

# Annual report and accounts

2021/22



**Guy's &  
St Thomas'  
Foundation**

Investing in a healthier society

## Our mission

Guy's and St Thomas' Foundation exists to build the foundations of a society that helps everyone stay healthier for longer.

For over 500 years, we've been a constant in London's ever-changing landscape, at the leading edge of health. We are rooted in the heart of a vibrant, diverse global city, where health inequity is stark.

To drive more equitable health, we back people and ideas – investing in fresh thinking and bold action. Our work is supported by our endowment – one of the largest foundations in the UK – which allows us to take a long-term view while addressing the urgent health issues of today.

Through our family of forward-looking organisations, we collaborate with our communities, partners and hospitals, and use our assets to transform lives. We invest, partner, engage and influence, to tackle big health challenges from all angles. This year we continued to meet the pressing health issues that have been brought into sharp focus by the pandemic. We continued to expand our reach and ambition to support communities in Lambeth and Southwark to achieve our mission.

We are driven by a desire to increase our impact by sharing and connecting with others working on better health – because a healthier society is our collective endeavour.

# Contents

## **04 Message from our Chair**

## **06 Message from our Chief Executive**

## **08 Trustees' report**

09..... Strategic report

11..... Our future plans

12..... Financial review

17..... Our endowment

23..... Impact on Urban Health

28..... Our three charities: Evelina London Children's Charity, Guy's Cancer Charity and Guy's & St Thomas' Charity

30..... Diversity, equity and inclusion

31..... Principal risks and their management

32..... Strategic risks

35..... Operational risks

35..... Structure, governance and management

39..... Our commitment to the environment

40..... Trustees' responsibilities

42..... Organisation

45..... Committees

48..... Advisors

48..... Others

## **49 Auditor's report and financial statements**

## **88 Appendix**

## Message from our Chair

As a nation we are still adapting to and dealing with the deep and rippling effects of the Covid-19 pandemic on our lives. I am buoyed, however, by our collective resilience and capacity to recover and re-build. This report outlines the work across Guy's and St Thomas' Foundation in 2021/22 as we have focused on building the foundations of a healthier society.

In my first year as Chair, it's been an absolute privilege to witness the impact Guy's and St Thomas' Foundation is making in the world, through the collective endeavour of our family of organisations and the successful completion of the first five years (2017 to 2022) of our 30-year strategy.

It is all part of our mission to build the foundation of a society that helps everyone stay healthier, be happier and live longer. We invest, partner, engage and influence to drive our mission. This helps us come at big health challenges from all angles. We have achieved an enormous amount in the past year. Our direct charitable expenditure reached £37.6m in 2021/22 – an increase of £8.6m (30%) from last year – including £22.9m for our Impact on Urban Health programmes where we strive to unlock the potential for cities to become healthier. We also reached £13.1m in our total charitable spend that supports care and staff wellbeing at Guy's and St Thomas' NHS Foundation Trust.

We turbocharged our impact investment strategy – increasing our allocation to £100m, with a mandate set by our Trustees for attractive financial returns combined with health and societal impact. Amounting to 10% of the value of our £1bn endowment today, this is the largest known impact investment allocation ever made by a UK charitable endowment. Our aim is to incorporate impact throughout our investment portfolio in the future.

As founding members of SC1, we are working alongside likeminded organisations, to make our shared vision for a world-leading life sciences hub in central London a reality. It will transform healthcare, accelerate innovation, and tackle big problems in order to make a healthier future a reality for all of us.

Importantly, we have unveiled three charities that complete our family of organisations: Guy's & St Thomas' Charity, Evelina London Children's Charity and Guy's Cancer Charity. These are the fundraising and funding arms that support the provision of care and experiences for patients and staff at Guy's and St Thomas' NHS Foundation Trust, which raised a total of £7.8m this year.

I would like to take the opportunity to recognise the unending efforts of staff across Guy's and St Thomas' NHS Foundation Trust in providing exceptional healthcare while continuing to navigate the ongoing challenges of these unprecedented times. It has been an honour to have continued our support in prioritising the care and wellbeing of the team providing these essential services.



I am humbled, too, by the continued outpouring of support for the NHS from the public through donations in recognition of these efforts. We are extremely grateful for the generosity of those who supported our own fundraising efforts this year, at a time when, for many, personal resources are increasingly under strain.

Our 2022 to 2027 strategy is all about scaling further and wider. Our goal is to leverage insights from our practical, real-world work to demonstrate impact and influence change at a much broader level.

With challenging economic uncertainty looming globally, the continued impact of Covid-19 and multiple largescale health problems that need real solutions, we will need both determination and resilience to accomplish what we have set out to do.

I can state with absolute confidence that with the hard work, passion and devotion of our highly dedicated teams, our partners and our communities who we are privileged to have been given a chance to serve, we move to our next five years better informed, better equipped and with an exceptional approach that combines humility with great ambition as we strive in pursuit of our mission.

I would like to personally acknowledge the immense contribution from my predecessor, Wol Kolade, and welcome new Trustee, Susanne Given. Last but not the least, I thank our extraordinary team, my fellow Trustees and our partners who make our work possible.

**Debu Purkayastha**

Chair (September 2021 to present)

## Message from our Chief Executive

This has been a year of growth, drive, and ambition as we expand our reach and impact in pursuit of better health for all.

As a 500-year-old organisation, our challenge has been to respond to the moment at the same time as taking full advantage of our ability to think for the long-term.

The moment is a critical one as we begin to emerge from and navigate the long-lasting effects of the Covid-19 pandemic. Life expectancy in the UK is decreasing. The NHS is facing significant challenges. Poor health continues to hold our national economy back.

I am proud to say that as a foundation we've continued to rise to the challenge, making great strides across every area of the organisation this past year.

Through Impact on Urban Health, we are exploring scalable solutions to the biggest urban health challenges, such as childhood obesity, the effects of multiple long-term health conditions, children's mental health and the health effects of air pollution. Alongside our increase of charitable expenditure, this year we supported over 171 initiatives, projects and communities through Impact on Urban Health charitable funding totalling over £23m.

Through launching our three new fundraising charities we are bringing renewed focus, strength and commitment to supporting the vital work of the NHS. We continued to prioritise patient care and supporting the dedicated staff at Guy's and St Thomas'. Over the past year alone, we invested £2m in a staff psychological and spiritual care programme.

We are also leading the way as a responsible investor, continuing our journey towards deploying all our assets for health. Our investor engagement led to significant changes from some of the world's biggest food retailers and manufacturers. We have played a key role in the development of SC1 – a vision for a life sciences hub in London with health equity at its heart. At the same time, our renewed impact investment strategy and increased impact investment allocation goes beyond that of any other UK charitable foundation.



To support these ambitions, we have grown our capabilities and are now operating at a larger scale as an organisation than ever before. Vital to this work has been attracting the broadest possible range of experience, skills and perspectives into our teams and to continue embedding the principles of diversity, equity and inclusion into everything we do. This is fundamental in helping us achieve our mission. While we've made strong progress, we also know we have more to do in our push to become a truly inclusive organisation.

Looking towards the long-term, this year we also developed our next five-year strategy. Our 2022 to 2027 strategy is all about reach. Its goal is to leverage insights from our practical, real-world work to influence change at a much wider level. This represents the second five years of a 30-year strategy – the first five years focused on testing how best to have impact, while the next five years aim to build the platforms for this impact at scale.

The Foundation could not achieve the impact it does without its people. I'd like to thank our remarkable staff team for delivering above and beyond in a constantly changing landscape, and our Trustees for their continued support and guidance on this vital work.

**Kieron Boyle**  
Chief Executive

# Trustees' report





# Strategic report

## Achievements and performance

### Priorities we set for the year

2021/22 was the final year of our first five-year strategy (2017 to 2022) and a year of great progress towards our goals. We worked on increasing our impact and influence, used our assets and resources to support our collective mission of investing in a healthier society, and set our endowment a dual mandate of achieving both health impact and attractive financial returns. Our progress against priorities and resulting achievements is set out in the contents of this report.

### We remained focused on the following priorities:

- Making a step change in the impact we have on complex health issues prevalent in urban and diverse areas.
- Unlocking civic contributions that support patient experience and staff welfare at Guy's and St Thomas' NHS Foundation Trust.
- Delivering effective returns on our endowment and using our assets to support health impact.
- Growing our effectiveness.
- Acting on our wider commitments to become a more responsible Foundation.

### Summary of achievements

- Our **direct charitable expenditure** reached £37.6m – £8.6m higher than 2020/21. This includes £22.9m through Impact on Urban Health – our brand for our programmatic work tackling urban health issues – and £13.1m in charitable support for NHS staff and healthcare.
- **We awarded charitable grants totalling £28.8m** to support **151 initiatives**, projects and communities in Southwark and Lambeth aimed at improving health in inner-city areas by understanding and changing how inequalities impact our health.
- We updated our **impact investment strategy** and increased our target allocation to £100m, up from £22m today. Representing 10% of the value of our £1bn endowment, this is the largest known impact investment allocation ever made by a UK charitable endowment.
- We used our £400m **property portfolio** to deliver unique opportunities to help improve health over many generations through provision of healthier spaces and to support life sciences locally. Together with King's Health Partners and Lambeth and Southwark Councils, we are one of the founding members of SC1, which promises to be a world-leading life science district in south central London.

- **We launched three new fundraising charities** to support the work of Guy's and St Thomas' NHS Foundation Trust, the Evelina London Children's Hospital and Guy's Cancer that raised a total of £7.8m.
- We completed strategic reviews across all areas and took time to **evaluate and improve progress towards our mission**. We continue to refine our Impact on Urban Health model to find scalable solutions to urban health challenges.
- We took steps to **increase our external influence** as a route to having a greater impact. This includes partnering in new ways with policy and campaigning organisations that champion the big health issues we work on.
- We continue to **collaborate with the communities** we serve to make sure our interventions work for them.
- We increased our efforts to embed **diversity, equity and inclusion (DEI)** into everything we do as an organisation, with the aim of delivering greater impact.
- We **increased our workforce by 30%** and appointed a new Chief Investment Officer to help us reach our ambitious goals for our endowment.
- We **continued to support communities, projects and ideas** to address the continuing impact of the Covid-19 pandemic.

## Our future plans

Our 2022 to 2027 strategy is all about reach. Its goal is to leverage insights from our practical, real-world work to influence change on a much wider level.

This represents the second five years of a 30-year strategy. The first five years focused on testing how best to have impact, and building new methods, capabilities and partnerships – and our work is more data-informed, human-centred, experimental and replicable as a result. We also developed an approach that supports this way of working – combining humility with ambition, long-term thinking with agility and creativity, and open-mindedness with focus.

Over the next five years we aim to build the platforms that will enable us to achieve impact at scale. Our goal is to become more influential so we can leverage wider resources in support of our mission. We will also focus on our internal operations, particularly how we remain agile, invest in our people as an asset for our long-term mission, and embed principles of inclusion more deeply across our work.

The next 20 years of our strategy are aimed at reducing health inequalities on a national, then international, scale. Few organisations have achieved this goal. With the right partnerships, insights and values, we believe we can.

We have **four corporate objectives** that will underpin our work:

- **Helping urban areas to become healthier places for everyone to live** by finding effective approaches to health inequalities and persuading others to take them to scale.
- **Connecting capital to health** by showing how to align financial returns with health impact.
- **Investing in exceptional healthcare** by unlocking public support for Guy's and St Thomas' NHS Foundation Trust.
- **Supporting our mission** by developing our systems, leaders and skills.

[Explore our five-year strategy on our website](#)

# Financial review

## Charitable expenditure

Overall direct charitable expenditure for 2021/22 was **£37.6m: £8.6m** higher than 2020/21.

### Impact on Urban Health

Programmatic/Impact on Urban Health expenditure increased to £22.9m (2020/21: £17.6m) of which £3.4m relates to our established Childhood Obesity Programme, £4m to Multiple Long-Term Conditions (MLTCs), £4.1m to Health Effects of Air Pollution, £1.9m to Adolescent Mental Health (now Children's Mental Health), and £9.5m to cross-programme and other urban health projects.

For the second consecutive year, the Foundation received unrestricted grant income of £2.7m, comprising unconditional awards of £1.7m from the South-East London Clinical Commissioning Group (CCG), and £0.5m and £0.4m in conditional awards from Wellcome Trust and Clean Air Fund respectively.

### Fundraising charities

The largest recipient of funds continues to be our strategic partner, Guy's and St Thomas' NHS Foundation Trust. Expenditure as the charity for staff and patients at Guy's and St Thomas' and Evelina London hospitals and community services increased to £13.1m (2020/21: £10.9m).

## Income generation

Income generated through fundraising, grant income and our endowment was as follows:

- This year we secured a total income of £13.8m through fundraising efforts, representing a significant variance of £7.5m (119%) against the annual plan of £6.3m. This income includes a 10-year pledge of £6.3m for the Head and Neck Cancer Centre and its suite of projects. Compared to 2020/21, this is an 87% increase in new funds secured annually.
- Fundraising income (cash with legacy accruals) for the year was £7.8m, which reflects a positive variance of £1.3m against the target for the year. Income for 2020/21 was £9.8m, which included one-off amounts such as £1.5m from Tony Hudgell's fundraising on his 10km walk for Evelina London.
- Direct fundraising costs for the year were £4.3m. This is a slight increase on the previous year's costs of £4.1m and can be attributed to the costs involved in the launch of our three new Fundraising charities. Internally allocated costs have also increased, reflecting investment in our new fundraising charities and income generation.



## Endowment

The endowment's net assets increased by £80.1m (2020/21: £171.7m) before the transfer of £30m (2020/21: £28.6m) which was released under the distribution rule to support charitable expenditure.

Direct investment management costs increased by £3.5m to £6.3m, due partly to one-off professional fees and other costs relating to property developments and partly to higher fees relating to the performance of financial investments in the prior year.

The net value of our endowment after the spending transfer increased by £50m to £931m. Over the five years since March 2017, the net value has grown from £693m to £931m while also releasing a total of £133m to support charitable expenditure.

## Costs

Total staff costs increased to £7.9m (2020/21: £5.1m), reflecting the recruitment of additional staff required to deliver the Foundation's ambitious strategy.

Other support costs increased to £3.6m (2020/21: £2.4m) as a result of the additional investment in systems and infrastructure required to support the Foundation's increased levels of activity.

## Financial position

The Foundation remains in an exceptionally strong financial position.

As at 31 March 2022, the Foundation had free reserves of £28.2m (31 March 2021: £38.3m), which are managed through a distribution account.

## Financial key performance indicators (KPIs)

Measure	Key performance	Key indications
Charitable commitments for Impact on Urban Health programmes	£22.9m against a forecast of £24.9m	A successful fifth year of programmatic activity resulted in 92% of forecast commitments being achieved, with a total value 30% higher than the previous year.
Funds raised	£7.8m against a forecast of £6.5m	An exceptional year of fundraising which saw voluntary income reach 120% of target. Including pledged income receivable in future years, the total new funds raised was £13.8m.
Funds deployed as the charity for Guy's and St Thomas' NHS Foundation Trust	£13.1m against a forecast of £13.3m	Total spending on projects to benefit patients and staff of Guy's and St Thomas' NHS Foundation Trust was in line with forecast and £2.2m or 20% higher than the previous year.
Return on the endowment compared to benchmark	12.8% return on endowment for 2021/22 compared to benchmark return of 16.4%	Although the endowment performed well overall, public equity and property lagged their respective indices. However annualised returns over the past three and five years continue to show significant out performance against the benchmark.

## Reserves policy

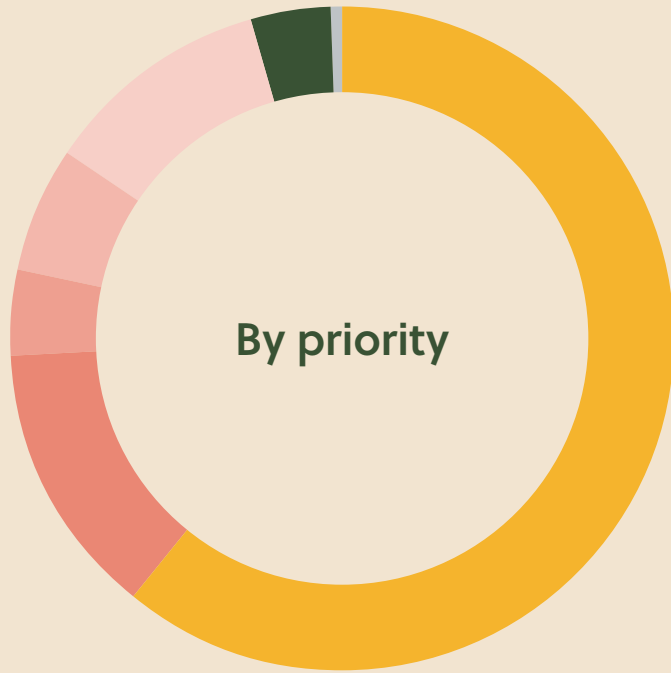
Over the course of the year our total unrestricted funds reduced from £68.8m to £60.6m, reflecting the expenditure of accumulated income from prior years. As at 31 March 2022, £32.4m of these funds were designated in the form of properties and other assets that are used in the provision of our charitable activities. The remaining £28.2m (2020/21: £38.3m) of free reserves are managed through a distribution account.

The Foundation plans the distribution of its unrestricted funds through a five-year budget, performance against which 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. For the five-year period that commenced on 1 April 2017, we spent £128m of the total available unrestricted resources of £153m.

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

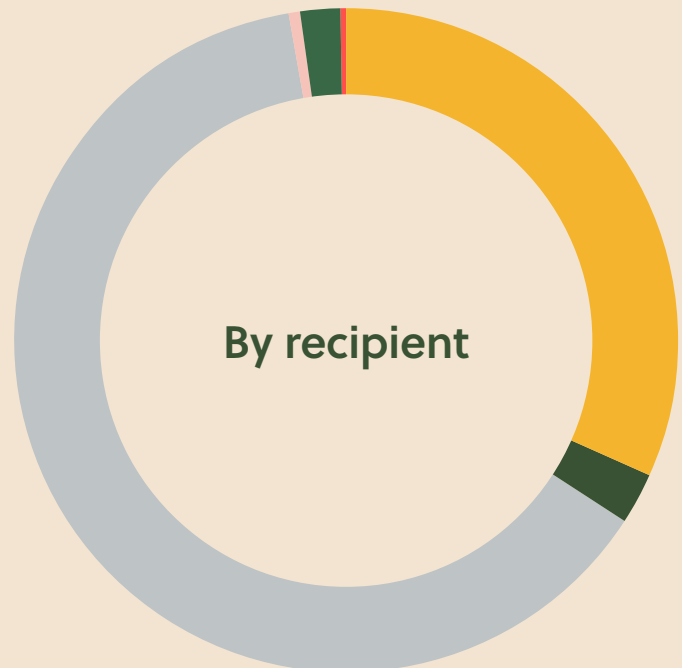
# Our charitable expenditure in 2021/22

**Total: £37,600,000**



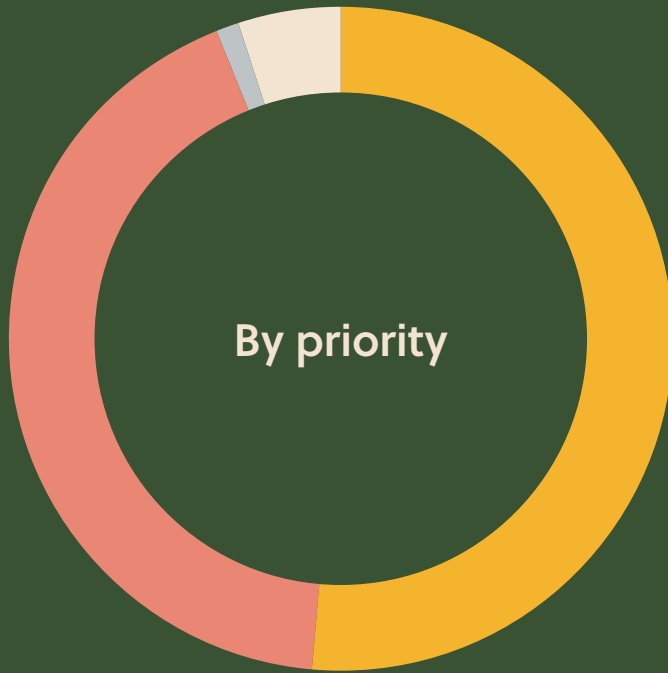
- **Impact on Urban Health programmes:**  
£22,875,000
- **Charity for Guy's and St Thomas' NHS Foundation Trust:**  
£13,065,000 (see below for breakdown of our charities)
- Evelina London Children's Charity: £1,600,000
- Guy's Cancer Charity: £2,300,000
- Guy's & St Thomas' Charity: £4,100,000
- **Investing for Health:**  
£1,500,000
- **Health Innovation Fund:**  
£160,000

- **Guy's and St Thomas' NHS Foundation Trust:** £11,925,000
- **Other NHS (Trusts, CCGs, GP practices etc):** £955,000
- **Voluntary, community and social enterprises:** £23,765,000
- **Commercial\*:** £125,000
- **Local authorities and other service providers:** £20,000
- **Universities:** £765,000
- **Other:** £45,000



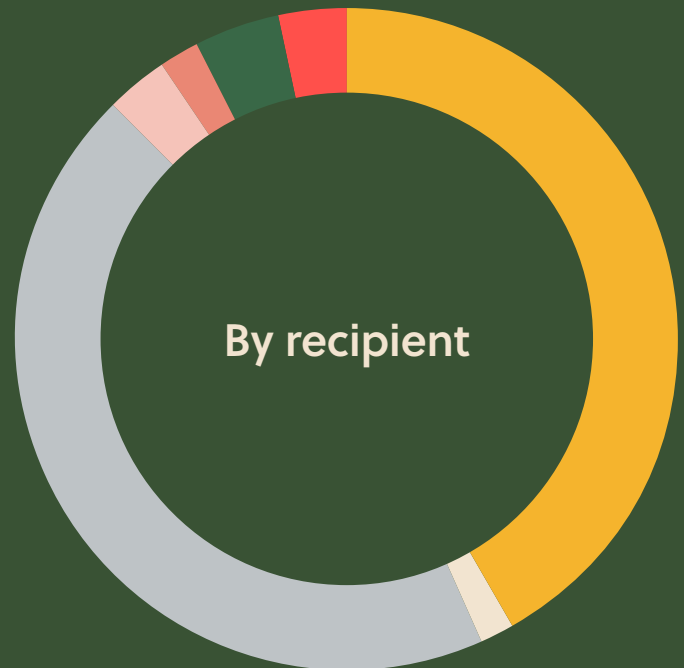
# Five-year review: 2017/22

## Total: £136,800,000



- **Impact on Urban Health programmes:** £68,200,000
- **Charity for Guy's and St Thomas' NHS Foundation Trust:** £60,600,000
- **Investing for Health:** £1,500,000
- **Health Innovation Fund:** £6,500,000

- **Guy's and St Thomas' NHS Foundation Trust:** £57,200,000
- **Other NHS (Trusts, CCGs, GP practices etc):** £2,200,000
- **Voluntary, community and social enterprises:** £60,400,000
- **Commercial\*:** £4,300,000
- **Local authorities and other service providers:** £2,500,000
- **Universities:** £5,700,000
- **Other:** £4,500,000



\* 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 back and adjustments.

· The five-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 endowment

## Our endowment and its ambition

Our endowment is one of our most powerful tools when it comes to driving our mission and creating positive change through our dual objectives of achieving financial returns and health impact. We use our assets to transform lives and demonstrate that investing in health is good business. This strategy allows us to take a long-term view while addressing the real and urgent health issues of today.

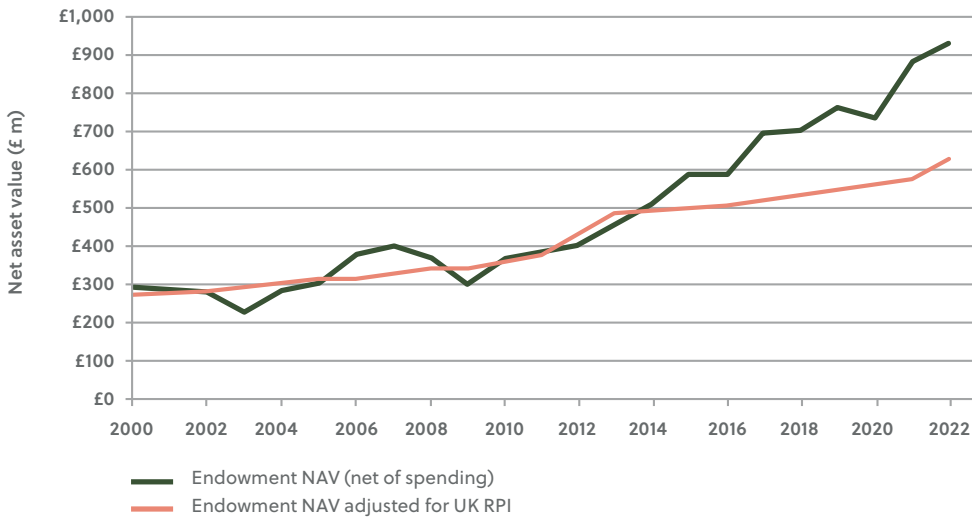
Our endowment performed well this year, generating a net return on equity of 12.8% and reaching over £1bn in gross assets. Over the past three and five years, average annual returns have exceeded the Foundation's financial objective of UK RPI + 4%.

### Endowment returns

	Annualised returns over:		
	1 year	3 years	5 years
<b>Endowment return*</b>	12.8%	11.3%	10.1%
<b>UK RPI</b>	9.0%	4.3%	3.7%
<b>Benchmark **</b>	16.4%	10.1%	8.7%

\*Return on gross investment assets (GDP) \*\*Composite Asset Class benchmark

### Endowment performance vs RPI



The increase in endowment net assets before transfers for the year was £80m (2020/21: £171.7m). A total of £30m (2020/21: £28.6m) was released under the distribution rule to support charitable expenditure.

Although the endowment performed well overall, it underperformed some asset class benchmarks during the year as key themes in the public equity portfolio retraced some of the prior years' gains and property lagged behind a UK index boosted by pandemic-related gains for out-of-town logistics sites.

### Performance summary: 1 April 2021 to 31 March 2022

Asset Class	Strategic Asset Allocation Band (%)	Strategic Asset Allocation (%)	Allocation as at 31 March 2022 (%)	Asset Class Performance (LC)	Benchmark Performance (LC)	Allocation as at 31 March 2021 (%)
Cash	0-10	1	3.5	–	0.2%	1.7
Liquid Credit and Private Debt	0-12	5	3.5	11.1%	-4.6%	3.8
Absolute Return	0-12	6	9.8	4.4%	2.4%	8.0
Hedged Equities	0-14	10	10.1	-5.6%	-1.9%	13.6
Global Equities	17-35	23	16.9	-6.0%	8.8%	19.4
Private Equity	5-17	12	15.5	46.1%	37.0%	13.4
Composite Financial Asset Class Performance (local currency)				8.5%	9.5%	
Property	30-50	40	39.5	11.3%	23.7%	39.4
Composite Asset Class Performance (local currency)				9.4%	14.5%	
Currency Gain or Loss				2.2%	1.8%	
Composite Asset Class Performance (GBP)				11.6%	16.4%	
Partners Capital Fees				-0.1%	–	
Return on Gross Investment Assets (GBP)				11.5%	16.4%	
Impact of Leverage				1.3%		
Return on Endowment Equity (GBP)				12.8%		

## Our commitment to impact investment

Impact investment offers the potential for greater impact than through grant-making alone, by leveraging scale and different capital sources. Since 2018, we've been learning how to maximise impact investment to deliver on our health impact and financial goals. We've already built a £22m multi-sector, multi-asset portfolio that has delivered measurable impact alongside attractive financial returns. We're confident that our model works and have updated our strategy to increase our capital allocation to impact investments from £22m to £100m by 2026, with a view to incorporating impact into our entire investment portfolio in the future.

Our revised strategy will also see us directing more capital from our endowment to catalytic investment opportunities. By investing in emerging yet potentially transformational ideas, we aim to pave the way for others to invest and help upscale our combined capacity to drive health impact.

## A responsible property owner and partner

Across our property portfolio, we aim to be a responsible owner, investor and partner in developments, and to use our property assets to support our mission of health equity for all. Our property portfolio is valued at £400m. Most of our properties are based in the London boroughs of Lambeth and Southwark, though we also own significant agricultural holdings across the UK. This year we made good progress on embedding wellbeing into the heart of new property developments.

- **SC1** Together with King's Health Partners and Lambeth and Southwark Councils, we are one of the founding members of SC1, which promises to be a world-leading life science district in south central London. SC1 aims to transform healthcare, accelerate innovation, and tackle big problems in order to create a healthier future for all. The Foundation's developments at Royal Street in Waterloo and Snowsfields in London Bridge will support SC1 in its ambitious plans to create significant new spaces for health and life sciences.
- **Royal Street** We are working in partnership with developer Stanhope to develop a best-in-class, sustainable development at Royal Street to promote health and wellbeing in the built environment, as well as providing key benefits for the local community. A planning application for the redevelopment of Royal Street was submitted to Lambeth Council in March 2022.
- **Snowsfields** This year we selected a preferred development partner for the delivery of the Snowsfields Quarter site near London Bridge. Oxford Properties in conjunction with Reef Group will invest approximately £350m to create a 300,000 sq ft life sciences hub with world-class lab facilities across three new buildings in a prime health innovation cluster.

- **Cambridge** In March 2022, after a competitive bidding process, we selected Present Made as the preferred purchaser of a 17.8 acre site owned by the Foundation in Cambridge. The site has planning consent for 200 residential homes and will be designed and delivered by Present Made as Build to Rent accommodation with a Home Quality Mark level 4 accreditation and 40% affordable housing. The Home Quality accreditation ensures the homes are low-cost to run with positive impacts on health, wellbeing and the environment.





## Influencing positive change

We strengthened our commitment to responsible investing for impact and used the power of our investor networks to make positive changes towards health equity.

### Highlights include:

- Committing to new impact funds.
- Launching Long-term Investors in People's Health (LIPH), a new programme led by ShareAction that will help investors prioritise health in their investments.
- Obtaining commitments from Sainsbury's to pay the real Living Wage to all its direct staff.
- Obtaining industry-leading commitments on nutrition from Unilever.
- Joining the Institutional Investors Group on Climate Change (IIGCC).
- Investing £50m with ESG activist managers.
- Allocating 2% of the endowment to climate solutions.
- Embedding wellbeing into the heart of new property developments.

One of the ways we ensure our endowment delivers on its dual objectives is by influencing companies we're invested in to have positive impact on health through their activities.

When we began our Healthy Markets programme in 2019, no retailers and very few manufacturers were disclosing the proportion of their sales that come from healthy foods. Today, eight out of 11 top UK retailers and five out of 12 top manufacturers are now reporting – or are committed to reporting – on the percentage of their sales (by revenue or product portfolio) that meet government definitions of healthy food. Moreover, six of the UK retailers targeted by Healthy Markets have pledged to increase their sales of healthy foods, compared to only two when the programme started.

Following extensive engagement, Tesco set new targets to increase their sales of healthy foods in the UK and Ireland from 58% in 2021 to 65% by 2025, and Unilever committed to reporting the healthiness of their sales against government definitions and to setting targets to increase these sales.

## Arts and heritage collection

We are custodians of one of Europe's largest collections of health-related arts and heritage – comprising around 4,500 works dating from 1500 – which we use to enhance healthcare settings. We are committed to understanding our heritage and its impact on our mission. Please see the section on **diversity, equity and inclusion** on page 30.

**This year we grew our collection with the following:**

- **May 2021:** we purchased 14 works by Bindi Vora, comprising combinations of found images and text.
- **September 2021:** we purchased 14 giclée prints by Finlay McNally.
- **January 2022:** we were gifted two paintings by the family of Frank Avray Wilson.
- **February 2022:** we purchased seven mixed media works by Cecilia Charlton.



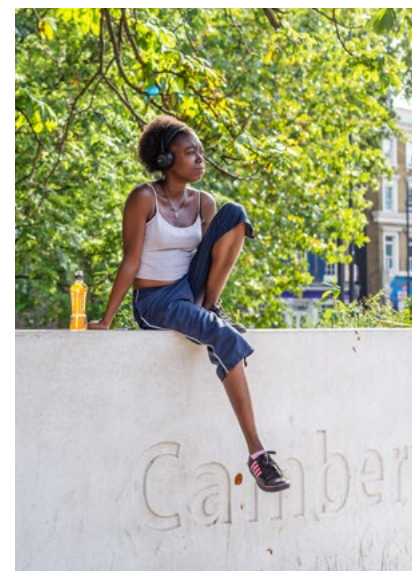
## Impact on Urban Health

This year, we continued to work towards our goal of unlocking the potential for cities to become healthier, committing £22.9m funding across 171 partnerships and projects.

All good health interventions start with a simple action: listening – and we continue to collaborate with the communities we serve to make sure our interventions work for them. In a challenging, ever-changing landscape we continued to question how to ensure our resources have the biggest impact when it comes to addressing health inequalities, both here in Lambeth and Southwark and beyond.

This goal means adapting and refining our strategy to respond to the context in which we work. We continue with our long-term programmatic approach, focused on the big challenges of health equity in urban areas – work that's centred in Lambeth and Southwark – and on increasing our impact in four new areas:

- By being more focused, moving through our programmes in phases, and developing criteria to identify work within our scope.
- By ramping up our influence and developing relationships to share our insights locally, nationally and internationally.
- By working with communities to shift power. This means devolving power and decision-making to the people and communities we work with to give them greater agency over health interventions and outcomes that affect them.
- By investing for sustainable impact. We're examining the types of community organisations we should work with in Lambeth and Southwark and investigating the best ways to support them and to amplify and sustain the success of our programmes.





## Health Effects of Air Pollution

Our **Health Effects of Air Pollution Programme** aims to find equitable solutions to poor air quality.

This year we continued to work with businesses, communities and government to reduce the harmful effects of air pollution on those who are most susceptible.

In total, we provided £4.1m to test air quality improvement solutions. Highlights include:

- Launching the Clear the Air campaign at COP26 with Asthma + Lung UK in November 2021, and contributing £200,000 to raise awareness of air pollution, gather stories from people most affected, and bring those stories to policymakers. Over the course of the campaign, Asthma + Lung UK delivered two major reports, engaged with 91 MPs, recruited 57 storytellers and organised seven events with politicians and decision makers. Media engagement reached almost a billion impressions, including coverage in the daily press.
- Providing £375,000 for work with Team London Bridge and MP Smarter Travel to encourage businesses in the low line area of London to switch from traditional freight methods to cargo bikes. As of 11 July, 77 bikes were either trialling or had completed trials for cargo bikes.
- Supporting leading voices raising the issue of air pollution with policymakers, including a grant of £65,000 to the Ella Roberta Family Foundation.

**“In the past year, support from Impact on Urban Health has helped us reach over 600m people with clean air messaging, engage with over 800 members of the public and amplify the voices of communities being affected by toxic air across the UK.”**

**Henry Gregg, Director of External Affairs, Asthma + Lung UK**

## Children's Mental Health Programme

Our **Children's Mental Health Programme** aims to make it possible for all children to have strong, positive mental health, by tackling the inequalities many families face when young people experience behavioural difficulties.

As our **Children's Mental Health Programme** is our newest initiative, we spent much of this year gathering research data and insights alongside local partners and building relationships with community-led organisations already supporting families in Lambeth and Southwark.

In total, we invested £1.9m in local partners and building our evidence base.

Highlights include:

- Supporting Loughborough Community Centre with £700,000 to continue delivering services that respond to families' needs during the cost-of-living crisis.
- Providing £54,000 to support Daddies' Voices – a peer support group for fathers in Lambeth and Southwark.
- Awarding £57,000 to fund three coordinators at the Oval School Learning Cluster.





## Multiple Long-Term Conditions Programme

Our **Multiple Long-Term Conditions Programme** aims to address poor health by improving the building blocks of a healthy life – our homes, work and finances.

During the Covid-19 pandemic, the programme provided emergency support for local people and organisations. This year we supported communities and projects working to combat the unfair health burden on people most at risk of financial insecurity.

In total, we supported communities and projects with £4m. Highlights include:

- Investing £925,000 to trial Financial Shield's model for accessing debt advice through GPs in partnership with the Centre for Responsible Credit, helping to address rapidly rising levels of debt and related health issues for over 400 people in Lambeth and Southwark.
- Funding Black Thrive £301,000 to improve employment outcomes for Black individuals in Lambeth, including the community-led Employment Working Group, which made grants to 13 small local organisations delivering new health and work initiatives.
- Supporting Kineara to run the Southwark Private Renters Project – which helps people with long-term health conditions at risk of eviction – with funding of £586,000. Surveyed beneficiaries reported reduced stress and anxiety, with 77% feeling more capable of managing their health since receiving support.

**“We know financial problems have a negative impact on health and vice versa. The support Financial Shield provides could make all the difference to people's situation, stress levels and, in turn, health and wellbeing.”**

**Sangeeta Leahy, Director of Public Health for Southwark Council**

## Childhood Obesity Programme

Our **Childhood Obesity Programme** aims to break the link between low income and poor nutrition, by improving the quality of food options in lower-income neighbourhoods.

This year we continued to shape and respond to policy developments affecting children's health, particularly the National Food Strategy and the government's response.

In total, we invested £3.4m in communities and projects that are in line with our goals. Highlights include:

- Supporting investor coalitions led by Rathbone Greenbank Investments and ShareAction as part of our push for government to improve food industry regulations. We also continue to encourage the sector to tell a new story about children's health and nutrition to reduce stigma, increase understanding and build support for policy change and action.

- Investing £2.1m to develop the pilot Healthy Zones project. In partnership with School Food Matters, the project is now being rolled out to 80 schools in Lambeth and Southwark to develop an approach to food and nutrition that puts children's health first.
- Working with Rice Marketing on the Good Food Retail pilot with wholesaler Bestway and local convenience stores – the Greater London Authority (GLA) is set to scale up the pilot to focus on 'superzone' areas around selected London schools in the coming year.

## Research and development

Our research and development team drives innovation by creating future-thinking, coordinated activities that support our drive for health equity in urban areas, while identifying the programmes of the future. This includes exploring issues such as trust, systemic inequalities in health systems and health equity, community engagement and empowerment, innovative funding practices, digital inclusion, and more.

In total, we supported communities and projects with £9.5m. Highlights include:

- Allocating an additional £1.3m to 25 Black and minority-led organisations in Lambeth and Southwark that are still experiencing the impact of the Covid-19 pandemic. The funding will help to provide additional space for building capacity and financial resilience, develop strategic relationships and explore networking opportunities.
- Supporting Growth Studio with a £100,000 contract to develop a future cities framework that will map the drivers of city-based health outcomes, identify future trends and highlight new opportunities.
- Building on our Shifting the Power in Research partnership with Wellcome Trust, together we invested a combined £80,000 in Clearview Research Ltd to test an alternative governance model, and £73,266 in Rooted By Design to explore community research eco-systems and how they interact with funders and other organisations. The work will contribute to an understanding of the ways in which we can devolve funding to our communities in the years ahead.
- Establishing a three-year relationship with the Council on Urban Initiatives as an anchor funder and knowledge partner to help them influence urban change.

# Our three charities: Evelina London Children's Charity, Guy's Cancer Charity and Guy's & St Thomas' Charity

At the end of 2021, we launched three new fundraising charities to represent our work as the charity for the patients and staff of Guy's, St Thomas', Guy's Cancer, and Evelina London hospitals and community services.

Evelina London Children's Charity, Guy's Cancer Charity and a new Guy's & St Thomas' Charity were created to individually represent the fundraising and funding priorities of children, cancer and unrestricted donations to support impact across the NHS Foundation Trust. Creating this distinction from our work as a funder in Lambeth and Southwark enables us to better connect with patients, their families and staff to increase income to help Guy's and St Thomas' go beyond what the NHS can provide.

## Guy's & St Thomas' Charity

Guy's & St Thomas' Charity exists to support the incredible NHS staff and exceptional healthcare provided by Guy's and St Thomas'.

Thanks to our supporters' donations, we funded a £350,000\* project that's transforming the experience of patients being treated in intensive care. The ICU Survivorship Programme provides access to specialist care and support, equipping patients with the tools they need to return to everyday life.

We also collaborated with NHS Charities Together and four other NHS charities to fund a £630,000 Long Covid project, co-designed with patients, that will create a new blueprint for care.

Finally, we invested £2m in a staff psychological and spiritual care programme to help the dedicated teams at Guy's and St Thomas' recover from the pandemic. Staff from backgrounds disproportionately affected by the pandemic will also have access to dedicated psychologists, providing accessible and culturally relevant care.

**"At Guy's and St Thomas' there is a real investment in staff health, in a way that's different to other hospitals. It's absolutely central to their wellbeing."**

**Dr Raselle Miller, Lead Clinical Psychologist**

\* Service launched in 2021 following funding approval in 2020.

## Guy's Cancer Charity

Guy's Cancer Charity supports Guy's Cancer to transform cancer care through the very latest developments in personalised care.

Donations totalling £6m funded the opening of Guy's Head and Neck Cancer Centre in July 2021, with the aim of speeding up detection and diagnosis, enhancing treatments, minimising the impact of side-effects, and reducing the recurrence of cancer.

Head and neck cancer is already one of the world's most common cancers, with 12,000 people diagnosed in the UK every year. This is increasing all the time, and people are being diagnosed younger.

Thanks to the generosity of our supporters, we're able to fund the head and neck cancer team's vital work, so more people can access pioneering, personalised care and support tailored to their needs.

**"Investment can make a significant difference in the area of head and neck cancer. Every stride we make could have ripple effects for other cancers, too."**

**Dr Teresa Guerrero Urbano, Consultant Clinical Oncologist**

## Evelina London Children's Charity

Through Evelina London Children's Charity, we help Evelina London provide compassionate, trailblazing care for children and young people and their families.

Over the past year, supporters of Evelina London Children's Charity have helped the Evelina London team provide care for their most vulnerable patients, even while on the move. Donations of £47,000 have funded three specialist incubators so even the smallest and most vulnerable babies can be safely transported.

Donations of £75,000 also contributed to the paediatric and fetal cardiology team at Evelina London developing a virtual reality (VR) system that lets them 'walk through' the scan of a patient's heart, allowing them to investigate and treat even the most complex heart problems in babies and children.

The children at Evelina London have also benefited from VR technology, with donations of £12,000\* funding special headsets that enable them to walk with dinosaurs, swim with turtles or explore outer space, helping to ease anxiety while receiving treatment.

**"Evelina London has treated and supported me throughout most of my life and has become my second home."**

**Izzie Everest, patient at Evelina London**

\* Purchased following funding approval in December 2020.

## Diversity, equity and inclusion

We continue to push forward to embed diversity, equity and inclusion (DEI) into everything we do as a charitable foundation – from the way we train our staff and Trustees to the way we communicate with our stakeholders and conduct our partnerships with external organisations.

We have developed three strategic objectives to help measure our progress towards achieving our diversity, equity and inclusion goals. These objectives are linked to the Association of Charitable Foundations' nine pillars of good practice:

- Embedding equity and inclusive practices into our work, processes and policies and continuing to learn and develop to ensure equitable impact.
- Working to dismantle inequitable structures and to build an equitable and just legacy through our work as a foundation, by supporting a diverse pipeline of talent in our sector and – leading by example – influencing partners and others to do the same.
- Maximising the unique space we hold as a foundation to influence and advocate for DEI through our networks and platforms by using our own voice, amplifying the voice of others or joining with similar organisations of influence to amplify and embed equitable practices within our sector.

This year, progress towards our objectives includes:

- Working to build a better understanding of our heritage and the impact of that legacy on health and healthcare today.
- Progressing work to address our legacy and deliver on recommendations to install interpretation for the statues of Thomas Guy and Sir Robert Clayton in our collection, beginning the process of expert-led engagement to inform this.
- Strengthening our commitment to DEI with full-time resource to support this work by creating a permanent post for a Director of Diversity, Equity and Inclusion and a Diversity, Equity and Inclusion Project Assistant.
- Launching Employee Networks to provide supportive spaces representing different and specific groups from diverse communities.
- Continuing to design, implement and embed diversity action plans across our organisations, including at Board of Trustees level and incorporating DEI as a strategic objective in our business plan.
- Launching our Associates Programme, and welcoming four full-time associates and three interns from the 10,000 Black internship programmes to our Foundation team.



# Principal risks and their management

We need to take risks in order to achieve our charitable and other goals. Effective risk management ensures we are identifying risks, mitigating them to the appropriate extent and ensuring they can be properly scrutinised within our governance processes.

We have appropriate procedures and controls in place to achieve this. At a high level these include:

- An overall risk appetite envelope set by our Board of Trustees.
- A long-term strategic plan, a five-year financial plan and an annual budget for all income and expenditure – all of which are approved by the Trustees.
- Regular consideration by the Executive 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.
- Regular reviews of key risks by the Executive Team, Finance and Audit Committee and the Board of Trustees.

We have recently introduced a new risk management policy appropriate for our increased size and complexity which takes a more delegated approach to risk management, ensuring strategic risk continues to sit with Trustees while operational risk is devolved into our business areas. All risks are reviewed to an appropriate schedule and escalated to Trustees where necessary.



# Strategic risks

We define a strategic risk as one that would pose a threat to our ability to set and/or execute our overall strategy. Usually these risks relate to strategic decisions or objectives set by the Trustees, and are those most likely to have a long-term impact. These risks are managed at Trustee level, with regular review by our Executive Team, Finance and Audit Committee and Board of Trustees. Below is a summary of the various risks, followed by a brief summary of our approach to mitigate those risks.

## Funding and programmatic work

### **Likelihood of significant public sector fiscal retrenchment, including potentially for the NHS.**

Our Board of Trustees and wider team are monitoring this risk, including the possibility that it becomes the 'new normal'.

### **Cost of living challenges cause deterioration in the health issues we work on.**

We are monitoring for emerging trends. We manage this as both a risk and an influencing opportunity as it has the potential to push health equity higher up stakeholders' agendas.

### **A weak economy compromises delivery as partners struggle with operational costs/income shortfalls.**

We work closely with partners on ongoing financial challenges, providing targeted support to key strategic partners where necessary.

## Fundraising for our charities

These risks are being mitigated by developing a new charities strategy with Guy's and St Thomas' NHS Foundation Trust, with the participation of King's College London, in which we will have better joint visibility and alignment.

### **A lack of alignment between the between the Foundation, King's College London and Guy's and St Thomas' NHS Foundation Trust hampers the ability of the charities to meet our income growth ambitions.**

We have regular formal review points to monitor performance against annual fundraising plans, maintain open lines of communication and regularly review areas of operational risk together.

### **Uncertainties around key partners' investment planning may impact on our ability to forecast and plan our fundraising activity.**

We regularly check in with key partners on capital planning, including quarterly meetings with the Guy's and St Thomas' NHS Foundation Trust's Executive Team.

**Further waves of the Covid-19 pandemic (or another comparable medical emergency) impact on the Trust's ability to engage on long-term strategic questions and our ability to reinvigorate our public fundraising activities.**

Our close collaboration with the Trust – and what we've learnt over the past two years – should reduce the potential impact of this risk.

## Communications

**Our increased influencing activity draws greater scrutiny or a perception that we are politicised, limiting our range of partners.**

We review all work in line with our charitable objects, clearly articulate our political neutrality, regularly review crisis communications plans and only rarely undertake political activity and/or campaigning (as defined by the Charity Commission) that supports the furtherance of our objects, and then in line with Charity Commission guidance.

**Through our endowment, we engage with corporates to persuade them to make health impact a part of their strategy. To achieve this, we hold investments in these corporates. This could appear to conflict with our programme activities and approaches, leading to negative impact on our reputation.**

We ensure our investing teams have a full understanding of our mission and are aware of our programmatic work, and that they ensure our investing is in line with clear ethical principles.

## Endowment

**Responsible, ESG, climate and impact investments do not deliver expected financial returns.**

We focus significant resource on sourcing the highest quality investments with attractive returns.

**Property development opportunities/transactions are delayed or do not deliver expected benefits.**

We include contingency in all planning that relies on returns from property development and spend time in diligence on our partners.

**Lower returns on our endowment over the next 10 years, due to high asset valuations and/or market downturn.**

We are altering our strategic asset allocation and portfolio management, and increasing stress testing to mitigate this risk.

**High inflation reduces the real returns and real value of our endowment.**

High property allocation reduces this impact, and we are adjusting security portfolios accordingly.

## Cross-cutting

**Culture diverges across our charities and business areas, making it harder for us to collaborate and live our values.**

We are creating regular opportunities to talk about our culture and for staff to engage across teams, and have recruited an internal comms team to support these endeavours.

**Our commitment to better understanding the link between our heritage and mission – including the sources of our endowment – is politicised, impacting key relationships or the organisation's ability to operate.**

We are committed to exploring and understanding our heritage and what it means for our mission, and have clear crisis communication plans, and lines of communication with stakeholders.





## Operational risks

Operational risks are those that affect our delivery against strategy and are often more time-bound than strategic risks. As we grow as an organisation – and our operations grow in complexity – we increasingly manage a large portfolio of operational risks across all business areas. These include:

- People risk (key person risk, fraud risk, misconduct risk, culture risk, skills risk).
- Governance (Board diversity and succession, misconduct risk, oversight, misfit of funding to charitable objects).
- Cross-cutting (growth risk, misallocation of resources).
- Partner risk (project/partner failure, reputational event, fundraising risk, misalignment risk).

Operational risks are managed at a business area level, and the Executive Team manage cross-cutting risks. They are regularly reviewed by our operations group and/or the Executive Team depending on the level of risk, and by the Finance and Audit Committee. They will be escalated to the Board when necessary.

## Structure, governance and management

Guy's and St Thomas' Foundation (formerly known as Guy's & St Thomas' Charity) is an independent charitable company, registered with the Charity Commission for England and Wales, with charity number 1160316. The Foundation is registered at Companies House as a company limited by guarantee, with number 9341980. Our registered office is The Grain House, 46 Loman Street, London SE1 0EH.

The Foundation 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' Foundation is any charitable purpose or purposes relating to the general or specific purposes of the 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, funding projects and initiatives that are able to make a positive contribution to our strategic goals, and which are in line with our charitable objects. All spend is reviewed by the Foundation against our criteria for quality and value for money. Ongoing projects are monitored to ensure they are achieving their milestones and are formally evaluated.

## **Appointment of Trustees**

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

## **Trustee changes**

Wol Kolade (Chair of the Foundation's Board) stepped down on 31 August 2021. Debu Purkayastha joined the Board as Chair on 1 September 2021. Susanne Given joined the Board on 21 October 2021.

## **Powers of investment**

The Foundation'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 Foundation Trustees and as company directors as set out in the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, Charities Act 2022 and the Companies Act 2006 and as derived from case law.

The Foundation'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 Foundation 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 Foundation in its capacity as corporate Trustee of the Endowed Foundation and the other linked charities to invest in such stocks, funds, shares, securities or other investments as they see fit.

## **Fundraising**

The Foundation's fundraising activities have been undertaken by King's College London (King's) since 2012. We have a contract with King's to cover these activities. King's reports regularly to the Foundation on fundraising activities, income, other key performance

indicators and any issues arising, including complaints. These reports are discussed with King's and at the Foundation's Fundraising Leadership Group which includes representatives from the Foundation, Trust and King's.

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

The Foundation keeps abreast of sub-contractors used by King's for fundraising activities and King's actively monitors them.

The Foundation's fundraising team received 16 complaints/instances of negative feedback during the year, 10 of which related specifically to our fundraising activities. The Foundation and King's take all such complaints seriously, and responded appropriately to issues raised.

The Foundation 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 Foundation's objectives and planning future activities.

The Trustees are conscious of the need to ensure that the activities of the Foundation 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.

### **Diversity, equity and inclusion within our team**

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

Of the 110 people in the Foundation on 31 March 2022, 65% were female (2020/21: 69%), 24% were male (2020/21: 29%) and 11% preferred not to say. Our Executive Team was one third female and two thirds male.

On 31 March 2022, approximately 30% of employees were Black or from other minoritised ethnic groups, while five (55%) of our Trustees were female and 36% came from Black or other minoritised ethnic groups.

## Reporting on our pay gap

Across our organisation, we look at both gender and ethnicity pay gaps and publish this data annually as part of our commitment to being transparent and in our role as a foundation addressing health inequalities.

Measure	Number	Male percent	Number	Female percent	Gap mean	Gap median
Upper quartile	8	8%	17	17%	41%	18%
Upper middle quartile	4	4%	23	23%	-3%	-1%
Lower middle quartile	9	9%	19	19%	1%	0%
Lower quartile	5	5%	13	13%	12%	17%
<b>All staff</b>	<b>26</b>	<b>26%</b>	<b>72</b>	<b>72%</b>	<b>22%</b>	<b>-3%</b>

As at 31 March 2022, our median gender pay gap was -3% compared to 0% in the previous year.

Our ethnicity pay gap shows no significant structural gap, with a median gap of 4% compared to -1% in the previous year.

## Remuneration

The governing principles of the Foundation'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 Foundation.
- Are appropriate in the context of the wider Foundation sector and the interests of the organisations we partner with and the people and communities we support.

These principles apply to all staff, including senior executives. The table below details staff compensation by salary band. It covers staff who were on payroll on 31 March 2022, and shows full-time equivalent pay for ease of comparison. An alternative, more detailed breakdown of the remuneration of senior employees based on actual payments made appears in section 8 of the **notes to the financial statements**.

### Salary band for staff as at 31 March 2022

Salary band	Number of staff
£20,000–£60,000	73
£60,000–£100,000	22
£100,000–£150,000	7
Over £150,000	2

All staff employed before 1 April 2022 were awarded a general pay increase of 4% on 1 April 2022, with an additional 2% increase for all staff whose salaries, on 31 March 2022, were lower than £50,271.

The Foundation has been certified as a London Living Wage employer since 2016/17.

# Our commitment to the environment

As an independent foundation focused on building a healthier society, we believe in committing to bold action to address climate change and are committed to reaching net zero greenhouse gas emissions by 2050.

## We have made the following climate commitments:

- Halving emissions across our financial investments portfolio by 2030.
- Investing £50m of our portfolio in climate solutions and strategies.
- Reducing exposure to fossil fuels and other investments that are not consistent with a low carbon future.
- Transitioning our property portfolio to operational net zero (Scope 1 direct emissions and Scope 2 indirect emissions) by 2030.
- Becoming a member of the Lambeth Climate Partnership.

We are working to better understand the link between climate change and our health equity mission, initially by looking at opportunities for research and projects that could benefit both the climate and health through our four programmes at Impact on Urban Health.

We are taking further steps to understand and measure our climate impact and have begun work on reviewing our practices and policies.

Find out more about our actions on climate on our website.

## Streamlined Energy and Carbon Reporting (SECR)

We report in line with the Streamlined Energy and Carbon Reporting (SECR) guidance for the period covering 1 April 2021 to 31 March 2022, which considers an operational control approach for all our properties and land. See appendix on page 88 for our report and methodology.

# Trustees' responsibilities

## Responsibilities of the Board

The Trustees (who are also directors and members of Guy's and St Thomas' Foundation for the purposes of company law) are responsible for preparing the Trustees' annual 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 guidance in SORP, Accounting and Reporting by Charities.
- 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 that 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees of Guy's and St Thomas' Foundation – as those of all UK charitable companies – must also act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006, which is summarised as follows:

A Trustee of a charitable company must act in the way they consider, in good faith, would be most likely to promote the success of the charity's charitable objects and, in doing so have regard (among other matters) to the:

- Likely consequences of any decisions in the long term.
- Interests of the charitable company's employees.
- Need to foster the charitable company's business relationships with suppliers, customers and others.



- Impact of the charitable company's operations on the community and environment.
- Charitable company's reputation for high standards of business conduct.
- Need to act fairly between members of the charitable company.

## Statement of disclosure to the auditor

So far as the Board of Trustees are aware: there is no relevant audit information of which the charity's auditors are unaware.

The Trustees have taken all necessary steps to make themselves aware of any relevant audit information and to establish that the Foundation'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 Foundation. 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 Foundation.

By order of the Board of Trustees:



**Paul Brown**

28 September 2022

# Organisation

## Our Executive Team

**Kieron Boyle**, Chief Executive

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

**Ethan Hall**, Chief Investment Officer

**Barbara Kasumu**, Executive Director of Charities

**Moray McConnachie**, Executive Director of Operations

**Andy Ratcliffe**, Executive Director of Programmes

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

Ethan Hall joined the Foundation on 10 May 2021 and Barbara Kasumu joined in September 2022.

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

## Our Trustee Board

**Debu Purkayastha** is chair of our Board of Trustees and a renowned global investment leader and entrepreneur. Currently Managing Partner of venture capital and private equity firm, 3rd Eye, he holds several non-executive positions including at University of Cambridge/ Cambridge Enterprise, University Hospitals Birmingham NHS Foundation Trust, and previously at global humanitarian NGO Mercy Corps. Debu spent almost six years at Google before becoming Entrepreneur-in-Residence at Octopus Investments. He sits on our People Committee and Investment Committee.

**Sally Tennant OBE** has many years of experience in the banking and investment sectors. She founded Acorn Capital Advisers – an independent wealth adviser – after serving as Chief Executive of Kleinwort Benson from 2011 to 2014. Sally was previously Chief Executive of Lombard Odier (UK) Ltd, after four years as Chief Executive of Schroders Private Banking. As well as being vice-chair of our Board of Trustees, Sally chairs our Childhood Obesity Programme Committee and sits on our Finance and Audit Committee, Investment Committee and People Committee. Sally is the Trustee diversity, equity and inclusion lead.

## Our Trustee Board

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

**Helen Bailey** is Chief Executive of the London Borough of Sutton. She is an experienced public sector leader who has worked in local government, for the Mayor of London and in HM Treasury. She has also provided strategic consultancy and advice as a consultant and is involved in two not-for-profit organisations that concern themselves with public sector leadership. Helen takes a particular interest in our work on children's mental health and is a member of our Finance and Audit Committee. She is also a resident of Lambeth.

**Tom Joy** is Director of Investments at Church Commissioners for England. He began his career as a graduate trainee at Royal Sun Alliance Investment Management before joining Schroders where he held a variety of different roles, culminating as Head of Investment – Multi-Manager. He then joined RMB Asset Management as Chief Investment Officer. Tom chairs our Investment Committee and sits on our People Committee.

**Yasemin Saltuk Lamy** is MD, Head of Asset Allocation and Capital Solutions for British International Investment plc. She previously covered Digital Identity and Innovation at Omidyar Network and had 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. She chairs our Impact Investment Committee and sits on our Investment Committee.

**Paul Brown** is CEO of MusicBird AG, a Switzerland-based company building a portfolio of world-class music rights and innovating in rights acquisition, management and portfolio monetisation. He is an experienced media and technology executive, having previously held leadership positions at The Walt Disney Company EMEA – where he was Senior Vice President of Interactive and Direct to Consumer divisions – Spotify, Pandora and Sony Music. Paul chairs our Finance and Audit Committee and Health Effects of Air Pollution Programme Committee.

**Katherine Ward** is Chief Commercial Officer and Managing Director, UK and Europe, for Healthy.io – a digital healthcare startup. She has worked in healthcare for 26 years: 15 years in the NHS in both provider and payer roles and 11 years with UnitedHealth Group, where she was Chief Executive of UnitedHealth UK and, later, Chief Growth Officer for Optum International. Katherine chairs our Children's Mental Health Programme Committee and sits on our People Committee.

## Our Trustee Board

**Dr Danny Sriskandarajah** 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 holds a Masters and Doctorate from Oxford University and an undergraduate degree from the University of Sydney, and is a Trustee of the Disasters Emergency Committee. Danny chairs our Multiple Long-Term Conditions Programme Committee.

**Dr Nikki Kanani**, a respected leader in health, joined us as a Trustee in February 2021. She is a practising GP in South East London and, in 2018, became the first woman to be appointed Medical Director for Primary Care for NHS England and NHS Improvement. Prior to joining NHS England as Deputy Medical Director of Primary Care, she was Chief Clinical Officer of NHS Bexley Clinical Commissioning Group (CCG). She currently sits on The King's Fund General Advisory Group.

**Susanne Given** is a leading non-executive director specialising in digital organisational growth. She has 20+ years of experience working for fast-growing digital businesses and recognised leaders in retail, such as John Lewis, Harrods and Superdry, and currently chairs online furniture retailer MADE.com and digital fashion brand HUSH UK. Susanne formerly held non-executive roles at Morrisons, Push Doctor and Deloitte. She sits on our People Committee, Investment Committee and Finance and Audit Committee.

### Company Secretary

**Hazel Peck** is an English qualified solicitor and chartered company secretary. Prior to joining the Foundation, Hazel trained, and spent a number of years as an associate at, Hogan Lovells International LLP, a leading global corporate law firm, where she specialised in corporate finance and social enterprise. Following that, she specialised in social investment as senior legal advisor at Big Society Capital. Hazel sits on the UK regional board of the Global Alliance of Impact Lawyers and is a Trustee of London-based children's charity KEEN London.

# Committees

We have a number of committees that report to the Board, and funding committees that advise the Board on charitable expenditure. Each committee is made up of experts in their respective fields.

Funding decisions related to our programmes are made either by the Board of Trustees (if over £2m or otherwise advised by the relevant committee), the Executive Investment Committee (if up to £2m) or 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 Board of Trustees (for amounts above £2m) or the Charities Oversight Group (for amounts up to £2m) alongside a check on strategic alignment by the Charities Strategy Committee. Funding decisions of up to £500,000 can also be taken by the Evelina London, Cancer and Charitable Fund Committees under delegated authority from the Board.

## Board Committees

### Investment Committee

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

**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. It reports to the Investment Committee, approves investments up to and including £10m and recommends funds to the Investment Committee for approval above that level.

### 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 internal and external audit, oversees the maintenance of an effective system of internal financial controls, management reporting and risk management, and advises the Board on governance arrangements. It reports to the Board of Trustees.



**People Committee**

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

**Charities Strategy Committee**

This committee, operating under delegated authority from the Board, is responsible for setting the strategic direction of fundraising and fund spending, providing long-term strategic advice on all work with the Trust and NHS influencing work, and considering the strategic fit of funding and fundraising projects with a value of over £2m.

**Impact on Urban Health Committee**

This committee, operating under delegated authority from the Board, is responsible for providing strategic oversight and guidance to Impact on Urban Health (the programmatic area of the Foundation's activities). The committee advises on strategic direction for cross-programmatic learning, reviews the progression of our programmes and, if appropriate, recommends for approval the funding of Impact on Urban Health proposals above £2m.

**Executive Committees****Executive Investment Committee**

This committee, operating under delegated authority from the Board, is responsible for the Foundation's activities as an independent health foundation, including spending decisions on programmatic work of up to (and including) £2m.

**Charities Oversight Group**

This group, operating under delegated authority from the Board, is responsible for funding and fundraising decisions of up to (and including) £2m relating to the Trust and delegating certain funding decisions – currently to the Trust committees, which are in the process of being reformed as the Evelina London Children's Charity, Guy's Cancer Charity and Guy's & St Thomas' Charity Expert Groups, as well as to Special Purpose Fundholders' and the Foundation's Chief Executive, respectively, and to take decisions on support for the Trust in response to unforeseen needs up to and including a value of £2m.

**Programme Advisory Committees****Childhood Obesity Programme Committee**

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 of working to support children and young people.

### **Multiple Long-Term Conditions Programme Committee**

This 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 the areas of long-term condition management, community development, public health, clinical commissioning, digital health and population health management.

### **Health Effects of Air Pollution Programme Committee**

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.

### **Children's Mental Health Programme Committee**

We are currently exploring different approaches to developing our Children's Mental Health Programme Committee later this year. We began by inviting 18 experts from the NHS, local government, mental health research, schools and communities in Lambeth and Southwark to an informal roundtable in March 2021.

## **Trust Committees**

### **Evelina Children's Fund Committee**

This committee meets regularly during the year and is responsible for considering applications for funding from the Evelina Children's Fund.

### **Cancer Funds Committee**

This committee meets regularly during the 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.

### **The Charitable Fund Committee**

This committee meets regularly during the year and awards grants to improve patient care and experience and to support staff across Guy's and St Thomas' NHS Foundation Trust.

### **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.

In each case, applications to these committees are considered in light of the strategic direction set by the Charities Strategy Committee. Any applications for funding or proposals for fundraising above £500,000 are escalated for approval to the Charities Oversight Group.

# Advisors

## **Auditors (statutory)**

Moore Kingston Smith LLP, Devonshire House, 9 Appold Street, London EC2A 2AP

## **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 5EH

## **Property advisers**

Savills, 33 Margaret Street, Marylebone, London W1G 0JD

## **Property managers**

Savills, Wytham Court, 11 West Way, Oxford OX2 0QL

Allsop Letting and Management, City House, New Station Street, Leeds LS1 4JB

CRM Students Ltd, Hanborough House, Wallbrook Court, North Hinksey Lane, Botley, Oxfordshire OX2 0QS

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

## **Lawyers (charity and general legal support)**

Withers LLP, 20 Old Bailey, London EC4M 7AN

Stone King LLP, Upper Borough Court, Bath BA1 1RG

## **Lawyers (property)**

Macfarlanes LLP, 20 Cursitor Street, Holborn, London EC4A 1LT

Burgess Salmon, One Glass Wharf, Bristol BS2 0ZX

# Others

## **Newcomen Collett Foundation**

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

# Auditor's report and financial statements

# Independent auditor's report to the members and Trustees of Guy's and St Thomas' Foundation

## Opinion

We have audited the financial statements of Guy's and St Thomas' Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including 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 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## 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 contained in the annual report. 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.

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 course of 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 themselves. 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.

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 their 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.
- The parent charitable company's financial statements are not in agreement with the accounting records and returns.
- Certain disclosures of Trustees' remuneration specified by law are not made.
- 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 40, 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.

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

### Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

## 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.

*Moore Kingston Smith LLP*

**Luke Holt**

(Senior Statutory Auditor)

For and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House  
9 Appold Street  
London  
EC2A 2AP

Date: 11 October 2022



# Consolidated statement of financial activities

(incorporating an Income and Expenditure Account)

## For the year ended 31 March 2022

	Notes	2022				2021			
		Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Income from:</b>									
Investments	2	1,488	9	16,467	17,964	1,796	16	15,693	17,505
Release from endowment funds	3	29,769	240	(30,009)	–	28,353	187	(28,540)	–
Grant income	4	2,666	508	–	3,174	1,150	–	–	1,150
Donations, legacies and other	5	2,628	5,161	–	7,789	1,464	8,368	–	9,832
<b>Total income</b>		<b>36,551</b>	<b>5,918</b>	<b>(13,542)</b>	<b>28,927</b>	<b>32,763</b>	<b>8,571</b>	<b>(12,847)</b>	<b>28,487</b>
<b>Expenditure on:</b>									
Raising funds									
Investment costs	6	351	11	10,971	11,333	270	–	6,687	6,957
Fundraising cost	6	1,227	3,650	–	4,877	536	3,561	–	4,097
		<b>1,578</b>	<b>3,661</b>	<b>10,971</b>	<b>16,210</b>	<b>806</b>	<b>3,561</b>	<b>6,687</b>	<b>11,054</b>
Charitable activities									
Grants	6	30,608	3,463	–	34,071	23,769	3,205	–	26,974
Other charitable activities	6	9,530	2,371	–	11,901	5,320	2,399	–	7,719
		<b>40,138</b>	<b>5,834</b>	<b>–</b>	<b>45,972</b>	<b>29,089</b>	<b>5,604</b>	<b>–</b>	<b>34,693</b>
<b>Total expenditure</b>	<b>8</b>	<b>41,716</b>	<b>9,495</b>	<b>10,971</b>	<b>62,182</b>	<b>29,895</b>	<b>9,165</b>	<b>6,687</b>	<b>45,747</b>
<b>Net income/(expenditure) before gains and losses on investments</b>		<b>(5,165)</b>	<b>(3,577)</b>	<b>(24,513)</b>	<b>(33,255)</b>	<b>2,868</b>	<b>(594)</b>	<b>(19,534)</b>	<b>(17,260)</b>
Net gains on revaluation and disposal of investments	10	525	–	74,607	75,132	89	–	162,694	162,783
<b>Net income/(expenditure)</b>		<b>(4,640)</b>	<b>(3,577)</b>	<b>50,094</b>	<b>41,877</b>	<b>2,957</b>	<b>(594)</b>	<b>143,160</b>	<b>145,523</b>
<b>Transfers between funds</b>	<b>19</b>	<b>(3,600)</b>	<b>3,600</b>	<b>–</b>	<b>–</b>	<b>(2,899)</b>	<b>2,899</b>	<b>–</b>	<b>–</b>
<b>Other recognised losses</b>									
Loss on revaluation of tangible fixed assets	9	–	–	–	–	(24)	–	–	(24)
<b>Net movement in funds</b>		<b>(8,240)</b>	<b>23</b>	<b>50,094</b>	<b>41,877</b>	<b>34</b>	<b>2,305</b>	<b>143,160</b>	<b>145,499</b>
<b>Reconciliation of funds</b>									
Total funds brought forward		68,846	11,091	880,509	960,446	68,812	8,786	737,349	814,947
<b>Total funds carried forward</b>		<b>60,606</b>	<b>11,114</b>	<b>930,603</b>	<b>1,002,323</b>	<b>68,846</b>	<b>11,091</b>	<b>880,509</b>	<b>960,446</b>

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 16 to 18.

The notes on pages 60 to 87 form part of these financial statements.

# Consolidated balance sheet

## As at 31 March 2022

Notes	2022				2021				
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total at 31 March £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total at 31 March £'000	
<b>Fixed assets</b>									
Tangible assets	9	5,216	–	–	5,216	3,837	–	–	3,837
Investments	10	27,198	–	1,030,313	1,057,511	26,802	–	985,155	1,011,957
		<b>32,414</b>	<b>–</b>	<b>1,030,313</b>	<b>1,062,727</b>	<b>30,639</b>	<b>–</b>	<b>985,155</b>	<b>1,015,794</b>
<b>Current assets</b>									
Investments	10	–	–	25,403	25,403	–	–	16,154	16,154
Debtors	11	1,353	464	27,213	29,030	846	655	6,095	7,596
Inter-fund loan	12	65,000	–	(65,000)	–	65,000	–	(65,000)	–
Cash and short term deposits	13	16,547	20,980	13,596	51,123	10,402	21,950	15,353	47,705
		<b>82,900</b>	<b>21,444</b>	<b>1,212</b>	<b>105,556</b>	<b>76,248</b>	<b>22,605</b>	<b>(27,398)</b>	<b>71,455</b>
<b>Creditors:</b>									
Amounts falling due within one year									
Grant creditors	7	34,928	5,785	–	40,713	24,393	6,320	–	30,713
Other creditors	14	11,086	3,288	26,441	40,815	2,899	2,890	4,806	10,595
		<b>46,014</b>	<b>9,073</b>	<b>26,441</b>	<b>81,528</b>	<b>27,292</b>	<b>9,210</b>	<b>4,806</b>	<b>41,308</b>
<b>Net current assets/(liabilities)</b>		<b>36,886</b>	<b>12,371</b>	<b>(25,229)</b>	<b>24,028</b>	<b>48,956</b>	<b>13,395</b>	<b>(32,204)</b>	<b>30,147</b>
<b>Total assets less current liabilities</b>									
		<b>69,300</b>	<b>12,371</b>	<b>1,005,084</b>	<b>1,086,755</b>	<b>79,595</b>	<b>13,395</b>	<b>952,951</b>	<b>1,045,941</b>
<b>Creditors:</b>									
Amounts falling due after one year									
Grant creditors	7	8,694	1,184	–	9,878	10,749	2,181	–	12,930
Other creditors		–	73	14,481	14,554	–	123	12,442	12,565
Private placement loan	15	–	–	60,000	60,000	–	–	60,000	60,000
		<b>8,694</b>	<b>1,257</b>	<b>74,481</b>	<b>84,432</b>	<b>10,749</b>	<b>2,304</b>	<b>72,442</b>	<b>85,495</b>
<b>Total net assets</b>		<b>60,606</b>	<b>11,114</b>	<b>930,603</b>	<b>1,002,323</b>	<b>68,846</b>	<b>11,091</b>	<b>880,509</b>	<b>960,446</b>
<b>Funds of the charity</b>									
Income funds									
Unrestricted	16	60,606	–	–	60,606	68,846	–	–	68,846
Restricted	17	–	11,114	–	11,114	–	11,091	–	11,091
		<b>60,606</b>	<b>11,114</b>	<b>–</b>	<b>71,720</b>	<b>68,846</b>	<b>11,091</b>	<b>–</b>	<b>79,937</b>
Capital funds									
Endowment	18	–	–	930,603	930,603	–	–	880,509	880,509
<b>Total funds</b>		<b>60,606</b>	<b>11,114</b>	<b>930,603</b>	<b>1,002,323</b>	<b>68,846</b>	<b>11,091</b>	<b>880,509</b>	<b>960,446</b>

Approved by the Trustees and signed on their behalf:



**Paul Brown**

28 September 2022

The notes on pages 60 to 87 form part of these financial statements.

# Balance sheet

## As at 31 March 2022

Notes	2022				2021				
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total at 31 March £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total at 31 March £'000	
<b>Fixed assets</b>									
Tangible assets	9	5,216	–	–	5,216	3,837	–	–	3,837
Investments	10	25,432	–	1,037,252	1,062,684	24,758	–	986,075	1,010,833
		<b>30,648</b>	<b>–</b>	<b>1,037,252</b>	<b>1,067,900</b>	<b>28,595</b>	<b>–</b>	<b>986,075</b>	<b>1,014,670</b>
<b>Current assets</b>									
Debtors	11	1,357	464	31,050	32,871	903	655	8,936	10,494
Inter-fund loan	12	65,000	–	(65,000)	–	65,000	–	(65,000)	–
Cash and short term deposits	13	16,304	20,980	13,284	50,568	10,378	21,950	15,229	47,557
		<b>82,661</b>	<b>21,444</b>	<b>(20,666)</b>	<b>83,439</b>	<b>76,281</b>	<b>22,605</b>	<b>(40,835)</b>	<b>58,051</b>
<b>Creditors:</b>									
Amounts falling due within one year									
Grant creditors	7	34,928	5,785	–	40,713	24,393	6,320	–	30,713
Other creditors	14	11,087	3,288	25,968	40,343	2,901	2,888	4,697	10,486
		46,015	9,073	25,968	81,056	27,294	9,208	4,697	41,199
<b>Net current assets/(liabilities)</b>		<b>36,646</b>	<b>12,371</b>	<b>(46,634)</b>	<b>2,383</b>	<b>48,987</b>	<b>13,397</b>	<b>(45,532)</b>	<b>16,852</b>
<b>Total assets less current liabilities</b>		<b>67,294</b>	<b>12,371</b>	<b>990,618</b>	<b>1,070,283</b>	<b>77,582</b>	<b>13,397</b>	<b>940,543</b>	<b>1,031,522</b>
<b>Creditors:</b>									
Amounts falling due after one year									
Grant creditors	7	8,694	1,184	–	9,878	10,749	2,181	–	12,930
Other creditors		–	73	–	73	–	123	–	123
Private placement loan	15	–	–	60,000	60,000	–	–	60,000	60,000
		<b>8,694</b>	<b>1,257</b>	<b>60,000</b>	<b>69,951</b>	<b>10,749</b>	<b>2,304</b>	<b>60,000</b>	<b>73,053</b>
<b>Total net assets</b>		<b>58,600</b>	<b>11,114</b>	<b>930,618</b>	<b>1,000,332</b>	<b>66,833</b>	<b>11,093</b>	<b>880,543</b>	<b>958,469</b>
<b>Funds of the charity</b>									
Income funds									
Unrestricted	16	58,600	–	–	58,600	66,833	–	–	66,833
Restricted	17	–	11,114	–	11,114	–	11,093	–	11,093
		<b>58,600</b>	<b>11,114</b>	<b>–</b>	<b>69,714</b>	<b>66,833</b>	<b>11,093</b>	<b>–</b>	<b>77,926</b>
Capital funds									
Endowment	18	–	–	930,618	930,618	–	–	880,543	880,543
<b>Total funds</b>		<b>58,600</b>	<b>11,114</b>	<b>930,618</b>	<b>1,000,332</b>	<b>66,833</b>	<b>11,093</b>	<b>880,543</b>	<b>958,469</b>

A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Foundation itself as the Foundation has taken advantage of the exemptions offered by section 408 of the Companies Act 2006. The net income of the Foundation only for the year ended 31 March 2022 was £41,863,000 (2021: £145,537,000).

Approved by the Trustees and signed on their behalf:



Paul Brown

28 September 2022

The notes on pages 60 to 87 form part of these financial statements..

## Consolidated statement of cash flows

### As at 31 March 2022

	Notes	31 March 2022 £'000	31 March 2021 £'000
<b>Cash flows from operating activities:</b>			
<b>Net cash used in operating activities</b>		<b>(33,306)</b>	<b>(12,533)</b>
<b>Cash flows from investing activities:</b>			
Rents, dividends and interest from investments		17,965	17,505
Proceeds from sale of investments		223,473	192,995
Purchase of investments		(202,320)	(183,001)
Purchase of tangible fixed assets		(1,529)	(92)
<b>Net cash provided by investing activities</b>		<b>37,588</b>	<b>27,407</b>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period	13	47,705	34,349
Change in cash and cash equivalents due to exchange rate movements		(864)	(1,518)
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>13</b>	<b>51,123</b>	<b>47,705</b>

### Reconciliation of net income to net cash flow from operating activities

	31 March 2022 £'000	31 March 2021 £'000
<b>Net (expenditure)/income for the reporting period</b>	<b>41,877</b>	<b>145,523</b>
<b>Adjustments for:</b>		
Depreciation charges	142	29
(Gains)/loss on investments	(75,132)	(162,783)
Programme-related investments written off	48	5
Rents, dividends and interest from investments	(17,964)	(17,505)
Donated fixed assets	-	(1)
Decrease in debtors	(21,434)	8,387
Increase in grants payable	6,948	5,618
Increase in other creditors	32,209	8,194
<b>Net cash used in operating activities</b>	<b>(33,306)</b>	<b>(12,533)</b>
Increase in grants payable includes:		
Grants awarded	28,832	23,411
Grants paid out	(21,954)	(17,750)
Change in fair value	70	(43)
	<b>6,948</b>	<b>5,618</b>

The notes on pages 60 to 87 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 Foundation is a Public Benefit Entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the Foundation. 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 (i) possible events or conditions that might cast significant doubt on the ability of the Foundation to continue as a going concern, (ii) the Foundation's forecasts and projections, and (iii) potential pressures on income. This assessment has been made 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 Foundation has adequate resources to continue in operational existence for the foreseeable future. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

### 1.3 Fund accounting

The Foundation maintains various types of funds and descriptions of these funds are provided in notes 1 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 16 to 18.

#### There are three main types of funds as follows:

- Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the Foundation.
- 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 Foundation to provide an ongoing income to expend in furtherance of the Foundation's objects. The Foundation 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 Foundation 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 Foundation's management is required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of 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 that have the most significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

- the valuations of investment properties, for which the Foundation has obtained assurance from its professional valuers that the valuations included in the accounts have not materially changed since the date of valuation;
- the valuations of unlisted programme-related direct financial investments, which are based either on the prices achieved in the most recent fundraising, if applicable, or cost less any known impairment; and
- the discount rate applied to the calculation of the present value of grant creditors payable after more than one year, for which the Foundation 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 12, as this best reflects the opportunity cost of income foregone.



# Notes to the financial statements

## 1. Accounting policies (cont.)

### 1.5 Income

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

- Donations, gifts, legacies and investment income are accounted for when received or when due and receipt is probable.
- Dividends and interest are brought into account gross of recoverable UK and overseas taxation.
- Income from grants is accounted for when the Foundation becomes entitled to receive it. Where such grants are subject to terms or conditions, income will only be recognised to the extent that the related terms and conditions have been fulfilled by the Foundation.

### 1.6 Expenditure

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

Expenditure on raising funds comprise costs incurred in managing the Foundation's investment portfolio and maintaining the Foundation's investment properties as well as amounts both charged to and directly incurred by the Foundation for fundraising services.

Grants awarded are brought into account when a constructive obligation exists for the Trustees to make the grant.

Other charitable activities relate to expenditure in support of beneficiaries which is not made as part of the normal grants programme. It includes day-to-day beneficiary expenditure incurred through special purpose funds, charitable activity funded by contractual agreements, and expenditure on maintaining and displaying the art collection.

### 1.7 Pension contributions and employee benefits

The cost of employer contributions to the NHS Pension Scheme and other schemes is charged to the Statement of Financial Activities.

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

Termination benefits are recognised immediately as an expense when the Foundation 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 Foundation'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 Foundation'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 2022.

# Notes to the financial statements

## 1. Accounting policies (cont.)

### 1.9 Tangible fixed assets (cont.)

#### 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 are depreciated over 3 years.
- The art collection is not depreciated as the residual value of works of art is considered to be at least equal to the book value.

#### Impairment

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

### 1.10 Fixed asset investments

Property assets are included at market valuation. Investment properties are valued annually by professional valuers and the last full valuation was as at 31 December 2021. Where a decision to sell a property was made before the balance sheet date and offers to purchase were received subsequent to the balance sheet date, the value at which the property is included in the accounts has been adjusted to reflect the estimated net sale price achievable. The Foundation does not believe that the valuations of property assets have materially changed subsequent to the balance sheet date.

Listed investments are included in the balance sheet at market value as at 31 March 2022. Inevitably, market valuations fluctuate, sometimes significantly, over time including over the period subsequent to the balance sheet date. However, given the long-term nature of its investment portfolio, the Foundation does not believe that there has been any material permanent diminution in investment valuations 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 2022. The Foundation does not believe that there is any evidence of any material permanent reduction in these valuations 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 Foundation's portfolio management and risk management strategy. The Foundation's use of other financial instruments during the year ended 31 March 2022 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.

# Notes to the financial statements

## 1. Accounting policies (cont.)

### 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 Foundation and its wholly-owned subsidiary undertakings, GSTC Health Innovations Limited, GSTC Property Investments Limited and GSTC Property Developments Ltd. The Foundation has not presented its unconsolidated income and expenditure account in accordance with the exemption under Section 408 of the Companies Act 2006.

## 2. Income from investments

	2022				2021			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Financial investments</b>								
Financial investments								
Dividends, distributions and interest								
Global equity	–	–	721	721	–	–	975	975
Private equity	–	–	2	2	–	–	4	4
Programme-related financial investments								
Royalties and interest	12	–	–	12	7	–	–	7
	<b>12</b>		<b>723</b>	<b>735</b>	<b>7</b>		<b>979</b>	<b>986</b>
<b>Property investments</b>								
Property investments								
Rents	–	–	16,195	16,195	–	–	15,769	15,769
Other income	–	–	175	175	–	–	5	5
Programme-related property investments								
Rents	840	–	–	840	716	–	–	716
	<b>840</b>		<b>16,370</b>	<b>17,210</b>	<b>716</b>		<b>15,774</b>	<b>16,490</b>
<b>Interest</b>								
Cash and short-term deposits	10	9	–	19	9	16	4	29
Inter-fund loan (see note 12)	626	–	(626)	–	1,064	–	(1,064)	–
	<b>636</b>	<b>9</b>	<b>(626)</b>	<b>19</b>	<b>1,073</b>	<b>16</b>	<b>(1,060)</b>	<b>29</b>
	<b>1,488</b>	<b>9</b>	<b>16,467</b>	<b>17,964</b>	<b>1,796</b>	<b>16</b>	<b>15,693</b>	<b>17,505</b>

## Notes to the financial statements

### 3. Release from endowment funds

	2022				2021			
	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 Foundation's distribution rule	29,769	–	(29,769)	–	28,353	–	(28,353)	–
Permanent endowments total return allocated to income	–	240	(240)	–	–	187	–	–
	<b>29,769</b>	<b>240</b>	<b>(30,009)</b>	<b>–</b>	<b>28,353</b>	<b>187</b>	<b>(28,540)</b>	<b>–</b>

The Foundation 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 (RPI) over the long term.

The Foundation 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. Grant income

	2022				2021			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Grant income</b>								
South East London CCG	1,700	–	–	<b>1,700</b>	1,000	–	–	<b>1,000</b>
Clean Air Fund	387	–	–	<b>387</b>	150	–	–	<b>150</b>
Wellcome Trust	543	–	–	<b>543</b>	–	–	–	<b>–</b>
Other	36	508	–	<b>544</b>	–	–	–	<b>–</b>
	<b>2,666</b>	<b>508</b>	<b>–</b>	<b>3,174</b>	<b>1,150</b>	<b>–</b>	<b>–</b>	<b>1,150</b>

The grant from South East London CCG is an unconditional award of £1,700,000. The grant from Clean Air Fund is a conditional award with a total value of £2,000,000 over a four-year term from 1 January 2021 to 31 December 2023, of which the conditions relating to £537,000 had been met prior to 31 March 2022. The Foundation was also awarded a grant with a total value of £1,499,800 from Wellcome Trust prior to 31 March 2021, of which the conditions relating to £543,000 had been met prior to 31 March 2022.

### 5. Income from donations, legacies and other

	2022				2021			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Donations and legacies</b>								
Donations	589	4,406	–	<b>4,995</b>	1,210	7,460	–	<b>8,670</b>
Legacies	2,012	752	–	<b>2,764</b>	252	905	–	<b>1,157</b>
	<b>2,601</b>	<b>5,158</b>	<b>–</b>	<b>7,759</b>	<b>1,462</b>	<b>8,365</b>	<b>–</b>	<b>9,827</b>
<b>Other</b>	<b>27</b>	<b>3</b>	<b>–</b>	<b>30</b>	<b>2</b>	<b>3</b>	<b>–</b>	<b>5</b>
	<b>2,628</b>	<b>5,161</b>	<b>–</b>	<b>7,789</b>	<b>1,464</b>	<b>8,368</b>	<b>–</b>	<b>9,832</b>

## Notes to the financial statements

### 6. Total expenditure

	2022						
	Investments £'000	Fundraising £'000	Total raising funds £'000	Grants £'000	Other charitable activities £'000	Total charitable activities £'000	Total £'000
<b>Unrestricted funds</b>							
<b>Direct expenditure</b>							
Property investments	269	–	269	–	–	–	269
Grants awarded	–	–	–	25,948	–	25,948	25,948
Other direct	–	1,170	1,170	–	6,964	6,964	8,134
	<b>269</b>	<b>1,170</b>	<b>1,439</b>	<b>25,948</b>	<b>6,964</b>	<b>32,912</b>	<b>34,351</b>
<b>Support costs</b>							
Salary and other payroll	56	39	95	3,242	1,758	5,000	5,095
Other support	25	17	42	1,430	776	2,206	2,248
Depreciation	1	1	2	58	32	90	92
	<b>82</b>	<b>57</b>	<b>139</b>	<b>4,730</b>	<b>2,566</b>	<b>7,296</b>	<b>7,435</b>
<b>Change in fair value</b>							
Grants creditors	–	–	–	(70)	–	(70)	(70)
<b>Total unrestricted funds</b>	<b>351</b>	<b>1,227</b>	<b>1,578</b>	<b>30,608</b>	<b>9,530</b>	<b>40,138</b>	<b>41,716</b>
<b>Restricted funds</b>							
<b>Direct expenditure</b>							
Grants awarded	–	–	–	2,884	–	2,884	2,884
Other direct	–	3,137	3,137	–	1,797	1,797	4,934
	–	<b>3,137</b>	<b>3,137</b>	<b>2,884</b>	<b>1,797</b>	<b>4,681</b>	<b>7,818</b>
<b>Support costs</b>							
Salary and other payroll	8	352	360	397	393	790	1,150
Other support	3	155	158	175	174	349	507
Depreciation	–	6	6	7	7	14	20
	<b>11</b>	<b>513</b>	<b>524</b>	<b>579</b>	<b>574</b>	<b>1,153</b>	<b>1,677</b>
<b>Total restricted funds</b>	<b>11</b>	<b>3,650</b>	<b>3,661</b>	<b>3,463</b>	<b>2,371</b>	<b>5,834</b>	<b>9,495</b>
<b>Endowment funds</b>							
<b>Direct expenditure</b>							
Financial investments	1,715	–	1,715	–	–	–	1,715
Property investments	4,633	–	4,633	–	–	–	4,633
	<b>6,348</b>	–	<b>6,348</b>	–	–	–	<b>6,348</b>
<b>Support costs</b>							
Salary and other payroll	1,637	–	1,637	–	–	–	1,637
Other support	723	–	723	–	–	–	723
Depreciation	30	–	30	–	–	–	30
	<b>2,390</b>	–	<b>2,390</b>	–	–	–	<b>2,390</b>
<b>Interest costs</b>							
Private placement loan	2,232	–	2,232	–	–	–	2,232
Other interest	1	–	1	–	–	–	1
	<b>2,233</b>	–	<b>2,233</b>	–	–	–	<b>2,233</b>
<b>Total endowment funds</b>	<b>10,971</b>	–	<b>10,971</b>	–	–	–	<b>10,971</b>
	<b>11,333</b>	<b>4,877</b>	<b>16,210</b>	<b>34,071</b>	<b>11,901</b>	<b>45,972</b>	<b>62,182</b>
Of which:							
Total direct expenditure	6,617	4,307	10,924	28,832	8,761	37,593	48,517



## Notes to the financial statements

### 6. Total expenditure (cont.)

	2021						
	Investments £'000	Fundraising £'000	Total raising funds £'000	Grants £'000	Other charitable activities £'000	Total charitable activities £'000	Total £'000
<b>Unrestricted funds</b>							
<b>Direct expenditure</b>							
Property investments	170	–	170	–	–	–	170
Grants awarded	–	–	–	20,552	–	20,552	20,552
Other direct	–	531	531	–	3,518	3,518	4,049
	<b>170</b>	<b>531</b>	<b>701</b>	<b>20,552</b>	<b>3,518</b>	<b>24,070</b>	<b>24,771</b>
<b>Support costs</b>							
Salary and other payroll	68	5	73	2,229	1,232	3,461	3,534
Other support	32	–	32	1,022	558	1,580	1,612
Depreciation	–	–	–	10	12	22	22
	<b>100</b>	<b>5</b>	<b>105</b>	<b>3,261</b>	<b>1,802</b>	<b>5,063</b>	<b>5,168</b>
<b>Change in fair value</b>							
Grants creditors	–	–	–	(44)	–	(44)	(44)
<b>Total unrestricted funds</b>	<b>270</b>	<b>536</b>	<b>806</b>	<b>23,769</b>	<b>5,320</b>	<b>29,089</b>	<b>29,895</b>
<b>Restricted funds</b>							
<b>Direct expenditure</b>							
Grants awarded	–	–	–	2,859	–	2,859	2,859
Other direct	–	3,560	3,560	–	2,071	2,071	5,631
	–	<b>3,560</b>	<b>3,560</b>	<b>2,859</b>	<b>2,071</b>	<b>4,930</b>	<b>8,490</b>
<b>Support costs</b>							
Salary and other payroll	–	1	1	236	224	460	461
Other support	–	–	–	109	103	212	212
Depreciation	–	–	–	1	1	2	2
	–	<b>1</b>	<b>1</b>	<b>346</b>	<b>328</b>	<b>674</b>	<b>675</b>
<b>Total restricted funds</b>	–	<b>3,561</b>	<b>3,561</b>	<b>3,205</b>	<b>2,399</b>	<b>5,604</b>	<b>9,165</b>
<b>Endowment funds</b>							
<b>Direct expenditure</b>							
Financial investments	249	–	249	–	–	–	249
Property investments	2,608	–	2,608	–	–	–	2,608
	<b>2,857</b>	–	<b>2,857</b>	–	–	–	<b>2,857</b>
<b>Support costs</b>							
Salary and other payroll	1,079	–	1,079	–	–	–	1,079
Other support	514	–	514	–	–	–	514
Depreciation	5	–	5	–	–	–	5
	<b>1,598</b>	–	<b>1,598</b>	–	–	–	<b>1,598</b>
<b>Interest costs</b>							
Private placement loan	2,206	–	2,206	–	–	–	2,206
Other interest	26	–	26	–	–	–	26
	<b>2,232</b>	–	<b>2,232</b>	–	–	–	<b>2,232</b>
<b>Total endowment funds</b>	<b>6,687</b>	–	<b>6,687</b>	–	–	–	<b>6,687</b>
	<b>6,957</b>	<b>4,097</b>	<b>11,054</b>	<b>26,974</b>	<b>7,719</b>	<b>34,693</b>	<b>45,747</b>
Of which:							
Total direct expenditure	3,027	4,091	7,118	23,411	5,589	29,000	36,118

## Notes to the financial statements

### 6. Total expenditure (cont.)

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

Total expenditure includes auditor's remuneration of £41,446 (2021: £38,154) in respect of the external audit of the statutory accounts.

#### Direct charitable expenditure

	Total 2018 £'000	Total 2019 £'000	Total 2020 £'000	Total 2021 £'000	Total 2022 £'000	Total 2018-2022 £'000
<b>By activity: five-year profile</b>						
Impact on Urban Health programmes	3,286	10,014	14,323	17,637	22,872	68,132
Charity for Guy's and St Thomas' NHS Foundation Trust	14,629	7,923	9,898	10,905	13,065	56,420
Investing for health	–	–	–	–	1,500	1,500
Health Innovation Fund	3,896	968	1,015	458	156	6,493
Programme-related investment write down	4,209	–	–	–	–	4,209
	26,020	18,905	723	29,000	37,593	136,754
<b>By recipient: five-year profile</b>						
	–	–				
Guy's and St Thomas' NHS Foundation Trust	15,919	8,584	10,243	10,488	11,179	56,413
Other organisations	10,101	10,321	14,993	18,512	26,414	80,341
	26,020	18,905	25,236	29,000	37,593	136,754

Amounts are shown net of write backs and other adjustments.

The Health Innovation Fund represents expenditure made in accordance with the Foundation's previous strategy.

The programme-related investment write down relates to an adjustment to the fair value of an investment made in furtherance of the Foundation's charitable purpose.

## Notes to the financial statements

### 7. Grants

#### 7.1 Grants committed but not yet paid

Grants awarded are brought into account when a constructive obligation exists for the Trustees to make the grant. Amounts thus committed but not yet paid are included on the balance sheet as grant creditors. 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, with the change in the value of the discount being included in grant expenditure (see note 6).

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Group and Company</b>				
Committed but not yet paid at 31 March 2021	35,513	8,501	–	44,014
Grants awarded	25,948	2,884	–	28,832
Payments	(17,538)	(4,416)	–	(21,954)
	43,923	6,969	–	50,892
Fair value adjustment	(301)	–	–	(301)
<b>Grant creditors at 31 March 2022</b>	<b>43,622</b>	<b>6,969</b>	<b>–</b>	<b>50,591</b>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Group and Company</b>				
Committed but not yet paid at 31 March 2020	30,770	7,583	–	38,353
Grants awarded	20,551	2,859	–	23,410
Payments	(15,808)	(1,941)	–	(17,749)
	35,513	8,501	–	44,014
Fair value adjustment	(371)	–	–	(371)
<b>Grant creditors at 31 March 2021</b>	<b>35,142</b>	<b>8,501</b>	<b>–</b>	<b>43,643</b>

# Notes to the financial statements

## 7. Grants (cont.)

### 7.2 Grants awarded by recipient

	Number	Awarded Total 2022 £'000
<b>Guy's and St Thomas' NHS Foundation Trust</b>	50	<b>9,431</b>
<b>Other organisations with total grants awarded greater than £100,000:</b>		
King's College London	8	2,011
Share Action	1	1,525
London South Teaching School Hub	1	1,035
Walcot Foundation	1	875
Mission Ventures	1	802
The Ubele Initiative	1	720
Loughborough Community Centre	1	700
Design Council	1	630
Greater London Authority	2	609
Sustain	1	559
Hello Brave	1	544
Advocacy Academy	1	492
Breathe Arts Health Research	2	477
Greenhouse Sports	1	463
Kineara	1	463
London Early Years Foundation	1	440
The Glimpse Network Ltd	1	374
London School of Economics and Political Science	1	371
Inclusive Boards	1	310
Community TechAid	1	300
UCL Institute for Innovation and Public Purpose (IIPP)	1	299
Magic Breakfast	1	277
Purpose	1	262
South London and Maudsley NHS Foundation Trust	2	256
Citizens UK	1	250
Do It Now Now	1	250
Grid Smarter Cities Ltd	1	239
Asthma UK and British Lung Foundation Partnership	1	218
Timewise Foundation	1	203
Repowering London	1	197
Imperial College London	1	194
Food Foundation	1	185
Action on Sugar	1	180
Ascension Trust	1	180
Westminster City Council (Cross River Partnership)	1	123
Camberwell After School Project	1	116
Southwark Law Centre	1	105
Centric Community Research	1	104
	48	<b>17,338</b>
<b>Other organisations</b>	53	<b>2,063</b>
<b>Total grants awarded</b>	151	<b>28,832</b>

There were no grants awarded to individuals during either of the years ended 31 March 2021 or 31 March 2022.

A full list of all grants awarded during the year is available on request from the Foundation.

## Notes to the financial statements

### 8. Staff costs

#### Analysis of total staff costs

	2022 £'000	2021 £'000
Salaries and wages	6,476	4,115
Social security costs	663	470
Other pension costs	743	489
	<b>7,882</b>	<b>5,074</b>

During the year non-contractual payments of £71,250 (2020: £10,500) were made to former employees following the termination of their employment in settlement of any claims or potential claims by those employees against the Foundation.

#### Remuneration of senior employees

The following number of senior employees received salaries falling within the following ranges:

	2022 Number	2021 Number
£60,001 to £70,000	5	5
£70,001 to £80,000	5	8
£80,001 to £90,000	6	1
£90,001 to £100,000	–	2
£100,001 to £110,000	1	–
£110,001 to £120,000	–	–
£120,001 to £130,000	2	1
£130,001 to £140,000	1	–
£140,001 to £150,000	–	1
£160,001 to £170,000	–	1
£210,001 to £220,000	1	–
£440,001 to £450,000	1	–

No senior employee received any taxable benefits in kind in addition to their salaries as shown above.

#### Number of employees

	2022 Number	2021 Number
Average monthly number of employees in the year	<b>103</b>	<b>69</b>

#### Pension creditor

	2022 £'000	2021 £'000
Pension contributions due but not yet paid	<b>102</b>	<b>16</b>

#### Key management personnel

The total employment costs of key management personnel – who are the six members of the Foundation's Executive Team – during the year were £1,318,000 (2021: £785,000), of which £1,078,000 (2021: £637,000) was salaries, £135,000 (2021: £76,000) employer's National Insurance contributions and £105,000 (2021: £72,000) pension contributions.

#### Pension contributions for senior employees

The following pension contributions were made for senior employees:

	Total value of contributions £'000	Number of staff
Defined benefit schemes	57	4
Defined contribution schemes	201	17



## Notes to the financial statements

### 9. Tangible fixed assets

	Art Collection £'000	Leasehold Improvements £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>Group and Company</b>				
<b>Cost or valuation</b>				
Balance at 31 March 2021	3,698	266	212	<b>4,176</b>
Acquisitions	11	1,435	83	<b>1,529</b>
Disposals	–	(139)	(174)	<b>(313)</b>
Balance at 31 March 2022	<b>3,709</b>	<b>1,562</b>	<b>121</b>	<b>5,392</b>
<b>Depreciation</b>				
Balance at 31 March 2021	–	144	195	<b>339</b>
Disposals	–	(131)	(174)	<b>(305)</b>
Charge for the year	–	108	34	<b>142</b>
Balance at 31 March 2022	–	<b>121</b>	<b>55</b>	<b>176</b>
<b>Net book value at 31 March 2022</b>	<b>3,709</b>	<b>1,441</b>	<b>66</b>	<b>5,216</b>
Net book value at 31 March 2021	3,698	122	17	<b>3,837</b>
<b>Original cost at 31 March 2022</b>	<b>4,780</b>	<b>1,562</b>	<b>121</b>	<b>6,463</b>
Original cost at 31 March 2021	4,769	266	212	<b>5,247</b>

The Foundation'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 £131,000 (2021: £15,000).

## Notes to the financial statements

### 10. Fixed and current asset investments

	2022			2021		
	Investments £'000	Programme- Related Investments £'000	Total £'000	Investments £'000	Programme- Related Investments £'000	Total £'000
<b>Group</b>						
<b>Fixed assets</b>						
<b>Unrestricted funds</b>						
Financial investments	10	7,320	7,330	10	6,718	6,728
Property investments	–	19,868	19,868	–	20,074	20,074
	<b>10</b>	<b>27,188</b>	<b>27,198</b>	<b>10</b>	<b>26,792</b>	<b>26,802</b>
<b>Endowment funds</b>						
Financial investments	629,632	–	629,632	608,644	–	608,644
Property investments	400,681	–	400,681	376,511	–	376,511
	<b>1,030,313</b>	<b>–</b>	<b>1,030,313</b>	<b>985,155</b>	<b>–</b>	<b>985,155</b>
<b>Current assets</b>						
<b>Endowment funds</b>						
Property investments	25,403	–	25,403	16,154	–	16,154
<b>Total investments</b>						
Financial investments	629,642	7,320	636,962	608,654	6,718	615,372
Property investments	426,084	19,868	445,952	392,665	20,074	412,739
	<b>1,055,726</b>	<b>27,188</b>	<b>1,082,914</b>	<b>1,001,319</b>	<b>26,792</b>	<b>1,028,111</b>
<b>Company</b>						
<b>Unrestricted funds</b>						
Financial investments	10	5,554	5,564	10	4,674	4,684
Property investments	–	19,868	19,868	–	20,074	20,074
	<b>10</b>	<b>25,422</b>	<b>25,432</b>	<b>10</b>	<b>24,748</b>	<b>24,758</b>
<b>Endowment funds</b>						
Financial investments	629,632	–	629,632	608,644	–	608,644
Property investments	407,620	–	407,620	377,431	–	377,431
	<b>1,037,252</b>	<b>–</b>	<b>1,037,252</b>	<b>986,075</b>	<b>–</b>	<b>986,075</b>
<b>Total funds</b>						
Financial investments	629,642	5,554	635,196	608,654	4,674	613,328
Property investments	407,620	19,868	427,488	377,431	20,074	397,505
	<b>1,037,262</b>	<b>25,422</b>	<b>1,062,684</b>	<b>986,085</b>	<b>24,748</b>	<b>1,010,833</b>

All of the property classified as current assets is owned by a subsidiary company and, at the date of these accounts, is actively being marketed for sale. It is therefore included at the balance sheet date at its estimated net sales value after deducting promoter's commission and the purchase cost of a third party's equitable interest in the property.

## Notes to the financial statements

### 10. Fixed and current asset investments (cont.)

#### 10.1 Investments

	Market Value 31 March 2021 £'000	Disposals at Carrying Value £'000	Acquisitions at Cost £'000	Net Gains on Revaluation £'000	Market Value 31 March 2022 £'000
<b>Group</b>					
<b>Unrestricted funds</b>					
<b>Financial investments</b>					
Global equity	10	–	–	–	10
<b>Endowment funds</b>					
<b>Financial investments</b>					
Global equity	192,092	(34,831)	52,131	(8,032)	201,360
Hedged equity	133,985	(34,232)	14,495	(5,821)	108,427
Private equity	152,819	(46,293)	24,602	30,669	161,797
Absolute return	79,291	(74,511)	98,103	2,461	105,344
Credit	38,357	(8,685)	4,661	3,885	38,218
Property funds	4,811	(114)	2,879	(25)	7,551
Multi-asset class	5,917	(210)	–	118	5,825
Forward FX contracts	1,078	–	–	(1,450)	(372)
Other	294	(1,402)	1,402	1,188	1,482
	608,644	(200,278)	198,273	22,993	629,633
<b>Property investments</b>	392,665	(7,820)	3,223	38,017	426,084
	1,001,309	(208,098)	201,495	61,010	1,055,716
	<b>1,001,319</b>	<b>(208,098)</b>	<b>201,495</b>	<b>61,010</b>	<b>1,055,726</b>
<b>Company</b>					
<b>Unrestricted funds</b>					
<b>Financial investments</b>					
Global equity	10	–	–	–	10
<b>Endowment funds</b>					
<b>Financial investments</b>					
Global equity	192,092	(34,831)	52,131	(8,031)	201,360
Hedged equity	133,985	(34,231)	14,495	(5,821)	108,427
Private equity	152,819	(46,293)	24,602	30,669	161,797
Absolute return	79,291	(74,511)	98,103	2,461	105,344
Credit	38,357	(8,685)	4,661	3,885	38,218
Property funds	4,811	(114)	2,879	(25)	7,551
Multi-asset class	5,917	(210)	–	118	5,825
Forward FX contracts	1,078	–	–	(1,450)	(372)
Other	294	(1,402)	1,402	1,188	1,482
	608,644	(200,277)	198,273	22,993	629,632
<b>Property investments</b>	377,431	(7,820)	682	37,327	407,620
	986,075	(208,098)	198,955	60,320	1,037,252
	<b>986,085</b>	<b>(208,098)</b>	<b>198,955</b>	<b>60,320</b>	<b>1,037,262</b>

## Notes to the financial statements

### 10. Fixed and current asset investments (cont.)

#### 10.1 Investments (cont.)

##### Analysis of market value and historic cost

	Listed UK £'000	Listed Overseas £'000	Listed UK £'000	Unlisted Overseas £'000	2022 Total £'000	2021 Total £'000
<b>Group</b>						
Global equity	23	178,806	–	22,541	201,370	192,102
Hedged equity	–	25,378	–	83,049	108,427	133,985
Private equity	–	–	6,220	155,577	161,797	152,819
Absolute return	–	–	–	105,344	105,344	79,291
Credit	–	262	19,866	18,090	38,218	38,357
Property funds	–	–	7,551	–	7,551	4,811
Multi-asset class	–	–	–	5,825	5,825	5,917
Forward FX contracts	–	–	–	(372)	(372)	1,078
Property	–	–	426,084	–	426,084	392,665
Other	–	–	1,482	–	1,482	294
<b>Market value at 31 March 2022</b>	<b>23</b>	<b>204,447</b>	<b>461,204</b>	<b>390,053</b>	<b>1,055,726</b>	
Market value at 31 March 2021	10	236,109	421,431	343,769		1,001,319
<b>Historic cost at 31 March 2022</b>	<b>13</b>	<b>124,491</b>	<b>181,970</b>	<b>260,925</b>	<b>567,399</b>	
Historic cost at 31 March 2021	–	133,787	193,790	247,533		575,110
<b>Company</b>						
Global equity	23	178,806	–	22,541	201,370	192,102
Hedged equity	–	25,378	–	83,049	108,427	133,985
Private equity	–	–	6,220	155,577	161,797	152,819
Absolute return	–	–	–	105,344	105,344	79,291
Credit	–	262	19,866	18,090	38,218	38,357
Property funds	–	–	7,551	–	7,551	4,811
Multi-asset class	–	–	–	5,825	5,825	5,917
Forward FX contracts	–	–	–	(372)	(372)	1,078
Property	–	–	407,620	–	407,620	377,431
Other	–	–	1,482	–	1,482	294
<b>Market value at 31 March 2022</b>	<b>23</b>	<b>204,446</b>	<b>442,739</b>	<b>390,054</b>	<b>1,037,262</b>	
Market value at 31 March 2021	10	236,109	406,197	343,769		986,085
<b>Historic cost at 31 March 2022</b>	<b>13</b>	<b>124,491</b>	<b>168,364</b>	<b>260,925</b>	<b>553,793</b>	
Historic cost at 31 March 2021	–	133,787	180,184	247,533		561,504

## Notes to the financial statements

### 10. Fixed and current asset investments (cont.)

#### 10.2. Programme-related investments

	Market Value 31 March 2021 £'000	Disposals at Carrying Value £'000	Acquisitions at Cost £'000	Net Gains on Revaluation £'000	Market Value 31 March 2022 £'000
<b>Group</b>					
<b>Unrestricted funds</b>					
Property	20,074	(469)	–	263	19,868
Other	6,718	(9)	825	(166)	7,320
	<b>26,792</b>	<b>(478)</b>	<b>825</b>	<b>97</b>	<b>27,188</b>
<b>Historic cost at 31 March 2022</b>					<b>6,929</b>
Historic cost at 31 March 2021					6,902
<b>Company</b>					
<b>Unrestricted funds</b>					
Property	20,074	(469)	–	263	19,868
Other	4,674	–	813	67	5,554
	<b>24,748</b>	<b>(469)</b>	<b>813</b>	<b>330</b>	<b>25,422</b>
<b>Historic cost at 31 March 2022</b>					<b>5,774</b>
Historic cost at 31 March 2021					5,750

Programme-related investments are investments made directly in pursuit of the Foundation's charitable purposes, are unlisted and are held in the United Kingdom.



## Notes to the financial statements

### 10. Fixed and current asset investments (cont.)

#### 10.3 Net gains on revaluation and disposal of investments

Group	2022			2021		
	Investments £'000	Programme- Related Investments £'000	Total £'000	Investments £'000	Programme- Related Investments £'000	Total £'000
<b>Unrestricted funds</b>						
<b>Unrealised gains/(losses)</b>						
Financial investments	–	(166)	(166)	2	2	4
Property investments	–	263	263	–	66	66
	–	97	97	2	68	70
<b>Realised gains</b>						
Financial investments	–	290	290	–	–	–
Property investments	–	132	132	–	–	–
	–	422	422	–	–	–
<b>Other gains</b>	6	–	6	19	–	19
<b>Total gains</b>						
Financial investments	–	124	124	2	2	4
Property investments	–	395	395	–	66	66
Other	6	–	6	19	–	19
	6	519	525	21	68	89
<b>Endowment funds</b>						
<b>Unrealised gains/(losses)</b>						
Financial investments	22,993	–	22,993	124,819	–	124,819
Property investments	38,017	–	38,017	(2,827)	–	(2,827)
	61,010	–	61,010	121,992	–	121,992
<b>Realised gains/(losses)</b>						
Financial investments	21,171	–	21,171	42,239	–	42,239
Property investments	(6,710)	–	(6,710)	–	–	–
	14,461	–	14,461	42,239	–	42,239
<b>Other gains/(losses)</b>	(864)	–	(864)	(1,537)	–	(1,537)
<b>Total gains/(losses)</b>						
Financial investments	44,164	–	44,164	167,058	–	167,058
Property investments	31,307	–	31,307	(2,827)	–	(2,827)
Other	(864)	–	(864)	(1,537)	–	(1,537)
	74,607	–	74,607	162,694	–	162,694
<b>Total funds</b>						
<b>Total gains/(losses)</b>						
Financial investments	44,164	124	44,288	167,060	2	167,062
Property investments	31,307	395	31,702	(2,827)	66	(2,761)
Other	(858)	–	(858)	(1,518)	–	(1,518)
	74,613	519	75,132	162,715	68	162,783

## Notes to the financial statements

### 10. Fixed and current asset investments (cont.)

#### 10.4. Subsidiary undertakings

The Foundation 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 £21,412,159 for the year ended 31 March 2022 and its net assets at that date amounted to £42,207,070. Its accounts have been consolidated into the Group accounts. The Foundation's investment in this subsidiary undertaking has been valued at the net asset value and is included in direct property investments in the Foundation'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 £4,514 for the year ended 31 March 2022 and its net assets at that date amounted to £3,502,352. Its accounts have been consolidated into the Group accounts. The Foundation's investment in this subsidiary undertaking has been valued at the original cost of the share capital purchased of £1,497,434.

**GSTC Property Developments Limited** (registered in England and Wales number 6861110). The principal activity of the company is to undertake commercial and trading activities for the benefit of Guy's and St Thomas' Foundation or any linked charity of which the Foundation is trustee. The company made a profit of £34,756 for the year ended 31 March 2022. Its net liabilities at that date were £13,667. The Foundation's investment in this subsidiary undertaking has been valued at the original cost of the share capital purchased 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 2022

	£
Gross income	188,911
Expenditure	(878,573)
Net expenditure	(689,662)
Investment gains	22,101,821
Net profit	21,412,159

##### Summary Balance Sheet as at 31 March 2022

	£
Tangible fixed assets	35,268,432
Net current assets	24,981,928
Total assets less net current liabilities	60,250,360
Creditors due after one year	(18,043,290)
Net assets and shareholder's funds	42,207,070

#### GSTC Health Innovations Ltd

##### Summary Income and Expenditure account for the year ended 31 March 2022

	£
Gross income	292
Expenditure	(67,486)
Net expenditure	(67,194)
Net investment gains	62,680
Net profit	4,514

##### Summary Balance Sheet as at 31 March 2022

	£
Tangible fixed assets	3,263,323
Net current assets	239,029
Total assets less net current liabilities	3,502,352
Net assets and shareholder's funds	3,502,352

#### GSTC Property Developments Ltd

##### Summary Income and Expenditure account for the year ended 31 March 2022

	£
Gross income	220,411
Expenditure	(185,655)
Net expenditure	34,756
Net profit	34,756

##### Summary Balance Sheet as at 31 March 2022

	£
Tangible fixed assets	–
Net current assets	282,663
Total assets less net current liabilities	282,663
Creditors due after one year	(296,330)
Net liabilities and shareholder's funds	(13,667)

## Notes to the financial statements

### 11. Debtors

	2022				2021			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Group</b>								
Debtors falling due within one year	1,153	464	27,213	28,830	496	655	6,095	7,246
Debtors falling due after one year	200	–	–	200	350	–	–	350
	<b>1,353</b>	<b>464</b>	<b>27,213</b>	<b>29,030</b>	<b>846</b>	<b>655</b>	<b>6,095</b>	<b>7,596</b>
<b>Company</b>								
Debtors falling due within one year	1,157	464	27,190	28,811	553	655	6,052	7,260
Debtors falling due after one year	200	–	3,860	4,060	350	–	2,884	3,234
	<b>1,357</b>	<b>464</b>	<b>31,050</b>	<b>32,871</b>	<b>903</b>	<b>655</b>	<b>8,936</b>	<b>10,494</b>

#### 11.1 Debtors falling due within one year

	2022				2021			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Group</b>								
Prepayments	321	–	303	624	237	–	53	290
Accrued income	4	152	167	323	2	203	12	217
Due from sale of investments	–	–	23,685	23,685	–	–	567	567
Other debtors	828	312	3,058	4,198	257	452	5,463	6,172
	<b>1,153</b>	<b>464</b>	<b>27,213</b>	<b>28,830</b>	<b>496</b>	<b>655</b>	<b>6,095</b>	<b>7,246</b>
<b>Company</b>								
Prepayments	321	–	303	624	237	–	53	290
Accrued income	2	152	198	352	–	203	34	237
Amount due from subsidiary undertakings	6	–	–	6	59	–	–	59
Due from sale of investments	–	–	23,685	23,685	–	–	567	567
Other debtors	828	312	3,004	4,144	257	452	5,398	6,107
	<b>1,157</b>	<b>464</b>	<b>27,190</b>	<b>28,811</b>	<b>553</b>	<b>655</b>	<b>6,052</b>	<b>7,260</b>

## Notes to the financial statements

### 11. Debtors (cont.)

#### 11.2. Debtors falling due after one year

	2022				2021			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Group</b>								
Charitable loans	200	–	–	200	350	–	–	350
	<b>200</b>	<b>–</b>	<b>–</b>	<b>200</b>	<b>350</b>	<b>–</b>	<b>–</b>	<b>350</b>
<b>Company</b>								
Loans to subsidiary undertakings	–	–	3,860	3,860	–	–	2,884	2,884
Charitable loans	200	–	–	200	350	–	–	350
	<b>200</b>	<b>–</b>	<b>3,860</b>	<b>4,060</b>	<b>350</b>	<b>–</b>	<b>2,884</b>	<b>3,234</b>

#### The loans to subsidiary undertakings comprise the following:

- (i) A loan of £1,448,000 to GSTC Property Investments Ltd, drawn down under a facility of £9,000,000 secured by a fixed and floating charge over the assets of that company, bearing interest at a rate of 4.5% per annum, and repayable no later than 9 December 2034 or earlier at the option of that company.
- (ii) A loan of £2,115,000 to GSTC Property Investments Ltd drawn down under a facility £30,000,000 secured by a fixed and floating charge over the assets of that company, bearing interest at a rate of 2.75% per annum, and repayable no later than 31 December 2024 or earlier at the option of that company.
- (iii) A loan of £296,000 to GSTC Property Developments Ltd drawn down under a facility of £1,750,000 secured by a fixed and floating charge over the assets of that company, bearing interest at a rate of 2% per annum, and repayable no later than 29 November 2023 or earlier at the option of that company.

### 12. Inter-fund loan

Within the unrestricted fund, the Foundation'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 (SONIA from January 2022) + 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 2022 the balance outstanding was £65,000,000 and during the year the balance fluctuated between this amount and the balance outstanding at 31 March 2022 of £65,000,000, in accordance with the cash requirements of the unrestricted fund.

## Notes to the financial statements

### 13. Cash and short-term deposits

	2022				2021			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Group</b>								
Short-term deposits within one month	6,343	21,238	–	27,581	5,613	21,949	–	27,562
Cash at bank and in hand	10,204	(258)	13,596	23,542	4,789	1	15,353	20,143
	<b>16,547</b>	<b>20,980</b>	<b>13,596</b>	<b>51,123</b>	<b>10,402</b>	<b>21,950</b>	<b>15,353</b>	<b>47,705</b>
<b>Company</b>								
Short-term deposits within one month	6,343	21,238	–	27,581	5,613	21,949	–	27,562
Cash at bank and in hand	9,961	(258)	13,284	22,987	4,765	1	15,229	19,995
	<b>16,304</b>	<b>20,980</b>	<b>13,284</b>	<b>50,568</b>	<b>10,378</b>	<b>21,950</b>	<b>15,229</b>	<b>47,557</b>

### 14. Other creditors falling due within one year

	2022				2021			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
<b>Group</b>								
Purchase creditors	6,124	–	47	6,171	1,621	–	89	1,710
Accruals	1,530	–	1,785	3,315	67	–	2,871	2,938
Deferred investment property income	152	–	3,082	3,234	152	–	1,846	1,998
Tax and social security	276	–	–	276	273	–	–	273
Pension creditors	102	–	–	102	68	–	–	68
Other creditors	2,902	3,288	21,527	27,717	718	2,890	–	3,608
	<b>11,086</b>	<b>3,288</b>	<b>26,441</b>	<b>40,815</b>	<b>2,899</b>	<b>2,890</b>	<b>4,806</b>	<b>10,595</b>
<b>Company</b>								
Purchase creditors	6,124	–	–	6,124	1,622	–	–	1,622
Accruals	1,530	–	1,363	2,893	67	–	2,861	2,928
Deferred investment property income	152	–	3,076	3,228	152	–	1,836	1,988
Tax and social security	276	–	–	276	275	–	–	275
Pension creditors	102	–	–	102	68	–	–	68
Other creditors	2,903	3,288	21,529	27,720	717	2,888	–	3,605
	<b>11,087</b>	<b>3,288</b>	<b>25,968</b>	<b>40,343</b>	<b>2,901</b>	<b>2,888</b>	<b>4,697</b>	<b>10,486</b>

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 2021 and 2022, 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.

### 15. Private placement loan

The private placement loan is a £60,000,000 loan advanced to the Foundation 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.



## Notes to the financial statements

### 16. Unrestricted funds

	Balance 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balance 31 March 2022 £'000
<b>Group</b>						
Programme-related investment funds						
Charitable property fund	20,074	–	–	(469)	263	<b>19,868</b>
Health innovations investments fund	6,718	–	–	768	(166)	<b>7,320</b>
	<b>26,792</b>	–	–	<b>299</b>	<b>97</b>	<b>27,188</b>
Art collection fund	3,698	–	–	11	–	<b>3,709</b>
Other tangible fixed assets fund	–	–	–	1,507	–	<b>1,507</b>
Distribution account	38,356	36,551	(41,716)	(5,417)	428	<b>28,202</b>
	<b>68,846</b>	<b>36,551</b>	<b>(41,716)</b>	<b>(3,600)</b>	<b>525</b>	<b>60,606</b>
<b>Company</b>						
Programme-related investment funds						
Charitable property fund	20,074	–	–	(469)	(263)	<b>19,868</b>
Health innovations investments fund	4,674	–	–	–	880	<b>5,554</b>
	<b>24,748</b>	–	–	–	<b>1,143</b>	<b>25,422</b>
Art collection fund	3,698	–	–	11	–	<b>3,709</b>
Other tangible fixed assets fund	–	–	–	1,507	–	<b>1,507</b>
Distribution account	38,387	36,560	(41,655)	(4,649)	(681)	<b>27,962</b>
	<b>66,833</b>	<b>36,560</b>	<b>(41,655)</b>	<b>(3,600)</b>	<b>462</b>	<b>58,600</b>
	Balance 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balance 31 March 2022 £'000
<b>Group</b>						
Programme-related investment funds						
Charitable property fund	20,008	–	–	–	66	<b>20,074</b>
Health innovations investments fund	5,322	–	–	(9)	1,405	<b>6,718</b>
	<b>25,330</b>	–	–	<b>(9)</b>	<b>1,471</b>	<b>26,792</b>
Art collection fund	3,719	–	–	3	(24)	<b>3,698</b>
Distribution account	39,763	32,763	(29,895)	(2,893)	(1,382)	<b>38,356</b>
	<b>68,812</b>	<b>32,763</b>	<b>(29,895)</b>	<b>(2,899)</b>	<b>65</b>	<b>68,846</b>
<b>Company</b>						
Programme-related investment funds						
Charitable property fund	20,008	–	–	–	66	<b>20,074</b>
Health innovations investments fund	3,067	–	–	1,525	82	<b>4,674</b>
	<b>25,330</b>	–	–	<b>1,525</b>	<b>148</b>	<b>24,748</b>
Art collection fund	3,719	–	–	3	(24)	<b>3,698</b>
Distribution account	39,999	32,766	(29,891)	(4,427)	(60)	<b>38,387</b>
	<b>69,048</b>	<b>32,766</b>	<b>(29,891)</b>	<b>(2,899)</b>	<b>64</b>	<b>66,833</b>

The distribution account represents the free reserves of the Foundation.

## Notes to the financial statements

### 17. Restricted funds

	Balance 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 March 2022 £'000
<b>Group and Company</b>					
Evelina Children's Hospital funds	3,211	2,175	(1,613)	–	<b>3,773</b>
Guy's Hospital Cancer fund	3,272	1,935	(2,309)	–	<b>2,898</b>
Other restricted funds					
St Thomas' Lupus Trust Fund	1,115	57	(33)	–	<b>1,139</b>
LFRUPA	424	3	(105)	–	<b>322</b>
Samaritan Fund	102	148	(24)	–	<b>226</b>
Next Generation Nightingale Fund	265	–	(34)	–	<b>231</b>
Hunt Legacy for Dialysis Machines	200	–	–	–	<b>200</b>
Long Covid Research	–	701	(529)	–	<b>172</b>
Department of Nuclear Medicine Fund	190	11	(37)	–	<b>164</b>
Directorate of Infectious Disease	154	–	(12)	–	<b>142</b>
Academic Cardiology Fund	212	–	(86)	–	<b>126</b>
St John's Hospital	120	–	(7)	–	<b>113</b>
Other funds	1,826	888	100	(1,206)	<b>1,608</b>
	<b>11,091</b>	<b>5,918</b>	<b>(4,689)</b>	<b>(1,206)</b>	<b>11,114</b>
Unapportioned costs	–	–	(4,806)	4,806	–
	<b>11,091</b>	<b>5,918</b>	<b>(9,495)</b>	<b>3,600</b>	<b>11,114</b>

	Balance 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 March 2021 £'000
<b>Group and Company</b>					
Evelina Children's Hospital funds	2,264	3,300	(2,104)	(249)	<b>3,211</b>
Guy's Hospital Cancer funds	2,016	2,358	(1,102)	–	<b>3,272</b>
Other restricted funds					
St Thomas' Lupus Trust Fund	794	399	(78)	–	<b>1,115</b>
LFRUPA	331	92	1	–	<b>424</b>
Next Generation Nightingale Fund	286	–	(21)	–	<b>265</b>
Academic Cardiology Fund	212	–	–	–	<b>212</b>
Hunt Legacy for Dialysis Machines	–	200	–	–	<b>200</b>
Department of Nuclear Medicine Fund	195	18	(23)	–	<b>190</b>
Directorate of Infectious Disease	104	50	–	–	<b>154</b>
St John's Hospital	259	101	(240)	–	<b>120</b>
Samaritan Fund	278	113	(289)	–	<b>102</b>
Guy's Hospital Nurses League	124	54	(89)	–	<b>89</b>
Other funds	1,923	1,886	(1,001)	(1,071)	<b>1,737</b>
	<b>8,786</b>	<b>8,571</b>	<b>(4,946)</b>	<b>(1,320)</b>	<b>11,091</b>
Unapportioned costs	–	–	(4,219)	4,219	–
	<b>8,786</b>	<b>8,571</b>	<b>(9,165)</b>	<b>2,899</b>	<b>11,091</b>

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

## Notes to the financial statements

### 17. Restricted funds (cont.)

#### Details of material funds at 31 March 2022:

Name of fund	Description of the nature and purpose of each fund
The Evelina Children's Hospital Appeal	For the benefit of the health and wellbeing of children and families accessing children's services at the Guy's and St Thomas' NHS Foundation Trust.
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.
Samaritan Fund	To benefit patients in need of financial and other assistance.
Next Generation Nightingale Fund	To support the Next Generation Nightingale Project.
Masterstroke Polycythaemia	To support polycythaemia research.
Hunt Legacy for Dialysis Machines	To support Hunt legacy for dialysis machines.
Long Covid Research	To support long Covid research.
Department of Nuclear Medicine Fund	To support research and departmental activities of the Department of Nuclear Medicine.
Directorate of Infectious Disease	To benefit Directorate of Infection.
Academic Cardiology Fund	To support education and research related to cardiology.
St John's Hospital	To benefit the St. John's Institute of Dermatology.

### 18. Endowment funds

	Balance 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balance 31 March 2022 £'000
<b>Group</b>						
<b>Permanent endowments</b>						
Guy's and St Thomas' Samaritan Fund	1,841	(74)	(23)	–	60	1,804
The Leak Trust	1,438	(57)	(18)	–	44	1,407
The Guy's and St Thomas' Patients Amenities Fund	1,335	(53)	(16)	–	40	1,306
S J Lam Legacy Fund	860	(34)	(10)	–	22	838
Dr Reginald Curle Trust	504	(22)	(6)	–	18	494
	5,978	(240)	(73)	–	184	5,849
<b>Expendable endowment</b>						
General fund	874,531	(13,302)	(10,898)	–	74,423	924,754
	880,509	(13,542)	(10,971)	–	74,607	930,603
<b>Company</b>						
<b>Permanent endowments</b>						
Guy's and St Thomas' Samaritan Fund	1,841	(74)	(23)	–	60	1,804
The Leak Trust	1,438	(57)	(18)	–	44	1,407
The Guy's and St Thomas' Patients Amenities Fund	1,335	(53)	(16)	–	40	1,306
S J Lam Legacy Fund	860	(34)	(10)	–	22	838
Dr Reginald Curle Trust	504	(22)	(6)	–	18	494
	5,978	(240)	(73)	–	184	5,849
<b>Expendable endowment</b>						
General fund	874,565	(13,286)	(10,243)	–	73,733	924,769
	880,543	(13,526)	(10,316)	–	73,917	930,618

## Notes to the financial statements

### 18. Endowment funds (cont.)

	Balance 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balance 31 March 2021 £'000
<b>Group</b>						
<b>Permanent endowments</b>						
Guy's and St Thomas' Samaritan Fund	1,441	(58)	(1)	–	459	<b>1,841</b>
The Leak Trust	1,125	(45)	–	–	358	<b>1,438</b>
The Guy's and St Thomas' Patients Amenities Fund	1,044	(42)	–	–	333	<b>1,335</b>
S J Lam Legacy Fund	665	(16)	–	–	211	<b>860</b>
Dr Reginald Curle Trust	401	(26)	–	–	129	<b>504</b>
	<b>4,676</b>	<b>(187)</b>	<b>(1)</b>	<b>–</b>	<b>1,490</b>	<b>5,978</b>
<b>Expendable endowment</b>						
General fund	732,673	(12,660)	(6,686)	–	161,204	<b>874,531</b>
	<b>737,349</b>	<b>(12,847)</b>	<b>(6,687)</b>	<b>–</b>	<b>162,694</b>	<b>880,509</b>
<b>Company</b>						
<b>Permanent endowments</b>						
Guy's and St Thomas' Samaritan Fund	1,441	(58)	(1)	–	459	<b>1,841</b>
The Leak Trust	1,125	(45)	–	–	358	<b>1,438</b>
The Guy's and St Thomas' Patients Amenities Fund	1,044	(42)	–	–	333	<b>1,335</b>
S J Lam Legacy Fund	665	(16)	–	–	211	<b>860</b>
Dr Reginald Curle Trust	401	(26)	–	–	129	<b>504</b>
	<b>4,676</b>	<b>(187)</b>	<b>(1)</b>	<b>–</b>	<b>1,490</b>	<b>5,978</b>
<b>Expendable endowment</b>						
General fund	732,676	(12,539)	(6,388)	–	160,816	<b>874,565</b>
	<b>737,352</b>	<b>(12,726)</b>	<b>(6,389)</b>	<b>–</b>	<b>162,306</b>	<b>880,543</b>

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 Foundation 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 Foundation 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

## Notes to the financial statements

### 18. Endowment funds (cont.)

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

#### Permanent endowments – statement of total return

Group and Company	Trust for investment £'000	Unapplied total return £'000	Total endowments £'000
<b>At 1 April 2021</b>			
Gift components of the permanent endowments	2,329	–	2,329
Unapplied total return	–	3,649	3,649
	<b>2,329</b>	<b>3,649</b>	<b>5,978</b>
<b>Movements during the period</b>			
Investment return			
Realised and unrealised losses	–	184	184
	–	<b>184</b>	<b>184</b>
<b>Allocated to income during the period</b>			
	–	(313)	(313)
<b>Net movements during the period</b>			
	–	(129)	(129)
<b>At 31 March 2022</b>			
Gift components of the permanent endowments	2,329	–	2,329
Unapplied total return	–	3,520	3,520
<b>Balance at 31 March 2022</b>	<b>2,329</b>	<b>3,520</b>	<b>5,849</b>

#### Details of material funds at 31 March 2022:

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

### 19. Gross transfers between funds

Group and Company	2022				2021			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Restricted funds net support costs	(4,806)	4,806	–	–	(4,219)	4,219	–	–
Other transfers	1,206	(1,206)	–	–	1,320	(1,320)	–	–
	<b>(3,600)</b>	<b>3,600</b>	–	–	<b>(2,899)</b>	<b>2,899</b>	–	–

The transfer from unrestricted to restricted funds of £4,806,000 (2021: £4,219,000) represents the balance of the support costs incurred by the Foundation 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 £1,206,000 (2021: £1,320,000) represent the transfer of restricted donations for which no appropriate special purpose fund currently exists to support unrestricted grants which have objects that are aligned to the original restriction.



## Notes to the financial statements

### 20. Trustee and connected person transactions

#### Trustee expenses reimbursed

	2022 £'000	2021 £'000
Travel and subsistence	-	-
	2022 £'000	2021 £'000
Number of Trustees receiving reimbursement	-	-

#### Trustees' remuneration

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

#### Number of Trustees

	2022 Number	2021 Number
Total number of Trustees	10	10

#### Trustees' indemnity insurance

	2022 £'000	2021 £'000
Trustees' and officers' liability	29	24

#### Transactions with Trustees or connected persons

During the year ended 31 March 2022 none of the Trustees, key members of the Foundation's management or parties related to them has undertaken any material transactions with Guy's and St Thomas' Foundation.

### 20.1. Other related parties

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

#### GSTC Property Investments Ltd

The Foundation was owed £3,563,000 at 31 March 2022 (2021: £2,774,000), repayable as detailed in note 10.2.  
The Foundation earned interest and service charge of £186,000 for the year end 31 March 2022 (2021: £137,000).  
The Foundation received £nil donation during the year ended 31 March 2022 (2021: £nil).

#### GSTC Health Innovations Ltd

The Foundation was owed £5,000 at 31 March 2022 (2021: £59,000), repayable on demand.  
The Foundation earned service charge of £11,000 for the year end 31 March 2022 (2021: £10,000).  
The Foundation received £nil donation during the year ended 31 March 2022 (2021: £nil).

#### GSTC Property Developments Ltd

The Foundation was owed £296,000 at 31 March 2022 (2021: £110,000), repayable as detailed in note 10.2.  
The Foundation earned interest and service charge of £19,000 for the year end 31 March 2022 (2021: £5,000).  
The Foundation received £nil donation during the year ended 31 March 2022 (2021: £nil).

### 21. Capital commitments

There was no capital expenditure contracted or provided for at 31 March 2022 (2021: £nil).

## Notes to the financial statements

### 22. Operating leases

#### 22.1 Operating lease income

The Foundation generates income from leasing out space within its investment properties. The future minimum lease payments receivable under non-cancellable operating leases are:

	2022 £'000	2021 £'000
Within one year	9,672	9,462
After one year but within five years	30,771	34,764
After five years	198,194	203,173
	<b>238,637</b>	<b>247,399</b>

#### 22.2 Operating lease commitments

The Foundation leases office space. The total future minimum lease payments under non-cancellable operating leases are:

	2022 £'000	2021 £'000
Within one year	956	–
After one year but within five years	3,870	–
After five years	4,138	–
	<b>8,964</b>	–

### 23. Contingent liabilities

The Foundation recovers part of the VAT incurred on investment advisory costs in accordance with its longstanding interpretation of applicable VAT legislation. A recent court decision involving an unrelated third party has created some uncertainty regarding this interpretation. Although the Foundation remains confident that the court's decision does not apply to the Foundation's circumstances, it is possible although not probable that a further determination may result in the Foundation being required to repay any VAT recovered on this basis over the preceding four years. As at 31 March 2022 the total amount of VAT that would be repayable was £185,000.

### 24. Company limited by guarantee

The Foundation is a company limited by guarantee of members and does not have a share capital. The liability of members is limited to £1.

# Appendix

This appendix relates to the section on **our commitment to the environment** on page 39. It provides an overview of the methodology used to report on our impact in line with Streamlined Energy and Carbon Reporting (SECR) guidance, as well as charts and tables displaying our energy usage.

## Reporting methodology

The Foundation is committed to complying with all environmental legislation. This report discloses the information required by SECR guidance.

## Energy consumption

SECR requires us to include, “as a minimum purchased electricity, natural gas and fuel for the purpose of transport”. The Foundation has covered these requirements by disclosing purchased electricity, natural gas and fuel used in personal/hire cars on business use (including fuel for which the organisation reimburses its employees following claims for business mileage).

Due to limitations in vehicle data, it has been assumed that all vehicles are ‘average sized diesel’ and the correct conversion factor applied. In accordance with SECR guidance, which states that “the party responsible for the consumption of energy should take the responsibility for reporting of it under this legislation”, all tenant direct consumption was excluded from this report. Below is a detailed description of how energy consumption data was collated:

- 1. Electricity:** the Foundation provided utility invoices/bills and actual meter readings, collated into a utility data collection template created and issued to the client by Savills prior to the data collection period.
- 2. Natural gas:** Only two properties use gas. The utility consumption data from invoices and bills was entered into a utility data collection template created and issued to the client by Savills prior to the data collection period.
- 3. Company vehicles:** The Foundation does not have any company vehicles.
- 4. Expensed mileage:** Fuel was purchased for business travel using employees' vehicles. The Foundation has provided the total expensed mileage for the reporting period.

### Data analysis

The Foundation used the following data analysis techniques:

- 5.** Analysis of monthly consumption trends.
- 6.** Comparison of consumption between data sources.
- 7.** Communication with client and property managers to review and rationalise data.

## GHG emissions

The Foundation used an operational control approach to calculate its Scope 1 and 2 GHG emissions. Partial Scope 3 GHG emissions are included in this year's reporting from business mileage claims. Emissions from the following energy sources have been calculated:

**8. Scope 1:** natural gas

**9. Scope 2:** purchased electricity

**10. Scope 3:** expensed mileage

At the time of writing this report, Q1 2022 electricity consumption data for Francis House was not yet available from the supplier. Therefore 2020 data was used for completeness.

The methodology used to calculate emissions followed guidance from the revised edition of the GHG Protocol Corporate Accounting and the Reporting Standard and the UK Government Guidance on SECR. Scope 2 GHG emissions have been calculated using location-based conversion factors which reflect the average emissions intensity of grids on which energy consumption occurs. Location-based GHG emissions were calculated using conversion factors from the UK Government's Department for Business, Energy and Industrial Strategy (BEIS) Conversion Factors for Company Reporting for the respective reporting period.

The Foundation applied a standardised intensity ratio to allow transparent reporting expressed as CO<sub>2</sub>e emissions per net lettable floor area (sq ft).

The Foundation has an extensive portfolio of properties and land located across London and the South of England, ranging from mixed use offices, retail and leisure to student accommodation and tenanted farms. The portfolio comprises a total area of 666,000 sq ft.

We are striving to go beyond mandatory regulations and are developing our ESG strategy, carbon net zero journey and minimum standards document for all leased properties to ensure the objectives and targets of the strategy are applied in all properties, whether leased or owned.

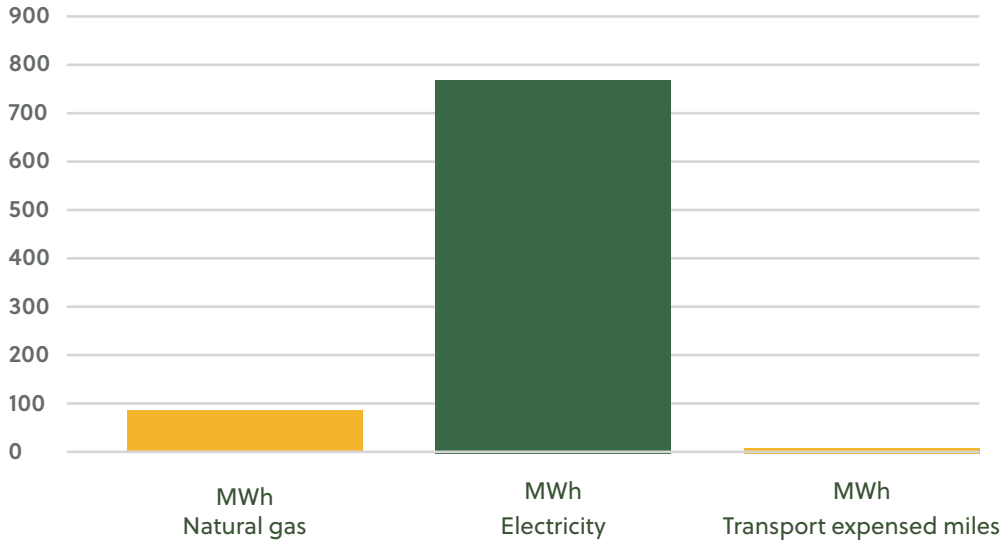
As the first year of complete reporting, this will become the baseline year for our ESG and carbon net zero strategy. In total, 178.83 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) are emitted directly and indirectly from the properties under landlord control in the portfolio.

Energy consumption is detailed in the table and charts below. Electricity makes up the largest proportion of consumption (767,000kWh), and business miles the smallest (240kWh). Electricity represents 89.87% of all energy consumed, gas 10.11% and transport only 0.03%.

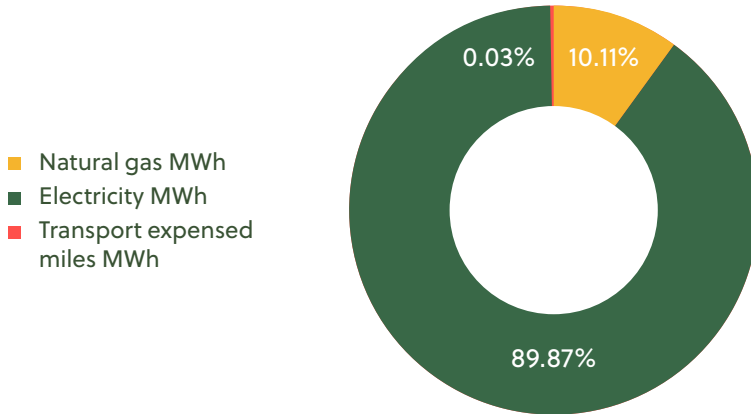
### Energy consumption for the full year 2021/22

Energy source	Unit	FY 2021/22
Natural gas	kWh	86,000
Electricity	kWh	767,000
Transport expensed miles	kWh	240
<b>Total</b>	<b>kWh</b>	<b>853,240</b>

### Energy consumption in MWh FY 2021/22



### Energy consumption FY 2021/22



### GHG emissions from energy consumption

Emissions	Unit	FY 2021/22
Scope 1	tCO <sub>2</sub> e	15.81
Scope 2 (location-based)	tCO <sub>2</sub> e	163.48
Scope 3 (expensed business miles)	tCO <sub>2</sub> e	0.06
<b>Total (location-based)</b>	<b>tCO<sub>2</sub>e</b>	<b>179.35</b>

### Intensity metric

Measure	Unit	FY 2021/22
GHG emissions (location-based)	kg CO <sub>2</sub> e/sq ft	0.2685



# Guy's and St Thomas' Foundation

**The Grain House  
46 Loman Street  
London SE1 0EH**

**gsttfoundation.org.uk  
@GSTTFoundation**

Registered Charity No. 1160316. Company limited by guarantee.

Registered in England and Wales No. 9341980.

**Guy's &  
St Thomas'  
Foundation**

---

Investing in a healthier society