able to provide accommodation in Morgan Stanley House for patients and parents to use when visiting the hospital for treatments or tests that require an overnight stay, but do not require that stay to be on an acute hospital ward.

Grants made to the hospital provide a benefit to any patient requiring the services of the hospital, and these services are available to all who are entitled to NHS treatment based on need.

Our research grants are made nationally, and findings impact children and young people not only at GOSH and throughout the UK, but across the world. In addition, research findings can inform future research into a wide range of conditions affecting both children and adults, therefore providing a much wider societal benefit.

Governance and compliance

We feel very privileged to have the support of many generous individuals and organisations. We always endeavour to exercise high standards and great governance, continually reviewing and improving our resources and practices across all our activities, including how we fundraise.

Standards and monitoring

High Standards and Great Governance is one of our fundamental enablers in the charity's five-year strategy and we have firmly embedded this within our values. We regularly review our practices against the Charity Governance Code and other standards and codes of conduct to inform how we work and make sure the Charity operates responsibly and ethically in line with our own aims and values. At the time of writing, we are part-way through our most recent governance review, which is due for completion by September 2019. Throughout the year, we have continued to strengthen our systems and processes in terms of governance, risk management, compliance and planning and have undertaken ongoing, regular monitoring both of our own practices and those of our agencies and third parties.

Our Governance, Reputation and Risk Committee has Board delegated responsibility for oversight, scrutiny and governance matters relating to fundraising regulation and reputation, regulatory and legislative compliance, and all non-financial risks. The Charity has a Fundraising Standards and Information Governance Group, chaired by our Chief Executive, that meets monthly. This Group keeps abreast of legal, regulatory and best practice requirements for governance and charity fundraising considering the charity's activities. In addition, our Internal Audit programme (undertaken by Grant Thornton, internal auditors) incorporates governance reviews and third party agency reviews. During the year Grant Thornton reviewed our Gift Aid management, cyber security, fraud preventions and detections and major gifts due diligence as well as reviewing progress against prior year audits.

The charity further benefits from participation in both sector-led and wider consultations, for example those issued by the Charity Commission, Fundraising Regulator and Information Commissioners Office. This participation provides the opportunity to help shape and build good practice and allows us to better understand influences and developments across the sector.

Principal fundraising activities

The charity benefits from a very broad and diverse supporter base. Supporters donate in a wide variety of ways. In 2018/19 these included:

- Regular donations – more than 184,000 supporters made regular donations, usually on a monthly basis.
- Individual donations – for example from supporters responding to a specific major charity appeal, attending an event, entering a raffle or buying merchandise.
- Community fundraising – community-based activities or challenge events that took place in support of the charity, often organised by a patient's loved ones. In addition, many people participated in large events, such as the Virgin Money London Marathon, to raise funds.
- Corporate fundraising – corporate partners chose to give donations to the charity, delivering cause-related marketing programmes and/or engaging with their employees to help raise funds for the charity.
- Legacies – we received 605 legacy gifts this year, where supporters have chosen to give a gift to the charity in their Will.

Ronak, who's eight years old, is being treated on Lion ward for a rare type of blood cancer called acute lymphoblastic leukaemia (ALL). While he waits to have a bone marrow transplant, Ronak has been making friends with other patients, including Suveeksha. Together, they like taking part in music sessions in the playroom.



Code of Fundraising Practice

We are always conscious of how important it is to maintain the trust of our donors. We know it matters to people not just how we spend their money, but also how we raise funds.

We are registered with the Fundraising Regulator and review our fundraising activity on a regular basis to ensure we remain in compliance with the Code of Fundraising Practice. We also hold membership with the Institute of Fundraising and the National Council for Voluntary Organisations.

The Fundraising Preference Service (FPS) was set up during 2017 by the Fundraising Regulator to provide individuals with a way to stop charities contacting them. During the year to 31 March 2019, we received 86 requests from individuals who no longer wished to receive our communications through the FPS, compared with 164 from launch of the FPS to 31 March 2018. The charity actioned all the requests received promptly.

Supporter Commitment

We have continued to uphold our Supporter Commitment and our promise to always strive for sector-leading standards in fundraising practice. Our key pledges to our supporters as set out in our Supporter Commitment are:

- we will treat you with respect
- we will be honest and open
- we will commit to high standards
- we will let you know the difference your donation is making
- we will communicate with you based on your wishes
- we will not pass on your data
- we will take complaints seriously

The full Supporter Commitment is published on our website.

Treating people fairly

We recognise that every individual is unique in their background, experience and circumstance and every interaction between the charity and members of the public is different. We continue to require all our staff, volunteers, agencies and other third parties working on our behalf to help protect those who may be vulnerable or be in a vulnerable circumstance.

Our ‘Treating People Fairly’ policy includes guidance on how to identify indicators that an individual may require additional care or support to make an informed decision, and to assess whether it is appropriate to accept a donation or continue a conversation. This supports our commitment to make fundraising a positive experience for everyone.

Modern Slavery and Human Trafficking

We understand and recognise that slavery and human trafficking are causes for increasing concern throughout the world. This is especially relevant and worrying to us when this impacts the lives and wellbeing of children. As a result, it is important that we never find ourselves in a position where we are directly or indirectly facilitating slavery or human trafficking.

We take a zero-tolerance approach to slavery and human trafficking, and are resolute to identify and eliminate this, or any elements of it, within our activities and supply chain.

Our full Modern Slavery Statement can be found on our website.

We are committed to making all our staff aware of the organisation’s views in relation to slavery and human trafficking. The policies we have in place providing guidance on areas such as whistleblowing, procurement and safeguarding are in the process of being reviewed and updated to ensure they address the modern slavery risk.

In addition, our policies are often provided to our suppliers on the basis that if we engage a supplier, it is expected that they, their employees and anyone they engage with, should comply with the principles set by the charity family.

We are committed to continually developing and improving our Modern Slavery Statement and the protections in place, and will annually release an updated version of our statement, to reflect our progress and set aims for the future.

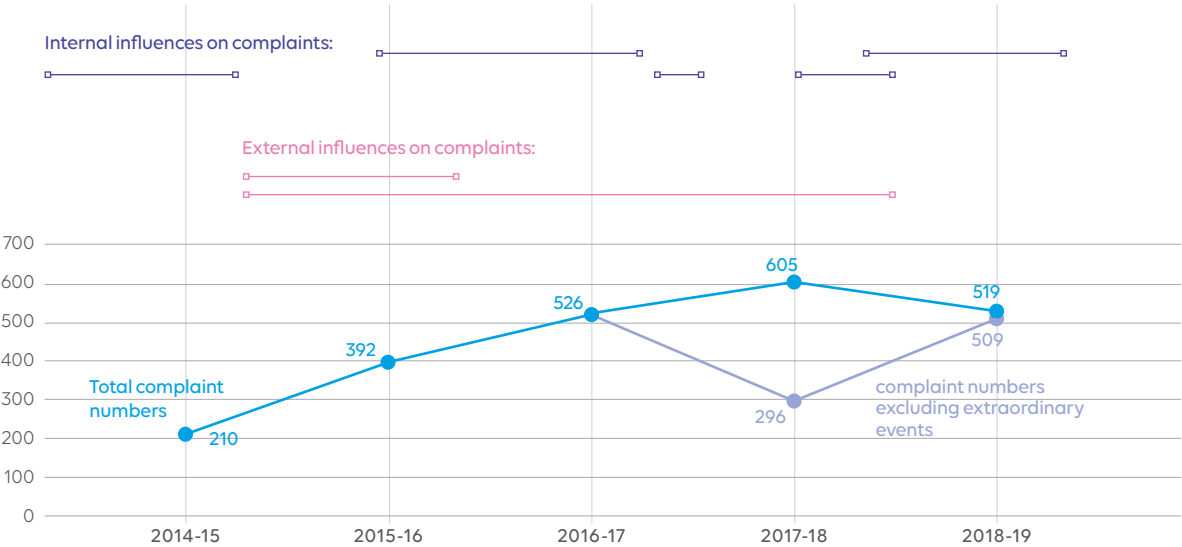
Complaints

We sincerely regret that supporters and the general public occasionally have the need to raise complaints.

For the year 2018/19, we received a total of 519 complaints compared to 605 in the previous year. The 2017/18 figures, however, were impacted by the concerns raised relating to the Presidents Club Charity and during 2018/19 a further 10 complaints related to this incident were received. Excluding Presidents Club Charity complaints, we saw an increase in complaint numbers on the previous year’s figures (509 in 2018/19 compared to 296 in 2017/18). This was principally as a result of delays in thank you letters being issued over a two month period due to processing issues

and staff shortages, which have since been resolved. An increase in activity of our Direct Marketing Private Site channels also contributed to the increased number of complaints. Our monitoring of complaints and across the sector in general, indicates that an increase in complaint numbers is to be expected where we have a comparable increase in activity.

Every complaint received is important to us. We listen and aim to understand the issues raised by individuals, assessing each situation individually and delivering an appropriate and relevant resolution or explanation. Our directors and Trustees receive reports and review all complaints and trends at each meeting of the Governance, Reputation and Risk Committee and all Board meetings. Every year, we reflect on the previous year’s complaints with a view to reviewing and informing our processes and controls (see timeline below). During 2018/19, we have invested in updating our complaints process and have increased support to teams across the charity in how to log and manage complaints. We use complaints as an opportunity to learn, focussing on incorporating the feedback received into improving our activities, and developing activities in an innovative way to maintain the trust of all our supporters.

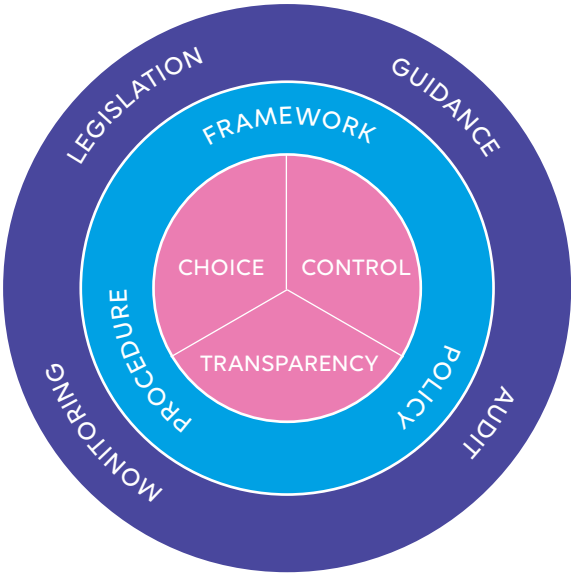


Complaints – Annual Comparison

Fundraising on our behalf

We use agencies and third parties to help us with certain elements of our fundraising, including door-to-door, telephone and private site fundraising as well as the processing of regular donations. All the agencies and third parties we work with are thoroughly vetted and briefed on the objectives of the charity and the need for them to comply with and meet our high standards, including our supporter commitment. We provide training to their staff on a regular basis about the work of the hospital and our values and expectations of standards, and undertake regular monitoring and oversight of their activities through a combination of methods such as call monitoring, mystery shopping, meetings and internal audit reviews. We updated all fundraising contracts to comply with the requirements of the Charities (Protection and Social Investment) Act 2016 and best practice, outlining our expectations and oversight practices.

Concepts of privacy management



GDPR, data protection and information governance

Individuals entrust us with, and allow us to gather information relating to, their support, fundraising, employment and other matters as part of their contact with the charity. They do so in confidence and have a legitimate expectation that we will respect their privacy and act appropriately.

In May 2018, the General Data Protection Regulations (GDPR) and the UK Data Protection Act 2018, came into force. We recognised early on that GDPR represented a significant step in the development of privacy and developed a robust Privacy Management Framework to support our strategic priorities which reflects our values and organisational vision.

Key to the effective handling of information is the concept of **CHOICE, CONTROL** and **TRANSPARENCY** and, as can be seen below, this forms the heart of our framework for handling personal data.

We are committed to ensuring compliance with privacy legislation, working to a culture that puts the individual first and foremost. Our Head of Governance, Legal and Compliance acts as our Data Protection Officer, with formal responsibility for our compliance in this essential area, and she works closely with our Trustees, CEO, senior management team, staff and partners.

Throughout the year, key activities included:

- refreshing consent held for marketing communications
- identifying clear routes for individuals to exercise their rights
- documenting our data processing activities
- updating data protection related policies and procedures
- implementing a refreshed training and education programme
- revising and updating our Privacy Notices to ensure GDPR compliance
- refreshing data protection statements on communications
- developing a monitoring and review programme

Vinnie, who's two and a half, had surgery at GOSH earlier this year to remove a tumour from his brain. Since his operation, the physio team have been working with Vinnie to help him regain his balance and walk again.



Risk management framework

Mission driven approach to risk

The starting point for determining our risk management framework is our mission statement. We identify those events that could significantly impact the realisation of our mission and strategic objectives, and the controls we need to develop to minimise adverse effects of such events.

The charity’s mission is: to enhance Great Ormond Street Hospital’s ability to transform the health and wellbeing of children and young people, giving them the best chance to fulfil their potential.

Our five-year strategic plan sets out the impact goals that we use to measure our progress towards achieving our mission and the priorities and enablers that will in turn optimise our ability to deliver these impacts. We therefore need to identify the events/risks that could interfere or disrupt the contribution of the priorities and enablers and take actions to mitigate or offset these events/risks.

At the same time, we realise that some risk is inherent to the activities required to optimise the charity’s contribution to the hospital and therefore we accept a level of risk but always within the context of, and in a manner consistent with, our core values. We therefore constantly challenge ourselves to use resources innovatively to optimise our performance, whilst giving due care to protect the charity’s overall long-term impact and benefits.

Our risk management framework has been developed to reflect our risk appetite, which was reviewed during 2018/19 to ensure it remains appropriate. Trustees defined our risk appetite, ensuring that the accepted risks are appropriate to the mission of the charity and that the entire charity is engaged in identifying and managing risk.

Principles applied daily

Our risk management approach sets out the overall boundaries within which the charity aims to operate but we also need practical guidance that charity staff can use on a day-to-day basis. We have therefore established guiding principles in respect of our appetite for risk and the level of risk we are prepared to accept.

In the table opposite, we have identified key risk themes and for each theme set out the charity’s risk tolerance and guiding principle. These are used to aid day-to-day decision making when considering activities, internal and external occurrences which may impact those activities, and the standards the charity wants to uphold. We have included a zero appetite for legal, regulatory and data risk areas. While we recognise this is challenging to achieve, given the possibility of human error, we believe it should always be our goal.

Risk area	Appetite	Principle
Legal and regulatory	Zero	We aim to be legally compliant in all aspects of our operations and achieve high sector standards.
Data loss or unplanned/unauthorised disclosure	Zero	We aim to always avoid the risk of compromising the confidentiality of personal data.
Data – managed by external agencies	Very low	We recognise that by using third parties, we are not directly in control of data which could result in a data control lapse. However, we will not tolerate repeated errors and will take action to correct or terminate relationships if required.
Financial	Low	We aim to maintain a credible ongoing financial/business model that delivers an acceptable cost/income ratio but we recognise that on occasion we may need to take a certain amount of risk in order to realise potential rewards eg innovation in fundraising to seek new sources of income. We invest funds required for future major hospital projects and, as set out in our investment policy, we are risk averse in respect of our investments and the first priority is to preserve the capital value of these.
Fundraising – only using methods and practices that meet consistent high standards	Low	We always strive to fully comply with all regulations and guidelines and achieve high standards in all our fundraising activities.
Reputational	Low	The charity's reputation is fundamental to realising the charity's mission and is integrally linked to the hospital's reputation and activities. We always aim to minimise risks to our reputation and to that of the hospital. Positive risks should be taken in line with fundraising policies. Fundraising always carries some risks and these risks are managed on a business case basis, depending on the degree of risk and size of donation/income stream and always with a reputational management consideration.
Charitable activities including hospital/property redevelopment project risks	Low	The charity aims to minimise risks associated with its charitable delivery activities, including reputational, health and safety risks as well as the risk of financial overruns. Where financial overruns arise, the charity will always ensure a robust gateway process is applied for approval of any additional funds required to deliver a project.
Innovation in new methods of fundraising	Medium	We invest in new fundraising activities within acceptable financial and reputational constraints recognising that not all new or novel fundraising activities will deliver an immediate return – and provided they always adhere to high legal and fundraising standards as defined in our fundraising policy.
People – failing to make the most of this key resource	Very low	Our people are our key asset. We seek to provide an engaging and rewarding environment, with competitive benefits and opportunities to empower and enable our people and consider the impact on our staff of all our key decisions.

Identification of key risks:
strategic priorities and impact

The risks below, relevant at the date of approval of this Annual Report and throughout the financial year to 31 March 2019, have been identified as the key risks of the charity and could interfere or disrupt the contribution of our strategic priorities and enablers. We have set out the actions we are taking to mitigate or offset these risks. The risks/events are categorised according

to the priorities and enablers that they could principally disrupt. We have then applied the appropriate tolerance and principles as set out above to determine the residual net risk the charity is bearing, after applying all existing controls and mitigating actions. We have noted any planned further actions and mitigations required to reduce the net residual risk in future:

Priority: principal output – charity secures increased income, available to grant to the hospital

↑

increasing risk


→


risk level unchanged

↓


reducing risk


Risk: adverse economic environment, competition for fundraising, increased regulation and/or hospital's planning cycle reduces the charity's ability to raise sufficient income to fund ongoing and future projects, including redevelopment and research	Applicable principles	Net risk
	Charitable activities Financial Reputational Fundraising	High <div>→</div>
Mitigations Extensive planning and financial controls operate to ensure the charity has the ability to meet its existing financial commitments. The charity is very fortunate to have an extensive and diverse supporter base which, to date, has continued to provide support throughout economic cycles. The charity continues to explore and develop appropriate channels and methods, both nationally and internationally, to explain the need for continued charitable support and the significant impact it has on the lives of children and young people in the UK and across the world. Benchmarking and close monitoring of other major charities' activities and approaches to fundraising to identify potential new activities or sources of income. Trustees have agreed to invest in a fundraising innovation programme to help grow existing streams and/or seek new fundraising activities for existing and new audiences to support income and grow our supporter base.	Remaining risks The potential impact on fundraising, post Brexit, is unknown. Should a significant or sustained economic downturn arise this could adversely impact the charity's fundraising and its ability to grant monies to the hospital and to research. Similarly, the timings for determining the hospital's major charity funding requirements, impact the amount that can be raised in any one year. Ongoing focus on the charity sector and increased regulation could impact the charity's ability to engage with new supporters and retain existing supporters. We accept the need for ensuring supporters and the public's privacy is protected but in certain areas this can impact the charity's ability to raise funds.	

Risk: redevelopment projects incur significant cost increases	Applicable principles Charitable activities Financial Reputational Fundraising	Net risk High 
Mitigations An extensive and comprehensive review process is in place for all charity grants, utilising external independent professionals where appropriate to understand and ensure integrity of projects and robustness of financial projections. Close ongoing monitoring of projects vs objectives and costs. Where cost overruns might arise, robust gateway process to minimise overruns and optimise outcomes. Post grant and development reviews undertaken to ensure lessons are learned and grants made have delivered their intended impact.	Remaining risks High inflationary pressures in the London construction market have previously resulted in construction cost overruns, and Brexit may bring further uncertainty and cost pressures The charity works closely with the hospital and advisors to strengthen controls and avoid additional costs. This work will be increasingly important as the hospital and charity enter the next phase of redevelopment.	


Risk: cyber security breach which results in data loss, impacts our ability to undertake fundraising activities or has an adverse effect on the charity by reducing services available and reputation	Applicable principles Data loss or disclosure Financial Fundraising Reputational	Net risk Medium 
Mitigations Penetration tests regularly carried out. Internal audits regularly undertaken to review systems in place and risks (both to protect against cyber risks and in respect of business continuity). Ongoing extensive training to heighten awareness of duty for security and protection of data. A management console is used to ensure minimum protection for security and anti-virus software installed and regularly updated on all devices. IT team monitor developments and potential attacks. The charity continues to invest in infrastructure and controls to minimise cyber security risks.	Remaining risks Constantly changing 'attacks' makes it difficult to ensure that all areas of penetration are protected.	

Priority: maintain positive and high public profile

Risk: adverse publicity associated with the charity (including its fundraising activities), hospital or charity sector could cause reduction in public support	Applicable principles	Net risk
	Charitable activities Financial Reputational Fundraising	Medium 
Mitigations We aim to always operate to high standards and prevent any actions which may bring the charity into disrepute or give rise to adverse public or media comments. Over recent years we have invested significantly to further strengthen our governance and compliance resources and controls and undertaken additional compliance and control verification with our third party fundraisers. We aim to have an open and transparent dialogue with our supporters and stakeholders and also the public at large and through this approach address any concerns raised. When incidents arise we have robust response and communication systems in place to engage with all relevant stakeholders.	Remaining risks Certain factors are beyond the charity's control and the charity may be adversely impacted by sentiment and concerns for the wider charity sector.	

Risk: breach of data, fundraising, or charity compliance other by a cyber security breach by GOSH Charity, one of its entities or a third party working for the charity	Applicable principles	Net risk
	Legal & regulatory Data loss Reputational	Medium 
Mitigations Strong internal controls are in place to ensure compliance with all relevant regulations, sector guidelines and best practice and to prevent data breaches. The controls are regularly reviewed and audited to ensure they remain robust. Contracts are in place with third party agencies to ensure compliance and regular spot checks and audits are carried out to verify compliance.	Remaining risks Human error can result in exceptional breaches occurring. When these arise we will always promptly and fully address and correct any errors or oversights and work quickly to prevent any reoccurrence.	

Priority: increased efficiency

Risk: increasing cost pressures and failure to realise efficiency savings result in unacceptably high costs of fundraising and a high cost:income ratio with consequent adverse impact on donor support and fundraising income	Applicable principles	Net risk
	Financial Reputational	Low 
Mitigations The charity has invested in new core systems and processes with the aim of realising efficiencies, improving supporter stewardship and engagement and higher fundraising income. Work is ongoing to embed and optimise the new systems and processes and to realise the identified cost savings. Our ongoing cost review is identifying opportunities for further costs savings and efficiencies and areas where financial returns from fundraising activities can be improved. Investment in developing fundraising will be adjusted in line with income. The fundraising innovation programme will carefully consider cost:income ratio as part of any new activities trialled.	Remaining risks n/a	

Risk identification, mitigation, review and reporting

Every member of the charity is encouraged to identify and report existing and emerging risks on an ongoing basis. A centralised risk register enables recording and evaluation of these risks, with mitigations being collaboratively agreed so that a uniform approach can be taken.

The risk register is regularly reviewed by directors and all high rated risks are reported to Trustees. The Trustees acknowledge that some projects or activities may still incur a residual high level of risk, but where it is felt that this exposure is appropriate in order to help meet the mission, the Board seeks assurance that the actions and controls to mitigate the risks are robust and effective and that all reasonable steps have been taken to minimise the net risk.

The Governance, Reputation and Risk Committee has specific oversight of risk (on behalf of the Board). In addition to considering and recommending to the Board the approach to risk appetite and management, the committee also monitors the charity's management of all risk, including risks such as health and safety, fraud and whistleblowing.

The committee undertakes deep dives into activities to ensure that risks have been given due consideration, appropriate levels of due diligence have been carried out and that mitigations put in place are effective.

As the nature of risk can be unpredictable, Trustees also obtain assurances as to the general 'health' of the charity from a wide variety of sources including management accounts, executive reports, deep dive presentations, wide ranging internal and external audits, and external benchmark reporting.



Ayed and his family have come all the way from their home in Kuwait to have treatment at GOSH. He's currently waiting to have a bone marrow transplant. He'll be receiving bone marrow from his sister Ghala, who's a perfect match.

Statement of Trustees' responsibilities

The trustees (who are also directors of Great Ormond Street Hospital Children's Charity for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the trustees are required to:

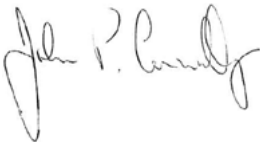
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418 of the Companies Act 2006, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- a) so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- b) the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.



John Connolly
Chair
16 July 2019

Independent auditors' report to the members and Trustees of Great Ormond Street Hospital Children's Charity

Report on the audit of the financial statements

Opinion

In our opinion, Great Ormond Street Hospital Children's Charity's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2019 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2018/19 (the "Annual Report"), which comprise: the consolidated and charity balance sheets as at the 31 March 2019; the consolidated statement of financial activities for the year ended 31 March 2019 (incorporating an income and expenditure account); the consolidated statement of cash flow for the year ended 31 March 2019; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group and charitable company's activities, beneficiaries, donors, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees’ Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees’ Report, including the Strategic 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’ Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees’ Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees’ Responsibilities set out on page 100, 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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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’s 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 and parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors’ report.

Use of this report

This report, including the opinions, has been prepared for and only for the Charity’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Kevin Lowe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
London
16 July 2019

Great Ormond Street Hospital Children's Charity
Consolidated statement of financial activities for the year ended 31 March 2019
(Incorporating an income and expenditure account)

	Note(s)	Unrestricted funds £'000	Restricted and endowment funds £'000	Year ended 31 March 2019 £'000	Unrestricted funds £'000	Restricted and endowment funds £'000	Year ended 31 March 2018 £'000
Income and endowments from:							
Donations and legacies	2.1	51,352	26,319	77,671	57,219	36,664	93,883
Other trading activities	2.2	2,712	3,826	6,538	3,302	2,166	5,468
Investments	2.3	1,825	133	1,958	1,441	120	1,561
Charitable activities	2.4	1,294	66	1,360	1,653	604	2,257
Total		57,183	30,344	87,527	63,615	39,554	103,169
Expenditure on:							
Raising funds	3.1	24,893	-	24,893	28,592	-	28,592
Charitable activities	3.2	9,000	37,443	46,443	5,167	35,096	40,263
Total		33,893	37,443	71,336	33,759	35,096	68,855
Net income before gains/(losses) on investments		23,290	(7,099)	16,191	29,856	4,458	34,314
Net gain/(loss) on investments		2,559	-	2,559	374	-	374
Net income/(expense)		25,849	(7,099)	18,750	30,230	4,458	34,688
Transfers between funds 19.1/19.2/19.3		121	(121)	-	7,974	(7,974)	-
Other recognised gains/(losses):							
Gains/(Losses) on revaluation of fixed assets	9	110,928	-	110,928	-	-	-
Net movement in funds		136,898	(7,220)	129,678	38,204	(3,516)	34,688
Reconciliation of funds:							
Total funds brought forward 1 April		332,488	9,566	342,054	294,284	13,082	307,366
Total funds carried forward 31 March		469,386	2,346	471,732	332,488	9,566	342,054

Notes 1 to 24 form part of these financial statements.

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the consolidated statement of financial activities. There are no material differences between the net income for the financial year and the historical cost equivalents.

Great Ormond Street Hospital Children's Charity
Balance sheets
As at 31 March 2019

	Note(s)	Consolidated Total at 31 March 2019 £000	Total at 31 March 2018 £000	Charity Total at 31 March 2019 £000	Total at 31 March 2018 £000
Fixed assets					
Intangible assets	8	6,141	6,745	6,141	6,745
Tangible assets	9	326,712	193,250	326,712	193,250
Investments	10	47,016	43,894	47,016	43,894
Total fixed assets		379,869	243,889	379,869	243,889
Current assets					
Inventories	11	60	83	-	-
Investments	12	144,575	157,183	144,575	157,183
Debtors	13	18,489	20,094	21,250	21,369
Cash		12,402	18,286	5,549	12,754
Total current assets		175,526	195,646	171,374	191,305
Creditors: amounts falling due within one year	14	33,427	68,690	30,321	64,548
Net current assets		142,099	126,956	141,053	126,757
Total assets less current liabilities		521,968	370,845	520,922	370,646
Creditors: amounts falling due after more than one year	15	50,236	28,791	49,608	28,791
Total net assets		471,732	342,054	471,314	341,855
The funds of the charity					
Restricted and endowment funds	19.1/19.2	2,346	9,566	2,450	9,640
Unrestricted income funds:					
General funds	19.3	35,500	39,779	34,978	39,506
Revaluation reserve	19.3	110,928	-	110,928	-
Designated funds	19.3	322,958	292,709	322,958	292,709
Total charity funds		471,732	342,054	471,314	341,855

The notes on pages 107 to 137 are an integral part of these financial statements. The financial statements on pages 104 to 137 were authorised for issue by the Board of Trustees on 16 July 2019 and were signed on its behalf.

John Connolly, Chair

Great Ormond Street Hospital Children's Charity
Consolidated statement of cash flows
For the year ended 31 March 2019

		Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
	Note		
Cash flows from operating activities:			
Net cash generated from operating activities	20.1	7,690	29,232
Cash flows from investing activities:			
Dividends and interest from investments	2.3	1,958	1,561
Purchase of property, plant and equipment	9	(27,335)	(34,920)
Purchase of intangible fixed assets	8	(283)	(2,499)
Proceeds from sale of investments	10.1	1,031	4,531
Movement in cash held as investments	10.1	(171)	(60)
Purchase of investments	10.1	(1,383)	(5,231)
Net cash used in investing activities		(26,183)	(36,618)
Change in cash and cash equivalents in the reporting year		(18,492)	(7,386)
Cash and cash equivalents at the beginning of the reporting year	20.2	175,469	182,855
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting year		156,977	175,469
		Total at 31 March 2019 £'000	Total at 31 March 2018 £'000
Analysis of cash and cash equivalents:			
Cash in hand		12,402	18,286
Current asset investments	12	144,575	157,183
Cash and cash equivalents at the end of the reporting year		156,977	175,469

Great Ormond Street Hospital Children's Charity
Notes to the financial statements
1. Subsidiaries and accounting policies

1.1 Accounting policies

The following accounting policies have been applied consistently for all years in dealing with items that are considered material in relation to the financial statements of the charity and its subsidiaries.

1.1.1 Company information

Great Ormond Street Hospital Children's Charity (charity number 1160024) and its subsidiaries operate with the objective of raising money to further such charitable purposes as:

- (a) the hospital services (including research) of Great Ormond Street Hospital,
- (b) any other part of the health service associated with Great Ormond Street Hospital as the Trustees think fit, provided that such support is not of a kind that would ordinarily be given by the statutory authorities, and
- (c) research into children's disease.

The charity is a company limited by guarantee and is incorporated in England. The address of its registered office is 40 Bernard Street, London, WC1N 1LE.

1.1.2 Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis as a public benefit charity, under the historic cost convention, as modified for the revaluation of certain investments and properties measured at fair value, and in accordance with the *Statement of Recommended Practice (SORP) Accounting and Reporting by Charities*, published in 2015, *Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"*, the *Charities Act 2016* and the *Companies Act 2016* . No separate Statement of Financial Activities (SOFA) has been presented for the charity alone, as permitted by section 408 of the *Companies Act*. Total income (£000's) for the charity before consolidation was £83,819 (2017/18: £99,843) with total resources expended of £68,972 (2017/18: £65,187). Net income for the year was £14,847 (2017/18: £34,656).

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and charity accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.5.5.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the charity's Trustees.

The parent charity has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows for subsidiary companies, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the charity's cash flows;
- ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures.

1.1.3 Going concern

The charity meets its day-to-day working capital requirements through its bank facilities. The charity's forecasts and projections, taking account of possible changes in performance, show that the charity should be able to operate within its current facilities. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

As described above and in the Annual Report, following the Trustees' assessment of going concern (see page 85), the Trustees continue to adopt the going concern basis in preparing the financial statements.

1.1.4 Basis of consolidation

The consolidated financial statements of the charity incorporate the financial statements of the company Limited by Guarantee and its fully owned subsidiary undertaking, Great Ormond Street International Promotions Limited (GOSIPL), and Sparks Charity (Sparks), by virtue of control being exercised. Intercompany transactions and balances between entities within the group are eliminated. Consistent accounting policies have been adopted across the group.

The net assets of subsidiaries at the date of association are assessed on a fair value basis for the purpose of consolidation into the results for the group. Any negative goodwill arising is written off in the year of acquisition and included as an incoming resource within the statement of financial activities.

1.1.5 Critical accounting judgements and estimation uncertainty

The charity's management and Trustees make estimates and judgements concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

- (i) Impairment of intangible assets (note 8)
The charity considers whether intangible assets (software) are impaired annually. Where an impairment is required an estimation of the future economic benefits from the software and also selection of appropriate discount rates in order to calculate the net present value of those economic benefits are required.
- (ii) Provisions (note 21)
Provisions are made for future obligations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.
- (iii) Recognition of legacy income
Legacy income is recognised when three criteria are met. Entitlement is established, receipt of the income is probable and it can be reliably measured.
 - Entitlement is established when we receive notification of an interest in an estate and a copy of the will.
 - Income receivable is probable and measurement criteria is considered met when the statement of assets and liabilities is received. Only when these criteria have been met is income from legacies recognised in the financial statements.Given the uncertainty which remains on legacy income until final estate accounts are received, a 10% reduction is applied to legacy accruals.
- (iv) Valuation of property (note 9)
The charity undertakes a revaluation of property assets every five years. An independent revaluation was carried out by Cluttons LLP, with valuations to the 31 March 2019. Charity owned buildings used by the hospital for clinical purposes are valued on a depreciated replacement costs basis unless a market value has been deemed by Clutton's to be feasible and more appropriate. The depreciated replacement cost basis is the most commonly

used basis for specialist buildings such as these. This is because transactions involving the sale of these types of assets are relatively infrequent and therefore estimating a market value is not considered feasible due to their specialist nature. Depreciated replacement cost is deemed to be an acceptable alternative to market value. Land values associated with these charity buildings is valued at fair value. All residential and office properties are valued at market value.

- (v) Impairment of property (note 9)
The charity undertakes an impairment review in the years when there is no professional valuation carried out. Where an indication of impairment is identified an estimation of the recoverable value of the property is required. This requires estimation of the future economic benefits from the property and also selection of appropriate discount rates in order to calculate the net present value of those economic benefits

1.1.6 Income and endowments

Income from non-exchange transactions are donations of money, goods, facilities or services which are given freely to the charity by a donor. All income is included in the statement of financial activities (SOFA) when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and the receipt of the income is probable. The following specific policies apply to categories of income:

- a) Donations and legacies
 - (i) Donation in kind, except donated goods:
In all cases, the amount at which donations in kind are recognised is either fair value of the cost to the donor or the amount actually realised.
 - i. Assets given for distribution by the charity are included in the SOFA only when distributed.
 - ii. Assets given for use by the charity are included in the SOFA as income when receivable.
 - iii. Gifts made in kind but on trust for conversion into cash and subsequent application by the charity are included in the accounting period in which the gift is sold.
 - (ii) Legacies:
Legacies are accounted for as income when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
 - (iii) Income from fundraising activities:
 - a) General donations and Gift Aid are recognised on receipt or accrued for respectively. Ticket, auction and sponsorship income from fundraising events are disclosed under other trading activities and recognised when receivable.

- b) Other trading activities
Income from the charity's trading subsidiary is disclosed under other trading activities. This income is recognised on sale of goods when dispatched, on royalty and licence income for contractual periods ending in the financial year, for challenge events in line with when these take place and for commercial sponsorship when recognised.
- c) Grants and other time-related income
Where grants are related to performance and specific deliverables, these are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of performance, its recognition is deferred and included in creditors.
- d) Investments
Investment income is recognised when receivable and allocated to restricted funds where applicable based on the average balance held through the year.

1.2 Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. The expenditure on raising funds comprise the costs incurred in generating donations and legacy income including apportioned support costs. Expenditure on charitable activities comprises the costs incurred on delivering charitable activities including apportioned support costs.

Full provision is made within the financial statements for grant expenditure at the point when an unconditional commitment is made and the liability can be quantified with reasonable certainty.

Support costs, which include the central functions of Finance, IT, HR, Administration, Business Support, Governance and Supporter Services, are allocated across the categories of expenditure of raising funds, expenditure on charitable activities and other expenditure. The basis of the cost allocation is set out in note 4.

1.3 Funds structure

Income and resources expended are allocated to particular funds according to their purpose.

- a) Permanent endowment funds
Funds where the capital is held to generate income for charitable purposes and cannot be spent are accounted for as permanent endowment funds.
- b) Restricted funds
Restricted funds include income that is subject to specific restrictions imposed by donors.
- c) Unrestricted funds
Unrestricted funds include income received without restriction, including the retained profits of the trading subsidiary. Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- d) Designated funds
The Trustees may designate unrestricted funds for a particular purpose without restricting or committing the funds legally. Designated funds are funds delegated by the Trustees to meet various current or future obligations.

Transfers between funds may arise where there is an authorised release of restricted or endowed funds, or when charges are made from unrestricted to other funds. Details of the transfers made in the year are included in note 19.

1.4 Intangible fixed assets

- a) Capitalisation
Intangible assets (software) that are capable of being used for more than one year and have a cost equal to or greater than £5,000, are capitalised. Software is included in the financial statements at purchase cost or at total cost of development if designed and built internally.
- b) Valuation
Software is valued at cost less accumulated amortisation and accumulated impairment losses.
- c) Amortisation
Software is amortised, using the straight-line method, to allocate the depreciable amount of the assets to their residual value over the specific period of the purchased licence, if applicable, or alternatively over a period of between three to ten years, depending on the life cycle of the asset and constant advances in information technology. Amortisation is allocated to support costs in the SOFA. The assets are reviewed for impairment annually if the above factors indicate the carrying amount may be impaired.

1.5 Tangible fixed assets

With the exception of land and buildings, tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Costs include the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

All assets falling into the following categories are capitalised:

- i) Tangible fixed assets that are capable of being used for more than one year and have a cost equal to or greater than £5,000. Cost includes the original purchase price of the asset and the costs directly attributable to bringing the asset to its working condition for its intended use.
- ii) Groups of tangible fixed assets that are interdependent or would normally be provided or replaced as a group, with a total value in excess of £5,000 and an individual value of £250 or more (except for computer equipment where only assets with a value of £1,000 or more are capitalised).
- iii) Assets under construction comprising expenditure on the purchase and creation or enhancement of fixed assets not brought into use at the balance sheet date. Transfers are made from the asset under construction to the relevant category of fixed asset in the year the asset is brought into use. Annual impairment reviews are carried out to ensure values carried are appropriate.

- a) Land and buildings
Land and buildings are stated at either open market value for their existing use or at depreciated replacement cost. Depreciated replacement cost is deferred where appropriate to recognise the presence of leases on the property (see note 9). Valuations are carried out professionally at five-yearly intervals, with an impairment review undertaken in all other years. A full revaluation was carried out by Cluttons LLP as at 31 March 2019. Impairments were identified to two of our properties: Sandwich Street (£3.1 million) and 41 Great Ormond Street (£0.2 million) due to market conditions.
- b) Fixtures, fittings, vehicles and equipment
Fixtures, fittings, vehicles and equipment are valued at depreciated historical cost.
- c) Assets under construction
Assets under construction are stated at cost. These assets are not depreciated until they are available for use.
- d) Depreciation
Each asset is depreciated over its expected useful life. Depreciation is charged on each main class of tangible fixed asset, from the date of use, other than land which is not depreciated, as follows:

	Buildings	50-100 years
	Fixtures and fittings	15 years
	Office equipment	10 years
	Vehicles	10 years
	IT equipment	3 years
e)	Donated assets	
	Donated assets are capitalised at their valuation on a full replacement cost basis on receipt and are depreciated as described above.	
f)	Subsequent additions	
	Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the charity and the cost can be measured reliably.	
	Repairs, maintenance and minor inspection costs are expensed as incurred.	
g)	Derecognition	
	Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the SOFA.	

1.6 Financial instruments

The charity has chosen to adopt Section 11 of FRS102 in respect of financial instruments.

Financial assets

Fixed and current asset investments consist of long-term and short-term portfolios comprising:

- i) Quoted stocks and shares, included in the balance sheet at market value.
- ii) Cash investments, held at cost plus accrued interest.
- iii) Assets for resale, held at net realisable value within current asset investments.
- iv) Investments in subsidiary undertakings, stated at cost.

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

1.7 Inventories

Stocks consist of purchased goods for resale, which are valued at the lower of cost and the estimated selling price, less costs to complete and sell.

Provision is made for any obsolete or slow-moving items.

1.8 Employee benefits

The charity provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Most employees are members of a defined contribution pension plan. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. Contributions are chargeable to the SOFA in the period to which they relate. The assets of the plan are held separately from the charity in independently administered funds.

The charity also participates in the NHS Pension Scheme, with two current employees and a number of former employees being covered by the provisions of that scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The 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, in England and Wales. The scheme is not designed to be run in a way that would enable the charity to identify its share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Government Financial Reporting Manual (FReM) requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

- a) Accounting valuation
A valuation of the scheme liability is carried out annually by the scheme actuary at the end of the reporting period. This uses an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019 is based on the valuation data as at 31 March 2016, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by

HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

- b) Full actuarial (funding) valuation
The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.
The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ended 31 March 2012.
The scheme regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the scheme actuary and employee and employer representatives as deemed appropriate.
- c) Scheme provisions
The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained.

The Scheme is a 'final salary' scheme. Annual pensions are normally based on 1/80th for the 1995 section and on the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the scheme regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can commute their pension choosing to give up some of their annual pension for an additional tax-free lump sum, up to a maximum amount permitted under HMRC rules.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the 12 months ending 30 September in the previous calendar year. From 2011/12 the Consumer Price Index (CPI) has been used instead of Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death

gratuity of twice the final year's pensionable pay for death in service, and five times their annual pension for death after retirement, is payable.

For early retirements (other than those due to ill health) the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase Additional Voluntary Contributions (AVCs) run by the scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

1.9 Taxation

Great Ormond Street Hospital Children's Charity, as a registered charity, is exempt from income tax under part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes. No corporation tax charge has arisen in GOSIPL, due to its policy of gifting all taxable profits to the charity each year.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.10 Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

1.11 Related party transactions

On consolidation transactions with related parties, of a similar nature, are aggregated unless, in the opinion of the Trustees, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

1.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

1.13 Provisions and contingencies

(i) Provisions

Provisions are recognised when the charity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in provision due to the passage of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (a) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (b) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the charity's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Great Ormond Street Hospital Children's Charity
Notes to the financial statements

1. Subsidiaries and accounting policies (continued)

1.14 Great Ormond Street Hospital Children's Charity (1852) (charity number 235825)

Income in the prior year related to legacies left specifically to the charity number 235825. During 2017/18 the charity purchased the freehold to the property held by Great Ormond Street Hospital Children's Charity (1852) and subsequently the leasehold of the property was transferred from 1852 to the charity. As a result 1852 ceased to exist on 31 March 2018 and all activities passed to the charity.

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Income and endowments from:		
Donations and legacies	-	9,657
	-	9,657
Expenditure on:		
Expenditure on raising funds	-	-
Expenditure on charitable activities	-	-
Other expenditure	-	-
	-	-
Net gains on investments	-	-
Net income and net movement in funds	-	9,657
Transfers between funds	-	-
Other recognised gains:		
Gains/(losses on revaluation of fixed assets	-	-
Actuarial gains/(losses) on defined benefit pension schemes	-	-
Other gains/(losses)	-	-
Net movement in funds	-	9,657
Total funds brought forward 1 April	-	582
Transfer to the charity	-	(10,239)
Fund balance carried forward at 31 March	-	-

Great Ormond Street Hospital Children's Charity
Notes to the financial statements

1. Subsidiaries and accounting policies (continued)

1.14 Great Ormond Street Hospital Children's Charity (1852) (charity number 235825)

Balance sheet
as at 31 March 2019

	Total at 31 March 2019 £'000	Total at 31 March 2018 £'000
Fixed assets		
Total fixed assets	-	-
Current assets		
Debtors	-	-
Total current assets	-	-
Creditors: amounts falling due within one year	-	-
Net current assets	-	-
Total assets less current liabilities	-	-
Total net assets	-	-
The funds of Great Ormond Street Hospital Children's Charity (1852)	-	-

Great Ormond Street Hospital Children's Charity
Notes to the financial statements

1. Subsidiaries and accounting policies (continued)

1.15 Great Ormond Street International Promotions Limited

The charity has a wholly owned trading subsidiary, Great Ormond Street International Promotions Limited (GOSIPL), with paid-up share capital of £2. GOSIPL is incorporated in the UK. The principal activities of the company are commercial activities, namely licensing, sales, promotions and mail order. A summary of its trading results and net assets is shown below. These results are included in the group consolidation. Audited financial statements are filed with the Registrar of Companies.

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Profit and loss account		
Turnover	2,005	2,475
Cost of sales	(514)	(347)
Gross profit	1,491	2,128
Administrative expenses	(360)	(591)
Operating profit	1,131	1,537
Interest receivable and similar income	2	1
Profit on ordinary activities before taxation	1,133	1,538
Taxation	-	-
Profit for the financial year	1,133	1,538
Distribution	(1,133)	(1,538)
Net movement in funds	-	-

Balance sheet
as at 31 March 2019

	Total at 31 March 2019 £'000	Total at 31 March 2018 £'000
Inventories	60	83
Debtors	278	428
Cash	1,812	647
Current liabilities	(2,125)	(1,133)
Net assets	25	25
Profit and loss account	25	25
Share capital and reserves	25	25

Great Ormond Street Hospital Children's Charity
Notes to the financial statements

1. Subsidiaries and accounting policies (continued)

1.16 The Friends of the Children of Great Ormond Street

The Friends of the Children of Great Ormond Street (Friends) was dissolved on 20 March 2018 and all activities passed to the charity.

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Income and endowments from:		
Donations and legacies	-	380
	-	380
Expenditure on:		
Expenditure on charitable activities	-	380
	-	380
Net income/(expenditure)	-	-
Fund balance carried forward at 31 March 2019	-	-

Great Ormond Street Hospital Children's Charity
Notes to the financial statements

1. Subsidiaries and accounting policies (continued)

1.17 Sparks Charity

Sparks became a subsidiary of the charity on 1 February 2017. The charity is the sole member of Sparks Charity (Sparks) company. The principal activity of Sparks is to provide grants for research into children's diseases.

	Year ended 31 March 2019 £'000	Two months to 31 March 2018 £'000
Income and endowments from:		
Donations and legacies	981	1,613
Other trading activities	643	758
Income from investments	13	12
Charitable activities	66	604
	1,703	2,987
Expenditure on:		
Raising funds	627	985
Charitable activities	863	1,992
	1,490	2,977
Net income before (loss)/gain on investments	213	10
Net (loss)/gain on investments	8	(18)
Net (expense)/income	221	(8)
Total funds brought forward 1 April/1 February	172	180
Total funds carried forward 31 March	393	172
Balance sheet as at 31 March 2019		
	Total at 31 March 2019 £'000	Total at 31 March 2018 £'000
Current assets		
Debtors	289	291
Cash	5,042	4,886
Total current assets	5,331	5,177
Creditors: amounts falling due within one year	4,309	5,005
Net current assets	1,022	172
Total assets less current liabilities	1,022	172
Creditors: amounts falling due after more than one year	629	-
Total net assets	393	172
The funds of Sparks	393	172

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

2. Income and endowments

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Year ended 31 March 2019 £'000
Income and endowments from:				
2.1 Donations and legacies				
Direct gifts from individuals and trusts	20,936	15,362	-	36,298
Legacies	19,848	3,143	-	22,991
Community fundraising	7,217	2,343	-	9,560
Partnerships, campaigns, events and other income	3,351	5,471	-	8,822
	51,352	26,319	-	77,671
2.2 Other trading activities				
Auctions, tickets, sponsorship and other income	962	3,596	-	4,558
Fundraising trading	1,750	230	-	1,980
	2,712	3,826	-	6,538
2.3 Investments				
Investments and fixed portfolio income	1,825	129	4	1,958
Income and receivables from short-term cash investments	-	-	-	-
	1,825	129	4	1,958
2.4 Charitable activities				
Grants	-	66	-	66
Property	1,294	-	-	1,294
	1,294	66	-	1,360
Total income and endowments	57,183	30,340	4	87,527

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

2. Income and endowments (continued)

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Year ended 31 March 2018 £'000
Income and endowments from:				
2.1 Donations and legacies				
Direct gifts from individuals and trusts	22,521	26,921	-	49,442
Legacies	22,281	3,970	-	26,251
Community fundraising	7,296	1,784	-	9,080
Partnerships, campaigns, events and other income	5,121	3,989	-	9,110
	57,219	36,664	-	93,883
2.2 Other trading activities				
Auctions, tickets, sponsorship and other income	1,110	1,954	-	3,064
Fundraising trading	2,192	212	-	2,404
	3,302	2,166	-	5,468
2.3 Investments				
Investments and fixed portfolio income	885	118	2	1,005
Income and receivables from short-term cash investments	556	-	-	556
	1,441	118	2	1,561
2.4 Charitable activities				
Grants	-	604	-	604
Property	1,653	-	-	1,653
	1,653	604	-	2,257
Total income and endowments	63,615	39,552	2	103,169

Great Ormond Street Hospital Children's Charity
Notes to the financial statements
3. Expenditure on

	Direct costs	Support costs	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
3.1 Raising funds:				
Direct gifts from individuals and trusts	8,810	3,655	12,465	15,927
Legacies	638	240	878	725
Community fundraising	2,778	2,685	5,463	5,801
Partnerships, campaigns, events and other income	3,210	1,842	5,052	5,334
Trading	638	290	928	638
Investment management costs	104	3	107	167
	16,178	8,715	24,893	28,592
3.2 Charitable activities				
Welfare and clinical development	4,737	332	5,069	6,880
Research	6,895	483	7,378	11,449
Medical equipment and systems	6,645	466	7,111	16,700
Redevelopment	22,720	1,590	24,310	3,113
Accommodation and other	2,406	169	2,575	2,121
	43,403	3,040	46,443	40,263
Total expenditure	59,581	11,755	71,336	68,855

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
3.3 Expenditure includes charges for:		
Lease rentals	875	1,293
Fees payable to the charity's auditors for the audit of the group annual financial statements (excl VAT)	55	57
Other fees payable to the charity's auditors	5	15
Depreciation (Note 9)	1,088	1,058
Impairments (Note 9)	7,478	-
Amortisation (Note 8)	887	744

Lease rentals include the hire of photocopier, franking machine, IT leases and rental costs for the use of 40 Bernard Street premises. Fees payable to the charity's auditors for the audit of the charity's consolidated financial statements of £54,925 (2017/18: £56,940), exclusive of VAT, include £19,435 (2017/18: £18,870) for the audit of the subsidiary undertakings. A further £4,600 was paid in relation to tax guidance.

Revaluation expenditure includes impairment charges for the Zayed Centre for Research into Rare Diseases in Children of £3,538k (2017/18: nil), shown within Redevelopment. It also includes building impairments for Sandwich Street, Long Yard and 51 Great Ormond Street amounting to £3,940k (2017/18: nil), which has been charged to Accommodation.

Great Ormond Street Hospital Children's Charity
Notes to the financial statements
4. Support costs

	Staff costs	IT and Comms	Other	Total at 31 March 2019 £000	Total at 31 March 2018 £000
Cost of expenditure on raising funds	4,531	962	3,222	8,715	9,592
Welfare and clinical development	173	36	123	332	535
Research	251	53	179	483	890
Medical equipment and systems	242	52	172	466	1,298
Redevelopment	827	175	588	1,590	242
Patient, family and staff accommodation and other	88	19	62	169	165
Total	6,112	1,297	4,346	11,755	12,722

Support costs include the costs of the following departments and activities: Governance, Finance, Technology, Human Resources, Administration, Office Running Costs, Business Support, Brand Marketing, Communications and Supporter Services. These are allocated using a full-cost model, which is calculated using drivers from each department's activities during the year.

Great Ormond Street Hospital Children's Charity
Notes to the financial statements
5. Grant funded activities

	Total at 31 March 2019	Total at 31 March 2019	Total at 31 March 2018	Total at 31 March 2018 (Restated)	Total at 31 March 2018
	£000	No. awarded	£000	No. awarded	No. awarded
Name of recipient:					
Academic Medical Centre	5	1	0	0	0
Arthritis Research UK	0	0	250	1	3
Birmingham Children’s Hospital	0	0	33	1	6
GOSH	35,572	89	26,802	110	123
Homerton University Hospital NHS Foundation Trust	23	1	0	0	0
ICH	2,143	24	4,082	43	105
IGBMC (Institut de genetique et de biologie moleculaire et cellulaire)	0	1	0	0	0
Keele University	0	0	193	1	6
King’s College London	225	1	203	1	6
Oxford University	0	0	46	1	6
Plymouth University	0	0	112	1	6
Royal College of Paediatrics and Child Health	0	0	38	1	3
Sheffield Hallam University	189	1	0	0	0
The Brain Tumour Charity	195	1	190	1	1
The Hospital for Sick Children	0	0	216	1	5
The Royal College of Surgeons	0	0	23	1	3
University College London	958	7	1,877	10	37
University of Birmingham	247	1	0	0	0
University of Bristol	0	0	436	2	8
University of Cambridge	238	1	0	0	0
University of Easten Piedmont, Italy	0	0	10	1	1
University of Liverpool	0	0	151	2	7
University of Manchester	0	0	236	1	6
University of Southampton	0	0	215	1	6
University of Zürich	0	0	0	0	0
Total	39,795	128	35,111	180	338

In 2018 the number of grants awarded was incorrectly recorded. This was because the number of transactions was counted, rather than the awards themselves.

The total number of grants awarded should have been 180 and not 338, both columns have been presented above for the avoidance of doubt.

Great Ormond Street Hospital Children's Charity
Notes to the financial statements
6. Details of staff costs

	Total at 31 March 2019 No. of staff	Total at 31 March 2018 No. of staff
The average number of employees is split as follows:		
Support	39	32
Fundraising	148	165
Charitable expenditure	48	44
Governance	14	11
Total	249	252

6.1 Analysis of staff costs

	Total at 31 March 2019 £000	Total at 31 March 2018 £000
Salaries and wages	8,784	8,795
Social security costs	955	959
Pension costs	639	660
Ex gratia and redundancy	23	99
Other employee benefits	49	51
Total emoluments of employees	10,450	10,564
Pension costs are split as follows:		
Defined contribution scheme	621	643
Final salary scheme	18	17
Total pension costs	639	660
Outstanding contributions as at the year end were:		
Defined contribution scheme	72	72
Final salary scheme	2	1
Total outstanding contributions	74	73

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

6. Details of staff costs (continued)

6.2 Senior employees

The following number of employees received emoluments falling within the following ranges (excluding pension contributions):

	Total at 31 March 2019 £000	Total at 31 March 2018 £000
£60,000 - £69,999	5	11
£70,000 -£79,999	7	4
£80,000 - £89,999	2	2
£90,000 - £99,999	2	3
£100,000 - £109,999	2	1
£110,000 - £119,999	-	2
£120,000 - £129,999	2	-
£130,000 - £139,999	1	1
£140,000 - £149,999	-	-
£150,000 - £159,999	1	1

The top two bands consist of the Chief Executive Officer and the Director of Finance and Operations.

6.3 Key management personnel

Key management personnel emoluments, comprising wages and salaries, pension contributions and other benefits:

	Total at 31 March 2019 £000	Total at 31 March 2018 £000
Chief Executive Officer	178	172
Chief Finance Officer	139	136
Other Executive Directors	609	486
Key management personnel	926	794

Key management personnel is defined as members of the Executive, 2018/19: 8 (2017/18: 7) – further details on page 137.

7. Trustee remuneration

None of the Trustees received any remuneration from the charity or its subsidiaries during the current or previous financial year. One Trustee was reimbursed for expenses of £866incurred while carrying out their responsibilities for the charity during the year (2017/18: none).

A Trustee indemnity insurance policy is held with Dual Corporate Risks Ltd, providing indemnity of £10 million. The cost of the policy in 2018/19 was £5,562 (2017/18: £5,562).

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

8. Intangible assets

Charity and consolidated

	IT software £000
Cost:	
Balance as at 1 April 2018	8,561
Additions	283
Balance at 31 March 2019	8,844
Accumulated amortisation:	
Balance as at 1 April 2018	1,816
Charge for the year	887
Balance at 31 March 2019	2,703
Net book value at 31 March 2019	6,141
Net book value at 31 March 2018	6,745

Amortisation of intangible assets is allocated across support costs in the SOFA.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

9. Tangible assets

Charity and consolidated

	Freehold / leasehold land and buildings £000	Fixtures and fittings £000	Office equipment £000	Vehicles £000	IT equipment £000	Asset under construction £000	Total £000
Cost and valuation							
Balance as at 1 April 2018	144,663	1,911	140	13	967	50,595	198,289
Additions	137	-	-	-	-	27,198	27,335
Revaluations	110,480	-	-	-	-	-	110,480
Impairments	(3,940)	-	-	-	-	(3,538)	(7,478)
Balance at 31 March 2019	251,340	1,911	140	13	967	74,255	328,626
Accumulated depreciation							
Balance as at 1 April 2018	3,298	859	140	13	729	-	5,039
Charge for the year	915	127	-	-	46	-	1,088
Disposals	-	-	-	-	-	-	-
Revaluations	(4,213)	-	-	-	-	-	(4,213)
Balance at 31 March 2019	-	986	140	13	775	-	1,914
Net book value at 31 March 2019	251,340	925	-	-	192	74,255	326,712
Net book value at 31 March 2018	141,364	1,053	-	-	238	50,595	193,250
Historic cost less depreciation at 31 March 2019	121,442	925	-	13	193	74,255	196,828

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

9. Tangible assets

The charity undertakes a full independent professional valuation of all properties every five years, with impairment reviews undertaken as necessary in accordance with the Statement of Recommended Practice 2015. A full valuation was performed at 31 March 2019 by Cluttons LLP, chartered surveyors, acting as independent valuers. Charity owned buildings used by the hospital for clinical purposes are valued on a depreciated replacement costs basis unless a market value has been deemed by Cluttons to be feasible and more appropriate. The depreciated replacement cost basis is the most commonly used basis for specialist buildings such as these. This is because transactions involving the sale of these types of assets are relatively infrequent and therefore estimating a market value is not considered feasible due to their specialist nature. Depreciated replacement cost is deemed to be an acceptable alternative to market value and is a methodology that is recognised by the International Valuation Standards Council. Land values associated with these charity buildings is valued at fair value. All residential and office properties are valued at market value.

As a result of the recent valuation, the value of land and buildings held by the charity increased by £107 million (£110 million increase less £4 million impairment). The principal drivers for this increase were the increase in land values and the change in the methodology used for valuing the land from Existing Use Value to Fair Value as required by a change in accounting standards in 2014, after the prior valuation. Of the £107 million increase, £66 million was due to increased land valuations and £41 million due to an increase in building valuations, the largest component of which was the increase in value of the charity's Octav Botnar building used by the hospital as a clinical facility.

As part of the valuation, the value of assets under construction was reduced by £3.5 million as it included expenditure necessary to facilitate the construction but not part of the replacement cost value, principally costs of demolition works and associated public realm works required by local authority regulations.

Asset under construction relates to work on the Zayed Centre for Research. As this property will be owned by the charity, it is included in tangible assets.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

10. Investments

10.1 Analysis of fixed asset investments

	Total 31 March 2019 £000	Total 31 March 2018 £000
Charity and consolidated		
Fixed asset investments:		
Market value at 1 April		
Fair value of additions on acquisition	43,894	42,999
Less:		
Disposals at carrying value	(1,031)	(4,531)
Acquisitions at cost	1,383	5,231
Movement on cash held as part of long-term portfolio	171	60
Net gain/(loss) on revaluation	2,599	135
Market value at 31 March	47,016	43,894
Historic cost at 31 March	41,050	40,270

10.2 Market value

	Held in the UK £000	Held outside the UK £000	Total 31 March 2019 £000	Total 31 March 2018 £000
Investments in equity funds	11,234	19,886	31,120	29,449
Investments listed on Stock Exchange	15,896	-	15,896	14,445
Total fixed asset investments at market value	27,130	19,886	47,016	43,894

For investment management purposes, the fixed income investments were included in the short-term portfolio. All other investments are included in the long-term portfolio.

Investment powers

The Charity Commission Scheme dated 18 August 1998 gives the charity unrestricted investment powers.

10.3 Investment in Great Ormond Street International Promotions Limited (GOSIPL)

	Total 31 March 2019 £2	Total 31 March 2018 £2
Total	£2	£2

The net result for GOSIPL in 2018/19 is a surplus of £1,133,991 (2017/18: £1,538,014) with a distribution to the charity of £1,133,991 (2017/18: £1,538,014).

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

11. Inventories

	Consolidated		Charity
	Total 31 March 2019 £000	Total 31 March 2018 £000	Total 31 March 2018 £000
Goods for resale	60	83	-
Inventories	60	83	-

12. Current asset investments

	Consolidated		Charity
	Total 31 March 2019 £000	Total 31 March 2018 £000	Total 31 March 2018 £000
Short-term deposits	144,575	157,183	144,575
Investments	144,575	157,183	144,575

All current asset investments are held in the UK.

13. Debtors

	Consolidated		Charity
	Total 31 March 2019 £000	Total 31 March 2018 £000	Total 31 March 2018 £000
Trade debtors	1,207	1,232	1,094
Amounts owed by group undertakings	-	-	2,826
Taxation and social security	-	-	-
Other debtors	586	1,828	1,080
Prepayments	1,647	1,612	1,384
Accrued income - Legacies	11,392	9,382	11,392
Accrued income - Other	3,657	6,040	3,474
Debtors falling due within one year	18,489	20,094	21,250

Great Ormond Street Hospital Children's Charity
Notes to the financial statements

14. Creditors: amounts falling due within one year

	Consolidated		Charity	
	Total 31	Total 31	Total 31	Total 31
	March 2019	March 2018	March 2019	March 2018
	£000	£000	£000	£000
Trade creditors	2,002	1,710	1,934	1,688
Taxation and social security	276	104	260	0
Grants awarded (see note 17)	28,387	58,436	25,510	54,683
Other creditors	340	287	340	169
Accruals	1,952	7,479	1,894	7,420
Deferred income (Note 16)	470	674	383	588
Creditors falling due within one year	33,427	68,690	30,321	64,548

15. Creditors: amounts falling due after more than one year

	Consolidated		Charity	
	Total 31	Total 31	Total 31	Total 31
	March 2019	March 2018	March 2019	March 2018
	£000	£000	£000	£000
Grants awarded (see note 17)	50,190	28,722	49,562	28,722
Rent-free provision	46	69	46	69
Creditors falling due after one year	50,236	28,791	49,608	28,791

16. Deferred income

	Total	Deferred	Released	Total
	1 April			31 March
	2018			2019
	£000	£000	£000	£000
Charity	588	383	(588)	383
Trading subsidiary	5	-	(5)	-
Sparks Charity	81	87	(81)	87
Deferred income	674	470	(674)	470

Income is deferred for future events where it is potentially refundable.

Great Ormond Street Hospital Children's Charity
Notes to the financial statements

17. Grants awarded

Consolidated	Year ended	Year ended
	31 March	31 March
	2019	2018
	£000	£000
Outstanding liabilities brought forward at 1 April	87,158	91,489
Awarded during the year		
Redevelopment	21,100	-
Medical equipment and systems	6,655	15,673
Research	7,188	10,715
GOSH welfare and other	4,852	8,722
Awarded during the year	39,795	35,110
Paid during the year		
Redevelopment	(8,758)	(11,006)
Medical equipment and systems	(7,189)	(4,018)
Research	(8,646)	(7,584)
GOSH welfare and other	(20,649)	(15,894)
Paid during the year	(45,242)	(38,502)
Adjustments in the year		
Redevelopment	(2,197)	(116)
Medical equipment and systems	(13)	(277)
Research	(396)	(408)
GOSH welfare and other	(528)	(139)
Adjustments in the year	(3,134)	(940)
Outstanding liabilities at 31 March	78,577	87,158
Amounts falling due within one year	28,387	58,436
Amounts falling due after more than one year	50,190	28,722
Outstanding liabilities at 31 March	78,577	87,158

Total grants awarded does not include expenditure on charity properties, expenditure from special purpose funds or costs incurred by the charity to support and facilitate charitable activities.

Liabilities for grants awarded represent the unpaid balance on grants awarded by the charity as at the balance sheet date. They relate to current activities funded by the charity to which it is firmly committed.

Adjustments relate to grant retractions whereby all funds allocated have not been used and are no longer required, and therefore returned to the research fund.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

18. Analysis of group net assets between funds

					Total 31 March 2019
	Unrestricted		Restricted	Endowment	Total funds
	General	Designated			
	£000	£000	£000	£000	£000
Fund balances at 31 March 2019 are represented by:					
Tangible and intangible fixed assets	-	332,853	-	-	332,853
Investments	-	-	46,532	664	47,016
Current assets and liabilities	35,546	101,033	5,520	-	142,099
Long-term liabilities	(46)	-	(50,190)	-	(50,236)
Total net assets	35,500	433,886	1,682	664	471,732

Restricted funds include long-term liabilities of £50.2 million (2017/18: £28.7m) and short-term liabilities of £28.4 million (2017/18: £58.4m), relating to grants awarded to the hospital and the ICH.

					Total 31 March 2018
	Unrestricted		Restricted	Endowment	Total funds
	General	Designated			
	£000	£000	£000	£000	£000
Fund balances at 31 March 2018 are represented by:					
Tangible and intangible fixed assets	-	149,400	50,595	-	199,995
Investments	-	-	43,230	664	43,894
Current assets and liabilities	39,848	143,309	(56,201)	-	126,956
Long-term liabilities	(69)	-	(28,722)	-	(28,791)
Total net assets	39,779	292,709	8,902	664	342,054

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

19. Consolidated funds

	1 April 2018 £000	Income £000	Resources expended £000	Transfers between funds £000	Gains and losses £000	31 March 2019 £000
19.1 Endowment funds						
A Tippetts and Crux	222	1	-	(1)	-	222
B Lewisohn	11	-	-	-	-	11
C Barnes	7	-	-	-	-	7
D Mary Shepard Bequest	407	3	-	(3)	-	407
E John Lund Wells Bequest	17	-	-	-	-	17
Total endowment funds	664	4	-	(4)	-	664

19.2 Restricted funds						
A Redevelopment	8,690	14,217	1,932	(27,137)	-	(2,298)
B Louis Dundas Centre	486	105	-	-	-	591
C Physiotherapy Unit	1	-	-	-	-	1
D Translational Oncology research	884	6	(228)	-	-	662
E Regenerative Medicine	(531)	-	-	-	-	(531)
F The Richard Wright Fund	1,802	-	-	-	-	1,802
G The Friends Fund	1,621	-	-	(545)	-	1,076
H Craniofacial Fund	50	23	(26)	-	-	47
I Clinical Cardiac Chair	176	1	(8)	-	-	169
J Family Studies	242	2	(8)	-	-	236
K Olivia Hodson Cancer Fund	79	52	(56)	-	-	75
L Other special purpose funds	2,646	542	(493)	1	-	2,696
M Other restricted purpose funds	(7,167)	14,276	(37,795)	27,946	-	(2,740)
N Sparks restricted funds	(77)	1,116	(761)	(382)	-	(104)
Total restricted funds	8,902	30,340	(37,443)	(117)	-	1,682

Total restricted and endowment funds	9,566	30,344	(37,443)	(121)	-	2,346
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19.3 Unrestricted funds						
General funds	39,530	56,596	(25,686)	(37,988)	2,551	35,003
Designated funds:						
Redevelopment fund	127,308	-	(3,538)	38,728	-	162,498
Research fund	16,001	-	-	(1,001)	-	15,000
Designated Property Funds						
– Fixed assets fund	149,400	-	(3,940)	-	-	145,460
– Revaluation reserve	-	-	-	-	110,928	110,928
Sparks:						
General funds	249	587	(729)	382	8	497
Total unrestricted funds	332,488	57,183	(33,893)	121	113,487	469,386
Total funds	342,054	87,527	(71,336)	-	113,487	471,732

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

19. Consolidated funds (continued)

The redevelopment fund is designated to provide support for major building and capital development.
The fixed assets fund is designated to facilitate the replacement or refurbishment of assets belonging to the charity.
The value of this fund does not include properties identified for sale.

Transfers between funds represent:

- Where subsequent instructions are received from a donor restricting income that was originally received with no restrictions.
- Where two restricted funds have a common purpose, transfers may be made to support an individual project which matches their restriction.
- General funds may be designated for a particular purpose should the Trustees decide this to be appropriate.

Total restricted funds show a net surplus of £1,682million at 31 March 2019. Trustees have designated funds of £177.5 million from unrestricted funds to cover any deficit on the current redevelopment and research plans.

Endowment funds

Name of fund	Description of the nature and purpose of each fund
A Tippetts and Crux	Capital in perpetuity bequests to be used for research and general purposes.
B Lewisohn	Capital in perpetuity bequests to be used for an annual staff award.
C Barnes	Capital in perpetuity bequest for general purposes.
D Mary Shepard Bequest	Capital in perpetuity bequest for general purposes.
E John Lund Wells Bequest	Capital in perpetuity bequest for general purposes.

Restricted funds

Name of fund	Description of the nature and purpose of each fund
A Redevelopment	To provide finance for major building and capital development.
B Louis Dundas Centre	To advance research and clinical practice in palliative care and pain management.
C Physiotherapy Unit	To fund the creation of a new physiotherapy unit at GOSH.
D Translational Oncology research	To conduct research into childhood cancer.
E Regenerative Medicine	To conduct research into engineering rejection free organs with intestinal failure.
F The Richard Wright Fund	To fund research into infant and childhood leukaemia.
G The Friends Fund	To provide funds for family support and children's play services.
H Craniofacial Fund	To research and purchase equipment for craniofacial disorders.
I Clinical Cardiac Chair	To provide support costs for the post of Clinical Cardiac Chair.
J Family Studies	To provide support to the Psychological Medicine department.
K Olivia Hodson Cancer Fund	To support projects and roles related to childhood cancer.
L Other special purpose funds	Funds delegated by the Trustees to various departments within the hospital and ICH.
M Other restricted purpose funds	To finance specific items of equipment, services or projects.
N Sparks restricted funds	To finance research projects into rare diseases in children.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

20. Notes to the consolidated cash flow statement

20.1 Reconciliation of cash flows from operating activities to net income

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Net income	129,677	34,688
Depreciation and amortisation charges	(2,238)	1,802
Investment income	(1,958)	(1,561)
Unrealised gain on investments	(2,599)	(135)
Impairment of fixed assets	7,478	-
Revaluation of property, plant and equipment	(110,480)	96
Decrease in stocks	23	22
Decrease/ (Increase) in debtors	1,605	(6,973)
(Decrease)/ Increase in creditors	(13,818)	1,293
Cash inflow from operating activities	7,690	29,232

20.2 Analysis of net funds

	1 April 2018 £000	Cash flows £000	31 March 2019 £000
Cash at bank and in hand	18,286	(5,884)	12,402
Current asset investments	157,183	(12,608)	144,575
Total	175,469	(18,492)	156,977

21. Commitments, liabilities and provisions

A lease for the Tinworth Street property has ended during the year with a final credit of £55,000 released.
There are no other commitments, liabilities or provisions requiring disclosure included in the financial statements (31 March 2018: £ nil).

22. Legacies

The charity has been notified of 207 legacies which have not been included within the financial statements, as some or all the criteria for recognition have not been satisfied (2017/18: 133). Of these, 33% are pecuniary legacies which have an average value of £960 (2017/18: 48% £916) and the remaining 67% are residuary, life interest, income trust & specific legacies which have an average value of £35,053 (2017/18: 52% £48,539). The charity does not have any indication of when it is due to receive these monies. Included within the above figures are five legacies (2017/18: 31) which are subject to a life interest, as well as 19 specific legacies (2017/18: four) which are not subject to a life interest.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

23. Annual commitments under non-cancellable operating leases

	Total 31 March 2019 £000	Total 31 March 2018 £000 Restated
Operating leases which expire:		
Within one year	1	8
Between one and five years	884	907
After five years	209	209
Total	1,094	1,124

The leases relate to 40 Bernard Street premises, line rentals and IT and other equipment.

24. Related party transactions

During the year the following related party transactions took place:

John Connolly, the Chairman of the board of Trustees of the charity is also a retired partner of Deloitte and the Chairman of the group board of the G4S Group PLC. During the year G4S provided cash banking and security services. Transactions valued at £20,129 (2017/18: £15,129) were undertaken between the charity and G4S Finance Shared Service Centre (FSSC), a subsidiary of G4S Group PLC. Of this amount £Nil (2017/18: £Nil) was owed by the charity to G4S at the year end.

During the year, the charity engaged Deloitte LLP to complete and deliver support for the CRM project. Transactions valued at £143,970(2017/18: £2,296,248) were undertaken between the charity and Deloitte. Of this amount none (2017/18: £73,908) was owed by the charity to Deloitte at the year end, which was paid in April 2018.

Margaret Ewing, who is on the Board of Trustees of the charity, is also a retired partner and formerly an advisor to Deloitte. She resigned as an advisor in the 2016/17 financial year.

Kellie Gread is a valuations partner within the transaction services department of PricewaterhouseCoopers LLP, who are the charity's auditors. Her husband Amit Aggarwal was appointed the charity's Director of Corporate Partnerships on 6 July 2015. His wife has no relationship with the charity or its audit. The audit fee, exclusive of VAT, for the financial year was £54,925 (2017/18: £56,940), all of which was outstanding at the year end. A further £4,600 was paid in relation to tax guidance.

During the year donations of £99,254 (2017/18; £178,429) were received from related parties.

The charity also entered into material transactions with its subsidiaries during the year and are listed below. All such income and expenditure is eliminated on consolidation.

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2019 £'s	Debtor balance as at 31 March 2019 £'s
GOSIPL	Wholly owned subsidiary	Management charge for costs incurred by GOSH charity, distribution of year-end profit to GOSH charity and costs incurred by one entity on behalf of another entity.	1,150	2,184
Sparks	Wholly owned subsidiary	Costs incurred by one entity on behalf of the another entity.	278	302

One trustee claimed travel expenses to the value of £886 (2017/18: £0)

Great Ormond Street Hospital Children's Charity

Administrative details

Great Ormond Street Hospital Children's Charity
Registered charity number 1160024
Company House number 09338724

Great Ormond Street International Promotions Limited
Company limited by share capital.
Registered number 2265303

The Friends of the Children of Great Ormond Street – Closed
Registered charity number 296370
Company House number 2093843

Sparks Charity
Registered charity number 1003825
Company House number 02634037

Principal and registered office
40 Bernard Street, London WC1N 1LE
T: 020 3841 3841 www.gosh.org

Trustees
John Connolly (Chairman)
Margaret Ewing
Kaela Fenn-Smith
Mark Sartori
Sandeep Katwala
Jennifer Bethlehem
Nicky Bishop
Nina Bibby
Michael Marrinan
Professor Stephen Holgate

Associate Trustees
Simon Stormer
Ruary Neill
Humphrey van der Klugt (retired 31 October 2018)
Chris Morris
Dr Benjamin Jacobs (retired 30 April 2019)
Prof Mary Rutherford (retired 30 April 2019)
David Lomas (resigned 31 March 2019)
Paul Langham

Joseph McDonnell (appointed 1 September 2018)
Mark Burgess (appointed 1 September 2018)

Executive Directors
Tim Johnson (Chief Executive) - resigned 31 March 2019
Louise Parkes (Chief Executive) - appointed 1 May 2019
Richard Bowyer (Director of Marketing and Public Fundraising)
Ian Chivers (Director of Finance and Operations)
Neal Donnelly (Director of Major Gift and Special Event Fundraising)
Cymbeline Moore (Director of Communications)
Amit Aggarwal (Director of Corporate Partnerships)
Heather Morgan (Director of People and Planning)
Kiki Syrad (Director of Grants and Impact)

GOSH Charity Children's Champions
Vernon Kay and Tess Daly
Victoria Pendleton CBE
Gordon Ramsay OBE and Tana Ramsay
Martin Freeman

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditor
1 Embankment Place, London WC2N 6RH


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Solicitors
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Bircham Dyson Bell

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Blake Morgan
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Withers
16 Old Bailey, London EC4M 7EG
Hunton & Williams
30 St. Mary Axe, London EC3A 8EP
Wilsons
Alexandra House, St Johns Street, Salisbury SP1 2SB

Investment managers
HSBC Asset Management (Europe) Ltd,
London SW1A 1EJ
Royal London Cash Management Ltd,
55 Gracechurch Street, London EC3V 0UF
BlackRock
Murray House, One Royal Mint Court, London EC3N 4HH
Ruffer LLP
80 Victoria Street, London SW1E 5JL
Investec Wealth & Investment Limited
2 Gresham Street, London EC2V 7QP

Description of charity's objective
Any charitable purpose relating to Great Ormond Street Hospital for Children NHS Foundation Trust, including research.



Great Ormond Street
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www.gosh.org

Great Ormond Street Hospital Children's Charity.
Registered company no. 09338724. Registered charity no. 1160024.