
Guy's and St Thomas' Charity Annual Report and Accounts 2010–11

Contents

3	Chairman's welcome	20	Arts and heritage activities
4	Summary of the strategic review	22	Fundraising achievements
6	Creating a new Charity	23	Key objectives for 2011–12
6	The rationale for change	24	Trustees' biographies
6	The consultation process	26	Statement of Trustees' Responsibilities
7	Our new vision, mission and strategic priorities	27	Analysis of results for the year
8	Our delivery partners	28	Review of investments
8	Organisation restructure	29	Funds and reserves policy
9	Reviewing our property and estates management	30	Constitution, objects and powers
9	Reviewing how we are governed	31	Independent Auditors' Report
11	Funding redesign	32	Organisation
11	Reaffirming our commitment to arts and heritage	35	Consolidated Statement of Financial Activities
11	A new approach to fundraising	36	Consolidated Balance Sheet
12	Achievements of major funded projects	37	Balance Sheet
12	Supporting improvements in cancer care	38	Consolidated Cash Flow Statement
14	Modernisation Initiatives:	39	Notes to the accounts
14	End of Life Care	53	Staff list
15	Diabetes programme	54	Advisors
16	Grants awarded		
16	Hands up for Health		
17	The psychological benefits of living kidney donation		
18	Small Wonders Change programme		
18	Medical safety in critical care		
19	Research into antisocial behaviours		
19	Commercial innovation achievements		

Chairman's welcome

The year saw the successful completion of a major review of the Charity's strategy. Our new priorities reflect an intention to have greater impact 'at scale' in a number of critically important areas of health and healthcare improvement.

The Trustees have decided to focus on cancer, public health and transforming healthcare services. To achieve this we will work as a catalyst for change – not just investing financially in innovative ideas, but also bringing our substantial property and estates portfolio to bear, as well as actively stimulating creative thinking and imaginative proposals for health and healthcare improvement here in Lambeth and Southwark.

Partnership will be crucial to making our vision a reality. The key strategic relationship will continue to be with our principal beneficiary, Guy's and St Thomas' NHS Foundation Trust (GSTFT). However, given that health and healthcare, by their nature, will increasingly involve a range of different parties working seamlessly across institutional boundaries, we have also committed to seeking new relationships with other parts of the NHS, public, commercial and third sectors, working in Lambeth and Southwark.

Measurable innovation with impact, leading to better patient outcomes and healthier lives, is what interests the Charity. Therefore, we will provide grants, loans and on occasions investment finance for research, service improvement, capital development and training. We will support initiatives that address mental as well as physical health, and will continue to build on our substantial artistic heritage.

It is important that the Charity is at the leading edge of healthcare innovation. Its first responsibility is to the users of GSTFT and to the residents of Lambeth and Southwark, a catchment of enormous diversity, in terms of cultures and healthcare needs. Some of the work that the Charity supports in GSTFT and locally will have national or international relevance and in such cases the Charity is keen to establish partnerships with national bodies.

In order to deliver the new strategy, the Charity completed a review of its operating structures during the year. This resulted in a significant reduction in overheads expenditure, with 13 committees being replaced with just five. Sadly, a number of longstanding members of staff also left the organisation. I wish to thank all retiring committee members and departing members of staff for their huge contribution to the Charity over many years.

During the year, the Charity moved its fundraising into a new consolidated unit located in King's College London and working in tandem with King's Health Partners (KHP). This new body brings together the four members of KHP – three distinguished teaching hospitals with a world-leading university – with each of their associated charities, in a new fundraising force which is expected to deliver a step-change in fundraising performance over future years.

I would like to thank my Trustees for all the hard work and expert counsel that they have given in a year of considerable importance to the future of the Charity. In particular, I would like to thank two Trustees who retired: Stanley Fink for his major contribution to investment strategy and to fundraising, and Susan Elizabeth for her similarly significant contribution to grant-making and arts and heritage. In their places I offer a very warm welcome to Nichola Pease as new Chair of the Investment Committee, and to Dr Nicolaus Henke as Chair of the Strategy Committee.

Finally, I would like to thank everyone who assisted with the strategy review. Many individuals and organisations contributed to an extensive consultation process and without such advice the Charity would not have been able to set such an exciting and well-informed future direction. The talking and thinking is now over. It is time to turn strategy into action and to forge ahead with the positive agenda that we have set.

Sir William Wells
Chairman



Summary of the strategic review

During the year Guy's and St Thomas' Charity has completed a review of its strategy which has resulted in a refreshed mission and strategic priorities. The detail of the review, including the rationale for change, the consultation and change process and the outcomes that arise from it, are described on the following pages. The key changes the review has brought about are outlined below:

We have established our role as a catalyst for health and healthcare innovation and improvement in Lambeth and Southwark.

We have agreed transforming healthcare, cancer and public health as our three strategic priorities. We will make grants, loans and investment finance available and also harness our property and estates in pursuit of these priorities. We want to achieve high impact 'at scale' in our chosen priority areas.

We have re-affirmed our interest in service improvement, capital development, education, training and research. Innovation is the overriding factor in providing financial assistance.

We have re-affirmed our special relationship with Guy's and St Thomas' NHS Foundation Trust and also agreed to seek new partnerships with other parts of the local NHS, public, commercial and third sectors.

We are reviewing our investment strategy to align with grant-making requirements and have outsourced fundraising, in partnership with all the members of King's Health Partners and their respective charities, in a new consolidated fundraising office located in King's College London.

We have freed our Trustees up to play a full strategic and external relationship-building role and have established three new committees (replacing eight previously) to advise on grants and related spending. We have also reduced our staffing establishment by more than half and appointed new senior figures to lead each of three small teams.

Finally, we are reviewing and modernising all operational systems. This has included all aspects of our business from updating our human resources policies to reviewing how we maintain information about our stakeholders.

Right: Solve et Coagula – Separate and Join Together, Nicky Hirst. Art installation in Pharmacy at Guy's Hospital.



Creating a new Charity

The rationale for change

It has been a year of 'root and branch' change at Guy's and St Thomas' Charity. During the financial year we concluded a review of our strategic direction, consulted widely on our proposed mission and priorities, drew up a new set of organisational values, fundamentally revised our organisational structure and further professionalised the way we went about our business.

The strategic review was driven by a desire to have greater impact as a charity. It was also informed by the many changes taking place in the local, regional and national healthcare environment, including:

- The continuing trend towards 'whole system' healthcare, designed to forge high quality and seamless care across institutional boundaries.
- The existence of an Academic Health Sciences Centre – King's Health Partners – bringing together Guy's and St Thomas' NHS Foundation Trust (GSTFT), King's College London (KCL), King's College Hospital NHS Foundation Trust (KCHFT) and South London and Maudsley NHS Foundation Trust (SLaMFT) to deliver excellent teaching and clinical care underpinned by world class research.
- The need to be adaptable to current health reforms such as the Health and Social Care Bill.

In late 2009 the Trustees, led by the new Chairman and Chief Executive, envisioned a Charity that would build on the achievements of the past by:

- Strengthening our strategic alignment with GSTFT – our historic partner and principal beneficiary.
- Acting as a catalyst for health and healthcare innovation and improvement in Lambeth and Southwark.
- Setting a new, clear strategy and associated priorities.
- Seeking to make greater impact in fewer areas of activity.
- Forming new partnerships with a range of healthcare commissioners and providers, in public, private and third sectors.
- Deploying all our resources – finance, property and estates, and human capital – in pursuit of our overall mission.

The consultation process

We issued a consultation document, including a proposed new statement of vision, mission and values, together with a breakdown of high level strategic objectives incorporating specific programmes of work or possible funding commitments.

The strategy consultation document was distributed widely, including to GSTFT, the other member organisations of King's Health Partners, relevant government departments and regulatory organisations, patient and user groups, NHS and health charities as well as other parts of the third sector.

That consultation process was augmented by more than 100 face-to-face external discussions with individuals and groups, as well as many internal meetings at all levels within the organisation, including several 'away days' involving Trustees, the senior executive and staff as a whole.

“The strategic review was driven by a desire to have great impact as a charity.”

Our new vision, mission and strategic priorities

Our new vision

The Trustees agreed that the Charity should:

- Act in ways that are clearly above and beyond core NHS or statutory activities.
- Deploy its finance and other assets to effect lasting change.
- Make one-off interventions and seek impact 'at scale'.
- Require innovation in all that it supports.
- Be provocative and challenging, yet supportive.
- Protect the real-terms value of its endowment.

Our new mission

The Charity is a catalyst for health and healthcare improvement in Lambeth and Southwark. It supports innovation in order to create world-leading healthcare in GSTFT; to improve the physical and mental health of the local population; and to fulfill the vision of King's Health Partners.

Our strategic priorities

- To help transform the healthcare system.
- To help create integrated world-class cancer care and services.
- To help improve the health of the local population.

Our new values

We have also agreed six new values that will inform future behaviour and actions:

Creativity

We seek excellence in all we do and drive new thinking, new services, new techniques, new technologies and new ways of experiencing health.

People first

We empower health practitioners, patients, service users and communities to improve health and healthcare.

Practical action

We drive and support measurable, practical outcomes, bringing about positive changes in people's lives.

Independence

We sit outside the NHS but mostly work within it. The activities we support are over and above core NHS provision and our independence allows us to challenge the norm.

Combining forces

We value the experience of others. We believe in combining energy, knowledge, ideas and resources.

Health and wellbeing

We are as committed to early intervention and prevention as we are to treatment and care. We prefer to take a 'whole healthcare system' approach.

Our delivery partners

A key aspect of the strategic review was clarifying whom we wish to partner with and support in future.

Historically we have provided funds to Guy's and St Thomas' NHS Foundation Trust, NHS Lambeth, NHS Southwark and South London and Maudsley NHS Foundation Trust. We also awarded funding for research at King's College London, London South Bank University and other organisations that work in partnership with one or more of our former beneficiary NHS Trusts.

The Charity has a special, strategic relationship with Guy's and St Thomas' NHS Foundation Trust, its historic partner and principal beneficiary.

We will in future also work with other members of King's Health Partners, as well as support other public, private, or third sector organisations that can help deliver our mission and priorities.

The Charity's Objects state that anything it does or supports must show a clear link with, or benefit to, either GSTFT or the wider NHS.

“The Charity has a special, strategic relationship with Guy's and St Thomas' NHS Foundation Trust, its historic partner and principal beneficiary.”

Organisation restructure

Once the mission and strategic priorities had been approved, the Trustees sanctioned a review of the Charity's structure in order to ensure that we had the right roles, as well as the necessary mix of skills and experience in place to implement the new strategy. External professional expertise was commissioned to support the additional demands of the change process.

The new staff team is organised into three departments:

- Chief Executive's – overall leadership, policy, communications [five people].
- Strategy and Innovation – grants strategy and management, arts and heritage [five people].
- Finance and Development – investment, property and estates, financial stewardship, innovative financing [five people].

The heads of the three departments – the Chief Executive, the Director of Strategy and Innovation and the Finance and Development Director make up a new Executive Team.

The number of staff reduced from 33 to 16 people, partly occasioned by the transfer of most of the Charity's fundraising team to King's College London.

Oliver Smith was appointed as Director of Strategy and Innovation in October 2010 and David Renton, as Director of Finance and Development, in March 2011. Oliver and David complete the Executive Team, with Chief Executive, Peter Hewitt.

Oliver has responsibility for overall expenditure strategy, managing all requests for financial assistance, and evaluating and monitoring the impact of the Charity's work in health and healthcare. This new role also involves building new strategic alliances with GSTFT and more widely and fostering new ways of thinking across the local health economy.

As Director of Finance and Development, David is responsible for overall financial strategy and property and estates, as well as overseeing the Charity's investment portfolio and helping to develop innovative financing opportunities in healthcare.

Reviewing our property and estates management

18 per cent of the Charity's commercial investment portfolio is made up of property and estates. Additionally, the Charity owns a range of buildings and land worth around £87 million, mostly on or close to the Guy's and St Thomas' hospital sites. The Charity deploys these property holdings in order to both enhance healthcare and achieve a commercial return.

The future property and estates strategy aims to ensure that the property portfolio assets are protected and enhanced and development opportunities are fully explored. As such, all current tenancies in Charity-owned property, principally staff accommodation, are being regularised and let on a commercial basis.

Early in 2010 a Project and Estates Manager was recruited providing capacity for the management of the Charity's property and estates. Since then significant progress has been made reviewing the Charity's portfolio of properties and our leasehold arrangements with our partners to ensure they are legally robust and support the furtherance of the Charity's aims.

As part of its renewed property and estates strategy, the Charity recently acquired the freehold of St Thomas' Church (which includes the Old Operating Theatre) near Guy's Hospital, and is hoping to negotiate the relocation of the Ronald McDonald House from the Guy's site to close to the Evelina Children's Hospital. It is also enabling discussions with GSTFT and KCL with a view to unlocking the healthcare and commercial potential of the Guy's site as a whole.

“The future property and estates strategy aims to ensure that the property portfolio assets are protected and enhanced and development opportunities are fully explored.”

Reviewing how we are governed

The Charity is governed by a Trustee Board of seven people.

A key component of the Charity's strategic review was the streamlining of the committee structure and their functions to improve operational effectiveness, reduce bureaucracy and free Trustees to focus on their core strategic and external relationship building roles.

The Trustees agreed to streamline the committee structure so that the existing eight committees (listed on pages 32-34) would be replaced by three new committees with responsibility for allocating grants and finance:

- Executive Funding Team – with powers of allocation up to £250,000 – made up of the senior Executive Team, supplemented by other advisors as necessary.
- Major Funding Committee – with powers of allocation of up to £2 million – made up of 11 senior figures mostly from within the King's Health Partners terrain.
- Strategy Committee – with powers of allocation of above £2 million and the responsibility to oversee and monitor the organisation's grants strategy – made up of 12 senior figures from within the King's Health Partners terrain and beyond.

Additionally, the Charity retains Audit, Investment and Remuneration Committees.



Funding redesign

In any five year period the Charity has approximately £100 million to invest in health and healthcare innovation. During the year a new application process has been designed.

The new funding model is based on a single 'front door' for all funding applications, judged against criteria linked to our new strategic priorities.

The Charity continues to fund service design, development and improvement; capital development; equipment purchase; arts and heritage; education and training; and staff development. All applicants are required to consider whether their project might include a mental health or arts dimension.

The Charity will continue to support medical innovations which have the potential for commercial exploitation. Following the strategic review, the Guy's and St Thomas' Charity Innovation Fund for Technology Transfer (GiFTT) is now open to all member institutions of King's Health Partners and London South Bank University.

The Charity is also committed to supporting scientific and medical research and a policy for research funding will be developed with King's Health Partners in the forthcoming year.

Funding is available in the form of grants, loans, fundraised income and investment finance. Full guidance and criteria for funding applications is available on the Charity's website.

“The new funding model is based on a single ‘front door’ for all funding applications, judged against criteria linked to our new strategic priorities.”

Left: One of the Palindromes series by Simeon Nelson. Commissioned for the Biomedical Research Centre at Guy's Hospital.

Reaffirming our commitment to arts and heritage

The Charity is responsible for maintaining a large collection of art and heritage across GSTFT, much of which has considerable historic value. Site-specific art works have also been commissioned to complement major new capital builds and refurbishments across the NHS in Lambeth and Southwark in order to enhance the healthcare environment for patients, staff and visitors. Since 2002 the Charity has delivered a programme of performing arts which comprises free musical, poetry and theatrical performances at Guy's Hospital and St Thomas' Hospital each week, as well as a number of arts-led therapeutic interventions, developed in collaboration with clinicians to enhance the outcomes and experience of patients.

As part of the strategic review, the Charity confirmed its belief in arts and heritage as powerful forces for human engagement, health and wellbeing; for environmental improvement; and as a contributor to positive clinical outcomes. The Charity will take a more strategic approach to arts and heritage in future seeking to embed the arts in much of the work it supports, and commissioning the delivery of art programmes from a range of external providers.

A new approach to fundraising

Early in 2011 the Charity's fundraising function became part of a new consolidated team under King's College London, bringing together the fundraising functions of the King's Health Partners constituent organisations. The principle behind the change is that the integration of resources and shared messaging will provide greater synergy for fundraising across King's Health Partners; avoid multiple approaches to donors; and provide a more attractive proposition for major givers. A grouping of this nature, bringing together three nationally recognised healthcare providers, three health charities and a world-leading university in a unified fundraising entity is unique in this country.

The Charity occupies a key seat on a Fundraising Council that sets strategy and monitors delivery. The current strategy prioritises cancer, trauma, neuroscience and mental health, transplantation, paediatrics, and public health. The King's College London fundraising unit also raises unrestricted income for the Charity.

Achievements of major funded projects

The Charity has continued to honour funding commitments to major projects that were pledged prior to the strategic review. In this section we highlight the key achievements and milestones of these projects during the financial year ending 31 March 2011.

Supporting improvements in cancer care

The Charity has defined cancer as one of its strategic priorities. It supports King's Health Partners Integrated Cancer Centre (ICC) with the objective of bringing world class clinical care and groundbreaking research to south east London. Since 2008 the Charity has committed £13 million to the ICC, a collaboration between GSTFT, KCHFT and KCL. This year, the Charity's funding has supported a number of clinical care, research, training and development projects.

Cancer Day Unit

The Cancer Day Unit at Guy's Hospital was reopened in 2011 following a £3.9 million refurbishment funded by the Charity, improving the quality of service and environment for patients receiving chemotherapy. The impact of this investment has set an example for what can be achieved in modern cancer services, with patients involved in everything from the layout of the unit to the state-of-the-art equipment and the specially commissioned artwork.

The combined location of pharmacy, acute oncology, counselling, complementary therapies and outpatient services on the same floor has ensured that care is delivered in the most patient-centred way. Patients are now treated alongside others with similar diagnoses so they can benefit from extended support networks. The acute oncology assessment unit will reduce the numbers of chemotherapy patients attending accident and emergency should they become ill after treatment. Other patient benefits include greater privacy, with no more than four patients in discrete areas, and the comfort of a coffee lounge and internet access during treatment.

Radiotherapy

Charity funding of £744,000 has been instrumental in shaping new radiotherapy services, including four dimensional computerised tomography (CT) imaging and respiratory adapted radiotherapy. Of particular benefit to lung cancer patients, this therapy has established GSTFT as one of the leading centres for lung radiotherapy in the UK.



Top: Minerva Salvador, Sister of the Cancer Day Unit, with David Dimpleby at the reopening.

Bottom: A patient is treated by Elise Arnett, radiographer (left), and Sarah Bothwell treatment lead radiographer (right), using state of the art CT imaging.

Intensity Modulated Radiotherapy (IMRT) is a technique to improve the quality of treatment by decreasing irradiation of normal tissue and associated toxicity. It has the potential to be used as the treatment technology for up to 40 per cent of all radiotherapy courses and was introduced into routine service in March 2011. A new IMRT delivery technology called Volumetric Modulated Arc Therapy (VMAT) has also been commissioned to treat patients.

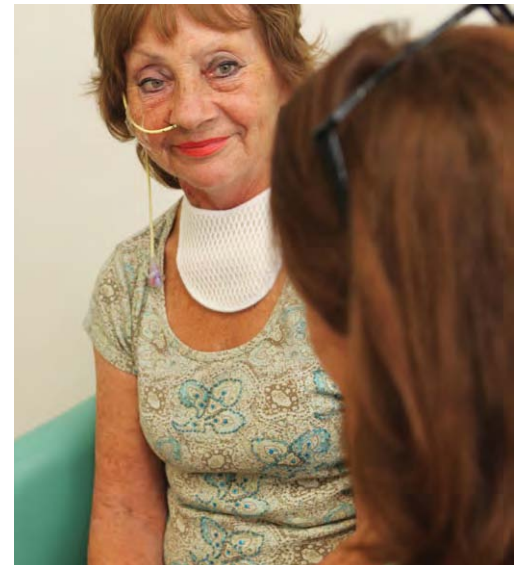
Image guided radiotherapy (IGRT) enables daily imaging of a tumour so treatment can be adjusted to ensure greater targeting and sparing of normal tissue. With the Charity's support the department has been able to use IGRT and a second radiotherapy machine has been in use since January 2010. In addition to the patient benefits, all of these investments have improved the department's research profile, with a number of publications linked to the clinical use of this equipment already achieved.

Surviving Cancer: Living Life

This innovative service funded by the Charity in partnership with Pfizer Health Solutions, provides support to patients who have come to the end of their treatment for breast or prostate cancer. It is run by qualified cancer nurses who use motivational interviewing techniques to provide support for patients over the telephone on whatever areas the patient would like assistance. Calls are made at a time convenient to the patient, allowing support to be provided within the privacy and comfort of their own home. This service is part of a network of innovative approaches to providing care under the umbrella of the National Cancer Survivorship Initiative.

Head and Neck cancer services

Investment by the Charity in a biomedical scientist post for the head and neck team has enabled the development of a bio banking facility. This allows for regular collection of head and neck cancer material, supporting future research and development. Diagnostic pathways have also been improved within new patient clinics resulting in more rapid diagnosis and greater convenience for patients. Funding from the Charity has improved supportive care, giving patients early access to therapy and rehabilitation services, resulting in reduced length of hospital stay and enhanced patient experience.



Above: Patient Patricia Ballantyne with Alison Dinham, High Specialist Physiotherapist for Head and Neck Surgical Inpatients.

“The impact of this investment has set an example for what can be achieved in modern cancer services, with patients involved in everything from the layout of the unit to the state-of-the-art equipment and the specially commissioned artwork.”

Modernisation Initiatives

Since 2003 the Charity has funded five 'Modernisation Initiatives' (MI) which focus on areas of local health care need, delivering system-wide transformation facilitated by a team of health service change professionals working in partnership with NHS staff, other relevant service providers, the voluntary sector and patients. As with all the Charity's investments, the focus is on service improvement in Lambeth and Southwark with the dissemination of best practice and learning to the wider health service. Each programme has received around £4.5 million over three to four years and so far, substantial improvements to service delivery have been achieved in kidney disease, sexual health, and stroke services. The End of Life Care MI is now in the final phase and a new programme focusing on the transformation of diabetes services in Lambeth and Southwark started in 2010.

End of Life Care

The End of Life Care MI was launched in June 2008 with £4.5 million from the Charity and additional support from King's College Hospital Charity and South London and Maudsley Charitable Funds. It set out to look at every aspect of end of life care to establish which health and care services worked well and where there was scope to improve people's choices at the end of their life and ensure services locally were of a world class standard.

A complex network of stakeholders including GPs, the London Ambulance Service, hospital staff, community nurses and care home staff, and critically, patients and their carers, has helped to develop a range of pilot schemes. More than 1,200 members of NHS and care home staff and volunteers have also received training or development through the programme.

Community groups and care home residents have been engaged in drama and other creative arts projects as a way to open up difficult conversations about death, dying and end of life care. A powerful performance was staged at Southwark Playhouse which was created and performed by members of Basaira Elderly Centre in Streatham and Lambeth and Peckham Elderly Asian Group in Southwark. *'Let the Wind Carry Me Home'* was produced in partnership with arts charity Rosetta Life and took its inspiration from the memories of local people, how they coped with bereavement and also how they said they would like to be buried.

Alongside improving health and social care in end of life care, the improved communication across service providers has been fundamental to the programme. A register for people in the last stages of their lives was set up to co-ordinate information and to ensure that patients' wishes about where they wanted to die were recorded and shared. Over 380 people have been added to the register, enhancing communication between care providers and thereby helping people to die in their preferred place of care.

The programme has successfully launched a new care bundle which is gaining national and international recognition. AMBER identifies hospital patients whose recovery is uncertain and ensures patients and their families are involved in planning for the future. By March 2011, 217 patients in Lambeth and Southwark hospitals had gone through the AMBER process. Cited as a model of good practice by the National End of Life Care Programme, the AMBER care bundle has also been piloted by three NHS Trusts in the East Midlands.

“More than 1,200 members of NHS and care home staff and volunteers have also received training or development through the programme.”

Through peer support for carers, implementing an end of life care pathway in mental health settings, facilitated assessments, role modelling discussions to plan for the future and training in pain assessment, approximately 1,000 people with dementia now receive improved end of life care. Dementia often affects people's ability to communicate when they are in pain. However, this is a common and treatable symptom and 92 per cent of care homes across the two boroughs have now received training in pain assessment.

The focus of the programme's work until December 2011 will be to ensure that the improvements which have been piloted are sustainable and that the legacy of the End of Life Care MI will be evident through high quality, patient-centred services, providing exceptional end of life care.

Diabetes programme

The Diabetes programme was awarded £4.5 million to transform diabetes services in Lambeth and Southwark in 2009. The evidence of need is compelling. Around 20,000 people living locally don't know they have the early signs of diabetes and many who are diagnosed are lacking clear information, support or education. In 2009–10 alone, £21 million was spent on diabetes care in the two boroughs. This excludes the cost of preventable treatment arising from diabetes including amputations, dialysis and blindness.

The aims of the Diabetes programme are to:

- Reduce emergency and unscheduled care, and increase planned, coordinated care.
- Increase opportunities to prevent diabetes and related complications.
- Reduce the variability in clinical management and optimise the management of diabetes.
- Increase patients' knowledge, skills and confidence, helping them to work in partnership with their care team.

The first phase of the programme started in December 2010 with the release of £1.19 million from the Charity. Scoping work was undertaken by a multi-professional team under the leadership of Programme Director, Jane Stopher.

The programme is looking at the whole system of how diabetes is treated locally. It aims to build best practice by bringing together leading clinical expertise, patients and carers to develop and test new ways of working. Three core workstreams are now underway to create systems of excellence for Adults, Children and Young People, and Self-Management.

Success will be measured by changes that improve the quality of local diabetes care to make a tangible difference to patients. Target outcomes include:

- A reduction in preventable emergency admissions by 20 per cent.
- An improvement in detection rates of diabetes locally.
- Measurable improvement in patients' control over their diabetes (which is often variable).
- An increase in the uptake and accessibility of self-management support for patients.
- An improvement in the confidence and independence of people with diabetes.
- The delivery of a high quality community-based service, designed with and for local residents.



Above: Diabetes patient Joaquim Jose with Clinical Nurse Specialist, Mary Griffin in the Diabetes Eye Clinic at Guy's Hospital.

Grants awarded

Until October 2010, the Charity responded to applications for funding in line with its former mission: to help ensure that patients get the very best care possible in the optimum environment by funding new services and approaches to healthcare. The objective of the former grants programme was to provide continued investment in health services and to support evidence-based improvement for public benefit. Grants supported service innovations, environmental improvements, investments in research and development, and in people.

During the financial year ending 31 March 2011 the Charity awarded a total of £19 million in grants and loans, towards service improvements, environmental projects, and research. Highlights included:

Hands up for Health

Young people are being offered an insight into working for the health service, as well as improving their own health and wellbeing, in an innovative programme which was awarded £316,500 in December 2010. 'Hands up for Health' comprises teaching days within the Simulation and Interactive Learning (SaIL) Centre at St Thomas' Hospital, as well as interactive sessions in schools, and career / 'clinical taster' open days. Topics covered include healthy eating and physical activity; the effects of tobacco, drugs and alcohol; emotional wellbeing and career choices; and risky behaviours and trauma.

Within the SaIL Centre participants have access to a range of state-of-the-art facilities including life-like patient manikins, keyhole surgery simulators, and a physical limitations suit which replicates the limitations felt by the physically challenged – including poor hearing and eye-sight. Interactive sessions are delivered by students, patient educators (real-life patients) and simulated patients (actors), multidisciplinary healthcare professionals and trainers.



Above: Lambeth Academy students get a taste of hospital life as part of the Hands up for Health project.

'Hands up for Health' is led by Dr Peter Jaye, Director of the SaIL Centre and is a collaborative project involving the partner Trusts within King's Health Partners and King's College London's Department of Education and Professional Studies. It is also supported by the London Ambulance Service, Southwark Education and Business Alliance and the Lambeth Healthy Schools Programme, with plans to expand on this involvement and foster new partnerships within the local community.

The programme responds to healthy living issues associated with high levels of mortality and morbidity locally, as well as the high rates of young people involved in violent crime in Lambeth and Southwark. It also aims to address the above average levels of 16–18 year olds not in education, employment or training in the two boroughs by raising the aspirations of young people and offering them new role models, thus encouraging them into a career in healthcare.

Following a number of successful pilot days involving pupils from Lilian Baylis School, in Lambeth, and the Lambeth Academy, the programme will be extended to other schools and youth groups across the two boroughs in the autumn of 2011.

“Young people are being offered an insight into working for the health service, as well as improving their own health and wellbeing, in an innovative programme which was awarded £316,500 in December 2010.”

The psychological benefits of living kidney donation

Funding of £84,000 was awarded in December 2010 to develop a tool to assess the psychological and emotional benefits from living kidney donation at GSTFT. Led by Mr Nizam Mamode, Consultant Transplant Surgeon and Reader in Transplant Surgery, the two-year project aims to assess the benefits to the donor of living kidney donation in terms of psychological and social wellbeing.

GSTFT is one of the UK Transplant's 'supercentres', performing over 130 living kidney transplants a year. As living kidney donations become more frequent, potential donors (often relatives of the recipient) are also willing to take greater risks to donate a kidney. Some evidence demonstrates that donating a kidney is physiologically safe, but no research has been carried out into the impact on emotional wellbeing. Anecdotally however, the researchers have observed that many donors describe donation as the most positive event in their life.

The aim is to consider the potential benefits to the donor against the possible risks. In the debate over donors' rights to proceed in the face of high risk (for example if the donor is obese or has kidney stones), a quantitative assessment of the donor benefit will be invaluable.

Small Wonders Change programme

More than 1,300 sick babies are admitted to Guy's and St Thomas' and King's College Hospital NHS Foundation Trusts annually; of these, over 400 babies are born prematurely. Although these babies receive excellent clinical care, the outcomes for pre-term and sick babies could be enhanced with additional support for parents on issues such as breastfeeding and skin-to-skin contact – which are known to reduce the risk of serious infections and enhance security and attachment.

Funding of £185,274 was awarded in March 2011, to enable the introduction of a DVD to support the parents of pre-term babies to be introduced in the Trusts. The Small Wonders Change programme is being led by Consultant Neonatologists Dr Morag Campbell at Guy's and St Thomas' and Professor Anne Greenough at King's College Hospital.

The DVD, produced by the Best Beginnings charity, follows the journeys of nine families with premature babies and covers expressing milk and breastfeeding, twins and multiples, and bereavement, as a way for staff to open up discussions about how parents interact and care for their babies.

The Charity's funding covers the cost of a researcher to gather and analyse data before and after the intervention, to monitor changes in breastfeeding rates, parents' perceptions of engaging with their babies' care, postnatal depression within the first two weeks of the baby leaving the unit, and babies' weight gain and resistance to infection. Changes in clinicians' knowledge and confidence in coaching parents on the care of their babies will also be measured.

If the programme is found to have a positive impact on the outcomes for premature babies, it could set a precedent for neonatal care nationally.

Medicinal safety in critical care

A grant of £19,000 was awarded in July 2010 to help carry out a feasibility study into the use of drugs in managing patients who are critically ill. Led by Dr Marius Terblanche, Consultant Intensivist at GSTFT, working closely with Cathy McKenzie, a consultant pharmacist at the Trust, the aim is to better understand how critically ill patients metabolise drugs, as the basis for making recommendations that will improve the safety of medicines in critical care.

The concepts of how drugs are absorbed, metabolised and excreted by the body is known as pharmacokinetics (PK). Drugs known to have few significant side-effects in healthy adults may have a risk of complications in critically ill patients due to the altered PK response. The funding will support an initial investigation into the PK response of critically ill patients to simvastatin, a type of statin (an agent widely used to lower cholesterol). The investigation aims to better understand how statins – commonly prescribed to intensive care patients – are metabolised in very sick patients and how they may be associated with liver failure/dysfunction and muscle breakdown.

The study will help build a model of testing drug metabolism that could be applied to a number of drug therapies. GSTFT boasts the largest Critical Care Unit in the country caring for around 3,000 patients each year; of these around a third are administered simvastatin. As part of King's Health Partners, the Unit will work with other critical care centres in the UK and worldwide to collect and analyse the data, and disseminate the findings.

“A grant of £19,000 was awarded in July 2010 to help carry out a feasibility study into the use of drugs in managing patients who are critically ill.”

Research into antisocial behaviours

Children at risk of chronic and violent antisocial behaviour (which can lead to violent and criminal offending) are not all the same. Most are highly emotional and respond well to learning how to regulate their emotions. A smaller number, however, show “colder” temperaments, sometimes referred to as callous and unemotional personality traits (CU traits). These children can have trouble reading emotions in other people, often don't care about other people's feelings, and their parents may need additional support to help their children adopt social norms.

Professor Mark Dadds, a professor in child and adult psychiatry at King's College London's Institute of Psychiatry received £290,000 in December 2010 to assess whether parental training, personalised to the particular traits of the child, will help stem the development of conduct problems in children with high CU traits, resulting in better life chances for young people and ultimately, a reduction in crime locally. Working with Dr Jennifer Allen a senior researcher, Professor Dadds will recruit approximately 60 parents of children between four and eight years displaying defiant or bad behaviour to engage in the study. All parents will receive 10 training sessions in discipline and reward strategies, and half will receive an additional four training sessions from a therapist to learn how to engage their children in conversations about emotional issues and events.

The children's behaviour, emotional and physiological responses will be measured before, during and six months after the study to monitor changes to see whether the emotional training has a greater impact on reducing CU traits than parental training alone, as the basis for tailoring current interventions. It is expected that the extra intervention will be particularly important for the children with high CU traits, and could lead to new and effective treatments for these children.

Commercial innovation achievements

The Guy's and St Thomas' Charity Innovation Fund for Technology Transfer (GiFTT) provides funding of up to £50,000 (and in exceptional cases, more) as well as access to advice on intellectual property, developing a prototype and seeking a commercial partner to take the product on to the market. GiFTT fits with the Charity's commitment to support innovations in health locally which may have a benefit to the wider health service, while providing a return on investment for both the Charity and the host organisation. All proceeds are administered by GSTC Health Innovations Ltd, a wholly owned subsidiary of the Charity.

During the year ending 31 March 2011, the Charity supported five innovations with the potential for commercialisation to the tune of £210,518. This included an investment of £47,163 to support the development of a novel device for the testing and treatment of balance disorders and dizziness and £46,000 towards the development of a rapid PCR test, (a scientific technique used in molecular biology), for the identification of antiseptic-resistant hospital-acquired infections.

During the year, two GiFTT supported innovations have secured a commercial partner. This includes a revolutionary manikin that will enhance the skills and confidence of obstetricians, doctors and midwives managing caesarean deliveries where the baby's head has become impacted in the womb. The manikin was developed in partnership between staff in Women's Health at St Thomas' Hospital and a consultant in NHS Fife with support of £33,000. It was licensed to a UK manufacturer of medical simulators in December 2010 and an advanced version of the product is under development.

“During the year ending 31 March 2011, the Charity supported five innovations with the potential for commercialisation to the tune of £210,518.”

Arts and heritage activities

Performing arts highlights

In addition to a diverse programme of free performances, the performing arts programme also undertook a number of arts in health interventions in collaboration with healthcare staff and patients.

One of the notable achievements during the year was the delivery of a series of week-long 'magic camps' for children with upper limb motor disorders at Guy's Hospital in conjunction with the Ichilov Hospital in Tel Aviv, Israel. Participants were taught tricks by a Magic Circle magician, which had been specially developed with occupational therapists to incorporate therapeutic hand movements. They also designed their own costumes and staged a final performance. The camps aimed to improve children's motor skills and confidence by encouraging them to practise therapeutic hand and arm movements in a fun and challenging way. The outcomes of the camps at Guy's Hospital and in Israel will inform an international research project to evaluate the effectiveness of magic therapy.

Spoken-word artist Simon 'Mole' Porter held weekly workshops to help the porters of Guy's Hospital write about their experiences. Their work was showcased at a performance, where the porters performed alongside professional poets. Their words were subsequently transformed into illustrated prints by artist Jess Wilson and exhibited in Guy's Hospital. The project had a profound impact in raising the profile of the porters and the challenging work they do.

Mum's First Steps is a booklet that focused on the emotional wellbeing of new mums during the first few months. The project was developed by artists Ana Laura Lopez De La Torre and Ceri Buck in collaboration with new mothers in Southwark. Mum's First Steps is being given to every new mother passing through St Thomas' Hospital during 2011 to help new mothers feel less isolated.

Visual arts activities

Art, sculpture and photography projects continued to improve the healthcare environment whether through specially commissioned works and exhibitions by established and emerging artists, or the management of the Charity's 4,000-strong art collection, most of which is on display at different sites.

As part of the new Cancer Day Unit at Guy's Hospital one per cent of the project's funding was ring fenced to incorporate two artists into the production team. Artists Heather Barnett and Will Holloway produced images informed by workshops held with patients, carers and staff. Their work incorporates ideas and experiences gleaned from chemotherapy patients and is displayed on walls, windows and screens across the unit. It aims to provide a soothing and distracting backdrop to treatment.

In the Haematology department at Guy's Hospital, artist Ori Gersht has created a series of photographic images entitled 'Chasing Good Fortune' featuring the cherry blossom in Japan, which is a symbol of renewal and a celebration of life each spring.



Above: From the Chasing Good Fortune series in Haematology at Guy's Hospital by Ori Gersht.

Right: Amarlie Moore, Clinical Specialist Paediatric Occupational Therapist, with Connor Curtis participating in a 'magic camp' at Guy's Hospital.



Fundraising achievements

Patients, as well as their families and friends, have shown huge generosity over the years in supporting the work of the hospitals through fundraising, making donations and leaving gifts in their wills. Staff, local businesses, as well as individual donors have all shown dedication to their local hospitals. Volunteers, many of whom were former patients, have also been a valuable asset to the Charity's fundraising effort, helping at events and acting as advocates for fundraising.

Prior to the transition to the new fundraising arrangement, the existing fundraising team within the Charity supported a number of activities to attract funds for Guy's and St Thomas' hospitals and the Integrated Cancer Centre.

Between 1 April and 31 March 2011 the Charity received a total of £3,297,000 in fundraised income and legacies. This comprised £1,364,000 in major gifts; £530,000 in legacies; £638,000 in individual donations; £413,000 from companies; £1,131,000 from events and £331,000 worth of grants from charitable trusts and foundations.

“Volunteers, many of whom were former patients, have also been a valuable asset to the Charity's fundraising effort, helping at events and acting as advocates for fundraising.”

Notable activities of the Fundraising team during the year included:

- Supporting participants in a range of sporting challenges including the Virgin London Marathon; the London to Paris Bike Ride; an abseil down Guy's Tower; the Adidas 5k Challenge for Women; and the London Royal Parks Half Marathon.
- Launch of the 'Game on!' and 'Great Bake' campaigns to encourage patients, staff and the community to support our cause while socialising with friends.
- A Carol Concert at St George's Cathedral, Southwark, hosted by David Dimbleby.
- Launch of a series of celebrity illustrated postcards to celebrate 10 years of the London Eye, including drawings by model Kate Moss and TV presenter Ben Shephard.
- Launch of the Superhero campaign www.superkids.org.uk which features Evelina patients as the 'Superkids'.
- Continuing to roll out the fundraising wall displays across Guy's and St Thomas', featuring life-sized images of patients and staff.
- Helping a former patient to organise a classical concert at the Tower of London in aid of Head and Neck Cancer Services, raising over £24,000.

Key objectives for 2011–12

The year ended 31 March 2011 has laid the foundations for a new era for the Charity defined by our new mission and priorities. Our focus in 2011-12 will be on raising awareness of our new role as a catalyst for health and healthcare improvement and innovation in Lambeth and Southwark.

During the coming year the Charity will act on its new strategic priorities. Partnership will be vital in ensuring we have a tangible and long-lasting impact on healthcare and health and wellbeing in Lambeth and Southwark.

Our principal objective is to begin to make a substantial lasting impact on health and healthcare by supporting initiatives 'at scale' that meet our overall ambitions.

We will do this by:

- Communicating what the Charity is seeking to achieve both within GSTFT and as widely as possible.
- Encouraging and developing a suitable number of innovative proposals for financial assistance.
- Maximising the potential of the Charity's portfolio of property and estates especially on and close to the Guy's Hospital site.
- Completing recruitment to the Charity's new staffing establishment and mobilising full staff engagement behind mission, priorities and values.
- Embedding and further improving new operations, systems and structures.

Trustees' biographies



Sir William Wells

Sir William Wells joined the Charity as a Trustee on 1 November 2009 and took over as Chairman on 30 November 2009. He has held numerous senior positions in the private and public sectors over a career spanning more than 40 years. Sir William's career has comprised both property and healthcare in parallel and he currently chairs a number of health related and financial companies.



Sue Gallagher

Sue Gallagher has worked in a number of senior roles in the NHS and was the Chief Executive of Merton Sutton and Wandsworth Health Authority (MSWHA) from 1997 to 2002. More recently she has worked with the Department of Health as a consultant and as an executive coach, facilitator and development consultant for senior leaders in the health service. Sue is a Non-Executive Director on the boards of NHS Lambeth, Southwark and Lewisham.



Susan Elizabeth

Susan Elizabeth retired from the board in 2010. Susan is an independent consultant, working with organisations in the charitable and public sectors. She was previously Chief Executive of the Camelot Foundation and was a senior executive at the King's Fund, developing a range of programmes testing innovations in healthcare. She is also a Trustee of the BBC Children in Need Appeal and a judicial member of the Charity Tribunal.



Fiona Godlee

Fiona Godlee is Editor in Chief of the British Medical Journal. She qualified as a doctor in 1985, trained as a general physician in Cambridge and London, and is a member and Fellow of the Royal College of Physicians. She has written on a broad range of medical and publishing issues and has served as President of the World Association of Medical Editors.



Stanley Fink

Stanley Fink retired from the board in 2010. Stanley is Chief Executive of International Standard Asset Management, a hedge fund manager. He was formerly Group Chief Executive and Deputy Chairman of Man Group. As a Trustee he was Chairman of the Evelina Children's Hospital Appeal campaign to equip the new hospital and has recently become President of the Hospital. He is also a Trustee of the children's charity ARK (Absolute Return for Kids).



Dr Nicolaus Henke

Dr Nicolaus Henke is a global expert on health care policy and strategy, and leader of McKinsey & Company's Healthcare Practice in Europe, Middle East and Africa (EMEA). His experience has included advising a number of governments around the world and the NHS on the future of commissioning as well as the regulatory framework of the future health sector.



Wol Kolade

Wol Kolade is the Managing Partner of ISIS Equity Partners. Wol holds a number of Non-Executive positions, including Non-Executive Director at Social Finance Ltd and he is a former Chairman of the British Private Equity and Venture Capital Association. He has been a Governor at the London School of Economics and Political Science since 2002.



Rory Maw

Rory Maw is Chief Financial Officer for Bridges Community Ventures, a private equity firm. He qualified as a Chartered Accountant and has 14 years' corporate finance experience at Schroders and Morgan Stanley. Rory holds a number of Non-Executive directorships, including Vice Chairman of Guy's and St Thomas' NHS Foundation Trust.



Nichola Pease

Nichola Pease brings 27 years of experience in fund management, most recently as Deputy Chairman of J O Hambro Capital Management, a specialist investment house which manages investment portfolios for institutions and family offices. In addition to an illustrious career in the City, Nichola also helped set up Banking on the Young in 2007, a charity which supports young people wishing to set up businesses. The charity works with Youth Business International, a subsidiary of the Prince's Trust, of which she is a Patron.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of a scheme of the Charity Commission. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Analysis of results for the year

Income and expenditure

The Charity's total incoming resources fell from £13.5m in 2010 to £11.9m in 2011. As last year, this is largely due to a decrease in investment income from £11.0m to £8.5m, partially offset by an increase in voluntary income from £2.3m to £3.3m.

The Evelina Children's Hospital Appeal was the main area of active fundraising. It received £614k from legacies and donations, compared to £374k in the previous year.

Other donations were received for the benefit of a wide range of specific activities at Guy's and St Thomas' NHS Foundation Trust. £326k was received for the Integrated Cancer Centre Fund.

The decrease in investment income resulted mainly from a decline in income from investment properties from £5.1m to £3.4m and a decline in income from listed equities from £3.5m to £2.6m. The decline in property income was due principally to the expiry of a long leasehold in central London. The decline in income from listed equities was the final result of a reorganisation of the Charity's investments in listed equities where total returns have been targeted and certain investments no longer distribute any income.

The Charity made grant commitments of £19m (2010: £12m). A detailed list of grants is available on the Charity's website. The increase in the level of grants is due to significantly higher grants related to clinical innovation, including the End of Life and Diabetes Modernisation Initiatives, and a £1.1m grant for the Evelina Children's Hospital.

Investment management costs increased significantly to £6.8m, due principally to performance-related fees and the inclusion of certain categories of investment management costs for the first time.

The Charity spent £1.3m on reorganisation covering a strategic review, redundancy costs and a number of transitional costs. The aims of the reorganisation were to increase the effectiveness of the organisation and to make savings in annual operating costs which are expected to be realised in the current and future years.

The Charity had net outgoing resources of £21.8m.

Gains, losses and revaluations

Within programme related investments, the Charity benefited from gains on revaluation of its charitable property of £8.7m.

Investments returned net gains of £37m. A review of investment performance is given on page 28.

Fixed assets

Total fixed assets now stand at £551m (2010: £521.4m). As last year, the bulk of the increase was due to growth in asset values.

Net current liabilities

Net current liabilities increased by £0.6m to £21.1m. The majority of the liabilities relate to grants committed but unpaid.

Long term creditors

Longer term liabilities have decreased from £12.1m to £10.6m. The balance payable has continued its previous trend as longer term projects near their completion.

Reserves

Unrestricted funds have increased from £109.9m to £121.2m. While unrestricted resources expended exceeded incoming resources by £14.3m, this was almost entirely offset by investment gains of £13.8m.

The net increase in unrestricted funds results primarily from a transfer totalling £11.8m from expendable endowment funds. This transfer included £5.9m in respect of two properties which were transferred from commercial to programme related investments. The Charity aims to maximise the total return (both income and capital growth) on its investments and the investment policy and asset allocation reflect this. The Trustees agreed in September 2009 that an allocation based on 3-4% of the historic endowment value would be made available for disbursement with the particular amount being dependent on achievement of expected investment returns.

Endowment funds increased from £368.5m to £388.5m after transfers as a result of investment gains.

Details of reserves are provided on page 29.

Summary

Despite net outgoing resources of £21.8m (2010: £7.7m), the Charity's fund balances have grown from £489m in 2010 to £519m in 2011. The Charity made £19m (2010: £12m) in grants commitments in the year.

Review of investments

Introduction

The Charity has £551m in investments. These are set out in note 9 to the accounts. This includes £91.9m of mission-related investments which are described on page 29. The remaining investments are held to provide a return to the Charity over the long-term. The Trustees' investment policy is set out below.

Listed equities

At 31 March 2011 the Charity held four listed equity portfolios:

	Value	Annual Performance	Benchmark
Baillie Gifford & Co Long Term Global Growth Fund	£71.4m	16.3%	8.5%
Cantillon Capital Management LLP Global Equity Fund	£56.5m	18.5% ¹	13.1% ¹
Odey Asset Management Limited Allegra International Fund	£60.3m	6.1%	7.4%
Sarasin & Partners LLP Equisar Global Thematic Fund	£54.5m	15.4% ²	14.0% ²

Notes:

¹ The performance and benchmark percentages relate to performance since inception of the investment on 28 May 2010.

² The performance and benchmark percentages relate to performance since inception of the investment on 2 June 2010.

The Baillie Gifford LTGG fund aims to outperform the MSCI AC World index by 3% per annum over the longer term. The Cantillon Global Equity fund aims to outperform the MSCI World Index by 4% per annum over a full market cycle. The Odey Allegra fund aims to outperform the MSCI World Index by 4% per annum over a full market cycle. The Sarasin Equisar Global Thematic fund aims to outperform the MSCI World Index by 3-4% per annum over rolling three year periods.

Investment property

The Charity holds commercial and agricultural property portfolios. The total portfolios were valued at £84.4m as at 31 March 2011 (2010: £85.2m).

The commercial portfolio is managed by Cushman and Wakefield Investors and holds direct and indirect investments in retail, office, industrial and residential properties. Total return for the year to 31 March 2011 was 9.8%, compared to the IPD Index of 11.3%. During the year there was one significant expiry of a long lease, two properties was transferred to the Charity's charitable property portfolio and one minor property was sold.

The bulk of the agricultural portfolio is represented by two estates in Hertfordshire and Oxfordshire together with pockets of land with development potential. This portfolio returned 37.7% in the year to 31 March 2011. The portfolio is managed by Smiths Gore. During the year, the main transaction was the sale of the majority of an estate in Gloucestershire for £3.9m, realising a profit of £1.7m.

Alternative investments

The Charity holds £38.6m in a hedge fund of funds managed by Fauchier Partners, the Jubilee Absolute Return Fund. The fund is held with the object of providing both performance and diversification within the overall portfolio. The fund returned 1.3% versus a performance target of 5.6% in the year to 31 March 2011.

The Charity transferred its holding in the fund from a US dollar denominated class to a sterling denominated class on 31 December 2010.

The Charity holds £42.4m in a credit opportunities fund managed by Canyon Capital Advisors LLC, the Canyon Value Realization Fund. The fund is denominated in US dollars and returned 7.7% in the year. There is no formal benchmark or target return for the investment.

The Charity is building up an allocation to private equity through a fund of funds managed by HarbourVest Partners and an investment with Lexington Partners. £49.3m was held in private equity at 31 March 2011 (2010: £39.7m). Of the underlying sub-funds, which are denominated in US dollars or Euros, the US funds returned 17.4% and the international funds 15.9%. The Lexington Partners secondary buy-out fund returned 15.8% last year.

Cash and fixed interest

This represents short term funds which are often committed to charitable projects. This balance stood at £11.9m at the year end (2010: £12.6m). Funds are invested in cash and similar investments, including £1.7m in a cash fund managed by Insight Investments, which aims to outperform seven-day London interbank bid rate (LIBID).

Investment policy

The Charity's overall investment objective is to maximise total return on investment assets in the long term, while providing an income stream to make charitable disbursements. Specifically as a minimum, the Charity aims to: release an average of 4% per annum (including income from investments) for disbursement; and to maintain the value of the endowment fund, relative to the retail price index over the long term. In so doing, the Charity ensures compliance with the Trustee Act 2000 and Charity Commission guidance.

The Charity has an overall asset allocation benchmark for its capital portfolio as follows:

	Actual	Benchmark	Range
Listed Equities	53.2%	57%	55–60%
Commercial Property	16.0%	22.5%	20–25%
Agricultural Property	2.6%	2.5%	1.5–3.5%
Private Equity	10.4%	5%	3.5–6.5%
Fund of Hedge Funds	8.5%	8%	6–10%
Credit Opportunities	9.3%	5%	3.5–6.5%

The Charity benchmarks listed equities against global equity benchmarks based on the MSCI World Index and appropriate above benchmark performance targets are set. Commercial and Agricultural Property are benchmarked against relevant Investment Property Databank (IPD) property indices. Fund of Hedge Funds have a target of London interbank offered rate (LIBOR) +5%. Benchmarks have not been set for other asset classes.

The Trustees delegate investment management to the Investment Committee. The Committee reviews investment policy annually.

Summary

The Charity had a year of growth in its investment portfolio. Mercer estimated the total return for the fund in the year ended 31 March 2011 was 8.5%. Total investments (excluding programme related investments) were £459m, compared to £444m one year earlier.

Funds and reserves policy

Reserves policy

The Charity plans the distribution or designation of all its unrestricted funds under multi year spending programmes. It therefore does not plan the long term retention of free reserves. Free reserves that arise are managed through a Distribution Account. The Distribution Account amounted to £29.2m at the year end. The Charity will transfer funds from the expendable endowment if necessary to meet its disbursement targets.

Funds

Unrestricted funds

The Charity holds £121.2m in unrestricted funds. It has decided to undesignate those funds that were previously designated for future initiatives and will instead hold such amounts in the general Distribution Account. The Charity does maintain funds covering those mission-related investments that it has made.

Mission related investment funds

Charitable property fund

This fund totals £86.9m. It is represented by £86.9m in property held for the benefit of the Charity's beneficiaries, principally GSTFT. It is predominantly key worker housing for hospital staff, but also includes medical facilities and staff leisure facilities.

Art and Heritage assets

This fund is represented by £4.6m art and heritage objects on display in and around GSTFT. It is not readily realisable and therefore does not constitute free reserves.

Health Venture Fund

The Charity has invested £395k in the GIFFT health venture initiative which is held in its subsidiary, GSTC Health Innovations Ltd.

Distribution Account

The Charity holds free reserves of £29.2m in a distribution account from which it makes allocations to its various charitable programmes. The Charity will transfer funds from expendable endowment to supplement unrestricted funds.

Restricted funds

Restricted funds (known as Special Purpose Funds) are reserved for specific purposes. The Charity held 233 funds totalling £9.7m at the year end (2010: £10.4m). Details of the largest funds are shown in notes 13.2 and 13.4. A full list of the funds is available on request from the Charity.

Endowment funds

Endowment funds form the investment base of the Charity on which it earns income to make disbursements. The endowment funds totalled £388.5m at the year end (2010: £368.5m). £383.3m is represented by the General Fund which is expendable at the Trustees' discretion. Other Funds are permanent endowment. The other Funds are described in notes 13.1 and 13.3.

Constitution, objects and powers

Guy's and St Thomas' Charity is governed by a scheme of the Charity Commission dated 16 December 1998. The object of the Charity, which was amended on 1 June 2011, shall be any charitable purpose or purposes relating to the general or any 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). The Charity is registered with the Charity Commission, registration number 251983.

The individual Trustees of Guy's and St Thomas' Charity are appointed by the Appointments Commission on behalf of the Secretary of State under section 51 of the National Health Service Act 2006. The Trustee body itself has been incorporated by the Charity Commission under the Charities Act 1993 and is known as 'The Trustees of The Guy's and St Thomas' Charity and Other Related Charities'.

The Trustees also hold other funds on trust for specific purposes connected with Guy's and St Thomas' NHS Foundation Trust and the wider health service – these are separate charities but are united, by direction of the Charity Commission, with Guy's and St Thomas' Charity, for registration and accounting purposes.

Powers of investment

The Trustees' powers of investment are principally derived from the 1998 Scheme and the Trustee Act 2000. These powers are wide, allowing the Trustees to invest in such stocks, funds, shares, securities or other investments of whatever nature and wherever situated as the Trustees think fit. However, in exercising these powers of investment, the Trustees have to act in accordance with their duty as trustees (as set out in more detail within the Scheme and the Trustee Act 2000).

Risk management

The Audit Committee on behalf of the Trustees ensures that they meet their obligations for risk management in relation to Guy's and St Thomas' Charity and related charities. They have adopted a framework under which they monitor and identify risks. This also forms a guide for future internal audit work.

The Charity carries out a formal risk assessment resulting in the preparation of a detailed risk map. The procedures entail the following:

- development of a clear link between the Trustees' business plan objects for the Charity and the identification of risks;
- preparation of an impact analysis once risks are identified;
- continual review of existing and proposed business activities to ensure that new risks are identified and that existing documented risks are revised or removed if no longer appropriate.

Using this process the Trustees have carefully examined the major strategic, business and operational risks which the Charity faces, and confirm that systems have been established to ensure that those risks are effectively managed.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission General Guidance on Public Benefit in exercising their powers and duties. The Trustees are conscious of the need to ensure that the activities of the Charity comply with the public benefit requirement and they believe that all the charitable activities, the most significant of which are discussed on pages 12 to 20, are for the public benefit.

Subsidiary companies

Guy's Hospital Nominees and St Thomas' Hospital Nominees are non-trading companies which were established to facilitate investment and property transactions. Since the incorporation of the Trustees in 2003, it is easier for them to hold property and investments in their corporate name, and these nominee companies are no longer used for this purpose.

On 19 March 2009, GSTC Health Innovations Limited was incorporated as a wholly-owned subsidiary of the Charity. The company was incorporated to hold investments that result from the GIFFT initiative. On 27 March 2009 GSTC Health Investments Limited was also incorporated as a wholly-owned subsidiary of the Charity to hold other Health Venture investments that may arise from the Charity's activities in the future.

On 8 September 2010, G&T (Cambridge) Limited was incorporated as a wholly owned subsidiary of the Charity. The company was incorporated to hold land with development potential.

Independent Auditors' Report

To the Trustees of Guy's and St Thomas' Charity

We have audited the financial statements of Guy's and St Thomas' Charity for the year ended 31 March 2011 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's Trustees, as a body, in accordance with regulations made under section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of financial statements which give a true and fair view. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and Charity's affairs as at 31 March 2011 and of its incoming/outgoing resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respects with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

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

12 September 2011

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Organisation

Trustee Board

All seven Trustees are members of the Board, which is chaired by Sir William Wells. The Trustee Board meets at least six times a year. Appointments are made through the NHS Appointments Commission. Susan Elizabeth retired from the board in September 2010 and Stanley Fink retired in June 2010. Nichola Pease became a Trustee in July 2010 and Dr Nicolaus Henke became a Trustee in October 2010.

Audit Committee

This committee consists of all Trustees except the Trustee Board Chairman and reports to the Trustee Board. The committee is chaired by Rory Maw. It is responsible for overseeing financial governance and all matters relating to the internal and external audit. The Audit Committee meets at least four times a year.

Investment Committee

This committee was established to take responsibility for investment strategy and management. It reports to the Trustee Board. The members are:

Ms Nichola Pease (Chair)
(from July 2010)
Mr S Fink, Charity (Chair)
(until June 2010)
Professor E Dimson,
London Business School
Mr J Gadhia, Independent
Mr R Maw, Charity
Mr O Kolade, Charity
Sir W Wells, Charity

Remuneration committee

The committee was established to develop a policy on staff remuneration and approve overall spending on staff remuneration and benefits.

The members are:

Sir William Wells
Dr Fiona Godlee
Mr Wol Kolade

New funding committees

During the financial year the existing committee structure was replaced by three new committees with responsibility for allocating grants and finance, as follows:

Executive Funding Team –

with powers of allocation up to £250,000 – made up of the senior Executive Team:

Mr P Hewitt, Chief Executive
Mr D Renton, Finance and
Development Director
Mr O Smith, Director of Strategy
and Innovation

The EFT is supplemented by other advisors as necessary e.g. on occasions by members of the previous Health Venture Fund Committee

Major Funding Committee –

with powers of allocation of up to £2 million. The members are:

Ms S Gallagher (Chair)
Dr F Godlee (Deputy Chair)
Sir Ron Kerr, Chief Executive of GSTFT
Dr J Moxham, Clinical Director of KHP
Ms Y Doyle, Regional Director of Public
Health for NHS South East Coast
Ms A Sheppard, Southwark Council CEO
Dr A McLachlan, GP and Chair of
Lambeth Clinical Commissioning
Collaborative
Dr A Zeineldine, GP and Chair of
Southwark Clinical Commissioning
Committee
Professor G Thornicroft, Head of Health
Service and Population Research at KCL
Dame Barbara Munroe, Chief Executive,
St Christopher's Hospice
Dr John Scoble, Assistant Medical
Director, GSTFT

Strategy Committee –

with powers of allocation of above £2 million and the responsibility to oversee and monitor the organisation's grants strategy. The members are:

Dr N Henke, Charity (Chair)
Ms S Gallagher, Charity (Deputy Chair)
Professor R Lechler,
Executive Director of KHP
Mr I Abbs, Medical Director of GSTFT
Mr G Scally, Regional Director of Public
Health for NHS South West
Mr D Fillingham, Chief Executive,
Advancing Quality Alliance

Mr N Timmins, Public policy editor
for the Financial Times
Dr Chai Patel, Chair of Court Cavendish
and a Partner of Elysian Capital
Professor J Barlow, Professor of
Technology and Innovation Management,
Imperial College London
Mr N Edwards, Acting Chief Executive
of NHS Confederation
Patrick Carter – Lord Carter of Coles,
Chair of NHS Co-operation and
Competition Panel for NHS funded
services
Mr Paul Corrigan, Consultant

Committees dissolved during the year

The following committees were dissolved during the year and held their final meetings between October – December 2010.

Health Venture Fund Committee

The committee made recommendations on proposals for health venture funding. The members were:

Mr R Maw, Charity (Chair)
Dr A Campbell, Independent
Dr A Coleman, GSTFT
Dr K Ison, GSTFT
Ms V Jolliffe, Independent
Dr A Khir, Brunel University
Mr J Varley, Charity
Dr M Wright, Charity
Dr Terry Parlett, GSTFT

New Services and Innovations Committee

This committee made recommendations to the board on the award of grants of over £20,000 for new services and innovations in health care. It met four times a year. The members were:

Ms S Gallagher, Charity (Chair)
Dr E Baker, GSTFT
Dr J Balazs, Lambeth GP
Dr C Bradbeer, GSTFT
Mr D Firmin, Independent
Mr R Franklin, GSTFT
Mr P Hewitt, Charity
Ms I Joy, Independent
Dr L Ridsdale, KCL
Ms D Smith, NHSL
Ms K Sorensen, GSTFT
Professor G Thornicroft, KCL
Mr J Varley, Charity

Small Grants Committee

This committee made recommendations to the board on the award of grants up to £20,000 for new services and innovations in health care. It met every six weeks.

The members were:

Mr P Hewitt, Charity (Chair)
Dr J Ferguson, NHSL
Mr J Findlay, GSTFT
Ms A Grant, NHSS
Mr D Jones, Charity
Dr E MacMahon, GSTFT
Ms C Miller, GSTFT
Ms A Rigby, Charity

Research and Development Steering Group

This steering group reported to the board and was responsible for developing the research and development strategy and overseeing the development of policies for research grants. The committee met four times a year. The members were:

Dr F Godlee, Charity (Chair)
Dr D Dunstan, Independent
Dr J Fryer, NHSS
Mr P Hewitt
Mr D Jones, Charity
Mr R Kerr, GSTFT
Professor R Lechler, KHP
Professor Frank Walsh, KHP (from November 2009)
Professor G Thornicroft, SLAM/IoP
Professor C Wolfe, GSTFT

Research and Development Sub Group

This sub group met on an ad hoc basis and made recommendations to the Board on the allocation of the research and development strategic infrastructure fund. The members were:

Dr F Godlee, Charity (Chair)
Dr D Dunstan, Independent
Dr J Fryer, NHSS
Professor R Lechler, KHP
Professor G Thornicroft, SLAM/IoP
Professor C Wolfe, GSTFT

Translational R&D Committee

The Charity invited expert scientists to be members of the Translational R&D Committee on a voluntary basis.

They had a fixed term of office and abided by a code of conduct.

Dr D Dunstan, Independent (Chair)
Professor D Baker, Barts and the London NHS Trust
Professor P Bebbington, University College London
Professor S Bevan, KCL
Professor E Bullmore, Cambridge University
Professor A Burns, Manchester University
Professor C Holmes, University of Southampton
Professor M King, University College London Medical School
Professor D Mann, Newcastle University
Professor A-M Rafferty, KCL
Professor F Walsh, KHP
Professor R Wolf, University of Dundee
Professor C Wolfe, R&D Director, GSTFT/KCL
Professor M Wilkins, Imperial College London

Art and Heritage Committee

This committee was responsible for overseeing the implementation of the Charity's art and heritage strategy. It met quarterly to agree disbursements and review proposed commissions and approve other activities relating to the collections, exhibitions and heritage of the Charity and other related areas. The members were:

Ms S Elizabeth, Charity (Chair to March 2010)
Ms E Browne, GSTFT
Ms S Catto, Action Space
Mr W Edwards, GSTFT
Ms E Fairclough, GSTFT
Mr P Hewitt, Charity
Prof S Howell, KCL
Mr R Kerr, GSTFT
Ms A Knowles, GSTFT
Mr R Leach, GSTFT
Mr S McGuire, GSTFT
Ms G Saunders, V&A Museum
Ms K Sorenson, GSTFT
Ms J Thomas, KCL

Joint Fundraising Management Committee

The committee's role was to give strategic direction to the management of fundraising for the benefit of GSTFT, including the Evelina Children's Hospital Appeal, but it has also considered matters relating to other appeals and legacies. The committee met every other month until 2011 prior to the creation of the new Fundraising Council. The members were:

Sir R Kerr, GSTFT (Chair)
Dr E Baker, GSTFT
Mr P Hewitt, Charity
Ms A Knowles, GSTFT
Mr S McGuire, GSTFT
Mr H Middlemas, Charity
Mrs K Mensah, Charity
Professor A Purushotham, GSTFT
Mr M Shaw, GSTFT
Mr J Varley, Charity
Ms F Woodard, GSTFT

Other Directors of GSTFT were called on from time to time and other members of staff of both organisations were in attendance as required.

Special Purpose Funds committee

This committee reported to the board and considered spending plans and other issues relating to restricted funds. The committee met four times a year. Members were nominated by GSTFT and NHS Lambeth, NHS Southwark and NHS Lewisham and held these posts for three years. The members were:

Dr F Godlee, Charity
Dr T Baker, GSTFT
Ms R Bishop, Charity
Ms V Carse (from January 2010)
Ms V Cheston, GSTFT
Mr J Dutton, NHS Lewisham
Mr A Eyres, NHS Lambeth (deputy Mr D Palmer)
Mr J Findlay, GSTFT
Ms K Heng, GSTFT
Mr P Hewitt, Charity
Dame Donna Kinnair, NHS Southwark
Dr C Mallinson (from October 2010)
Mr C Rooney, GSTFT
Mr R Scarff, Charity
Mr M Shaw (deputy Mr C Bowler, GSTFT)
Dr C Twort, GSTFT (to October 2010)
Mr J Varley, Charity
Professor C Wolfe, GSTFT

Special Purpose Funds committees

The Evelina Children's Fund Committee

The committee meets quarterly and is responsible for considering applications for funding from the Evelina Children's Fund. The members are:

Dr G Fox, Chair
Ms A Carter, GSTFT
Ms R Bishop, Charity
Dr M Champion, GSTFT
Mr J Findlay, GSTFT
Ms H Holloway/Ms Pollie Hodgson
(joint head of nursing), GSTFT
Mr H Middlemas (until February 2011)
Mr M McCulloch, GSTFT
Dr J Simpson, GSTFT
Ms J Turville, GSTFT

Lane Fox Respiratory Unit Management Committee

Mr T Gates, MBE (Chairman)
Mrs A Baring
Mr S Brunning
Mr C Curtis (from February 2011)
Mrs Y Fitt
Mr and Mrs Jo and Lionel Gonslaves
(from February 2011)
Ms N Grey
Mr T Gott
Mrs M Lewis
Dr M Munro
Mr N Patel (from September 2010)
Ms J Rupert (Hon Treasurer)
Mr M Symons

In attendance:

Miss R Bishop, Charity
Dr C Davidson, GSTFT
Ms N Grey
Mrs P Terrell, (LFRUPA Administrator)

Relationships with other charities

Newcomen Collett Foundation

The Charity has the right to appoint a representative governor to serve on the NCF's Board of Trustees and Helen Cockerill was appointed in 2009 for four years.

St Olave's & St Saviour's School

The Charity has a right to appoint a representative to serve on the Foundation Court of Governors of St Olave's and St Saviour's School.

Mr Harinder Mann is Foundation Court Governor (Trustee) for The St Olave's and St Saviour's School Foundation until April 2014.

Dr Anwar Alhaq is the Foundation Court Governor (Trustee) until March 2012 and the Charity Representative on the Governing Body of The St Saviour's and St Olave's School for Girls until December 2013.

Councillor Neil Redeen is the Charity representative on the Governing body of The St Olave's and St Saviour's Grammar School for Boys until November 2011.

Consolidated Statement of Financial Activities

For the year ended 31 March 2011

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2011 Total Funds £000	2010 Total Funds £000
Incoming resources						
Incoming resources from generated funds:						
Voluntary income						
Donations	2	234	2,533	–	2,767	1,847
Legacies		314	201	15	530	413
Total voluntary income		548	2,734	15	3,297	2,260
Activities for generating funds		–	8	–	8	43
Investment income	10	8,421	58	–	8,479	11,036
Incoming resources from charitable activities	3.1	–	79	–	79	114
Other incoming resources	3.2	3	1	–	4	91
Total incoming resources		8,972	2,880	15	11,867	13,544
Resources expended						
Costs of generating funds						
Fundraising costs		729	22	–	751	781
Investment management costs		–	–	6,809	6,809	3,500
Programme related investment costs		2,994	–	–	2,994	2,037
	4	3,723	22	6,809	10,554	6,318
Charitable activities						
Grants payable	5	17,223	1,729	–	18,952	12,047
Apportioned support costs	6	404	159	–	563	534
Other charitable activities						
Art and heritage	4	319	–	–	319	269
Other charitable activities		1,287	1,650	–	2,937	1,726
Governance costs	4	353	–	–	353	388
Total resources expended	7	23,309	3,560	6,809	33,678	21,282
Net incoming/(outgoing) resources before transfers		(14,337)	(680)	(6,794)	(21,811)	(7,738)
Gross transfer between funds	13.6	11,792	13	(11,805)	–	–
Net incoming/(outgoing) resources		(2,545)	(667)	(18,599)	(21,811)	(7,738)
Gains on revaluation of programme related investments		8,650	–	–	8,650	12,050
Gains on revaluation and disposal of investment assets		5,187	–	38,548	43,735	95,345
Net movement in funds		11,292	(667)	19,949	30,574	99,657
Fund balances brought forward at 31 March 2010		109,866	10,376	368,502	488,744	389,087
Fund balances carried forward at 31 March 2011		121,158	9,709	388,451	519,318	488,744

The notes on pages 39 to 52 form part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2011

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March 2011 £000	Total at 31 March 2010 £000
Fixed assets						
Intangible assets		–	–	3	3	3
Tangible assets	8	16	–	–	16	25
Investments:						
Investments	9.1	58,787	11,863	388,448	459,098	444,417
Programme related investments	9.2	91,929	–	–	91,929	76,912
Total fixed assets		<u>150,732</u>	<u>11,863</u>	<u>388,451</u>	<u>551,046</u>	<u>521,357</u>
Current assets						
Stocks		–	–	–	–	47
Debtors	11	5,995	100	–	6,095	5,479
Short term investments and deposits		4,000	–	–	4,000	5,225
Cash at bank and in hand		5,213	22	–	5,235	1,381
Total current assets		<u>15,208</u>	<u>122</u>	<u>–</u>	<u>15,330</u>	<u>12,132</u>
Creditors: Amounts falling due within one year	12.1	34,150	2,267	–	36,417	32,652
Net current assets/(liabilities)		<u>(18,942)</u>	<u>(2,145)</u>	<u>–</u>	<u>(21,087)</u>	<u>(20,520)</u>
Total assets less current liabilities						
		<u>131,790</u>	<u>9,718</u>	<u>388,451</u>	<u>529,959</u>	<u>500,837</u>
Creditors: Amounts falling due after more than one year	12.2	10,632	9	–	10,641	12,093
Total net assets		<u>121,158</u>	<u>9,709</u>	<u>388,451</u>	<u>519,318</u>	<u>488,744</u>
Funds of the charity						
Capital funds:						
Endowment funds	13.1	–	–	388,451	388,451	368,502
Income funds:						
Restricted	13.2	–	9,709	–	9,709	10,376
Unrestricted	13.5	121,158	–	–	121,158	109,866
Total funds		<u>121,158</u>	<u>9,709</u>	<u>388,451</u>	<u>519,318</u>	<u>488,744</u>

The notes on pages 39 to 52 form part of these financial statements.

Rory Maw, Trustee

12 September 2011

Balance Sheet

As at 31 March 2011

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March 2011 £000	Total at 31 March 2010 £000
Fixed assets						
Intangible assets		–	–	3	3	3
Tangible assets	8	16	–	–	16	25
Investments:						
Investments	9.1	58,787	11,863	388,448	459,098	444,417
Programme related investments	9.2	91,534	–	–	91,534	76,742
Total fixed assets		<u>150,337</u>	<u>11,863</u>	<u>388,451</u>	<u>550,651</u>	<u>521,187</u>
Current assets						
Stocks		–	–	–	–	47
Debtors	11	6,227	100	–	6,327	5,550
Short term investments and deposits		4,000	–	–	4,000	5,225
Cash at bank and in hand		5,213	22	–	5,235	1,381
Total current assets		<u>15,440</u>	<u>122</u>	<u>–</u>	<u>15,562</u>	<u>12,203</u>
Creditors: Amounts falling due within one year	12.1	33,967	2,267	–	36,234	32,553
Net current assets/(liabilities)		<u>(18,527)</u>	<u>(2,145)</u>	<u>–</u>	<u>(20,672)</u>	<u>(20,350)</u>
Total assets less current liabilities		<u>131,810</u>	<u>9,718</u>	<u>388,451</u>	<u>529,979</u>	<u>500,837</u>
Creditors: Amounts falling due after more than one year	12.2	10,632	9	–	10,641	12,093
Total net assets		<u>121,178</u>	<u>9,709</u>	<u>388,451</u>	<u>519,338</u>	<u>488,744</u>
Funds of the charity						
Capital funds:						
Endowment funds	13.1	–	–	388,451	388,451	368,502
Income funds:						
Restricted	13.2	–	9,709	–	9,709	10,376
Unrestricted	13.5	121,178	–	–	121,178	109,866
Total funds		<u>121,178</u>	<u>9,709</u>	<u>388,451</u>	<u>519,338</u>	<u>488,744</u>

The notes on pages 39 to 52 form part of these financial statements.

Rory Maw, Trustee

12 September 2011

Consolidated Cash Flow Statement

For the year ended 31 March 2011

	Notes	31 March 2011 £000	31 March 2010 £000
Cash outflow from operating activities	14.1	<u>(23,469)</u>	<u>(25,207)</u>
Returns on investments and servicing of finance			
Interest received		230	123
Dividends received		2,555	3,401
Rents received		5,694	7,782
Net cash inflow from investments and servicing of finance		<u>8,479</u>	<u>11,306</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		–	(16)
Receipts from sales of tangible fixed assets		–	–
Payments to acquire investment assets		(106,571)	(13,158)
Receipts from sales of investment assets		124,524	28,023
Net cash inflow from capital expenditure and financial investment		<u>17,953</u>	<u>14,849</u>
Management of liquid resources			
(Increase)/decrease in short term deposits		1,225	(4,950)
Net cash inflow from management of liquid resources		<u>1,225</u>	<u>(4,950)</u>
Increase/(decrease) in cash	14.2	<u>4,188</u>	<u>(4,002)</u>

The notes on pages 39 to 52 form part of these financial statements.

Notes to the accounts

1. Accounting policies

1.1 General

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP revised March 2005), Accounting and Reporting by Charities and applicable United Kingdom law and accounting standards.

1.2 Fund Accounting

The Charity maintains various types of funds and descriptions of these funds are provided on note 13 of the annual report. Income and expenditure on these funds is shown separately within the Statement of Financial Activities and analysed into their main components in notes 13.1 to 13.6.

There are four main types of fund as follows:

- i) Endowment funds are funds which are held as the long term capital of the charity to provide an ongoing income to expend in furtherance of the charity's objects. The Charity has two types of endowment fund; those expendable at the Trustees' discretion (expendable endowment funds) and those which must be permanently held as capital (permanent endowment funds).
- ii) Restricted funds represent funds where the grants and donations are requested by the donor to be spent on a specific purpose.
- iii) Designated unrestricted funds are where the Trustees have set aside unrestricted funds for a specific purpose.
- iv) Other unrestricted funds represent income that is expendable at the discretion of the Trustees in furtherance of the objects of the Charity.

1.3 Incoming resources

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

Income from the expendable endowment, general fund and the Hewlett Trust is unrestricted. All other income generated from endowment funds is restricted to the purpose of the funds as set out in note 13.3.

Donations, gifts, legacies and investment income are brought into account when received or when due and there is reasonable assurance of receipt.

Dividends and interest are brought into account gross of recoverable UK and overseas taxation.

Charitable trading represents rental income from properties occupied by tenants in furtherance of the Charity's objects, for example, nurses' accommodation.

1.4 Resources expended

All expenditure is accounted for on an accruals basis.

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

- i) Costs of Generating Funds are made up of fundraising costs and investment management costs. Fundraising costs are the costs incurred in seeking voluntary contributions to the funds. Investment management costs are the costs incurred in managing the Charity's investment portfolio.
- ii) Grants payable are brought into account when a constructive obligation exists for the trustees to make the grant.
- iii) Other Charitable Activities relate to expenditure in support of beneficiaries which is not made as part of the normal grants programme. It includes expenditure on Arts and Heritage in the hospitals and day to day beneficiary expenditure incurred through special purpose funds.
- iv) Governance costs relate to the costs of arrangements relating to the general running of the Charity as opposed to those costs relating to income generation or charitable activity.

1.5 Tangible fixed assets

a) Capitalisation

Tangible assets which are capable of being used for more than one year and have a cost equal to or greater than £5,000 are capitalised.

b) Valuation

(i) Land, buildings, installations and fittings are stated at the last open market valuation less depreciation where applicable.

c) Depreciation

Office equipment is depreciated over estimated life of five years.

d) An impairment review has not been carried out as there is no indication that the recoverable amount of a functional fixed asset is below its net book value.

Notes to the accounts

1.6 Investment fixed assets

(i) Property assets are shown at market valuation. Commercial property valuations are carried out annually by Knight Frank, Chartered Surveyors and Cluttons. The last valuation was as at 31 March 2011 in respect of the directly held assets in the commercial portfolio. The Charity also has holdings in five pooled property funds; valuations in respect of these funds are shown as at 31 March 2011. Valuations in respect of agricultural properties are carried out annually by Strutt and Parker. The last valuation was as at 31 March 2011.

Valuation gains and losses are recorded in the Statement of Financial Activities with the Balance Sheet reflecting the revalued amounts.

(ii) Listed investments (including currency funds) are included in the Balance Sheet at market price.

(iii) Unlisted Investments are valued with reference to the most recent market valuation provided by the fund manager and adjusted for sales and purchases since. Market valuations for private equity were prepared by Lexington Partners and HarbourVest at 31 March 2011. Market values for hedge funds were provided by Fauchier Partners at 31 March 2011.

(iv) Programme related Investments are investments made directly in pursuit of the organisation's charitable purposes. The primary reason for making them is to further the objects of funding of the charity. They consist of charitable property and art and heritage assets.

The last valuation of charitable land and buildings was carried out at 31 March 2011 by professional surveyors. Three firms (Knight Frank, DJ Deloitte and GVA) carried out valuations of different parts of the portfolio.

Works of art were valued at market value partly by Christies, auctioneers and valuers, and the remainder by Trustees, as at 31 March 2011

1.7 Stock

There was no stock as at 31 March 2011

1.8 Pensions contributions

The cost of employer contributions to the NHS superannuation and other schemes, is charged to the Statement of Financial Activities. Employer contributions to the NHS Scheme are based on 14% of gross salaries.

1.9 Change in the basis of accounting

There has been no change in the basis of accounting during the year.

1.10 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.

The cost of managing all investment portfolios with the exception of the Fixed Interest portfolio (charged against unrestricted funds) are charged against expendable endowment funds. An estimate of administration costs for restricted funds is charged by way of a deduction from the interest apportioned to those funds from the investment pool.

Details of expenditure are provided in the notes to the accounts.

1.11 Consolidation

The consolidated financial statements include the results of the Charity and its wholly owned subsidiary undertaking, GSTC Health Innovations Ltd.

Voluntary income – donations	2	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2011 £000	Total Funds 2010 £000
		£000	£000	£000	£000	£000
	Major donors	–	1,364	–	1,364	993
	Other donations	234	1,169	–	1,403	854
	Total	<u>234</u>	<u>2,533</u>	<u>–</u>	<u>2,767</u>	<u>1,847</u>

Incoming resources from charitable activities	3.1	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2011 £000	Total Funds 2010 £000
		£000	£000	£000	£000	£000
	Income from fees	–	79	–	79	114
		<u>–</u>	<u>79</u>	<u>–</u>	<u>79</u>	<u>114</u>

Other incoming resources	3.2	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2011 £000	Total Funds 2010 £000
		£000	£000	£000	£000	£000
	Miscellaneous income	3	1	–	4	91
		<u>3</u>	<u>1</u>	<u>–</u>	<u>4</u>	<u>91</u>

Notes to the accounts

Analysis of total resources expended	4	Fund-raising	Invest-ments	Grants	Art and heritage	Other charitable activities	Gover-nance	Total	Total
		£000	£000	£000	£000	£000	£000	2011	2010
	Unrestricted							£000	£000
Grants payable		–	–	17,223	–	–	–	17,223	11,255
Direct costs									
Salary costs		319	95	165	54	–	–	633	720
Other staff costs		8	–	–	–	–	61	69	95
Audit		–	–	–	–	–	70	70	63
Other costs		262	138	–	219	20	74	713	631
Investment management costs		–	5	–	–	–	–	5	3
Expenditure on charitable properties		–	2,584	–	–	–	–	2,584	1,644
Direct grants support costs		–	–	2	–	–	–	2	2
Reorganisation costs		–	–	–	–	1,267	–	1,267	–
		589	2,822	167	273	1,287	205	5,343	3,158
Apportioned support costs									
Apportioned staff costs		109	134	184	36	–	115	578	542
Apportioned depreciation		1	2	2	–	–	2	7	8
Other apportioned overheads		30	36	51	10	–	31	158	134
		140	172	237	46	–	148	743	684
Total unrestricted		729	2,994	17,627	319	1,287	353	23,309	15,097
Restricted									
Grants payable		–	–	1,729	–	–	–	1,729	792
Direct costs									
Fundraising costs		22	–	–	–	–	–	22	10
Other charitable activities		–	–	–	–	1,650	–	1,650	1,726
		22	–	–	–	1,650	–	1,672	1,736
Apportioned support costs									
Apportioned staff costs		–	–	124	–	–	–	124	124
Apportioned depreciation		–	–	1	–	–	–	1	2
Other apportioned overheads		–	–	34	–	–	–	34	31
		–	–	159	–	–	–	159	157
Total restricted		22	–	1,888	–	1,650	–	3,560	2,685
Endowment									
Direct costs									
Investment management fees		–	5,393	–	–	–	–	5,393	2,065
Investment property management fees		–	276	–	–	–	–	276	238
Expenditure on investment properties		–	1,064	–	–	–	–	1,064	1,124
		–	6,733	–	–	–	–	6,733	3,427
Apportioned support costs									
Apportioned staff costs		–	59	–	–	–	–	59	58
Apportioned depreciation		–	1	–	–	–	–	1	1
Other apportioned overheads		–	16	–	–	–	–	16	14
		–	76	–	–	–	–	76	73
Total endowment		–	6,809	–	–	–	–	6,809	3,500
Total resources expended		751	9,803	19,515	319	2,937	353	33,678	21,282
Total depreciation charged								9	11

Grants	5	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Aggregate amount paid £000	Number of grants
Grants made to institutions						
Guy's and St Thomas' NHS Foundation Trust						
		12,446	129	–	12,575	101
		2,838	255	–	3,093	24
		1,144	–	–	1,144	13
		312	–	–	312	10
		378	1,345	–	1,723	11
		<u>17,118</u>	<u>1,729</u>	<u>–</u>	<u>18,847</u>	<u>159</u>
Grants made to individuals						
		105	–	–	105	95
		<u>105</u>	<u>–</u>	<u>–</u>	<u>105</u>	<u>95</u>
		<u>17,223</u>	<u>1,729</u>	<u>–</u>	<u>18,952</u>	<u>254</u>

Allocation of support costs	6	Grants awarded unrestricted funds £000	Grants awarded restricted funds £000	*Salary apportion- ment £000	*Support apportion- ment £000	Total Support Costs £000
Buildings and the environment						
		82	–	1	–	1
		415	–	5	1	6
Clinical innovation						
		3,323	3	36	10	46
		1,626	18	17	5	22
		7,190	105	77	22	99
Staff development						
		1,952	11	21	6	27
		–	1,143			
		2,635	240	28	8	36
		–	–	124	35	159
		–	209			
		<u>17,223</u>	<u>1,729</u>	<u>309</u>	<u>87</u>	<u>396</u>
Direct grants support costs						
						165
						2
						<u>563</u>

*Apportioned in accordance with grants awarded from unrestricted funds

Notes to the accounts

Analysis of staff costs	7.1	Total 2011 £000	Total 2010 £000
	Salaries and wages	1,339	1,208
	Social security costs	124	108
	Other pension costs	116	129
		<u>1,579</u>	<u>1,445</u>
	Average monthly number of employees in the year	<u>27</u>	<u>28</u>
		Total 2011 £000	Total 2010 £000
	Total emoluments of employees (remuneration plus benefits for tax purposes)	<u>1,339</u>	<u>1,208</u>

Pension contributions for senior employees	7.2	Value of Contributions £000	Number of staff
	The following pension contributions were made for senior employees within the following ranges:		
	£60,001 to £70,000	7	1
	£70,001 to £80,000	18	2
	£80,001 to £90,000	19	2
	£110,001 to £120,000	17	1

Senior employees	7.3	Number 2011	Number 2010
	The following number of senior employees received emoluments falling within the following ranges:		
	£60,001 to £70,000	1	1
	£70,001 to £80,000	2	–
	£80,001 to £90,000	2	2
	£90,001 to £100,000	–	1
	£110,001 to £120,000	1	–

Fixed assets	8	Group and Charity	Other	Fixtures,	Total
			Interests in Land and Buildings	Fittings and Equipment	
			£000	£000	£000
		Cost or valuation			
		Balance at 31 March 2010	366	184	550
		Additions	–	–	–
		Disposals	–	–	–
		Balance at 31 March 2011	<u>366</u>	<u>184</u>	<u>550</u>
		Depreciation			
		Balance at 31 March 2010	350	175	525
		Disposals	–	–	–
		Charge for the year	6	3	9
		Balance at 31 March 2011	<u>356</u>	<u>178</u>	<u>534</u>
		Net book value at 31 March 2011	<u>10</u>	<u>6</u>	<u>16</u>
		Net Book Value at 31 March 2010	<u>16</u>	<u>9</u>	<u>25</u>

Analysis of fixed asset investments	9.1	Group and Charity	2011		2010	
			£000	£000	£000	£000
		Market value at 31 March	444,417		364,003	
		Less: Disposals at carrying value	(122,508)		(27,242)	
		Add: Acquisitions at cost	106,044		13,427	
		Transfer to programme related investments	(5,900)		–	
		Net gain on revaluation	37,045		94,229	
		Market value at 31 March	<u>459,098</u>		<u>444,417</u>	
		Historic cost at 31 March	<u>315,757</u>		<u>307,236</u>	

Analysis of fixed asset investments: Programme related	9.2	Group	Health	Art	Charitable	2011	2010
			Innovations Fund	Assets	Property		
			£000	£000	£000	£000	£000
		Market value at 31 March	170	4,622	72,120	76,912	64,847
		Less: Disposals/writebacks at carrying value	(40)	–	–	(40)	–
		Add: Acquisitions at cost	285	17	225	527	–
		Transfer from commercial investments	–	–	5,900	5,900	14
		Written off	(20)	–	–	(20)	–
		Net gain/(loss) on revaluation	–	–	8,650	8,650	12,051
		Market value at 31 March	<u>395</u>	<u>4,639</u>	<u>86,895</u>	<u>91,929</u>	<u>76,912</u>
		Historic cost at 31 March				<u>21,587</u>	<u>20,518</u>

Notes to the accounts

Analysis of fixed asset investments: Programme related investments (continued)	9.2	Charity	Art	Charitable	2011	2010
			Assets £000	Property £000	£000	£000
		Market value at 31 March	4,622	72,120	76,742	64,677
		Less: Disposals at carrying value	–	–	–	–
		Add: Acquisitions at cost	17	225	242	–
		Transfer from commercial investments	–	5,900	5,900	14
		Net gain/(loss) on revaluation	–	8,650	8,650	12,051
		Market value at 31 March	<u>4,639</u>	<u>86,895</u>	<u>91,534</u>	<u>76,742</u>
		Historic cost at 31 March			<u>20,603</u>	<u>20,348</u>

Health Innovations Fund comprises investments in healthcare technology innovations arising out of the King's Health Partnership.

The Charity holds Art and Heritage assets for the charitable objectives of improving the environment for staff, patients and other visitors to Guy's and St Thomas' hospitals.

The Charity owns charitable property principally to provide accommodation for staff. It also holds some properties which are occupied for service delivery by health organisations or as accommodation for people with health support needs.

Fixed asset investments market value at 31 March	9.3	Group	Held	Held	2011	2010
			in UK £000	outside UK £000	Total £000	Total £000
		Investment properties	82,497	1,904	84,401	85,221
		Listed investments				
		Listed equities	100,939	131,661	232,600	228,147
		Private equity	–	49,274	49,274	39,724
		Hedge funds	–	38,558	38,558	39,005
		Debt strategy fund	–	42,402	42,402	39,684
		Cash held as part of the investment portfolio	11,863	–	11,863	12,636
			<u>195,299</u>	<u>263,799</u>	<u>459,098</u>	<u>444,417</u>
		Programme related investments				
		Charitable property	86,895	–	86,895	72,121
		Works of art	4,639	–	4,639	4,621
		Health Innovations Fund	395	–	395	170
			<u>91,929</u>	<u>–</u>	<u>91,929</u>	<u>76,912</u>
			<u>287,228</u>	<u>263,799</u>	<u>551,027</u>	<u>521,329</u>

Charity	Held in UK £000	Held outside UK £000	2011 Total £000	2010 Total £000
Investment properties	82,497	1,904	84,401	85,221
Listed investments				
Listed equities	100,939	131,661	232,600	228,147
Private equity	–	49,274	49,274	39,724
Hedge funds	–	38,558	38,558	39,005
Debt strategy fund	–	42,402	42,402	39,684
Cash held as part of the investment portfolio	11,863	–	11,863	12,636
	<u>195,299</u>	<u>263,799</u>	<u>459,098</u>	<u>444,417</u>
Programme related investments				
Charitable property	86,895	–	86,895	72,121
Works of art	4,639	–	4,639	4,621
	<u>91,534</u>	<u>–</u>	<u>91,534</u>	<u>76,742</u>
	<u>286,833</u>	<u>263,799</u>	<u>550,632</u>	<u>521,159</u>

The Charity owns 100% (one pound) of the allotted share capital of GSTC Health Innovations Ltd; the value of the investment has been estimated at one pound. The Charity also owns 100% of the share capital of GSTC Health Investments Ltd and G&T (Cambridge) Ltd; these companies are dormant and valued at one pound each.

Analysis of gross income from investments	10	2011 Total £000	2010 Total £000
Investment properties		3,423	5,126
Listed investments			
Listed equities		2,555	3,513
Cash held as part of the investment portfolio		230	159
Programme related investments			
Charitable property		2,271	2,238
		<u>8,479</u>	<u>11,036</u>

Notes to the accounts

Debtors	11.1	Group		Charity	
		2011	2010	2011	2010
falling due		£000	£000	£000	£000
within one year					
	Prepayments	16	65	16	65
	Accrued income	815	794	815	794
	Amount due from subsidiary company	–	–	232	71
	Other debtors	1,420	3,005	1,420	3,005
		<u>2,251</u>	<u>3,864</u>	<u>2,483</u>	<u>3,935</u>

Debtors	11.2	Group		Charity	
		2011	2010	2011	2010
falling due		£000	£000	£000	£000
after one year					
	Other debtors	3,844	1,615	3,844	1,615
		<u>3,844</u>	<u>1,615</u>	<u>3,844</u>	<u>1,615</u>

Creditors	12.1	Group		Charity	
		2011	2010	2011	2010
falling due		£000	£000	£000	£000
within					
one year					
	Loans and overdrafts	532	866	532	866
	Grants payable	27,468	26,308	27,468	26,308
	Other creditors	6,057	4,734	5,874	4,635
	Accruals	2,360	744	2,360	744
		<u>36,417</u>	<u>32,652</u>	<u>36,234</u>	<u>32,553</u>

Creditors	12.2	Group		Charity	
		2011	2010	2011	2010
falling due		£000	£000	£000	£000
after					
one year					
	Grants payable	10,641	12,093	10,641	12,093
		<u>10,641</u>	<u>12,093</u>	<u>10,641</u>	<u>12,093</u>

Analysis of funds: endowment funds	13.1	Group and Charity	Balance	Incoming	Resources	Transfers	Gains and	Balance
			1 April 2010 £000	Resources £000	Expended £000	£000	Losses £000	31 March 2011 £000
		Expendable endowment						
		General Fund	363,628	–	(6,809)	(11,805)	38,294	383,308
		Permanent endowment						
		Hewlett Trust	1,463	–	–	–	77	1,540
		Samaritan Fund	1,044	–	–	–	54	1,098
		Leak Trust	813	–	–	–	42	855
		Guy's Patient Amenities Fund	755	–	–	–	40	795
		Dr Reginald Curle Fund	309	–	–	–	16	325
		W D Manger Fund	134	–	–	–	7	141
		Janet James Trust	116	–	–	–	6	122
		A B Kennedy Scholarship Fund	65	–	–	–	4	69
		St John's Capital Fund	62	–	–	–	3	65
		Khalil Kidney Fund	50	–	–	–	–	50
		J T Long Trust	17	–	–	–	1	18
		Horace Post Scholarship	–	15	–	–	–	15
		Mrs J A Mallinson Legacy Fund	12	–	–	–	1	13
		Christ's Hospital Fund	12	–	–	–	1	13
		Clothworkers	10	–	–	–	–	10
		Others (4)	12	–	–	–	2	14
		Total	<u>368,502</u>	<u>15</u>	<u>(6,809)</u>	<u>(11,805)</u>	<u>38,548</u>	<u>388,451</u>

Analysis of funds: restricted funds	13.2	Group and Charity	Balance	Incoming	Resources	Transfers	Gains and	Balance
			1 April 2010 £000	Resources £000	Expended £000	£000	Losses £000	31 March 2011 £000
		Material funds						
		Evelina Children's						
		Hospital Appeal	945	926	(1,191)	(4)	–	676
		L-Frupa Appeal Fund	610	14	(25)	–	–	599
		Integrated Cancer Centre Fund	507	326	–	–	–	833
		CANHELP	372	30	(110)	–	–	292
		Burton Fund	346	–	(88)	–	–	258
		Bone Metabolism Research Fund	315	2	(85)	–	–	232
		Cardiac Intervention Research	311	58	(206)	–	–	163
		Teenage Haematology/ Oncology Unit	269	16	(26)	–	–	259
		Cancer Research Fund	266	1	(33)	–	–	234
		Pharmacy Department Fund	192	–	(5)	–	–	187
		Children's Metabolic Fund	190	18	(13)	–	–	195
		Others (222)	6,053	1,489	(1,778)	17	–	5,781
		Total	<u>10,376</u>	<u>2,880</u>	<u>(3,560)</u>	<u>13</u>	<u>–</u>	<u>9,709</u>

A full list of all financial transactions on restricted funds is available from the Charity.

Notes to the accounts

Details of material funds: endowment funds	13.3	Name of fund	Description of the nature and purpose of each fund	
		General Fund	No restrictions on expenditure of income. Capital may be expended at Trustees' discretion.	
		Hewlett Trust	For any charitable purpose or purposes relating to the NHS.	
		Samaritan Fund	Personal needs of patients and families.	
		Leak Trust	For cancer research.	
		Guy's Patient Amenity Fund	For patients' amenities.	
		Dr Reginald Curle Fund	Accommodation for patients relatives.	
		W D Manger Fund	Patients' amenities.	
		Janet James Trust	Rheumatism and diabetics research.	
		A B Kennedy Scholarship Fund	Financial assistance for medical students.	
		St John's Capital Fund	To support St John's Institute.	
		Khalil Kidney Fund	Kidney research.	
		J T Long Trust	To fund beds for the elderly at St Thomas' Hospital.	
	Mrs J A Mallinson Legacy Fund	No restrictions on application of income.		
	Christ's Hospital Fund	Supporting students at Christ's Hospital.		
	Clothworkers	For nurses' education.		
<hr/>				
Details of material funds: restricted funds	13.4	Name of fund	Description of the nature and purpose of each fund	
		Evelina Children's Hospital Appeal	For the benefit of children's services at the Evelina Children's Hospital.	
		L-Frupa Appeal Fund	The advancement of scientific and medical education and research in topics related to polio and respiratory conditions.	
		Integrated Cancer Centre Fund	To support the new Integrated Cancer Centre.	
		CANHELP	To support cancer care, oncology and radiotherapy.	
		Burton Fund	To support research into the causes and treatment of cardiovascular disease.	
		Bone Metabolism Research Fund	Bone metabolism research.	
		Cardiac Intervention Research Fund	To support research into heart disease.	
		Teenage Haematology/Oncology Unit	To support the Teenage and Young Adult Haematology/Oncology Unit.	
		Cancer Research Fund	To support cancer research.	
	Pharmacy Department Fund	To benefit the Pharmacy Department.		
	Children's Metabolic Fund	To support research and improved care for children with metabolic diseases.		
<hr/>				
Unrestricted funds	13.5			
			2011	2010
			£000	£000
		Designated Funds		
		Children's Hospital reserve	–	1,559
		Cancer Services	–	16,515
		Modernisation Initiative fund	–	3,582
		New Services and Innovations	–	473
		Small grants	–	163
		Founder's Place	–	12,252
		Mission related investment funds		
		Charitable loans fund	–	1,000
		Charitable property fund	86,895	73,749
		Art and heritage fund	4,639	4,621
	Health venture fund	395	750	
	Distribution account	29,229	(4,798)	
		<u>121,158</u>	<u>109,866</u>	

Gross transfer 13.6 between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total £000
Restricted funds support costs	(159)	159	–	–
Transfer from expendable endowment to unrestricted funds	11,805	–	(11,805)	–
Other transfers	146	(146)	–	–
	<u>11,792</u>	<u>13</u>	<u>(11,805)</u>	<u>–</u>

The transfer from expendable endowment to unrestricted funds includes £5,900,000 in respect of two properties which were transferred from commercial investments to programme related investments. The balance of the transfer represents 3% of the average value of the endowment fund over the last three years less the actual income earned by the endowment in the year.

Reconciliation 14.1 of cashflows from operating activities	2011 £000	2010 £000
Net incoming resources	(21,811)	(7,738)
Depreciation charges	9	11
Profit on sale of tangible fixed assets	–	–
(Increase)/decrease in stocks	47	(7)
(Increase)/decrease in debtors	(616)	(895)
Increase/(decrease) in creditors	2,563	(5,542)
Indirectly charged investment management fees	4,818	–
Investment income	(8,479)	(11,036)
Cash inflow from operating activities	<u>(23,469)</u>	<u>(25,207)</u>

Analysis of 14.2 changes in net cash	Balance 31 March 2010 £000	Cash Flows £000	Balance 31 March 2011 £000
Cash in hand and at bank	1,381	3,854	5,235
Overdrafts	(866)	334	(532)
	<u>515</u>	<u>4,188</u>	<u>4,703</u>

Notes to the accounts

Trustee and connected persons transactions: trustee expenses reimbursed	15.1		2011 £	2010 £
		Travel and subsistence	–	493
			–	493
		Total number of trustees	7	7

Trustee remuneration 15.2 No person received remuneration as a trustee of Guy's and St Thomas' Charity in either the current year or the previous year.

Details of transactions with trustees or connected persons 15.3 During the financial year 2010/11 none of the trustees, key members of the Charity's management or parties related to them has undertaken any material transactions with the Guy's and St Thomas' Charity subject to their relationship with some of the Charity's beneficiaries as follows.

Mr Rory Maw is Vice Chairman of Guy's and St Thomas' NHS Foundation Trust.

Sue Gallagher is a non executive director on the Board of NHS Lambeth.

Note 5 sets out transactions with beneficiaries.

Trustees' indemnity insurance	15.4		Amount 2011 £000	Amount 2010 £000
		Personal liability of trustees and their officers		
		Fidelity guarantee	13	12

Commitments 16 There was no capital expenditure contracted or provided for at 31 March 2011 (2010: £nil). The Group has no commitments for future lease payments (2010: £nil).

Staff list

Staff

Maria Abelleira	Funding Assistant from November 2010 (previously Grants Administrator)	Hugo Middlemas	Director of Fundraising (to April 2011)
Gabrielle Allen	Collections and Exhibitions Manager	James Murray	Head of Development (from August 2011)
Aysha Awan	Special Events Fundraising Manager (to October 2010)	Henrietta Palmer	Supporting Accountant – Special Purpose Funds (to January 2011)
Farhan Bhatti	Accounts Assistant from November 2010 (previously Supporting Accountant – General Funds)	Michelle Quittenton	Marketing Manager Fundraising (to January 2011)
Ruth Bishop	Funding Manager from November 2010 (previously Special Purpose Funds Manager)	David Renton	Finance and Development Director (from March 2011)
Yvonne Farquharson	Performing Arts Manager	Anne Rigby	Grants Manager (to November 2010)
Ruth Fennemore	Policy Advisor (from April 2011)	Anna Sampson	Events Fundraiser (to January 2011)
Helen Finnerty	PA to Director of Finance (to January 2011)	Karen Sarkissian	Director of Art and Heritage (to March 2011)
Shadia Hameed	Community Fundraiser (to January 2011)	Robert Scarff	Accountant – Special Purpose Funds (to May 2011)
Peter Hewitt	Chief Executive	Nicola Slade	Executive Assistant (from April 2011)
David Jones	Director of Grant Making (to February 2011)	Oliver Smith	Director of Strategy and Innovation (from November 2010)
Felicity Lear	Donor Development Officer (to January 2011)	Eleanor Thorn	Art and Heritage Assistant (from August 2010)
Gail Macdonald	Estates Manager (from June 2010)	James Varley	Director of Finance (to October 2010)
Lisa McCheyne	Office Manager (to December 2010)	Peter Webb	Chief Accountant (from June 2011)
Kirsty McFadden	Marketing Officer (to December 2010)	Jacqui Williams	PA to Chief Executive (to December 2010)
Michelle Male	Art and Heritage Assistant (to August 2010)	Kevin Wilsher	Senior Accounts Assistant from November 2010 (previously Supporting Accountant – General Funds)
Kathryn Marshall	Community and Events Fundraising Manager (to January 2011)	Jane Winchurch	Accountant – General Funds (to May 2011)
Cheryl Medcalf	Support Services Assistant Fundraiser (to August 2010)	Alice Woudhuysen	Communications Officer – Publications and Web (to November 2010)
Kate Mensah	Head of Communications	Michael Wright	Commercial Manager from November 2010 (previously Health Venture Fund Director)

Advisors

Auditors (Statutory)

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

Auditors (Internal)

KPMG LLP
38th Floor
1 Canada Square
Canary Wharf
London E14 5AG

Bankers

NatWest
91 Westminster Bridge Road
London SE1 7HT

Insurance Brokers

H W Wood Limited
The Baltic Exchange
38 St Mary Axe
London EC3A 8BH

Investment Advisors

Mercer Limited
1 Tower Place West
Tower Place
London EL3R SBU

Investment Managers

Baillie Gifford
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

Cantillon Capital
Management LLP
Eagle House
108-110 Jermyn Street
London SW1Y 6RH

Canyon Capital Advisors LLC
2000 Avenue of the Stars
Los Angeles CA 90067

Fauchier Partners Limited
72 Welbeck Street
London W1G OAY

HarbourVest Partners LLC
One Financial Centre
44th Floor
Boston
Massachusetts 02111

Insight Investment
Management (Global) Limited
33 Old Broad Street
London EC2N 1HZ

Lexington Partners UK Limited
42 Berkeley Square
London W1J 5AW

Odey Asset Management LLP
12 Upper Grosvenor Street
London W1K 2ND

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Land Agents

Smiths Gore
17/18 Old Bond Street
London W15 4PT

Property Managers

Cushman and Wakefield
43-45 Portman Square
London W1A 3BG

Solicitors

Withers
16 Old Bailey
London EC4M 7EG

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

Legacies

Blake Laphorn
Seacourt Tower
West Way
Oxford OX2 0FB

Registered Office:

Guy's and St Thomas' Charity
Counting House
Guy's Hospital
Great Maze Pond
London SE1 9RT

Registered Charity Number: 251983

Design: red-stone.com

Photography:

pp 3, 5, 10, 15 Nick David

p12 Adrian Lourie

p12, 13 Elisabeth Blanchet

p16 South London Press

p21 Eleanor Farmer

Guy's and St Thomas' Charity
1st Floor, West Wing
Counting House
Guy's Hospital
Great Maze Pond
London SE1 9RT

Telephone: (020) 7188 7700
Fax: (020) 7378 0030
Email: info@gsttcharity.org.uk
Web: www.gsttcharity.org.uk
Registered Charity No. 251983

GUY'S & 
St THOMAS' CHARITY