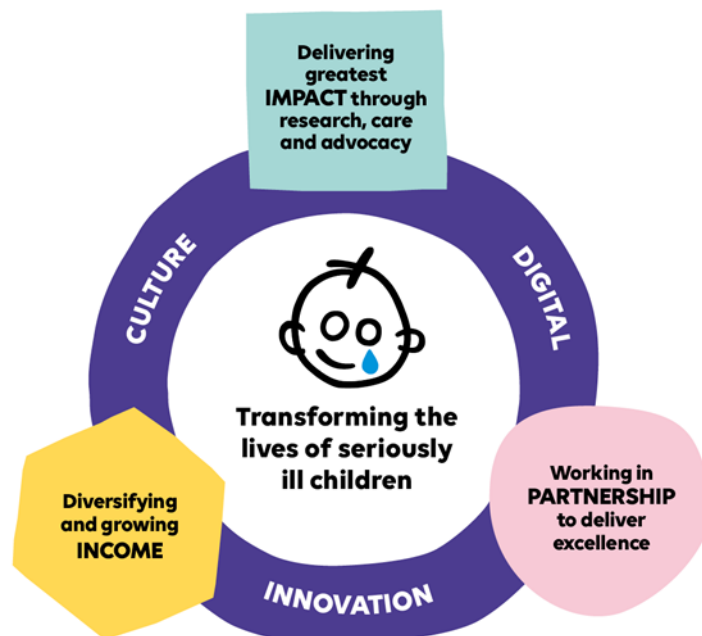


# Great Ormond Street Hospital Children's Charity

## Annual Report and Accounts

2021/22





## Contents

### Trustees' Report

Welcome from the Chair.....	4
Welcome from the Chief Executive.....	5
Charitable objects .....	7
Our Strategy - 2021–2026 .....	8
Impact .....	9
Income .....	16
Partnership.....	17
Our enablement priorities for 2022-23 .....	19
Environmental, Social and Governance (ESG).....	20
Introduction .....	20
Environmental.....	20
Social .....	24
Governance .....	30
Our People .....	56
Financial Review.....	60
Legal and administrative details .....	66
Statement of Trustees' responsibilities .....	67
Independent auditors' report to the members of Great Ormond Street Hospital Children's Charity .....	68
Financial Statements.....	71
Notes to the financial statements.....	74

The information included in the sections from and including Charitable Objects to the Financial Review form the Strategic Report of the Trustees.



## Our Purpose

Our purpose at Great Ormond Street Hospital Children's Charity (GOSH Charity or the charity) is to transform the lives of seriously ill children through research, care and advocacy. We do this by supporting Great Ormond Street Hospital (GOSH or the hospital) and the UCL Great Ormond Street Institute of Child Health (ICH) as well as through the grants made to research through our National Call.

On average, around 600 children and young people from across the UK arrive at GOSH every day. Most of the hospital's young patients have life-limiting or life-threatening conditions or rare, complex, serious illnesses. Every day, doctors and nurses battle with the most difficult illnesses and conditions, and the brightest minds come together to achieve pioneering medical breakthroughs.

Our thousands of supporters from across the UK are united in fundraising to give seriously ill children the chance of a better future.

With their help, we're able to fund research into pioneering new treatments for children, provide the most up-to-date medical equipment, fund support services for children and their families and support the essential rebuilding and refurbishment of the hospital. On behalf of these young patients, their families and the staff at the hospital, we thank each and every one of our supporters for helping us to transform the lives of seriously ill children. We will always be grateful for your support.



## Welcome from the Chair

I am very proud to introduce Great Ormond Street Hospital Children's Charity's 2021/22 annual report. Once again, GOSH Charity has faced unexpected and significant challenges caused by the continued COVID-19 pandemic, impacting both our ability to work and raise vital funds. The wonderful staff at Great Ormond Street Hospital have continued to treat children and conduct research under these difficult circumstances, while working hard to catch up on the backlog of patients whose care was paused during the height of the pandemic.

It is against this backdrop that the charity has continued to deliver for seriously ill children and their families. Whether it's developing new fundraising activities, better ways to measure our impact, or successfully moving to a new hybrid way of working, the organisation has done whatever it takes to deliver our strategy and change lives.

The charity's priority remains funding GOSH's most urgent needs alongside funding paediatric research across the UK. We continue to deliver core services whilst effectively responding to emerging issues like the increasing cost of living and the wider needs of seriously ill children and their families. The hospital's Social Work Service helps to address the holistic needs of patients, while our collaboration with the Citizens Advice Service helps families access benefits and additional financial support they so desperately need in these difficult economic times.

Our staff have worked hard to deliver against our strategic ambitions and have done so admirably alongside an organisation redesign which the charity undertook to ensure we have the best structure to deliver our ambitious strategy. On behalf of the trustees, I'd like to thank all the charity's staff for their hard work, commitment and support during this challenging year, and to congratulate everyone on the results achieved.

Despite all the challenges of the last year, we remain completely focused on our goal of transforming the lives of seriously ill children. We were proud to see a record-breaking Christmas Carol Concert, the delivery of multiple public fundraising campaigns to fund vital equipment for the hospital, and the second virtual RBC Race for the Kids, to name just a few of our fundraising highlights this year.

In our previous annual report and accounts, we set out our ambitious new five-year strategy. I am pleased to report back on the successes achieved over the last year, and to look forward to our aims for the coming 12 months, with hugely exciting projects and campaigns on the horizon. These include the launch of our fundraising appeal to support the creation of the Children's Cancer Centre at GOSH and the launch of a brand-new research strategy to build on the transformative results of our existing funding investments.

As always, the trustees have played a crucial role in helping guide and support staff through these unprecedented times. I would like to take a moment to thank Nina Bibby, Sir Stephen Holgate, Michael Marrinan and Kaela Fenn-Smith, who stepped down as trustees, and welcome David Germain, Karima Fahmy, Michael Wiseman and Sir Doug Turnbull to the Board, alongside our new independent committee member, Louise Sherwin.

I would like to end by thanking all the incredible fundraisers, volunteers and supporters, without whom none of these achievements would be possible. It has been a difficult time for the nation, but your unwavering support and commitment has meant we've continued to change the lives of seriously ill children and their families across the UK.



Anne Bulford CBE  
Chair of Trustees



## Welcome from the Chief Executive

I would like to start by thanking the dedicated staff and supporters of GOSH Charity for their ongoing efforts and the incredible difference they have made in the last year for seriously ill children and their families. Despite another unsettled and difficult year with COVID-19 and an ever-changing external environment, I am immensely proud to say that we have delivered against our income and partnership goals once again, putting us in a stronger position than ever to create real, life-changing impact for seriously ill children.

This has been the first year of our ambitious five-year strategy which puts impact, partnership and income at its heart. We've continued to support GOSH and its research partners with crucial funding, including through awarding grants thanks to our incredibly generous supporters getting behind our Covid-19 Appeal. We have deepened the relationship with some of our most strategic partners, such as Premier Inn and Restaurants and LifeArc, among others, who remain central to our ambitions to transform the lives of seriously ill children.

While COVID-19 again had a negative impact on fundraising, the charity was able to increase its activities against prior year and delivered a strong financial performance with total income of £74.5 million, an increase of £6.1 million against last year.

Alongside that, we've invested in the charity and in our fundraising infrastructure to ensure we have the right people in the right roles to help us deliver our ambitious fundraising and organisational strategy. Our guiding light in our all our decision-making is, as always, the difference we can make to seriously ill children and the life-saving and life-changing research we fund.

One of the critical areas we have focused on this year that I am personally hugely committed to, is our Equality, Diversity and Inclusion (EDI) agenda. Alongside the hospital, which has also put this agenda front and centre, we've been working hard at the charity to help create a fairer, more equitable society. I'm proud of the improvements we have already seen, including greater diversity in our workforce and creating a platform for different views and voices to be heard. But we know there is still so much more we need to do, and this will continue to be a significant focus for me and the leadership team.

This focus on EDI is a non-negotiable pillar of the culture of inclusivity that we are determined to build at the charity, and is intrinsic to our charitable purpose. The values that we live and breathe go hand-in-hand with that work, and I am delighted that we have recently launched a fresh set of values to reflect the organisation we are striving to be. These values – that we are courageous, we are curious and we care – were shaped in partnership with our staff and will underpin all that we are and everything that we do.

The coming year will no doubt present challenges as the country moves from living in the shadow of the pandemic into an increasing cost-of-living crisis. In many cases this will hit families of seriously ill or disabled children even harder, so we will need to do all that we can to support them through these difficult times.

That's why we are focused on using our resources and expertise in the most effective way to raise the vital funds needed to create positive change for these children and their families. Building a spirit of innovation across the organisation and creating compelling and inspiring opportunities for the public to support us, whilst continuing to strengthen our long-term partnerships, will, together, help us transform the lives of seriously ill children.



With our most ambitious fundraising appeal for a truly transformation project – the Children’s Cancer Centre –due to launch in stages commencing in 2022 our ambitions have never been higher, and the opportunities to change lives for the better have never been greater.

A handwritten signature in black ink, appearing to read 'L Parkes', with a long horizontal stroke extending from the end of the signature.

Louise Parkes  
Chief Executive



## Charitable objects

The charity's objects are to further such charitable purposes relating to:

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

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

- Patients and Families
- Research
- Environment
- Technology
- People
- Education

Our impact goals are:

Researching breakthrough cures and kinder treatments	
Transforming care through digital and technological innovation	
Supporting resilience and wellbeing of patients and their families	
Providing a child and family friendly environment that helps create the best possible experience	
Supporting staff at the hospital to deliver exceptional care	
Amplifying the voices of seriously ill children and their families	
Sharing knowledge for the benefit of seriously ill children everywhere	



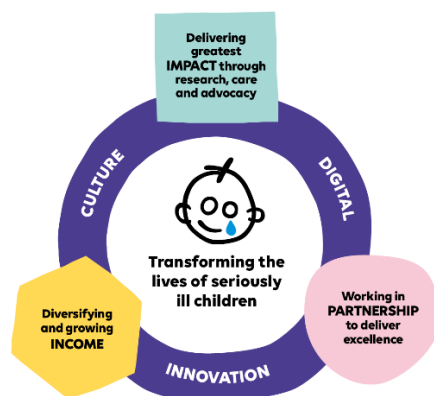
## Our Strategy - 2021–2026

Our principal aim has always been to support the hospital, whenever and however it needs our support the most. We do this in order to meet our purpose of transforming the lives of seriously ill children through research, care and advocacy.

We know all too well that life with a rare or complex condition can be extremely challenging for a child and their family. But we also know that together with the hospital, and alongside our partners and supporters, we can make an extraordinary difference to a child's quality of life and can even offer the hope of a cure for their rare condition in the future.

In our 2020–21 annual report and accounts, we set out our brand-new five-year strategy, in which we revealed the roadmap we will follow to deliver the transformation that seriously ill children so desperately need.

Our strategy focuses on delivering against three key pillars. These are: Impact, Income and Partnerships. Underpinning these areas are three key enablers: Culture, Digital and Innovation.



In the following section, we shine a light on powerful examples of the impact that we have been able to deliver, including some areas that relate specifically to the pandemic. We also take a closer look at some crucial partnerships, and the income raised to fund our work.

Considering those enablers that underpin our activity, this year has seen a real focus on our culture as we implemented year one of our EDI strategy, which we explain on page 26. We also underwent an organisational design process to ensure we had the right structure in place to deliver our ambitious five-year strategy. While creating the structure we need for the future, this time was undoubtedly challenging for some of our colleagues, and redefining our culture in light of this became especially important.

Following the conclusion of the organisation design work, we focused on the launch of our new values – courage, curiosity and care – which will run through our culture like a golden thread, guiding our efforts to transform the lives of seriously ill children. Read more about these on page 58. With our focus on developing our culture in the first year of our five-year strategy, we are now well placed to develop our other two enablers, innovation and digital, as we look ahead to 2022–23.





## IMPACT

### Impact

#### **Our research strategy 2016–2021**

The first of our seven impact goals is related to research: improving outcomes for children through scientific discovery and researching new treatments. Research directly improves the diagnosis, treatment and care pathways for childhood diseases, leading to improved long-term outcomes and impact for families at GOSH and across the world. As the UK's largest dedicated funder of child health research, GOSH Charity has a unique opportunity to fund research in key areas where we know we can make the greatest difference. This is especially important in rare or complex diseases, where research for a treatment or cure may be the only hope.

GOSH Charity launched its first five-year research strategy in 2016, following extensive consultation with the national and international paediatric research community, and locally with GOSH and ICH researchers. This year, we evaluated the success of our current strategy and surfaced some of the key activities and outcomes that our previous research funding has had.

Our research funding has always been focused on bringing new treatments, cures and interventions to the clinic. Historically, and within our current research strategy (2016–2021), we have put the child and the adult they will become at the centre, by focusing on delivering personalised medicine and improving long-term outcomes for seriously ill children. Our funding has consistently had a strong emphasis on:

- increasing our understanding of the origins and biology of disease
- advancing treatments, cures and interventions
- improving the everyday experience of children living with a rare or complex condition

We have also invested in and focused on maximising research opportunities at the hospital. In the last decade, we have contributed over £130 million to such programmes, including setting up the Zayed Centre for Research into Rare Disease in Children (a state-of-the-art research facility dedicated to rare diseases) and the electronic patient record, which supports data-driven child health research at the hospital and beyond, ensuring that the advances made with the charity's support are shared nationally and internationally. These projects have been integral to our support for research, and the delivery of our research strategy.

During the period of our current research strategy (2016–2021), we planned to commit £52 million to research, and leverage £13.8 million of funding through our partnerships. More specifically, our funding across the last five years of the current research strategy has focused on six scientific priorities: cancer, neuroscience, inflammation and immunity, reconstructive and regenerative medicine, cardiovascular, and metabolic/endocrine diseases. These represent areas that are closely related to the disease profile of GOSH's patient population, and the strengths of GOSH and ICH. All of this has been underpinned by GOSH's strengths in genomic medicine, its technology platforms and a data-driven approach.



## **Impact Highlights 2021/22**

The charity makes funding available to support the following areas: Patients and Families, Research, Environment, Technology, People and Education. Below are some highlights over the last year from a few of our priority funding areas.

### **Research**

#### **Tackling rare disease through partnerships**

We already know that we can do so much more for children when we work with others, which is why partnerships form an integral part of our organisational strategy. Partnerships are especially important in rare disease research, where patient numbers are small.

For a second year, we partnered with LifeArc medical research charity to fund ambitious projects focusing on translating breakthrough findings in the lab into novel treatments for children with rare diseases. This £2 million partnership has secured funds for seven innovative research projects at UCL Great Ormond Street Institute of Child Health.

This inspiring research includes investigating the potential benefits of deep brain stimulation therapy for children with a severe type of epilepsy, developing a cutting-edge stem cell therapy for children with inherited eye diseases, and investigating pioneering gene therapy techniques for a rare kidney condition called Denys-Drash syndrome and a rare liver disease called maple syrup urine disease.

Dr Kiki Syrad, Director of Impact and Charitable Programmes at GOSH Charity said:

“I am excited that GOSH Charity has partnered with LifeArc for second year. We achieve so much as a charity, but our research partners allow us to achieve so much more. Through collaboration and streamlining our efforts, we can more efficiently develop new treatments and cures for children with rare or complex diseases. Through this, we can have a greater impact on the lives of children and their families.

“It was fantastic to receive many innovative research project applications across a diverse range of conditions, bringing the potential of life-changing treatments for children who may currently have no further treatment options.”

#### **Supporting the management of COVID-19**

We have seen excellent outcomes from our funded projects into the management of COVID-19. A prime example of this is from Dr Louis Grandjean, Consultant at GOSH, who in 2019 led on the CO-STARS project, which began investigating how Sars-CoV-2 spread within the healthcare setting and the long-term benefits of natural immunity. From this, he has developed a hypothesis which may explain why the true origin of Sars-CoV-2 is yet to be identified.

“Our work has improved our ability to diagnose SARS-CoV-2, has improved the ability to determine who-infected-whom and has helped to identify certain staff who may be at a greater risk of infection than others.

“Through this lens we have added to the growing body of evidence and supported the refinement of both infection monitoring and infection control globally.”



### **Supporting our families through social care**

Seriously ill children and their families remain at the heart of everything we do and are the core consideration of every decision we make.

One of our goals is to transform the lives of even more seriously ill children and their families within the hospital walls and beyond.

The Social Work Service, partially funded by GOSH Charity, is a key resource at GOSH and addresses the wider needs of patients and families beyond clinical care. Having a seriously ill child is stressful and challenging. It is important that families are supported so children can have the best care possible while they are in the hospital and at home.

This is where the Social Work Service really shines. Using their expertise of service eligibility and funding, they support the transportation of patients to appointments, help families to cope with the stress of admissions, consider the needs of the whole family and thus enhance the entire patient experience at GOSH. In the last year alone, the Social Work and Family Support Service provided approximately 17,619 interventions – from calls to home visits – supporting 7,260 families.

One parent's email to a social worker, said:

*"It was lovely talking to you this morning. You are a genius. We thank you so much for helping us. Your input has made a huge difference. We pray to? God for keeping you well always."*

With an increasing rise in the cost of living, being in central London can be a great expense to families. Providing vital support, the team contributes to clothing and food vouchers, with over 1,200 families supported with food vouchers in the last year. Food vouchers are fully funded by GOSH Charity.

Helen White, Team Leader for Social Work Administration at GOSH said:

*"Parents are genuinely grateful for the vouchers, especially in the current climate and added pressure."*

*"Some of our parents rely solely on the vouchers as they have no additional funds to purchase food and the relief is evident when they realise that we provide the food vouchers."*

*"There are a lot of families in crisis financially and every little bit helps, and this scheme is more than a little bit to some parents, it is a lot, and they are happy to receive them."*

### **Ensuring families can access the support they need**

The Citizens' Advice Service at GOSH, which is fully funded by GOSH Charity, is the only social welfare law advice service in a children's hospital setting in the UK. The service started in 2008 in order to address the unmet needs of sick and disabled children arising from poverty and deprivation. Sadly, this is a need which has only increased due to the COVID-19 pandemic.

Through focus groups with GOSH staff, the Citizens Advice team identified that the challenges and stresses which can come from having a seriously ill or disabled child mean that families often do not have capacity to access the help they need. Having this service at GOSH means that families can get the help they need, in the right place and at the right time, providing early interventions before situations spiral out of control.



A child at GOSH does not exist in isolation, and their health is affected by the wider social and economic conditions in which they and their family find themselves. Existing inequalities continued to increase during the pandemic, regarding both health outcomes and – often linked – increasing economic impacts.

Sadly, it is a harsh reality that having a sick or disabled child means families are less likely to have the capacity or opportunities to work. Consequently, many GOSH families tend to be more vulnerable to economic change.

This is why supporting families to access the benefits that are available to them can be so transformative.

There has been an overwhelming amount of appreciation from families that use the service. They have better access to the financial and care support they so desperately need.

Comments shared by families include:

“Made a huge difference as I had never claimed benefits before.”

“You changed our lives.”

“Takes away most of my worrying feelings.”

Nick Wright, Manager of the Citizen’s Advice Service at GOSH said:

“Citizens Advice Camden is incredibly proud to deliver this service. We know our work puts over £1 million a year into the pockets of those families who need our help most.”

## **Environment**

### **Moving towards a more sustainable environment**

The COVID-19 pandemic forced many of us to pause and appreciate the smaller things in life we might previously have taken for granted. Whether that was calling a loved one or spending time in nature, it brought to light the importance of looking after our wellbeing and taking time for ourselves.

For the dedicated staff at GOSH, the seriously ill children who are treated there and their families, finding the time and space for these reflective moments has been difficult, especially during the pandemic. Hospital staff have been faced with the added challenges of changing their ways of working and increased workloads, all while supporting children and families at a time when visitor policies have been restricted to help prevent the spread of infection.

Whether you’re a member of staff who just needs a moment or a family who wants a change of scenery, having a place to go and sit outside is crucial for wellbeing in an environment that can sometimes be stressful and challenging.

That’s why GOSH Charity funded a parklet – through the COVID-19 Appeal – on Great Ormond Street itself, which opened in June for everyone at GOSH to enjoy.

In partnership with Camden Council, the project transformed a bay parking space on Great Ormond Street into a green space filled with plants and a seating area, giving people a moment of respite seconds away from the hospital’s main entrance.



The aim is to give the staff, patients and families at GOSH, plus the local community, access to a greener, healthier and more people-friendly street. The parklet will reallocate road space away from motor traffic, help mitigate pollutant fumes and improve the air quality. Many of the plants have been chosen for their air purification qualities. It is a key first step towards creating a healthier, more sustainable and child-friendly environment – a shared aim for both the hospital and the charity.

Magali Thomson, Project Lead for Placemaking said:

“We all know too well the impact that COVID-19 can have, not just for hospital staff, but for everyone. Developing this dedicated green space for people to sit, relax and reflect surrounded by nature will support everyone’s mental health and wellbeing. It is great to see such a brilliant initiative coming to fruition.”

## **Education**

### **Delivering the best care through education and training**

Staff education and training influences every stage of a child’s treatment journey at GOSH. Be it the communication skills of teams planning a patient’s stay, the multi-professional team caring for them on the ward, the leadership skills of the operational teams or the administrator planning their transport home – each member of staff needs up-to-date knowledge and skills to provide children with exceptional care. That’s why GOSH Charity has supported the GOSH Learning Academy (GLA) since its formation in 2019.

It focuses on six key priorities of education and training:

- Academic Education
- Clinical Apprenticeships
- Clinical Simulation
- Digital Learning
- Leadership and Management
- Speciality Training

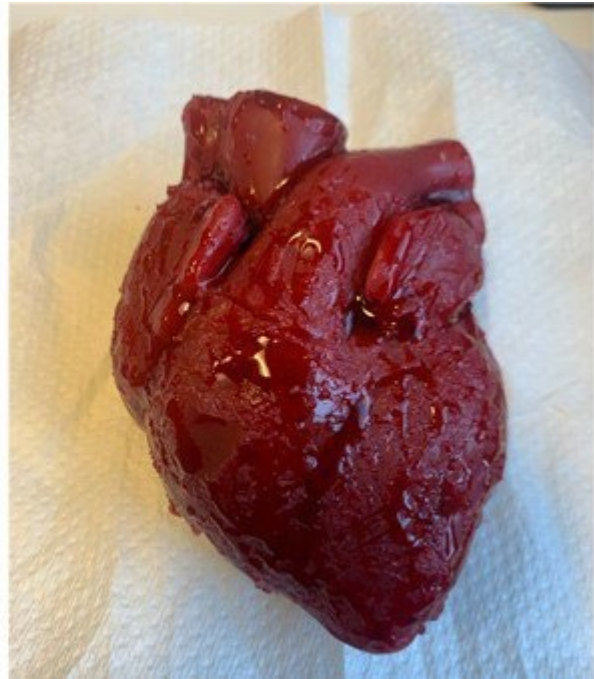
### **Bringing clinical education to life**

The Clinical Simulation Unit is a core part of the GLA and supports the training and education of staff through real-time simulations. By accurately simulating the clinical environment, it allows teams and individuals to safely practice the technical and non-technical skills required to care for some of the most seriously ill children at GOSH with highly complex conditions.

### **Hyper-realistic scenarios**

Simulation technician Amy Dines explains how she and Eli Gumble, a senior technician, created a moulage heart for the ‘Anaesthetists Heart Simulation’ course which ran in January 2022.





The heart, which was used to simulate open heart surgery, was set within the chest of the manikin 'Laparoscopic Larry', who has previously been used for laparoscopic courses. Amy and Eli created a mould using an anatomical heart from a torso with removable organs, to ensure the new heart was as anatomically correct as possible.

Amy Dines said:

"It's great that we have the autonomy to create such realistic simulations for colleagues. We've had excellent feedback from the course attendants outlining the impact it has had on their learning."

### **Manikins: enhancing paediatric education and training**

Child-like manikins used in clinical simulation have been shown to improve processes and identify possible errors in clinical techniques. We know from the simulation literature that realism is key to engagement in simulation, and trainees need to feel the scenario is as real as possible.

The purchase of a new adolescent-sized manikin called Slade, funded by GOSH Charity, has been used for several training sessions for which the simulation team had previously not had a realistic manikin. Manikins like this have expanded the range of simulations the team can offer and increased the quality of the learner's experience.

The manikins are used in multiple procedures for a huge variety of groups, including undergraduate nurses and post-graduate practitioners, and have even informed the hospital's infection control guidelines for COVID-19. They are also used to facilitate simulation in the care of anxious patients – helping GOSH's teams to practice important non-technical skills.

Manikins have also played a crucial role in important fire evacuation simulations. Before the Sight and Sound Centre, supported by Premier Inn, opened to patients in June 2021, the simulation team, together with fire and emergency planning officers, ran full-scale fire evacuation drills involving manikins. These exercises ensure that the environments are safe for the children, families and staff



at GOSH. This work formed part of an abstract which was presented at the AspiH 2021 Simulation Conference and featured in a simulation journal published this year.

Emma Broughton, Operational Lead for Simulation at GOSH said:

“Manikins offer us a unique opportunity to train new staff and upskill others in a safe and risk-free environment. The training goes far beyond treatments; we can make a huge difference to clinical care, safety and the overall experience that children have at GOSH.

“It’s been great working as part of clinical simulation team and seeing first-hand how this training can transform and improve clinical care across the hospital.”





## Income

Last year we set a bold fundraising ambition to diversify and grow our income, as it is only through the generosity of our supporters that we will be able to realise our ambition of transforming the lives of seriously ill children.

The first step of our new fundraising strategy – to bring together all areas of income generation under a new Fundraising Directorate – is now complete. Whilst the ongoing restrictions created in response to the pandemic slowed down our ability to restart some face-to-face activities planned for this year, we managed to raise more money than last year as well as laying the critical foundations to deliver significant income growth in the long term. Please see the Financial Review section from page 60 for more details.

Through a programme of investment, innovation and digital transformation – supported by high levels of collaboration and cross-team working – we have been able to leverage new fundraising opportunities open to GOSH Charity.

Facebook fundraising continued to perform well for us this year and we made our annual RBC Race for Kids event virtual again. We saw a real impact on our events programme once COVID-19 restrictions were lifted, with our Christmas Carol Concert raising a record amount of income. Meanwhile, our integrated Christmas fundraising appeal, One Step Closer To Home, raised a massive £1.6 million whilst helping to remind the public of the vital role GOSH Charity plays in keeping families of seriously ill children together at Christmas.

We continue to make steps towards greater sustainability in our fundraising by transforming the amount we raise in unrestricted funds so we can spend it where the need is greatest. The investment choices we made, particularly in building and nurturing our individual supporter base, will enable us to keep diversifying and growing our income so we can scale up our impact and deliver transformational change for seriously ill children. We believe significant investment now will yield the income needed over the next 10 years to help the growing number of children who will need the support of GOSH now and in the future.

This is especially pertinent, as we launched the private phase of our most ambitious fundraising campaign in recent years in 2022 – the Children's Cancer Centre appeal – which aims to raise £300 million towards the development of a transformational centre dedicated to caring and treating children with cancer across the UK.

Looking forward, we are focused on delivering year two of our fundraising strategy, which will build on the impact already delivered in year one. With COVID-19 restrictions now gone, we are excited about the potential to bring even more face-to-face events back for our supporters and together raise more income to support seriously ill children.





## PARTNERSHIP

### Partnership

No-one can solve the toughest paediatric challenges alone. Working in partnership with others forms a core part of our organisational strategy and it is through partnerships that we will be able to drive forward significant and impactful change for seriously ill children.

Partnerships come in many forms, and since setting out our new strategy in last year's annual report, we have been delighted to continue to build and deepen our relationships with valued and trusted partners. We have also launched brand new relationships that take us closer to our transformational goals and add huge value for our partners, too.

This year has seen us renew our sector-leading partnership with Premier Inn and Restaurants, as their incredible colleagues and customers reached a milestone of £20 million raised for GOSH Charity since our partnership began 10 years ago. The outstanding energy, ingenuity and commitment we have seen from Premier Inn and Restaurants since we began working together in 2012 is truly amazing, and the legacy of their team's efforts are built into the very fabric of Great Ormond Street Hospital.

Patients, families and staff now and for generations to come will benefit from the Premier Inn Clinical Building, opened in 2018, and the Sight and Sound Centre supported by Premier Inn, opened in 2021. We are delighted to report that in its opening year, the Sight and Sound Centre, the UK's first dedicated facility for children with sight and hearing loss, has treated more than 7,500 children with ophthalmology conditions despite the impact of COVID-19. It has hosted over 4,800 audiology appointments, and more than 600 children with cochlear implants have received expert care in the facilities. This would not have been possible without our dedicated partners at Premier Inn and Restaurants, and earlier this year we celebrated this achievement at a recognition event for their most successful fundraising staff members from across the UK.

Our partnership entered a new and exciting phase in the summer of 2022, driven by a shared desire to transform the experience and outcomes for children who travel to GOSH from across the UK to receive treatment for childhood cancers.

The long-term success of partnerships can often be seen in the ways they are embedded within and across an organisation. This is true of our partnership with Morgan Stanley, which extends beyond fundraising. The firm and its employees also give their expertise, resources and time to support the charity and hospital. This year, Morgan Stanley helped drive the performance of our property portfolio; supported the professional development of charity staff and our hospital colleagues; and helped GOSH address the digital divide faced by seriously ill children in hospital. We celebrate these successes against the backdrop of two other significant milestones in 2022: the fifteenth anniversary of our partnership and the tenth anniversary of the opening of the Morgan Stanley Clinical Building. The latter was another transformational redevelopment project backed by Morgan Stanley and many other key partners and supporters, including the Mittal Family and our Tick Tock Club of high value donors.



Collaborating with our network of partners on significant projects has continued this year, and we have been delighted to complete the renovation works on two townhouses in Powis Place, next to the hospital. These houses have been transformed into welcoming havens of accommodation for patient families, with priority going to those whose children are in intensive care. Being just moments away from the hospital when a child is receiving life-saving or life-changing treatment is absolutely crucial. Thanks to funding from our partners Royal Bank of Canada and McColl's, the houses, named in their honour as Royal Bank of Canada House and McColl's House, will play an important role in the welfare and support services that are central to the charity's support of seriously ill children, their parents and carers.

From established partners to brand new ones. This year we were delighted to launch a fundraising partnership with Omaze, which saw the company offer a £3million house in Wimbledon as a prize, with a percentage of profits from the campaign being donated to GOSH Charity. Thanks to this high impact and high fundraising campaign, we were thrilled to be the recipient of an amazing £500,000 donation from Omaze. It was wonderful to learn that the prize draw winner had their own personal experience of GOSH, which added something extra special to an already outstanding partnership.

Working in partnership extends beyond fundraising to another critically important area; co-funding of research. We have been delighted to continue our close working relationship with LifeArc, the medical research funder. Turn to page 10 to read more about this, in our impact highlights section.



## Our enablement priorities for 2022-23

### DIGITAL

1. We will create the capacity and capability to deliver against our digital ambition and ensure effective delivery, reporting and analysis.
2. We will optimise the supporter experience across the hospital and charity websites to engage patients, families, supporters and new audiences.
3. We will develop a data strategy to underpin and support our fundraising strategy.
4. We will map and update supporter journeys to maximise supporter engagement.
5. We will develop a strategic approach to patient and family led content, ensuring it is inclusive and representative of the communities we work with and support.

### CULTURE

1. We will deliver the year two objectives of our Equality, Diversity and Inclusion strategy and action plan.
2. We will embed our new Values, in our People Policies and staff behaviour and culture seeking feedback and examples from staff as to how they have been brought to life.
3. We will carry out a Pay, Reward and Performance review alongside implementing a new Learning and Development offering to all staff.
4. We will embed our Future Ways of Working framework, ensuring there is a clear understanding of hybrid working among all staff and that managers and staff remain connected with staff wellbeing balanced against achieving our ambitious strategy.
5. We will further improve our internal controls against fraud risk and cyber attack.

### INNOVATION

1. We will embed a culture of innovation where innovation is everyone's responsibility.
2. We will develop innovation priorities to align with our fundraising strategy and the opportunities for greatest long-term benefit.
3. We will review processes with an ambition to create a lean organisation with the supporter and the beneficiary at the heart of everything we do.
4. We will develop at least one new fundraising product that has the potential to have a multi-million pound life-time value.



## Environmental, Social and Governance (ESG)

### Introduction

Environmental, Social and Governance (ESG) matters have grown in importance in a relatively short period of time. As a charity focussed on seriously ill children and families, we believe that our social purpose speaks for itself. However, ESG encompasses a wider set of environmental, social and governance considerations that are relevant to how we deliver our charitable objects.

In particular, our culture, values, resource use, climate change, and responsible investment are of greater importance than ever before to us as a charity and also to our donors and supporters.

In our environmental section, we look at the impact of the Charity's resource consumption, our ethical investment policy, and talk about plans for the future. Under social, we show how we interact with our communities and highlight our internal policies related to, among others, staffing, diversity and inclusion and safeguarding which sit alongside the socially beneficial impact that the charity has at its core, as outlined earlier in this report. Finally, in our governance section, we show how our internal practices and policies lead us to effective decision making and legal compliance.

We believe that we must constantly adapt to changing compliance regimes and the demands of different stakeholders and feel strongly that ESG facilitates us in forging a sense of trust amongst our donors, providing the opportunity for growth in the long run, attracting the best talent, and reducing costs.

### Environmental

The environmental factor in ESG considers how an organisation uses natural resources and how their operations impact the environment. It includes not only our direct operations, but also activities across our supply chains. Responsible and effective management of environmental factors is an increasingly important driver of corporate value.

Although dominated by climate change, environmental factors are generally understood in terms of the sustainability of the resources required to undertake our activities. There is some overlap with social and governance factors and although some environmental factors are universal, each organisation will evaluate and focus on issues specific to them including climate change, natural resources, pollution and waste and environment opportunities.

For GOSH Charity, over the last 12 months, our main environmental themes have been energy usage and consumption (in line with our responsibilities under the Streamlined Energy and Carbon Reporting Regulations, see below) as well as maintaining our ethical investment position. We are pleased to see that our gross emissions per employee have fallen by over a third compared to the previous year, mainly due to our move to a smaller office in 2021/22 and hybrid working.

Over the coming year, we will be seeking to understand more about the broader environmental factors impacting our Charity and how we achieve our charitable purpose, ensuring we have the means to assess and improve our ability to operate successfully whilst developing a set of environmental principles that reflect the Charity's aspirations and underpin our activities.



## Streamlined Energy and Carbon Report (SECR)

### UK energy use and associated greenhouse gas emissions

The Group (Great Ormond Street Hospital Children's Charity and Great Ormond Street International Promotions Limited) is pleased to report its UK-based annual energy usage and associated annual greenhouse gas ("GHG") emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

### Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated GHG emissions are reported for those entities within the UK only that come under the operational control boundary, with the mandatory inclusion of scope 3 business travel in employee-owned vehicles (grey fleet).

### Reporting period

The Group's financial year runs from April to March each year and has reported on energy use and emissions for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

### Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Briar (Briar Consulting Engineers Limited).

Electricity and gas consumption were based on invoice records and CIBSE TM46 benchmarks, while mileage was used to calculate energy and emissions from employee-owned vehicles which had undertaken business travel. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3).

### Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2020/2021	2021/22
<b>Mandatory requirements:</b>		
Gas	794,373	529,038
Purchased electricity	530,290	337,217
Transport fuel	471	983
<b>Total energy (mandatory)</b>	<b>1,325,134</b>	<b>867,238</b>



**Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):**

<b>Emission source</b>	<b>2020/2021</b>	<b>2021/22</b>
<b>Mandatory requirements:</b>		
<u>Scope 1</u>		
Gas	146.1	96.9
<u>Scope 2</u>		
Purchased electricity (location-based)	123.6	71.6
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	0.1	0.1
<b>Total gross emissions (mandatory)</b>	<b>269.8</b>	<b>168.6</b>
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO <sub>2</sub> e per employee	1.279	0.831

**Intensity Ratio**

Gross tonnes of carbon dioxide equivalent emissions per employee is selected as the intensity ratio due to being the most relevant metric of the Group's energy consuming activities. Energy consumption was expected to remain below typical this year due to the continued impact of COVID-19. Gross emissions per employee fell by 35.0% compared to the previous year, at least in part following an improvement in the way in which data is collected by the Group, thus reducing the need to rely upon estimated or benchmarked data.

**Energy efficiency action during current financial year**

The management of resources and the need to embed sustainability is an important issue for the Group. Significant reductions in emissions across our portfolio is challenging as many of our buildings hold listed status therefore limiting what is achievable through traditional programmes of retrofit.

As a result of health precautions business travel has been reduced and we have seen the greater use of video conferencing and homeworking for staff. Whilst the emission savings resulting from these changes has not been quantified, this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.



## Ethical Investment

Our investment portfolio has always taken ethical considerations into account. More recently, we have reviewed our Investment Policy and extended our ethical considerations to formalise the importance of ESG factors and confirm our expectations that our Investment Managers follow ethical considerations in the management of our portfolio.

The Charity's investment managers follow strict guidelines which specify that the Charity does not invest in tobacco or arms manufacturing, or any business in which either of these are the main or a material element, due to the negative impact they have on child health.

We consider the effects of any investment on the general public's support of the Charity and expect our Fund Managers to consider the suitability of investments against our stated ethical constraints. We ask that our Asset Managers for all equity and fixed income investments are signatories to the UN Principles of Responsible Investment and ESG factors form a central consideration in the selection and evaluation process for those we work with and our appointed Investment Managers.

We reserve the right to exclude those companies that we believe carry out activities contrary to their aims or from holding particular investments which damage the Charity's reputation.

## Looking forward

We know that the environmental factors in ESG will only continue to become more important and our ability to evolve and ensure we have clear links between ESG and our strategic goals, business model, risks, opportunities, operational indicators, and financial performance will help us to deliver better decision-making and improve our ability to deliver our charitable aims.

We seek to ensure that our approach to environmental factors will help us become a sustainable and thoughtful Charity, remaining true to our charitable purpose of improving the lives of seriously ill children and ensuring we are conscious and considerate of our impact on the environment as a direct result. We are committed to continually learning and developing our understanding and knowledge in this area, adopting, and embedding policies that put ESG at the heart of our strategic objectives. Over the year, we will seek to determine where we need to focus, identifying the most critical priority areas for us, and continuing our journey. We believe this awareness will ensure we can better identify and manage risk, evaluate, and measure success and recognise both future challenges and opportunities.



## Social

The social factor in ESG looks at our relationship with stakeholders. Focusing on areas of human rights and employment standards, public benefit, and corporate social responsibility as well as more routine issues such as workplace conditions, adherence to workplace health and safety.

GOSH Charity is part of a wider family that includes GOSH and the UCL Great Ormond Street Institute of Child Health (ICH). We all share a goal of making a difference to the lives of the children we support, and we work in close partnership with GOSH and the ICH, alongside other organisations who support our purpose, to ensure we can do this in the most impactful, effective, and efficient way. We recognise the importance of developing good relationships with all our stakeholders and have committed as part of our organisational strategy to be more ambitious, driven, agile and embrace change to make bold decisions. As a result, we constantly strive to improve and learn from mistakes, creating an inclusive environment enabling people to thrive both professionally and personally.

Many of the social factors of ESG have already been core to our values. In 2020/21 we developed our first ever Equality, Diversity, and Inclusion strategy and action plan to help us realise this ambition and create a more inclusive workplace where everyone we work with, and for, feels like they belong. This work continued in 2021/22. The health and wellbeing of our staff is of great importance to us, and we recognise the importance of encouraging healthy lifestyles and maintaining a good balance for both the benefit of our staff and the charity. Over the coming year, we look forward to developing our relationships further to ensure we continue to operate an ethical supply chain, support diversity and inclusivity, and encourage a culture of respect for all individuals.

As well as the below information, please also see the 'Our People' section starting on page 56.

## Corporate Social Responsibility

Corporate social responsibility aims to help us self-regulate our social accountability and understand and enhance how we make a positive impact on society. By being environmentally friendly; eco-conscious; promoting equality, diversity, and inclusion in the workplace; treating people fairly and with respect; giving back to the community; and ensuring business decisions are ethical, we can embrace our corporate social responsibility.

We are committed to ensuring that not only do we embrace our corporate social responsibility as part of our ESG in the deliverance of our charitable objectives, but that we acknowledge the importance our stakeholders place on the social conscience of an organisation and ensure our internal processes and practices are authentically integrated into our culture through our values, our strategy, and how we operate.

## Our Purpose and Public Benefit

The Charity's purpose is to transform the lives of seriously ill children through research, care, and advocacy. We aim to achieve this by providing GOSH with resources and opportunities that would not ordinarily be available from statutory authorities, but are key to delivering world class care, support, and research. We may also support other parts of the National Health Service (NHS) associated with GOSH and/or support other NHS paediatric patients and make grants to support paediatric research through our National Call.

In achieving our purpose, the Trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit. The charity exists to benefit the patients and



families of GOSH. Our grants are structured to ensure that the money raised is used to best effect to support the hospital's work and is in line with donors' wishes and the Charity's mission and objectives.

The Charity does not provide facilities directly to the public, but instead provides them to the hospital, and in so doing, the patients and their families, and staff, of the Hospital. For example, thanks to our supporters, children and young people with sight and hearing loss can now receive their treatment in the UK's first dedicated medical facility designed to meet their unique needs, after we opened GOSH's Sight and Sound Centre (the UK's first dedicated medical facility for children and young people with sight and hearing loss) supported by Premier Inn. The space in which their appointments and procedures take place now matches the world-class care the hospital provides.

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

Our research grants are made nationally, and findings impact children and young people not only at GOSH and throughout the UK, but across the world. Informing future research into a wide range of conditions affecting both children and adults, we provide increased understanding of the origins and biology of disease which not only improves the everyday experience of children living with rare and complex diseases but also advances treatments, cures and new interventions resulting in a much wider societal benefit.

## Modern Slavery

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

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

Our full Modern Slavery Statement can be found on our website and builds upon our previous statements.

As in previous years, our suppliers remain predominantly UK-based and required to comply with UK legislation. We continue to focus on how we engage with suppliers which operate in sectors and jurisdictions at a higher risk from slavery and human trafficking and we undertake due diligence on prospective suppliers and other third parties we associate with, as appropriate, using a proportionate risk-based approach. We work with our suppliers on the basis that if we engage them, it is expected that they, their employees, and anyone they engage with, should comply with the principles set by the charity.

Adopting an approach of continuous improvement, we are committed to making sure all our staff have the support, training, and awareness they need to work with suppliers who are ethical in their approach and aligned with our views.

Being vigilant is important so that we can quickly identify and address any issues related to our activities associated with slavery and human trafficking. We remain committed to continually developing the protections in place and annually release an updated version of our statement, to reflect our progress and set aims for the future.



## Equality, Diversity and Inclusivity (EDI)

At GOSH Charity we believe equality, diversity and inclusion are important in making us more successful and innovative, bringing in diversity of thoughts and ideas, keeping employees happy and motivated and increasing our ability to understand and engage with wider communities. Our focus also addresses and mitigates any risks that may arise from a lack of attention to any serious issues such as harassment, bullying or discrimination.

Our Equality, Diversity & Inclusion (EDI) strategy, launched in March 2021, outlines our commitment to creating an equal, diverse and inclusive workforce.

In the last year, GOSH Charity has remained committed to creating an inclusive and diverse culture by delivering on the year one objectives of our Equality, Diversity and Inclusion strategy and action plan, including:

- Providing Diversity training for all new starters within 3 months of joining
- Creating a Manager's Hiring Guide with an EDI lens
- Including an EDI recruitment statement and Disability Committed statement on all job adverts
- Trialling different recruitment agencies and sites to attract a more diverse pool of applicants
- Reviewing and updating wording in job adverts, job descriptions and person specifications

To navigate change around EDI, the charity has put in place an EDI infrastructure championed by the CEO including an EDI Board and an EDI changemakers group supported by an internal EDI role.

The EDI Programme Board engages with our Senior Leadership Team to help the charity realise its EDI vision. The EDI Board meets every two months to review progress against our plan.

The EDI Change Makers is a multi-perspective network open to all staff which provides both an opportunity for staff to listen, engage and discuss topical EDI issues as well as help raise awareness on all key EDI calendar events and activities and also discuss any areas of interest or for feedback to EDI Board for scrutiny, further discussion and decision making.

We have now provided awareness training for all our staff, and we are currently requiring all our new employees to complete a Diversity & Inclusion online module training when they join GOSH Charity.

The last year has seen a significant broadening of the charity's workforce profile with an increase in ethnic diversity. The proportion of senior charity staff from under-represented ethnically diverse groups increased from 10% to 19% whilst these levels increased from 9% to 21% across all charity staff. These improvements have exceeded our target set in January 2021 of achieving a minimum 15% representation of Black, Asian and ethnically diverse staff within 3 years. We have also seen a continued increase in women at senior levels of the organisation over the last 2 years.

We have also focussed on creating a safe space for all members of staff to share their experiences and champion issues that they tell us matter to them.

For example, we held a series of Inspiring Change sessions across the charity hosting speakers to share their insights and experience with staff on a wide range of EDI issues including Race Equality, Disability and inclusion, Refugee experience, Trans and non-binary experience, and LGBTQI+ history. All these events are designed to ensure that the charity is an inclusive employer and people can be their best at work. We have also supported critical external awareness days such as International Women's Day and Stephen Lawrence Memorial Day, as well as launching new initiatives such as our Menopause Workplace pledge.

### Working with Partners/Suppliers

One of our commitments for the first year of our EDI strategy was to work with our partners and supply chain to ensure they have signed a commitment to an EDI statement that matches our



requirements. To support this work an EDI statement has been completed, signed off and is now live on our website.

While we are all clear that a lot remains to be done, we will remain fully committed to lasting change over the coming year. We will continue to focus on being an inclusive organisation where we can celebrate our differences and respect every voice while feeling comfortable to be our true selves.

## Gender Pay Gap

Our gender pay gap data is an important measure of gender equality in our workforce, and one that will help to inform our plans and activities as we continue to work towards our EDI goals.

Like many charities, we have a predominantly female workforce and more than three-quarters of GOSH Charity's workforce are female, and our team of five Directors, led by CEO Louise Parkes, comprises four women and one man.

As an organisation we employ fewer than the specified 250 minimum staff reporting requirements but are reporting our figures because we believe in openness and transparency and the importance of the issue. However, in an organisation of our size a small number of senior recruitments can have a big impact on our gender pay gap.

Our gender pay gap data for April 2021 and April 2022 is provided in the graphics below.

To note, the gender pay gap percentages reflect higher on average pay to men than women and therefore any reductions in these percentages represents an improvement to the gender pay gap.

### Gender Pay Gap Data 2021

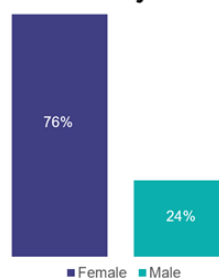
**Mean Gender Pay Gap**

**13.4%**

**Median Gender Pay Gap**

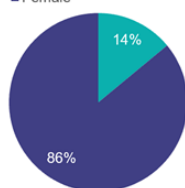
**16.8%**

**Workforce by Gender**

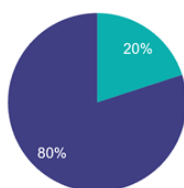


**Proportion of males and females in each pay quartile**

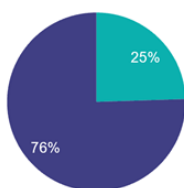
■ Male ■ Female



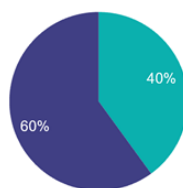
**Lower**



**Lower Middle**



**Upper Middle**



**Upper**



## Gender Pay Gap Data 2022

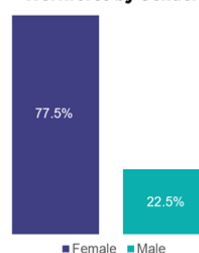
Mean Gender Pay Gap

11.4%

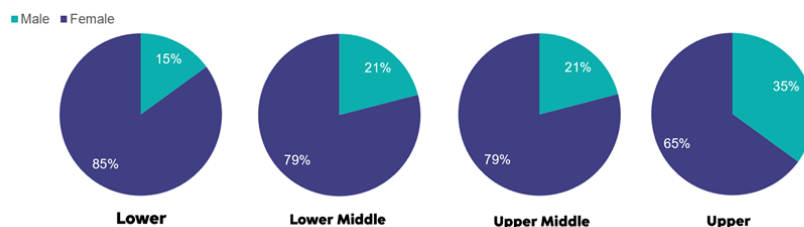
Median Gender Pay Gap

13.6%

Workforce by Gender



Proportion of males and females in each pay quartile



Our mean gender pay gap has improved by 2.0% from 13.4% in April 2021 to 11.4% in April 2022.

The median gender pay gap has also improved, by 3.2% from 16.8% to 13.6%.

There is now a higher proportion of females in the upper middle (79%, an increase of 3%) and upper quartile (65%, an increase of 5%) than last year, the highest since gender pay reporting began.

The rise of females in the higher quartiles has also been accompanied by a decrease of 1% in the proportion of females in both the lower quartile and lower middle quartiles compared to 2020/21.

Whilst we have achieved continuing success in reducing our gender pay gap we recognise that we continue to have a comparative imbalance of males in the highest quartile earning roles when considered against the overall male-to-female ratio of the charity. Similarly, we have more females than males in the lowest pay quartile. Both issues impact our ability to reduce the gender pay gap and this is a key area of focus for us.

We remain committed to attracting and developing a more diverse workforce to reduce our current gender pay gap and recognise that there is more work to be done in this regard.

While not paid positions, as at 16 December 2022, our Board of Trustees comprised 5 females (including the Chair) and 7 males.

## Equal Pay

GOSH Charity is an equal pay employer and we are confident that our gender pay gap is not the result of unequal pay between men and women for the same work, or work of a similar nature; it results instead as explained above.

## Safeguarding

We believe everyone has the right to be safe, no matter who or what their circumstances and that a child, young person, or vulnerable adult should never experience abuse of any kind.

We appreciate that in delivering our charitable objects, charity staff, Trustees and volunteers may come into direct and indirect contact with children, patients of the hospital, patient families and members of the public.

We have a robust safeguarding policy and a designated safeguarding lead. All staff receive mandatory safeguarding training, and our policy and training requirements are reviewed regularly to ensure compliance with current statutory and regulatory provisions for safeguarding protocols as well as best practice.



In addition to standard employment reference checks, all relevant staff and Trustees must obtain a suitable Disclosure and Barring Service (DBS) check prior to commencement of service with the charity, with a three-year renewal programme also in place.

We also introduced this year an external whistleblowing service provider that staff can contact in confidence, whether concerning safeguarding or anything else.

## Workplace Health & Safety

The health, safety and welfare of our employees, contractors, trustees, volunteers, and visitors to our office is a key responsibility of the charity. Health and safety is integrated into our culture and considered part of everyday business and we have designed our systems and procedures to harmonise with other disciplines to ensure continued compliance with our legal obligations. It is our intention that everyone attending the Charity offices, or who carries out work activities on behalf of the Charity away from the office, shall do so in a safe environment.

Throughout the year we continued to focus on workplace health and safety and specifically how this was impacted by the pandemic. The Charity introduced a three tier approach to Covid-19 safe systems of working ranging from no restrictions to full lockdown with the current tier in force at any given time correlating with Government advice. These systems have been embedded into our general programme of health and safety procedures, all of which are proactively monitored and regularly reviewed to ensure they reflect the most up-to-date health and safety advice.

Whilst there is now no longer a requirement for GOSH Charity, as an employer, to explicitly consider Covid-19 in its statutory health and safety risk assessments, we continue to ensure measures are in place to provide a safe working environment for staff in the office.

## Treating People Fairly

Every individual is unique in their background, experience, and circumstance and, therefore, every interaction between the charity and members of the public will also be different. We want fundraising to be a positive experience for everyone, and we strive to ensure that anyone donating to our charity can make a free and informed choice.

All our staff, volunteers, agencies, and other third parties working on our behalf are required to help protect those who may potentially be in a vulnerable circumstance. We continue to maintain a “Treating People Fairly” policy and run an annual training programme which provides guidance and indicators to our staff on how to identify if an individual would benefit from additional support to help them make an informed decision, and how to respectfully assess whether it is appropriate to accept a donation from an individual or continue a conversation with them.



## Governance

Governance within ESG refers to good governing practices and covers the basic principles, rights, responsibilities, and expectations in how our charity is governed. By having a well-defined and well-structured governance system, we can balance and align the various interests of all our stakeholders, supporting the Charity's long-term strategy.

Good governance is fundamental to our success. We recognise that by having strong governance practices embedded into our operational activities, this enables and supports our compliance with laws and regulations, providing for better strategic decision-making and promoting a culture where we all work together towards a strategic vision. We understand that governance has a broad scope and overlaps with the environmental and social factors of ESG underpinning how we work. We strongly believe that governance encourages a trustworthy, moral, as well as ethical environment.

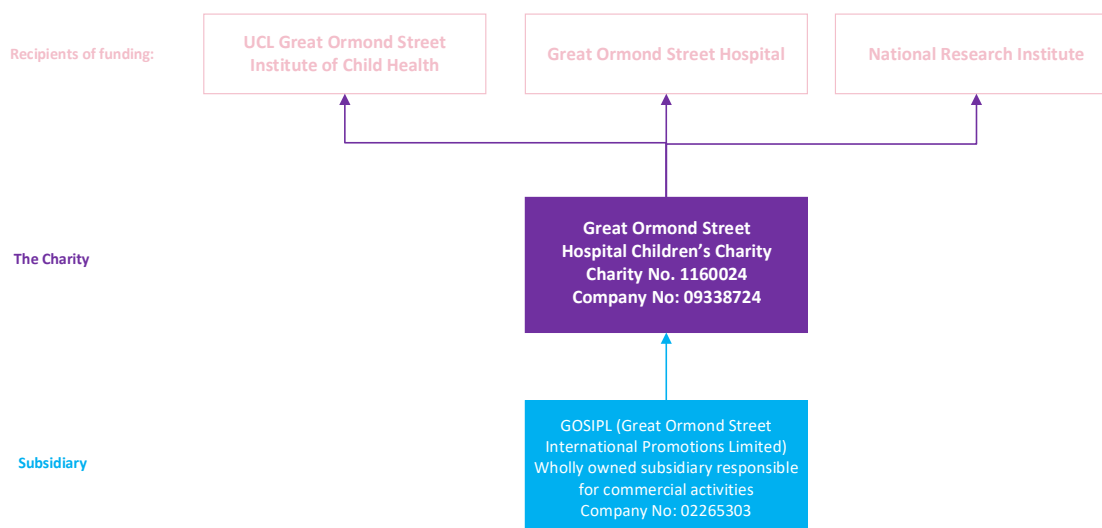
Our Trustees are committed to our cause and have joined us because they want to help us deliver our charitable purpose most effectively for the public benefit. They are committed to good governance and to our continued improvement and we are grateful to them for their time, commitment, and the benefit their strong and varied skills bring to our Board.

## Compliance with Companies Act, Charities Act and SORP

The Trustees confirm that the financial statements comply with the Companies Act 2006, Charities Act 2011 (as updated by the Charities Act 2022), the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), applicable accounting standards and the provisions of the Memorandum and Articles of Association for both the Charity and its subsidiaries.

## Legal Structure and Governing Document, Related Parties and Subsidiary Companies

The Charity's legal structure as at 31 March 2022 is laid out below:



GOSIPL is a separate legal entity and subsidiary of GOSH Charity. GOSIPL is responsible for all commercial activities of the group, namely licensing, sales promotions, and mail order. All surplus funds earned by GOSIPL are donated, under Gift Aid, to the charity. GOSIPL has its own Board responsible for all governance issues. Financial details for GOSIPL are summarised in the notes to the GOSH Charity financial statements, with their own audited financial statements filed as appropriate.



Sparks Charity was a separate legal entity and subsidiary of GOSH Charity for part of the period, following agreement to fully merge Sparks with the charity, Sparks ceased trading on 31 March 2021. Dissolution of Sparks Charity took place on 18 January 2022.

Much of the GOSH research funded by the Charity is undertaken in partnership with ICH (see note 5 to the financial statements).

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

## Trustees and Associate Trustees / Independent Committee Members

As at the date of signing of this Annual Report and Accounts, the volunteer Board of Trustees consists of a Chair, a Deputy Chair, and ten other Trustees, all of whom have been appointed for their relevant and individual skills and experience (see below and the Legal and administration information on page 66 for more details).

Trustees are appointed following a thorough recruitment process, including interview, for an initial fixed term not exceeding four years. At the end of the fixed term, they can be reappointed, but no Trustee remains on the Board for more than nine years in total.

In addition to our Trustees, we have a small number of Associate Trustees and Independent Committee Members who provide enhanced specialist skills and experience. They are appointed by Trustees as volunteers to work alongside Trustees by bringing their expertise to Board Committees. Similarly to Trustees, their appointment is subject to a thorough recruitment process, and they may serve more than one term, with a maximum of nine years.

All our Trustees, Associate Trustees and Independent Committee Members are required to undertake an enhanced Disclosure and Barring Service (DBS) check and are provided with a thorough induction programme on appointment. This includes:

- sharing and making available Charity Commission guidance and a range of documentation about the charity, including access to prior Board meeting papers and minutes;
- meetings with the Chief Executive of the charity and all members of the Senior Leadership Team;
- meetings with fellow Trustees, Associate Trustees and Independent Committee Members, as applicable;
- an introductory charity governance session with the Company Secretary;
- familiarisation with the Hospital and key Hospital personnel; and
- the completion of several core online training materials on topics such as safeguarding, whistleblowing, treating people fairly, and equality and diversity.

On an annual basis we provide Trustees, Associate Trustees, and Independent Committee Members with at least two supplementary knowledge/awareness sessions on key topics which for 2021/2022 were equality and diversity, and whistleblowing. Trustees are also encouraged to attend externally arranged training events relevant to their role with the charity.

During the year, Nina Bibby stepped down from her position on the Charity Board and as a Member of the Governance, Reputation and Risk Committee. In 2022/23, Stephen Holgate stepped down from his position on the Charity Board, as Chair of Grants & Impact Committee and Chair of the Research Strategy Advisory Board; Kaela Fenn-Smith has stepped down from her position on the Charity Board and as Chair of Property and Development Committee; and Michael Marrinan stepped



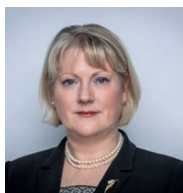
down from his position on the Charity Board. We would like to thank Nina, Stephen, Kaela and Michael for their considerable contributions to the Charity over their respective periods of tenure.

In September 2021, we welcomed David Germain to the Board of Trustees and as a Member of the Finance and Resources Committee. We particularly welcome his knowledge and expertise in digital and technology. In February 2022, we further welcomed three new Independent Committee Members to our Property and Development Committee, namely Mike Wiseman, Karima Fahmy and Louise Sherwin, who will all contribute a significant amount of knowledge and expertise in property as we move forward with the Children's Cancer Centre and the Property Strategy.

In April 2022, Mike Wiseman and Karima Fahmy stepped up to take on full Trustee roles, and Mike was appointed as the incoming Chair of the Property and Development Committee. We also welcomed our newest Trustee in June 2022, Professor Sir Doug Turnbull, who brings with him considerable experience in the medical research field, both nationally and internationally, and has taken on the role of Chair of the Research Strategy Advisory Board.



Trustees (01 April 2021 to 16 December 2022)



**Anne Bulford CBE**  
**Chair of the Board**  
**Finance and Resources Committee**

Anne is currently an independent non-executive of KPMG's Public Interest Committee, a non-executive

director of Reach plc, a non-executive member of the Executive Committee of the Army Board, a member of University College London's Gift Acceptance Committee and a Royal Ballet Governor. Her prior roles include Deputy Director General of the BBC and Chief Operating Office at Channel 4.



**Sandeep Katwala**  
**Deputy Chair of the Board**  
**Governance, Reputation and Risk Committee Chair**  
**Finance and Resources Committee (to 15 September 2021)**

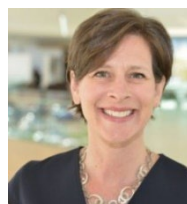
**Property and Development Committee (from 1 September 2021)**

Sandeep spent 25 years as a lawyer with the global law firm Linklaters LLP where he was a member of the Executive Committee and headed up the firm's EEMEA Region and India business.



**Jennifer Bethlehem**  
**Grants and Impact Committee Chair (from 21 July 2022)**  
**Property and Development Committee (to 21 July 2022)**

Jennifer is a Corporate Partner at Freshfields Bruckhaus Deringer LLP and leads the firm's global healthcare team. Prior to becoming a lawyer Jennifer practiced for over 10 years as a nurse.



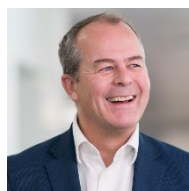
**Nina Bibby**  
**Governance, Reputation and Risk Committee (to 25 November 2021)**

Nina was the Chief Marketing Officer at O2 (Telefonica UK), with commercial profit and loss accountability for the consumer and SMB mobile business. Nina is also a non-executive director of Barratt Developments.



**Nicky Bishop**  
**Governance, Reputation and Risk Committee**

Nicky is a consultant in the charity sector, working with international and U.K. organisations on overall strategy and fundraising with a focus on children and sustainable development. Prior to this she was CEO of The Red Cross Children's Hospital Trust in South Africa, and Director of Fundraising at WWF-UK.



**David Craig**  
David Craig joined LSEG on completion of the Refinitiv-LSEG combination in January 2021 as Group Head of Data and Analytics. David co-chairs the Taskforce on Nature-related Financial Disclosures (TNFD) endorsed by the G7 and G20. David is an Executive Fellow at London Business School department of Strategy and Entrepreneurship and co-chairs the UK-India Financial Partnership for TheCityUK, HMT and India Ministry of Finance.



**Karima Fahmy**  
**(Independent Committee Member from 1 February 2022 to 10 April 2022, Trustee from 11 April 2022)**  
**Property and Development Committee**

**Grants and Impact Committee (from 21 July 2022)**  
Karima is a senior corporate lawyer and brings to the Property & Development Committee high level real estate experience including the structuring, funding and delivery of real estate investment and development projects. Previously General Counsel of Grosvenor Group, Karima currently holds non-executive positions on the Board of Latimer Developments Limited, the Clarion Housing Group Investment Committee, the University of Cambridge's Property Board and the University Board of Bournemouth University.



**Kaela Fenn-Smith**  
**Property and Development Committee Chair (to 31 May 2022)**

Kaela has previously been a director at Land Securities plc, and held senior positions with Jones Lang LaSalle and CBRE.





**David Germain**  
**(From 16 September 2021)**  
**Finance and Resources Committee**

David has more than 30 years' experience as a leader of global technology and digital strategy. David is the Group Chief Information Officer at QBE, the international insurer and reinsurer. Previously David worked for a number of world-leading Financial Services institutions in C-suite roles (RSA, General Electric, NatWest Group, Deutsche Bank and Close Brothers).



**Professor Sir Stephen Holgate**  
**Grants and Impact Committee Chair**  
**(to 31 May 2022)**  
**Chair and Trustee of Sparks Charity**  
**(to 18 January 2022)**

Stephen is Medical Research Council Clinical Professor at the University of Southampton with an interest in asthma and allergy. He is a special advisor to the Royal College of Physicians (RCP) on air quality and co-founded Synairgen, a company dedicated to respiratory drug discovery.



**Louise Justham**  
**Governance, Reputation and Risk Committee**

Louise is Global Marketing Director at the Bodyshop. Prior to this Louise was the CEO at Easyfundraising, a socially focused online affiliate. Louise was also CEO at Seatwave an online ticket marketplace which was sold in 2014 to Ticketmaster. Prior to this Louise held digital marketing roles at Thomas Cook, BSkyB and Carphone Warehouse.



**Michael Marrinan**  
**Grants and Impact Committee**  
**(to 31 July 2022)**

Michael was a consultant Cardiothoracic Surgeon at King's College Hospital from 1992 until 2015 and was Medical Director of King's for six years. He is currently Medical Director of Royal Hospital for Neurodisability.



**Mark Sartori**  
**Investment Committee Chair**  
**Property and Development Committee**  
**Trustee of Sparks Charity (to 18 January 2022)**

Mark has retired from a career in capital markets where he worked in European Equities for Credit Suisse and Morgan Stanley. Mark also built a European Equities business for the Royal Bank of Canada.



**Kevin Thompson**  
**Finance and Resources Committee Chair**  
**Governance, Reputation and Risk Committee**  
**Investment Committee**

Kevin is Chair of the Audit Committee at Spirax-Sarco Engineering plc. Kevin retired in 2018 from Halma plc, a FTSE 100 global group of life-saving technology companies, where he was CFO from 1998 until 2018.



**Professor Sir Doug Turnbull**  
**(from 27 June 2022)**  
Doug was appointed a Trustee in 2022 and is Chair of the Research Strategy Advisory Board. He is Emeritus Professor of Neurology at Newcastle University. He was Director of the Wellcome Centre for Mitochondrial Research and Director MRC/BBSRC Centre for Ageing and Vitality until his retirement in 2020.



**Mike Wiseman**  
**(Independent Committee Member from 1 February 2022 to 10 April 2022, Trustee from 11 April 2022)**  
**Property and Development Committee Chair (from 1 June 2022)**

Michael is the current Head of Office Leasing and former Development Director at British Land. Michael has 20 years' experience working on all aspects of large-scale mixed-use development across the UK and has been with British Land since 2011. He has held a variety of senior positions within the business and currently leads on customer engagement across the office business. Michael has previously worked at ING Real Estate Development UK, Knight Frank and Oak Holdings. Michael is a member of the Royal Institution of Chartered Surveyors.



## Associate Trustees



### **Mark Burgess**

#### **Investment Committee**

Mark is a Partner at Tulchan Communications where he advises clients on a broad range of City and Shareholder related issues.

Previously Mark was Chief Investment Officer, EMEA and Deputy Global CIO at Columbia Threadneedle, a position he held for 9 years. Prior to this, Mark was Head of Equities at Legal and General Investment Management and held senior roles at Morgan Grenfell Asset Management and Deutsche Asset Management. He gained a degree in Economics and Philosophy from Keele University and is an associate of the Institute of Investment Management and Research.



### **Joseph McDonnell**

#### **Investment Committee**

Joseph is Managing Director and Head of Portfolio Solutions at Neuberger Berman. Prior to joining Neuberger Berman he spent 10 years as Head of Portfolio Solutions EMEA and Head of Diversified Alternatives for Morgan Stanley Investment Management.



### **Andrew Stoker**

#### **Finance and Resources Committee**

Andrew is the Chief Financial Officer of Rothesay. Andrew joined Rothesay in 2014 and is responsible for the finance,

actuarial and HR functions. Andrew was previously a partner in EY's risk and actuarial practice and prior to that was Chief Actuary at Lucida plc. Andrew has also held roles at PwC, Tillinghast (now WTW) and Legal & General.

## Independent Committee Member



### **Louise Sherwin**

**(from 1 February 2022)**

#### **Property and Development Committee**

Louise is a Director at Deloitte with over 15 years' experience of advising on major regeneration and property development projects. Louise is also a Chartered Surveyor and holds an MA in Geography from Cambridge University and MSc in Real Estate Investment from Bayes Business School.



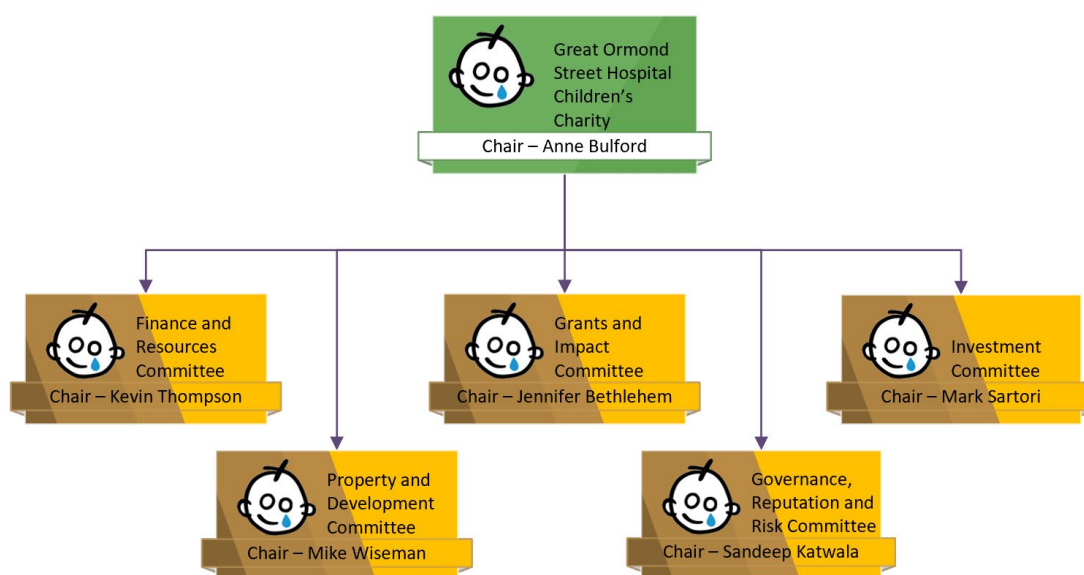
## The Board of Trustees

The Board of Trustees meets at least six times per year and is responsible for putting in place and overseeing the governance of the charity. It approves the Charity's strategy and agrees strategic plans for fundraising and other activities as applicable and approves the allocation of charitable expenditure.

The Board also sets operating plans and budgets and determines the risk appetite and tolerances acceptable in achieving the Charity's purpose and strategy. A review of operating and financial performance is undertaken at each Board meeting (excluding any ad-hoc meetings, called to deal with matters of special interest).

During the year, the Chief Executive and members of the Senior Leadership Team were invited to attend all meetings of the Trustees and the Board received presentations from several guest speakers showing the impact of the Charity's funding, with Senior Managers invited to attend for presentations and discussions of specific relevant topics.

The Board has five Committees that support the Board in key specific areas, with the position at 16 December 2022 shown below:





### **Governance, Reputation and Risk Committee**

- Ensuring the Charity has a governance structure appropriate to its size and complexity and monitoring compliance with all governance policies, regulations, laws, and sector guidelines.
- Ensuring the Charity has appropriate internal audit provision and leading on the process for tendering and appointment/reappointment of internal auditors, approve annual internal audit plan, review non-financial internal audit findings, and monitor effectiveness of internal auditors.
- Policy setting and monitoring of all fundraising and digital activity, including the fundraising and digital strategies, fundraising practices, supporter commitment and use, guidelines and monitoring of third-party fundraising agencies and complaint monitoring.
- Engaging with other charities, charity regulators and other representative bodies to enhance the reputation of the charity sector.
- Reviewing risk management policy and risk register, monitoring all key non-financial risks of the charity, and ensuring the charity is operating within the risk appetite and tolerance levels set by the Board.
- Monitoring the Charity's reputation and setting policy for the identification, assessment, management, and resolution of material reputational risk to the charity as well as understanding the opportunities available to enhance the reputation of the charity.

### **Finance and Resources Committee**

- Monitoring and review of the integrity of the Charity's financial statements and financial reporting, including the approval of all accounting policies and financial

oversight of the Charity's trading subsidiary.

- Agreement of both external audit and finance and resources internal audit plans and reports. Review findings of external audit and finance and resources internal audits.
- Overseeing the process for appointing the External Auditor including setting the audit fees and reviewing effectiveness of the external auditors.
- Monitoring of technology projects plus financial aspects of major Charity projects.
- Review of the annual business plan, budget and pay award proposal on which it makes recommendations to Trustees.
- Monitoring the operational arrangements in place in relation to procurement, information technology and cyber security, including overseeing the future technology strategy, including technology investment and projects.
- Overseeing the delivery and implementation of the Charity's people strategy including programmes relating to recruitment and retention, remuneration, transformation and change with general oversight of the charity's pension scheme.
- Overseeing the delivery and implementation of policies which reflect legislative requirements with respect to the reporting of equality, diversity and inclusion and monitoring progress of the charity in relation to these matters

### **Investment Committee**

- Monitoring the allocation and performance of the Charity's investment portfolios.
- Appointing professional advisors and investment managers, reviewing their appointment annually and evaluating their performance.



- Reviewing the investment strategy and related policies and recommending required changes to the Board of Trustees.
- Investing funds in accordance with the investment policy and in support of the Charity's financial plan and strategy.

#### **Property and Development Committee**

- Considering any material proposals of the charity relating to the Charity's property interests including without limitation the acquisition, disposal, development, capital expenditure on, mortgaging of or financing of such property.
- Reviewing and recommending to the Board the strategy for the Charity's estate in support of the hospital, ICH, and the charity, and to monitor its implementation.
- Monitoring progress on all redevelopment projects that the Charity supports.
- Overseeing the Charity's disbursements relating to the hospital's property interests.

#### **Grants and Impact Committee**

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

All committees report directly to the Trustee Board, and each meet at least three times per year.

## **Management**

As Chief Executive, Louise Parkes has responsibility for ensuring that policies and strategies agreed by Trustees are applied as well as ensuring effective operational management of the charity. The Chief Executive works alongside four executive directors, each of whom has responsibility, experience and expertise in specific areas key to ensuring the stability and development of the charity, as well as wider knowledge and experience to drive sector-leading change. Trustees meet with the executive directors in Board and Committee meetings (and frequently outside these meetings) to review and discuss ongoing critical and strategic issues and to determine where Trustees may add best value to the Charity beyond Board and Committee membership, while ensuring they remain independent.

## **Charity Governance**

Good governance enables and supports the Charity in complying with relevant legislation and regulation. It also promotes attitudes and a culture where everything works towards fulfilling the charity's vision. We have firmly embedded high standards of governance into all our activities, including how we fundraise, and we are committed to demonstrating exemplary leadership and governance and continual improvement as the regulatory environment evolves.



## Standards and monitoring

Throughout the year, the Charity continued to be in a strong position with its governance arrangements. We have an experienced Corporate Services team who provide subject matter expertise to the Charity across all areas of governance including corporate, legal, data protection, fundraising, and general compliance. The Charity has also developed robust working relationships with several external professional organisations, who continue to provide additional resilience and specialist expertise as and when required.

The Trustee Board holds overall responsibility for ensuring good governance. In this it is supported by the Governance, Reputation and Risk Committee which focuses on oversight, scrutiny and governance matters related to fundraising regulation and reputation, legislative compliance, and non-financial risks. An internal Compliance Forum, chaired by the Company Secretary, Corporate Services reports into the Governance, Reputation and Risk Committee and is made up of representation from across the Charity. The Forum meets three times a year providing a framework to ensure the charity maintains an appropriate level of governance and compliance across its operational activity and business.

Grant Thornton acted as our internal auditors during the financial year and maintained an internal audit programme which incorporated several key audits covering relevant governance matters, including review of our third-party agencies. The internal audit programme for 2021/22 was delivered despite continued disruption from COVID-19 and Grant Thornton provided regular reporting and considered support to the Governance, Reputation and Risk Committee and the charity generally throughout the year. In January 2022, the Charity conducted a tender process for its internal audit supplier and as a result have appointed BDO as its new internal audit partner from 1 April 2022. The Charity expresses its thanks to Grant Thornton for the services provided over the years and welcomes BDO as the incoming internal auditors from 2022/23.

The Charity maintains a governance review programme which incorporates regular board evaluations and review of governance practice against relevant legislative, regulatory, and best practice requirements as detailed in the Board Objectives and Performance Review section below.

The Charity uses the Charity Governance Code (in addition to other sector guidance, codes, and regulations) to benchmark its governance processes. In addition, the Code is a useful tool to support our continuous improvement applying the principles and rationales laid out in a way which underpins our values and helps inform decision-making.

In May 2021, the Charity Commission approved additional powers for GOSH Charity to transfer, or otherwise grant or dispose of the whole or any part of the property of the charity to the Hospital and that the Trustees, without prejudice, may make any such transfer, grant or disposal on such terms as they saw fit. Following on from this, the charity took the decision to review and update its Articles of Association, to reflect the disposal powers and make a minor administrative correction throughout to update reference to “Chairman” to “Chair” or “Chairperson”.

The Charity continues to ensure it keeps abreast of changes, and potential changes, in legislation and regulation both within the charity sector and wider, and actively participated in consultations issued by the Government Department for Business, Energy and Industrial Strategy (BEIS) Consultation on Restoring Trust in Audit and Corporate Governance and that issued by the Department of Culture Media and Sport on reforms to the Data Reforms. The Charities Act 2022 came into force in February 2022 and the provisions are being implemented in a phased approach. We are assessing and updating our internal processes as the changes come into effect. In addition, we are aware of, and monitoring, progress of the Data Protection and Digital Information Bill which is currently in draft form and being considered by the



Government. . As this passes through into legislation, we will seek to review and update our internal processes as necessary.

We firmly believe that our understanding, involvement, and engagement with these types of consultations provides us with the opportunity to help shape and build good practice, better understanding developments across the sector.

## Board Objectives and Performance Review

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

The Board regularly evaluates the effectiveness of its structure, decision making processes and its performance as part of its commitment to continuous learning and improvement.

During the financial year 21/22, the Board commissioned and completed an internal Board Evaluation process, and four of the five Committees undertook an internal Committee Effectiveness Review, with the fifth Committee completing its process in Summer 2022.

The internal board evaluation process assessed Trustees' opinion against statements in sections on organisational purpose; leadership; strategy; risk; board capability; board behaviours; board development and support; delivery; financial health; internal controls; and stakeholder relations. Overall, this process provided a positive result showing that Board business was generally well managed, suggesting that the changes in leadership and management over the past few years have settled into a structure that is working well. The Charity benefits from a thoughtful, informed Board made up of competent people including experts who bring real skills and a collaborative approach to working with fellow trustees and management. In reviewing the opportunities identified, the following were noted:

- Good progress has been made on EDI but there remains work to do to ensure the charity's EDI Strategy is fully embedded, and reflects the diversity of the hospital community and the children and families we exist to support;
- The charity is in the very early stages of exploring ESG and Trustees should seek to focus on how best they can help the senior leadership team in identifying and defining what ESG means for the charity and how this can be articulated in a way that is both meaningful for us and our stakeholders;
- It is recognised and acknowledged that further work is being done on an impact framework that would enable the charity to understand the difference our funding has made to beneficiaries and how best to evaluate and communicate that. Further work should be done to measure, monitor and report to Trustees on the value of our impact.

These opportunities for improvements were, however, identified against a background of strong foundations with a focus on optimising what the charity already has and further embedding suitable other areas and these will be focused on the coming year.

In line with best practice, and having undertaken an internal Board evaluation for the last few years, the Charity commissioned an external consultant to undertake a full Board evaluation which started in September 2022 and is due to report back in January 2023.

The Board, and each Committee, continues to maintain a forward agenda, which is used to facilitate agenda setting and ensures that Committees are reviewing and assessing all areas of responsibility escalating matters to the Board at the appropriate time.

Since the last Annual Report and Accounts, each Committee completed a self-review process, reporting back to the Board on their performance and putting forward the proposed Terms of Reference for



approval. As a result of this process, the Terms of Reference for each of these Committees were reviewed and, where necessary, updated and enhanced to ensure clarity on responsibilities with minor amendments being made in some cases. In addition, each Committee considered how best it could continue to support the Board going forward, and this had the benefit of highlighting several areas where the Committee should maintain a watching brief to ensure it best supported the Board. Each Committee will ensure these reviews are undertaken annually.



## Section 172 – Carrying out duties, decision making and stakeholder engagement

The Trustees of the Charity understand that their duty as individuals and collectively is to act in good faith and within their powers to promote the success of the Charity for the benefit of our beneficiaries and wider stakeholders as well as the wider public. As such, Trustees take several factors into consideration when making decisions and carrying out their duties:

### ***Long-term consequences***

The Charity operates under strategic and long-term plans as detailed in this report. Detailed plans are developed to assist the Charity to achieve its long-term plans, and the Trustees consider decisions based on their impact on the long-term strategic plans of the charity. The Charity operates under a risk management framework as set out on pages 44 to 51, which ensure all areas of risk are considered in decision making. The Charity has also introduced a long-term finance model, which considers long term financial implications of decision making.

### ***The interests of employees***

The Trustees are entirely conscious of the value that our staff bring in enabling the Charity to transform the lives of seriously ill children. Page 56 sets the initiatives we have in place to listen to our staff and ensure that their views are represented in decision making. This year, as the country emerged from the Covid-19 pandemic, the Charity has sought to ensure it provides wellbeing opportunities and support to all staff as they return to office working following a considerable period of restrictions and home working. Hybrid working arrangements have been implemented and the Charity has sought to ensure its new office provides a safe and pleasant environment for staff.

### ***Fostering relationships with beneficiaries, supporters, and suppliers***

As our principal beneficiaries, the needs of the Hospital and ICH drive our activity. As we reached the end of Year 1 of our new charity strategy, which puts children at the heart of our decision making, with the clear purpose statement of 'Transforming the lives of seriously ill children', the Chief Executives of both the Charity and the Hospital attend Charity Board meetings to ensure Trustees are kept informed of issues and challenges they face. The Hospital Priorities Steering Group continues to provide a cross-organisational group ensuring Charity funds are utilised to achieve the greatest impact and we can align our charitable expenditure with the priorities of the Hospital. Patients and their families form a central part of our decision-making process, and we continue to strive to ensure impact is at the heart of what we do, as you can see on pages 9 to 15. We are developing our new research strategy for 2022-2027 in partnership with the Hospital and ICH and hope to partner with national research funders for the benefit of families everywhere. We have continued to develop our property strategy and will present this to Trustees during the financial year 2022/2023 so we can ensure that we build a strategy central to the needs of patients and their families.

Our supporters and suppliers are fundamental to our success, and as set out on page 55 we follow the Fundraising Regulator's Code of Fundraising Practice and uphold our Supporter Commitment as well as ensuring that we treat people fairly. Across the Charity our staff ensure that relationship management is carefully considered to provide supporters and suppliers with a positive experience. In addition, we are conscious of the importance of the relationships we hold across the sector and seek to engage and help to promote the sector where possible. Working in partnership remains a key priority for us as set out in the organisational strategy and we continue to seek new to deliver and enhance our charitable activities by working in partnership.



***The impact on the community and environment***

This year we have continued to be mindful of the role we play in the wider community and environment and ensure we take responsibility in a variety of ways, including through improved reporting on ESG as set out on pages 20 to 59. We are committed to understanding more about the broader environmental aspects and their impact on us and our charitable purpose, ensuring we have the means to assess and improve our ability to operate successfully whilst developing strategies for potential long-term environmental disruptions and opportunities.

***Maintaining a reputation for high standards of conduct***

The Trustees ensure full and appropriate compliance with all relevant regulations, laws, and good governance requirements, and have a continued commitment to good governance as set out on pages 30 to 55. The Trustees consider whether they have sufficient information when making decisions, and actively seek external advice from bodies such as regulators where necessary. The Trustees also engaged Grant Thornton during the year to carry out internal audits to ensure compliance and good practice throughout the operations of the Charity and look forward to welcoming BDO as our new internal audit partner in 2022/2023.

***The need to act fairly between members***

The Charity does not operate under a membership scheme. Trustees therefore believe this element of the Section 172 does not apply to the Charity. However, as our stakeholders are primarily our beneficiaries, we aim to act fairly in how we allocate resources to projects by ensuring consistent review by committees as set out in pages 37 to 38.



## Risk Management Framework

All well-run organisations will have a comprehensive risk management framework in place to identify risk areas and determine the organisation's risk appetite, i.e., the level of risk the organisation is willing to take. The risk management framework sits above the organisation's risk register, which records and rates significant risks, as well as recording mitigations in place and agreed actions to reduce risk.

Trustees are responsible for ensuring that GOSH Charity has an effective risk management framework and risk register in place and that these are reviewed regularly - annually for the framework, at least quarterly for the register.

Net risk is defined as the risk remaining to the charity after all existing assurance and controls to manage the risk are taken into account.

### Purpose driven approach to risk

The starting point for determining our risk management framework is our purpose. Our purpose is to: Transform the lives of seriously ill children through research, care, and advocacy.

In our risk management framework, we identify those net risk areas that could significantly impact the successful realisation of our purpose and strategy, and the assurance and controls we need in place to manage these risk areas most effectively, e.g., through risk elimination, reduction, mitigation, acceptance.

At the same time, we realise that some risk is inherent to us as an organisation and the environment we work in as well as the activities required to deliver our purpose. We also recognise that not all risk is negative, and that we have a duty to take proportionate risks to maximise contribution and therefore the impact the charity can have. We therefore accept a level of risk but always within the context of, and in a manner consistent with, our values.

### Guiding Principles

Our risk management framework sets out the overall boundaries within which the charity operates but we also need practical guidance that charity staff can use on a day-to-day basis. We have therefore established guiding principles in respect of our net risk appetite, i.e., the level of risk we are prepared to accept.

### Risk Appetite Definitions

The below table sets out brief common-sense definitions of what we mean by the different net risk appetite ratings. It is recognised that a level of judgement and subjectivity will apply to these qualitative definitions.

### Net Risk Appetite Table

Net Risk Appetite	Definition
Zero	While accepting that no activity comes with literally zero risk, GOSH Charity does not have any appetite to accept any reasonable avoidable risk in this area
Low	GOSH Charity is willing to accept some risk, but at a fairly minimal level, in relation to this area
Low/Medium	This rating covers where some activities within the risk area fall into Low and some fall into Medium without it being considered practical to split this risk area into two or more
Medium	GOSH Charity is willing to accept, and potentially seek out and promote, activities which come with a moderate amount of risk in this area



Net Risk Appetite	Definition
Medium/High	This rating covers where some activities within the risk area fall into Medium and some fall into High without it being considered practical to split this risk area into two or more
High	GOSH Charity is willing to accept, and potentially actively seek out and promote, activities which come with a significant risk, e.g., because the potential upside or gain warrants this approach

### Net Risk Management Framework Table

Risk area	Net risk appetite	Guiding principles
Legal and regulatory	Zero	We will be legally compliant in all aspects of our operations and we will take a zero-tolerance approach to slavery and human trafficking
Culture	Zero	We will have an inclusive and diverse culture where people are proud to work. We have zero tolerance for discrimination or bullying/harassment
Data loss or unplanned / unauthorised disclosure	Zero	We will not compromise the confidentiality of personal data, including ensuring any third-party processors uphold our standards
Cyber	Zero	We recognise there is a cyber risk of hacking into our systems, data theft and ransomware. We will minimise this by reviewing where cyber risk exists and how best we can eliminate, mitigate or otherwise control this risk
Fraud	Zero	We recognise that some of our activities carry a risk of fraud. We will minimise this by reviewing where fraud risk exists and how best we can eliminate, mitigate, or otherwise control this risk
Environmental, Social and Governance (ESG)	Low	We will strive to maintain and improve performance regarding ESG and sustainability considerations, as applicable to the charity's activities
Reputation	Low	Our reputation is fundamental to realising our purpose and strategy and is integrally linked to the hospital's reputation and activities. We always aim to minimise risks to our reputation and to that of the hospital
Advocacy	Low	We will advocate for change in line with our purpose and strategy. We accept this brings some risk, e.g., reputation, and financial, e.g. where others hold a different opinion



Risk area	Net risk appetite	Guiding principles
Financial Sustainability	Low / Medium	We will maintain a sustainable financial/business model that maximises charitable contribution and impact over the medium-long term with acceptable cost/income and charitable expenditure ratios. We recognise that within this model we may take moderate risks in order to realise our purpose and strategy, e.g., investment in non-cash assets, investment in fundraising, including innovation, and financing the Children's Cancer Centre
Fundraising	Medium	We will fully comply with fundraising regulations and guidelines, including the Fundraising Regulator's Code of Practice, and uphold sector standards in our fundraising activities, monitoring our fundraising activity to ensure that the public have a positive experience. Moderate risks may be taken in line with fundraising policies. These risks are managed on a business case basis, depending on the degree of risk and size of potential donation/income stream balanced against reputation considerations
Research and Grants	Medium	We invest in many areas, including pure/basic research with no clear commercial return or guarantee of clinical success. We welcome this research as necessary in pursuit of impact from ground-breaking new science and clinical approaches, in line with our purpose and strategy
Commercialisation of assets	Medium	We will regularly review and consider the various ways we can use all of our assets to provide the greatest impact, whether by income generation or direct charitable support
Partnerships	Medium	We actively seek to work in partnership with others in order to further our purpose. We have a robust due diligence process to ensure partners work to the same high standards as us
Digital	Medium	We invest in digital skills and technologies to optimise our data management and improve user experience
Innovation	Medium / High	We invest in new, untried activities within acceptable financial and reputation constraints recognising that not all such activities will deliver their intended return



Risk area	Net risk appetite	Guiding principles
Major capital projects	Medium/ High	We recognise that major capital projects come with risks, e.g., scope changes, financial overruns. However, these projects also provide huge opportunities for us to deliver impact for children, e.g., the Children's Cancer Centre, a hospital 2020-25 strategic goal. We ensure a robust process is applied for approval of these projects with appropriate gateways and milestones and further approval required regarding any changes to the original approved business case

### Identification of key risks: strategic priorities and impact

The risks below, relevant at the date of approval of this Annual Report, have been identified as the key net risks of the Charity that could have a materially negative impact on the ability of the charity to deliver its strategy, along with the actions we are taking to mitigate these risks.

Trustees believe that these net risks are sufficiently controlled and mitigated against, as per the below table, such that they fall within the relevant risk appetites shown in the net risk management framework table above.

In 2021/22, the Charity moved from a gross risk to net risk rating of its risks to better understand the actual risks faced by the charity. As such, net risk is shown below. There is no risk level comparison (i.e. increased, reduced or unchanged) to the 2020/21 Annual Report as that was based on gross risk. Net risk level comparisons will be given in next year's Annual Report against the net risks shown here.



<b>Risk:</b> Significant increase in budget/costs of Children's Cancer Centre (CCC)	<b>Key Risk Areas:</b> Financial Sustainability Fundraising Reputation Major Capital Projects	<b>Net Risk:</b>  HIGH
<b>Mitigations:</b> The risk of other cost increases through changes in scope and or delays are monitored and controlled through rigorous governance and project management - with a joint hospital and charity focus on containing costs.  The charity also works closely with the hospital and professional advisors to ensure that any cost increases are understood and justifiable, e.g. by market conditions or to better align the CCC with clinical requirements.  In recognition of potential ongoing remaining risks, the charity's approach to the CCC is to commit to the project on an incremental basis with project gateways up to the point of main build contract signing, expected in 2023/24 – in this way the charity will have a much clearer picture, ahead of final commitment, of the overall cost of the project and its affordability and be able to lock-in a suitable contract price.	<b>Remaining risks:</b> An application for planning permission for the CCC has been submitted but the outcome will not be known until later in 2022/23.  The Full Business Case for the CCC will be submitted for approval to the NHS later in 2022/23 and thus the outcome will not be known until end 2022/23 or 2023/24.  Significant increases in the budget/costs of the CCC would put more pressure on its affordability, i.e. the charity's ability to raise sufficient funds and its ongoing sustainability as set out elsewhere in this risks section.  High inflationary pressures in the London construction market have previously resulted in construction cost overruns, and the economic impact of COVID-19, the war in Ukraine and Brexit may bring further uncertainty and cost pressures.	

<b>Risk:</b> Unsustainable charity business model	<b>Key Risk Areas:</b> Financial Sustainability Fundraising Reputation	<b>Net Risk:</b>  MEDIUM
<b>Mitigations:</b> Financial projections on a range of scenarios have been developed with projections up to and including the financial year 2030/31. The outputs have been reviewed by the Finance and Resources Committee and the Board, in particular with a view to determining whether the charity's Strategy is affordable, particularly the level of investment in fundraising and the level of commitment for the Children's Cancer Centre.  The Board will not commit the projected investment in the Children's Cancer Centre unless it is satisfied that the project risk is within tolerance and the Finance Model at this time shows the charity to be sustainable, including allowing for any mitigations that may need to be put in place.	<b>Remaining risks:</b> These are effectively the remaining risks shown in the other risks included in this section.	



The investment in fundraising is similarly reviewed on a regular basis to ensure that it is delivering in line with the fundraising strategy.	
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<b>Risk:</b> Coronavirus causes major disruption to fundraising and income	<b>Key Risk Areas:</b> Financial Sustainability Fundraising	<b>Net Risk:</b>  MEDIUM
<b>Mitigations:</b> With Covid regulations in the year being relaxed, all fundraising activities can continue as planned, with appropriate measures in place to protect the public and the charity's reputation.  The situation will continue to be closely monitored, as any future variants and/or new restrictions may limit our ability to undertake events and direct dialogue fundraising activity, and therefore also limit our ability to deliver our investment programme.	<b>Remaining risks:</b> Future variants or outbreaks of coronavirus cause sustained disruption to fundraising activities, income & investment plans.	

<b>Risk:</b> High levels of uncertainty in the political and economic environment - reduce the charity's ability to raise sufficient income to fund ongoing and future projects, including redevelopment and research	<b>Key Risk Areas:</b> Financial Sustainability Fundraising Reputation Research and Grants Major Capital Projects	<b>Net Risk:</b>  MEDIUM
<b>Mitigations:</b> It is difficult to assess the potential impact on fundraising of the current uncertainty and resultant outcomes on financial position of our donors and potential donors, with potential long-term impacts.  The Fundraising Strategy has explored other fundraising streams and potential sources of donations and income that may be able to offset any downside impact on UK donations.  The charity continues to invest in innovation to seek and explore new methods of fundraising or ways to update current fundraising in order to grow and diversify its sources of funding.	<b>Remaining risks:</b> The wider economic situation is beyond the control of the charity and may remain uncertain for some time.	



<b>Risk:</b> Reputation - scrutiny of hospital clinical and ethical decisions, scrutiny of charity fundraising, potential scrutiny of large donors – overall risk amplified by social media	<b>Key Risk Areas:</b> Reputation Financial Fundraising	<b>Net Risk:</b>  MEDIUM
<b>Mitigations:</b> GOSH and GOSH Charity both have professional communications teams. There is close collaboration between the two organisations at all levels to manage the hospital's and charity's reputation.  We aim to always operate to high standards and prevent any actions which may bring the charity into disrepute or give rise to adverse public or media comments. Over recent years we have invested significantly to further strengthen our governance and compliance resources and controls and undertaken additional compliance and control verification with our third-party fundraisers.  We aim to have an open and transparent dialogue with our supporters and stakeholders and also the public at large and through this approach address any concerns raised.  When incidents arise, we have robust response and communication systems in place to engage with all relevant stakeholders.	<b>Remaining risks:</b> Certain factors are beyond the charity's control and the charity may be adversely impacted by the sentiment and concerns for the wider charity sector and the hospital.	

<b>Risk:</b> Cyber security - breach which results in significant data loss, impacts our ability to function and undertake fundraising activities and/or has a significant long-lasting adverse effect on reputation	<b>Key Risk Areas:</b> Data loss or disclosure Cyber Reputation Financial Fundraising	<b>Net Risk:</b>  MEDIUM
<b>Mitigations:</b> The Technology team ensure adequate levels of security of charity devices including encryption, passwords, anti-virus software and patches regularly updated and developments and potential attacks monitored.  The charity continues to invest in infrastructure and controls to minimise cyber security risks. All staff receive cyber security e-learning.  Annual penetration test and action to close any issues identified.  Annual phishing test and appropriate action taken, including staff awareness training.  Internal audits regularly taken to review systems in place and risks (both to protect against cyber risks and in respect of business continuity) including a	<b>Remaining risks:</b> Improvements in phishing attacks and other types of cyber-crime as well as 3 <sup>rd</sup> party risk mean that there is always some inherent residual cyber security risk.	



<p>'Cyber Security - Managing People Risk' internal audit in the year.</p> <p>Ensuring that only suitable 3<sup>rd</sup> parties are used by the charity for cloud-based and other managed service systems, with the lowest levels of access needed by them given by the charity.</p> <p>A new cyber security partner was appointed in April 2022 and we are working with them to further improve our cyber security.</p>	
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<p><b>Risk:</b> Managing Change - significant project work and change programmes, together with increased cost of living and recruitment and retention, impact the charity's ability to deliver against the Strategy and the 2022/23 Business Plan and Budget</p>	<p><b>Key Risk Areas:</b> Financial Reputation Fundraising</p>	<p><b>Net Risk:</b>  MEDIUM</p>
<p><b>Mitigations:</b> The charity benefits from a strong Board and Committees and a capable and experienced SLT. There is a need for Trustees and SLT to recognise the balance between setting out an ambitious Strategy and set of deliverables and the capacity of the charity to deliver to that timescale, bearing in mind the current challenging operating environment. This is an area which will be kept under review.</p>	<p><b>Remaining risks:</b> Ongoing need to balance delivery of ambitious strategy against capacity of charity in current challenging operating environment.</p>	

### Risk identification, mitigation, review, and reporting

Every member of the Charity is encouraged to identify and report existing and emerging risks on an ongoing basis. A centralised risk register records and evaluates these risks, with mitigations agreed as appropriate.

The risk register is regularly reviewed by the Senior Leadership Team (who are also considered the key management personnel of the charity, as set out in Note 6.3) and all high rated net risks are reported to Trustees. The Trustees acknowledge that some projects or activities may still incur a residual high level of net risk, but where it is felt that this exposure is appropriate to help meet the charity's purpose, the Board seeks assurance that the actions and controls to mitigate the risks are robust and effective and that all reasonable steps have been taken to minimise the risk.

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

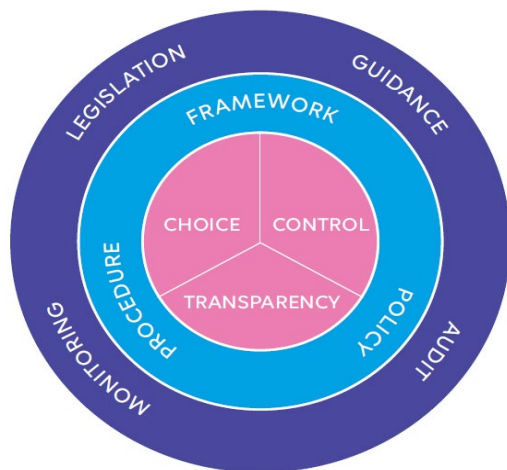
The Committee undertakes deep dives into activities to ensure that risks have been given due consideration, appropriate levels of due diligence have been carried out and that mitigations put in place are effective.

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



## Data protection and information governance

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



The Charity implemented a privacy management programme in 2018 to coincide with the implementation of the General Data Protection Regulation (GDPR) and we continue to ensure this programme remains appropriate and fit for purpose as our legislative framework evolves following our departure from the EU and the Data Reform Bill announced in the Queen's Speech.

The principles of Choice, Control and Transparency remain at the heart of what we do, and our culture continues to promote putting the individual first, ensuring compliance with privacy legislation.

Our Company Secretary, Corporate Services, acts as our Data Protection Officer, and has operational responsibility for our compliance in this essential area. The Company Secretary works closely with Trustees, our CEO, the Senior Leadership Team, and all our staff and partners.

Outside of ongoing monitoring of both our, and our third-parties, compliance against privacy legislation, key activities throughout the year have continued to focus on areas of development including records retention, EDI data collection, and our marketing consent model. We are aware that the UK legislative framework continues to remain subject to change with further updates anticipated to the legal framework during 2022/23. Looking forward, the Charity remains committed to ensure it keeps its Privacy Management Framework and use of personal data under review to ensure it supports the legislative framework and provides the most effective and efficient support for our strategic priorities, reflecting our values and organisational vision.

## Cyber Security

With hybrid working now the "norm", the world has seen a marked increase in cyber-attacks, in particular from phishing attempts, and the charity is no different. Global issues, such as the pandemic, and now the war between Russia and Ukraine have seen cyber security attacks on governments and businesses increase at a staggering rate. To date, the attacks the charity has encountered have been limited to opportunists/groups running unsophisticated phishing attacks, but the technology industry is predicting these types of attack are on the increase, here to stay and are growing in sophistication.

Our focus on cyber security throughout the year has resulted in investment in enhanced technology and processes. We are conscious that cyber security is an area which evolves rapidly and constantly and are committed to keep our processes, procedures, and technology under review, ensuring we regularly update what we have in place to ensure that we are mitigating risk as much as possible to protect charity systems and services.

In 2021/22 we provided phishing training to all staff using an external provider, as well as our annual systems penetration test. Grant Thornton also carried out a 'Cyber Security – Managing People Risk' internal audit with no 'High' findings; we are currently implementing agreed actions.



Cyber security will continue to be a key focus for us as we move into the next financial year and, in the first quarter of 2022/23, we have partnered with a cyber security specialist to assist us in implementing and embedding a cloud-based cyber security solution that will provide us with assurances that cyber security risks are being monitored, detected, and managed 24/7 in a robust and pro-active way. The cyber security specialist will work as an extension of our own technology experts and assist us in key operational and strategic decisions going forward.

## Fundraising and Fundraising Standards

### Principal fundraising activities

The Charity benefits from a broad and diverse supporter base who choose to donate in a wide variety of ways.

During 2021/2022 the main forms of fundraising were:

- Regular giving – more than 194,000 supporters made regular donations, usually monthly, as well as over 25,000 supporters playing the weekly lottery.
- Individual donations – for example, major philanthropic donors giving to a specific project or individual supporters responding to a charity appeal, entering a raffle or our weekly lottery, or buying merchandise.
- Community fundraising – we needed to be flexible in our community fundraising as many of our events remained adversely impacted by the Covid-19 restrictions, therefore our switch to virtual events during the previous financial year continued with a focus on Facebook Challenges. We also introduced clothing bags as a way of fundraising.
- Corporate fundraising – corporate partners chose to give donations to the charity, delivering cause-related marketing programmes and/or engaging with their employees to help raise vital funds.
- Legacies – we received notification of 598 legacy gifts this year, where supporters have chosen to give a gift to the charity in their Will.

### Fundraising on our behalf

We continue to use agencies and third parties to help us with certain elements of our fundraising, including door-to-door, telephone, and private site fundraising as well as the processing of regular donations. Throughout the year, and as part of our fundraising strategy, we onboarded three new fundraising agencies to support us in undertaking fundraising activity. All our agencies and third parties are thoroughly vetted and briefed on the objectives of the charity and the need for them to comply with and meet our high standards, including the Code of Fundraising Practice and our Supporter Commitment. Staff benefit from regular training about the work of the Hospital and the charity's values and expectations of standards, and we regularly monitor and oversee the agencies activities through a combination of methods such as call monitoring, mystery shopping, meetings and reporting, and internal audit reviews.

We have flexed and adapted our fundraising activity regularly throughout the year because of Covid-19 and we have worked closely with agencies and third parties to ensure that, where necessary, activity was suspended, or measures put in place to ensure it could be undertaken safely and in compliance with the restrictions and social distancing requirements in place at the time.

We have fundraising contracts with all our agencies and third parties who undertake fundraising activity on our behalf and each contract complies with the requirements of the Charities (Protection and Social Investment) Act 2016 and best practice, outlining our expectations, including in relation to modern slavery and equality, diversity and inclusivity as well as containing robust oversight measures.



## Supporter Commitment

We feel very privileged to have the support of so many generous individuals and organisations who help us raise funds, and we recognise that it is not only what we do that matters but also how we do it. In addition to committing to following the Fundraising Regulator's Fundraising Promise, we continue to maintain our own Supporter Commitment. The Supporter Commitment is our promise to always strive for sector-leading standards in fundraising practice and we pledge to our supporters that:

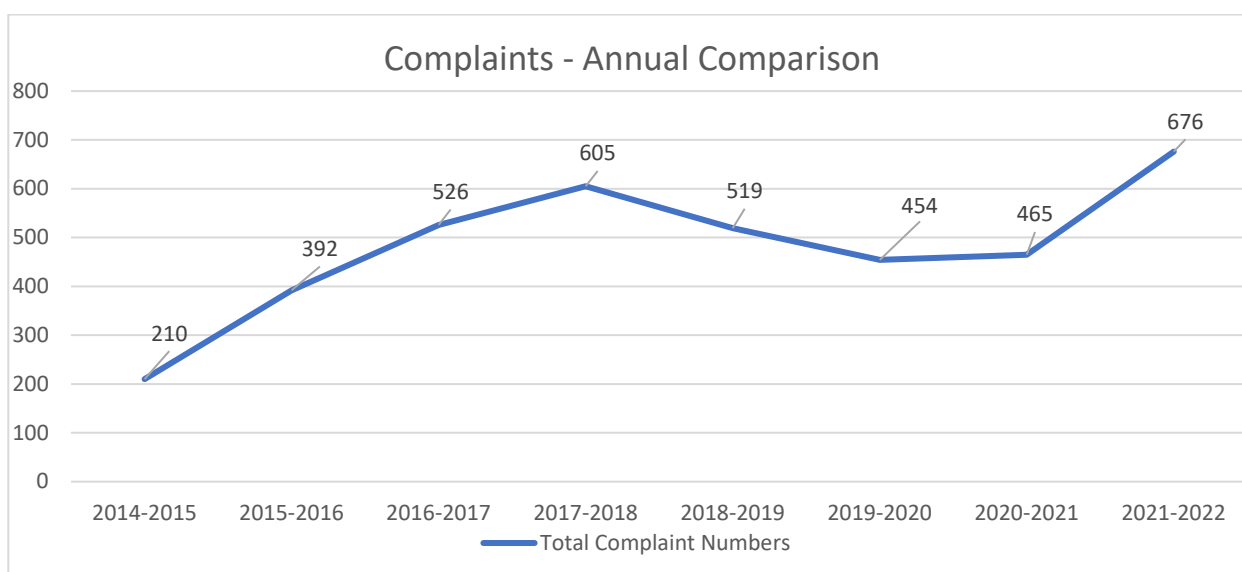
- we will treat you with respect
- we will be honest and open
- we will commit to high standards
- we will let you know the difference your donation is making
- we will communicate with you based on your wishes
- we will not pass on your data
- we will take complaints seriously

Our full Supporter Commitment is published on our website.

## Complaints

Our Supporter Commitment recognises our pledge to take all complaints seriously. Over the last financial year, we have continued to ensure our policy and processes for handling complaints are embedded and that every complaint received is treated with the respect it deserves and as an opportunity for us to learn and improve our services.

For the year 2021/22, we received a total of 676 complaints. We recognise this is higher than those received during 2020/2021 and the increase in overall numbers is directly attributable to the increase in face-to-face fundraising activity that has occurred during this financial year. With the approval of the fundraising strategy, and subsequent onboarding of three new agencies, we ran seven new campaigns for the period 1 April 2021 to 31 March 2022 across our lottery and regular giving programme. Having said that, whilst the overall number of complaints has increased, the ratio of complaints to fundraising activity has slightly decreased from the previous year.



We recognise that most complaints received continue to be in relation to the face-to-face fundraising activity and whilst door to door fundraising does generate some complaints, it is also a crucial form of fundraising that provides us with an opportunity to talk to donors about the impact of their donation in



line with our supporter commitment. With that in mind, we continue to monitor and review our activities, complaints numbers and ratios and the types of complaints coming through on a regular basis.

Complaints reporting is provided regularly to our senior leadership team and our Trustees and is taken very seriously. The charity's Governance, Reputation and Risk Committee supports the Board of Trustees in monitoring complaint management and receives regular reports.

## Fundraising Regulation

GOSH Charity continues to maintain its registration with the Fundraising Regulator and holds memberships with both the Chartered Institute of Fundraising and the National Council for Voluntary Organisations. We remain committed to ensuring all our fundraising activities are undertaken in a way which not only meets the standards laid out in the Fundraising Code of Practice but also champions excellence in fundraising practice. We undertake due diligence on significant donations to ensure they adhere to our 'Accepting and Refusing Donations' policy.

Over the course of the year, we have continued to face complex decisions about our fundraising activity, and the changing circumstances have required us to be flexible, act fast and adapt quickly. The external environment still impacts significantly on our ability to fundraise as may be expected however, we have continued to work closely with our colleagues in the sector, including our fundraising agencies, and maintained close contact with the Regulators, to ensure our fundraising continues to be honest, open, respectful, and legal.

Throughout restrictions put in place by the Government for Covid-19, public fundraising activity has been carefully monitored and as restrictions eased and allowed us to reintroduce our activity, measures were put in place to provide advice and support to our fundraisers so they could carry out fundraising activities in a way which was safe and thoughtful and complied with the guidance issued by the Government, Fundraising Regulator and Chartered Institute of Fundraising. We are grateful to our fundraisers for their patience and understanding during this disruption.

The Fundraising Preference Service (FPS), set up during 2017 by the Fundraising Regulator, continues to provide individuals with an alternative way to prevent contact from charities. During the year to 31 March 2022, we received 63 requests from individuals who no longer wished to receive our communications through the FPS, compared with 44 in the previous year. All the requests received were actioned promptly with robust processes in place to ensure we respect the wishes of members of the public in how we interact with them.



## Our People

### Staff Wellbeing and Engagement

Staff at the charity have again been exceptional during the last year, responding brilliantly to the needs of the hospital at the same time as coping with the uncertainty and challenges of the pandemic. The charity continued throughout the year to make staff wellbeing a priority, recognising the impact of the pandemic on mental health and wellbeing.

We also acknowledge that our own organisation design internal change programme (see below) added to the uncertainty and challenges over the last two years and we are grateful for the passion, commitment, and resilience of our staff.

The charity supported staff through several initiatives, including launching a Peer Support Worker Scheme, which aimed to offer the opportunity to staff to have conversations with trained colleagues, to help normalise and validate everyday normal levels of stress, worry or low mood.

In addition, counselling and coaching sessions were offered to senior leaders to build capability to lead through change and disruption, as well as personal coaching for staff affected by the organisation design change. All staff have access to Care First, an independent support provider.

Listening to our staff continued to be a priority and regular staff Town Halls have taken place to provide opportunities to ask questions of the senior leadership team, with a quarterly staff pulse survey including questions on wellbeing and how connected staff feel to the charity.

#### **Wellbeing approach for the future**

To reflect the charity's focus on wellbeing, the charity has created a new EDI and Wellbeing Specialist role with the postholder joining the charity in June 2022. It is expected that this position will bring a more strategic approach to wellbeing initiatives at the charity.

### Organisation Design

The charity has set our organisational strategy to match our ambitions and the rapidly changing external landscape, and reshaped our organisation through a charity-wide organisation design project.

The programme has enabled us to put the charity in the best place to deliver on our strategic vision by creating a new target operating model with design principles which underpin the ways in which we work within and across the charity, as well as with our external partners and stakeholders.

To effect the changes required, the charity completed a full consultation with staff and their elected representatives with engagement carried out through a range of channels including individual consultation meetings, change representative meetings, staff survey and ongoing FAQs to respond to staff feedback throughout the period of change.

Of the 31 employees initially identified at risk of redundancy, 18 employees have been successfully redeployed with 10 of these securing promotions within GOSH Charity. Other employees identified at risk of redundancy accepted alternative roles available to them without a need to go through a selection process.

Unfortunately, due to changes to some of the roles needed, a redundancy process was required to be completed for 12 members of staff with a total redundancy cost of £185,000.

Each member of staff affected by this process was supported by the charity, including individual counselling and coaching where requested, to help individuals to move on to new roles outside the charity.



Following the organisation design process the charity in fact increased in size, with 21 new roles being added to the organisational structure.

### **TUPE**

The organisation design process also included a TUPE (Transfer of Undertakings (Protection of Employment)) transfer of the Hospital Digital Team and International and Private Care Marketing Team. In total five staff transferred on 01 March 2022 from the charity to the Hospital with the transfer supported by a Shared Services Agreement between the charity and Hospital.

### **Recruitment**

Following a year of lower turnover in 2020/21, as the world has returned to a more normal operating environment, we have seen some staff begin to move on for reasons including career development opportunities elsewhere. This, along with our organisation design work, saw slightly increased staff turnover this year and we have also welcomed many new starters to the charity too, also increasing the diversity of staff within the charity.

### **Values**

Following our organisation design process, the charity felt it was a good opportunity to review and refresh our values to ensure they were right for the charity and right for staff.

In November 2021, the charity launched a review of its values. The aim was to refresh these and ensure values were relevant to the charity's brand and history and what we aim to achieve in the future, and were inspirational and identifiable for staff and external stakeholders.

The development of the charity's values has been a process which has set out to engage staff and we have ensured that staff voices were listened to. This included using a staff values poll and holding three staff workshops through November and December 2021 and further staff feedback sessions in March 2022.

The charity believes through its engagement work and focus on our purpose and cause, that these new values will resonate with both existing and incoming staff.

The charity's new values have been officially launched and are set out below.



# OUR VALUES

A better future for seriously ill children **STARTS HERE.**



## WE ARE COURAGEOUS

We see courage every day from the children and families at GOSH. Inspired by their courage and the dedication from the hospital, we're committed to doing our very best.

Being bold and ambitious, spirited and creative. Always willing to go further, be innovative, try new things.

We make decisions to push boundaries based on insight and experience, celebrating achievements yet accept that not everything we do will work.

We have the courage to speak up and speak out with honesty, willingly and respectfully having difficult conversations when needed.

As we do this, we learn and we grow, taking accountability and ownership of what we do, as individuals and together.

### What it means:

We strive to be our very best.

### What it doesn't mean:

We take risks for the sake of it.



## WE ARE CURIOUS

We see curiosity and open-mindedness from the children GOSH treats and from the researchers making breakthroughs in treating serious childhood conditions.

This natural learning mindset is mirrored in how we work and we ensure we have the space to allow our curiosity to thrive and trust to grow.

Inclusivity is rooted into everything we do; we look for diverse perspectives, open our minds to the world and are willing to learn from everybody's experiences and knowledge.

Committed to building a learning culture, we use our insights to create the maximum impact and learn just as much from what hasn't worked as what has.

### What it means:

We are open and welcoming to new ideas and experiences, ask questions, explore and research.

### What it doesn't mean:

Our individual suggestions will always be taken forward.



## WE CARE

We see the extraordinary care the hospital gives to children and their families every day. And we take that care and embed it in the heart of our work.

It's in the passion and pride we take in our roles. It's in how we build close relationships with GOSH families, always thoughtful, always with sensitivity. And it's in how we care about our supporters' commitment to the charity and hospital, endeavouring to ensure every pound raised for our cause is used in the most impactful way.

We care for the wellbeing of our colleagues, recognising and celebrating everyone's incredible work at both the charity and the hospital.

We respect everyone's personal circumstances and who they are as people, in and out of work.

### What it means:

We are supportive and collaborative, working together to support GOSH to give seriously ill children their best chance of a brighter future.

### What it doesn't mean:

That we are always able to please everyone.

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

The new values are both a reflection of who we are now and who the charity aspires to be. Our values will now be embedded in all areas of the charity, including recruitment, employee recognition, reward and performance management, learning and development, wellbeing and EDI.

## Learning and Development

In January 2022, the charity welcomed a Learning and Development (L&D) Specialist, recognising the need for a strategic approach to deliver a competitive L&D programme that will enable our staff to grow, realise their potential and achieve high performance at GOSH Charity.

Induction is vital to ensure all staff get to understand the charity and their role in achieving the cause, develop contacts with colleagues and have an early opportunity to establish connection to our cause.

The L&D Plan will focus on professional development for staff to enhance staff existing skills and knowledge and respond to individual aspirations and also Leadership and management development. Embedding our values in the L&D offer will also be a key feature of our L&D programme.

## Future Ways of Working

We continued to take action to reshape how we will best support our charity strategy by engaging staff in our Future Ways of Working (Future WOW) programme which started last year with us moving from our pre-COVID-19 office and establishing new ways of working in a new office of half the size in the same building, where no one has their own desk and with more flexible and collaborative space.

This has seen us successfully move to a hybrid working model, with a 'test and learn' approach in place to see how the model fits with business and operational needs, as well as addressing staff requirements for new working arrangements including the desire for more flexibility in the post-Covid environment.



## Volunteering

In 2021/22, due to the pandemic, volunteering activity from our 541 registered volunteers was again put on hold. We intend to set out a new volunteering framework in 2022/23 and are currently recruiting a Volunteer Business Partner to bring in a fresh strategy and approach to implementing a volunteering offer across the charity and in support of our fundraising and Hospital activities.

## Remuneration

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

As a result of the financial impact of COVID-19, the April 2020 pay review was suspended and no increases in pay were made. The April 2021 pay review saw all eligible staff receive the same flat increase to their salaries, giving an average increase in staff pay of 2.0%, with higher percentage increases for lower paid staff. The April 2022 pay review saw all eligible staff receive a 3.0% increase to their salaries.

A full review of our approach to Pay, Reward and Performance will take place in 2022/23.

## Executive pay

In determining executive pay, the Board of Trustees pays close attention to the fact that our income comes from generous supporters who ultimately want the best for children and families at GOSH, and that our income fluctuates year-to-year depending on the projects we are fundraising for at the time. As with the salaries of all staff, the salaries of the Executive Team are benchmarked both across the sector and industry as a whole and we pay market rate both in the sector and professionally. Charity executives received the same annual increases in pay as for all staff, as set out above.

As well as the above information, please also see the 'Social' ESG section starting on page 24 which includes information on Equality, Diversity and Inclusion and our gender pay gap reporting.



## Financial Review

### Income

The charity had a strong financial performance in the financial year ended 31 March 2022.

Our total income of £74.5m represents an increase of £6.1m (8.9%) against the previous financial year's position.

Of the £74.5m income, £71.5m (96%) came from fundraising income streams, as per the top 5 categories shown in the chart below.

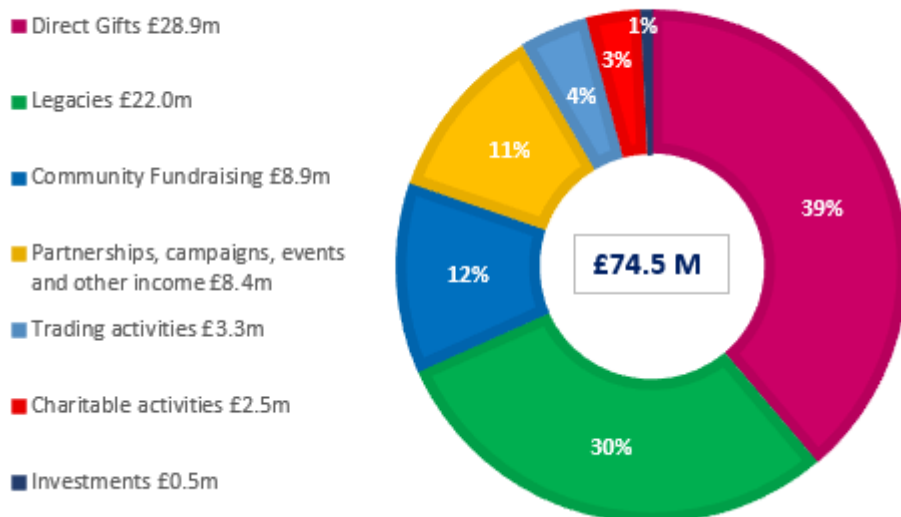
While Covid did again have a negative impact on fundraising this year, the charity was able to increase its activities against prior year, when the impact of Covid was higher. In particular, increased activity led to increased income against prior year of £3.1m in community fundraising, £1.2m in fundraising trading activities and £0.8m higher in partnerships, campaign, events and other income. There was also a £3.9m increase in legacy income. Direct gifts were down £1.7m, however this income is impacted by whether we have any large property redevelopment gifts from individual philanthropists or trusts in the year and we expect these donations to grow in 2022/23 as we start to fundraise for the Children's Cancer Centre.

These 5 fundraising income streams ensure the charity has a diversity of fundraising activities across a wide supporter base and helps provide resilience against challenges in one or more of these areas.

Of the £2.5m income from charitable activities, £1.8m was rental income arising from property owned by the charity in support of the hospital (e.g. staff accommodation, parents accommodation, the Zayed Centre for Research into Rare Disease in Children) with the balance made up of grant donations to the charity for specific activities and investment income.

Investment income represents income from fixed term cash deposits and bank interest.

### WHERE OUR INCOME CAME FROM IN 2021/22



There were no major hospital property redevelopment fundraising appeals in the year. This will change in 2022/23 as we begin to fundraise for the Children's Cancer Centre.

The charity would like to thank all our supporters. Whether through making a regular monthly donation, taking part in or donating to a fundraising event, or leaving a gift in your will, every supporter makes our work possible and helps transform the lives of seriously ill children.



## How our money was spent

Our total expenditure in the year was £59.2m, £13.1m higher than prior year.

Expenditure on raising funds was £27.7m, an increase of £9.0m, mainly driven by the increase of £7.8m in expenditure on raising direct gifts from individuals and trusts, and in particular the acquisition of more regular givers, as we undertook year 1 of our transformational 10-year fundraising strategy to materially increase long-term net income in order to make an even bigger positive difference to the lives of seriously ill children.

Ongoing focus is given to ensuring that the charity maximises the cost effectiveness of its activities, obtains value for money and provides high standards of supporter care and compliance to fundraising standards.

Expenditure on charitable activities was £31.5m, an increase of £4.0m. This increase reflects higher commitments made for property redevelopment projects, specifically £9.25m for the preparatory works required on the Children's Cancer Centre hospital site ahead of construction (such as decanting existing services on this site to alternate sites), offset by £5.5m lower research commitments due to timings of some projects where our investment will now fall in 2022/23.

Funding is provided by the charity for research, welfare and clinical development, medical equipment and systems, and patient, family and staff accommodation and other support, as well as for redevelopment. Commitments made to the hospital's redevelopment and major infrastructure, systems and equipment projects usually extend over a number of years and this can give rise to significant variations in expenditure and/or amounts held in the charity's designated funds from one year to the next.

Expenditure on raising funds and charitable activities includes an allocation of £11.9m (2020/21: £11.6m) for support costs, as required by charity accounting rules and as set out in note 4 to the financial statements.

In 2021/22 the charity had capital expenditure of £0.6m (2020/21: £1.6m) including £0.3m (2020/21: £1.5m) on property it owns as part of its charitable commitment to the hospital.

## Cost to income and charitable expenditure ratios

We are very aware that our work relies on the generosity and support of our donors. It is therefore very important that the charity optimises the amount of donated funds available to fund charitable activity over time. To measure this, we monitor the cost to income and charitable expenditure ratios.

We monitor and report both ratios over a rolling five-year period. We do this because the ratios inevitably vary from year-to-year and also to account for material volatility in our annual income and charitable expenditure due to the timings of large-scale hospital redevelopment projects against which we raise specific funds, particularly material donations from major donors and corporate partners.

We also recognise that investing, as we are, in a long-term net income growth strategy can increase the cost to income ratio and decrease the charitable expenditure ratio in the short term but it is expected to have a material beneficial impact in future as the investment makes a positive return and increases the funds available to the charity to spend on charitable activities and maximise our impact on the lives of seriously ill children.

A five-year average therefore gives us a much truer picture of the long-term relationship between income raised and expenditure on charitable activities and raising funds than a one-year average would.



The cost to income ratio is defined as, on a rolling 5 year basis, the amount of expenditure on raising funds (including the allocation for support costs, as set out in the previous section) as a proportion of total income, excluding gifts-in-kind from both amounts. The charitable expenditure ratio is then the balance to make 100%, recognising that some of this expenditure may fall in future years.

At the end of 2021/22 our rolling 5-year cost to income ratio was 29.3% (2020/21: 27.9%) and our charitable expenditure ratio was 70.7% (2020/21: 72.1%).

### Tangible fixed assets

Tangible fixed assets at 31 March 2022 of £316.4m (2020/21: £311.2m) mainly consist of properties, the freehold of which is owned by the charity and used for clinical, residential and administrative purposes by the hospital, with the charity carrying the associated risks and rewards for each asset.

These assets are held by the charity to further its charitable purpose and are used by the hospital or the ICH. While the largest part of the charity's property portfolio is provided through long-term leases to the hospital at peppercorn rents to support clinical and research activities, certain of the residential properties are let to key hospital staff to assist the hospital with recruitment and retention.

Other residential property is provided, free of charge, to parents of children undergoing treatment at GOSH. The Zayed Centre for Research is leased to the hospital and ICH at commercial rates.

A full property valuation as at 31 March 2022 was carried out by Cluttons LLP, a property consultancy. The overall valuation basis applied was 'fair value', which aims to reflect a market value for buildings and associated land but recognises that clinical buildings that are part of the main hospital site should be valued at depreciated replacement cost. Cluttons also took into consideration the future use of buildings in relation to the Children's Cancer Centre, including impact on current leases.

The valuation resulted in a net increase in property valuations of £7.0m, made up of an overall property value increase of £5.1m, together with depreciation write-backs of £2.1m, adjusted down to account for the value of assets brought into use during the year.

### Investment policy and performance

The investment policy of the charity is cautious, with the Trustees' priority being to preserve capital in order to meet existing and future commitments on capital programmes and other grants made. The Investment Committee continues to keep under review the charity's investment policy and strategy and, in compliance with the policy, explore ways of improving investment returns that minimise the risk of capital loss. The Investment Committee will continue to review the allocation of the investment portfolio to ensure it remains appropriate for the commitments and future funding expectations of the charity.

The charity uses the services of a number of investment managers. The charity's investment managers followed strict investment guidelines in line with the charity's moral and ethical policy. This specifies that the charity does not invest in tobacco or arms manufacturing, or any stock in which either tobacco or arms manufacture are the main or a material element, due to the negative impact they have on child health. In addition, Environmental, Social and Governance (ESG) factors must be central considerations in the investment process of each manager.

The total investment portfolio including cash at 31 March 2022 was £253.5m (31 March 2021: £239.8m) divided between the long-term investment portfolio, short-term cash deposits and cash held in our bank accounts.



The value of the long-term portfolio at 31 March 2022 was £98.0m, which includes a £10.0m addition to the fund during the year (31 March 2021: £86.4m). This portfolio holds the charity's invested risk assets and made an overall gain of £1.6m during the year.

Since investment, gains have been made with LGIM of 15.26% against benchmark of 14.38% and losses with Aberdeen Standard of negative 5.66% against benchmark of negative 4.91%.

The short-term deposits portfolio of £113.2m at 31 March 2022 (31 March 2021: £98.4m) is held across a number of UK banks, deposits with Royal London Cash Management and a short-term fixed income portfolio managed by HSBC. A negative 0.06% return on the short-term portfolio, comprising cash assets and other low risk investments, was below the 2.04% benchmark (SONIA). The increases in Bank of England base rate during the year have created opportunities with fixed term deposit rates increasing and we are now starting to see higher interest income in this regard.

During 2021/22, there were significant fluctuations in global equity markets and the charity recognised an unrealised gain of £1.6m at year end (as a result of continued growth in the value of assets placed with LGIM, though offset against losses with Aberdeen Standard) as included in the statement of financial activities. The charity also recognised £0.4m of fixed term deposits and bank interest.

It is noted that the unrealised gain of £1.6m represents a point in time at year end against a backdrop of economic pressures, rising interest rates and the war in Ukraine and the performance of our long-term investments may be quite volatile in 2022/23. The prior year gain of £10.5m arose as we liquidated existing investments to reinvest in line with our updated investment strategy as well as further gains on the valuation of these assets.

Remaining funds are held as cash in our bank accounts as working capital to facilitate standard working activities. The balance at 31 March 2022 was £42.3m (31 March 2021: £55.0m), with the decrease mainly reflecting the additional £10m investment we made to our holdings with Aberdeen Standard in the long-term portfolio. A formal Treasury policy will be implemented during 2022/23 to maximise the benefits from holding this level of cash, particularly now that interest rates on fixed term deposits are increasing. Any further amounts invested or placed with deposit holders will align to the Liquidity, Funds & Reserves policy ensuring that sufficient working capital is always available to meet the charity's running costs and commitments due.

As part of the ongoing governance of our investment portfolio, the Investment Committee carry out regular reviews of investment performance and aim to meet with investment managers once a year.

### Liquidity, funds and reserves

The total funds and reserves of the charity increased in the year by £23.9m to £521.3m at 31 March 2022. They match the total net assets of the charity as shown on the balance sheet with detailed breakdowns shown in notes 18 and 19 to the financial statements.

The charity approved a Liquidity, Funds & Reserves Policy in the year. This policy sets out the charity's approach to these areas and the key points are set out below.

### Liquidity and going concern

The Trustees are keen to ensure that funds donated to the charity are not only used on the highest priorities delivering the most impact but also that these funds are used promptly so that the benefits can be realised as soon as possible. The Trustees need to balance this objective with the need to maintain financial prudence and ensure the long-term financial sustainability of the charity and that the charity remains a 'going concern', i.e. is able to meet its liabilities as they fall due. This is particularly



important when the charity commits to significant multi-year redevelopment projects for the hospital, e.g. the Children's Cancer Centre, for which significant fundraising is required post commitment.

The charity's policy requires it to hold sufficient liquidity to cover at least two years of projected total charity and charitable expenditure. The charity's liquidity is the total of its cash, short-term deposits and long-term investments (all of which can readily be liquidated if required) as shown on the balance sheet.

Long-term financial modelling has been undertaken which considers various scenarios and stress tests. This modelling gives reasonable assurance that the charity has, and will continue to have, sufficient liquidity and is, and will continue to be, a going concern for at least 12 months from the balance sheet date.

### Designated funds and reserves

Trustees may, at their discretion, and ensuring there is a suitable rationale, set up designated funds and reserves for specific purposes. Designated funds and reserves are part of unrestricted funds along with general funds.

Designated funds are those funds set aside for future charitable commitments and expenditure in line with the charity's purpose.

Designated reserves are those funds set aside to match charity fixed assets as per the Balance Sheet as well as any unrealised gains or losses on the charity's investments.

The charity has 3 designated funds and 4 designated reserves:

- Research fund
- Property Redevelopment fund
- Other Charitable Commitments fund
- Tangible Fixed Assets reserve
- Property Revaluation reserve
- Intangible Fixed Assets reserve
- Investments Revaluation reserve

The total of the Tangible Fixed Assets reserve and the Property Revaluation reserve match the total Tangible Fixed Assets on the balance sheet.

The three designated funds operate as follows:

**Research fund** – the charity's policy requires it to hold a balance based on c. 50% of projected research expenditure over the next 5 years.

**Property Redevelopment fund** – the charity's policy requires it to hold a balance set as the balance of unrestricted funds once the criteria of the Research fund, the Other Charitable Commitments fund and General funds (see below) have been met.

**Other Charitable Commitments fund** – the charity's policy requires it to hold a balance based on c. 50% of projected charitable expenditure (other than research and property redevelopment expenditure) over the next 5 years.

The reason that c. 50% of projected spend over the next 5 years is used for the Research and Other Charitable Commitments funds is that it is sensible, and desirable, for some annual income to be used for these purposes. We also expect that some funding for these purposes will be raised as restricted income. Detail regarding all designated funds and reserves is shown in Note 19 to the financial statements.



## General funds

Given the charity's approach to designated funds and reserves set out above, general funds are held by the charity to ensure that there are sufficient funds to cover our short term working capital requirements as well as provide resilience against financial shocks.

The charity has determined based on its financial modelling that general funds of £20.0m should be held at all times and this is the level held at year end as shown on the balance sheet.

## Restricted funds

Donors may place restrictions on their donations, e.g. to research, medical equipment or a property redevelopment project. Restricted funds represent the balance of restricted income and related restricted expenditure according to the income and expenditure accounting policies as set out in Note 1 to the financial statements.

The charity holds a number of different funds to support specific activities chosen by donors which fall within the objects of the charity.

At 31 March 2022, restricted funds were held of £15.0m (2020/21: £13.4m).

## Provision

In 2021/22, an historic potential exposure came to light concerning potential employer NHS pension contributions between 2006/07 – 2014/15. This matter has been reported to the Charity Commission, The Pensions Regulator and NHS Pensions and remains under investigation. The position is uncertain and a provision of £1.4m has been prudently provided for in the accounts to reflect any potential exposure. Please see notes 1, 21 and 22 to the accounts for more details.

## Endowments

Endowment funds are restricted and held permanently in accordance with any restrictions placed on the individual funds, e.g. to generate funds to support specific charitable purposes or to increase general funds to support all our charitable work.

The charity holds five endowments totalling £0.7m (2020/21: 5 endowments, £0.7m).

## GOSIPL

As a trading subsidiary of GOSH Charity, Great Ormond Street International Promotions Limited (GOSIPL) gift aided 2021/22 profits of £0.5m to GOSH Charity (2020/21: £0.6m).

## Sparks Charity

Due to the financial impact of Covid on fundraising activities, Trustees of Sparks Charity and GOSH Charity took the decision to fully merge operations. Sparks therefore ceased trading on 31 March 2021 with all assets and liabilities transferred to Great Ormond Street Hospital Children's Charity. A small, residual balance was carried forward into 2021/22 whilst Sparks underwent full dissolution, which took place on 18 January 2022, with all remaining funds of Sparks (£77k) transferring to GOSH Charity on this date.



## Legal and administrative details

From 01 April 2021 to 16 December 2022

### Great Ormond Street Hospital Children's Charity

Registered charity number 1160024  
Company House number 09338724  
Incorporated England and Wales

### Great Ormond Street International Promotions Limited (GOSIPL)

Company limited by share capital. Registered number 02265303, Incorporated England and Wales

### Sparks Charity

Registered in England and Wales charity number 1003825  
Registered in Scotland SC039482  
Company House number 02634037  
Incorporated England and Wales  
Dissolved on 18 January 2022

### Principal and registered office

40 Bernard Street, London WC1N 1LE  
T: 0203 841 3841 [www.gosh.org](http://www.gosh.org)

### Trustees

Anne Bulford CBE (Chair)  
Sandeep Katwala (Deputy Chair)  
Jennifer Bethlehem  
Nina Bibby (retired 25 November 2021)  
Nicky Bishop  
David Craig  
Karima Fahmy (appointed 11 April 2022)  
Kaela Fenn-Smith (retired 31 May 2022)  
David Germain (appointed 16 September 2021)  
Professor Sir Stephen Holgate (retired 31 May 2022)  
Louise Justham  
Michael Marrinan (retired 31 July 2022)  
Mark Sartori  
Kevin Thompson  
Professor Sir Douglass Turnbull (appointed 27 June 2022)  
Mike Wiseman (appointed 11 April 2022)

### Summary of charity's objects

Any charitable purpose relating to Great Ormond Street Hospital for Children NHS Foundation Trust, including research.

### Associate Trustees/Independent Committee Members

Mark Burgess  
Karima Fahmy (appointed 1 February 2022 to 10 April 2022, before becoming a trustee)  
Joseph McDonnell  
Louise Sherwin (appointed 1 February 2022)  
Andrew Stoker  
Michael Wiseman (appointed 1 February 2022 to 10 April 2022, before becoming a trustee)

### Executive Directors

Louise Parkes (Chief Executive)  
Bill Cunningham (Director of Finance & Resources)  
Cymbeline Moore (Director of Communications) – until 30 September 2021  
Emma Guise (Director of Marketing & Communications) – from 14 February 2022  
Kiki Syrad (Director of Impact & Charitable Programmes)  
Liz Tait (Director of Fundraising)

### Independent Auditors

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

### Bankers

Royal Bank of Scotland plc  
9th Floor, 280 Bishopsgate, London EC2M 4RB

### Investment managers

HSBC Asset Management (Europe) Ltd,  
London SW1A 1EJ  
  
Royal London Cash Management Ltd,  
55 Gracechurch Street, London EC3V 0UF  
  
Legal and General Investment Management  
One Coleman Street, London EC2R 5AA  
  
Aberdeen Standard  
35a Avenue JF Kennedy  
L-1855 Luxembourg



## Statement of Trustees' responsibilities

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

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

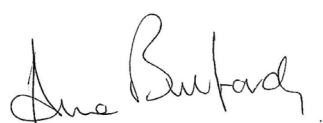
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Anne Bulford CBE  
Chair

Approved by the Board of Trustees on 16 December 2022 and signed on its behalf on 19 December 2022



## *Independent auditors' report to the members of Great Ormond Street Hospital Children's Charity*

### **Report on the audit of the financial statements**

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#### **Opinion**

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

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and charity balance sheets as at 31 March 2022; the consolidated statement of financial activities (incorporating an income and expenditure account) and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

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#### **Basis for opinion**

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

#### **Independence**

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

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#### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

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

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.



Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### *Strategic Report and Trustees' Report*

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the trustees for the financial statements*

As explained more fully in the *Statement of Trustees' Responsibilities*, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### *Auditors' responsibilities for the audit of the financial statements*

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

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

Based on our understanding of the group and charitable company/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the manipulation of key accounting judgements and estimates. Audit procedures performed included:

- enquiring of management and the board of trustees, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of the board of trustees and board subcommittees, including the finance and resources committee;
- reviewing correspondence with regulators, including the Charity Commission for England and Wales;
- understanding and evaluating the group and parent charitable company's control environment;
- identifying and testing journal entries, including journal entries posted with unusual account combinations to income or expenditure accounts;
- assessing the reasonableness of key accounting judgements and estimates, including accrued legacy income and the valuation of land and buildings; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.



### *Use of this report*

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

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## Other required reporting

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### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Daniel Chan (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
19 December 2022



## Financial Statements

### Great Ormond Street Hospital Children's Charity

#### Consolidated statement of financial activities for the year ended 31 March 2022

(incorporating an income and expenditure account)

	Note(s)	Unrestricted funds £000	Restricted and endowment funds £000	Year ended 31 March 2022 £000	Unrestricted funds £000	Restricted and endowment funds £000	Restated Year ended 31 March 2021 £000
<b>Income and endowments from:</b>							
Donations and legacies	2.1	60,417	7,855	68,272	51,694	10,540	62,234
Trading activities	2.2	1,523	1,749	3,272	1,952	123	2,075
Investments	2.3	465	4	469	1,486	4	1,490
Charitable activities	2.4	1,466	1,061	2,527	1,419	896	2,315
Other activities	2.5	1	-	1	337	-	337
<b>Total</b>		<b>63,872</b>	<b>10,669</b>	<b>74,541</b>	<b>56,888</b>	<b>11,563</b>	<b>68,451</b>
<b>Expenditure on:</b>							
Raising funds	3.1	27,748	-	27,748	18,711	-	18,711
Charitable activities	3.2	8,097	23,360	31,457	7,251	20,130	27,381
<b>Total</b>		<b>35,845</b>	<b>23,360</b>	<b>59,205</b>	<b>25,962</b>	<b>20,130</b>	<b>46,092</b>
<b>Net income before gains/(losses) on investments</b>		<b>28,027</b>	<b>(12,691)</b>	<b>15,336</b>	<b>30,926</b>	<b>(8,567)</b>	<b>22,359</b>
Net gain/(loss) on investments		1,567	-	1,567	10,528	-	10,528
<b>Net income/(expenditure)</b>		<b>29,594</b>	<b>(12,691)</b>	<b>16,903</b>	<b>41,454</b>	<b>(8,567)</b>	<b>32,887</b>
Transfers between funds	19.1/19.2/19.3	(14,179)	14,179	-	(32,632)	32,632	-
<b>Other recognised gains:</b>							
Net gain/(loss) on revaluation of fixed assets	9	6,998	-	6,998	(13,396)	-	(13,396)
<b>Net movement in funds</b>		<b>22,413</b>	<b>1,488</b>	<b>23,901</b>	<b>(4,574)</b>	<b>24,065</b>	<b>19,491</b>
<b>Reconciliation of funds:</b>							
Total funds at the beginning of year		483,278	14,136	497,414	487,852	(9,929)	477,923
<b>Total funds carried forward 31 March</b>		<b>505,691</b>	<b>15,624</b>	<b>521,315</b>	<b>483,278</b>	<b>14,136</b>	<b>497,414</b>

Notes 1 to 26 form part of these financial statements.

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the consolidated statement of financial activities.

Sparks Charity ceased trading on 31 March 2021 and was dissolved on 18 January 2022. Any residual amounts were fully transferred to the Charity on dissolution.

31 March 2021 funds balances have been restated by £1.4m as a result of providing for a prior year provision. Please see notes 1.1.5, 21 and 22 for the details of this restatement.



# Great Ormond Street Hospital Children's Charity

## Consolidated and Charity Balance Sheets

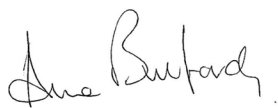
As at 31 March 2022

		Consolidated		Charity	
			Restated		Restated
	Note(s)	Total at 31 March 2022 £000	Total at 31 March 2021 £000	Total at 31 March 2022 £000	Total at 31 March 2021 £000
Fixed assets					
Intangible assets	8	3,847	4,669	3,847	4,669
Tangible assets	9	316,383	311,203	316,383	311,203
Long-term investments	10	98,016	86,449	98,016	86,449
Total fixed assets		418,246	402,321	418,246	402,321
Current assets					
Stock	11	26	47	-	-
Short-term deposits	12	113,225	98,436	113,225	98,436
Debtors	13	21,224	16,629	22,068	17,183
Cash at bank and in hand		42,321	54,961	41,439	54,260
Total current assets		176,796	170,073	176,732	169,879
Creditors: amounts falling due within one year	14	52,678	50,146	52,639	50,039
Net current assets		124,118	119,927	124,093	119,840
Total assets less current liabilities		542,364	522,248	542,339	522,161
Creditors: amounts falling due after more than one year	15	19,649	23,434	19,649	23,434
Provisions for liabilities	21	1,400	1,400	1,400	1,400
Total net assets		521,315	497,414	521,290	497,327
Funds and reserves					
General funds	19.3	20,009	26,932	19,984	26,845
Designated funds	19.3	163,883	145,142	163,883	145,142
Designated reserves	19.3	321,799	311,204	321,799	311,204
Total unrestricted funds and reserves		505,691	483,278	505,666	483,191
Endowment funds		664	664	664	664
Restricted income funds		14,960	13,472	14,960	13,472
Total restricted and endowment funds	19.1/19.2	15,624	14,136	15,624	14,136
Total funds and reserves		521,315	497,414	521,290	497,327

Net income (£000) for the charity for the year before consolidation was £16,248 (2020/21: £26,911).

31 March 2021 funds balances have been restated by £1.4m as a result of providing for a non-current provision. Please see notes 1.1.5, 21 and 22 for the details of this restatement.

The notes on pages 74 to 103 are an integral part of these financial statements. The financial statements on pages 71 to 103 were authorised for issue by the Board of Trustees on 16 December 2022 and were signed on its behalf on 19 December 2022.



Anne Bulford CBE, Chair

Great Ormond Street Hospital Children's Charity

Company number: 09338724

Charity number: 1160024



## Great Ormond Street Hospital Children's Charity

## Consolidated statement of cash flows

For the year ended 31 March 2022

	Note	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<b>Cash flows from operating activities:</b>			
<b>Net cash generated from operating activities</b>	20.1	<b>12,243</b>	<b>12,957</b>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments	2.3	<b>469</b>	1,490
Purchase of property, plant and equipment	9	<b>(563)</b>	(1,586)
Purchase of intangible fixed assets		-	(326)
Proceeds from sale of investments	10	-	48,576
Movement in cash held as investments	10	-	636
Purchase of investments	10	<b>(10,000)</b>	(80,190)
<b>Net cash used in investing activities</b>		<b>(10,094)</b>	<b>(31,400)</b>
<b>Change in cash and cash equivalents in the reporting year</b>		<b>2,149</b>	<b>(18,443)</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>		<b>153,397</b>	<b>171,840</b>
<b>Cash and cash equivalents at the end of the reporting year</b>	20.2	<b>155,546</b>	<b>153,397</b>
<b>Analysis of cash and cash equivalents:</b>			
Cash in hand		<b>42,321</b>	54,961
Short-term deposits	12	<b>113,225</b>	98,436
<b>Cash and cash equivalents at the end of the reporting year</b>		<b>155,546</b>	<b>153,397</b>



## Great Ormond Street Hospital Children's Charity

### Notes to the financial statements

#### 1. Accounting policies

##### 1.1 Accounting policies

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

##### 1.1.1 Company information

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

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

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

##### 1.1.2 Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis as a public benefit charity, under the historical cost convention, as modified for the revaluation of certain investments and properties measured at fair value, and in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities Act 2016 and the Companies Act 2006. No separate Statement of Financial Activities (SOFA) has

been presented for the charity alone, as permitted by section 408 of the Companies Act.

Total income (£000s) for the charity before consolidation was £73,619 (2020/21: £67,615) with total expenditure of £58,938 (2020/21: £47,147). Net income (£000s), excluding investment gains, for the year was £14,680 (2020/21: £20,467).

The consolidated and financial statements are presented to the nearest thousand (£000) except where otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and charity accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.1.5.

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

The parent charity has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the charity's cash flows;
- ii) from certain financial instrument disclosures required under FRS 102 sections 11 and 12, as the information is provided in the consolidated financial statement disclosures.



### 1.1.3 Going concern

The charity meets its day-to-day working capital requirements through cash held in the bank and aligned with current internal treasury practices. The charity's forecasts and projections, taking account of possible changes in performance including a range of scenarios, show that the charity should be able to operate within the level of its current facilities. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date the financial statements were authorised for issue.

As described above and in the Annual Report, following the Trustees' assessment of going concern (see page 63), the Trustees continue to adopt the going concern basis in preparing the financial statements.

### 1.1.4 Basis of consolidation

The consolidated financial statements of the charity incorporate the financial statements of the Company Limited by Guarantee and its wholly owned subsidiary undertakings, Great Ormond Street International Promotions Limited (GOSIPL), and Sparks Charity (Sparks). Sparks was dissolved during the year, at which point the remaining assets formed part of the Group. Further information in relation to the closure of Sparks Charity can be found in note 1.16 and page 65. Intercompany transactions and balances between charity companies are eliminated. Consistent accounting policies have been adopted across the group.

The net assets of subsidiaries at the date of association are assessed on a fair value basis for the purpose of consolidation into the results for the group.

### 1.1.5 Critical accounting judgements and estimation uncertainty

The charity makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are

based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### Critical Accounting Judgements

##### (i) Recognition of legacy income

Legacy income from residuary estates requires judgement due to its variability and is recognised when three criteria are met. Entitlement is established, receipt of the income is probable, and it can be reliably measured. Legacy income recognised in the year was £22.0m (2020/21: £18.1m), at the year end accrued legacy income was £16.9m (2020/21: £12.3m).

- Entitlement is established when we receive formal notification of an interest in an estate and a copy of the will

- Income receivable is probable at the grant of probate

- Measurement criteria are considered met

When these criteria have been met, income from legacies is recognised in the financial statements after a deduction for estimated costs. To allow for movement in the value of estates during the completion of administration, a 5% reduction (2020/21: 5%) is applied to estimates provided, which does not give rise to a critical estimation uncertainty.

A contentious legacy arises when a claim is made against the estate. Income from contentious legacies is only recognised when there is certainty of receipt and all other legacy accrual criteria is met. An additional 5% reduction is applied to estimates provided



to allow for greater uncertainty due to length of time to resolve.

(ii) Grant creditor balances (note 17)

With the exception of some major capital redevelopment projects, where approved expenditure commitments are used, grant expenditure is straight-lined over the period of the grant to determine whether grant creditors are within one year, or beyond. There can be variances in timing of actual amounts paid out due to the timing of grant recipients requesting payment.

Estimation uncertainties

(iii) Valuation of land and buildings (note 9)

Valuations are carried out professionally at not more than five-yearly intervals, with an internal review undertaken in all other years. Due to the economic uncertainty, full valuations were carried out by Cluttons for the balance sheet dates 31 March 2022 and 31 March 2021.

The revaluation resulted in a net increase in property valuations of £6.9m. This was made up of a property value increase of £4.9m and depreciation write-backs of £2.1m. The impact of the property market on these assets will be kept under review as part of our internal valuation assessments each year. Estimates give consideration to floor space, location, property type and property market indices.

The charity undertakes its own revaluation review in the years when there is no professional valuation carried out. Where an indication of material upward or downward revaluation is identified, an estimation of the fair value of the property is required. This requires estimation of the future economic benefits from the property and also selection of appropriate discount rates in order to calculate the net present value of those economic benefits. In the financial statements we may refer to a downward revaluation as an impairment.

(iv) Provisions (note 21)

The position regarding the potential pensions exposure is uncertain and the prudent provision set out in note 21 is based on actuarial analysis of an historic potential NHS employer defined benefit contribution exposure, reasonably discounted to give a best estimate of actual costs to the charity should any exposure be realised. This matter has led to a restatement of prior year balances as set out in note 22.

This is a non-current liability as the matter will be ongoing beyond 31 March 2023.

**1.1.6 Income and endowments**

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

a) Donations and legacies

(i) Gifts-in-kind, except donated goods to the hospital:

In all cases, the amount at which gifts-in-kind are recognised is either fair value of the cost to the donor or the amount actually realised as appropriate dependent on the gift. Total gifts-in-kind were £0.4m (2020/21: £0.4m).

- i. Assets given for distribution by the charity are included in the SOFA only when distributed.
- ii. Assets given for use by the charity are included in the SOFA as income when receivable.
- iii. Gifts made in kind but on trust for conversion into cash and subsequent application by the charity are included in the accounting period in which the gift is sold.



- iv. Services provided by volunteers such as fundraising event volunteering and office assistance, are not recognised in the SOFA.

(ii) Legacies:

Legacies are accounted for as income when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably. This is in line with the requirements under FRS102 and SORP.

(iii) Income from fundraising activities:

General donations and Gift Aid are recognised on receipt or accrued for in cases where recognition criteria is met in advance. Ticket, auction and sponsorship income from fundraising events are disclosed under other trading activities and recognised when receivable.

b) Trading activities

Income from the charity's trading subsidiary is disclosed under other trading activities. This income is recognised on sale of goods when dispatched, on royalties and licences as they are contractually entitled to the income, for challenge events in line with when these take place and for commercial sponsorship on an accruals basis or when the event takes place.

c) Grants and other time-related income

Where grants are related to performance and specific deliverables, these are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of performance, its recognition is deferred and included in creditors.

d) Investments

Investment income is recognised when receivable and allocated to restricted funds where applicable based on the average balance held through the year.

e) Other income

The charity utilised the government Coronavirus Job Retention Scheme (Furlough) scheme with income totalling £1k (2020/21: £337k). Income from the scheme is recognised in the period it relates to, following FRS 102 section 24.

## 1.2 Expenditure

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

Full provision is made within the financial statements for grant expenditure at the point when a commitment is made, the payment is probable and the liability can be quantified with reasonable certainty. If the commitment is dependent on the grant recipient meeting a performance related condition, this will be provided for when the condition is met.

Any redundancy costs are accrued for when notified to the individuals involved and the amount can be determined reliably.

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

## 1.3 Funds structure

Income and expenditure are allocated to particular funds according to their purpose.

a) Permanent endowment funds

Funds where the capital is held to generate income for charitable purposes and cannot be



spent are accounted for as permanent endowment funds.

**b) Restricted funds**

Restricted funds include income that is subject to specific restrictions imposed by donors.

**c) Unrestricted funds**

Unrestricted funds include income received without restriction, including the retained profits of the trading subsidiary. Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

**d) Designated funds and reserves**

The Trustees may designate unrestricted funds and reserves for a particular purpose without restricting or committing the funds legally. Designated funds are funds delegated by the Trustees to meet various current or future obligations.

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

## **1.4 Intangible fixed assets**

**a) Capitalisation**

Intangible assets (software) that are capable of being used for more than one year and have a cost equal to or greater than £5,000, are capitalised. Software is included in the financial statements at purchase cost or at total cost of development if designed and built internally.

**b) Valuation**

Software is valued at cost less accumulated amortisation and accumulated impairment losses.

**c) Amortisation**

Software is amortised, using the straight-line method, to allocate the depreciable amount of the assets to their residual value over the specific period of the purchased licence, if applicable, or alternatively over a period of between three to ten years, depending on the life cycle of the asset. Amortisation is allocated to support costs in the SOFA. The assets are reviewed for impairment annually if the above factors indicate the carrying amount may be impaired.

## **1.5 Tangible fixed assets**

Non-property tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

All assets falling into the following categories are capitalised:

i) Tangible fixed assets that are capable of being used for more than one year and have a cost equal to or greater than £5,000. Cost includes the original purchase price of the asset and the costs directly attributable to bringing the asset to its working condition for its intended use.

ii) Groups of tangible fixed assets that are interdependent or would normally be provided or replaced as a group, with a total value in excess of £5,000 and an individual value of £250 or more (except for computer equipment where only assets with an individual value of £1,000 or more are capitalised).

iii) Assets under construction comprising expenditure on the purchase and creation or enhancement of fixed assets not brought into use at the balance sheet date. Transfers are made from the asset under construction to the relevant category of fixed asset in the year the asset is brought in to use.



a) Land and buildings

Land and buildings are held by the charity as part of charitable objectives to assist the hospital. As a result, properties may be leased below market value and the charity carries substantially all the risks and rewards of ownership.

Land and buildings are stated at fair value which is either open market value or depreciated replacement cost. Depreciated replacement cost takes into account the expected timing of potential replacement when properties are subject to leases.

Valuations are carried out professionally at not more than five-yearly intervals, with an internal review undertaken in between. A full revaluation was carried out by Cluttons LLP for the balance sheet dates 31 March 2022 and 31 March 2021.

Revaluation gains and losses are recognised in other recognised gains or losses.

To the extent that a downward revaluation (also referred to as an impairment) exceeds previously recognised revaluation gains, this is recognised within net income.

An increase of £7million was applied to the fixed asset revaluation fund as a result of the increase in property valuation.

b) Fixtures, fittings, vehicles and equipment  
Fixtures, fittings, vehicles and equipment are stated at cost less accumulated depreciation.

c) Assets under construction

Assets under construction are stated at cost. These assets are not depreciated until they are available for use.

d) Depreciation

Depreciation is charged on each main class of tangible fixed asset, depreciating the asset over its expected useful life from the date of use, other than land which is not depreciated, as follows:

Buildings	50-100 years
Fixtures and fittings	15 years
Office equipment	10 years
Vehicles	10 years
IT equipment	5 years

e) Donated assets

Donated assets are capitalised at their valuation on a full replacement cost basis or fair value where this is not the same on receipt and are depreciated as described above.

f) Subsequent additions

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the charity and the cost can be measured reliably.

Repairs, maintenance and minor inspection costs are expensed as incurred.

g) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the SOFA.

## 1.6 Financial instruments

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

### Financial assets

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

i) Quoted stocks and shares, included in the balance sheet at market value, which is equivalent to fair value.

ii) Cash deposits, held at cost plus accrued interest.

iii) Investments in subsidiary undertakings, stated at cost less impairment.



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

### **1.7 Stock**

Stock consist of purchased goods for resale, which are valued at the lower of cost and the estimated selling price, less costs to complete and sell. Provision is made for any obsolete or slow-moving items.

### **1.8 Employee benefits**

The charity provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan. Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

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

The charity also participates in the NHS Pension Scheme, with one current employee and a number of former employees being covered by the provisions of that scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not

designed to be run in a way that would enable the charity to identify its share of the underlying scheme assets and liabilities and is therefore accounted for as though it were a defined contribution scheme in accordance with FRS 102 section 28.11. The cost of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. As the scheme is a government run scheme, the ultimate responsibility for any underfunding lies with the government and the charity cannot be held liable. Consideration is given to the following by the NHS Pension Scheme when calculating these contributions:

- a) Accounting valuation
- b) Full actuarial (funding) valuation
- c) Scheme provisions

This is in line with FRS102 whereby “multi-employer plans are classified as defined contribution or defined benefit plans on the basis of the terms of the plan, including any constructive obligation. However, where sufficient information is not available to use defined benefit accounting then the employer should account for the plan as a defined contribution plan and provide additional disclosures.”

### **1.9 Taxation**

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

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

### **1.10 Leases**

Leases that do not transfer all the risks and rewards of ownership are classified as



operating leases. Payments under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

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

#### **1.11 Related party transactions**

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

#### **1.12 Cash at bank and in hand**

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

#### **1.13 Provisions and contingencies**

##### **(i) Provisions**

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

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

##### **(ii) Contingencies**

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

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

#### **1.14 Debtors and Creditors**

Trade and other debtors are recognised at the settlement amount due after any discount offered and net any bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.



## Great Ormond Street Hospital Children's Charity

[Notes to the financial statements](#)**1. Accounting policies (continued)****1.15 Great Ormond Street International Promotions Limited**

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

	<b>Year ended 31 March 2022 £000</b>	<b>Year ended 31 March 2021 £000</b>
<b>Profit and loss account</b>		
Turnover	<b>887</b>	1,006
Cost of sales	<b>(183)</b>	(93)
<b>Gross profit</b>	<b>704</b>	913
Administrative expenses	<b>(245)</b>	(306)
<b>Operating profit</b>	<b>459</b>	607
Interest receivable and similar income	-	-
<b>Profit before taxation</b>	<b>459</b>	607
Taxation	-	-
<b>Profit for the financial year</b>	<b>459</b>	607
Distribution to Charity	<b>(459)</b>	(607)
<b>Net movement in funds</b>	<b>-</b>	-

**Balance sheet as at 31 March 2022**

	<b>Total at 31 March 2022 £000</b>	<b>Total at 31 March 2021 £000</b>
Inventories	<b>26</b>	47
Debtors	<b>410</b>	305
Cash	<b>882</b>	646
Current liabilities	<b>(1,293)</b>	(973)
<b>Net assets</b>	<b>25</b>	25
Profit and loss account	<b>25</b>	25
<b>Share capital and reserves</b>	<b>25</b>	25



## Great Ormond Street Hospital Children's Charity

[Notes to the financial statements](#)**1. Accounting policies (continued)****1.16 Sparks Charity**

Sparks became a subsidiary of the charity on 1 February 2017. Trustees of Sparks Charity and GOSH Charity agreed to fully merge Sparks with the charity and Sparks ceased trading on 31 March 2021, with assets and liabilities transferring to Great Ormond Street Hospital Charity on that date. A minimal balance was retained to provide for costs ahead of dissolution which took place on 18 January 2022. The principal activity of Sparks was to provide grants for research into children's diseases. This activity will continue within GOSH Charity.

	Period ended 18 January 2022 £000	Year ended 31 March 2021 £000
<b>Income and endowments from:</b>		
Donations and legacies	15	529
Other trading activities	-	1
Income from investments	-	7
Charitable activities	-	72
	<b>15</b>	<b>609</b>
<b>Expenditure on:</b>		
Raising funds	-	194
Charitable activities	-	323
	-	517
<b>Net income before gain on investments</b>	<b>15</b>	<b>92</b>
Net (loss)/gains on investments	-	(30)
<b>Net income</b>	<b>15</b>	<b>62</b>
Total funds at the beginning of year	62	895
<b>Total funds for distribution</b>	<b>77</b>	<b>957</b>
<b>Funds transferred to GOSH Charity</b>	<b>(77)</b>	<b>(895)</b>
<b>Closing Funds</b>	<b>-</b>	<b>62</b>

**Balance sheet as at 18 January 2022**

	Period ended 18 January 2022 £000	Year ended 31 March 2021 £000
<b>Total current assets</b>	-	78
<b>Net current assets</b>	-	62
<b>Total assets less current liabilities</b>	-	62
<b>Total net assets</b>	-	62
<b>The funds of Sparks</b>	-	62



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

## 2 Income

	Unrestricted Funds £000	Restricted Funds £000	Year ended 31 March 2022 £000
<b>Income and endowments from:</b>			
<b>2.1 Donations and legacies</b>			
Direct gifts from individuals and trusts	24,800	4,156	28,956
Legacies	20,698	1,264	21,962
Community fundraising	8,190	732	8,922
Partnerships, campaigns, events and other income	6,729	1,703	8,432
	<b>60,417</b>	<b>7,855</b>	<b>68,272</b>
<b>2.2 Trading activities</b>			
Auctions, tickets, sponsorship and other income	669	1,750	2,419
Fundraising trading	854	(1)	853
	<b>1,523</b>	<b>1,749</b>	<b>3,272</b>
<b>2.3 Investments</b>			
Fixed term deposit and bank interest	465	4	469
	<b>465</b>	<b>4</b>	<b>469</b>
<b>2.4 Charitable activities</b>			
Grants	-	761	761
Property	1,466	300	1,766
	<b>1,466</b>	<b>1,061</b>	<b>2,527</b>
<b>2.5 Other activities</b>			
Government Coronavirus Job Retention Scheme	1	-	1
	<b>1</b>	<b>-</b>	<b>1</b>
<b>Total income</b>	<b>63,872</b>	<b>10,669</b>	<b>74,541</b>

Included within income and endowments from donations and legacies is Gift Aid income of £4.2m (2020/21: £3.6m) and gifts-in-kind income of £0.4m (2020/21: £0.4m). Gifts-in-kind of £0.4m (2020/21: £0.4m) are also recognised within expenditure, as shown in Note 3.1.

There was no endowment income within the year (2020/21: £Nil).



## Great Ormond Street Hospital Children's Charity

[Notes to the financial statements](#)**2. Income (continued)**

	Unrestricted Funds £000	Restricted Funds £000	Year ended 31 March 2021 £000
<b>Income and endowments from:</b>			
<b>2.1 Donations and legacies</b>			
Direct gifts from individuals and trusts	23,511	7,142	30,653
Legacies	17,602	499	18,101
Community fundraising	5,097	748	5,845
Partnerships, campaigns, events and other income	5,484	2,151	7,635
	<b>51,694</b>	<b>10,540</b>	<b>62,234</b>
<b>2.2 Trading activities</b>			
Auctions, tickets, sponsorship and other income	962	62	1,024
Fundraising trading	990	61	1,051
	<b>1,952</b>	<b>123</b>	<b>2,075</b>
<b>2.3 Investments</b>			
Fixed term deposit and bank interest	1,486	4	1,490
	<b>1,486</b>	<b>4</b>	<b>1,490</b>
<b>2.4 Charitable activities</b>			
Grants	-	470	470
Property	1,419	426	1,845
	<b>1,419</b>	<b>896</b>	<b>2,315</b>
<b>2.5 Other activities</b>			
Government Coronavirus Job Retention Scheme	337	-	337
	<b>337</b>	<b>-</b>	<b>337</b>
<b>Total income</b>	<b>56,888</b>	<b>11,563</b>	<b>68,451</b>

Included within income and endowments from donations and legacies is Gift Aid income of £3.6m and gifts-in-kind income of £0.4m. Gifts-in-kind of £0.4m are also recognised within expenditure.

There was no endowment income within the year.



## Great Ormond Street Hospital Children's Charity

## Notes to the financial statements

**3 Expenditure on****3. Expenditure on:**

	Direct costs	Support costs	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000	£000	£000
<b>3.1 Raising funds:</b>				
Direct gifts from individuals and trusts	14,192	3,043	17,235	9,472
Legacies	925	558	1,483	1,124
Community fundraising	2,201	2,095	4,296	3,584
Partnerships, campaigns, events and other income	2,004	2,139	4,143	3,871
Trading activities	267	226	493	535
Investment management costs	87	11	98	125
	<b>19,676</b>	<b>8,072</b>	<b>27,748</b>	<b>18,711</b>

	Direct costs	Support costs	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000	£000	£000
<b>3.2 Charitable activities:</b>				
Welfare and clinical development	4,282	588	4,870	6,604
Research	5,229	719	5,948	11,362
Medical equipment and systems	3,215	442	3,657	4,012
Redevelopment	10,513	1,444	11,957	1,083
Accommodation and other	4,418	607	5,025	4,320
	<b>27,657</b>	<b>3,800</b>	<b>31,457</b>	<b>27,381</b>
<b>Total expenditure</b>	<b>47,333</b>	<b>11,872</b>	<b>59,205</b>	<b>46,092</b>

	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000
<b>3.3 Expenditure includes charges for:</b>		
Lease rentals	727	1,158
Fees payable to the charity's auditors for the audit of the group annual report and financial statements, excluding VAT	70	71
Amortisation (Note 8)	822	721
Depreciation (Note 9)	2,381	2,711

Lease rentals include the rental costs for our office, IT leases and the hire of photocopiers.



## Great Ormond Street Hospital Children's Charity

## Notes to the financial statements

**4 Support costs**

	Staff costs	IT and		Year ended	Year ended
	£000	Comms		31 March	31 March
		£000	Other	2022	2021
			£000	£000	£000
Cost of expenditure on raising funds	4,142	956	2,974	<b>8,072</b>	7,931
Welfare and clinical development	301	70	217	<b>588</b>	837
Research	369	85	265	<b>719</b>	1,440
Medical equipment and systems	227	52	163	<b>442</b>	508
Redevelopment	741	171	532	<b>1,444</b>	137
Patient, family and staff accommodation and other	311	72	224	<b>607</b>	708
<b>Total</b>	<b>6,091</b>	<b>1,406</b>	<b>4,375</b>	<b>11,872</b>	11,561

Support costs include the costs of the following teams: People, Finance, Corporate Services, Technology, Administration, Brand Marketing, Communications and Supporter Services as well as office rental and running costs. These are allocated using a full-cost model, which is calculated using drivers from each team's activities during the year. Non-support staff costs are allocated directly to activities.

**5 Grant funded activities**

	Total at 31 March 2022 £000	Total at 31 March 2022 No. awarded	Total at 31 March 2021 £000	Total at 31 March 2021 No. awarded
<b>Name of recipient:</b>				
Great Ormond Street Hospital	17,999	73	20,443	76
Institute of Child Health	2,994	21	1,437	10
University College London	1,178	5	2,387	14
Queen Mary University of London	472	2	28	1
University of Cambridge	249	1	249	1
The Hospital for Sick Children	63	1	63	1
Royal College of Paediatrics and Child Health	38	1	-	-
Birmingham Children's Hospital	2	1	-	-
Imperial College London	2	1	-	-
Oxford University	-	-	477	2
UCL Institute of Women's Health	-	-	326	1
University of Manchester	-	-	249	1
University of Southampton	-	-	225	1
University of Warwick	-	-	110	1
<b>Total</b>	<b>22,997</b>	<b>106</b>	<b>25,994</b>	<b>109</b>



## Great Ormond Street Hospital Children's Charity

## Notes to the financial statements

**6 Details of staff numbers and costs****6.1 Employees**

	Year ended 31 March 2022	Year ended 31 March 2021
	No. of staff	No. of staff
<b>The average number of employees is split as follows:</b>		
Fundraising	97	100
Finance & Resources	46	55
Marketing & Communications	39	45
Impact & Charitable Programmes	10	8
CEO Directorate (includes Directors)	8	10
<b>Total</b>	<b>200</b>	<b>218</b>

**The average full time equivalent is split as follows:**

Fundraising	93	96
Finance & Resources	44	52
Marketing & Communications	38	41
Impact & Charitable Programmes	9	8
CEO Directorate (includes Directors)	8	9
<b>Total</b>	<b>192</b>	<b>206</b>

The number of employees reported for this year is based on split by Directorate, with prior year updated to reflect same.

**6.2 Analysis of staff costs**

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Salaries and wages	8,163	8,248
Social security costs	889	879
Pension costs	623	629
Other employee benefits	10	(7)
<b>Total emoluments of employees</b>	<b>9,685</b>	<b>9,749</b>

Included within Salaries and wages is £185k (2020/21: £10k) of redundancy costs, incurred primarily as a result of our organisation design project to ensure that the charity's structure and roles were best aligned to our strategy.

Other employee benefits was negative in 2021 due to the refund of the charity's contribution to staff season ticket loans.

**Pension costs are split as follows:**

Defined contribution scheme	605	610
Final salary scheme	18	19
<b>Total pension costs</b>	<b>623</b>	<b>629</b>

**Outstanding contributions as at the year end were:**

Defined contribution scheme	76	71
Final salary scheme	1	2
<b>Total outstanding contributions</b>	<b>77</b>	<b>73</b>



## Great Ormond Street Hospital Children's Charity

## Notes to the financial statements

**6. Details of staff numbers and costs (continued)**

**6.3** The number of employees whose emoluments, as defined for taxation purposes (i.e. net of employer pension contributions and employer national insurance contributions), amounted to £60,000 or more in the year were as follows:

	<b>Total at 31 March 2022 £000</b>	<b>Total at 31 March 2021 £000</b>
£60,000 - £69,999	9	13
£70,000 - £79,999	3	4
£80,000 - £89,999	1	2
£90,000 - £99,999	2	2
£100,000 - £109,999	2	1
£110,000 - £119,999	1	-
£150,000 - £159,999	1	1

The employee in the top band for 31 March 2022 and 31 March 2021 was the Chief Executive.

**6.4 Key management personnel**

Key management personnel emoluments, comprising wages and salaries, and other benefits but excluding pension contributions were as follows:

	<b>Total at 31 March 2022 £000</b>	<b>Total at 31 March 2021 £000</b>
Chief Executive Officer	159	159
Other Executive Directors	342	400
Key management personnel	<b>501</b>	<b>559</b>

Key management personnel is defined as members of the Senior Leadership Team, 31 March 2022: 5 (31 March 2021: 5). The total at 31 March 2022 is £58k lower than the year before, mainly because there was a gap between the previous part-time Director of Communications leaving and the new full-time Director of Marketing and Communications starting. None of the above received any benefits-in-kind.

The total amount of employee benefits received by the Senior Leadership Team for the year ended 31 March 2022 was £547k (31 March 2021: £612k) of which £501k (31 March 2021: £559k) was actual gross salary and £46k (31 March 2021: £53k) was paid for pension contributions.



## Great Ormond Street Hospital Children's Charity

[Notes to the financial statements](#)**7. Trustees' remuneration and indemnity insurance**

None of the Trustees received any remuneration from the charity or its subsidiaries during the current or previous financial year. One of the Trustees was reimbursed for expenses totalling £85 while carrying out their responsibilities for the charity during the year (2020/21: £Nil).

The charity holds Directors and Officers Liability (D&O) insurance policies at a cost of £39,644 (2020/21 £5,500). The increase in cost is caused by two factors. Firstly, in 2021/22, the charity undertook a review of its insurance cover which resulted in the charity taking out specific D&O policies (previously, this was not the case) with more extensive cover. Secondly, the charity was impacted by general increases in premiums across the insurance industry, particularly in respect of this type of cover.

**8. Intangible assets****Consolidated and Charity**

	<b>IT software £000</b>
<b>Cost:</b>	
Balance as at 1 April 2021	7,684
Additions	-
Disposals	-
<b>Balance at 31 March 2022</b>	<b>7,684</b>
<b>Accumulated amortisation:</b>	
Balance as at 1 April 2021	3,015
Charge for the year	822
<b>Balance at 31 March 2022</b>	<b>3,837</b>
<b>Net book value at 31 March 2022</b>	<b>3,847</b>
<b>Net book value at 31 March 2021</b>	<b>4,669</b>

Intangible assets are identifiable software assets.

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



## Great Ormond Street Hospital Children's Charity

## Notes to the financial statements

## 9. Tangible assets

## Consolidated and Charity

	Freehold / leasehold land and buildings £000	Fixtures and fittings £000	Office equipment £000	Vehicles £000	IT equipment £000	Assets under construction £000	Total £000
<b>Cost and valuation</b>							
Balance as at 1 April 2021	310,680	544	-	13	719	250	312,206
Transfers	250	-	-	-	-	(250)	-
Additions	-	392	70	-	101	-	563
Disposals	-	(464)	-	-	(541)	-	(1,005)
Revaluations	4,854	-	-	-	-	-	4,854
Impairments	-	-	-	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>315,784</b>	<b>472</b>	<b>70</b>	<b>13</b>	<b>279</b>	<b>-</b>	<b>316,618</b>
<b>Accumulated depreciation</b>							
Balance as at 1 April 2021	-	271	-	13	719	-	1,003
Charge for the year	2,144	223	4	-	10	-	2,381
Disposals	-	(464)	-	-	(541)	-	(1,005)
Revaluations	(2,144)	-	-	-	-	-	(2,144)
<b>Balance at 31 March 2022</b>	<b>-</b>	<b>30</b>	<b>4</b>	<b>13</b>	<b>188</b>	<b>-</b>	<b>235</b>
<b>Net book value at 31 March 2022</b>	<b>315,784</b>	<b>442</b>	<b>66</b>	<b>-</b>	<b>91</b>	<b>-</b>	<b>316,383</b>
<b>Net book value at 31 March 2021</b>	<b>310,680</b>	<b>273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>311,203</b>
Historical cost less depreciation at 31 March 2022	204,450	442	66	-	91	-	205,049

The charity undertook a full independent professional valuation by Cluttons LLP of all properties as at 31 March 2022 in accordance with the Statement of Recommended Practice and FRS 102. A multitude of factors are used to support the valuation, including (but not exclusive to) market performance, comparable evidence, building drawings and consideration of property specialisms.

Charity owned buildings used by the hospital for clinical purposes are valued on a depreciated replacement costs basis unless a market value has been deemed by Cluttons LLP to be feasible and more appropriate. The depreciated replacement cost basis is the most commonly used basis for specialist buildings such as these. This is because transactions involving the sale of these types of assets are relatively infrequent and therefore estimating a market value is not considered feasible due to their specialist nature. Depreciated replacement cost is deemed to be an acceptable alternative to market value and is a methodology that is recognised by the International Valuation Standards Council. Land values associated with these charity buildings are valued at fair value. All residential and office properties are valued at market value using comparable market information based on location, condition and quality of properties, and the nature of the market at time of valuation.

The valuation resulted in a net increase in property valuations of £7.0m, made up of an overall property value increase of £5.1m, together with depreciation write-backs of £2.1m, adjusted down to account for assets brought into use during the year. The prior year valuation resulted in a net decrease in property valuations of £13.4m, made up of an overall property value increase of £17.0m offset by impairments of £34.8m and depreciation write-backs of £4.4m.



## Great Ormond Street Hospital Children's Charity

[Notes to the financial statements](#)**10. Investments****10.1 Analysis of fixed asset investments****Consolidated and Charity**

	<b>Total at 31 March 2022</b>	<b>Total at 31 March 2021</b>
	<b>£000</b>	<b>£000</b>
Market value at 1 April	<b>86,449</b>	45,096
Disposals at carrying value	-	(48,576)
Acquisitions at cost	<b>10,000</b>	80,190
Interest	-	-
Movement on cash held as part of long-term portfolio	-	(636)
Net gain on revaluation	<b>1,567</b>	10,375
<b>Market value at 31 March</b>	<b>98,016</b>	86,449
Historical cost at 31 March	<b>90,000</b>	80,000

**10.2 Market value**

	<b>Total at 31 March 2022</b>	<b>Total at 31 March 2021</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
	<b>Held in the UK</b>	<b>Held outside the UK</b>
	<b>£000</b>	<b>£000</b>
Investments in equity funds	7,766	90,250
<b>Total fixed asset investments at market value</b>	<b>7,766</b>	<b>90,250</b>

Fixed income investments and liquidity funds are included in the short-term portfolio. All other investments are included in the long-term portfolio.

**Investment Powers**

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

As a result of holding investments, the charity is exposed to financial risks, including market risk, credit risk and liquidity risk.

The charity manages market and credit risk by appointing professional investment managers and ensuring a balanced and diverse portfolio, giving regard to the overall level of risk as well as the risk associated with each investment type. Market risk arises as a result of market fluctuations caused by movements in interest rates, currency and other market factors. Credit risk arises as a result of funds the charity is invested in, failing to make a redemption of the investment. The charity is not significantly exposed to credit risk and the Investment Committee regularly review investment reports to ensure an appropriate level of risk is maintained.

Liquidity risk is managed by the charity's Liquidity, Funds & Reserves policy which states that the charity is required to hold sufficient cash and other liquid assets to cover at least two years of total projected expenditure.



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

**10.3 Charity investment in Great Ormond Street International Promotions Limited (GOSIPL)**

	<b>Total at 31 March 2022</b>	<b>Total at 31 March 2021</b>
Total	<b>£2</b>	<b>£2</b>

The net result for GOSIPL in 2021/22 is a surplus of £459,478 (2020/21: £606,938) with a distribution to the charity of £459,478 (2020/21: £606,938).

**11. Stock**

	<b>Consolidated</b>		<b>Charity</b>	
	<b>Total at 31 March 2022 £000</b>	<b>Total at 31 March 2021 £000</b>	<b>Total at 31 March 2022 £000</b>	<b>Total at 31 March 2021 £000</b>
Goods for resale	26	47	-	-
<b>Stock</b>	<b>26</b>	<b>47</b>	<b>-</b>	<b>-</b>

**12. Short-term deposits**

	<b>Consolidated</b>		<b>Charity</b>	
	<b>Total at 31 March 2022 £000</b>	<b>Total at 31 March 2021 £000</b>	<b>Total at 31 March 2022 £000</b>	<b>Total at 31 March 2021 £000</b>
Short-term deposits	113,225	98,436	113,225	98,436
<b>Short-term deposits</b>	<b>113,225</b>	<b>98,436</b>	<b>113,225</b>	<b>98,436</b>

All short-term deposits are held in the UK.

**13. Debtors**

	<b>Consolidated</b>		<b>Charity</b>	
	<b>Total at 31 March 2022 £000</b>	<b>Total at 31 March 2021 £000</b>	<b>Total at 31 March 2022 £000</b>	<b>Total at 31 March 2021 £000</b>
Trade debtors	614	727	604	583
Amounts owed by group undertakings	-	-	1,254	867
Other debtors	105	1,126	105	1,108
Prepayments	2,023	1,209	1,978	1,073
Accrued income - Legacies	16,859	12,323	16,859	12,323
Accrued income - Other	1,623	1,244	1,268	1,229
<b>Debtors falling due within one year</b>	<b>21,224</b>	<b>16,629</b>	<b>22,068</b>	<b>17,183</b>



## Great Ormond Street Hospital Children's Charity

## Notes to the financial statements

**14. Creditors: amounts falling due within one year**

	Total 31 March 2022 £000	Consolidated Total 31 March 2021 £000	Total 31 March 2022 £000	Charity Total 31 March 2021 £000
Trade creditors	754	2,758	752	2,758
Taxation and social security	353	402	353	364
Grants awarded (see note 17)	48,409	44,640	48,409	44,640
Other creditors	376	163	376	163
Accruals	1,964	1,246	1,964	1,214
Deferred income (Note 16)	822	937	785	900
<b>Creditors falling due within one year</b>	<b>52,678</b>	<b>50,146</b>	<b>52,639</b>	<b>50,039</b>

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

	Total 31 March 2022 £000	Consolidated Total 31 March 2021 £000	Total 31 March 2022 £000	Charity Total 31 March 2021 £000
Grants awarded (see note 17)	19,333	23,434	19,333	23,434
Rent-free provision	316	0	316	0
<b>Creditors falling due after one year</b>	<b>19,649</b>	<b>23,434</b>	<b>19,649</b>	<b>23,434</b>

Rent-free provision relates to the 10-year lease agreement for the charity office, which includes a rent free period released over the first 5 years ahead of a break clause.

**16. Deferred income**

	Total 1 April 2021 £000	Released £000	Deferred £000	Total 31 March 2022 £000
Charity	900	(900)	785	785
Trading subsidiary	37	(37)	37	37
Sparks Charity	-	-	-	-
<b>Deferred income</b>	<b>937</b>	<b>(937)</b>	<b>822</b>	<b>822</b>

Income is deferred for future events where it is refundable or has been received in advance.



## Great Ormond Street Hospital Children's Charity

[Notes to the financial statements](#)**17. Grants awarded**

<b>Consolidated</b>	<b>Year ended 31 March 2022 £000</b>	<b>Year ended 31 March 2021 £000</b>
Outstanding liabilities at the beginning of year	68,075	79,027
<b>Awarded during the year</b>		
Redevelopment	9,250	6,000
Medical equipment and systems	3,469	3,846
Research	5,784	9,989
GOSH welfare and other	4,494	6,159
<b>Awarded during the year</b>	<b>22,997</b>	<b>25,994</b>
<b>Paid during the year</b>		
Redevelopment	(5,908)	(10,694)
Medical equipment and systems	(349)	(10,748)
Research	(6,495)	(5,725)
GOSH welfare and other	(9,152)	(3,704)
<b>Paid during the year</b>	<b>(21,904)</b>	<b>(30,871)</b>
<b>Adjustments in the year</b>		
Redevelopment	(181)	(5,061)
Medical equipment and systems	(262)	(342)
Research	(604)	(132)
GOSH welfare and other	(379)	(540)
<b>Adjustments in the year</b>	<b>(1,426)</b>	<b>(6,075)</b>
<b>Outstanding liabilities at 31 March</b>	<b>67,742</b>	<b>68,075</b>
<b>Grant Creditor Balances</b>		
	<b>Year ended 31 March 2022 £000</b>	<b>Year ended 31 March 2021 £000</b>
Amounts falling due within one year	48,409	44,641
Amounts falling due after more than one year but less than 5 years	19,333	23,434
<b>Outstanding liabilities at 31 March</b>	<b>67,742</b>	<b>68,075</b>

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

Liabilities for grants awarded represent the unpaid balance on grants awarded by the charity as at the balance sheet date. They relate to current activities funded by the charity to which it is firmly committed. Unpaid balances due after more than one year are not discounted as the impact overall would be immaterial.

Adjustments relate to grant retractions whereby all funds allocated have not been used and are no longer required and therefore returned to funds for reallocation.



## Great Ormond Street Hospital Children's Charity

[Notes to the financial statements](#)**18. Analysis of consolidated net assets between funds**

	Unrestricted		Restricted	Endowment	Total at 31 March 2022 Total funds
	General	Designated			
	£000	£000	£000	£000	£000
<b>Fund balances at 31 March 2022 are represented by:</b>					
Tangible and intangible fixed assets	-	320,230	-	-	320,230
Long term investments	-	97,352	-	664	98,016
Net current assets	21,725	68,100	34,293	-	124,118
Long term liabilities	(1,716)	-	(19,333)	-	(21,049)
<b>Total net assets</b>	<b>20,009</b>	<b>485,682</b>	<b>14,960</b>	<b>664</b>	<b>521,315</b>

Restricted funds include long-term liabilities of £19.3m (2020/21: £23.4m) and short-term liabilities of £48.4m (2019/20: £44.6m), relating to grants awarded to the hospital, ICH and other research institutions.

	Unrestricted		Restricted	Endowment	Restated Total at 31 March 2021 Total funds
	General	Designated			
	£000	£000	£000	£000	£000
<b>Fund balances at 31 March 2021 are represented by:</b>					
Tangible and intangible fixed assets	-	315,872	-	-	315,872
Investments	-	85,785	-	664	86,449
Current assets and liabilities	28,333	54,688	36,906	-	119,927
Long term liabilities	(1,400)	-	(23,434)	-	(24,834)
<b>Total net assets</b>	<b>26,933</b>	<b>456,345</b>	<b>13,472</b>	<b>664</b>	<b>497,414</b>



## Great Ormond Street Hospital Children's Charity

## Notes to the financial statements

## 19. Consolidated funds

	Restated 1 April 2021 £000	Income £000	Expenditure £000	Transfers between funds £000	Losses and gains £000	31 March 2022 £000
<b>19.1 Endowment funds</b>						
A Tippetts and Crux	222	-	-	-	-	222
B Lewisohn	11	-	-	-	-	11
C Barnes	7	-	-	-	-	7
D Mary Shepard Bequest	407	-	-	-	-	407
E John Lund Wells Bequest	17	-	-	-	-	17
<b>Total endowment funds</b>	<b>664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>664</b>
<b>19.2 Restricted funds</b>						
A Redevelopment	4,568	2,819	(10,610)	5,044	-	1,821
B Louis Dundas Centre	836	139	-	-	-	975
C Physiotherapy Unit	1	-	-	-	-	1
D Translational Oncology research	662	-	1	-	-	663
E Regenerative Medicine	(324)	-	-	-	-	(324)
F The Richard Wright Fund	1,802	-	-	-	-	1,802
G The Friends Fund	1,076	-	-	-	-	1,076
H Craniofacial Fund	33	31	-	-	-	64
I Clinical Cardiac Chair	119	-	(9)	-	-	110
J Family Studies	230	-	(1)	-	-	229
K Olivia Hodson Cancer Fund	128	135	(144)	11	-	130
L Other special purpose funds	2,704	277	(205)	2	-	2,778
M Other restricted purpose funds	2,036	7,268	(12,392)	8,723	-	5,635
N Sparks restricted funds	(399)	-	-	399	-	-
<b>Total restricted funds</b>	<b>13,472</b>	<b>10,669</b>	<b>(23,360)</b>	<b>14,179</b>	<b>-</b>	<b>14,960</b>
<b>Total restricted and endowment funds</b>	<b>14,136</b>	<b>10,669</b>	<b>(23,360)</b>	<b>14,179</b>	<b>-</b>	<b>15,624</b>
<b>19.3 Unrestricted funds</b>						
General funds	25,576	63,872	(33,464)	(35,975)	-	20,009
<b>Designated funds and reserves:</b>						
Research fund	46,200	-	-	(23,117)	-	23,083
Property Redevelopment fund	98,942	-	-	13,011	-	111,953
Other Charitable Commitments fund	-	-	-	28,847	-	28,847
<b>Total designated funds</b>	<b>145,142</b>	<b>0</b>	<b>0</b>	<b>18,741</b>	<b>0</b>	<b>163,883</b>
Tangible Fixed Assets reserve	209,848	-	(1,559)	4,411	-	212,700
Property Revaluation reserve	96,687	-	-	-	6,998	103,685
Intangible Fixed Assets reserve	4,669	-	(822)	-	-	3,847
Investments Revaluation reserve	-	-	-	-	1,567	1,567
<b>Total designated reserves</b>	<b>311,204</b>	<b>0</b>	<b>-2,381</b>	<b>4,411</b>	<b>8,565</b>	<b>321,799</b>
<b>Sparks:</b>						
General funds	1,356	-	-	(1,356)	-	-
<b>Total unrestricted funds</b>	<b>483,278</b>	<b>63,872</b>	<b>(35,845)</b>	<b>(14,179)</b>	<b>8,565</b>	<b>505,691</b>
<b>Total funds</b>	<b>497,414</b>	<b>74,541</b>	<b>(59,205)</b>	<b>0</b>	<b>8,565</b>	<b>521,315</b>



## Great Ormond Street Hospital Children's Charity

### Notes to the financial statements

#### 19. Consolidated funds (continued)

##### Designated funds and reserves

The Research fund is designated to provide funds for research, improving outcomes for children through scientific discovery and researching new treatments.

The Property Redevelopment fund is designated to provide funds for major building and capital development projects, e.g. the Children's Cancer Centre.

The Other Charitable Commitments fund is designated to provide funds for non-research and non-property redevelopment charitable expenditure, e.g. patient & family support, medical equipment, technology and digital opportunities, the GOSH Learning Academy and maintenance and running costs for property held by the charity as part of providing support to the Hospital.

The Tangible Fixed Assets reserve is designated to fund the replacement or refurbishment of such assets belonging to the charity. The value of this reserve is based on historical cost and does not include properties identified for sale. The total value of the Tangible Fixed Assets reserve and the Property Revaluation reserve equals the value of tangible fixed assets shown on the Balance Sheet.

The Property Revaluation reserve is designated to reflect changes in value to our property portfolio arising from independent valuations.

The Intangible Fixed Assets reserve is designated to fund the replacement of software assets belonging to the charity.

The Investments Revaluation reserve is designated to reflect the changes in value to our long-term investments portfolio arising from independent valuations.

Transfers between funds represent:

- Where subsequent instructions are received from a donor restricting income that was originally received with no restrictions (or vice versa)
- Where two restricted funds have a common purpose, transfers may be made to support on an individual project which matches their restrictions.
- General funds may be designated for a particular purpose should the Trustees decide this to be appropriate.
- Designated funds may be undesignated with the funds returning to General funds should the Trustees decide this to be appropriate.
- Movement between unrestricted and designated funds to hold the correct closing balances in each fund as per the organisations liquidity, funds and reserves policy

Gains and losses represent increases or decreases in the charity's property valuations (see note 9) and unrecognised gains or losses within the investment portfolio (see note 10).

Negative restricted funds are held in instances whereby we have received assurance from donors of their support for projects that we have funded, but not yet received the funds or a contracted pledge. During the year, a detailed review of funds was undertaken, and where amounts had not been received, funds were transferred from unrestricted funds.



## Great Ormond Street Hospital Children's Charity

## Notes to the financial statements

## 19. Consolidated funds (continued)

**Endowment funds**

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

**Restricted funds**

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



## Great Ormond Street Hospital Children's Charity

[Notes to the financial statements](#)**20. Notes to the consolidated cash flow statement****20.1 Reconciliation of net income to cash flows from operating activities**

	<b>Year ended 31 March 2022 £000</b>	<b>Year ended 31 March 2021 £000</b>
Net movement in funds	<b>23,901</b>	19,491
Depreciation and amortisation charges	<b>3,203</b>	3,432
Investment income	<b>(469)</b>	(1,490)
Unrealised gain on investments	<b>(1,567)</b>	(10,375)
Unrealised gain on revaluation of land & buildings	<b>(6,998)</b>	13,397
Decrease in stocks	<b>21</b>	8
Increase in debtors	<b>(4,595)</b>	(1,277)
Decrease in creditors	<b>(1,253)</b>	(10,229)
<b>Cash inflow from operating activities</b>	<b>12,243</b>	<b>12,957</b>

**20.2 Analysis of net funds**

	<b>1 April 2021 £000</b>	<b>Cash flows £000</b>	<b>31 March 2022 £000</b>
Cash at bank and in hand	54,961	(12,640)	<b>42,321</b>
Short-term deposits	98,436	14,789	<b>113,225</b>
<b>Total</b>	<b>153,397</b>	<b>2,149</b>	<b>155,546</b>



## Great Ormond Street Hospital Children's Charity

## Notes to the financial statements

**21. Commitments, contingent liabilities and provisions**

There are no commitments or contingent liabilities requiring disclosure in the financial statements (31 March 2021: nil). The position regarding the potential pensions exposure is uncertain and a prudent prior year provision of £1.4m has been provided for in the accounts relating to an historic potential exposure that came to light in the year concerning potential employer NHS pension contributions between 2006/07 – 2014/15. This provision represents a 'best estimate' based on actuarial analysis of potential costs to the charity and is based on 20% of a 'total worst case' position. The best estimate sits within a range of zero for a 'reasonable best case', which assumes no exposure is realised, and £2.8m for a 'reasonable worst case', based on 40% of the 'total worst case'. These percentage discounts are supported by our professional actuarial advisers as reasonable given the high level of uncertainty regarding whether the exposure will be realised and, if so, the extent to which the charity will ultimately incur costs.

	<b>Total at 31 March 2022 £000</b>	<b>Restated Total at 31 March 2021 £000</b>
Employer NHS Pension Contributions	1,400	1,400
<b>Total</b>	<b>1,400</b>	<b>1,400</b>

This is a non-current liability as the matter will be ongoing beyond 31 March 2023.

**22. Restatement of prior year balances**

The relevant balances for 2020/21 have been restated as applicable as a result of the £1.4m provision as set out in note 21. This has resulted in a restatement to the following areas within the Financial Statements:

- SOFA – Reconciliation of funds (as per table below)
- Balance Sheet – Creditors amounts falling due after one year and General funds
- Note 18 – Long term liabilities
- Note 19 – Opening balance, movement between General funds and Property Redevelopment fund
- Note 21 – Provision

	<b>Surplus for the year ended 31 March 2021 £000</b>	<b>Funds brought forward 1 April 2020 £000</b>	<b>Total £000</b>
As previously stated	19,491	479,323	498,814
Restatement of prior year: Provision	-	(1,400)	(1,400)
<b>As restated</b>	<b>19,491</b>	<b>477,923</b>	<b>497,414</b>



## Great Ormond Street Hospital Children's Charity

[Notes to the financial statements](#)**23. Legacies**

The charity has been notified of 373 legacies which have not been included within the financial statements, as some or all the criteria for recognition have not been satisfied (2020/2021: 271). Of these, 50% are pecuniary legacies which have an average value of £7k (2020/21: 47%, £1k) and the remaining 50% are residuary, life interest, income trust & specific legacies which have an average value of £18k (2020/21: 53%, £12k). The charity does not have any indication of when it is due to receive these monies. Included within the above figures are 34 legacies (2020/21: 8) which are subject to a life interest, as well as 20 specific legacies (2020/21: 7) which are not subject to a life interest.

**24. Annual commitments under non-cancellable operating leases**

	<b>Total at 31 March 2022 £000</b>	Total at 31 March 2021 £000
Operating leases which expire:		
Within one year	30	81
Between one and five years	569	640
After five years	-	-
<b>Total</b>	<b>599</b>	<b>721</b>

Operating leases include the lease for our office, IT leases and the hire of photocopiers. The charity took out a new lease in 2020/21 on a smaller office in the same building and future lease commitments have reduced in line with this change. The lease is for a period of 10 years with a 5 year break clause. Therefore, only commitments that fall due up to the break clause are included here.



## Great Ormond Street Hospital Children's Charity

[Notes to the financial statements](#)**25. Related party transactions**

During the year the following related party transactions took place:

David Germain and Karima Fahmy hold Board positions at the University of Cambridge. During the year Research Grants were provided, and paid, to the University totalling £184,131.

During the year donations of £237,344 (2020/21: £75,429) were received from related parties. This includes £170,000 from NHS Charities Together, of which Kiki Syrad (Director of Grants & Charitable Impact) is a Trustee.

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

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2022 £000's	Debtor balance as at 31 March 2022 £000's
GOSIPL	Wholly owned subsidiary	Management charge for costs incurred by GOSH charity, distribution of year-end profit to GOSH charity and costs incurred by one entity on behalf of another entity.	610	1,253
Sparks	Wholly owned subsidiary	Income received during the year, before Sparks was fully dissolved, with subsequent transfer of balances to GOSH Charity	15	-

The charity has 114 linked charities, which primarily relate to Special Purpose Funds, which are restricted funds relating to various areas within Great Ormond Street Hospital and UCL Institute of Child Health.

**26. Events after the reporting period**

There are no events that occurred after the reporting period which require disclosure.



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This Annual Report and Accounts 2021/22 is available to view at [www.gosh.org](http://www.gosh.org).

Great Ormond Street Hospital Children's Charity.  
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