

Annual Report and Accounts 2019/20



We're an independent urban health foundation

- > Everything we do is driven by our mission to improve the health of people in the London boroughs of Lambeth and Southwark; a place we have been based for over 500 years.

Our boroughs are exciting, vibrant places to live and work, but they also have some of the widest health inequalities in the UK. Our strong connection with our place, its people and communities, allows us to test innovative ideas, build partnerships and secure investments to help us to tackle the major health challenges affecting urban areas.

Through our programmatic approach we identify the biggest health issues for people living and working in the communities around us, take time to understand what's underneath these issues and work with a range of partners to address them — locally, nationally and internationally. With our diverse population and stark health inequalities, Lambeth and Southwark are a mirror to the world's future population. As a result, we take what we learn and share it with others to have a positive impact on health in urban areas around the globe.

We are also the proud charity for Guy's and St Thomas' NHS Foundation Trust. Making best use of the vital funds raised by our generous supporters, we ensure that patients benefit from exceptional healthcare and that staff are supported and developed to be the best they can.

By collaborating with others who share our drive to make things happen, and astute use of our expertise and assets, we continue to explore how we can have the greatest possible impact on the health of urban communities, for this and future generations.



Message from our Chair	04
Message from our Chief Executive	05
Trustees' report	06
Strategic report	08
Achievements and performance	08
Priorities we set for the year	09
Our funding	13
Urban health	17
Our work as the charity for Guy's and St Thomas' NHS Foundation Trust	27
Using our endowment to impact health	33
Our response to COVID-19	38
Our response to diversity, equity and inclusion	40
Our plans for 2020/21	44
Financial review	46
Principal risks and their management	50
Structure, governance and management	54
Trustees' responsibilities	60
Organisation	62
Committees	64
Advisors	66
Auditor's report and financial statements	68



This report outlines the substantial progress made during 2019/20.

I am particularly proud of our response to the COVID-19 pandemic – both in our roles as an urban health foundation working with some of the hardest hit communities and as the charity for Guy's and St Thomas' NHS Foundation Trust supporting the frontline response. The importance of a strong, responsive and innovative health system and the vital role played by charities like ours, has never been clearer.

It has been hugely inspiring to see the groundswell of public support and overwhelming generosity for the work of the NHS. My sincere thanks go to anyone who has given a gift or fundraised for us this year. In March we committed £1 million from the next financial year's (2020/2021) budget to support the incredible work of teams at Guy's and St Thomas' NHS Foundation Trust as they pivoted to support immediate and longer-term need. You can read more about this, and how our commitment increased during the pandemic, later in the report.

This report also highlights the £25.2 million in charitable funding we gave to our partners this year, including £14.3 million to tackle urban health challenges facing communities in Lambeth and Southwark. Our ambition is to do even more. So, during 2019/20, we have focused on what we need to do to increase our impact. This includes investments in team development, our brands and digital infrastructure.

We saw resilient performance of our endowment, despite the pandemic's impact on markets towards the end of this financial year. As such we continue to plan for the long-term — combining an agility in our response with deep thinking about how to address the challenges ahead. We also saw exceptional work throughout the year across our property portfolio, including progress on our Royal Street development to promote health and wellbeing through the built environment. We are more convinced than ever of our mission to tackle health inequalities.

Our many successes this year are down to the talent and exceptional work of our staff team and the support given by my fellow Trustees. We were delighted to welcome Katherine Ward to the Board this year, as well Dr Danny Sriskandarajah who joined us as we enter the next financial year. Their experience and expertise will be invaluable as we grow and strive to achieve our goals.

A handwritten signature in black ink that reads "Wol Kolade". The signature is fluid and cursive, with a long horizontal stroke at the end.

Wol Kolade
Chair



All our work – our urban health programmes, our charitable support for Guy's and St Thomas' NHS Foundation Trust and how we manage our endowment – is directed towards reducing health inequalities.

This year we have begun to see real impact from our programmes on childhood obesity and multiple long-term conditions. From investing in new challenger food brands and supporting people's health through meaningful employment to operating at scale through the nation's largest investors, our work is at the leading edge of philanthropic practice. We also launched a third urban health programme on tackling the health effects of air pollution while laying the groundwork for a fourth programme focused on adolescent mental health.

With our partner Guy's and St Thomas' NHS Foundation Trust, we share a deep-rooted commitment to our place. As well as being the biggest healthcare provider in South London, the Trust is also one of the largest employers. This has presented us with opportunities to offer a wider range of charitable support to help them enhance health equity through the exceptional care they provide, their actions as an employer and their environmental impact.

Finally, we advanced our thinking on how to use all our assets to support our mission. This involved further embedding our impact investment strategy by investing in funds that back innovation in life sciences, healthcare and the wider determinants of health, as well as progressing our plans for a billion-pound property development to create a 'medtech' hub opposite St Thomas' Hospital.

Our work was always important, but now it is especially so. What the pandemic has done is to fast-forward a clock on urban health patterns that were there all along. It has also made evident that our resilience as a society depends on tackling these challenges. I could not be more confident in our team, our Board and our partners' ability to play a key role in doing so.

A handwritten signature in black ink that reads "K. Boyle". The signature is cursive and stylized, with a long horizontal stroke at the end.

Kieron Boyle
Chief Executive

Trustees' report



Strategic Report

Achievements and performance

- This year we continued to explore how we can have the biggest impact on health across every area of our work.

We scaled up our programmes to tackle two of the biggest urban health challenges our local communities face today - reducing childhood obesity and slowing down progression to multiple long-term conditions. Our collaborative approach saw us focus on building partnerships and influencing decision makers. For example, we supported Black Thrive, a partnership for Black people's wellbeing, to improve Black people's mental health and experience in work by initiating joint action between employers, employment support providers, community researchers and people in Lambeth. As part of a long-term plan, we also launched a new programme to address the health effects of air pollution and laid the foundations for our next programme on adolescent mental health.

We awarded £10.2 million of funding to Guy's and St Thomas' NHS Foundation Trust. Working closely with our colleagues at the Trust, we developed plans for achieving even greater impact for patients and staff through strategic investments in people and the clinical environment. We also embedded our new fundraising strategy which focuses on supporting services for children, for people with cancer and increasing unrestricted income to fund exciting ideas drawn from across the Trust's three hospitals and many community services.

We use all our assets to support our mission. Continuing to achieve health impact through our endowment was a priority as we built our portfolio of impact investments for a second year and grew our reputation as an innovative investor and funder. We also progressed major property development work with our partners.

Finally, as an organisation working in some of the most diverse areas in the UK, we made a deep commitment to embed diversity, equity and inclusion throughout everything that we do. We developed a comprehensive plan for delivering and monitoring progress against this ambition.



Priorities we set for the year

Our core strategic goals for 2019/20 reflected our organisational priorities. We work to drive lasting change for local people, be a leading international voice on urban health, have greater impact as a fundraising charity and grow the impact we make through our endowment. In the last year, we identified several key areas of focus:

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

Where we made the greatest progress:

- Continued to develop our model for urban health programmes, focusing on how they can be scaled up to have the biggest impact. For example, we:
 - Developed a toolkit to guide how we design projects and undertook investment analysis on the sustainability of projects and potential to scale them
 - Tested innovative models of funding with the potential to increase our impact through our programmes
- Built on our partnership approach to influencing others who can help us to have the biggest impact. For example, we:
 - Established and leveraged existing national partnerships to influence and amplify our work on childhood obesity and multiple long-term conditions
 - Published and promoted insights from our work to highlight our growing expertise in urban health
 - Generated opportunities to share our insights- regionally, nationally and internationally
- Launched a third programme focused on the health effects of air pollution and started preparations for a fourth on adolescent mental health

Where we made less progress:

- Like many others, we had to adjust our plans in response to the pandemic. This included scaling back planned engagement activity around the launch of our new programme on the health effects of air pollution

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

Where we made the greatest progress:

- Embedded our new fundraising strategy and structures, with a specific focus on supporting children's services, cancer services and increasing unrestricted income to fund ideas across the Trust
- Completed a review of our brand to ensure we're connecting with and motivating supporters and staff
- Developed a strategy for spending charitable funds to achieve more focused impact on patients and staff. For example we:
 - Increased our planning support to fundholders across the Trust to build a culture of fundraising and fund-spending
 - Strengthened our approach to enhancing the hospital environment for patients and staff
 - Created a first class 'customer experience' for staff looking to access funds, working closely with them on project design

Where we made less progress:

- We had hoped to finalise our plans for a fundraising appeal to support the expansion of Evelina London Children's Hospital. This has been delayed due to new capital development timelines

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

Where we made the greatest progress:

- Delivered returns 2.8% above the benchmark on our financial assets
- Developed our approach to achieving health impact through the endowment and continued building our portfolio of impact investments. For example we:
 - Committed £8 million to impact funds during the year, bringing our total to £24 million to date
 - Promoted impact investing by sharing best practice and our learnings to encourage others to follow by speaking at conferences
 - Adopted a Theory of Change to ground our work in an understanding of the positive impact we can expect to make through our investments
- Continued to progress with partners our major developments at Royal Street in London, in Cambridge and at Maple Cross in Hertfordshire. For example we:
 - Signed development partnership agreements for the development of new space at Royal Street, opposite St Thomas' Hospital
 - Confirmed that the land at Cambridge is included in the Local Plan for housing and applied for planning permission on the first phase of the site
 - Progressed a planning application for housing development on land at Maple Cross with Three Rivers District Council

Where we made less progress:

- We have not been able to progress the planned redevelopment of Nuffield House at London Bridge, or planning discussions for our Snowsfield site alongside Southwark Council. We have added a Senior Development Surveyor to our Property team to accelerate progress in 2020/21

4. Grow our impact, effectiveness and reputation

Where we made the greatest progress:

- Strengthened the use of data in the design and delivery of our programmes, to better inform our understanding and approach to health issues in urban environments
- Embedded the use of our CRM system, Salesforce, in our grant and relationship management and business reporting
- Grew our reputation as an innovative funder and investor through targeted media work resulting in articles in Responsible Investor and the Financial Times

Where we made less progress:

- We made slower progress in setting up a programme of evaluation support partners and embedding processes to capture learnings that will better inform how we run our programmes. We have recruited a new Director of Evidence and Impact to help drive progress in 2020/21

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

Where we made the greatest progress:

- Implemented our new People Plan. For example, we:
 - Developed a new plan for staff retention with the Charity's first secondment policy
 - Rolled out 360 feedback reviews and regular staff surveys to increase dialogue and identify improvements
 - Evaluated and improved our health and wellbeing, and learning and development offers

Where we made less progress:

- Initiated our work on diversity, equity and inclusion at the Charity. We made progress on this but have yet to embed meaningful change across all areas of our action plan. Our work so far has also shown us we have a long way to go in many areas.





Our funding

This year, we continued to offer a broad range of funding and other non-financial support to drive change and have the greatest impact on health through our urban health programmes and our work as the charity for Guy's and St Thomas' NHS Foundation Trust.

We made grants and investments, facilitated collaborations and brought our partners together with specialists and local experts. This year, we backed over 320 great ideas from charities, community groups, social enterprises and commercial partners, as well as the NHS and other statutory organisations.

In this period, our direct charitable expenditure totalled £25.2 million, an increase of £6.3 million compared to last year's expenditure. This was due to growth in both of our urban health programmes and our charitable support for Guy's and St Thomas' NHS Foundation Trust.

Of this charitable expenditure, £14.3 million went to support our urban health programmes. This figure is substantially higher than the £10 million spent in the previous year, reflecting the diversification and scaling up of our programmatic work during 2019/20. Funding was shared between our established work on reducing childhood obesity (£6.1 million), slowing progression to multiple long-term conditions (£4.7 million) and a new programme

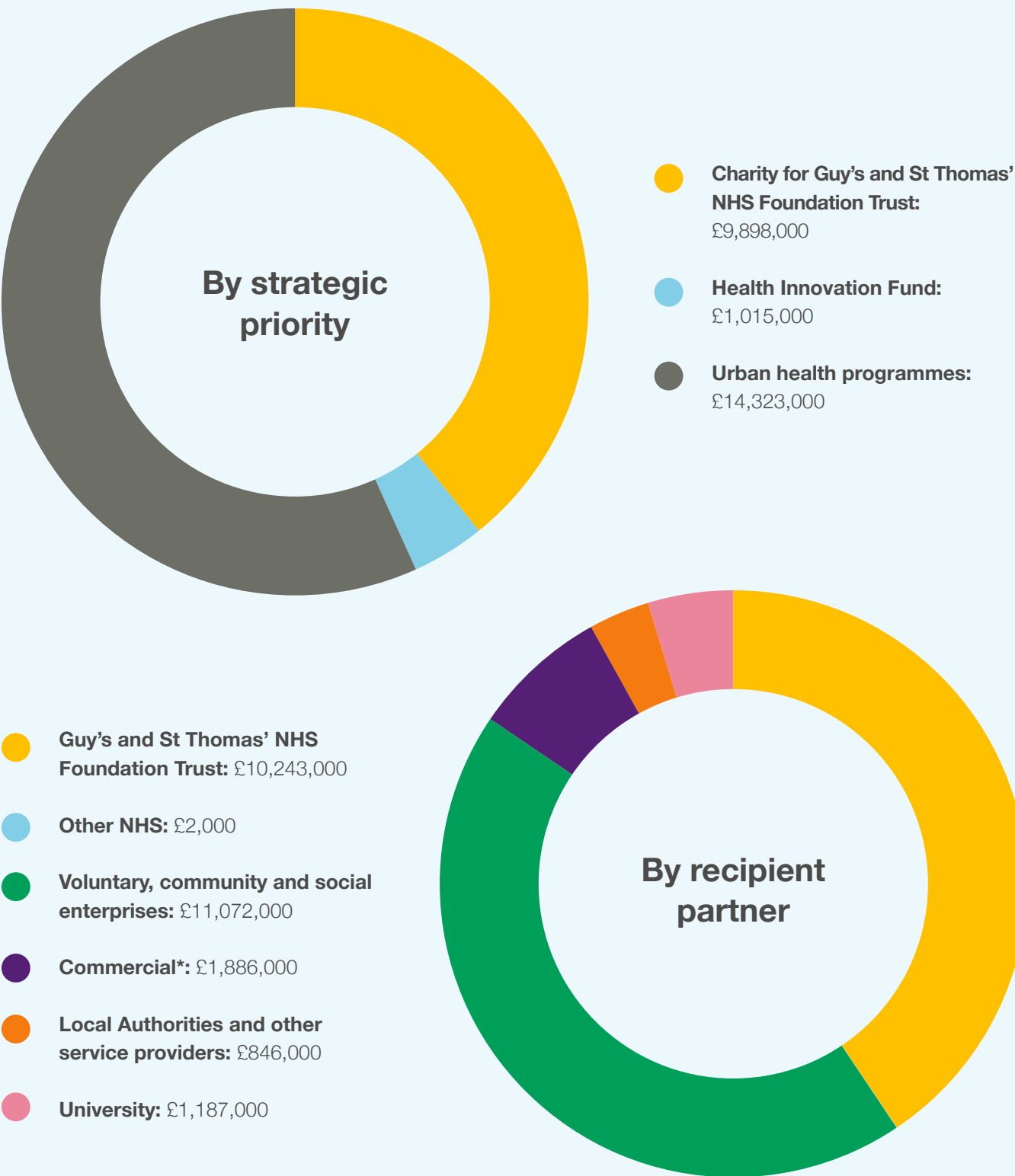
to tackle the health effects of air pollution (£2.6 million). We also dedicated just under £147,000 to scoping our upcoming programme on adolescent mental health. Around £800,000 was dedicated to cross-programme activity.

Around £10.2 million went towards improving the experience of patients and staff at Guy's and St Thomas' NHS Foundation Trust, in the form of donations, grants and other charitable funding via our urban health programmes. During 2019/20, we invested in building our fundraising capacity as a hospital charity, working together with colleagues at the Trust to develop and deliver projects designed to have maximum impact.

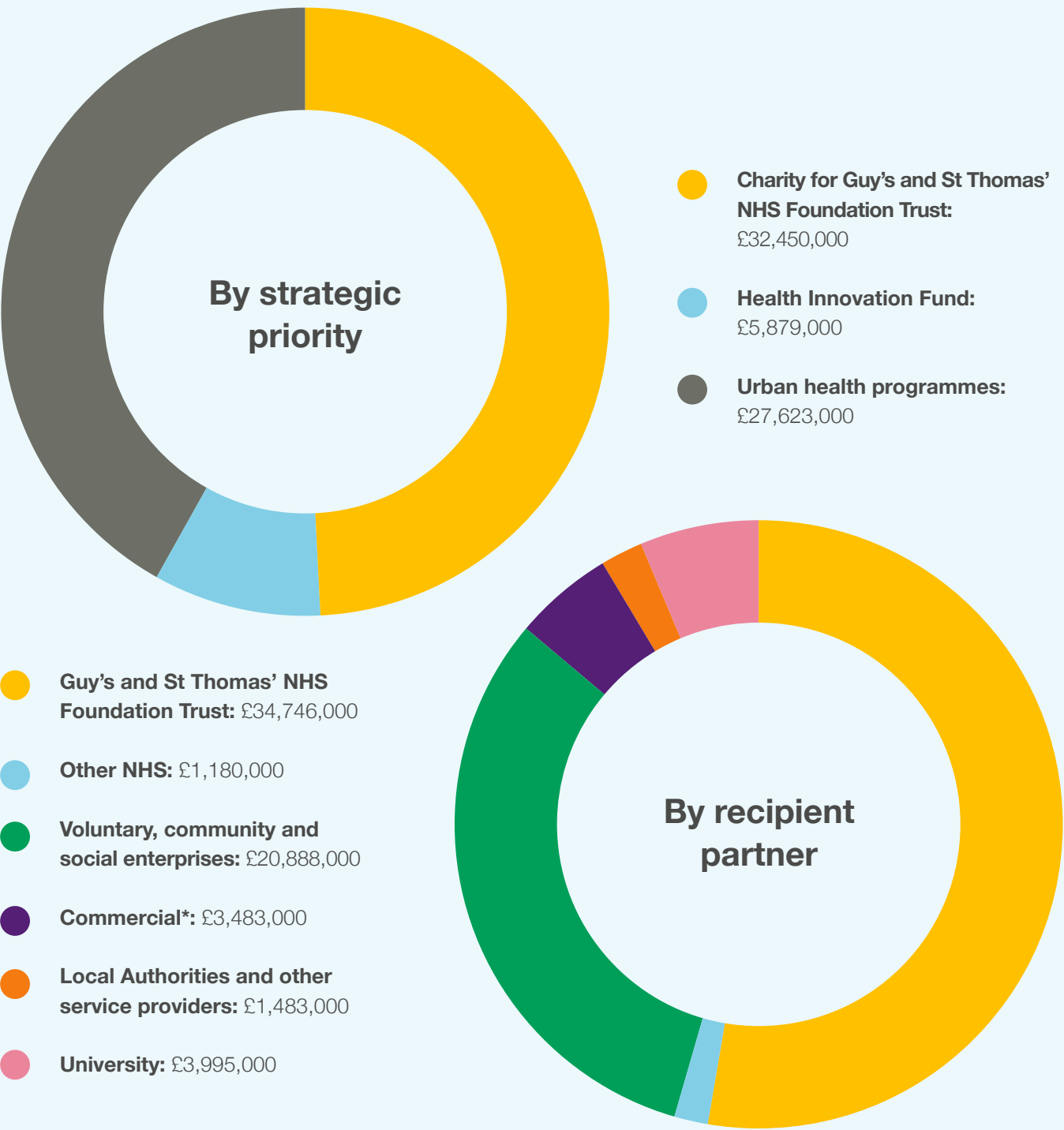
In every area of our work, we collaborate across sectors with those who share our drive to make change happen. One of the ways we do this is by funding jointly with others wherever possible. This year, we leveraged over £1 million in co-funding across our programmes to support our work on community-led funding, as well as further exploration into new models of funding.

In 2019/20 we contributed £25.2 million to improving the health of local communities

Our charitable expenditure in 2019/20
Total: £25,236,000



Three year view: 2017/18 – 2019/20
Total: £65,952,000



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

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

- The three year view Includes £177,000 of funding to borough councils, the Greater London Authority and housing associations not shown separately in the graph.

- The three year view excludes an additional £4,209,000 in respect of programme investment related write downs made in 2017/18 which are classified as charitable expenditure in our financial statements.



Our urban health programmes

What we do

Through our urban health programmes, we create change by working from a deep understanding of the societal realities that shape health inequalities. We identify and test ideas in our inner-city settings which can be applied elsewhere and take a long-term, structured approach to tackling complex health issues.

In 2019/20, we added a third programme on the health effects of air pollution to our portfolio. We also continued to develop our existing programmes on reducing childhood obesity and slowing down progression to multiple long-term conditions. Over the year we supported 126 new projects with £14.3 million of funding, working in partnership with 86 organisations, groups and communities to tackle these complex health issues.

Each of our programmes is at a different stage in its development. During 2019/20, we scaled up our activity on reducing childhood obesity in the areas where we are already making real progress. We are working to ensure that all children and their families have access to nutritious food no matter where they live. Retaining our focus on the places where local children and families live, eat, play and shop, we have strengthened our approaches and partnerships that will best help us achieve our goals.

On our direct impact, we scaled up the approaches that we know work, including initiatives to change school food environments. On our indirect impact, we stepped up our influencing work, from working with the investors that can influence food retailers and manufacturers, to using insights from our place to influence policy and practice across London and in other UK cities. For example, working closely with the Department of Health and Social Care we used our local evidence to inform the Chief Medical Officers' special report on childhood obesity.

By the end of the financial year, this programme involved almost 9,800 children and young people across 23 interventions, in 47 environments including 42 schools and early years settings.

This year we also increased funding for our programme to slow down people's progression to multiple long-term conditions. Through this programme we are learning how we can practically impact the social determinants of health.

On our direct impact, we focused on broadening our partnerships to help us design and deliver interventions that address the social and economic issues that affect people's risk of developing long-term conditions, such as housing, money, and employment. On our indirect impact, we use the lessons we are learning locally – such as the clear link between inequalities and developing a long-term condition at a young age – to drive change that is both practical and rooted in the realities of inner-city areas. Our insights informed the All Party Parliamentary Group's Longevity report on the health of the nation.

Through this programme we set up 30 projects, engaged with almost 1,800 residents and worked with 165 organisations – from large employers to community trusts, to start-ups and racial equity leaders.

We also launched our third urban health programme on the health effects of air pollution. Similar to the other health issues we work on, air quality is an issue of health inequality, with the negative impacts most keenly felt by certain vulnerable groups. We want to find solutions and focus on groups whose health is most impacted by air pollution: children, older people and people with heart and lung conditions. To do this, we'll work with residents, community groups, businesses, the NHS and others to test solutions and build evidence around what works.

How we do it

This year we built up our in-house evaluation capacity and capability to ensure we can monitor the effectiveness and value of our urban health portfolio.

In 2019/20, we also strengthened the use of data in the design and delivery of our programmes, with a focus on gathering evidence for our next programme on adolescent mental health.

Data plays a critical role in our strategy, helping us to better understand the issues we focus on, pinpoint where we can target our efforts and inform the specific impact we want to have. We combine data from multiple sources and map insights drawn from listening to the lived experience of local residents to build a picture of what is happening in our place and why.

As in every area of our work, by working in partnership we strengthen our understanding and

our impact. Over the last year we have focused on developing partnerships with other funders and investors. This work is an evolution of what we already do as an organisation; identifying, securing and managing collaborations that help us to have the biggest impact on health.

For example, we developed a co-funding partnership with the Wellcome Trust which will lead to an investment of £1.5 million in our multiple long-term conditions and adolescent mental health programmes over three years. Work will be focused on improving and promoting diversity in public engagement in health research, exploring new models for investment partnerships and using findings to influence future funding practice.



How we will tackle air pollution

In March 2020, we set out to find solutions to the harmful effects of inner-city air pollution on people’s health. Poor air quality often makes the headlines, but less is known about how we can reduce its impact on health. We see tackling air pollution as key to addressing some of the systemic causes of health inequalities in urban communities.

Over the next ten years, we will focus on solutions to reduce the harmful impact of air pollution on the health of those most affected.

- Goal:**

Improve the health of the people whose health is most impacted by poor air quality

Focus pollutant:

 - Particulate matter

Focus populations:

 - Children (inc. during pregnancy)
 - People with lung and heart conditions
 - Older people
- Direct Impact:**

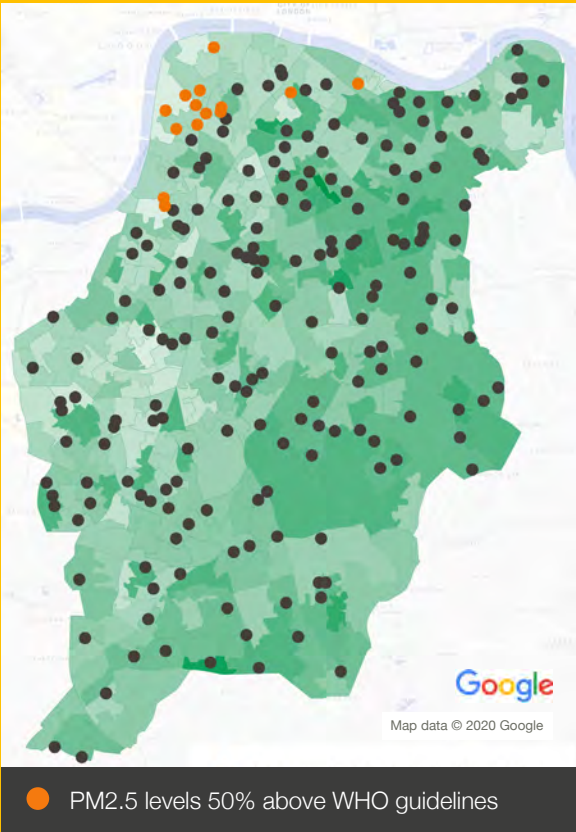
 - **Protect vulnerable groups from poor air quality.** By protecting the environments where vulnerable groups spend their time or influencing how people move around the city to avoid polluted areas
 - **Improve air quality.** By understanding air quality at a granular level and tackling sources of air pollution in the places where vulnerable group spend their time

Indirect Impact:

 - Bring UK legal limits for particulate matter in line with WHO guidelines
 - Demonstrate support for air pollution policies from diverse groups
 - Influence regulation including building and planning standards

Our programme methodology

To define our focus and develop our programme methodology we used a mix of data, evidence and residents’ lived experiences:



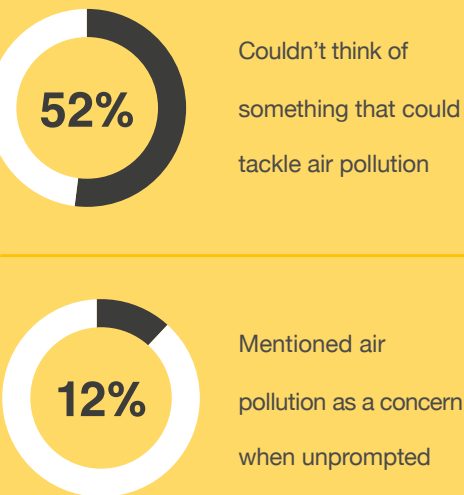
Data

Looking at the schools in our place and using data from the London Atmospheric Emissions Inventory, we found levels of particulate matter (PM) pollution across all of Lambeth and Southwark are above World Health Organisation (WHO) guidelines.

These tiny particles of soot, smoke, dust or liquid droplets can affect our health by entering the bloodstream and lodging deep in our organs. 14 schools are in places where the levels are 50% higher than WHO guidelines.

“Compared to adults, our research has shown that primary and nursery school children can be exposed to 30% more pollution when walking along busy roads. This is because they are smaller and closer to the fumes from exhaust pipes.”

Larissa Lockwood
Director of Clean Air, Global Action Plan



Lived experience

In partnership with Global Action Plan, we set out to understand more about local residents’ experiences, as well as wider public perception around air pollution including levels of awareness and concern. Working with Opinium we ran focus groups and on-street interviews with 400 local residents and BMG Research conducted a survey of national public perception of over 1,000 people.

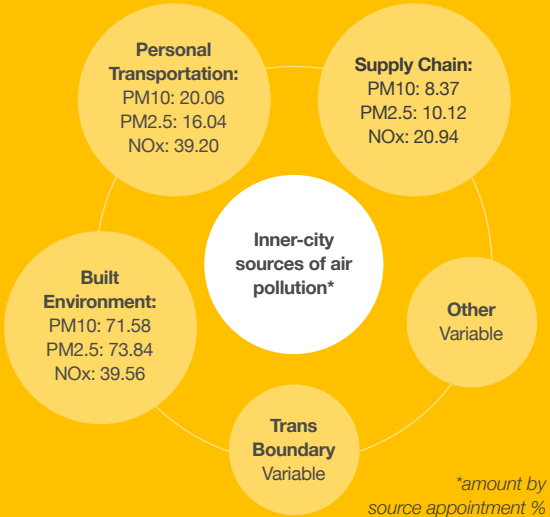
“When I’m walking, we use the quieter routes so that we’re not near the main roads. You become more conscious of air pollution when you have a child. I know his insides are not strong enough to fight all of that stuff.”

Alika, Southwark

Evidence

There are multiple pollution sources that extend beyond vehicle emissions. Mapping of the sources in Lambeth and Southwark by Crisp Air showed that while vehicles are the single largest source of both NO2 and PM, there are other major sources like construction, commercial cooking and residential heating.

While policies like London’s Ultra Low Emission Zone help tackle high levels of NO2, we still have a long way to go, especially in tackling pollution from particulate matter. A King’s College London review showed us that while there are solutions to reduce emissions at source, the evidence is weak around what works to protect people’s health. We have an opportunity to build on this by testing in a focused area, learning fast and sharing what we find with other urban areas.



Reducing childhood obesity

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



Investing in healthy, affordable, family-friendly products

We launched the Good Food Fund to help healthy food and drink start-ups to create more nutritious, affordable options for families. This £1.8 million investment fund is being delivered in partnership with social impact investor Big Society Capital, Mission Ventures and Ascension Ventures. It will enable start-ups to access the financial and business support they need to bring healthier children's brands to market at an accessible price to families on lower incomes.

Through this collaboration we plan to demonstrate to policy makers, investors, retailers and food and drink companies that there is a financial, as well as an ethical, incentive to supporting healthier brands.

“We are excited as partners by this opportunity to drive change from the bottom up, forcing Big Food to compete with those rising challengers who are eating into their market share with healthier options.”

Paddy Willis, CEO, Mission Ventures



Collaborating with the commercial sector to redesign retail

To progress our ambition to further influence policy across our urban health programmes, we worked with the Access to Nutrition Initiative (ATNI) to publish a world-first benchmark of food retailers' action on childhood obesity. This supported our ongoing collaboration with ShareAction to influence the food industry by bringing together investors to ask UK food and drinks companies to produce healthier, more affordable products, limit advertising of sugary products to children and encourage clear and accurate food labelling.

Healthier takeaways give parents more choice

Calorie-rich and nutrient-poor takeaways can have a negative impact on children's health, yet they are readily available in areas with the lowest incomes. We funded the development and testing of Medley's Healthier Takeaways, a new service created by the charity Shift which offers healthy, affordable and appealing takeaway meals to families living on a low income. Available via popular online platform Just Eat, Medley's takeaways have already generated positive feedback from families across Lambeth and Southwark.

“Absolutely delicious and great value. We highly recommend.”

Millie, customer review on Just Eat



Transforming food culture in inner-city schools

In collaboration with the charity School Food Matters, we launched a project to transform food culture in inner-city schools, ensuring children and young people have access to healthier food throughout the day.

Over the next five years, we will work with 80 schools in Lambeth and Southwark to have a long-term impact on local school food environments and to improve the food and drink provided at breakfast, lunchtime and after school clubs. Work will focus on providing specialist advice and training to make positive changes to their food policies to encourage healthy eating habits.

Slowing down progression to multiple long-term conditions

We invested in projects to affect the wider determinants of health which we believe can slow down people’s progression from one to many long-term conditions.



Supporting health through meaningful work

Research shows people from Black communities are more likely than White people to develop certain multiple long-term conditions, such as diabetes or chronic pain. Structural inequalities contribute to this, playing out in people’s financial situation, housing and employment. We funded our partner, the Black wellbeing partnership Black Thrive, to improve access to meaningful employment for Lambeth’s Black residents living with a long-term condition.

Our support will allow Black Thrive to work with employers, statutory and community partners to remove barriers in employment environments for Black people and improve their mental and physical health. We devolved funding decision-making to Black Thrive, so promising local initiatives tackling employment inequalities can be funded by the community for the community.

Improving financial health support for NHS employees

We funded an assessment of the financial health support currently offered through Guy’s and St Thomas’ NHS Foundation Trust’s employee wellbeing programme, to include recommendations on how the support can be improved.

Improved financial health support will benefit the Trust’s low-income employees, reducing the risk of financial stress triggering health problems. It will also help us to understand more about the potential of financial health interventions to tackle progression to multiple long-term conditions and could provide a model to other large employers, including other NHS anchor organisations.



Investing to build a sustainable community-led solution

We have strengthened the foundations of our Walworth Neighbourhood Scheme, which combines action from health providers and community groups to test how we can slow people’s progression to multiple long-term conditions in one of Southwark’s low-income neighbourhoods. Over the next five years we are providing £484,000 to support our partners Pembroke House and the Walworth Group – a network of local voluntary organisations, housing associations and businesses at the heart of community work – to make the Neighbourhood Scheme sustainable beyond our investment.

Testing content with a conscience

We scaled up our work with Studio X to develop engaging, entertaining mobile content to improve people’s mental health while they are at home.

Our support will help to build Nighty, an evening version of breakfast show Wakey, which packages cognitive behavioural therapy and psychological wellbeing techniques into entertainment accessed on mobile phones. Through this funding, we will test how this approach could be used to improve the health and wellbeing of people at risk of progression to multiple long-term conditions.

Finding solutions to the health effects of air pollution

Through our new programme, we are building partnerships and gathering insight to help us tackle the health effects of air pollution in our boroughs.

Partnering to find and scale solutions for clean air

We have committed £2 million of funding to a new partnership with the Clean Air Fund, an international collaboration to tackle air pollution, accelerate decarbonisation and improve health. Working together we will test solutions, share what we learn across the world and work to influence policy change. Collaboration on this global issue will ensure our two organisations can leverage the impact of each other’s work. We will benefit from Clean Air Fund’s expertise and international reach, while our deep-rooted presence in local communities will offer an opportunity to test what works for tackling air pollution in inner-city London.

“Cleaning up our air will improve our health, reduce pressure on our NHS and make our cities better places to live. Progress to date has been slow, so we look forward to working together on this new endeavour and sharing the lessons learnt.”

Jane Burston, Executive Director, Clean Air Fund



Investigating air quality around our local primary schools

We used data and analytics to identify primary schools with a high percentage of pupils receiving free school meals that were also located in neighbourhoods with pollution levels above World Health Organisation (WHO) limits.

Data from the London Atmospheric Emissions Inventory, Geolytix and the School Census was gathered and analysed, while Alteryx geospatial tools were used to calculate the concentration of pollution around each school. We discovered that all primary schools in Lambeth and Southwark with more than half of their pupils eligible for free school meals are located in areas with higher levels of pollutants. These findings will inform where and how we target our efforts and resources to reduce the health effects of air pollution on children.

Local engagement and design thinking in Vauxhall and Oval

Together with urban design specialists Gehl, social change experts The Social Innovation Partnership and Lambeth Council’s Neighbourhood regeneration team, we are working to understand people’s everyday behaviour, air pollution and the built environment in Vauxhall and Oval. This involves citizen and stakeholder engagement, facilitated by community researchers, and analysis of the neighbourhood through both qualitative and quantitative methods. The aim of this research is to build on existing knowledge to produce scaleable design solutions for the area which will decrease exposure to air pollution while inviting people to areas with cleaner air.



Our work as the Trust's charity

As the charity for Guy's and St Thomas' NHS Foundation Trust, we offer support and funding to improve the experience and welfare of patients and staff at Guy's, St Thomas' and Evelina London hospitals and the Trust's many community health sites across Lambeth and Southwark.

Our unique position as an endowed charity means that we cover our fundraising costs, allowing us to allocate all donated funds directly to benefit the Trust. In 2019/20, we awarded £10.2 million of funding to the Trust, including £9.9 million to enhance patient experience and staff welfare and £170,000 in projects that support our urban health programmes. We raised over £6.8 million in donations during the year and backed over 200 ideas, which included providing practical support for the wellbeing of staff fighting COVID-19, the introduction of a pioneering fertility preservation service for young women newly diagnosed with cancer and an inspirational arts programme to mark the bicentenary of Florence Nightingale's birth.

Our ambition is to significantly increase the amount of money we raise from the public's generous donations to help us to support services for children, for people with cancer and to fund exciting projects across the Trust. To do this, over the year we continued to embed new structures, leadership and ways of working. We also completed a review of our brand to help raise our profile as the charity

for Guy's and St Thomas' NHS Foundation Trust and effectively engage with staff to discover their great ideas and with donors who can help us to make them happen.

Throughout 2019 we supported the 150th anniversary of Evelina London and progressed our plans for a major new appeal to support the expansion of the children's hospital.

2019/20 was a year in which we also evolved our approach to funding at the Trust, prioritising how we can achieve the most impact for patients and staff through our Special Purpose Funds. Through our Infectious Diseases Special Fund, for example, we supported the development and testing of a clinical severity scorecard to help clinicians when treating flu patients. We also funded the development and evaluation of novel testing for flu to track transmission within the hospital in real time. Our South Thames Retrieval Service Fund contributed to the costs of scanners for specialist ambulances needed to help safely transport critically ill babies and children to intensive care at Evelina London.

In 2019/20, we backed over 200 projects with £9.9 million in charitable funding to enhance patient experience and staff welfare

Jointly shaping successful projects

This year we have changed the way we work with Guy’s and St Thomas’ NHS Foundation Trust colleagues to find and fund ideas that will have the maximum impact on patients and staff.

By getting involved at an earlier stage and listening to ideas from a wider range of Trust staff, we can provide the support needed to shape successful projects and ensure the voices of patients and staff inform project design and development. Our Trust Engagement team offers a range of support

including patient engagement, financial modelling, service design and evaluation. Our specialist help focuses on jointly designing successful projects with potential for further funding, either from the Trust or external sources. Here is a summary of this new approach:

- **Engage** – we spend time with staff and patients to understand their needs and where the Charity can support over and above what’s normally available
- **Co-design** - when an idea emerges, we work with Trust colleagues to turn it into a proposal we can consider for immediate funding or fundraise for. We look for ideas built on patient insight, which align with our aims as a charity and the Trust’s own goals
- **Approve** - working with our funding committees, made up primarily of Trust staff, we decide whether to proceed with a project
- **Support** – we work closely with the project lead to make sure their project is on track and provide support and guidance along the way
- **Evaluate** – we use our expertise to understand impact and help source external support when required
- **Learn** – we use impact data and project reporting throughout to understand what’s going well or not and why, taking what we learn to improve future projects.

Managing thirst in critical care

Working with colleagues at Guy’s and St Thomas’ NHS Foundation Trust, we helped to develop a project proposal in direct response to patients’ feedback about experiencing thirst while in critical care.

Issues around managing thirst were identified by a speech therapist who, after talking to ICU patients, heard how this could negatively affect patients’ hospital experience and, in some cases, cause psychological distress. Having also talked to nursing colleagues about their experiences, she came to us with an idea to improve quality of care by devising and launching a best practice, clinical guideline for the management of thirst in critical care patients. This would be underpinned by staff training and support, including the creation of ‘thirst champions’, and provision of new equipment.

Recognising the potential for impact across the Trust, we jointly developed a project proposal which was approved by our Charitable Fund Committee. We believe this project will reduce thirst symptoms and improve care and comfort for patients, as well as giving staff the confidence, tools and clear guidelines needed to provide the best possible care.



Supporting Guy's and St Thomas' NHS Foundation Trust

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



'In-house' neurosurgery transforms care at Evelina London

With our support, Evelina London has expanded the care it offers to include neurosurgery. We funded the surgical equipment needed for children with dystonia, a movement disorder, to be treated with Deep Brain Stimulation surgery.

Establishing 'in-house' neurosurgery means children are now able to receive all their medical and surgical treatment in one place, reducing clinical risks and making the hospital stay easier. The Evelina London Theatre is also now equipped for emergency neurosurgery which could benefit more children in the future.

"Being able to carry out Deep Brain Stimulation Surgery on site at the Evelina has completely transformed patient care and has removed much of the anxiety for patients and families around this very stressful time."

Sinead Barkey, Clinical Physiotherapist, Evelina London



Promoting staff wellbeing

We extended our support for the Trust's Showing We Care About You programme to improve the health and wellbeing of their 17,500 staff. An additional grant of £200,000 in 2019/20 helped to extend staff's access to services, which include stress and weight management advice, physiotherapy and psychological support to help staff deal with traumatic events. In total, we have provided over £1 million of funding for the programme over 18 months.

Positive impact of promoting activity for older people

The Active Promotion project trains volunteers to work with patients to keep them mentally, physically and socially active on the Older Persons Unit at St Thomas' Hospital. Volunteers run quizzes, bingo and tea parties, play board games and chat at bedsides and organise visits to the hospital's coffee bar and shops. Since the project began, positive changes seen in patients include improved mood, reduced agitation and better engagement with therapists and visitors. Due to its positive impact on patients and staff, the project has now received NHS funding.

"The volunteers have made a lot of difference to my time here. They've cheered me up and taken the time to sit and listen."

Carroll Beckwith, patient, St Thomas' Hospital



A healing space for families and staff

We funded the design and build of the Garden Room, a healing and respite space at the heart of St Thomas' Hospital Birth Centre. Created to benefit both patients and staff, the design of this peaceful, homely environment by Studio Tilt was based on insight gathered through detailed conversations with people who will use the space.

Recognising that the birth process can be a long, anxious and sometimes traumatic experience, the Garden Room aims to enhance the wellbeing of mothers, their partners and the staff caring for them during their time at the Birth Centre.

Fertility preservation for young women with cancer

For young women aged between 18 and 30 undergoing urgent cancer treatment, a procedure called ovarian cryopreservation may be their only chance of preserving their fertility and having a family in the future. This year, we gave a grant of £266,672 to enable the Trust to make this option available to its patients, building on the existing expertise in cancer fertility preservation at Guy's Hospital.



Using our endowment to impact health

We use our endowment to have the greatest possible positive impact on health, not only in Lambeth and Southwark but also in other urban communities across the UK.

This year saw a resilient performance of our investments, despite the significant impact the COVID-19 pandemic had on the market in the final quarter of the financial year. Our endowment generated a net return of 2.2%, outperforming the market benchmark of -1.3%.

The net value of our endowment ended the year at £737 million (after releasing £27 million to unrestricted and restricted funds for charitable expenditure), £22 million below last year's figure. Over the last five years, the net value of the endowment has grown by £144 million and released £117 million for charitable expenditure.

2019/20 was the second full year during which our impact investment strategy was in place. Our commitment to invest 5% of our endowment in funds that have a positive impact on health in the UK and deliver competitive risk-adjusted financial returns was developed further. We committed £8 million of investment capital across three funds that back innovation in the life sciences and healthcare

sector. This included £3 million of capital for the Baillie Gifford Worldwide Healthcare Innovation Fund which invests globally in healthcare companies with an innovative approach to diagnostics, treatment and prevention of diseases.

During the year, we agreed on ways to become a more responsible investor, using our assets to contribute to wider societal goals. We believe creating better environmental, social and governance behaviours in the corporate sector would be beneficial for investment returns and wider society. In 2020/2021, we will be working with our investment advisers to make improvements in this area. We also committed to conduct a carbon footprint exercise encompassing all the Charity's activities to inform a climate change strategy.

This has also been a resilient year for our property portfolio. We signed significant property deals, including cementing a partnership to progress the redevelopment of a new site opposite St Thomas' Hospital.

In March 2020, the net value of our endowment was £737 million

Developing a medtech hub with health and wellbeing at its heart

In 2019/20, we contracted with Stanhope PLC and the Baupost Group to progress the redevelopment of Royal Street, a five-acre mixed-use site opposite St Thomas’ Hospital. Working with local individuals, the council, and others we have been formulating plans to deliver a world-class scheme with health and wellbeing at its heart. This major new development site for London will house a new building for the Trust and create a significant medtech hub dedicated to using technology to progress medical developments, as well as residential property and general office space.

Impact investment backs life sciences start-ups

This year we made impact investments in two funds dedicated to early-stage investing in the life sciences sector. In June 2019 we committed \$3 million in SV7 Impact Medicine Fund, a biotech-focused venture capital fund - managed by SV Health Investors. This fund invests in start-up and early-stage companies that are exploring new drug treatments. The investments have been made mostly into UK start-ups seeking to deliver life-changing therapies by targeting precision medicine drugs for unmet clinical needs. 60% of the fund’s investments will be targeted at companies focused in the field of oncology.

We also committed €3 million in European-focused life sciences venture capital fund, Medicixi III, which invests in biopharma companies specialising in discovery to late-stage clinical assets. The fund invests in projects it believes can deliver licensed drugs which will have a significant benefit to patients with cancer or cardiovascular diseases.

Our support for health innovation

We continue to support a number of projects that are a legacy of our Health Innovation Fund which closed in 2017 as we shifted our focus to urban health. At the end of 2019/20, there are 47 active grants with a total project value of £46 million, as well as outstanding commitments of £9 million.

The Transforming Outcomes and Health Economics Through Imaging (TOHETI) programme was completed this year, meeting each of its original goals. TOHETI has demonstrated how better use of imaging technology can improve accessibility and patient care whilst reducing NHS costs. It also introduced two different cutting edge technologies to King’s Health Partners and brought together NHS partners in Lambeth and Southwark with clinical and imaging staff at Guy’s, St Thomas’ and King’s College Hospitals to co-design and transform services and ways of working to deliver the greatest patient benefit.

Throughout 2019/20, the Children and Young People’s Health Partnership (CYPHP) continued to reach local children and young people most in need, helping to reduce care inequalities. Evidence shows three in five patients with asthma and eczema have significantly improved health by the time they are discharged from the CYPHP service.

This year we have made 17 awards through the Rapid Small Grant Challenge Fund, which provides research and development grants of up to £10,000. This has funded a range of projects from across King’s Health Partners that explore diseases and conditions including asthma, muscular dystrophy, stroke, obesity, Parkinson’s, psychosis and cancer, and develop cutting-edge techniques to improve healthcare.

The spending through the Health Innovation Fund reported in this year’s accounts is made up of funds awarded in 2019/20, minus funding written back from previous awards.



An in-depth look at our impact investing strategy

Our ability to make impact investments gives us an additional tool to help achieve our mission, extending what we can offer beyond grant-making.

Taking the road less travelled

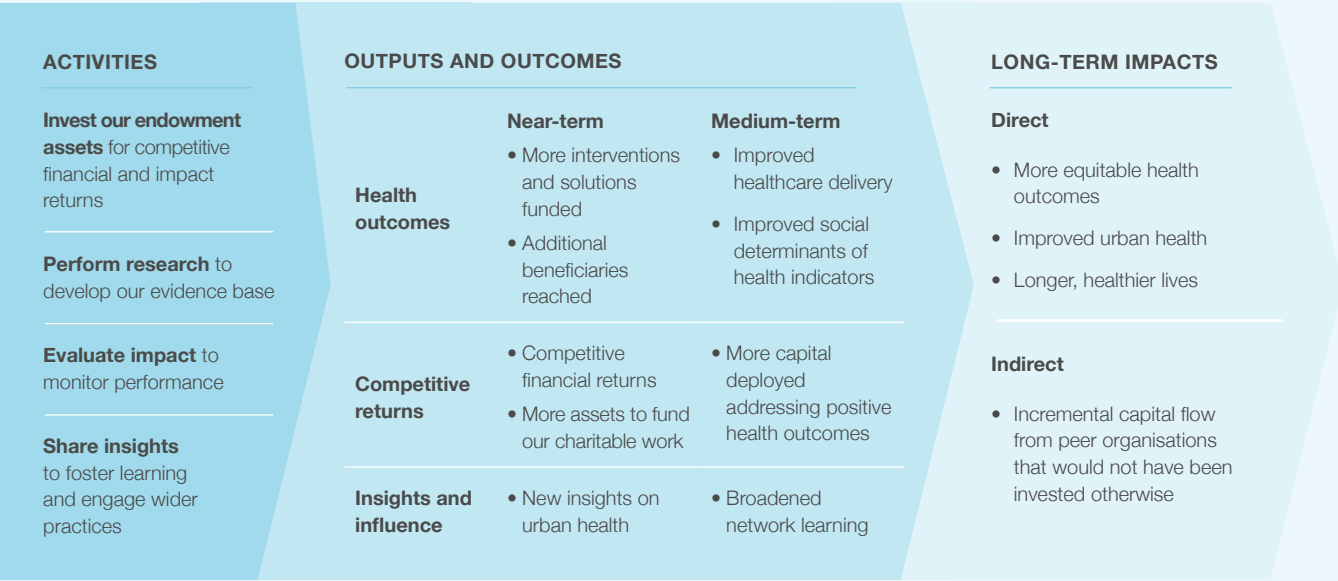
Our impact investing strategy was the result of a strategic decision to make more of our capital work for mission. It complements the place-based, whole-systems approach we take through our programmes and our work as the charity for Guy’s and St Thomas’ NHS Foundation Trust.

We have allocated 5% of our endowment assets, representing around £50 million, for our impact investing portfolio. Our intention is to use these investments to advance health in urban communities in the UK, while also generating market risk-adjusted returns.

Our roadmap for success

We have a theory of change for our impact investing portfolio, which is grounded in an understanding of the positive impact we can realistically expect to create through our investments. We believe in the need to forge strong partnerships and collaborate to tackle complex issues. Our relationships with

fund managers are no different. To add the most value to these relationships, we also invest non-financial resources, including taking on advisory positions and facilitating partnerships wherever possible.



Sectors for our impact investments

We strategically prioritise investments in nine sectors that range from traditional healthcare to the broader social determinants of health. Our decision to adopt an inclusive investment approach that ventures beyond the traditional healthcare system reflects our experience in the field and the growing evidence that social and environmental factors drive important health outcomes

Moving the needle on health in urban communities requires addressing issues from multiple angles. To this end, our investments span a range of sectors and interventions that address both traditional healthcare and broader social determinants of health.

Guiding pillars for our impact investing work

- **Returns commensurate with risk:** Our impact investments must satisfy our requirement for market risk-adjusted returns. This is necessary to grow our endowment and thus the critical resources with which we fund our work.
- **Impact alignment:** Through our strategic assessment and experience to date, we have learned a great deal about which sectors to invest in to advance urban health outcomes in the UK. For example, the affordable housing sector offers the chance to directly improve the health and lives of local, under-served communities at the heart of our urban health work.

We also seek investment opportunities in funds that create measurable and positive impact in the healthcare system and other sectors related to the social determinants of health.
- **Learning opportunities:** Our impact investments are part of a new approach among UK philanthropic organisations. By piloting this strategy and sharing lessons learned, we hope to identify opportunities to enhance our own programmatic work and encourage others to explore ‘more for mission’ approaches.

Exhibiti 2: Overview table of our impact investing strategy

Allocation	5% commitment of endowment assets, currently representing roughly £50 million	
Commitment term	Variable, averaging roughly 10 years	
Investment type	Fund investments	
Investment size	£3-6 million	
Asset class	Private equity/venture capital, private debt, real estate, and select public markets products	
Geographic focus	Primarily UK focus, with select international funds	
Sector	<i>Clinical healthcare</i> <ul style="list-style-type: none">• Healthcare delivery• Life sciences• Medical devices	<i>Broader social determinants of health</i> <ul style="list-style-type: none">• Affordable housing• Environmental health• Financial inclusion• Food and nutrition• Community services• Education and workforce development
Financial objective	Market risk adjusted returns	
Governance and management	Where possible and appropriate, participate on Limited Partner Advisory Committee (LPAC) or other advisory board	

Our response to COVID-19

The COVID-19 pandemic began during the period covered by this report. Our cross-organisational response swiftly focused on how we could help to tackle the immediate effects on the health and wellbeing of our local communities and the NHS Trust staff who care for them.

Our first priority was supporting the extraordinary efforts of NHS workers. We worked closely with the Guy's and St Thomas' NHS Foundation Trust to find and develop projects focused on supporting the physical and mental health of staff. This included expanding our staff wellbeing programme, providing pop-up shops with essential groceries and rapidly scaling the capacity of the Trust's simulation centre to deliver training on new guidelines around transmission.

We also supported patients by funding 'amenity kits' containing basic toiletries and phone chargers so that people could keep in touch with their loved ones while in hospital. Patients were also given a pack of store cupboard essentials when they left hospital to provide meals for their first couple of days at home. A successful fundraising campaign combined with deployment of our own resources enabled us to dedicate more than £2 million to make all of this possible.

As an urban health foundation, our second priority was to take a long-term view of the lasting impact the economic downturn will have on health. Capitalising on our ability to influence and plan ahead, we began collaborating with others to explore approaches to the major health challenges the pandemic will leave in its wake.

Working through our established urban health programmes, we were able to respond quickly to the immediate needs of our partners and local communities, many of whom are doing incredible work to keep essential services going. We committed over £2 million to the London Community Response Fund, citizen-led funding

channels and critical anchor organisations, whose purpose and mission are intrinsically bound up in our local area. Insights from our programmes also informed London's response effort, for example in targeting food voucher schemes to families on lower incomes and using digital approaches to improve people's mental health while at home.

In response to the crisis, we mobilised our investment resources quickly to approve a £5 million commitment from our impact investment allocation to the Resilience and Recovery Loan Fund. This fund was designed as an emergency loan package for charities and social enterprises who are struggling as a result of the pandemic. We were determined to flex our impact investing approach to support the grassroots organisations that help vulnerable groups across various determinants of health.

Like many other charities, the pandemic had an immediate impact on many of our plans, requiring us to cancel our programme of external events for 2020, including fundraising events, our summit on childhood obesity and international learning visits on urban health.

COVID-19 has undoubtedly accelerated health inequalities, highlighting the urgency of our work. It has also demonstrated the extraordinary resilience of communities and inspired a positive trend for wider civic collaboration in the NHS, evidenced in the overwhelming support we have seen from the public and corporate partners during this time. The pandemic has been devastating for many and will have far-reaching implications for health, but the way people have responded to this crisis presents real opportunities for positive change.



Supporting the wellbeing of staff

We quickly enhanced and increased our support for the Trust's health and wellbeing programme for staff, funding the creation of Wellbeing Zones across multiple sites.

At a time when staff were working under unprecedented pressure, these provided calming, comfortable spaces to rest and recharge during breaks or to decompress before returning home to their families after an intense shift. These dedicated spaces also offered staff the opportunity to access one-to-one psychological support and wellbeing advice.

“The Wellness Zone has a nice calming feel as you enter the room and the new Nespresso coffee machine is a hit amongst most of the staff! Staff have popped in to sit down, have a coffee, listen to the radio and relax.”

Candice Hendel, Therapy Assistant, Streatham



Nutritious breakfast and lunches for local families

We are supporting School Food Matters to lead a COVID-19 response project to ensure all local children and young people can access nutritious food during school closures. Crucially, this includes those experiencing new financial difficulties that weren't previously entitled to free school meals. Working with local schools, restaurants and wholesalers, just under 24,000 nutritionally balanced breakfast boxes were delivered to pupils across 90 schools in the first two months. Working in partnership with Chefs in Schools, over 1,200 nutritious lunch hampers, designed to feed a family of four for a week, were also delivered to pupils across Lambeth and Southwark. By the end of June, over 230,000 meals had been delivered to local families.

“We are impressed with the quality of food. It tastes amazing and is very culturally appropriate to all.”

Deputy Head, English Martyrs RC School, Southwark



Exploring the lockdown's impact on London's air and its people

Partnering with Global Action Plan, we embarked on a six-month project to understand how the rapid changes forced by lockdown restrictions affected air quality and the lives and attitudes of people in inner-city areas.

By capturing evidence of the positive impact of low pollution living, from car free streets to easier breathing and better work-life balance, we want to explore how the clean air movement can bring the life back to London's streets, without the pollution. We also aim to understand more about COVID-19's impact on London's air quality, both now and in the longer term, and what this means for people's health.

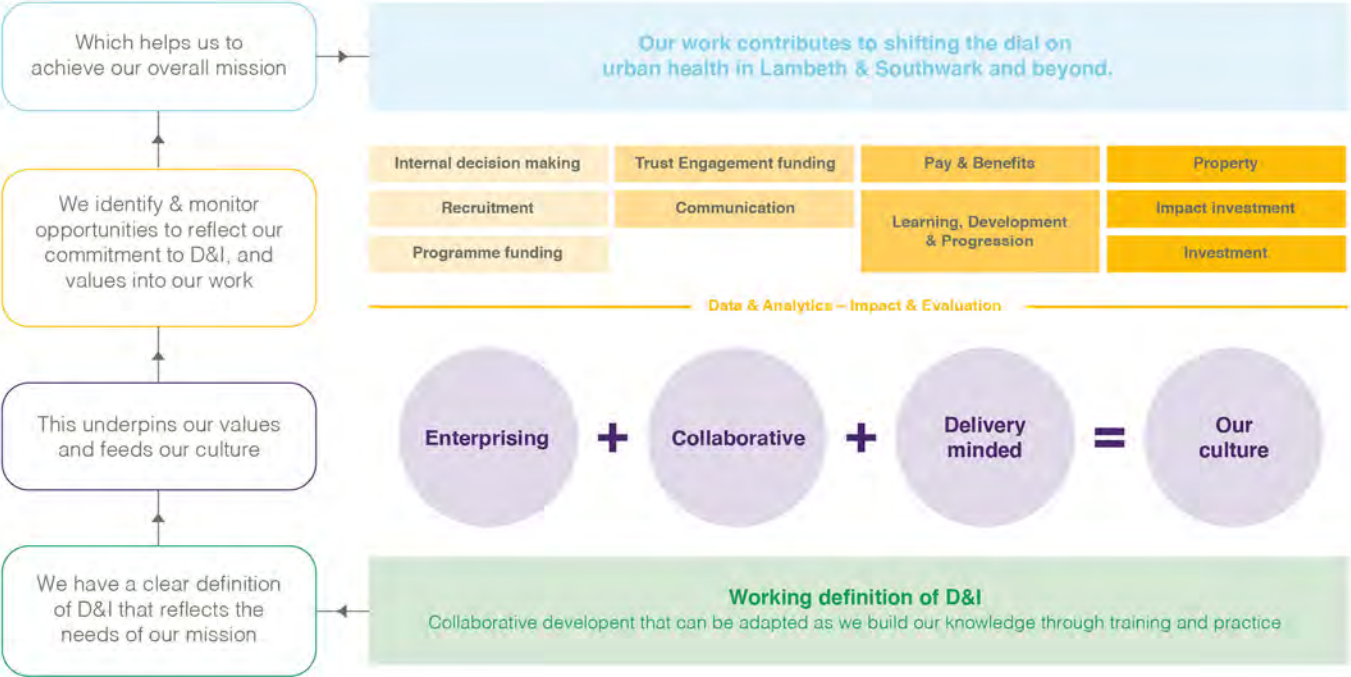
Our approach to diversity, equity and inclusion

Our place in London is one of the most diverse in the UK. Lambeth and Southwark’s population incorporates a rich and complex social and ethnic mix. We see huge health inequalities across our boroughs, with areas of affluence and deprivation sitting side by side. Through our urban health programmes, our work as the charity for Guy’s and St Thomas’ NHS Foundation Trust and effective management of our endowment, we work to address these inequalities.

We believe adopting principles of diversity, equity and inclusion through everything we do will help us to have the greatest impact. This means including a range of voices from different backgrounds, cultures and experiences to look at issues from all perspectives.

In 2019/20, we set out a clear agenda to embed this commitment into our organisational culture and practice. We then began delivering the first phase of a new plan, based on what diversity, equity and inclusion means to us. We appointed a Diversity, Equity and Inclusion lead and established a core working group to review our internal processes

and systems that sit behind our work. We created working action plans for three key areas of the organisation during phase one – recruitment, internal decision-making and programme funding. This will be built upon throughout 2020/21 when we will focus on Communications and Trust Engagement, pay and awards, learning and development, property, impact investments and investments, as well as data and evaluation. We have also committed to transparently monitoring our progress through quarterly staff surveys and by measuring against the Association of Charitable Foundations’ nine pillars of excellent practice in this area.



Though we have more work to do, we have taken action that has resulted in practical changes to the way in which we work. These have included:

- Embedding a set of principles and criteria into our decision-making process for funding. This includes developing our community-led funding and, through our action research partnership with Black Thrive, exploring how we could give our partners a greater level of decision-making around how funding is spent
- Training our Executive Team members on unconscious bias and inclusive leadership and ensuring all staff have undertaken power, equity and inclusion training, with a strong focus on systemic racism and structural inequality
- Reviewing our recruitment processes to ensure that they do not exclude people and will attract a diverse pool of candidates
- Looking at our internal decision-making processes to ensure that we are inclusive of the existing diversity within our organisation

Taking a more inclusive approach to generating insight is also a priority. Through established projects, we are recruiting a team of community researchers, often with lived experience of the health issues we are exploring, to work on evaluation and public engagement, as well as research projects.

In 2019/20, BAME-led groups (defined as those with majority BAME leadership and a focus on BAME beneficiaries) The Social Innovation Partnership and Black Thrive, received just over £1.5 million in funding. This represented 14% of the total value of

grants made to voluntary, community and social enterprises through our urban health programmes.

By developing plans to invest in organisations anchored in our communities and local leadership, we will also help to create the conditions needed for diverse organisations to thrive in Lambeth and Southwark. We will work to strengthen local organisations who are working closely with people in our place who face the greatest inequity and risk to health, including a leadership programme to nurture a diversity of talent.

What do we mean by diversity and inclusion?

This year, we worked with staff across the Charity to create shared definitions of diversity and inclusion and to embed this into our culture and ways of working. As our understanding of diversity and inclusion grows, we will continue to review our definitions. During our work so far, we have begun to talk more about equity and will be working with staff to explore exactly what this means to us in 2020/21.

Diversity means recognising and taking account of everything that makes us unique as an individual. It is not just the categories that are protected by law. It is our backgrounds, the way we live, our personality types, our ways of thinking and the variety of our perspectives. To us, diversity describes the positive value of the rich tapestry of experience which helps us to look at things from different angles to make impact in the communities in which we operate.

Inclusion means we embrace, celebrate and value difference within the workplace. It means that our organisational effort and practices ensure we remove barriers so that all groups or individuals are culturally and socially welcomed and valued equally.

Stronger Foundations

The Association of Charitable Foundations (ACF) launched Stronger Foundations in 2017 to help charitable foundations identify and pursue excellent practice. Last year, the ACF released a report on diversity, equity and inclusion (DEI) which set out nine pillars of good practice which foundations can follow to demonstrate commitment in this important area. Using these pillars, we developed an action plan by which to measure our progress.

Objective	Progress	Current Activity
1. Invests time and resources in understanding and defining diversity, equity and inclusion	<div><div></div></div> In progress	All staff helped develop a collective definition of DEI and we reworked our organisational values to embed it within our core values. All staff will undergo power, equity and inclusion training and regular follow-up training on DEI. We are currently working on how DEI relates to our history, mission and current work.
2. Produces and reviews strategies that will implement DEI practices	<div><div></div></div> In progress	We identified 10 areas of work where impact on DEI can be made. We currently have action plans for three areas and will be developing plans for subsequent areas over the next 24 months.
3. Collects, tracks and publishes DEI data on its own practices and performance	<div><div></div></div> Completed (and ongoing)	We publish data on our gender and ethnicity pay gap and benchmark staff demographics against the sector in our annual report. We publish data on the breakdown of our staff team and Trustees in our Annual Report. We also publish funding data on 360Giving.
4. Has a diverse trustee board and staff team, both in terms of demographics and experience	<div><div></div></div> In progress	An action plan for our staff recruitment is underway. At present, we use blind recruitment and advertise posts in a range of different places. We currently collect demographic data on staff recruitment rounds. At present, our Trustee recruitment applies the principles of the Charity Governance Code and we are revising processes around targeted recruitment to increase the diversity of our Board. We are working towards recording and publishing the diversity of our Advisory Boards.
5. Reflects and implements DEI practices in its funding activities	<div><div></div></div> In progress	Our Programmes team are implementing their DEI action plan, which aims to bring current practices in line with our DEI principles, and acknowledges structural inequalities.

There are three key principles that underpin our work in this area:

- 'Furthest not fastest' – we understand the importance of getting this right and recognise that progress could take time
- 'Embed not add-on' – we strongly believe that the best way to achieve our goal and to have a real impact is to ensure that all of our work is informed by insight and knowledge gained from a diversity of cultures, backgrounds and experiences. Diversity, equity and inclusion must become integral to everything we do
- 'We start with what we know, build and grow' - as we are at the start of our journey, we understand that we have much to learn. We recognise that there will be challenges and we may not always get it right. However, we are committed to taking action and will remain willing to adapt and change as our knowledge grows

Objective	Progress	Current Activity
6. Expresses its DEI commitment, policies and practices publicly	<div><div></div></div> In progress	We have developed our DEI definitions and measures for progress across our work, with each area of the organisation developing DEI action plans. We have not yet made our approach public beyond this annual report.
7. Makes itself accountable to those it serves and supports	<div><div></div></div> In progress	With our partners, opportunities for feedback are available to all grantees and we are seeking greater opportunities for challenge, feedback and appeals to be built into our funding processes both within our programmes and our work with Guy's and St Thomas' NHS Foundation Trust. In deciding our new programmes we consulted with the community of Lambeth and Southwark (people and organisations). We have advisory boards for each area of our work to support in reviewing and directing our work, though more could be done to ensure the diversity of these groups.
8. Uses its own power to advocate for and advance DEI practices	<div><div></div></div> Not on track	We do not current speak publicly about our DEI work, or provide platforms for community members to do so. We do speak publicly about systemic inequality and health equity in our work as an urban health foundation. We are a Living Wage Employer, and support all of our partners to pay the living wage in any funded projects/ roles that we are funding.
9. Collaborates with others to promote and implement DEI practices	<div><div></div></div> Completed (and ongoing)	Dedicated resources have been allocated through our Diversity Lead to implement plans across the foundation. We set clear objectives for DEI in our business plan, and have engaged with ACF and social investment sector DEI groups.

Our plans for 2020/21

- Our strategy sees us taking on some of the most complex challenges in urban health. In our five-year plan, we outline strategic goals that will help us achieve these aims. Our activities in 2020/21 continue to build towards these goals.



Strategic goals we set for the year

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

- In 2020/21 we plan to:**
- Scale-up investment on our childhood obesity programme and strengthen influencing at a national level
 - Establish an evidence-creating portfolio on our multiple long-term conditions programme and raise the profile of our approach
 - Develop programme strategy, test assumptions and start building the investment pipeline on our two new programmes
 - Establish co-funding partnerships with target organisations to leverage investment and influence
 - Strengthen programme evaluation and learning
 - Develop plans for influencing policy change for each programme

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

- In 2020/21 we plan to:**
- Support the Trust to build a culture of fundraising and fund-spending
 - Implement and leverage brand development and digital transformation projects to enhance our fundraising and funding
 - Progress our plans for the Evelina expansion appeal and scope fundraising support for a new outpatient building at St Thomas' Hospital
 - Work collaboratively to understand and increase our impact with donated funds
 - Work with the Trust to develop a portfolio of funded projects supporting the Trust as an 'anchor organisation' in Lambeth and Southwark

3. Deliver effective returns to the endowment and use our assets to support health impact. We also need to act as an even more responsible investor

- In 2020/21 we plan to:**
- Deliver continued resilient performance on the endowment
 - Develop and implement a deeper approach to responsible investing
 - Review the basic tenets of our endowment approach including Spending Rule and governance/decision-making
 - Embed the wider community, health and climate objectives of the enlarged Property team in our approach
 - Evolve our external communications to encompass all our impact investing activities
 - Continue the growth of the impact investment portfolio

4. Grow our impact, effectiveness and reputation

- In 2020/21 we plan to:**
- Implement a new brand strategy giving distinction to the breadth of our work and increasing engagement with key audiences
 - Establish our international profile as an urban health foundation and build our reputation as an innovative funder
 - Increase the breadth of data partnerships, and depth of data analytics, to support our programmatic work
 - Continue to bring efficiencies to the production of, and insight from the use of, management information
 - Develop a consistent impact and evaluation strategy across the organisation including our urban health programmes, trust engagement and impact investment

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

- In 2020/21 we plan to:**
- Establish an all staff induction and training plan, including further developing our line management training
 - Ensure our office environment and ways of working support staff needs and wellbeing
 - Continue to progress our diversity, equity and inclusion programme of work
 - Review our approaches and policies in the light of being a growing organisation
 - Develop our organisational position on climate change

Financial review

Financial Key Performance Indicators

Measure	Key Performance	Key Indications
Charitable commitments for Programmes	£14.3 million against a budget of £15.2 million	A successful third year of Programmatic activity resulted in 94% of budgeted commitments being achieved, in line with the previous year
Funds raised	£6.8 million against a budget of £8.7 million	Underlying support remained good but capital project delays impacted major gifts. A planned event did not draw the expected support and was cancelled but was offset by a significant donation from a corporate event.
Financial support as the charity for the Trust	£10.2 million against a budget of £11.5 million	Underlying activity was in line with plans but the capital project delays impacted planned commitments related to budgeted fundraising
Return on the endowment compared to benchmark	2.2% return on endowment for 2019/20 compared to benchmark return of -1.3%	Whilst returns were low in absolute terms, it was another year of outperformance against our benchmark with strong relative performance in both equity-related asset classes and property

Overview

We delivered the significantly increased level of Programme commitments that we had planned. The endowment weathered the market’s storms induced by the COVID-19 crisis and produced a small but positive return over the year. Funds raised from donors were again significant but, as last year, less than we had hoped due to capital project delays.

The Charity remains in a strong financial position with endowment funds of £737 million and free reserves of £40 million.

We continued to build our staff team to deliver the increased level of direct charitable activity, as well as investing further in our resources to have indirect influence in support of our Programmes. We grew our data analytics and evaluation capabilities, as well as our support functions, to service a larger activity base. As a result, staff costs increased by £0.7 million to £3.4 million and other support costs increased by £0.9 million to £2.0 million. We have implemented robust business information and decision support systems which provide real time information throughout the organisation. Overall, these changes to our operations increased our support costs to 21.4% (2018/19: 20.1%) of our direct charitable expenditure.

As anticipated, our fundraising costs were £1.5 million higher than the previous year at £4.1 million, as we moved to pay the full cost of the fundraising resources that we use within our fundraising partner, King’s College London.

The endowment transferred £27.1 million (2018/19: £25.0 million) to support charitable activities. After this transfer, the net assets of the endowment decreased by 2.9% to £737 million. Whilst this means the value of the endowment did not keep pace with inflation this year, it is well ahead of this target as measured over rolling 15-year periods.

Investments

This year we saw endowment returns of 2.2%; which is 3.5% above the Charity’s composite benchmark. The make-up of our investment portfolio was similar to last year.

TABLE 1 - Guy’s and St Thomas’ Charity Performance Summary: April 2019 – March 2020

Asset Class	Strategic asset allocation band (%)	Strategic asset allocation (%)	Allocation as at 31 March 2020 (%)	Actual Performance (%)	Benchmark Performance (%)	Allocation as at 31 March 2019 (%)
Global Equities	12-30	21.0	25.4	(6.3)	(10.0)	25.5
Private Equity	8-17	14.0	10.7	22.9	13.8	8.7
Hedged Equities	5-20	10.0	10.2	(4.8)	(8.5)	10.1
Absolute return	0-12	6.0	2.7	(8.9)	(4.4)	5.2
Credit	3-12	5.0	7.3	2.2	1.5	5.5
Commodities	0-5	-	-	N/A	-	-
Fixed Income	0-10	3.0	-	N/A	-	-
Cash	0-10	1.0	1.5	0.0	0.8	1.1
Composite financial asset class performance - local currency				(0.6)	(3.4)	
Property	30-50	40.0	42.3	3.2	0.4	43.9
Composite asset class performance - local currency				0.9	(1.8)	
Currency gain/(loss)				1.4	0.4	
Fees and other expenses				(0.1)	-	
Return on gross investment assets				2.3	(1.3)	
Effect of loans				(0.1)		
Return on the endowment Equity				2.2		

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

Equity markets had a turbulent last quarter of our financial year due to worries over the economic effects of COVID-19. Despite this, our financial asset portfolio ended the year down only 0.6% which was ahead of the negative 3.2% performance of our composite benchmark.

Our property portfolio returned 3.2% in the year compared to the benchmark of 0.4%. The portfolio has minimal exposure to the sectors hardest hit by COVID-19.

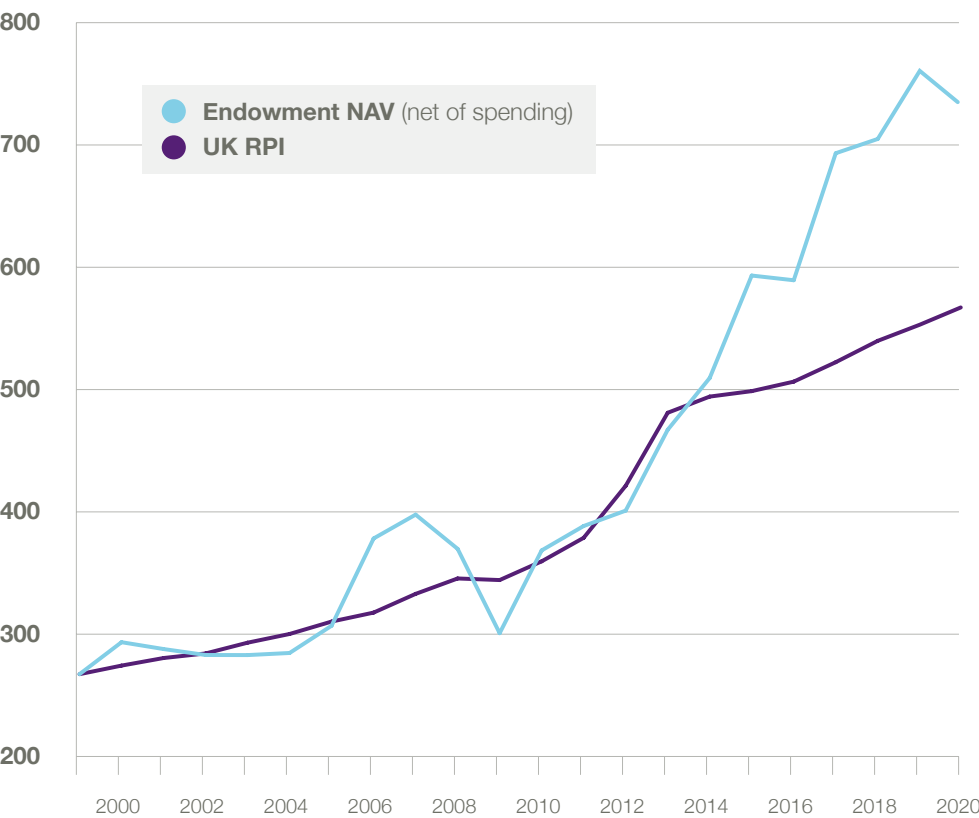
The costs of managing our investments in the endowment decreased slightly from £8.3 million to £7.1 million. This reflects lower deployment to manage the redevelopment of our property portfolio during the financial year.

Longer-term performance

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

The endowment was recognised in the accounts in March 1999 so its performance history can be traced back 20 years, illustrated in the graph below. Our Investment Committee continues to monitor potential positive and negative return scenarios and remains of the view that, whilst the surplus in the endowment is significant, it is not excessive given the risks that returns will be lower in future.

Endowment vs RPI



Health impact investing

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

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

We committed £8.0 million to three funds this year: Medicxi III, a bio-tech fund, SV7 Impact Medicine Fund, an impact focused bio-tech fund, and a new fund in the Baillie Gifford stable, the Worldwide Health Innovation Fund, which was launched in August 2020.

Responsible approach to investing

During the year we added a third objective to our overall goals for the endowment relating to our ambition to be a more responsible investor.

“To seek opportunities provided by investment through the endowment for health gains in line with the Charity’s mission and to act as a responsible investor in relation to stakeholders affected by the endowment.”

This goal sits alongside our objectives to grow the net value of the endowment in line with inflation and to deliver a consistent and sustainable amount for spending on our charitable mission.

We believe creating better environmental, social and governance behaviours in the corporate sector would be beneficial for investment returns and for wider society, so we will be working with our investment advisers to make improvements in this area. We also made a commitment to conduct a carbon footprint exercise encompassing all of the Charity’s activities to inform a climate change strategy.

We do not make any direct investment in tobacco-related shares, bonds or property. In addition, we monitor the level of indirect tobacco ownership through holdings in externally managed funds to ensure that this level does not rise above a de minimis level (defined as 0.25% of the endowment). Our indirect tobacco exposure was 0.08% (2018/19: 0.07%) of the endowment.

Reserves policy

During the year our total Unrestricted Funds increased from £65.6 million to £68.8million. As at 31 March 2020, £29.0 million of these funds were designated in the form of properties and other assets that are used in the provision of our charitable activities. This leaves the Charity with free reserves of £39.8 million (2019: £36.7 million), which are managed through a Distribution Account.

The Charity plans the distribution of its Unrestricted Funds through a five-year budget. Performance against the budget is reviewed annually. The budget is based on the distribution of all available resources projected to arise in the five-year period covered by the budget.

In the five-year period commencing 1 April 2017, we plan to spend the projected available unrestricted resources of £119 million.

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

Principal risks and their management

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

- A long-term strategic plan, a five-year budget for charitable support and an annual budget for all income and expenditure – all of which are approved by the Trustees.
- Regular consideration by the senior management team and Trustees of financial results and performance indicators.
- Periodic review of systems and controls by the Finance and Audit Committee supported by internal audit reports.
- Identification, management and ongoing monitoring of principal risks. We utilise tools such as a risk register and dashboard to ensure principal risks are logged and actively monitored and managed, and report on this to the Finance and Audit Committee and the Board periodically. We are willing to take on risks to be able to test and fund different projects. We have strengthened our systems for identifying and monitoring risks, as we know we need to take risks to achieve our charitable and other goals.

Funding

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

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

Fundraising and donated funds deployment

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

- **Actions relating to fundraising conflict with the Charity's policies, create bad publicity or contravene legislation.** We have embedded the new fundraising structures with increased monitoring and transparency on working practices. We also maintain lines of communication and oversight between the Charity and King's, including holding regular meetings, as well as undertaking regular reviews on key areas of best practice compliance, including GDPR, wealth screening and insurance.
- **Outsourced fundraising arrangement (partnerships with King's College London and King's Health Partners), meaning that the Charity does not have direct control over fundraising performance.** We have regular review points to monitor performance, including scheduled reporting, involvement in recruitment and monitoring staff morale. We also maintain lines of communication and oversight between the Charity and King's, including regular meetings, reviews and reporting, as well as monitoring and responding to changes in regulations and other initiatives. We will continue to regularly review our fundraising arrangements on an ongoing basis.
- **Partnership working with complex tripartite relationship between the Charity, Trust and King's, hampers the ability of the Charity to meet its fundraising targets.** Mitigation includes building engagement between leadership from the Charity, King's and the Trust to achieve alignment and to maximise benefits. We are recruiting senior fundraising leaders for our account within King's and embedding this within their wider team, as well as establishing clear processes for coordinating fundraising decision-making across partners. In addition, we have implemented new management reporting based on key performance indicators and activity pipelines to enable timely understanding of whether goals are likely to be met.
- **The Charity fails to engage and support Trust staff in building a culture of fundraising and fund spending.** We have defined projects within the Corporate Plan for 2020/21 and the 2019–2023 Fundraising Strategy (stakeholder engagement strategy for the Trust). We are also developing a funding strategy and finding ways to demonstrate how we are having impact together. In addition, our Fundraising Committees and Leadership Team are providing integrated forums to bring together the Trust, the Fundraising team and the Charity, as well as other key stakeholders, to enable better transparency and partnership working.
- **Fundraising strategy focuses heavily on capital and build processes that are dependent on regulatory approval.** We are developing our understanding of key project timings for major capital projects and regulatory approval processes; ensuring accurate reporting and risk mitigation through fundraising leadership; and maintaining the ability to adapt fundraising investment aligned to confidence levels in approach.

Investment

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

- **Poor advice/management of portfolio by investment advisors resulting in a failure to manage for good returns and monitor outcomes.** The Director of Finance and Investment continues to play an active role in the monitoring and reviewing of asset performance, allocation and manager selection. We review relationships with advisors on an annual basis, together with in-depth reviews every three to five years. In addition, we ensure appropriate composition and effectiveness of the Investment Committee.

- **Failure to maintain investment risk levels in a severe market downturn by selling risk assets.** We ensure the investment strategy and distribution rule are fully understood by the Investment Committee including stress tests for adverse markets, and make sure portfolio reporting includes longer-term (15-year period) as well as quarterly information. Role play behaviour of Committee, advisers and staff in market dislocation is carried out every 36 months.
- **Property development opportunities/transactions are delayed or do not deliver expected benefits.** The Property Committee oversee these opportunities and transactions and the Property team's management of them and there has been additional clarification of internal governance/decision making. We also mitigate this risk by ensuring the Property team is resourced to allow sufficient time to focus on key transactions and that the team develops transaction processes and relationships to deliver good outcomes for Charity/ partners/communities across a range of criteria including quality, finance, risk, community benefit, sustainability, health and well-being.
- **Failure to deliver health impact and investment returns through impact investment portfolio.** We have developed a Theory of Change for the portfolio, a framework to analyse sectors of interest and rationale and a portfolio monitoring dashboard.
- **The Charity's management of the endowment conflict with the Charity's programme activities or, the corollary, that the Charity's programme and activities conflict with the management of the endowment.** We assess the potential for the endowment to support or conflict with all four programmes or wider charity activities, as well as assess wider Environmental, Social and Corporate Governance (ESG), climate change and diversity issues for potential to have positive impact through the endowment or reputational risk. Also, we monitor the investment portfolio for ESG engagement.

Governance and operations

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

- **Not achieving sufficiently on the strategy (mission and outcomes); not getting correct balance of activities and resource allocation.** We have a five-year corporate plan, annual business plan and budget providing review points. We also ensure availability and transparency of information, with management information made available to the Trustees, as well as making sure that the Charity's goals and progress towards these are shared publicly.
- **Proposed IT software projects for grants, CRM and collection management may fail to deliver expected benefits and/or significantly exceed budgeted cost.** We regularly monitor progress throughout the life of the projects and ensure that any corrective action required is undertaken in a timely manner. Project outcomes are also assessed and reviewed on completion. Also, we engage staff in new systems and the testing and validation of outputs and assess the correct balance of system scope vs cost after basic functionality is delivered.
- **Failure of Charity's staff to engage with Trustees and Committees to allow Trustees to provide effective oversight.** We carry out regular internal audits to highlight areas of weakness and we ensure effective and efficient flow of information from staff to Trustees and Committees through Board and Committee Meetings (use of board packs and 360 dashboards).

- **Fail to recruit and retain a sufficiently diverse and talented Board and staff team.** We offer competitive pay and benefits, carry out an annual review of staff benefits as well as gender and ethnicity pay bench-marking and have a professional approach to resource planning, recruitment and retention.
- **Failure to ensure staff culture is aligned to, and drives, our values of enterprising, collaborative and delivery minded behaviours.** We embed our values in our performance processes, hold regular people meetings and the Board discuss the implications and effective models of growing the Charity. We work hard to build an organisational culture of feedback.

Engagement

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

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

Structure, Governance and Management

Charity’s object

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

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

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

Funding policy

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

Appointment of Trustees

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

Trustee changes

Barbara Moorhouse stepped down as Trustee, and David Colin Thomé ended his term as Trustee in October 2019 respectively. Katherine Ward joined the Board in October 2019. Dr Danny Sriskandarajah also joined the Board later in the year in April 2020.

Powers of investment

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

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

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

Fundraising

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

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

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

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

The Charity takes seriously the protection of vulnerable people and other members of the public from inappropriate fundraising behaviour.

Public benefit

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

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

Our team

Our team is made up of highly driven individuals who work to transform the health of people in our communities. Of the 51 people in the Charity in 2019/20, 68% were female (80% in 2018/19) and 24% male (20% in 2018/19) and 8% preferred not to say. Our Executive team is 40% female and 60% male.

In 2019/20, roughly a quarter (24%) of employees were non-white².

Diversity and inclusion

To succeed as a Charity, we need to draw on the broadest possible range of perspectives, expertise and talents.

In the year, we have begun to reflect on and review some of our key policies and behaviours, starting with a focus on recruitment processes, funding practice, and internal decision-making at the Charity.

In 2020, we also held all staff training on diversity and inclusion, facilitated by specialist training providers Pearn Kandola. The training covered issues such as understanding the reproduction of inequality in the workplace, unconscious bias and the dynamics of power in organisations. As a result, staff committed to individual actions to increase inclusion and equality at the Charity.

7 in 10 staff at the Charity are female and almost a quarter (24%) are from Black Asian and Minority Ethnic (BAME) backgrounds (compared to 9% in the wider charity sector). As at 1 April 2020, 40% of our Trustees were female and 30% came from BAME backgrounds.

² Based on data from our in-house analysis on diversity and inclusion at the Charity as at March 2020

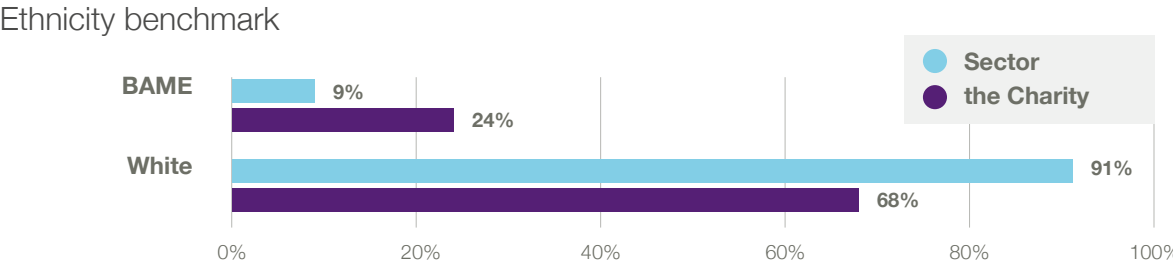
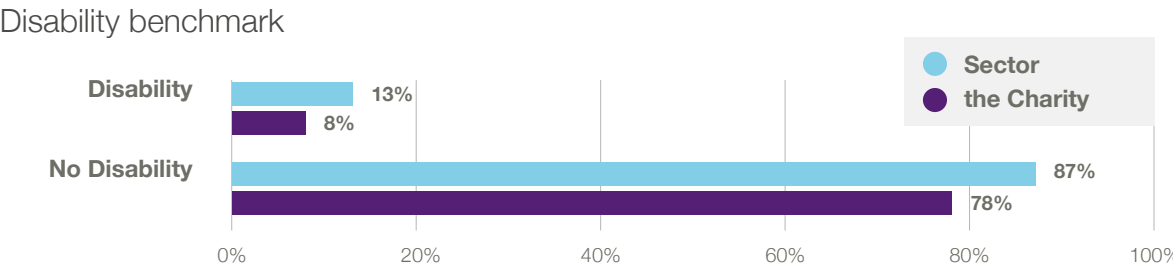
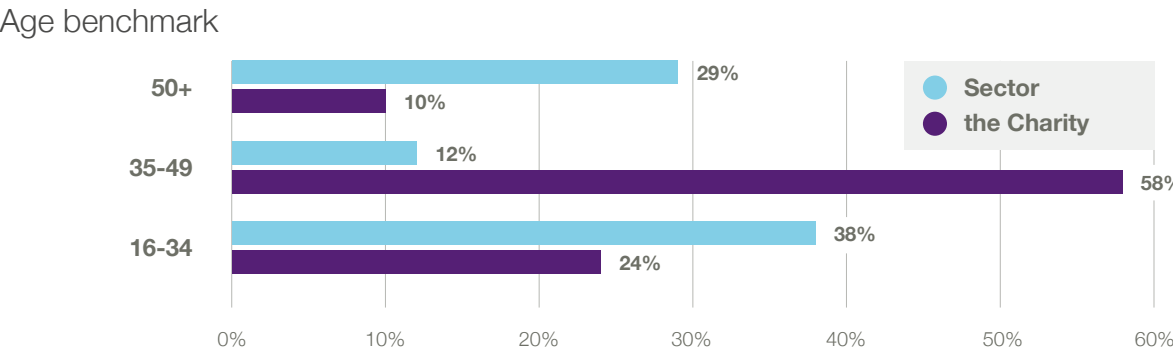
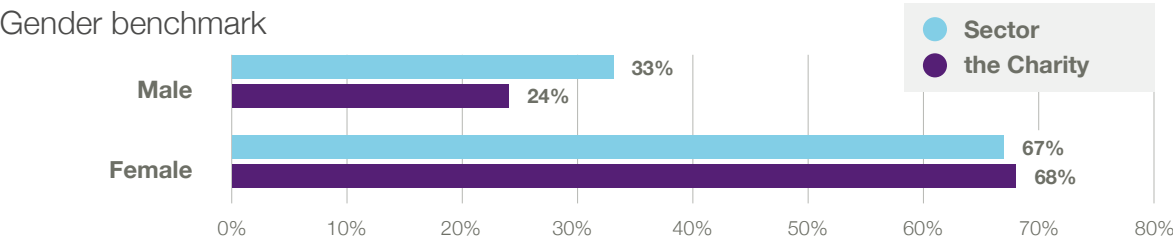
In the year, we began to introduce questions on diversity and inclusion in our regular staff surveys. In February 2020, 64% of staff felt that their manager demonstrates a strong commitment to the Charity's ambitions on diversity and inclusion. This reflects that we are taking practical steps, but that we do have further to go to promote diversity and inclusion in our workforce.

As at 1 April 2020, 40% of our Trustees were female and 30% came from BAME backgrounds

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

For data on gender, age and ethnicity : 'Labour Force Survey' (2018), Office for National Statistics.

For reporting on disability: 'Planning for tomorrow's workforce: Understanding skills and skills gaps in the sector' (2019), NCVO.



Gender pay gap

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

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

As at 31 March 2020, our median gender pay gap was 0%

As at 31 March 2020, our median gender pay gap was 0%. This reflects a marked decrease from the 34.6% gender pay gap reported in the previous year. This headline figure reflects considerable progress over the year in equalising pay across similar roles and benchmarking all salaries against market. Given low staff numbers, however, we recognise this ratio can move based on individual appointments.

We have used name and gender-blind recruitment processes, ensured that our job adverts are checked for gender bias and actively advertised positions to reach diverse audiences.

In 2019/20, we also embedded a new retention plan as well as learning and development plans to ensure everyone can access new skills and opportunities for progression.

Staff pay analysis (as 31 March 2020) Gender pay gap:

	Male		Female		Gap	
	Number	Percent	Number	Percent	Mean	Median
Upper quartile	3	6%	9	18%	33%	67%
Upper middle quartile	3	6%	9	18%	10%	24%
Lower middle quartile	4	8%	6	12%	-2%	-3%
Lower quartile	2	4%	10	20%	27%	28%
All staff	12	24%	34	68%	20%	0%

Ethnicity pay gap

This year, we continued to explore our pay gap in relation to ethnic background. We based our calculations on self-reported data from staff members (92% of all staff), where 68% reported their ethnicity as White and 24% as Black, Asian and Minority Ethnic (BAME). Analysis of these data shows no significant structural ethnicity pay gap, with a median gap of -1%, and a mean gap of -2%.

Staff pay analysis (as 31 March 2020) Ethnicity pay gap:

	White		BAME		Gap	
	Number	Percent	Number	Percent	Mean	Median
Upper quartile	9	18%	3	6%	-9%	-7%
Upper middle quartile	8	16%	4	8%	11%	17%
Lower middle quartile	8	16%	2	4%	8%	10%
Lower quartile	9	18%	3	6%	-6%	-9%
All staff	34	68%	12	24%	-2%	-1%

These principles apply to all staff, including senior executives.

Remuneration

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

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

These principles apply to all staff, including senior executives.

Senior executive remuneration

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

TABLE 3 - Remuneration for the year ended 31 March 2020

	Annual salary (Full Time Equivalent)	Actual salary payments	Pension contributions	Total remuneration	Increase in annual salary over 2018/19
Kieron Boyle Chief Executive	142,152	142,152	18,219	160,317	2.5%
David Renton Director of Finance and Investment	129,456	129,456	17,559	147,015	2.5%
Jon Siddall Director of Funding	132,045	111,735	14,310	126,045	2.5%
Gayle Willis Director of Communications and Engagement (job share)	110,420	66,252	9,527	75,779	2.5%
Catherine Cullen Director of Communications and Engagement (job share)	110,420	75,383	9,586	84,968	2.5%
Gail Macdonald Property Director	125,004	125,004	17,976	142,980	0.04%

Jon Siddall left the Charity before the end of the financial year, on 27 March 2020.

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

Below we include information on staff compensation by salary band. This covers staff who were on payroll at 31 March 2020 and shows the full-time equivalent pay to help compare rates of pay better.

Salary band	Number of staff
£20,000 - £60,000	32
£60,000 - £110,000	13
£110,000 - £150,000	6
	51

All staff employed before 1 Jan 2019 were awarded a pay increase of 2.5% on 1 April 2019. The Charity has been certified as a London Living Wage employer since 2016/17.

Responsibilities of the Board

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

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

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

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

Statement of disclosure to the auditor

So far as the Board of Trustees are aware:

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

Auditors

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

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

By order of the Board:



Paul Brown
30 September 2020



Organisation

Our staff

Our Executive Team is made up of:

- Kieron Boyle**, Chief Executive
- David Renton**, Executive Director of Finance and Investment
- Andy Ratcliffe**, Executive Director of Programmes

Gayle Willis, Executive Director of Communications and Engagement (job share)

Catherine Cullen, Executive Director of Communications and Engagement (job share)

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

Jon Siddall left the Charity on 27 March 2020, being replaced by Andy Ratcliffe who started his post on 1 September 2020.

Trustee Board



Wol Kolade. Wol is the Managing Partner of private equity investor Livingbridge. Wol holds a number of non-executive positions. He is currently on the board of Somerset House, NHS Improvement and is a former Chair of the British Private Equity and Venture Capital Association. Since 2017, he has been an Emeritus Governor of LSE. He became Chair of the Charity in October 2015.



Sally Tennant OBE. Sally Tennant is the founder of Acorn Capital Advisers, an independent wealth adviser. She has many years of investment, banking and management experience. She is Chair of Style Analytics, the portfolio analytics company, a Director of Waypoint Capital, and a Director of Canaccord Genuity. From 2011 to 2014 Sally was CEO of Kleinwort Benson. She was previously Chief Executive of Lombard Odier (UK) Ltd and Chief Executive of Schroders Private Banking. Sally is a patron of Tommy's the Baby Charity and a trustee of Guy's & St Thomas's Charity. She holds a degree in Politics from the University of Durham.



Duncan Selbie. Duncan is the founding Chief Executive of Public Health England. Prior to 2013, he was Chief Executive of Brighton and Sussex University Hospitals, the regional teaching hospital for the South East of England. From 2003 to 2007 he was the Director General of Programmes and Performance for the NHS and subsequently its first Director General of Commissioning. Prior to this, he was Chief Executive of South East London Strategic Health Authority and before that Chief Executive of the South West London and St George's Mental Health NHS Trust.*



Sir Ron Kerr. Ron was appointed to the Council of King's College London in August 2019 and became Chair of NHS Providers in July 2019. Prior to this, he joined Guy's and St Thomas' NHS Foundation Trust as Chief Executive in 2007. He stepped down on 1 October 2015 after 30 years in senior NHS leadership roles, remaining with the Trust as Executive Vice Chair. His other Chief Executive roles have included the National Care Standards Commission, United Bristol Healthcare NHS Trust, and the South East London Commissioning Agency. Ron is Vice-Chair of our Trust Engagement Committee.

* Duncan stepped down as Trustee and as Chair of our Multiple long-term conditions Programme Committee in August 2020.



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



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



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



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



Katherine Ward. Katherine is Chief Commercial Officer and MD, UK and Europe for Healthy.io a digital healthcare start-up. She has worked in healthcare for 26 years: 15 years in the UK National Health Service in both provider and payer roles and 11 years with UnitedHealth Group where she was the Chief Executive of UnitedHealth UK and latterly the Chief Growth Officer for Optum International.



Dr Danny Sriskandarajah. Danny joined our Board as a Trustee on 1 April 2020. He joined Oxfam GB as Chief Executive in January 2019. Prior to this he held leadership roles at CIVICUS, the global civil society alliance, the Royal Commonwealth Society, the Commonwealth Foundation and the Institute for Public Policy Research. He is a Trustee of the Disasters Emergency Committee; has previously been a Trustee of the Baring Foundation, Comic Relief, and Praxis Community.

Company Secretary



Hazel Peck. Hazel is an English qualified solicitor. Prior to joining the Charity, Hazel trained at and spent a number of years as an associate at Hogan Lovells International LLP, a leading global corporate law firm, specialising in corporate finance and social enterprise. Following that, she held a number of in-house legal functions at the social investment organisation Big Society Capital.

Committees

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

Since 2017, when we marked the start of our new strategy, funding decisions related to our programmes are made either by the Trustee Board (if over £2 million or otherwise advised by the relevant Committee), the Executive Investment Committee (if up to £2 million) or by the Chief Executive under delegated authority (if under £100,000).

Funding decisions in respect of our work with the Trust are made by either the Trustee Board (for amounts above £2 million) or the Trust Engagement Committee (for amounts up to £2 million). They can also be made by specific delegated individuals or committees for amounts below £100,000 (Strategic Fund and Special Purpose Fund holders) or for amounts below £500,000 (The Evelina, Cancer, Charitable Funds Committees) and amounts between £100,000-£500,000 for Special Purpose Funds within their scope.

Board Committees

Investment Committee

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

The Investment Committee has two sub-committees:

Impact Investment Committee

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

Property Committee

This committee is responsible for overseeing and guiding our major property projects. It can approve certain activities up to agreed thresholds and reports to the Investment Committee, for activities above the agreed thresholds, the committee makes recommendations to the Investment Committee for approval.

Finance and Audit Committee

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

Nomination and Remuneration Committee

This committee develops policy on staff remuneration and approves overall spending on staff remuneration and benefits. The committee also approves senior executive remuneration and terms of employment of the Chief Executive. In addition, it considers succession planning and recruitment to senior management positions. It reports to the Trustee Board.

Trust Engagement Committee

This committee oversees our role as the Trust's Charity and ensures we maximise the impact of dedicated funding streams and fundraising. This includes overseeing the distribution of restricted funds held in Special Purpose Funds and unrestricted funds raised or allocated by the Board for Trust Engagement activities; and, in relation to these activities, will coordinate the Charity's relationship with Guy's and St Thomas' NHS Foundation Trust. It reports to the Trustee Board.

Strategy Advisory Group

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

Programme Committees

Programme Committee - Childhood Obesity

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

Programme Committee - Multiple long-term conditions

The multiple long-term conditions committee challenges and advises us on how to maximise impact, capture insights and effectively influence on this complex issue through our new programme of activity. Expertise is drawn from the NHS, community, commercial and social enterprise sectors, in long-term condition management, community development, public health, clinical commissioning, digital health and population health management.

Programme Committee - Health effects of air pollution

This committee provides expert advice and strategic guidance to our health effects of air pollution programme. The committee supports us in exploring key strategic questions and brings knowledge and insights from other projects and programmes, both nationally and internationally. It includes expertise in air pollution, the health conditions associated with air pollution, campaigning and behavioural science

Trust focused Committees

Evelina Children's Fund Committee

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

Cancer Funds Committee

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

The Charitable Funds Committee

This committee meets four times a year and has a fast track monthly review of small applications of £5,000 or less. It awards grants to improve patient care and experience and support staff across Guy's and St Thomas' NHS Foundation Trust. It reports to the Trust Engagement Committee.

The Samaritan Fund Committee

This committee oversees strategy and spend for the Samaritan Special Purpose Fund, which exists to support vulnerable patients of Guy's and St Thomas' NHS foundation Trust including those in financial need. It reports to the Trust Engagement Committee.

Relationship with external charities

Newcomen Collett Foundation

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

St Olave's & St Saviour's Schools Foundation

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

Auditors (Statutory)

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

Auditors (Internal)

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Bankers

NatWest
91 Westminster Bridge Road
London SE1 7HT

Insurance Brokers

Brunel Insurance Brokers
40 Lime Street
London EC3M 7AW

Investment Advisors

Partners Capital LLP
5 Young Street
London W8 5E

Property Advisers

Savills
33 Margaret St,
Marylebone,
London W1G 0JD

Property Managers

Savills
Wytham Court
11 West Way
Oxford OX2 0QL

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

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

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

Lawyers (legal counsel)

Withers LLP
20 Old Bailey
London EC4M 7EG

Lawyers (property)

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

Burgess Salmon
One Glass Wharf
Bristol BS2 0ZX



Auditor's report and Financial statements



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

Opinion

We have audited the financial statements of Guy’s and St Thomas’ Charity for the year ended 31 March 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and the parent charitable company’s affairs as at 31 March 2020 and of the group’s outgoing resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the trustees’ responsibilities statement set out on page 60, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

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

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

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

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

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

Use of our report

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company’s members those matters which we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

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



Devonshire House, 60 Goswell Road, London, EC1M 7AD
Date: 21 October 2020



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

For the year ended 31 March 2020		2020				2019			
	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Income from:									
Investments	2	2,216	141	17,405	19,762	2,028	155	17,039	19,222
Release from endowment funds	3	26,873	218	(27,091)	–	24,795	225	(25,020)	–
Donations, legacies and other	4	487	6,385	–	6,872	550	4,284	–	4,834
Total income		29,576	6,744	(9,686)	26,634	27,373	4,664	(7,981)	24,056
Expenditure on:									
Raising funds									
Investment costs	5	480	–	9,357	9,837	511	–	10,662	11,173
Fundraising cost	5	281	3,854	–	4,135	339	2,337	–	2,676
		761	3,854	9,357	13,972	850	2,337	10,662	13,849
Charitable activities									
Grants	5	18,552	2,171	–	20,723	14,731	2,930	–	17,661
Other charitable activities	5	3,815	4,745	–	8,560	1,791	2,312	–	4,103
		22,367	6,916	–	29,283	16,522	5,242	–	21,764
Total expenditure	7	23,128	10,770	9,357	43,255	17,372	7,579	10,662	35,613
Net income/(expenditure) before gains and losses on investments									
		6,448	(4,026)	(19,043)	(16,621)	10,001	(2,915)	(18,643)	(11,557)
Net gains on revaluation and disposal of investments	9	841	–	(3,015)	(2,174)	551	–	73,126	73,677
Net income/(expenditure)		7,289	(4,026)	(22,058)	(18,795)	10,552	(2,915)	54,483	62,120
Transfers between funds	19	(4,040)	4,040	–	–	(2,537)	2,537	–	–
Other recognised (losses)/gains									
(Loss)/gain on revaluation of tangible fixed assets	8	(12)	–	–	(12)	(6)	–	–	(6)
Net movement in funds		3,237	14	(22,058)	(18,807)	8,009	(378)	54,483	62,114
Reconciliation of funds									
Total funds brought forward		65,575	8,772	759,407	833,754	57,566	9,150	704,924	771,640
Total funds carried forward		68,812	8,786	737,349	814,947	65,575	8,772	759,407	833,754

There were no gains or losses apart from those recognised above. All income is derived from continuing activities.

An analysis of the movements in funds is shown in notes 15 to 17.

The notes on pages 79 to 102 form part of these financial statements

Consolidated Balance Sheet

As at 31 March 2020		2020				2019			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total at 31 March £000	Unrestricted Funds	Restricted Funds	Endowment Funds	Total at 31 March £000
	Notes	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets									
Tangible assets	8	3,799	–	–	3,799	3,808	–	–	3,808
Investments	9	25,330	–	848,477	873,807	25,183	–	862,908	888,091
		29,129	–	848,477	877,606	28,991	–	862,908	891,899
Current assets									
Debtors	10	653	313	15,017	15,983	273	441	17,869	18,610
Inter-fund loan	11	65,000	–	(65,000)	–	62,850	–	(62,850)	–
Cash and short term deposits	12	9,906	19,557	4,886	34,349	1,383	19,239	12,660	33,282
		75,559	19,870	(45,097)	50,332	64,506	19,680	(32,294)	51,892
Creditors: Amounts falling due within one year									
Grant creditors	6	21,565	6,181	–	27,746	18,492	9,153	–	27,645
Other creditors	13	5,434	3,262	6,031	14,727	2,354	930	11,207	14,491
		26,999	9,443	6,031	42,473	20,846	10,083	11,207	42,136
Net current assets									
		48,560	10,427	(51,128)	7,859	43,660	9,597	(43,501)	9,756
Total assets less current liabilities									
		77,689	10,427	797,349	885,465	72,651	9,597	819,407	901,655
Creditors: Amounts falling due after one year									
Grant creditors	6	8,877	1,402	–	10,279	7,076	680	–	7,756
Other creditors		–	239	–	239	–	145	–	145
Private placement loan	14	–	–	60,000	60,000	–	–	60,000	60,000
		8,877	1,641	60,000	70,518	7,076	825	60,000	67,901
Total net assets									
		68,812	8,786	737,349	814,947	65,575	8,772	759,407	833,754
Funds of the charity									
Income funds									
Unrestricted		50,589	–	–	50,589	43,386	–	–	43,386
Unrestricted - revaluation reserve	18	18,223	–	–	18,223	22,189	–	–	22,189
	15	68,812	–	–	68,812	65,575	–	–	65,575
		–	8,786	–	8,786	–	8,772	–	8,772
Restricted	16	68,812	8,786	–	77,598	65,575	8,772	–	74,347
Capital funds									
Endowment funds		–	–	406,395	406,395	–	–	483,057	483,057
Endowment funds - revaluation reserve	18	–	–	330,954	330,954	–	–	276,350	276,350
	17	–	–	737,349	737,349	–	–	759,407	759,407
Total funds									
		68,812	8,786	737,349	814,947	65,575	8,772	759,407	833,754

Approved by the Trustees and signed on their behalf:



Paul Brown
30 September 2020
The notes on pages 79 to 102 form part of these financial statements

Balance Sheet

As at 31 March 2020		2020				2019			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total at 31 March £000	Unrestricted Funds	Restricted Funds	Endowment Funds	Total at 31 March £000
	Notes	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets									
Tangible assets	8	3,799	–	–	3,799	3,808	–	–	3,808
Investments	9	23,298	–	847,240	870,538	23,138	–	862,293	885,431
		27,097	–	847,240	874,337	26,946	–	862,293	889,239
Current assets									
Debtors	10	680	313	16,289	17,282	270	441	18,898	19,609
Inter-fund loan	11	65,000	–	(65,000)	–	62,850	–	(62,850)	–
Cash and short term deposits	12	9,892	19,557	4,833	34,282	1,151	19,239	12,267	32,657
		75,572	19,870	(43,878)	51,564	64,271	19,680	(31,685)	52,266
Creditors: Amounts falling due within one year									
Grant creditors	6	21,565	6,181	–	27,746	18,492	9,153	–	27,645
Other creditors	13	5,434	3,262	6,010	14,706	2,354	930	11,201	14,485
		26,999	9,443	6,010	42,452	20,846	10,083	11,201	42,130
Net current assets									
		48,573	10,427	(49,888)	9,112	43,425	9,597	(42,886)	10,136
Total assets less current liabilities									
		75,670	10,427	797,352	883,449	70,371	9,597	819,407	899,375
Creditors: Amounts falling due after one year									
Grant creditors	6	8,877	1,402	–	10,279	7,076	680	–	7,756
Other creditors		–	239	–	239	–	145	–	145
Private placement loan	14	–	–	60,000	60,000	–	–	60,000	60,000
		8,877	1,641	60,000	70,518	7,076	825	60,000	67,901
Total net assets									
		66,793	8,786	737,352	812,931	63,295	8,772	759,407	831,474
Funds of the charity									
Income funds									
Unrestricted		53,360	–	–	53,360	45,896	–	–	45,896
Unrestricted - revaluation reserve	18	13,433	–	–	13,433	17,399	–	–	17,399
	15	66,793	–	–	66,793	63,295	–	–	63,295
		–	8,786	–	8,786	–	8,772	–	8,772
Restricted	16	66,793	8,786	–	75,579	63,295	8,772	–	72,067
Capital funds									
Endowment funds		–	–	407,308	407,308	–	–	483,967	483,967
Endowment funds - revaluation reserve	18	–	–	330,044	330,044	–	–	275,440	275,440
	17	–	–	737,352	737,352	–	–	759,407	759,407
Total funds									
		66,793	8,786	737,352	812,931	63,295	8,772	759,407	831,474

A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The net expenditure of the Charity only for the year ended 31 March 2020 was £18,543,000 (2019: net income of £62,247,000).

Approved by the Trustees and signed on their behalf:



Paul Brown
30 September 2020
The notes on pages 79 to 102 form part of these financial statements

Consolidated Statement of Cash Flows

For the year ended 31 March 2020	31 March 2020 £000	31 March 2019 £000
	Notes	
Cash flows from operating activities:		
Net cash used in operating activities	(30,741)	(48,586)
Cash flows from investing activities:		
Rents, dividends and interest from investments	19,762	19,222
Proceeds from sale of investments	143,342	270,492
Purchase of investments	(131,315)	(249,492)
Purchase of tangible fixed assets	(29)	(30)
Net cash provided by/(used in) investing activities	31,760	40,192
Change in cash and cash equivalents in the reporting period	1,019	(8,394)
Cash and cash equivalents at the beginning of the reporting period	12 33,282	41,646
Change in cash and cash equivalents due to exchange rate movements	48	30
Cash and cash equivalents at the end of the reporting period	12 34,349	33,282
Reconciliation of net income to net cash flow from operating activities	31 March 2020 £000	31 March 2019 £000
Net (expenditure)/income for the reporting period	(18,795)	62,120
Adjustments for:		
Depreciation charges	29	32
Gains on investments	2,174	(73,677)
Programme related investments written off	39	251
Rents, dividends and interest from investments	(19,762)	(19,222)
Donated fixed assets	(7)	(34)
Decrease/(increase) in debtors	2,627	(15,796)
Increase/(decrease) in grants payable	2,624	(4,385)
Increase in other creditors	330	2,125
Net cash used in operating activities	(30,741)	(48,586)
(Decrease)/increase in grants payable comprises:		
Grants awarded	17,742	15,559
Grants paid out	(15,068)	(19,928)
Change in fair value	(50)	(16)
	2,624	(4,385)

The notes on pages 79 to 102 form part of these financial statements

Notes to the Financial Statements

1. Accounting Policies
1.1 General
The financial statements have been prepared under the historical cost convention, with the exception of: investments and works of art which are included at market value; and grant creditors payable after more than one year which are included at their present value. The financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), the Statement of Recommended Practice for Accounting and Reporting by Charities issued in January 2015 ("Charity SORP") as amended by Update Bulletin 2 issued in October 2018, and applicable United Kingdom law and accounting standards. The Charity is a Public Benefit Entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.
1.2 Going concern
The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern, including the impact of the current COVID-19 emergency. As the outcome of the COVID-19 situation is inherently uncertain, the Charity has prepared cash flow and other forecasts based on a variety of scenarios including a worst-case scenario which is regarded as very unlikely. This analysis confirmed that, even under the worst case scenario, the Charity would have sufficient liquidity to operate for at least the next twelve months.
The Trustees have considered all the Charity's forecasts and projections, including taking into account pressures on income, and have made their assessment for a period of at least one year from the date of approval of the financial statements. After making enquiries the Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.
1.3 Fund accounting
The Charity maintains various types of funds and descriptions of these funds are provided in notes 15 to 17. Income and expenditure on these funds is shown separately within the Statement of Financial Activities and analysed into their main components also in notes 15 to 17. There are three main types of funds as follows:
<ul style="list-style-type: none">Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the Charity.Restricted funds represent funds where the grants and donations are requested by the donor to be spent on a specific purpose.Endowment funds are funds which are held as the long term capital of the Charity to provide an on-going income to expend in furtherance of the Charity's objects. The Charity has two types of endowment funds; those expendable at the Trustees' discretion (expendable endowment funds) and those which must be permanently held as capital (permanent endowment funds). A total return approach to investment has been adopted for both types of endowment fund under which the funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation. The Charity has developed a distribution rule which is designed to produce a consistent and sustainable amount to be transferred annually to the unrestricted fund whilst maintaining the value of the endowments in real terms over the long term (see note 3).
1.4 Critical accounting estimates and judgements
The Charity's management is required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, as well as assessments regarding the impact of the ongoing COVID-19 situation including inherent uncertainties of the evolving post-COVID environment. These assessments include the possible impact on the values of the Charity's investment properties. The results of the estimates and assumptions form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The judgements which have the most significant risk of causing a material adjustment to the carrying amount of assets and liabilities are (i) the valuations of investment properties for which the Charity has obtained assurance from its professional valuers that the valuations included in the accounts have not been materially impacted by COVID-19, and (ii) the discount rate applied to the calculation of the present value of grant creditors payable after more than one year for which the Charity has assessed the most appropriate discount rate to be the interest rate of the inter-fund loan from the unrestricted fund to the endowment fund, as described in note 11, as this best reflects the opportunity cost of income foregone.
1.5 Incoming resources
All incoming resources received or receivable are brought into account and allocated as appropriate to one of the three types of fund – unrestricted, restricted or endowment.
<ul style="list-style-type: none">Donations, gifts, legacies and investment income are accounted for when received or when due and receipt is probable.Dividends and interest are brought into account gross of recoverable UK and overseas taxation.
1.6 Resources expended
All expenditure is accounted for on an accruals basis. The majority of costs are attributable directly to specific activities. Shared costs are apportioned to activities based on an estimate of the proportion of staff time spent on each of these areas of work. Expenditure in the accounts is analysed into the following activities:
<ul style="list-style-type: none">Expenditure on raising funds comprise costs incurred in managing the Charity's investment portfolio and maintaining the Charity's investment properties as well as the amount charged to the Charity for fundraising servicesGrants awarded are brought into account when a constructive obligation exists for the Trustees to make the grant.Other charitable activities relate to expenditure in support of beneficiaries which is not made as part of the normal grants programme. It includes expenditure on Arts in the hospitals and day to day beneficiary expenditure incurred through Special Purpose Funds.
1.7 Pensions contributions and employee benefits
The cost of employer contributions to the NHS Pension Scheme and other schemes is charged to the Statement of Financial Activities The NHS Pension Scheme is an unfunded defined benefit scheme that covers NHS employers GP NHS Scheme are based on 14.38% of gross salaries.

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

1.8 Allocation and apportionment of costs

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

1.9 Tangible fixed assets

Capitalisation:

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

Valuation:

- Leasehold improvements and fixtures, fittings and equipment are included at cost less depreciation where applicable.
- Works of art which are included in the Charity's art collection are included at open market value where such a market exists for a particular asset. Assets for which there is no ready open market and for which the original cost is not available are included at a nominal value. The entire collection was professionally valued as at 31 March 2020.

Depreciation:

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

Impairment:

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

1.10 Fixed asset investments

- Property assets are included at market valuation. Investment properties valued annually by professional valuers (Avison Young and Savills) and the last full valuation was as at 31 December 2019. Subsequent to the year end, the Charity has obtained assurance from its valuers that these valuations have not been materially impacted by the ongoing COVID-19 situation.
- Listed investments are included in the Balance Sheet at market value as at 31 March 2020. There has not been any material reduction in market valuations resulting from COVID-19 subsequent to the balance sheet date.
- Unlisted Investments are valued with reference to the most recent valuations provided by the fund managers, all of which were as at 31 March 2020. The Charity does not believe that there is any evidence of any material reduction in these valuations resulting from COVID-19 subsequent to the balance sheet date.

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

1.11 Financial instruments

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

Basic financial instruments are recognised in the accounts as follows:

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

Other financial instruments are used as part of the Charity's portfolio management and risk management strategy. The Charity's use of other financial instruments during the year ended 31 March 2020 comprised forward dated contracts for the purchase and sale of foreign currencies ("forward FX contracts") which are both initially recognised and subsequently measured at their fair value in the balance sheet with gains and losses recognised in the statement of financial activities.

1.12 Grant creditors

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

1.13 Consolidation

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

Notes to the Financial Statements (continued)

2. Income from investments

	2020				2019			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Financial investments								
Financial investments								
Dividends, distributions and interest								
Global equity	–	–	2,021	2,021	–	–	1,744	1,744
Private equity	–	–	9	9	–	–	14	14
Absolute return	–	–	–	–	–	–	195	195
	–	–	2,030	2,030	–	–	1,953	1,953
Property investments								
Property investments								
Rents	–	–	16,482	16,482	–	–	16,004	16,004
Other income	–	–	22	22	–	–	65	65
Programme related property investments								
Rents	949	–	–	949	887	–	–	887
Other income	–	–	–	–	11	–	–	11
	949	–	16,504	17,453	898	–	16,069	16,967
Interest								
Cash and short term deposits	66	141	72	279	78	155	69	302
Inter-fund loan (see note 11)	1,201	–	(1,201)	–	1,052	–	(1,052)	–
	1,267	141	(1,129)	279	1,130	155	(983)	302
	2,216	141	17,405	19,762	2,028	155	17,039	19,222

3. Release from endowment funds

	2020				2019			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
For disbursement under the Charity's distribution rule	26,873	–	(26,873)	–	24,795	–	(24,795)	–
Permanent endowments total return allocated to income	–	218	(218)	–	–	225	(225)	–
	26,873	218	(27,091)	–	24,795	225	(25,020)	–

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

4. Income from donations, legacies and other

	2020				2019			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Donations and legacies								
Donations	413	5,911	–	6,324	441	3,797	–	4,238
Legacies	69	448	–	517	107	459	–	566
	482	6,359	–	6,841	548	4,256	–	4,804
Charitable activities	–	23	–	23	–	24	–	24
Other	5	3	–	8	2	4	–	6
	487	6,385	–	6,872	550	4,284	–	4,834

Notes to the Financial Statements (continued)

5. Total expenditure

2020						
	Grants £000	Art £000	Other charitable activities £000	Total charitable activities £000	Investments £000	Fundraising £000
						Total £000
Unrestricted funds						
Direct expenditure						
Property investments	–	–	–	–	293	–
Grants awarded	15,867	–	–	15,867	–	–
Other direct	–	107	2,936	3,043	–	281
	15,867	107	2,936	18,910	293	281
Support costs						
Salary and other payroll	1,720	86	399	2,205	118	–
Other support	1,004	44	233	1,281	68	–
Depreciation	11	7	3	21	1	–
	2,735	137	635	3,507	187	–
Change in fair value						
Grant creditors	(50)	–	–	(50)	–	–
Total unrestricted funds	18,552	244	3,571	22,367	480	281
Restricted funds						
Direct expenditure						
Grants awarded	1,876	–	–	1,876	–	–
Other direct	–	–	4,450	4,450	–	3,854
	1,876	–	4,450	6,326	–	3,854
Support costs						
Salary and other payroll	186	–	186	372	–	–
Other support	108	–	108	216	–	–
Depreciation	1	–	1	2	–	–
	295	–	295	590	–	–
Total restricted funds	2,171	–	4,745	6,916	–	3,854
Endowment funds						
Direct expenditure						
Financial investments	–	–	–	–	2,471	–
Property investments	–	–	–	–	3,456	–
	–	–	–	–	5,927	–
Support costs						
Salary and other payroll	–	–	–	–	737	–
Other support	–	–	–	–	430	–
Depreciation	–	–	–	–	5	–
	–	–	–	–	1,172	–
Interest costs						
Private placement loan	–	–	–	–	2,232	–
Other interest	–	–	–	–	26	–
Private placement loan	–	–	–	–	2,258	–
Total endowment funds	–	–	–	–	9,357	–
	20,723	244	8,316	29,283	9,837	4,135
Of which:						
Total direct expenditure	17,743	107	7,386	25,236	6,220	4,135

2019						
	Grants £000	Art £000	Other charitable activities £000	Total charitable activities £000	Investments £000	Fundraising £000
						Total £000
	–	–	–	–	304	–
	12,685	–	–	12,685	–	–
	–	97	1,214	1,311	–	339
	12,685	97	1,214	13,996	304	339
	1,447	138	198	1,783	144	–
	598	57	83	738	61	–
	17	2	2	21	2	–
	2,062	197	283	2,542	207	–
	(16)	–	–	(16)	–	–
	14,731	294	1,497	16,522	511	339
	2,874	–	–	2,874	–	–
	–	–	2,035	2,035	–	2,337
	2,874	–	2,035	4,909	–	2,337
	38	–	191	229	–	–
	18	–	84	102	–	–
	–	–	2	2	–	–
	56	–	277	333	–	–
	2,930	–	2,312	5,242	–	2,337
	–	–	–	–	2,064	–
	–	–	–	–	5,408	–
	–	–	–	–	7,472	–
	–	–	–	–	588	–
	–	–	–	–	246	–
	–	–	–	–	7	–
	–	–	–	–	841	–
	–	–	–	–	2,232	–
	–	–	–	–	117	–
	–	–	–	–	2,349	–
	–	–	–	–	10,662	–
	17,661	294	3,809	21,764	11,173	2,676
	15,559	97	3,249	18,905	7,776	2,676

Notes to the Financial Statements (continued)

5. Analysis of total expenditure (continued)

The Charity's fundraising activities are contracted to King's College London.

Total expenditure includes auditor's remuneration of £30,633 (2019: £25,773) in respect of the external audit of the statutory accounts.

Direct charitable expenditure	Total 2016 £000	Total 2017 £000	Total 2018 £000	Total 2019 £000	Total 2020 £000	Total 2016-2020 £000
By activity – five year profile						
Grants						
Unrestricted	7,698	11,402	7,982	12,685	15,866	55,634
Restricted	1,367	2,449	10,419	2,874	1,876	18,985
	9,065	13,851	18,401	15,559	17,742	74,619
Art	171	187	87	97	107	655
Other charitable activities						
Special purpose funds	2,091	1,844	2,531	2,035	4,452	12,953
Donations and other charitable support	–	436	–	–	–	436
Charity commissioned activities	155	224	639	775	2,846	4,639
Programme related investment write down	–	–	4,209	–	–	4,209
Other	209	168	153	439	89	1,058
	2,455	2,672	7,532	3,249	7,387	23,295
	11,698	16,710	26,020	18,905	25,236	98,569
By recipient – five year profile						
Guy's and St Thomas' NHS Foundation Trust	6,868	9,711	15,919	8,584	10,243	51,325
Other King's Health Partners:						
King's College London	1,707	1,422	(173)	2,364	850	6,170
South London and Maudsley NHS Foundation Trust	1,463	560	40	(12)	(4)	2,047
King's College Hospital NHS Foundation Trusts	–	(28)	–	–	–	(28)
	3,170	1,954	(133)	2,352	846	8,189
Other organisations	1,660	5,045	10,234	7,969	14,147	39,055
	1,660	5,045	10,234	7,969	14,147	39,055
	11,698	16,710	26,020	18,905	25,236	98,569

Notes to the Financial Statements (continued)

6. Grants awarded by recipient

	Awarded Total 2020 Number	Awarded Unrestricted 2020 £000	Awarded Restricted 2020 £000	Awarded Total 2020 £000	Unrestricted Creditors 31 March 2019 £000	Restricted Creditors 31 March 2019 £000	Unrestricted Payments Made 2020 £000	Restricted Payments Made 2020 £000	Unrestricted Creditors 31 March 2020 £000	Restricted Creditors 31 March 2020 £000
Guy's and St Thomas' NHS Foundation Trust	85	3,636	1,711	5,347	9,453	9,498	(3,875)	(4,100)	9,214	7,109
Other King's Health Partners:										
King's College London	6	1,150	85	1,235	7,551	235	(2,382)	(37)	6,319	283
South London and Maudsley NHS Foundation Trust	-	(4)	-	(4)	951	-	(642)	-	305	-
	6	1,146	85	1,231	8,502	235	(3,024)	(37)	6,624	283
Others:										
Clean Air Pooled Fund	1	2,000	-	2,000	-	-	-	-	2,000	-
School Food Matters	1	1,127	-	1,127	-	-	-	-	1,127	-
Pembroke House	1	484	-	484	717	-	(202)	-	999	-
Alexandra Rose Charity	-	93	-	93	1,088	-	(208)	-	973	-
Oasis	1	894	-	894	-	-	-	-	894	-
Design Council	1	765	-	765	397	-	(397)	-	765	-
Healthwatch Lambeth	1	739	-	739	-	-	-	-	739	-
TSIP	1	1,000	-	1,000	-	-	(301)	-	699	-
ShareAction	-	110	-	110	919	-	(364)	-	665	-
Evolve	-	644	-	644	411	-	(440)	-	615	-
Other	25	3,168	80	3,248	4,329	100	(2,131)	11	5,366	191
	32	11,024	80	11,104	7,861	100	(4,043)	11	14,842	191
Individuals	53	60	-	60	30	-	-	-	90	-
Fair value adjustments	176	15,866	1,876	17,742	25,846 (50)	9,833 -	(10,942)	(4,126)	30,770 (328)	7,583 -
					25,796	9,833			30,442	7,583

Notes to the Financial Statements (continued)

6. Grants awarded by recipient (continued)

Five year profile	Awarded Total 2016 £000	Awarded Total 2017 £000	Awarded Total 2018 £000	Awarded Total 2019 £000	Awarded Total 2020 £000	Awarded Total 2016-2019 £000
Guy's and St Thomas' NHS Foundation Trust	4,732	7,388	12,358	5,853	5,347	35,705
Other King's Health Partners:						
King's College London	1,702	1,422	774	3,310	1,235	8,443
South London and Maudsley NHS Foundation Trust	1,463	560	40	(12)	(4)	2,047
King's College Hospital NHS Foundation Trust	–	(28)	–	–	–	(28)
	<u>3,165</u>	<u>1,954</u>	<u>814</u>	<u>3,298</u>	<u>1,231</u>	<u>46,167</u>
Other organisations:						
Thames Reach	–	1,957	2,042	(219)	–	3,780
Clean Air Pooled Fund	–	–	–	–	2,000	2,000
Pembroke House	–	–	481	449	484	1,414
Southwark CCG	475	20	–	367	528	1,390
Alexandra Rose Charity	–	–	237	1,049	93	1,379
Healthwatch Lambeth	–	–	498	–	739	1,237
ShareAction	–	–	–	1,100	110	1,210
School Food Matters	–	–	–	–	1,127	1,127
TSIP	–	–	–	–	1,000	1,000
Oasis	–	–	–	–	894	894
Breathe Arts Health Research	–	165	201	234	265	865
Evolve	–	–	–	210	644	854
Design Council	–	–	–	–	765	765
London South Bank University	–	675	–	–	–	675
Grantham Practice	–	–	345	196	–	541
Lambeth CCG	(6)	–	60	455	–	509
Shift Design	–	–	–	403	–	403
Lambeth GP Federations	–	–	–	385	–	385
Retail Challenger Brand Mission Ventures	–	–	–	–	352	352
Redthread Youth Ltd	(1)	313	–	–	–	312
Soil Association	–	–	–	276	–	276
London Borough of Southwark	–	–	–	259	–	259
The Innovations Unit	–	247	–	–	–	247
School for Social Entrepreneurs	–	–	–	243	–	243
Florence Nightingale Museum	(3)	–	199	–	–	196
Other	654	1,092	1,082	937	2,103	5,868
	<u>1,119</u>	<u>4,469</u>	<u>5,145</u>	<u>6,344</u>	<u>11,104</u>	<u>28,181</u>
Individuals	<u>49</u>	<u>40</u>	<u>57</u>	<u>63</u>	<u>60</u>	<u>269</u>
	<u>9,065</u>	<u>13,851</u>	<u>18,401</u>	<u>15,558</u>	<u>17,742</u>	<u>74,617</u>
	Number	Number	Number	Number	Number	Number
Guy's and St Thomas' NHS Foundation Trust	<u>39</u>	<u>66</u>	<u>68</u>	<u>106</u>	<u>85</u>	<u>364</u>
King's Health Partners:						
King's College London	20	20	10	16	6	72
South London and Maudsley NHS Foundation Trust	4	2	–	–	–	6
King's College Hospital NHS Foundation Trust	–	–	–	–	–	–
	<u>24</u>	<u>22</u>	<u>10</u>	<u>16</u>	<u>6</u>	<u>78</u>
Other organisations	23	39	35	39	39	175
Individuals	<u>41</u>	<u>39</u>	<u>34</u>	<u>53</u>	<u>46</u>	<u>213</u>
	<u>127</u>	<u>166</u>	<u>147</u>	<u>214</u>	<u>176</u>	<u>830</u>

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

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

Notes to the Financial Statements (continued)

7. Staff costs

Analysis of total staff costs		2020	2019	Remuneration of senior employees	
		£000	£000	The following number of senior employees received salaries falling within the following ranges	
Salaries and wages	2,785		2,216	2020	2019
Social security costs	317		262	Number	Number
Other pension costs	330		266		
	3,432		2,744		
During the year non-contractual payments of £10,500 (2019: £11,960) were made to former employees following the termination of their employment in settlement of any claims or potential claims by those employees against the Charity.					
Number of employees	2020		2019		
	Number		Number		
Average monthly number of employees in the year	48		38		
Pension creditor	2020		2019		
	£000		£000		
Pension contributions due but not yet paid	15		14		
Key management personnel					
The total employment costs of key management personnel, who are the five members of the Charity's Executive Team, during the year were £664,000 (2019: £637,000), of which £525,000 (2019: £502,000) was salaries, £70,000 (2019: £69,000) employer's National Insurance contributions and £69,000 (2019: £66,000) pension contributions.					
8. Tangible fixed assets					
Group and Company	Art Collection	Leasehold Improvements	Fixtures, Fittings and Equipment	Total	
Cost or valuation	£000	£000	£000	£000	
Balance at 31 March 2019	3,699	192	197	4,088	
Acquisitions	32	–	–	32	
Revaluation	(12)	–	–	(12)	
Balance at 31 March 2020	3,719	192	197	4,108	
Depreciation					
Balance at 31 March 2019	–	100	180	280	
Charge for the year	–	22	7	29	
Balance at 31 March 2020	–	122	187	309	
Net book value at 31 March 2020	3,719	70	10	3,799	
Net book value at 31 March 2019	3,699	92	17	3,808	
Original cost at 31 March 2020	4,786	192	197	5,175	
Original cost at 31 March 2019	4,766	192	197	5,155	

The Charity's accounting policy is to capitalise only those assets with a cost of £5,000 or above. As the majority of IT and other office equipment items purchased have a cost of less than this threshold, they are charged in full to the SoFA in the year of acquisition. During the year, the total cost of IT and other office equipment purchased was £54,000 (2019: £47,000).

Notes to the Financial Statements (continued)

9. Fixed asset investments

Group	2020			2019		
	Investments	Programme related investments	Total	Investments	Programme related investments	Total
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Financial investments	8	5,314	5,322	10	5,138	5,148
Property investments	–	20,008	20,008	–	20,035	20,035
	8	25,322	25,330	10	25,173	25,183
Endowment funds						
Financial investments	467,136	–	467,136	483,378	–	483,378
Property investments	381,341	–	381,341	379,530	–	379,530
	848,477	–	848,477	862,908	–	862,908
Total funds						
Financial investments	467,144	5,314	472,458	483,388	5,138	488,526
Property investments	381,341	20,008	401,349	379,530	20,035	399,565
	848,485	25,322	873,807	862,918	25,173	888,091
Company						
Unrestricted funds						
Financial investments	8	3,282	3,290	10	3,093	3,103
Property investments	–	20,008	20,008	–	20,035	20,035
	8	23,290	23,298	10	23,128	23,138
Endowment funds						
Financial investments	467,136	–	467,136	483,378	–	483,378
Property investments	380,104	–	380,104	378,915	–	378,915
	847,240	–	847,240	862,293	–	862,293
Total funds						
Financial investments	467,144	3,282	470,426	483,388	3,093	486,481
Property investments	380,104	20,008	400,112	378,915	20,035	398,950
	847,248	23,290	870,538	862,303	23,128	885,431

Notes to the Financial Statements (continued)

9.1 Investments

Group	Market Value	Disposals	Acquisitions	Net	Market Value
	31 March	at Carrying	at Cost	Gains on	31 March
	2019	Value	£000	Revaluation	2020
	£000	£000		£000	£000
Unrestricted funds					
Financial investments					
Global equity	10	–	–	(2)	8
Endowment funds					
Financial investments					
Global equity	221,946	(66,002)	52,358	(7,391)	200,911
Hedged equity	88,538	(7,636)	7,681	(1,165)	87,418
Private equity	81,288	(16,481)	25,099	8,269	98,175
Absolute return	37,139	(16,798)	3,100	(1,433)	22,008
Credit	47,250	(35,301)	36,973	1,199	50,121
Core property	1,995	(21)	2,500	(9)	4,465
Multi-asset class	5,068	(184)	–	(267)	4,617
Forward FX contracts	154	–	–	(733)	(579)
	483,378	(142,423)	127,711	(1,530)	467,136
Property investments	379,530	(2,147)	3,044	914	381,341
	862,908	(144,570)	130,755	(616)	848,477
	862,918	(144,570)	130,755	(618)	848,485
Company					
Unrestricted funds					
Financial investments					
Global equity	10	–	–	(2)	8
Endowment funds					
Financial investments					
Global equity	221,946	(66,002)	52,358	(7,391)	200,911
Hedged equity	88,538	(7,636)	7,681	(1,165)	87,418
Private equity	81,288	(16,481)	25,099	8,269	98,175
Absolute return	37,139	(16,798)	3,100	(1,433)	22,008
Credit	47,250	(35,301)	36,973	1,199	50,121
Core property	1,995	(21)	2,500	(9)	4,465
Multi-asset class	5,068	(184)	–	(267)	4,617
Forward FX contracts	154	–	–	(733)	(579)
	483,378	(142,423)	127,711	(1,530)	467,136
Property investments	378,915	(2,147)	2,698	638	380,104
	862,293	(144,570)	130,409	(892)	847,240
	862,303	(144,570)	130,409	(894)	847,248

Notes to the Financial Statements (continued)

9.1 Investments (continued)

Analysis of market value and historic cost	Listed	Listed	Unlisted	Unlisted	2020	2019
	UK	Overseas	UK	Overseas	Total	Total
	£000	£000	£000	£000	£000	£000
Group						
Global equity	8	200,911	–	–	200,919	221,956
Hedged equity	–	40,138	–	47,280	87,418	88,538
Private equity	–	–	3,296	94,879	98,175	81,288
Absolute return	–	2,760	–	19,248	22,008	37,139
Credit	–	10,665	15,350	24,106	50,121	47,250
Core property	–	–	4,465	–	4,465	1,995
Multi-asset class	–	–	–	4,617	4,617	5,068
Forward FX contracts	–	–	–	(579)	(579)	154
Property	–	–	381,341	–	381,341	379,530
Market value at 31 March 2020	8	254,474	404,452	189,551	848,485	
Market value at 31 March 2019	10	292,609	397,068	173,231		862,918
Historic cost at 31 March 2020	–	194,225	213,803	146,611	554,639	
Historic cost at 31 March 2019	–	206,329	204,460	213,459		624,248
Company						
Global equity	8	200,911	–	–	200,919	221,956
Hedged equity	–	40,138	–	47,280	87,418	88,538
Private equity	–	–	3,296	94,879	98,175	81,288
Absolute return	–	2,760	–	19,248	22,008	37,139
Credit	–	10,665	15,350	24,106	50,121	47,250
Core property	–	–	4,465	–	4,465	1,995
Multi-asset class	–	–	–	4,617	4,617	5,068
Forward FX contracts	–	–	–	(579)	(579)	154
Property	–	–	380,104	–	380,104	378,915
Market value at 31 March 2020	8	254,474	403,215	189,551	847,248	
Market value at 31 March 2019	10	292,609	396,453	173,231		862,303
Historic cost at 31 March 2020	–	194,225	213,799	146,611	554,635	
Historic cost at 31 March 2019	–	206,329	204,456	213,459		624,244

Notes to the Financial Statements (continued)

9.2. Programme related investments

	Market	Disposals	Acquisitions	Written	Net Gains on	Market
	Value	at Carrying	at Cost	Down	Revaluation	Value
	31 March	Value	at Cost	Down	Revaluation	31 March
	2019	Value	at Cost	Down	Revaluation	2020
	£000	£000	£000	£000	£000	£000
Group						
Unrestricted funds						
Property	20,035	(625)	–	–	598	20,008
Health innovations investments	5,138	(606)	560	–	222	5,314
	25,273	(1,231)	560	–	820	25,322
Historic cost at 31 March 2020						6,103
Historic cost at 31 March 2019						6,140
Company						
Unrestricted funds						
Property	20,035	(625)	-	–	598	20,008
Health innovations investments	3,315	(606)	560	–	13	3,282
	23,993	(1,231)	560	–	611	23,290
Historic cost at 31 March 2020						6,463
Historic cost at 31 March 2019						6,471

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

Notes to the Financial Statements (continued)

9.3 Net gains on revaluation and disposal of investments

Group	2020			2019		
	Programme related		Total	Programme related		Total
	Investments	investments		Investments	investments	
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Unrealised gains/(losses)						
Financial investments	(2)	222	220	–	(119)	(119)
Property investments	–	598	598	–	448	448
	(2)	820	818	–	329	329
Realised gains						
Financial investments	–	–	-	–	–	–
Property investments	–	(49)	(49)	–	–	–
	–	(49)	(49)	–	–	–
Other gains/(losses)	72	–	72	–	–	–
Total gains/(losses)						
Financial investments	(2)	222	220	–	(119)	(119)
Property investments	–	549	549	–	488	448
Other	72	–	72	–	–	–
	70	771	841	–	329	329
Endowment funds						
Unrealised gains/(losses)						
Financial investments	(1,496)	–	(1,496)	36,786	-	36,786
Property investments	914	–	914	31,910	-	31,910
	(582)	–	(582)	68,696	-	68,696
Realised gains/(losses)						
Financial investments	(2,679)	–	(2,679)	3,816	–	3,816
Property investments	270	–	270	584	–	584
	(2,409)	–	(2,409)	4,400	–	4,400
Other gains/(losses)	(24)	–	(24)	30	–	30
Total gains/(losses)						
Financial investments	(4,175)	–	(4,175)	40,602	–	40,602
Property investments	1,184	–	1,184	32,494	–	32,494
Other	(24)	–	(24)	30	–	30
	(3,015)	–	(3,015)	73,126	–	73,126
Total funds						
Total gains/(losses)						
Financial investments	(4,177)	222	(3,955)	40,602	(119)	40,483
Property investments	1,184	549	1,733	32,494	448	32,942
Other	48	–	48	30	–	30
	(2,945)	771	(2,174)	73,126	329	73,455

Notes to the Financial Statements (continued)

9.4. Subsidiary undertakings

The Charity owns 100% of the following subsidiary undertakings.

- GSTC Property Investments Limited (registered in England and Wales number 7369879). The principal activity of this company is investment in land and buildings with long-term development potential. The company made a profit of £4,926,627 for the year ended 31 March 2020 and its net assets at that date amounted to £18,095,866. Its accounts have been consolidated into the Group accounts. The Charity’s investment in this subsidiary undertaking has been valued at the net asset value and is included in direct property investments in the Charity’s accounts.
- GSTC Health Innovations Limited (registered in England and Wales number 6852696). The principal activities of this company are investment in healthcare technology innovations arising out of King’s Health Partners (and the wider entrepreneurial community in Lambeth and Southwark) and commercialisation of these innovations. The company made a loss of £69,490 for the year ended 31 March 2020 and its net assets at that date amounted to £3,514,491. Its accounts have been consolidated into the Group accounts. The Charity’s investment in this subsidiary undertaking has been valued at the original cost of the share capital purchased of £1,497,434.
- GSTC Health Investments Limited (registered in England and Wales number 6861110). This company is dormant and did not make a profit or loss for the year ended 31 March 2020. Its net assets at that date were £1. The Charity’s investment in this subsidiary undertaking has valued at it original cost of £1.

Summary accounts for the active subsidiaries are shown below:

GSTC Property Investments Ltd			
Summary Income and Expenditure account for the year ended 31 March 2020		Summary Balance Sheet as at 31 March 2020	
	£		£
Gross income	13,689	Tangible fixed assets	19,335,001
Expenditure	<u>(74,423)</u>	Net current assets	<u>39,395</u>
Net income	(60,734)	Total assets less net current liabilities	19,374,396
Investment gains	<u>4,987,361</u>	Creditors due after one year	<u>(1,278,530)</u>
Net profit	<u>4,926,627</u>	Net assets and shareholder's funds	<u>18,095,866</u>
GSTC Health Innovations Ltd			
Summary Income and Expenditure account for the year ended 31 March 2020		Summary Balance Sheet as at 31 March 2020	
	£		£
Gross income	1,038	Tangible fixed assets	3,529,447
Expenditure	<u>(90,432)</u>	Net current liabilities	<u>(14,956)</u>
Net income	(89,394)	Total assets less net current liabilities	<u>3,514,491</u>
Investment gains	<u>19,904</u>	Net assets and shareholder's funds	<u>3,514,491</u>
Net profit	<u>(69,490)</u>		

Notes to the Financial Statements (continued)

10. Debtors

	2020				2019			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group								
Debtors falling due within one year	503	313	15,017	15,833	273	441	17,896	18,610
Debtors falling due after one year	150	–	–	150	–	–	–	–
	653	313	15,017	15,983	273	441	17,896	18,610
Company								
Debtors falling due within one year	530	313	15,010	15,853	270	441	17,889	18,600
Debtors falling due after one year	150	–	1,279	1,429	–	–	1,009	1,009
	680	313	16,289	17,282	270	441	18,898	19,609

10.1 Debtors falling due within one year

	2020				2019			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group								
Prepayments	276	–	–	276	159	–	–	159
Accrued income	9	169	611	789	6	277	340	623
Due from sale of investments	–	–	11,516	11,516	–	–	16,724	16,724
Other debtors	218	144	2,890	3,252	108	164	832	1,104
	503	313	15,017	15,833	273	441	17,896	18,610
Company								
Prepayments	276	–	263	539	159	–	43	202
Accrued income	7	169	360	536	3	277	308	588
Amount due from subsidiary undertakings	30	–	–	30	–	–	–	–
Due from sale of investments	–	–	11,516	11,516	–	–	16,384	16,384
Other debtors	217	144	2,871	3,232	108	164	1,154	1,426
	530	313	15,010	15,853	270	441	17,889	18,600

10.2 Debtors falling due after one year

	2020				2019			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group								
Charitable loans	150	–	–	150	–	–	–	–
	150	–	–	150	–	–	–	–
Company								
Loan to subsidiary undertaking	–	–	1,279	1,279	–	–	1,009	1,009
Charitable loans	150	–	–	150	–	–	–	–
	150	–	1,279	1,429	–	–	1,009	1,009

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

An additional loan facility of £30,000,000 was arranged during the year. Amounts drawn down under this facility will be secured by a fixed and floating charge over the assets of the company, bear interest at a rate of 2.75% per annum, and be repayable no later than 31 December 2024 or earlier at the option of the Company. There was no draw down of this facility during the year.

Notes to the Financial Statements (continued)

11. Inter-fund loan

Within the unrestricted fund, the Charity’s policy is to closely match the total of grant liabilities and the balance on the distribution account with cash or cash equivalents. In order to enable the unrestricted fund to obtain a better return on this cash than would be available in the money market without incurring additional market risk, on 9 April 2013 the unrestricted fund lent £50,000,000 to the endowment fund for an initial term of 5 years, and with effect from 9 April 2018 the facility was renewed for a further 5 years with an upper loan limit of £65,000,000. Repayments of any amount can be requested by the unrestricted fund or the endowment fund at any time. The unrestricted fund receives interest on this loan at a rate of 12 month sterling LIBOR + 0.8% fixed annually on the anniversary of the commencement of the loan which is paid by transfers from the endowment fund to the unrestricted fund. At 31 March 2019 the balance outstanding was £62,850,000 and during the year the balance fluctuated between this amount and the balance outstanding at 31 March 2020 of £65,000,000, in accordance with the cash requirements of the unrestricted fund.

12. Cash and short term deposits

	2020				2019			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group								
Short term deposits								
within one month	3,014	14,500	502	18,016	1,000	4,000	9,695	14,695
between one to three months	–	2,500	–	2,500	–	2,480	–	2,480
between three months and one year	–	–	–	–	–	11,250	–	11,250
	3,014	17,000	502	20,516	1,000	17,730	9,695	28,425
Cash at bank and in hand	6,891	2,557	4,384	13,833	383	1,509	2,965	4,857
	9,906	19,557	4,886	34,349	1,383	19,239	12,660	33,282
Company								
Short term deposits								
within one month	3,014	14,500	502	18,016	1,000	4,000	9,695	14,695
between one to three months	–	2,500	–	2,500	–	2,480	–	2,480
between three months and one year	–	–	–	–	–	11,250	–	11,250
	3,014	17,000	502	20,516	1,000	17,730	9,695	28,425
Cash at bank and in hand	6,877	2,557	4,331	13,766	151	1,509	2,572	4,232
	9,892	19,557	4,833	34,282	1,151	19,239	12,267	32,657

13. Other creditors falling due within one year

	2020				2019			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000	Funds £000
Group								
Purchase creditors	4,308	–	–	4,308	1,552	–	–	1,552
Accruals	168	–	3,810	3,978	305	–	2,184	2,489
Deferred investment property income	152	–	2,221	2,373	188	–	2,271	2,459
Tax and social security	44	–	–	44	93	–	–	93
Pension creditors	15	–	–	15	14	–	–	14
Other creditors	747	3,262	–	4,009	202	930	6,752	7,884
	5,434	3,262	6,031	14,727	2,354	930	11,207	14,491
Company								
Purchase creditors	4,308	–	–	4,308	1,552	–	–	1,552
Accruals	168	–	3,796	3,964	305	–	2,184	2,489
Deferred investment property income	152	–	2,214	2,366	188	–	2,265	2,453
Tax and social security	44	–	–	44	93	–	–	93
Pension creditors	15	–	–	15	14	–	–	14
Other creditors	747	3,262	–	4,009	202	930	6,752	7,884
	5,434	3,262	6,010	14,706	2,354	930	11,201	14,485

Deferred investment property income represents rent received in advance of the period to which it relates and generally arises where, under the terms of a property lease, rent is due to be paid in advance at the commencement of a quarterly or half-yearly rental period. For the years ended 31 March 2019 and 2020, no income was deferred for more than six months and all amounts included in deferred income at the end of each year were released to the statement of financial activities during the subsequent year.

Notes to the Financial Statements (continued)

14. Private placement loan

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

15. Unrestricted funds

	Balance				Gains and	Balance
	1 April 2019	Income	Expenditure	Transfers	Losses	31 March
	£000	£000	£000	£000	£000	2020
						£000
Group						
Programme-related investment funds						
Charitable property fund	20,035	–	–	–	(27)	20,008
Health innovations investments fund	5,138	–	–	–	184	5,322
	25,173	–	–	–	157	25,330
Art collection fund	3,699	–	–	32	(12)	3,719
Distribution account	36,703	29,576	(23,128)	(4,072)	683	39,763
	65,575	29,576	(23,128)	(4,040)	828	68,812
Company						
Programme-related investment funds						
Charitable property fund	20,035	–	–	–	(27)	20,008
Health innovations investments fund	3,093	–	–	(108)	82	3,067
	23,128	–	–	(108)	55	23,075
Art collection fund	3,699	–	–	32	(12)	3,719
Distribution account	36,468	29,766	(23,038)	(3,964)	766	39,999
	63,295	29,766	(23,038)	(4,040)	809	66,793
	Balance				Gains and	Balance
	1 April 2018	Income	Expenditure	Transfers	Losses	31 March
	£000	£000	£000	£000	£000	2019
						£000
Group						
Programme-related investment funds						
Charitable property fund	19,588	–	–	–	477	20,035
Health innovations investments fund	5,485	–	–	(451)	104	5,138
	25,073	–	–	(451)	551	25,173
Art collection fund	3,650	–	–	55	(6)	3,699
Distribution account	28,843	27,373	(17,372)	(2,141)	–	36,703
	57,566	27,373	(17,372)	(2,537)	545	65,575
Company						
Programme-related investment funds						
Charitable property fund	19,588	–	–	–	447	20,035
Health innovations investments fund	3,119	–	–	(108)	82	3,093
	22,707	–	–	(108)	529	23,128
Art collection fund	3,650	–	–	55	(6)	3,699
Distribution account	28,802	27,371	(17,222)	(2,483)	–	36,468
	55,159	27,371	(17,222)	(2,536)	523	63,295

The distribution account represents the free reserves of the Charity.

Notes to the Financial Statements (continued)

16. Restricted funds

	Balance				Balance
	1 April 2019	Income	Expenditure	Transfers	31 March 2020
	£000	£000	£000	£000	£000
Group and Company					
Evelina Children's Hospital funds					
The Evelina Children's Hospital Appeal	566	1,661	(1,135)	–	1,092
Other Evelina funds	1,610	2,049	(2,455)	(32)	1,172
	2,176	3,710	(3,590)	(32)	2,264
Guy's Hospital Cancer funds					
Integrated Cancer Centre Fund	326	393	(178)	–	541
Other cancer funds	1,712	863	(1,100)	–	1,475
	2,038	1,256	(1,278)	–	2,016
Other Restricted funds					
St Thomas' Lupus Trust Fund	189	800	(195)	–	794
LFRUPA	298	78	(45)	–	331
Next Generation Nightingale Fund	312	–	(26)	–	286
Masterstroke - Polycythaemia	304	90	(108)	–	286
Samaritan Fund	286	138	(146)	–	278
St John's Hospital	160	150	(51)	–	259
Academic Cardiology Fund	216	–	(4)	–	212
Department of Nuclear Medicine Fund	176	20	(1)	–	195
Guy's Hospital Nurses League	172	–	(48)	–	124
Wegener's Trust Fund	141	30	(48)	–	123
Critical Care Fund	128	62	(44)	(25)	121
Jeannie Long Trust	117	1	–	–	118
Directorate of Infectious Disease	148	51	(95)	–	104
Other funds	1,911	358	(785)	(209)	1,275
	4,558	1,778	(1,596)	(234)	4,506
Unapportioned costs	–	–	(4,306)	4,306	–
	8,772	6,744	(10,770)	4,040	8,786
	Balance				Balance
	1 April 2018	Income	Expenditure	Transfers	31 March 2019
	£000	£000	£000	£000	£000
Group and Company					
Evelina Children's Hospital funds					
The Evelina Children's Hospital Appeal	617	1,138	(1,189)	–	566
Other Evelina funds	1,667	839	(896)	–	1,610
	2,284	1,977	(2,085)	–	2,176
Guy's Hospital Cancer funds					
Integrated Cancer Centre Fund	577	421	(671)	–	326
Other cancer funds	1,824	700	(813)	–	1,712
	2,401	1,121	(1,484)	–	2,038
Other Restricted funds					
St Thomas' Lupus Trust Fund	1	197	(9)	–	189
LFRUPA	295	23	(20)	–	298
Next Generation Nightingale Fund	86	250	(24)	–	312
Masterstroke - Polycythaemia	323	147	(166)	–	304
Samaritan Fund	174	134	(22)	–	286
St John's Hospital	171	1	(12)	–	160
Academic Cardiology Fund	151	68	(3)	–	216
Department of Nuclear Medicine Fund	157	24	(5)	–	176
Guy's Hospital Nurses League	172	–	–	–	172
Wegener's Trust Fund	160	4	(23)	–	141
Critical Care Fund	104	78	(54)	–	128
Jeannie Long Trust	117	–	–	–	117
Directorate of Infectious Disease	104	50	(6)	–	148
Other funds	2,450	590	(1,129)	–	1,911
	4,465	1,566	(1,473)	–	4,558
Unapportioned costs	–	–	(2,537)	2,537	–
	9,150	4,664	(7,579)	2,537	8,772

Notes to the Financial Statements (continued)

16. Restricted funds (continued)

A full list of all financial transactions on restricted funds is available from the Charity. There were no other gains or losses.

Details of material funds at 31 March 2020:

Name of fund	Description of the nature and purpose of each fund
The Evelina Children's Hospital Appeal	For the benefit of the health and well being of children and families accessing children's services at the Guy's and St Thomas' NHS Foundation Trust.
Integrated Cancer Centre Fund	To support the new Integrated cancer centre.
St Thomas' Lupus Trust Fund	To support lupus research and patient care.
LFRUPA	To benefit the Lane-Fox Respiratory Unit.
Next Generation Nightingale Fund	To support the Next Generation Nightingale Project.
Masterstroke - Polycythaemia	To support polycythaemia research.
Samaritan Fund	To benefit patients in need of financial and other assistance.
St John's Hospital	To benefit the St. John's Institute of Dermatology.
Academic Cardiology Fund	To support education and research related to cardiology.
Department of Nuclear Medicine Fund	To support research and departmental activities of the Department of Nuclear Medicine.
Guy's Hospital Nurses League	Training and relief of nurses, midwives or nursing assistants or former nurses.
Wegener's Trust Fund	To improve patient education and fund research in the field of Wegener's vasculitis.
Critical Care Fund	To benefit the Intensive Therapy Unit.
Jeannie Long Trust	To fund a bed or beds for the elderly at St Thomas' Hospital.
Directorate of Infectious Disease	To benefit Directorate of Infection.

Notes to the Financial Statements (continued)

17. Endowment funds

	Balance 1 April 2019 £000	Income £000	Expenditure £000	Transfers £000	Gains and Losses £000	Balance 31 March 2020 £000
Group						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,592	(65)	(6)	–	(80)	1,441
The Leak Trust	1,241	(50)	(4)	–	(62)	1,125
The Guy's and St Thomas' Patients Amenities Fund	1,153	(47)	(4)	–	(58)	1,044
S J Lam Legacy Fund	723	(33)	(2)	–	(23)	665
Dr Reginald Curle Trust	463	(23)	(3)	–	(36)	401
	5,172	(218)	(19)	–	(259)	4,676
Expendable endowment						
General fund	754,235	(9,468)	(9,338)	–	(2,756)	732,673
	759,407	(9,686)	(9,357)	–	(3,015)	737,349
Company						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,592	(65)	(6)	–	(80)	1,441
The Leak Trust	1,241	(50)	(4)	–	(62)	1,125
The Guy's and St Thomas' Patients Amenities Fund	1,153	(47)	(4)	–	(58)	1,044
S J Lam Legacy Fund	723	(33)	(2)	–	(23)	665
Dr Reginald Curle Trust	463	(23)	(3)	–	(36)	401
	5,172	(218)	(19)	–	(259)	4,676
Expendable endowment						
General fund	754,235	(9,218)	(9,308)	–	(3,033)	732,676
	759,407	(9,436)	(9,327)	–	(3,292)	737,352
	Balance 1 April 2018 £000	Income £000	Expenditure £000	Transfers £000	Gains and Losses £000	Balance 31 March 2019 £000
Group						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,651	(66)	(2)	–	9	1,592
The Leak Trust	1,288	(52)	(2)	–	7	1,241
The Guy's and St Thomas' Patients Amenities Fund	1,196	(48)	(2)	–	7	1,153
S J Lam Legacy Fund	750	(29)	(1)	–	3	723
Dr Reginald Curle Trust	490	(30)	(1)	–	4	463
	5,375	(225)	(8)	–	30	5,172
Expendable endowment						
General fund	699,549	(7,756)	(10,654)	–	73,096	754,235
	704,924	(7,981)	(10,662)	–	73,126	759,407
Company						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,592	(66)	(2)	–	9	1,592
The Leak Trust	1,241	(52)	(2)	–	7	1,241
The Guy's and St Thomas' Patients Amenities Fund	1,153	(48)	(2)	–	7	1,153
S J Lam Legacy Fund	723	(29)	(1)	–	3	723
Dr Reginald Curle Trust	463	(30)	(1)	–	4	463
	5,172	(225)	(8)	–	30	5,172
Expendable endowment						
General fund	699,549	(7,765)	(10,649)	–	73,100	754,235
	704,721	(7,990)	(10,657)	–	73,130	759,407

Notes to the Financial Statements (continued)

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

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

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

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

17. Endowment funds (continued)

Permanent endowments - statement of total return			
Group and Company	Trust for investment £000	Unapplied total return £000	Total endowments £000
At 1 April 2019			
Gift components of the permanent endowments	2,329	–	2,329
Unapplied total return	–	2,843	2,843
	2,329	2,843	5,172
Movements during the period			
Investment return			
Realised and unrealised losses	–	(259)	(259)
	–	(259)	(259)
Allocated to income during the period	–	(237)	(237)
Net movements during the period	–	(496)	(496)
At 31 March 2020			
Gift components of the permanent endowments	2,329	–	2,329
Unapplied total return	–	2,347	2,347
Balance at 31 March 2020	2,329	2,347	4,676

Details of material funds at 31 March 2020:

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

Notes to the Financial Statements (continued)

18. Revaluation reserves

	2020				2019			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Balance at 31 March 2019								
Financial investments	6,485	–	48,901	55,386	6,850	–	117,412	124,262
Property investments	16,773	–	227,449	244,222	16,325	–	195,217	211,542
Art collection	(1,069)	–	–	(1,069)	(1,063)	–	–	(1,063)
	22,189	–	276,350	298,539	22,112	–	312,629	334,741
Revaluation gain/(loss) for the year								
Financial investments (see note 9)	220	–	(1,496)	(1,276)	(119)	–	36,786	36,667
Property investments (see note 9)	598	–	914	1,512	448	–	31,910	32,358
Art collection (see note 8)	(12)	–	–	(12)	(6)	–	–	(6)
	806	–	(582)	224	323	–	68,696	69,019
Disposals during the year								
Financial investments	(4,147)	–	58,757	54,610	(246)	–	(105,297)	(105,543)
Property investments	(625)	–	(3,571)	(4,196)	–	–	322	322
	(4,772)	–	55,186	50,414	(246)	–	(104,975)	(105,221)
Balance at 31 March 2020								
Financial investments								
Property investments	2,558	–	106,162	108,720	6,485	–	48,901	55,386
Art collection	16,746	–	224,762	241,538	16,773	–	227,449	244,222
	(1,081)	–	–	(1,081)	(1,069)	–	–	(1,069)
	18,223	–	330,954	349,177	22,189	–	276,350	298,539
Company								
Balance at 31 March 2019								
Financial investments	1,696	–	48,902	50,598	2,061	–	117,413	119,474
Property investments	16,772	–	226,538	243,310	16,324	–	194,306	210,630
Art collection	(1,069)	–	–	(1,069)	(1,063)	–	–	(1,063)
	17,399	–	275,440	292,839	17,322	–	311,719	329,041
Revaluation gain/(loss) for the year								
Financial investments (see note 9)	220	–	(1,496)	(1,276)	(119)	–	36,786	36,667
Property investments (see note 9)	598	–	914	1,512	448	–	31,910	32,358
Art collection (see note 8)	(12)	–	–	(12)	(6)	–	–	(6)
	806	–	(582)	224	323	–	68,696	69,019
Disposals during the year								
Financial investments	(4,147)	–	58,757	54,610	(246)	–	(105,297)	(105,543)
Property investments	(625)	–	(3,571)	(4,196)	–	–	322	322
	(4,772)	–	55,186	50,414	(246)	–	(104,975)	(105,221)
Balance at 31 March 2020								
Financial investments	(2,231)	–	106,163	103,932	1,696	–	48,902	50,598
Property investments	16,745	–	223,881	240,626	16,772	–	226,538	243,310
Art collection	(1,081)	–	–	(1,081)	(1,069)	–	–	(1,069)
	13,433	–	330,044	343,477	17,399	–	275,440	292,839

Notes to the Financial Statements (continued)

19. Gross transfers between funds

	2020				2019			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group and Company								
Restricted funds net support costs	(4,306)	4,306	–	–	(2,537)	2,537	–	–
Other transfers	266	(266)	–	–	–	–	–	–
	(4,040)	4,040	–	–	(2,537)	2,537	–	–

The transfer from unrestricted to restricted funds of £4,306,000 (2019: £2,537,000) represents the balance of the support costs incurred by the Charity in administering the restricted funds after taking account of the interest income earned on restricted fund cash balances.

Other transfers from restricted to unrestricted funds of £266,000 (2019: £nil) represent the transfer of restricted donations for which no appropriate special purpose fund currently exists to support unrestricted grants which have objects that are most closely aligned to the original restriction.

20. Trustee and connected person transactions

	2020 £	2019 £		2020 £000	2019 £000
Trustee expenses reimbursed			Trustees' indemnity insurance		
Travel and subsistence	2,064	2,271	Trustee's and officers liability	24	26
			Transactions with Trustees or connected persons		
	2020 Number	2019 Number			
Number of Trustees receiving reimbursement	2	2	During the year ended 31 March 2020 none of the Trustees, key members of the Charity's management or parties related to them has undertaken any material transactions with Guy's and St Thomas' Charity.		

Trustees' remuneration

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

	2020 Number	2019 Number
Number of Trustees		
Total number of Trustees	10	10

20.1. Other related parties

The Charity owns 100% of the share capital of the following subsidiary companies which which it had the following transactions:

GSTC Property Investments Ltd

- The Charity was owed £1,279,000 at 31 March 2020 (2019: £1,009,000), repayable as detailed in note 10.2.
- The Charity earned interest of £46,000 for the year end 31 March 2020 (2019: £45,000).
- The Charity received a donation of £216,000 during the year ended 31 March 2020 (2019: nil).

GSTC Health Innovations Ltd

- The Charity was owed £30,000 at 31 March 2020 (2019: nil), repayable on demand.
- The Charity received a donation of £194,000 during the year ended 31 March 2020 (2019: nil).

21. Commitments

There was no capital expenditure contracted or provided for at 31 March 2020 (2019 £nil). The Group has no commitments for future lease payments (2019 £nil).

Registered office

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Francis House
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London SE1 1NA

Registered charity number

1160316

Company limited by guarantee

registered in England and Wales
9341980

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